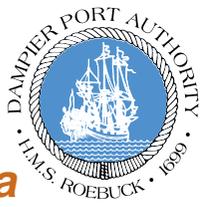




# 2011

## Annual Report

Think Big. Think Smart. Think *West Pilbara*



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## Authority Directory

**Board of Directors**  
**Chairman:**  
Brendan Hammond

**Deputy Chairman:**  
Robert Vitenbergs

**Members:**  
Noel Bridge  
Mike Deeks  
Fiona Russell

Nick Serle

**Chief Executive Officer:**  
Steve Lewis

Principal Accounting Officer:  
Megan Marion

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Auditors:  
Auditor General

Internal Auditors:  
PKF Chartered Accountants

Reference:  
SHEQ-SYS-G-031

# Refining our Focus

## The Gateway between the West Pilbara & Asia

During the year the Board of the DPA added further definition to the Vision and Purpose of the port, to recognise that the Port of Dampier and the trade it supports is principally directed toward Asian markets and that the surrounding West Pilbara coastline is the premier energy and mineral resource hub of Australia. This status will continue as known and forecast regional development projects are delivered.

The refining of our focus sets a very significant challenge to the DPA to think big, think smart, and think future in implementing our strategy. To succeed we must approach the role of a port differently and strive to add value at every opportunity which we embrace.

The DPA is responsible for ensuring that all elements of the port "gateway" are in place to optimise trade from the region now and in the future, and to help create the in-perpetuity assets within the West Pilbara and the State that arise from that trade.

The Board, management, and the dedicated and diverse team of women and men at the DPA, are focused on leading and developing the initiatives which support the Vision and Purpose, and ensuring that trade along the West Pilbara is properly planned, jointly developed, efficiently delivered, and that the dividends to the community and the nation are maximised.

The West Pilbara is awash with opportunity to do things differently and better, and we are thriving on the challenge!

Steve Lewis  
Chief Executive Officer



### Our Vision:

Australia's premier energy and industry hub and gateway to Asia.

### Our Purpose

To facilitate trade and help optimise the West Pilbara coast for the benefit of all.

### Our Values

*Integrity...in our dealings*

*Professionalism...in our work*

*Value for Money...to our customers*

*Care...for our environment, our staff and community*

*Teamwork...for shared success*

# From the Chair



Brendan Hammond  
Chairman

Robert Vitenbergs  
Deputy Chairman

Noel Bridge  
Director

Mike Deeks  
Director

Fiona Russell  
Director

Nick Serle  
Director

The West Pilbara region is the most important and growing area of the Australian economy. The region's reputation for large-scale resource projects and innovative logistic solutions continues with a significant stream of major developments underway or in prospect. Port operations and planning are at the centre of every one of these projects, and the DPA is making a valuable and unique contribution to ensuring that the export of resources and the import of equipment and materials occurs in the smartest and most efficient manner.

Over the next seven years the West Pilbara will witness the establishment of another world-class iron ore port at Anketell, and the development at Ashburton (near Onslow) of one of the world's largest LNG port precincts. The DPA has the important responsibility to plan and manage these new greenfield port developments and they have been a key focus of our activity in 2010-11. In addition, we have continued to progress the expansion of berth and laydown facilities and to work on the important internal systems and processes that support efficient and effective operations.

For the year ended 30 June 2011, in three indicators of growth, the DPA has witnessed:

- the second highest annual tonnage ever recorded from Dampier (165.0 million tonnes);
- a 30 per cent increase in vessel arrivals at the port (6,003 vessels – a new record and reflecting a similar increase in general cargo activity for the year); and,
- a record dividend of \$4.3m paid to the State.

We have extensively supported the commercial aspects of the proposed LNG development at Ashburton North, including assisting the State in port design and community engagement. We further developed our Perth Office strategy, providing the opportunity for other regional ports to have a presence in Perth which is important for customer relationships and port development. Much more work has been undertaken in the engineering and design of new facilities in the port, including our proposed Dampier Marine Services Facility and the final funding approvals required. The DPA has also completed the necessary engineering works to support the Gorgon project logistics with the provision of access for rock loading in early 2012. Many proponent projects are being managed, and the DPA is a vital part of assisting those projects with advice, access, and services to achieve the best logistics solution.

The DPA continues to play a leadership role in working with proponents and Government to create the ports of the future. This is very evident in the excellent port planning work completed this year for the Port of Anketell, where the DPA had full carriage of the development of a port master plan for the site, which enables proponents to plan their own projects around a very clear port structure. The DPA has done similar work for the Port of Ashburton with outstanding results in structure and land-use efficiency.

The Board of the Dampier Port Authority has delivered strong corporate governance to an organisation alive to opportunities and in a high growth phase. The reputation of the port continues to grow with innovation, flexibility, and thinking with the future clearly in mind. Of particular for the year ahead is the development of a strong partnership with local indigenous communities, built on mutual respect, to create the in-perpetuity assets that are so vital to the future of the region. The DPA is committed to doing things differently across its areas of influence and setting itself apart as a "smart port".

As Chairman, I am particularly proud of the alignment of strategy and focus between the Board, the CEO, and the team at the DPA. We have recruited well during the year, ensuring that we have the right thinking and capability in place at various levels of the organisation in line with our very clear strategy for adding value across the West Pilbara. A particular highlight has been the introduction of "work levels" which has set the accountability and structure which is the foundation from which the next phase of achievements will depend, but which provides for better performance assessment and forward planning within the organisation.

I congratulate my fellow Board members on their commitment and leadership to place the organisation in a position of strength to embrace the opportunities ahead. We are excited by the port's prospects in 2011-12 and remain alert to the very real possibilities to create additional value in the West Pilbara.

Brendan Hammond  
Chairman

*"The DPA continues to redefine how a port should go about its vital role – a port must first and foremost embrace the Gateway concept and therefore ensure that all the necessary planning, provision of vital services, and establishment of base infrastructure is in place for industry to do what it does best - the efficient delivery of trade and services"*

Brendan Hammond, Chairman



LNG tanker berthed at Woodside facility

Australia's thriving resources sector (comprising minerals and petroleum) is the country's largest single export sector. Continued growth in this sector is driving in excess of \$170 billion worth of major new resource projects, either committed or under consideration in WA. The majority of these projects are located in the Pilbara, remarkably a region less than 0.2 percent of the nation's population but considered the engine room of the Australian economy. The Pilbara is responsible for approximately 20 percent of the nation's exports, including various forms of gas from the massive oil and gas reserves off the north west coast and iron ore from the inland mines.

To efficiently export these bulk commodities, it requires the services of the nation's second largest bulk export port, the Port of Dampier. Located on the North West coast some 1,260 kilometres north of the State capital Perth, the Port has enjoyed phenomenal growth since its development in 1963 to service Hamersley Iron's (now Rio Tinto) iron ore exports from Mount Tom Price.

Today, the Port is a vital gateway for exports and imports into the Pilbara region. During 2010/11 Dampier handled \$31.5 billion of goods and materials, including \$18 billion of iron ore, \$8.6 billion of liquid natural gas (LNG), \$1.8 billion of natural gas condensate and \$700 million of liquid petroleum gas (LPG). Other major products handled included \$336 million of anhydrous ammonia and \$95 million of salt, as well as \$732 million of general cargo.

Over the last five years trade through the port has grown at an average rate of 10 percent per annum, and the projections show that growth is likely to continue as oil and gas production from the new offshore field's ramp up to full scale production and iron ore production continues to expand.

The facilities at Dampier have grown over the years and currently include the Dampier Cargo Wharf and the Dampier Bulk Liquids Berth operated by DPA, as well as a wide range of private facilities run by the Port's major clients including Rio Tinto, Woodside Burrup Limited (WBL), Dampier Salt and Mermaid Marine Australia (MMA).

The Port is now gearing up for an ambitious programme of expansion, including the new Dampier Marine Services Facility (DMSF) that will double berthing capacity through the provision of an additional eight berths with facilities for vessels up to 65,000 DWT; an adjacent lay-down area equipped with general cargo handling facilities and storage sheds; a roll-on roll-off wharf; and upgraded heavy load-out and rock load-out facilities. In addition to the construction of the DMSF, short-term plans include the development of an alternative water supply option for Port users, upgrades to the road network to the Burrup Peninsula and a truck marshalling area at the Port. Meanwhile, WBL is due to complete construction and commissioning of their new Pluto LNG facility in the near future; and Rio Tinto have recently expanded their facilities at Parker Point.

The DPA is also intensifying efforts to expand the geographical boundaries of its responsibility. Considerable work has gone into the concept and design of two exciting new port developments in the West Pilbara region. The first at Ashburton North, located 11 kilometres south-west of Onslow, will accommodate major LNG developments including Chevron's Wheatstone Project. The second new port development is located at Anketell Point, 30 kilometres east of Karratha, that will provide a multi-user deepwater bulk export port (Anketell Port) for a number of junior miners in the Central and Western Pilbara.

Finally, the DPA is taking a leadership role in promoting collaboration in port related activities across Western Australia. The recent expansion of the Perth office is fostering a regional port centre for WA and strengthening collaboration between fellow WA Ports in an environment that facilitates the sharing of knowledge and skills, particularly in planning and development.

## Highlights

- Diesel import pipe and associated marine loading arm successfully installed on the Dampier Bulk Liquids Berth.
- Chevron Australia leased the Heavy Load Out and Alternate Load Out facilities for project cargo related to the Gorgon Project.
- DPA received Environmental approval for the Dampier Marine Services Facility in June 2011.
- Australian Marine Solutions awarded long term contract for the provision of Pilotage Services.
- On the 25 February 2011, *Finnanger* berthed on the Pluto Wharf. She was the first vessel to use the Pluto Channel.
- Burrup Fertilisers celebrated the 100<sup>th</sup> shipment aboard the *Nordic River*.
- A total of 2042 Maritime Security Identification Cards were issued, making the DPA the second-largest issuing body in Western Australia.
- DPA, Woodside Burrup, Rio Tinto Iron Ore and Rio Tinto Dampier Salt united in December 2010 to form 'Industry Communities Against Rubbishing our Environment'.
- DPA implemented the Levels of Excellence (LoE) accountability methodology across the organisation.
- DPA established a Sponsorship Committee to assess and manage all community partnerships.
- DPA hosted the inaugural WA Ports Maintenance Forum in April 2011.

- Port of Dampier Development Plan (2010-2020) released in December 2010.
- SHEQ Administrator and Business Improvement Coordinator appointed to drive DPA's commitment to Systems Thinking.
- DPA continued to be extensively involved with the proposed LNG development at Ashburton North and Anketell Port.

## Financials

	Result \$'000	% change from 09/10
Total Revenue	44,344	17%
Net Profit	7,006	33%
Dividend Declared	4,554	33%
Capital Expenditure	3,449	(37%)
Total Assets	110,428	5%

## Operations

Total No. Vessels	6003
Total Tonnage	165,025,204



# Facilitating Trade

## Port Facilities

### Dampier Cargo Wharf

The Dampier Cargo Wharf (DCW) is an essential piece of infrastructure that facilitates project developments within the Pilbara region requiring the import/export of general cargo trade. The DCW experienced significant growth in activity this year (particularly in the last six months) as companies such as Santos, BHP, Apache, Woodside and Chevron progressed planning and logistics work. Consequently, there was an overall increase in revenue associated with the use of the DCW.

The DCW cyclical maintenance program continued throughout the year. The purpose of the program is to extend the ongoing efficiency and operability of the wharf. The DCW is now into its fourth year of topside concrete repairs. Maintenance is primarily scheduled around port and proponent activities; with major efforts focused on reducing the impact on port users.



### Dampier Bulk Liquids Berth

The Dampier Bulk Liquids Berth (DBLB) was initially constructed to promote and support the downstream gas processing industry on the Burrup Peninsula. To date, Burrup Fertilisers Pty Ltd continue to be the primary user of the facility, exporting a total of 765,499 tonnes during 2010/11.

The capacity of the DBLB to manage existing and forecast demand was assessed in detail while preparing the Port of Dampier Development Plan (2010-2020). Planning found that significant opportunities exist for new development. The most recent development on the facility is the installation of diesel importation equipment. The installation represents a significant milestone for both Woodside and DPA, in that, an under-utilised facility is now fully equipped to accommodate a new trade. Following on from this, Shell's 300mmØ diesel import pipe and associated marine loading arm was successfully installed. The loading arm connects the diesel storage tanks located in Woodside King Bay Supply Base to this facility. Consequently, road diesel tanker traffic through the port will noticeably reduce.

In addition, DPA installed a state of the art gangway; commissioned in November 2010. A customised self-levelling gangway, designed in consultation with DPA's Project Engineers and fabricated in the Netherlands. The automated Ship to Shore gangway provides safe access to and from ships at berth. The facility is 18m long (fully extended), 11m long (fully retracted), has a range of motion of 195 degrees horizontally, 26 degrees vertically up and 45 degrees vertically down. Since installation the advanced facility has significantly improved ship to shore access for vessels berthing at the DBLB, further enhancing DPA's quality facilities and safety for port users.

### Heavy Load Out (HLO) & Alternate Load Out Facilities (ALF)

The HLO was constructed in 2003 to support the North West Shelf Venture (NWSV) Trunkline Expansion Project. The facility was upgraded in 2006 and again in 2008, for the offload of pre-assembled modules for the NWSV Train V Project and Woodside's Pluto Project. The ALF is located south of the DCW and HLO facility. The facility was designed and constructed to facilitate the load-out of materials and equipment to support the construction of the Pluto LNG jetty.

In preparation for increased activity surrounding the Gorgon Project, Chevron Australia Pty Ltd have leased both the HLO and ALF. The facilities will cater for project cargo and rock load-out.



### Dampier Marine Services Facility (DMSF) & Laydown Areas

DPA has spent considerable time and effort on continuing the DMSF project planning. DPA is in the process of securing final funding approval for stage 1 of the new facility, which has been designed to meet the rapidly expanding needs of the offshore oil and gas industry as well as the mining, processing and infrastructure industries.

The DMSF will, over two separate construction stages, more than double berthing capacity by providing an additional eight berths with facilities for vessels up to 65,000 DWT including an adjacent lay-down area equipped with general cargo handling facilities and storage sheds; a roll-on roll-off wharf; and upgraded heavy load-out and rock load-out facilities. The facilities have been designed to accommodate a diverse range of users and uses and it will relieve the current berthing congestion at the port, improve operational efficiency, provide redundancy to enable activities to continue in the event of failure or shutdown at the existing cargo wharf.

All design for the land back wharf and seawall, dredging and reclamation is complete. Tenders are closed and companies have been shortlisted. Environmental Approval for the project was received in June 2011, a major milestone in itself. This single initiative will support a number of major resource projects over the next decade, as well as attract new trades in break bulk and general cargo.

"We focus on growing the pie, rather than taking a larger slice. We aim to provide sound leadership and genuine support for stakeholders to achieve their business objectives in the Port of Dampier"

Kevan Wheeler, Acting Engineering Services Manager



## King Bay Industrial Estate

Progressing the King Bay Industrial Estate (KBIE) infrastructure upgrade has been a central focus for the Engineering Services department over the last 12 months. KBIE is approximately 69.4 ha in size and accommodates 12 leaseholders. The large majority of leaseholders support the Port and/or the offshore oil and gas industry. To date 90% of all the roadworks have been completed (including Hammonds Road, Mermaid Court and Streckfuss Place to allow for safe and free flow of traffic through the estate) and approximately 20% of the services works are complete. The remainder of the infrastructure works is being planned, including: undergrounding power; relocating Telstra and WaterCorp infrastructure to the correct alignment; installation of a new substantial drainage ditch along Streckfuss Place to improve the drainage system to cater for severe cyclonic and rain storm events and free up valuable lease land between Streckfuss Place and Mermaid Court.

These activities are part of DPA's overall plan to upgrade the whole of the estate to Australian and DPA standards.

# Facilitating Trade

## Pilotage Services

A new era of Marine Pilotage Service provision in the Port of Dampier will commence on 28 August 2011, when Australian Marine Solutions (AMS) commences a long-term contract with the Dampier Port Authority to provide Pilotage services. The contract was awarded in 2010-11. These services were previously undertaken by Pilots from Woodside, who will now concentrate exclusively on Gas and Condensate ships operating from the Woodside and North West Shelf terminals.

AMS is a locally owned and operated company with its office in Dampier. Company Directors, Captain Kim Lyons and Captain Bob Walker have worked in the Pilbara for many years and have put together a team of pilots and support staff with extensive maritime experience across many sectors, both within Australia and internationally.

In conjunction with Beyond Marine, another locally based company that will deliver pilot transfer services by boat to the marine craft, Captain Lyons said "AMS look forward to providing a high quality and tailored service to the Dampier Port Authority and is hopeful that this would be the start of a very long professional relationship".

## Stevedoring

In August 2009 DPA licensed P&O Automotive and General Stevedoring (POAGS) as a second stevedore to operate on the DCW facilities. The new arrangement has been well received by Port users. An additional service provider has created greater competition and provided choice for Port users. The DPA will continue to improve standards and competition among suppliers where this can be achieved in the interest of Port users.

## Bunkering Barge

BP's bunkering barge, 'Partner' was introduced to the Port in January 2011. The barge has enabled vessels at anchorages or alongside wharves in port waters to refuel at their convenience, thus creating more options for customers in the Port for bunkering. Another example of how DPA works with proponents to improve facilities for Port users.

## Contractors Handbook

The Engineering Services Department (ESD) prepared and launched the Contractors Handbook in early 2011. Falling within DPA's overarching Safety, Health, Environment and Quality Management System (SHEQ), the new Handbook provides the framework that allows DPA and Contractors to consistently identify and control health and safety risks, reduce the potential for accidents, aid legislative compliance and improve overall performance. Ultimately, DPA is committed to ensuring that a safe and healthy working environment is provided when works are carried out within DPA's land and waters. The handbook is available on the DPA website.

## Permit Procedure

Drawing on the Contractor's Handbook, the ESD went one step further and redefined DPA's permitting procedure. Encompassing key cross functional responsibilities, the new procedure is a diversified permitting system that provides a consistent approach and risk management tool for the DPA. It defines a minimum safe work system for work performed at sites under DPA's control and ensures a high standard of protection for people, environment and property. The procedure and all associated permits are available on the DPA website.

## DBLB Handbook

The Wharf Managers completed a review of the Dampier Bulk Liquids Berth (DBLB) Handbook. The handbook is used as a reference tool to meet the information needs of users of the DBLB terminal and Port of Dampier. It provides information to owners, operators, charterers, agents and masters of vessels with regard to safety and security regulations, general conditions, terminal facilities and available services at the DBLB Terminal. The revised handbook is available on the DPA website.

## Arrestor Bed

The Port of Dampier has the steepest single port entry and exit in Australia; a 7.5 percent descent. Consequently, a truck arrestor bed was designed to mitigate the risk of the entry/exit. In designing the arrestor bed, DPA had to cater for current and potential traffic, including major rock load out projects (e.g. Gorgon project) likely to transport 2.5 million tonnes of rock through the port. The facility is also paramount to mitigating risk during the construction of the DMSF. The project was completed in June 2011, for approximately \$1.6 million.

## Vessel Traffic Information System

DPA's Board of Directors approved the next stage of a feasibility study for a Vessel Traffic Information System (VTIS). Under a VTIS regime DPA will introduce procedures covering all marine aspects of port operations to enhance the safe working of the port once approved. The Operations Department will ensure communications staff undertake formal training and assessment leading to an internationally recognised qualification. In the role as VTIS operators they will support vessel pilots and masters warning them of potential hazards and circumstances where safety may be compromised.

## Truck Marshalling Area

In response to feedback from Port Users and increased traffic within the Port, DPA is working with Main Roads and the Shire of Roebourne to identify suitable locations for a truck marshalling area. The areas are in close proximity to the Port. Discussion and planning has centred on ideal proximity and optimising the space. Main Roads has obtained Federal funding and will be managing the project.

## Car Park

In response to DPA's rapidly growing staff numbers, operations and a demand for additional parking, a new car park was constructed adjacent to the Administration building allowing for 22 bays. The project commenced in April, and was completed late May. The total project cost came in at approximately \$500,000.

"The West Pilbara is alive with opportunity to create in-perpetuity assets from the extraordinary resource development which is occurring, and the DPA is committed to playing its part in maximising the value of those assets."  
Steve Lewis, CEO



Pluto Project Module transportation

## Oil & Gas

### North West Shelf Venture

The first half of 2011 has seen continued strong performance from the North West Shelf Venture (NWSV) facilities. Woodside delivered 132 cargoes of LNG on behalf of the NWS Venture, compared to 127 in the first half of 2010. The increase is primarily attributed to increased production from LNG Train 5 following the completion of remedial work on the main heat exchangers during planned maintenance in May 2010.

### Pluto LNG Project

The DPA worked closely with Woodside Burrup Limited (WBL) to manage the logistics of construction materials and pre-fabricated modules through the port to build the Pluto LNG plant and associated marine facilities, including purpose built LNG jetty, tank storage, shipping channel, and trunkline to the Pluto gas field. A total of 264 modules were shipped on heavy lift, wide-deck, roll-on-roll-off vessels arriving at the Port of Dampier before being assembled on the Burrup Peninsula. Modules varied considerably in sizes and weight, with the largest weighing in at an impressive 2000 tonnes.

This \$14 billion project is nearing completion and is expected to be exporting LNG from third quarter 2012. WBL is working on the feasibility of a second train (subject to gas availability) and has plans for up to five trains in total.

The overwhelming success of the Pluto Project to date highlights the potential for similar pre-assembled modular construction projects across the North West. DPA has considered the impact of increased module delivery on general cargo operations at the port and has planned accordingly. Specifically, the DMSF project will provide the additional heavy lift berth capacity and additional laydown area for short term storage.

### Burrup Fertilisers

Burrup Fertilisers' operations and exports have remained fairly consistent. A total of 765,499 tonnes was exported via the Dampier Bulk Liquids Berth, only a slight decrease on last year.

In 2010, Burrup Fertilisers celebrated the 100th shipment, aboard the *Nordic River*.

## Bulk Commodities

### Rio Tinto

Rio Tinto has achieved yet another consistent year in terms of operations and a total of 136,287,257 tonnes throughput. Current energies are focused on finalising studies for the expansion of its industry leading Pilbara iron ore operations to 333 mtpa export, including their Cape Lambert expansion. DPA will continue to be supportive and innovative in assisting Rio Tinto to grow and develop their activities in the Port of Dampier.

### Dampier Salt

A member of the Rio Tinto Group, Dampier Salt is the world's largest exporter of salt. Dampier Salt has a production capacity of 10.3 mtpa; approximately 4.2 million tonnes of this was exported from the Port of Dampier terminal during 2010/11.

## Support Services

### Major Development

#### Engineering Construction Maintenance

ECM is facilitating construction of a Liquid Mud Plant in Lot 314 with Halliburton.

#### Mermaid Marine Australia

MMA upgraded its laydown/hard standing area. During the year MMA Dampier Supply Base experienced high utilisation and secured a major new long term contract with Chevron supporting its drilling and production operations, and development/construction.

#### MI Swaco

MI Swaco is upgrading and expanding its existing Liquid Mud Plant. The expansion will enable MI Swaco to meet future demand of drilling fluids. Patricks will be upgrading the fire fighting infrastructure in the upcoming quarter to support the expansion.



Dampier Salt facilities

# A Safe & Secure Port

"The safety of our employees, contractors and port users is never compromised. Safety is built into our culture at DPA. Health and safety is considered to be key a strategic consideration in all decision making"  
Captain John Fewings, Harbour Master



On the doorstep to the Dampier Archipelago, the Burrup Peninsula is an ever popular recreational boating area. The town of Dampier reportedly has the highest number of boat owners per capita in the whole of Australia. In terms of commercial traffic, approximately 6000 commercial vessels visit the port each year. Hence, safeguarding people, assets and trade within the Port of Dampier is substantially more complex. In spite of this, an active Safety and Security team ensure DPA continues to enjoy a high standard of Marine Safety.

## Security Gatehouse

Construction commenced mid-2010 on DPA's new gatehouse at the entry of the Port of Dampier's Landside Restriction Zone. The building is a purpose built facility that provides essential office accommodation for DPA's security, MSIC and safety personnel. Using transportable building technology, the facility is two storeys high. It features induction facilities, a large first aid room and drug and alcohol testing facilities. The construction is due for completion in late 2011.

Once the gatehouse is completed the new accompanying security gates will be commissioned. Designed specifically to accommodate large module transportation, the new gate is 35 metres wide at full retraction.

## Oil Spill Exercise

Each year DPA hosts an oil spill response exercise for all staff. Exercise 'Rainbow Sheen' was held on the 24 August 2010. The aim of the drill was to educate and familiarise staff with response procedures and equipment. The low key and fun nature of the exercise, aids in the overall plan that the more exposure and practice staff have, the better the response capability from the DPA.

The Port of Dampier Marine Oil Pollution Contingency Plan provides DPA with a planning and response framework for marine oil spill events. Importantly, the document acts as a reference guide for Port stakeholders and terminal operators who are responsible for developing their own marine oil spill response capability.

DPA's Harbour Master regularly engages with key Port Industry and government stakeholders on marine oil pollution through the Marine Oil Pollution (MOP) Committee. The MOP Committee's core function is to enhance marine oil spill response in the Port.

## Maritime Security Identification Card

The DPA continues to provide a valuable service to port customers and surrounding maritime businesses as an authorised issuing body for the Maritime Security Identification Card (MSIC). Security is a high priority at the Port of Dampier and operating as an issuing body ensures DPA is directly linked to customers as well as enabling the port to achieve a high level of security compliance and more effectively control port access.

The MSIC security requirement commenced in January 2007, and the DPA started processing and issuing cards in May 2006 in preparation for that commencement date. The initial cards were issued for a five year period, many of these are due for renewal in 2011. In preparation for the changes and the renewal period, the DPA increased the staffing resources of the MSIC office. The last 12 months allowed time for staff to be adequately trained to provide a high degree of customer service through an intense period of renewal activity. To date, the DPA has processed 551 renewals in this financial year, ahead of the bulk of renewal demand expected between July and December 2011.

In addition, the Federal Government announced in January 2010 significant changes to the MSIC arrangements including: altering the card validity period to an optional 2 or 4 years; increasing the number of criminal offences which can exclude a person holding an MSIC; and changes in reporting requirements for MSIC holders. These changes became effective from 1 December 2010. Significant changes were required to the MSIC database to accommodate the legislative changes. All MSIC documents and forms have been amended and included in the DPA's SHEQ Management System. The new online MSIC Awareness module and application was launched in December 2010. The module is available on the DPA website: <http://www.dpa.wa.gov.au/MSICinduction.html>

The total number of MSICs processed during the year was 2042, making the DPA the second-largest Port issuing body in WA.

## Moorings

During the year DPA has targeted improvements to the safety of moorings in the port. In a cyclone-prone area, the reliability of moorings is of critical importance and the Port has established sound moorings standards. All mooring locations are now mapped and tracked thus providing a much better overview of risk areas. The Moorings Handbook and associated documentation was revised 2010/11 and is available on the DPA website: <http://www.dpa.wa.gov.au/Port-Operations/Moorings.aspx>

## Regional Response Team

The Regional Response Team WA is designed to provide 'mutual aid' in the event of a marine emergency, specifically oil pollution. The group comprises of representatives from the following port locations: Port Hedland; Barrow Island; Onslow and Port Walcott. The group mobilised in response to the *Iron King* incident in the Port of Port Hedland in 2008, and serves as the support crew to assist Port Hedland Port Authority (PHPA).

## Safety Audit

In January 2011, DPA's Safety Team engaged the services of IFAP (Industrial Foundation for Accident Prevention) to perform an audit against WA's work safe plan and DPA's SHEQ Management System, specifically the Occupational Safety and Health Program. The audit was a useful exercise in determining areas for improvement and refinement. The Audit also assessed the outcomes of recommendations DPA adopted from the Behavioural Safety Analysis that was conducted last financial year. The DPA received a Silver Award for its Safety Systems.

## Safe Driving Policy

The DPA Safety Team developed and implemented a Safe Driving Policy. The policy outlines the recommended driver break times for long trips and other precautionary measures. A critical policy given the number of site visits distances staff travelling in relation to DPA's Greenfield Port field trips.

## Port Facility Security Training

DPA recently arranged Port Facility Security training for employees and appropriate industry members within the region. In accordance with the requirements under the *Maritime Transport and Offshore Facilities Security Act 2003*, DPA provided all employees with the opportunity to further their security accreditation and will continue to facilitate refresher courses as required. The course assists in DPA's overall objective to protect and promote security within the Port and ensures employees are well equipped to participate in strategic security planning.

# Achieving That Balance

The Dampier Port Authority understands that the decisions the Port makes today will impact generations to come. The DPA stands firm on the commitment to carefully consider environmental, social, heritage and community impacts from commercial activities within the Port of Dampier and the Pilbara region of Western Australia. This is achieved through balancing the development of one of the most important industrial and trade centres in Australia, whilst recognising the need to preserve the peninsula and adjoining marine environments.

## Historical Photographic Monitoring

The changes to the landscape, facilities and infrastructure of the DPA have been dramatic. In the coming years, the pace of development is going to eclipse happenings to date. This will see the development of the Dampier Marine Services Facility, new offices, changes to existing tenants and new tenants starting.

At Ashburton North and Anketell, the changes are going to be much more dramatic. We are going to see sites develop from Greenfield natural areas to world class, multi-billion dollar Gas and Ore assets.

The question is: How do we record this change, for both our needs as astute land managers, but also for the State as an historical legacy?

In July 2010, the DPA embarked on an historical photographic monitoring project that will capture change across Port lands in Dampier and proposed Port sites at Anketell and Ashburton North. Approximately 200 sites have been selected across these three locations. At each site a series of photographs taken by a professional photographer at four metres above ground level are captured to form a full 360° panoramic scene. The photos are captured on both black and white film to National archival standards and high resolution colour digital images. The photos are also printed on archival quality paper in a full colour hardcopy book, which are then produced for storage in our technical library. All digital images can be accessed via the Port's GIS system.

DPA intends to continue the historical photographic monitoring project at each location on a biennial basis. This will allow DPA to place development in context via comparison of the images, as well as record historical changes in a consistent and repeatable approach.

## Establishment of a Heritage Conservation Area

In 2003, the DPA set aside some 10ha of land within the King Bay Industrial Estate for the purposes of heritage conservation. The area was selected to retain Aboriginal heritage sites of considerable number and significance and also gave DPA a secure long-term site to relocate heritage sites, when all other management options are exhausted. While relocation is the last option on the DPA's hierarchy of options, this site provides a location where the sites can remain in a natural context and have a secure long-term future.

In late 2010, the DPA reinforced our commitment to the Conservation reserve. This was demonstrated by showing this area within our strategic Port of Dampier Development Plan and through the signing of an agreement with a local Aboriginal group ensuring an agreed plan for the site.

In the coming period, the DPA will continue to manage this land parcel for the heritage values contained within it. We will also move to separate the area onto a single cadastral boundary and register its heritage conservation purpose on the management title, ensuring long-term protection.

This is a significant move for the DPA where scarce land holdings relative to demand are a significant pressure. This 10ha represents some 10% of our entire King Bay land holdings, demonstrating an ongoing and serious commitment to this issue.

## Undergraduate Environment Officer

The DPA Environment and Heritage team often have opportunities for undergraduate students seeking to gain practical work experience in the field of environment and heritage management. This year, Jan Hendrik van der Walt spent five weeks working alongside the Dampier team, where he assisted in a range of activities, from feral cat trapping to monitoring the Port for introduced marine pests. This was Jan's third undergraduate placement with the DPA. Jan is currently completing his third year in Environmental Science at Murdoch University.



## Introduced Marine Pest Monitoring

The introduction of marine organisms to the Port of Dampier has the potential to significantly impact the environment and marine activities within our Port. In November 2010, in conjunction with the WA Department of Fisheries, Port Hedland Port Authority and Fremantle Port, the DPA established background monitoring for introduced marine pests within the Port of Dampier. Settlement arrays and crab traps were deployed at the Dampier Bulk Liquid Berth Jetty, Dampier Cargo Wharf, Rio Tinto Iron Ore and Rio Tinto Salt. In addition, shoreline searches were undertaken along six beaches within the Port.

The project's first year goal, beyond undertaking baseline monitoring, is to determine which species are adequately detected by the methods and what methods gain the best results from this approach adapted to the North West. To date there have been no marine pests identified, using any of the three different methods.

This background monitoring project complements a more comprehensive marine pest monitoring program being undertaken biennially by the Department of Fisheries within the same three Western Australian ports.

The Port of Dampier is also one of 18 locations in the National Monitoring Network, with marine pest baseline surveys being undertaken as part of a national strategy. Baseline monitoring activities for the Port commenced in March 2011. The results from this work have been encouraging in that they also failed to detect any introduced marine pests within the Port of Dampier or adjacent waters.

The DPA will continue to work closely with the Department of Fisheries and our stakeholders to ensure we manage this important issue, and respond appropriately to issues as they arise.

## Roebourne Regional Prison Native Nursery Project

A small group of water hungry exotic plants dominate current landscaping projects and private gardens in Karratha. The forecasted rate of expansion and redevelopment for the Shire of Roebourne and diminishing scheme water supply means there will be an ever increasing demand for low water, hardy plants for use in landscaping projects.

There is a variety of native trees, shrubs and groundcovers on the Burrup Peninsula that would present extremely well in a landscaped environment and would require very limited water and nutrients to grow and thrive. However, very few of these plants are commercially available in the west Pilbara and there is very limited information available on their cultivation techniques.

The Dampier Port Authority has engaged with Roebourne Regional Prison to establish a plant nursery, which will help research how to best cultivate local native plants from the Burrup Peninsula. The nursery is located at 'DECCA Station' – a Training and Skills Development Centre for the Roebourne Regional Prison – which is located approximately 13 kilometres east of Roebourne.

The project has two key components:

1. Upgrading the DECCA Station Shade House (Stage 1): In March 2011, the DPA donated the equipment and materials required to upgrade the existing shade house at DECCA Station to a functional small-scale plant nursery. This nursery is now being utilised by inmates enrolled in the Conservation and Land Management course (Certificate in Horticulture) offered by the Roebourne Regional Prison.
2. Conduct Cultivation Trials (Stage 2): It is anticipated that the cultivation trials will commence in the second half of 2011. The trials will be supported by the DPA Environment and Heritage Team, DECCA Project Superintendent and Roebourne Regional Prison Horticulture Lecturer. A sub-set of 10-15 species of local native trees, groundcovers and shrubs will be targeted for the trials. Nominally, 10 plant species have been selected from within the development footprint Dampier Marine Services Facility (DMSF) and five species from the wider Burrup Peninsula. These trials will focus on developing transferable techniques to collect seed, germinate and establish seedlings. The viable seedlings developed from this project will be used for DPA landscaping projects, either at the DPA or within our housing projects. The successful cultivation techniques for the local native plant species will be documented and made available in a published handbook (or similar) for future reference.

# Achieving That Balance

*"The Port of Dampier is one of Australia's remotest Ports, located in an area which has the richest diversity and density of aboriginal heritage sites across the country. With almost boundless challenge and opportunity, plus a few cyclones thrown in for good measure, no one day is the same with DPA!"*  
**Wayne Young, Environment & Heritage Manager**



ICARE representatives

## ICARE Agreement

The DPA, Woodside Burrup, Rio Tinto Iron Ore and Rio Tinto Dampier Salt Limited united in December 2010 to form 'Industry Communities Against Rubbishing our Environment' or ICARE. ICARE is about business and industry recognising our duty to look after the local environment and taking a lead in waste minimisation and litter prevention.

The partnership aims to address the growing issue of roadside litter along Burrup and Dampier Roads and within the King Bay Industrial Estate; principal access corridors to major industry centres in the west Pilbara region. These access corridors intersect National Heritage Listed places of world significance in terms of Aboriginal rock art and natural values.

Each ICARE partner has agreed to 'adopt' individual sections of almost 30 kilometres of roadway between Karratha, Dampier and the Burrup Peninsula. The stakeholders will conduct a minimum of four roadside clean-ups per year along their adopted stretch.

In addition to the direct action of roadside clean-ups, ICARE partners are internally driving a suite of programs to target the main issue of unsecured loads, but also littering from vehicles. With buy-in from industry and Shire of Roebourne residents, the ICARE initiative has already seen a marked litter reduction and is a great example of what can be done with co-operation and commitment to a cleaner environment.

## DPA Participate in Rio Tinto's Earth Assist Program

Rio Tinto's Earth Assist is an innovative conservation program run by Conservation Volunteers Australia (CVA). The program is supported by the Rio Tinto Future Fund, and works in partnership with the Department of Environment & Conservation (DEC) and the Department of Education and Training (DET).

The program is aimed at all Western Australian secondary school students and teachers, and provides hands-on environmental volunteering opportunities in Western Australia's parks, wetlands, bushland and coastal reserves.

On 26 May 2011, the DPA Environment and Heritage Team led a short Aboriginal heritage and environment conservation project in conjunction with the Rio Tinto Earth Assist program. The project involved 20 secondary school students from St Lukes College.

The project commenced with an interactive guided tour of Aboriginal rock art and heritage sites at Deep Gorge, Burrup Peninsula. The tour was led by local heritage expert and Rio Tinto Anthropologist Ken Mulvaney. Students then travelled to Hearson's Cove beach, where they observed vandalism (graffiti) on rocks, learnt about the hard dollar costs to our community for managing vandalism, the potential consequences for graffiti (e.g. prosecution, fines). The students also learnt about the risks associated with removing graffiti (Job Hazard Analysis) and received first-hand experience at removing the graffiti from rocks! The project closed with students conducting a litter clean-up along intertidal areas of Hearson's Cove Beach and rocky headland.

## Sustainable Housing Initiative

As part of ongoing staff housing construction, in February 2011, the Dampier Port Authority commenced the construction of a four bedroom two bathroom residence in Karratha's Tambrey Estate. The building and landscaping were both designed to maximise energy and water efficiency, without sacrificing natural comfort and amenity values. This house is an excellent example of how sustainable design can be applied to the Pilbara climate at an affordable price both from a capital and ongoing costs perspective.

All DPA houses will continue to include sustainability initiatives.



DPA staff housing in Tambrey Estate

## Important sustainable design features of this residential development:

- Low emissivity ('e') glass – all windows were installed with low 'e' glass. This type of glass has an insulating effect by reflecting radiant infrared energy, thus tending to keep radiant heat on the same side of the glass from which it originated, while letting visible light pass.
- Solar Energy – 1.5kW photovoltaic cells were installed and are designed to be grid connected, allowing excess electricity to be filtered back into the 'grid'.
- Solar hot water.
- Roof Colour – A light roof colour was selected to maximise the reflection of radiant heat and therefore improving energy efficiency.
- Insulation – The roof and walls were heavily insulated to reduce heat transmission.
- Water Wise Landscaping – The residence was landscaped using entirely native West Australian plants, which are both attractive and drought tolerant and have low water requirements. Local Northern Kurrajong (*Brachychiton acuminatus*), struck from seed, were used as feature plants. Plants were consolidated into defined areas to allow watering efficiency, and lawn areas kept to the minimum required.
- Grey Water Reticulation – A grey water reticulation system was installed to ensure all the water from showers, bath, vanity basins and the laundry is used to water the garden.
- Environmentally Friendly House Paints – Paints containing low concentrations of 'VOC' (Volatile Organic Compounds) were selected.
- Cross Ventilation 'Breeze Ways' – The design of windows was based on maximising cross ventilation through the bedrooms and within the house. This allows the residents to leave windows open and switch air conditioners off during the cooler months in Karratha, thus maximising energy efficiency.
- Energy Efficient Fittings – Installed as a standard feature to maximise energy efficiency.
- Water Efficient Plumbing fittings – Installed as a standard feature to maximise water efficiency.
- Water Efficient Toilet – Installation of two water efficient toilets (5-star water rating), which feature hand basins integrated into the cistern (fresh water is first used for hand washing and then flows into the cistern to ultimately flush the toilet).

# Developing Our People

"Our commitment to attracting the right experience and retaining capable people ensures we provide professional, world class port operations."

Siobhain Howe, HR Manager

With DPA's expanded responsibility, the operating environment continues to change rapidly. Staff numbers have grown exponentially in the last 6 years to accommodate the change. In 2003 there was 9 staff; today DPA boasts 57 across two locations; Dampier and West Perth.

## Workforce Profile

Average age	41yrs	<b>Financial Year</b>	<b>% of staff</b>
Employees aged 45yrs and over	52%	2010/11	58%
Average length of service	2yrs	2009/10	52%
No. Females	33	2008/09	21%
No. Males	24	2007/08	9%

## Women in the Workforce

## Women in the Port

The Pilbara has long held the reputation to be a male dominated environment. Yet, it is becoming increasingly apparent that times are changing and the cultural attitude is shifting. The North West is becoming a destination of choice and a lifestyle decision for many women.

Keeping abreast of these changes, the DPA strives to be an employer of choice, and foster an organisational culture of diversity and inclusiveness for all.

Currently DPA employs a total of 57 staff, of which, an impressive 58 percent are female employees. There are leading women at every level of the organisation and across every department, including the Board and Executive committee. Collectively the women of DPA demonstrate leadership, tenacity, compassion, encouragement, and the pursuit of excellence and are a critical component of DPA's ongoing success.

## Levels of Excellence

In 2011 DPA's HR function has evolved from a traditional administrative function, to a more strategic role in strengthening the organisation's capabilities, with the appointment of Mrs Siobhain Howe, as the HR Manager in February 2011. Since joining the team, she has worked closely with the leadership team in identifying areas for improvement, formalising various policies and procedures and most importantly assisting with the implementation of the Levels of Excellence (LoE) accountability methodology.

Essentially the LoE framework centres on implementing the right organisational structure (work levels), and accountability to support the long term growth of the DPA. A framework to ensure DPA continues to be a dynamic organisation, properly structured and capable of delivering results beyond expectations. The methodology focuses on an integrated approach to people, process and structure demanding the best returns on investment in each. Key cross functional relationships have been identified and assessed in terms of their effectiveness. All DPA staff have experienced extensive training in LoE methodology over the last 6 months to further transfer the LoE methodology into our business.

## Equal Employment Opportunity (EEO) Training

DPA has taken a whole Port approach to EEO training; ensuring all employees have equal access to the opportunities that are available at work. This year all staff completed EEO training in June 2011. The training is considered of great importance to the DPA, as it reinforces the core values of care and teamwork into organisational culture, and supports the diverse workforce of the DPA.

## Business Traineeship Program

As part of DPA's ongoing commitment to bringing young people into the workplace, the Business Traineeship program continued during 2010-11. In partnership with Apprenticeships Australia, DPA offered one 12 month traineeship program. During the 12 month period the trainee spends time working and learning the business of each department, with the expectation they develop a sound understanding of the different Port activities and responsibilities.

## Staff Accommodation in the Pilbara

One of DPA's greatest challenges continues to be accommodating staff in the Pilbara. While the supply of housing in the Karratha area is increasing as new estates are established, demand is still very high thanks to the thriving resources sector. To combat this DPA have continued to invest time and money into the construction of staff housing. This year saw the construction of a four bedroom residence for staff housing and a Triplex finished in 2010-2011.

Not only has the Triplex provided much needed accommodation for DPA staff, it has been invaluable as temporary accommodation for Perth staff and consultants visiting Dampier. Effectively DPA has been able to reduce costs associated with rental housing and hotel accommodation.

DPA's Triplex development was recently awarded the following at the 2011 Housing Industry Association – Pilbara Housing Awards:

- Townhouse / Villa Development of the Year;
- Residential Building Designer of the Year – the Triplex designer was judged to best demonstrate design excellence; and
- Framed Construction of the Year – award for the quality of workmanship, visual appeal, design, energy efficiency, innovation and value for money.

North 2 South Building Contractors, who built the Triplex, also received the Excellence in Service award for small volume builders. The Triplex will now be entered into the WA State Awards for Townhouse / Villa Development of the Year and Framed Construction of the Year and, if successful, progress to the national awards.

Furthermore, as DPA's activities in relation to the Ashburton North project increase the need for accommodation increases in importance also. Ashburton North is approximately 3.5 hours drive south of Karratha, with Onslow being the nearest town site. Due to the level of engagement DPA has with the local community and the Ashburton North project the DPA leased a house in Onslow for all travelling staff and will ultimately permanently house personnel in the town, once formal vesting occurs.



## Active Challenge

In an effort to promote a healthy and active lifestyle, the Safety Team launched the Active Challenge in September 2010. The challenge ran over 8 weeks and involved a virtual race around the Pilbara. Staff participated in teams of four and were awarded km's for all physical exercise they completed over a week. The kilometres were then tracked on a map of the Pilbara.

DPA engaged Prime Health to complete full health checks on participants before the challenge commenced. Health checks were then carried out randomly during the challenge so participants could monitor their fitness and other results.

The participation rate was excellent (over 50 percent involved) and staff really enjoyed the camaraderie and competitive nature of the activity.

## Staff Achievements

<b>Megan Marion</b> Corporate Services Manager	Directors Course; Executive Training Corporate Governance; CPA Completed
<b>Peter Smith</b> IT Manager	Awarded Masters of Business Administration
<b>Ash Puri</b> Commercial Manager	Diploma Project Management
<b>Karen Hayes</b> Strategic Port Planner	
<b>Murray Jorgensen</b> Strategic Development Manager	
<b>Brooke Grieves</b> Business Development Officer	



# Our Sense of Community

DPA is committed to establishing and strengthening active partnerships with the community, both the local community and the wider port community.

In terms of the local community, DPA works to support community organisations in their bid to make the Pilbara region an attractive place to live and work. Through active participation in community events, sponsorship partnerships or donations DPA aims to enhance the value to all those involved with the Port. In addition to this, DPA employees are strongly encouraged to participate in community initiatives.

The wider port community includes the Australian Maritime Industry, in particular organisations such as WA Ports and Ports Australia. DPA actively supports collaborative efforts to develop and sustain a WA Port Community. By working together, DPA is promoting shared aspirations and common goals.



## Keeping It Local

### Karratha Scitech/Try a Trade Expo

DPA participated in the Karratha Scitech/Try A Trade Expo. The Expo, hosted by Pilbara Joblink and Scitech was aimed at showcasing local job opportunities to Pilbara school students, providing training information and giving advice about industries and career paths available to them. Approximately 700 local students attended the Expo. DPA concentrated on educating the students on DPA's operations, major exports and the various roles and professions at the Port.

### Pilbara Joblink Career and Employment Expo

To increase DPA's community investment in Onslow, DPA sponsored and participated in the Pilbara Joblink Career and Employment Expo held in Onslow at the RM Memorial Hall on the 14 October 2010. The DPA was one of 11 stalls to showcase at the event which was aimed at providing local youth and community members training information and advice about industries and career paths available to them, highlighting in particular local opportunities.

### Sponsorship Partnerships

In June 2011, DPA formalised a Corporate Sponsorship Strategy, headed up by the newly formed Sponsorship Committee. All sponsorship arrangements are now strategically aligned to DPA's overall direction and complementary to DPA's core values.

Over the last 12 months, major partnerships include:

#### Dampier Seafarers Centre

Life at sea is a unique experience. Seafarers come from all over the world, from different cultures and backgrounds, and work in diverse areas of the shipping industry.

The Mission to Seafarers is a missionary society of the Anglican Church, and through its worldwide association of chaplains, staff and volunteers, meets the spiritual, social and practical needs of seafarers in over 230 ports around the world regardless of their nationality or faith. The mission reaches out to seafarers by visiting them on their ships and by welcoming them to the local seafarers' centre where they can shop, contact home via the internet or phone, or just simply relax away from the work pressures of the ship.

DPA is a strong advocate for the service and has a long term sponsorship agreement with the Dampier Seafarers Centre.



### Roeboume Women's Professional Development and Leadership Tour 2010

The DPA sponsored 12 Aboriginal young women and local leaders, who are Traditional Owners of the land in Roebourne and surrounding areas to undertake a Professional Development and Leadership Tour throughout the United States of America, in October 2010. The group developed skills in cross cultural awareness and meeting with high profile African American artists and politicians to gain inspiration and insight as to how they can better their own community. They also visited schools and community service groups dealing with issues of family and domestic violence, drug and alcohol abuse, diversionary crime programs and youth issues. The aim of the Tour was to provide these women with the ideas and skills to make real changes in the Roebourne community and in their own lives.

It was also an opportunity to share their culture with other groups and promote the Pilbara.

The majority of the participants are members of the Roebourne Girls "FX" group which was established in 2004. This group of girls are now aged from 17-21 and have demonstrated leadership skills by continuing their education, gaining employment and demonstrating that they have the drive and passion to be leaders in their community.

### West Pilbara Volunteer Sea Search and Rescue Group

West Pilbara Volunteer Sea Search and Rescue Group (WPVSSRG) have been in operation in the Dampier area since 1974, serving the local community by providing assistance in, sea search and rescue and educational facilities to the boating public. The group provides a 24/7 on call roster, of experienced skippers and rescue crew. In addition to the commercial marine industry, boating and water sports are a popular past time for the local community. DPA continue to view WPVSSRG as an integral part of the overall port safety to both visiting vessels and the general boating community. In appreciation of the service the group provides the local community, DPA has been a major sponsor of the group since 2003.

### Leadership WA – Enhancing Business Excellence

Leadership Western Australia is an independent, not-for-profit organisation that facilitates leadership enhancement opportunities for high potential leaders. Leadership Western Australia balances individual development with public spirited, community involvement for the benefit of Western Australia. Leadership Western Australia shares a common vision with DPA, of enhancing leadership excellence across the state.

As part of the 2011 Leadership WA program, members visited DPA's Dampier office to get a feel for Port operations and DPA's leadership style. Dr. Rochelle Macdonald, DPA's Port Development Manager addressed the group, highlighting DPA's Levels of Excellence methodology. Chris Adams, General Manager for Pilbara Cities spoke about his professional journey and the major challenges for Western Australia.

Following the site visit members were asked to rate the value of DPA's presentation and overall value of the visit in terms of their professional development. There was an overwhelming consensus from members that DPA provided an excellent and informative snapshot into management and the Pilbara.

### Cossack Art Awards

The Cossack Art Awards is a high profile, internationally recognised acquisitive art exhibition. Since the inaugural event in 1993, the exhibition has grown well beyond initial expectations. The exhibition is an integral component of the Shire of Roebourne's Arts and Cultural plan. Over time it's evolved and now represents an extremely important event in the local community's social and cultural calendar. This year's Cossack Art Awards attracted 2258 Pilbara residents and visitors to Cossack, raising the profile of the region and providing a platform for aspiring artists.

As a Platinum Sponsor of the event, the DPA hosts the sponsors evening and sponsors the 'Invited Artists' category. Local artist Clifton Mack's painting of Jarmon Island (Lighthouse) received this year's Invited Guest award. A total of 308 artist entered work into the exhibition.

### Dampier Sharks Football Club

DPA continues to support the Dampier Sharks Football Club (DSFC). The club participates in the North Pilbara Football League and features an U18s team, Reserves team and a League team. The club is rich with history and holds a huge amount of sentiment in the town of Dampier. DSFC presents a terrific sponsorship arrangement for DPA, the club's values are well aligned with DPA's.



West Pilbara Volunteer Sea Search & Rescue

Try a Trade Expo

# Our Sense of Community

## Supporting the Port Community

DPA endeavours to support initiatives driven by both Ports Australia and Ports WA bodies. Both bodies provide means for knowledge management and information sharing, hosting multiple forums for the sharing of best practice techniques.

Over the last 12 months, DPA was actively involved in the following:

- Ports Australia
- WA Ports Maintenance Forum
- WA Regional Port & Development Centre
- WA Ports Review
- Ports Australia
- National Ports Strategy

### Ports Australia

Ports Australia is the peak body representing the interests of port and marine authorities throughout Australia. It aims to provide leadership and support in areas of common interest related to ports, and to promote achievement of their trade facilitation objectives. Steve Lewis, DPA's CEO was appointed to the Board of Ports Australia in December 2010. The appointment ensures the Pilbara is well represented at a national level and provides the opportunity for DPA to be actively involved in influencing and shaping important policy and standards for the industry.

### WA Ports Review

On 21 April 2010 a new corporate governance arrangement was announced for the Transport portfolio by the Minister for Transport. Following this, a review of WA Ports was instigated. The review concentrates on all matters concerning port governance and port performance for all WA Ports operating under the *Shipping and Pilotage Act 1964* and the *Port Authorities Act 1999*.

Specifically, the review focused on the following:

- Effectiveness of Port Authorities and whether current port governance and management structures are best able to respond to the needs of sustained economic growth;
- Performance monitoring;
- Respective roles and relationship amongst the Department of Transport (DoT), Department of Treasury and Finance and the Port Authorities to ensure ports are able to deliver effective and efficient outcomes for the State;
- Recommendations addressing:
  - Increasing the level of expertise across Port Authorities and Government Agencies;
  - Strategic planning and development of the State's Ports;
  - Appointment and skills of directors;
  - Financial planning, capital investment and funding approval mechanisms;
  - Appropriate resourcing to support any new arrangements; and
  - Necessary changes to legislation to accommodate any new arrangements.

The Minister for Transport appointed a steering committee to carry out the Review. The committee is led by DoT and has representation from Premier and Cabinet, Treasury, Finance and Department of State Development. DPA's CEO, Steve Lewis is one of three representatives from Ports on the committee; Fremantle and Albany represented.

The final report is expected to be released in the last quarter of 2011.

### Regional Port Centre

In January 2009 DPA commenced the strategic development initiative of strengthening direct stakeholder engagement, by opening a small office in West Perth. The aim was to establish a Perth presence and actively engage with key stakeholders in a bid to influence decisions likely to impact the Pilbara; specifically the Port of Dampier. The ambitious move paid off and in July 2010 DPA outgrew the original office and moved to a larger premises, at Level 3, 16 Parliament Place, West Perth.

DPA is keen to play a more active role in promoting collaboration in Port activities across the State. Thinking future, DPA leased additional space with the vision to create a Regional Port Centre. DPA approached WA regional ports and shires, offering them attractive lease agreements designed to foster collaboration. To date, Geraldton Port Authority, Albany Port Authority and the Shire of Ashburton have committed to the centre and have staff operating on both a permanent and casual basis from Perth.

The centre has successfully provided the opportunity to widen the scope of planning activities of all involved, by enriching stakeholder relationships. Most importantly it provides the opportunity for WA Ports to share knowledge and skills particularly in planning and development.



WA Ports Maintenance Forum delegates

### WA Ports Maintenance Forum

In April 2011 DPA's Asset Manager, Mr Dave Blackman organised the inaugural WA Ports Maintenance Forum.

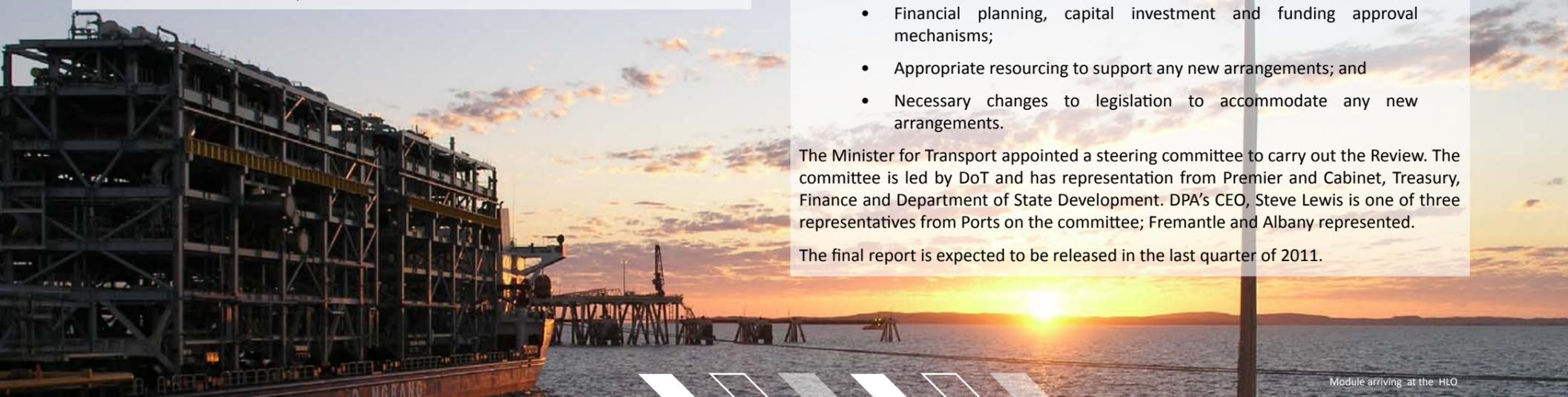
The objectives of the Forum included:

- Professional Development - to provide an avenue for Maintenance teams to come together and collaborate in the design and development of maintenance strategies, processes and systems for Western Australian ports;
- Networking – establish mutually beneficial relationships with maintenance counterparts;
- Lessons Learned - Discuss case examples of promote the alignment to maintenance activities with the operational objectives of organisations;
- Communication – establish clear lines of communication between WA Ports; and
- Support – share expertise and knowledge to support and advance WA Ports.

The Forum was held in Karratha and consisted of a full day of presentations from each attending port, round table discussion and a delegate dinner. Individual Ports were invited to present on issues and maintenance strategies in place at their respective port. The group decided to continue the initiative with Fremantle Ports set to host next year's forum.



DPA Perth Office



Module arriving at the HLO

# Think Big. Think Smart. Think Future

*"DPA needs to think big and think future in its approach to port planning and development for both our existing facilities in Dampier and new Greenfield ports at Anketell and Ashburton North. To achieve the level of success DPA is aiming for, we must be willing to push the boundaries and try new things. DPA learn by doing..."*

**Peter King, Principal Development Manager**

## Ports as Gateways

The West Pilbara region, in recent years, has been experiencing an increased demand for Port land and infrastructure as the result of trade growth. This growth is providing the State with a dynamic and prosperous future with almost 40 percent of Australia's exports originating from Western Australia. This growth is driving over \$170 billion worth of major new resource projects being committed or under consideration.

In response to this demand, the DPA has undergone significant change in recent years and will continue to adapt to challenges and the realisation of opportunities within current Port Boundaries and beyond. The DPA is playing an increasingly important role in planning, developing and facilitating trade within a wider region of the Pilbara coastline. The significant growth in export commodities has lead to the changes in DPA's strategic thinking with the concept for the West Pilbara that "Ports are Gateways"; in that decisions and developments should be informed by the need for efficient and effective gateways for trade.

This concept is not confined to the boundaries within which the DPA operates; it promotes expanded thinking to the State and the Nation. Whilst the Gateway Concept is consistent with past port development strategies, the focus is now on the wider concept of "pit to port" i.e. from source, through the logistic chains and ultimately to the Port and to the customer. Under the Gateway Concept, land use, tenure, and seaward access issues are realised, with ports primarily focusing on freight movements (imports and exports), and hence road and rail planning should radiate outwards from the Port, with the Port Authority as a key driver for those changes.

Integrating the long term view of evaluating industry needs, developing the required common user infrastructure to support industry and ultimately realising all trade opportunities, whilst facilitating current trade is an essential role Port Authorities play.

## Port Planning

### Port of Dampier Development Plan (2010-2020)

The DPA published and launched its Port Development Plan for Dampier in December 2010, and is well underway to produce similar plans for Ashburton North and Anketell Port Developments.

The Port of Dampier Development Plan provides a high level strategic planning framework on which to base all future planning and development for the Port of Dampier, it also sets a clear direction for managing expected growth in trade over the next ten years and supports the Government's planning policy objectives in relation to Port and Port Infrastructure.

This will enable the DPA to be a driver of sustainable growth in the region through the delivery of trade, Port services and logistics solutions, while obtaining better utilisation and efficiencies from existing Port Infrastructure.

The DPA will continue to focus on immediate land needs (i.e. "inner-port" land), but also have a view of how "near-port land (i.e. land adjacent to the port, but not vested in the DPA) can be accommodated with the interests of the port and current/future users in mind. The DPA must also be involved in planning for "outer-port" land (i.e. land along the wide boundaries of the port), so that port expansion requirements can be understood and accommodated.

The DPA is also well positioned to provide input into and influence regional planning, to ensure that the townships of Karratha and Dampier prosper and is better able to attract staff to live and work in the region.

In determining a Development Strategy and Development Outcomes for the Port of Dampier, the Port Development Plan specifically:

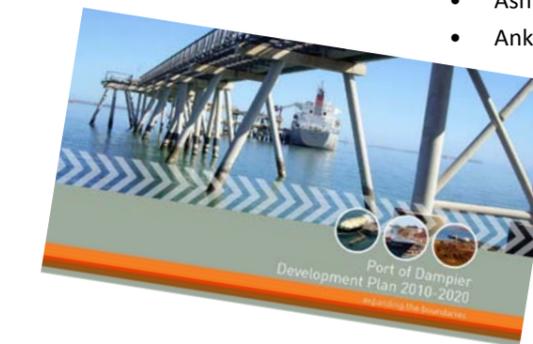
- Considers future Port trade and volumes, and the global environment under which these operate.
- Examines existing infrastructure and trade operating environments in order to assess future infrastructure needs.
- Provides a broad land-use framework to guide Port Land-use development planning.
- Considers and provides direction on the associated implications for land use, water use and transport planning in the short term.
- Acknowledges and integrates existing planning and environmental assessment processes.
- Outlines possible funding strategies to achieve short term outcomes.

The plan also foreshadows longer term land and infrastructure needs, together with Port expansion requirements.

Current and future users of the Port and Port land can approach the DPA with confidence, knowing that benefits of integrated land-use planning and management and integrated transport solutions will flow on to individual proponents and businesses in the future. DPA is focused on delivering infrastructure projects to facilitate trade through the Port.

The DPA is also working on the following plans in relation to its greenfield Port developments:

- Port of Ashburton Development Plan 2011 – 2041
- Anketell Port Development Plan 2011 – 2041
- Ashburton North Land Use and Infrastructure Master Plan
- Anketell Port Land Use and Infrastructure Master Plan



# Strategic Focus

*"The port of the future must be a "smart port"! The DPA is already identifying those key elements of smart thinking that will transform and differentiate our performance and reputation among our customers and the community beyond today."*

Steve Lewis, CEO

## Systems Thinking

DPA is focused on ensuring the Safety, Health, Environment and Quality (SHEQ) Management System is effective to support the strategic direction of best practice management on business performance. This is complementary to expanding the boundaries of DPA, building on DPA expertise and experience and applying the skills and knowledge to the geographical areas. Part of the focus ensuring DPA has the right processes, and our people have the right skills and access to the right knowledge and information tools to fulfil their accountabilities. Roles and accountabilities of the SHEQ Programs and procedures are recognised in DPA's organisational structure to align the operational functions with the common goal of improving business performance, maintaining high safety, health, environment and quality standards, and ensuring compliance to legislative and other obligations.

During 2011:

- DPA has been actively capturing all business processes into the SHEQ Management System. Following the methodology of Australian and International Standards, SHEQ programs are planned, implemented, monitored and reviewed to promote good governance internally.
- A SHEQ Committee was developed and has been meeting monthly to plan and discuss the direction and development of SHEQ.
- A SHEQ Administrator & Business Improvement Coordinator appointed. Dedicated resources to drive the ongoing implementation of the system and encourage systems thinking among staff.
- SHEQ roles and responsibilities have been incorporated into employee Role Descriptions to ensure synergy and accountability.
- All SHEQ documentation was made available on the intranet and external documentation available on the website.

The SHEQ Management System will continue to integrate DPA knowledge and information with achievement of current and future business results.

## Smart Port

The DPA has set itself the goal of defining the characteristics and behaviours of a "Smart Port" and to use this criteria as a benchmark for its strategic development. To give rise to DPA's adage 'Think Big. Think Smart. Think Future', DPA have been purposely maximising information systems and the use of smart software for all port operations. An important facet of the 'Smart Port' concept. Mr Peter Smith, was appointed as IT Manager in August 2010 and has been instrumental in providing software and technical requirements to support DPA's growth now and into the future. DPA's 3 year IT Future Direction Plan details DPA's intentions and the steps required to evolve into an E-Business, mobile and virtualised operating environment.

### Voice over Internet Protocol (VoIP)

The DPA introduced VoIP late 2010. The new system allows all DPA staff to make voice and video calls, using high speed connections. The main drivers for introducing the new phone system were cost efficiency, flexibility, improved productivity, using simple managed and easy to use infrastructure.

### Citrix

Another significant project initiative by IT, was establishing a Citrix environment. Citrix has allowed for 100 percent thin client architecture with personalised user views. Essentially this meant VPN's are redundant and staff can access information from anywhere, at any time. Citrix has improved flexibility for staff, improved scalability and allowed for better productivity.

### Video Conferencing

DPA purchased state of the art video conferencing facilities in early 2011. The facilities have allowed staff between the Dampier and West Perth office to collaborate more productively while reducing the cost, downtime and carbon emissions of travel.

Furthermore the facilities have enabled the HR function to reduce the expenses and time associated with the recruitment process.

## TechOne

DPA has employed Technology One software, a fully integrated solution, for all procurement activities since 2009. Due to its success, DPA has expanded the application to include the Human Resource and Payroll System. The update provides data integration for each critical stage of the employee lifecycle, true integration with other systems, business process automation, career planning capability and a self service capacity.

## Tenderlink

DPA have worked to advance the contract management capability of the DPA by implementing enhanced systems, skills training, and appropriate resourcing. Tenderlink, tender management tool was introduced in July 2010. It acts as central processor for tenders being advertised throughout Australia and New Zealand by all levels of government and the private sector.

## Geographic Information Systems (GIS)

In the last 12 months DPA embarked on a campaign to introduce in-house GIS capabilities. Initially a GIS Administrator was appointed to develop a comprehensive spatial database of public, private and in-house data to be used by the Port Development team in Perth for the review and planning of Greenfield sites.

The level of demand and value of GIS services exceeded initial expectations which triggered DPA recruiting two additional GIS officers. The additional officers were appointed to accelerate the expansion of the GIS function to support the Head Office in Dampier, ensure redundancy during times of absence of one or more GIS staff and most importantly improve the ability to deliver to internal customers.

In terms of thinking future; establishing a team of GIS experts further accelerates DPA's ambition of expanding the boundaries of expertise, influence and leadership. GIS is a specialist area; an area that demands significant investment in terms of software, licences and specialist equipment.



# Expanding the Boundaries

"We're driven by the endless opportunities the West Pilbara region presents. Our focus lies solely on transforming these opportunities into real value for the region and all those involved".  
Dr Rochelle Macdonald, Port Development Manager

Over the past two years, the DPA has become increasingly involved in two exciting Greenfield Port developments in the West Pilbara region. At Ashburton North, some 11 kilometres south-west of Onslow, plans are currently being drawn up for a new 8,000 hectare strategic industrial area large enough to accommodate major LNG developments and other multi-user operations. Chevron Australia is investigating the site to commercialise its Wheatstone gas discovery, while BHP Billiton Petroleum and Exxon Mobil are considering using the site to develop their Scarborough discovery. The site will include a port precinct with multi-user facilities on the coastal strip and a multi-use infrastructure corridor. BHP started construction of their domestic gas plant (Macedon Project) on the Strategic Industrial Area (SIA) in 2010.

The second Greenfield development is the new industrial precinct and Port proposed at Anketell Point, 30 kilometres east of Karratha. The aim is to provide deepwater bulk cargo port facilities to complement those of Dampier and Port Hedland. DPA having played a key role in the planning process, will ultimately manage the new port and infrastructure corridors.

## Port of Ashburton

As part of the focus on expanding its area of responsibility along the West Pilbara Coastline, DPA are preparing for the transfer of designated Port waters at Onslow to the DPA. Once the Port of Ashburton is formally gazetted to DPA the Governance Model will change. The change will see the Port of Ashburton bound by the *Port Authorities Act 1999 and Port Authorities Regulations 2001*.

Ultimately, the transfer of the Port of Ashburton will result in DPA's responsibility to oversee the safety, security, environment and all marine matters in the Port. DPA will be responsible for managing the following:

- Port parameters (setting of standards and auditing).
- Marine accidents (collisions, personnel safety etc).
- Marine safety (channel management, maintenance, conservancy).
- Environmental risks (seabed disturbance, oil spill, water quality, flora and fauna protection).
- Community accountability (expectations, complaints, standards, protection).
- Approvals (who is approving what and to what standard).
- Safety and security (standards, reporting, auditing, protection).
- Planning and Development.

## Ashburton North, Port & SIA

In December 2008, the Premier and Minister for State Development, Hon Colin Barnett, announced the allocation of land at the proposed Ashburton North Strategic Industrial Area (ANSIA), 11 km south-west of Onslow, to Chevron, ExxonMobil and BHP Billiton Petroleum to investigate the feasibility of the site for LNG and domestic gas processing facilities. The DPA has been appointed the Port Authority for the development. The State has commenced planning processes for the ANSIA, and the DPA continues to be closely involved in the planning of the ANSIA and the proposed new Port of Ashburton.

The ANSIA will accommodate LNG and hydrocarbon-based processing industries that will deliver many benefits to Western Australia, including employment opportunities, the supply of natural gas to Western Australia's domestic gas supply, and the opportunity to provide gas-processing services to a number of relatively small gas fields, which could be sub-economic to develop due to high infrastructure costs. Chevron is investigating the site to commercialise its Wheatstone gas discovery and is expected to announce its Final Investment Decision by Q4 2011, while BHP Billiton Petroleum and Exxon Mobil are still considering using the site to develop their Scarborough discovery.

The new Port is being planned to export up to 50 Mtpa of LNG, as well as other hydrocarbon-based products that will be manufactured in the ANSIA. In addition, the DPA intends to capitalise on the Port's strategic location on the West Pilbara coast by providing space for two marine supply base operators to establish facilities and laydown areas. These will support increasing offshore exploration and development activities in the oil and gas industry.

## Port of Anketell

In 2010, the Premier of Western Australia announced that the Government had identified Anketell as the next major deepwater bulk export port for the Pilbara and DPA was chosen to be the respective Port Authority. This greenfields site will be developed as a multi-user, multi-commodity port and associated Strategic Industrial Area (SIA). Anketell is expected to open up new growth opportunities in the region for the export of bulk commodities, principally iron ore, and ease pressure off neighbouring ports.

Anketell is located on the West Pilbara coastline, 35 km east of the Port of Dampier and 10 km west of Rio Tinto's existing port facilities at Cape Lambert.

Throughout 2010/11, the DPA, together with the Department of State Development (DSD) and LandCorp, has worked with industry on various plans for the port, access corridor and SIA. The DPA's primary objectives has been to plan the ultimate development of a multi-user Port with an export capacity of 350-400 Mtpa of bulk commodities, capacity for heavy industry exports (including value-added products) and capability to handle general cargo trade. DPA's Land Use and Infrastructure Master Plan (2011-2014) enables these objectives while accounting for environmental, cultural, social, engineering and access issues.

Once built; DPA will manage the Port and infrastructure corridors while LandCorp will develop the industrial precinct.

## Opportunity & Constraints Mapping Initiative

The GIS team developed a modelling tool that allows DPA to integrate a significant amount of information independent of human biases to develop constraint maps of port areas. Background spatial data displays existing constraints on areas in the most effective and easily understandable manner of any tool. Hundreds of datasets have been acquired from proponents, federal and state agencies which depict numerous factors that may affect the ability to develop areas, including:

- Heritage: Aboriginal heritage sites, European heritage sites, native title areas;
- Environment: flora and fauna, habitat, reserved land, soil, geology, surface and groundwater;
- Infrastructure: pipelines, telecommunications, transport; and
- Tenure/Land use: ownership, leases, mining titles, state agreement areas.

The GIS tool has enabled the creation of a model that applied a predetermined rating to each of the identified constraints. The model process then overlaid all of the layers, resulting in a constraints map depicting low level constrained land, moderately constrained, severely constrained and absolutely constrained land for the inner, near and outer port areas. The model enables different development scenarios to be analysed such as DPA preferred concepts versus proponent concepts.



# Our Compliance



## Occupational Safety & Health

Indicator	Target	2010/11
Number of fatalities	Zero	Zero (0)
Lost time injury/disease (LTI/D) incidence rate	Zero or 10% reduction on previous year	Zero (0)
Lost time injury severity rate	Zero or 10% improvement on the previous year	Zero (0)
Percentage of injured workers returned to work within 28 weeks	Actual percentage result to be reported	Zero (0)
Percentage of managers trained in occupational safety, health and injury management responsibilities	Greater than or equal to 50%	25%

## Commitment to OSH and Injury Management

The DPA has a Duty of Care to ensure the safety, health and welfare of all its employees as well as contractors and clients. DPA is committed to implementing and maintaining the systematic management of the OSH management program in all operations and through compliance with legislated and non-legislated requirements.

Communication of OSH matters begins from the outset of employment with the DPA, firstly through employee participation a Safety Induction. During such induction the OSH and Injury Management policies are communicated to ensure participation and compliance with the *OSH Act 1984* and the internal DPA SHEQ Management System and underlying policies.

## Communication of OSH Related Matters

In addition to the safety inductions, OSH matters are communicated with all staff through regular safety meetings and are managed through the DPA Safety Department. These meetings are a great opportunity to discuss events and any incidents. The meeting content has been developed through planning between the safety department and upper level management and ensure our planned goals and ongoing targets for OSH can be met throughout the year.

The DPA intranet is a central tool for communicating OSH matters to staff, this complements the OSH monthly meetings. Safety Insights are frequently posted addressing any arising safety concerns for the Port as lessons learned or as preventative safety measures.

## OSH System Review

In February 2011 DPA's Safety Officer reviewed the OSH Management Program and a number of associated procedures and process. The newly appointed SHEQ committee are currently implementing the updated Program and additional staff training. All staff received ongoing in-house training throughout the year and are able to access all related documents from the internal intranet.

## Workers Compensation and Injury Management Act 1981

The DPA is committed to the *Workers' Compensation and Injury Management Act 1981* and is cognisant of the legal obligations to provide workers with compensation in the event of an injury.

DPA's SHEQ Management System includes a dedicated Program for Incident Investigation, Preventative and Corrective Action. The program outlines the internal process for investigating incidents at work and recommends appropriate and effective corrective and/or preventative actions to avoid recurrence. There were no incidents requiring Workers Compensation during 2010/11.

Further to this DPA continues to utilise STEMS Solutions; a web based software package that manages tracking and reporting of all Safety, Training, Employees and Injury management.

## MSIC Compliance

Since 2006 DPA has been an issuing body processing and issuing Maritime Security Identification Cards. Anyone entering or working in Australia's maritime security zones, ports, ships and offshore oil and gas facilities is required to hold a valid MSIC demonstrating they have met the minimum background checks. The total number of MSIC's processed during the year was 2042 - 551 of these were renewals.

## Freedom of Information

DPA provides the Office of the Information Commissioner with a Freedom of Information Statement each 12 months. The statement is made available to the public, aimed at advising the public of their ability to access DPA documents and to ensure that all DPA information held is accurate, complete, up-to-date and not misleading. During the 2010/11 financial year, DPA received one partial transfer request for information.

## Advertising & Sponsorship

In Accordance With *Section 175Ze Of The Electoral Act 1907*, the Dampier Port Authority incurred the following expenditure in advertising, market research, sponsorship, direct mail and media advertising.

Item	Organisation(s)	Total Value
Sponsorship	Various (E.g. Cossack Art Awards, Dampier Sharks Football Club, Tours, Schools, community groups and sporting clubs etc.)	\$50,083
Media Advertising	Miscellaneous (E.g. Local Business support & community publications).	\$25,173
Market Research	N/A	-

## Code of Conduct

In accordance with *Section 23 of the Port Authorities Act 1999*, DPA has reported to the Minister of Transport and Public Sector Standards Commission on its compliance with the Code of Conduct. There were no detected breaches of the Code of Conduct during 2010-11.

## Public Interest Disclosure

The *Public Interest Disclosure Act 2003* (PID) enables people to make disclosures about wrongdoing within the State public sector, local government and public universities without fear of reprisal. DPA did not receive any PID's during 2010/11.

## Recordkeeping

The program and policies captured within the SHEQ Management System ensure DPA's record management systems are carried out in accordance with the *State Records Act 2000*. Accordingly, DPA ensures:

- All employees participate in regular records management training;
- DPA has issued State Records Office with a revised Record Keeping Plan (RKP);
- Policies and procedures have been incorporated into the DPA induction process and RKP; and
- All records management procedures are made available to employees on DPA's intranet.

# Directors Report 2011



In accordance with Schedule 5, Division 9 we report on the operations of the Dampier Port Authority (DPA) for the year to 30th June, 2011 as follows :

## Board Members

The following persons were members of the Board of the Dampier Port Authority at the end of the financial year and up to the date of this report:

Name	Position	Expiry Date of Tenure/ Resignation
Mr Brendan Hammond	Chairman	30 June 2013
Mr Robert Vitenbergs	Deputy Chairman	31 December 2011
Mr Mike Deeks	Member	30 June 2012
Mr Noel Bridge	Member	30 June 2012
Mr Nick Serle	Member	30 June 2014
Ms Fiona Russell	Member	30 June 2014
Mr Benjamin Doig <small>(Alternate Pilbara Iron)</small>	Member	31 December 2011
Mr Dominic Allery <small>(Alternate North West Shelf Venture)</small>	Member	30 June 2014



**Chairman: Mr Brendan Hammond**

### **Ministerial Appointment:**

Has been Chairman since July 2008, Brendan was re-appointed in June 2011 with term expiring in June 2013.

### **Experience:**

Chairman of Horizon Power since April 2006.

Brendan has a wealth of experience, having worked in a large mining corporation for most of his career, including serving as the Managing Director of Argyle Diamond Mines in Western Australia. He has extensive experience in regional development.



**Deputy Chairman: Mr Robert Vitenbergs**

### **Ministerial Appointment:**

Has been a Board member since January 2000, Rob was re-appointed in January 2009 with term expiring December 2011.

### **Qualifications:**

Bachelor of Science (Hons)

### **Experience:**

22 years in the Royal Australian Navy; Marine Manager with Hamersley Iron; former President of the Shire of Roebourne.



**Director: Mr Mike Deeks**

Appointed to the Board in July 2009 with term expiring in June 2012.

### **Qualifications:**

Masters of Management

Bachelor of Arts

Australian Institute of Company Directors

### **Experience:**

Mike is the WA Site Executive for Raytheon Australia, responsible, since November 2007, for all Western and South Australian operations. Previous position WA Government Advisor and Marine & Defence Industry Strategist, Department of Industry and Resources (DOIR). Mike served 32 years in the Royal Australian Navy retiring in the rank of Commodore.



**Director: Mr Noel Bridge**

Appointed to the Board in July 2010 with term expiring in June 2012.

### **Qualifications:**

Bachelor of Business (Accounting Major)

Australian Rural Leadership Program

Australian Institute of Company Directors

### **Experience:**

Noel currently undertakes various consulting, business and community development projects as the Managing Director and principal consultant of his private company, First Acuity Management Enterprises based in Perth, Western Australia.

Noel had significant involvement in the ongoing operations and development of projects and programs associated with the Unity of First People of Australia (a not for profit organisation with a focus on improving the livelihoods of Aboriginal people.)



**Director: Ms Fiona Russell**

Appointed to the Board in July 2011 with term expiring in June 2014.

### **Qualifications:**

Bachelor of Commerce (International Business)

Post Graduate Certificate Maritime Management

Certificate III and IV Applied Language Studies – Chinese (Mandarin)

### **Experience:**

General Manager – Marine, Woodside Energy Ltd

This position is responsible for pilotage, marine operations and marine assurance for the Woodside Group. It provides leadership, direction and support for all marine activities associated with the provision of safe, reliable and effective offshore, port operational and commercial marine services and marine technical assurance. Fiona has gained experience in various marketing and export roles in the WA mining industry in management of export operations, logistics and contract management.



**Director: Mr Nick Serle**

Appointed to the Board in July 2011 with term expiring in June 2014.

### **Qualifications:**

Bachelor of Engineering (Electrical and Electronic)

### **Experience:**

Nick Serle was appointed General Manager – Port Operations in May 2011 and is responsible for port operations, marine, technical and quality across RTIO's three port terminals in the Pilbara. Nick and his team also work closely with the Rio Tinto Expansion Projects group on the planned port expansions.

Nick has held a number of positions within Rio Tinto's Iron Ore's group including Corporate Business Improvement, Engineering Manager Rail, Maintenance Manager Cape Lambert, Marine Manager Dampier and Cape Lambert, and most recently General Manager Project Engineering.

Nick was involved in the Pilbara Iron merger of Robe and Hamersley Iron and the Hope Downs Joint Venture Project.

## Executive Team (as at the 30 June 2011)

Name	Position
Mr Steve Lewis	Chief Executive Officer
Captain Paul Toussaint-Jackson	Chief Operating Officer
Mr Dave Blackman	Asset Manager
Captain John Fewings	Harbour Master
Dr Rochelle Macdonald	Port Development Manager
Mrs Megan Marion	Corporate Services Manager
Mr Kevan Wheeler	Acting Engineering Services Manager
Mr Wayne Young	Environment and Heritage Manager



## Principal Activities

The principal activities of the Dampier Port Authority can be summarised as follows :

### Manage the safe operations of the Port

- Exercise the powers of Harbour Master to control shipping in the port to achieve safe and efficient operations.
- Operate port communications 24 hours 7 days per week.
- Pass and monitor compliance with port regulations that set standards and procedures for vessels using the port, and other marine matters
- Provide emergency response planning.

### Plan for the future development of the Port to meet industry needs

- Oversee the strategic planning for the port's development in conjunction with port users and other relevant Government agencies.

### Facilitate trade in the Port

- Ensure that port users have access to the facilities of the Port.
- Negotiate Port Facilities Agreements for the Major Gas to Liquids Projects that propose to utilise the Burrup.

### Manage the environment within the Port

- Monitor marine pollution issues associated with port operations.
- Provide marine pollution response planning and capability.

### Maintain security within the Port

- Ensure the Port meets the *Maritime Transport and Offshore Facilities Security Act 2003* requirements.

## Net Profit After Tax

The Authority finished the financial year with a profit after compliance with the "National Tax Equivalent" legislation of \$7,005,562 compared to last year's profit of \$5,272,236 after tax. See the accompanying Financial Statements for further details.

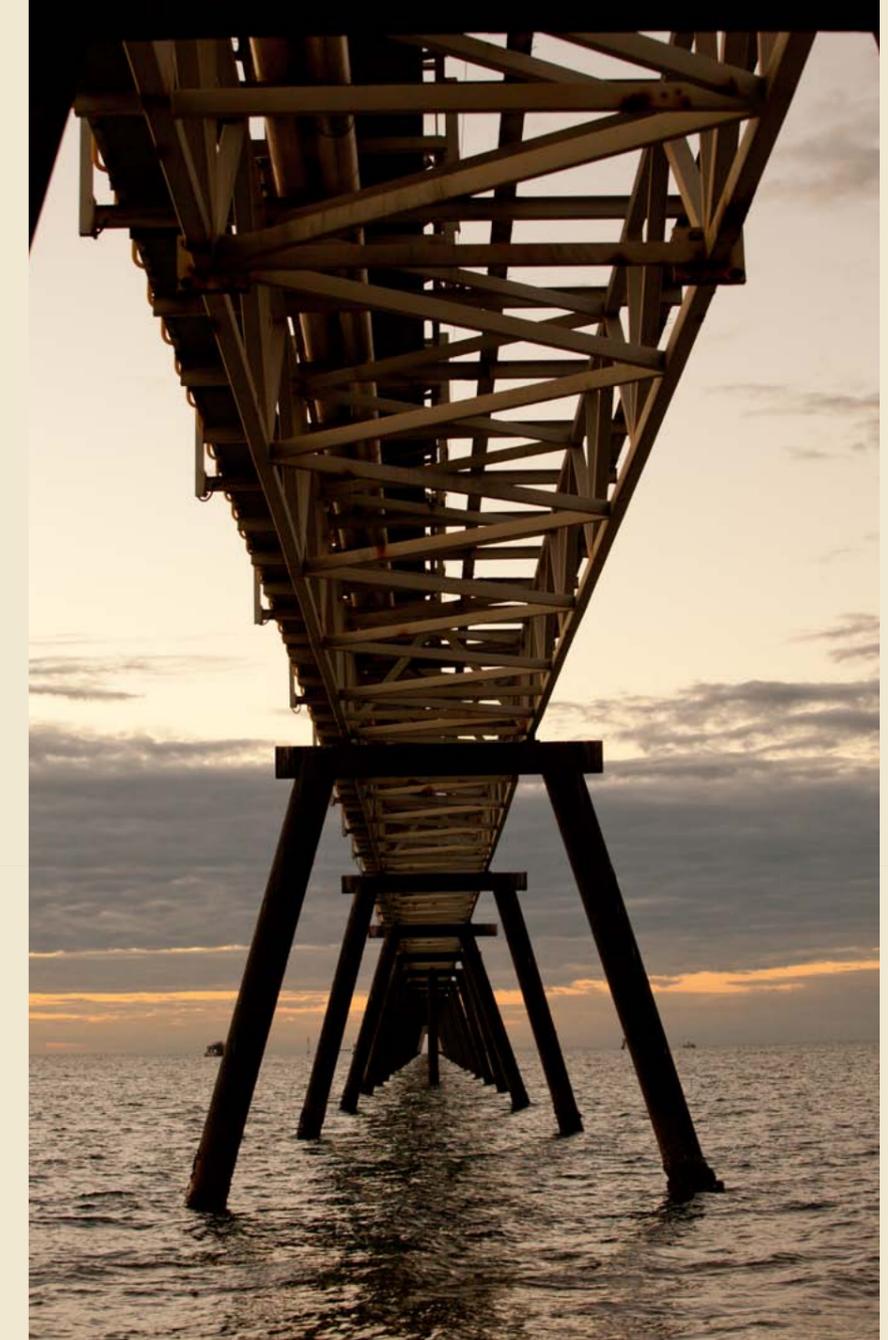
## Dividend

In accordance with the current dividend policy the Directors have recommended \$4,553,615 dividend be paid being 65% of net operating profit after tax.

	2011 \$'000	2010 \$'000
Total dividends recommended in respect of the financial year	4,554	3,427
Total dividends paid during the financial year	3,427	1,341

## Significant Changes to the State Of Affairs

There was no significant change in the nature of the Authority's activities this year.



# Directors Report 2011

## Review of Operations

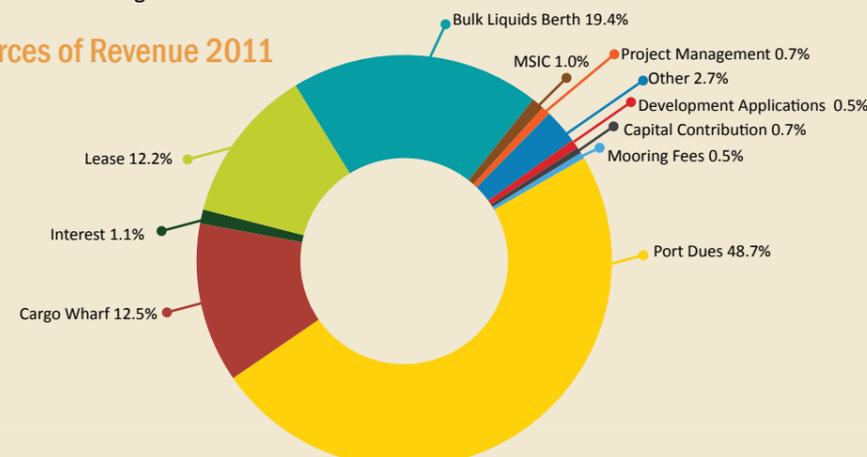
### Finance

In regard to operations, the Authority has dual goals of sound financial management and trade facilitation. In achieving these goals, the Authority aims to achieve its rate of return on assets, while providing the most cost-effective service to port users.

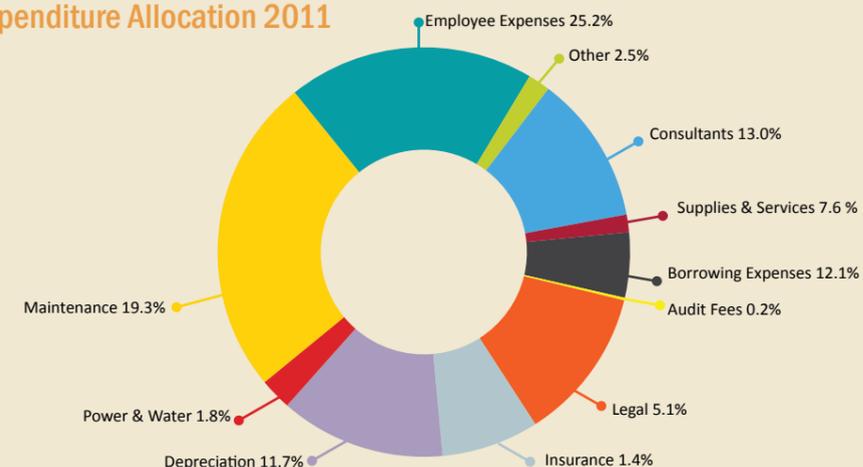
The final result was a pre-tax profit of \$9,776,275, against budgeted profit of \$10,579,877.

The DPA expensed \$2.5 million on engineering and design works associated with the proposed Dampier Marine Services Facility. A summary of revenues according to significant operating areas is set out alongside.

### Sources of Revenue 2011



### Expenditure Allocation 2011



	2011 \$'000	2010 \$'000
Port Dues	21,609	19,323
Dampier Cargo Wharf Operations	5,561	4,318
Lease-King Bay Industrial Estate/Other	5,410	4,024
Bulk Liquids Berth	8,616	8,574
Interest	489	361
Profit on sale of assets	-	23
MSIC	426	289
Project Management	304	381
Capital contribution	308	321
Mooring Fees	208	-
Other Revenues	1,414	359
<b>Total Revenue</b>	<b>44,345</b>	<b>37,973</b>
<i>Less unallocated expenses:</i>		
Employee expenses	8,713	6,663
Maintenance	6,685	4,321
Power & Water	605	367
Depreciation	4,061	3,906
Insurance	478	485
Legal	1,777	1,220
Consultants	4,488	7,944
Audit Fees	72	64
Finance Costs	4,184	4,261
Supplies and services	2,638	1,632
Other	864	430
<b>Total Expenditure</b>	<b>34,569</b>	<b>31,293</b>
Profit from ordinary activities before income tax expense	9,776	6,680
Income tax benefit/(expense)	(2,771)	(1,408)
<b>Profit from ordinary activities after income tax expense</b>	<b>7,005</b>	<b>5,272</b>

Comments on the operations and the results of those operations are set out below:

#### (a) Port Dues

Port Dues increased compared to last year mainly due to the increase in the port dues rate and also a greater number of ships entering the port. The port dues rate takes into account the target rate of return.

#### (b) Dampier Cargo Wharf (DCW) Operations

There has been an increase in revenue due to an increase in charges associated with the Cargo Wharf.

#### (c) Lease – King Bay Industrial Estate/Other

Income from King Bay Industrial Estate has increased compared to last financial year. This is due to lease reviews during the year, and new leases being signed during the year.

#### (d) Bulk Liquids Berth

Each year the DPA calculates the State Subsidy payable from the WA Government based on budget costs. During 10/11 financial year the forecast expenditure on the facility was on par to previous years.

#### (e) Interest

During the year the DPA invested surplus cash, the increase is due to higher cash reserves.

#### (f) Profit from the Sale of Non Current Assets

The net proceeds from sale of Non Current Assets is lower this year due to an decrease in assets sold.

#### (g) MSIC

Maritime Security Identification Card (MSIC) is a federal requirement to increase security within Australian Ports. The MSIC was a requirement for WA ports from 1st January 2007 and is valid for five years. Income received is higher this year due to a number of MSIC being renewed.

#### (h) Project Management

There has been a decline in project management fees during the financial year due to a decrease in the number of major projects being managed. Currently the DPA is managing one major project.

#### (i) Capital contributions

Contribution from BIS for road works at Streckfuss Place at the King Bay Industrial Estate.

#### (j) Other Revenues

There has been an increase in other revenue this is attributable to the contributions from Department State Development for planning and design works at North Ashburton.

#### (k) Mooring Fees

Mooring Fees were first introduced in July 2010.

#### (l) Employee Expenses

This has increased from last financial year due to the increase in staff levels including accommodation requirements.

#### (m) Maintenance

Maintenance costs are higher than last financial year, reflecting continuation of the cyclical maintenance program.

#### (n) Power and Water

Water increased by \$146k during the year, this is partially due to increase in water consumption and increase in charged from Water Corporation.

#### (o) Depreciation

Depreciation is similar to last financial year.

#### (p) Insurance

Costs for insurance decreased slightly compared to last financial year.

#### (q) Legal

Legal costs increased during the year due to an increase in negotiations taking place.

#### (r) Consultants

Increase in consultancy costs this is mainly due to the costs incurred on the front end engineering and design of the Dampier Marine Services Facility.

#### (s) Auditing

Audit costs are similar to last financial year.

#### (t) Borrowing Costs

Borrowing costs are similar to last financial year.

#### (u) Supplies and Services

These cost have increased slightly, compared to last financial year. Increases were mainly seen in office hire, staff travel expenses, telephone charges (high speed link to perth office), and minor assets.

#### (v) Other

Other expenditure is higher than last financial year, this is due to increases in payroll tax, land tax and cost of weather forecasting.

# Directors Report 2011

## Key Performance Indicators

### Economic

The table below shows commodity throughput for the past 5 years. Export of Iron Ore continues to be the dominant trade by volume.

### Financial

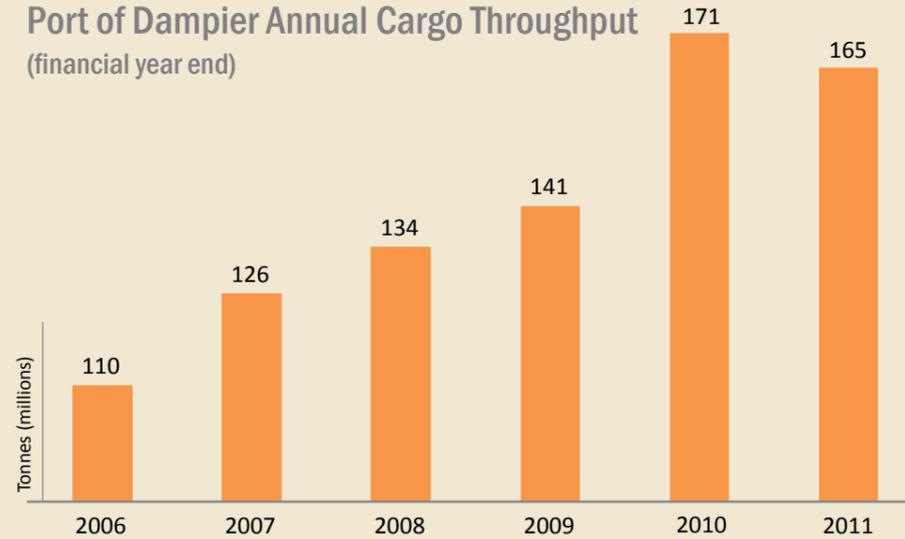
#### Rate of Return

The Minister for Transport sets the Authority's target rate of return which is 6-8%. The budgeted rate of return for the 2010/2011 financial year was 9.8%. The rate of return achieved by the Dampier Port Authority was 8.7%. (Bulk Liquids Berth (BLB) 5.35%, General operations excl BLB was 11.04%).

The average long run rate of return achieved by the Dampier Port Authority over the past 5 years was 8.44%

The target rate of return is calculated on profit before borrowing and taxation cost divided by the written down deprival cost of total assets less gifted assets.

Port of Dampier Annual Cargo Throughput  
(financial year end)



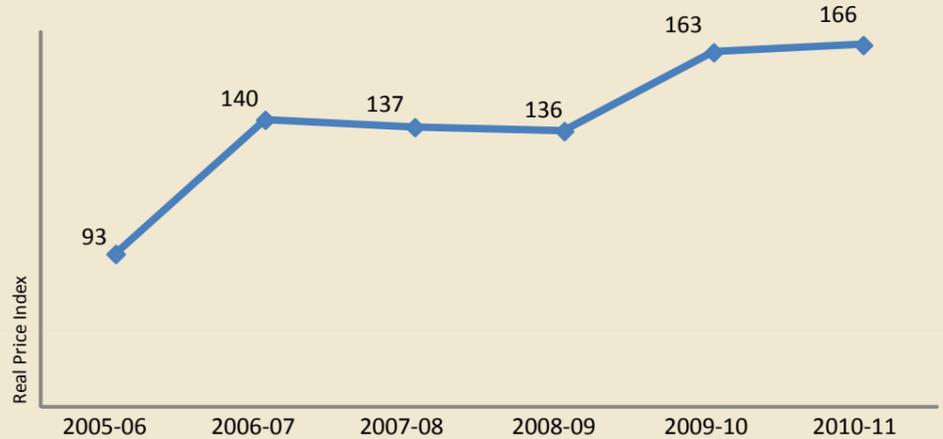
Commodity	2010-2011	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Iron Ore	136,287,257	141,260,217	116,550,652	112,176,315	103,890,562	89,242,635
Salt	4,178,783	4,539,951	3,610,665	3,435,339	3,539,471	3,212,634
Condensate	4,832,060	4,099,877	4,145,638	3,027,115	3,299,767	3,373,302
Liquified Natural Gas	17,094,479	17,214,420	14,407,975	12,279,748	12,508,917	11,784,741
Liquified Petroleum Gas	922,882	1,975,261	957,270	1,526,302	1,487,877	1,468,917
Petroleum Products	483,055	471,674	443,886	378,066	274,737	412,653
Ammonia	765,499	796,165	335,770	744,865	727,895	62,171
General Cargo	461,189	374,649	371,891	381,526	395,999	512,092
<b>Total Cargo Tonnes</b>	<b>165,025,204</b>	<b>170,732,214</b>	<b>140,823,747</b>	<b>133,949,276</b>	<b>126,125,225</b>	<b>110,069,145</b>
<b>Total Vessel Numbers</b>	<b>6,003</b>	<b>4,657</b>	<b>4,007</b>	<b>4,029</b>	<b>3,403</b>	<b>3,062</b>
<b>Total Gross Registered Tonnage</b>	<b>121,826,752</b>	<b>123,370,017</b>	<b>106,701,463</b>	<b>97,893,363</b>	<b>95,156,837</b>	<b>87,156,692</b>

### Real Price Index (1994/95 = 100)

Dampier Port's real price index shows prices deflated by the consumer price index for Perth, to give an indication of the relative value of money over the years shown.

As the graph for port dues indicates the real price index for port dues has increased steadily, over the past 6 years. Prices will increase to \$0.2039 from 1 July 2011.

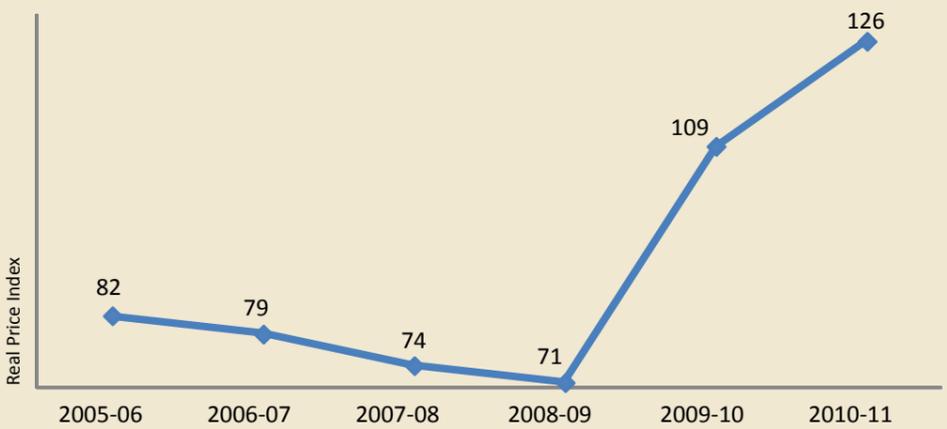
### Port Dues



As the graph for Wharfage charges indicates the real price index has increased in particularly over the past 2 years, this is in line with DPA introducing user pay principles in July 2009. Wharfage charges will increase from 1 July 2011 to \$8.32.

The graph for berth hire indicates the real price index for berth hire has steadily increased over the last 6 years. Prices will increase to \$88.00 per hour per 50m vessels LOA from 1 July 2011.

### Wharfage



### Berth Hire



## Stability of Workforce

Staff Turnover was 18.1 per cent for 2010-2011.

## Occupational Health and Safety

No Workers Compensation claims were made during the financial year.

## Significant Changes to the State of Affairs

No significant changes to the state of affairs of the Authority occurred during the financial year.

## Events Subsequent to Reporting Date

There has not risen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Authority, to affect significantly the operations of the Authority, the results of those operations, or the state of affairs of the Authority, in future financial years.

## Likely Developments and Future Results

The Authority expects that trade volumes for 2011/2012 financial year to continue to increase, this is mainly due to the expected increases in iron ore and LNG exports. As a consequence, revenue is expected to rise proportionately over this financial year.

Significant changes in the Authority's operations are occurring due to a number of development projects coming to fruition, including the anticipated expansion of the Authority's coverage to Onslow and Mt Anketell.

## Directors Benefits

During the financial year, no Director has received or become entitled to receive a benefit, other than the benefits disclosed in the financial statements as emoluments, by reason of a contract made by the Authority with the Director or with a firm of which he or she is a member, or an entity in which he or she has substantial interest.

## Directors Interest In Contracts

During the financial year, the Authority did not enter into any contracts with entities, in which Directors declared an interest, except as set out in Note 20.

## Remuneration Report

### Remuneration Policy

The Minister determines remuneration of directors of the Dampier Port Authority. The Board oversees the remuneration of the Chief Executive Officer on an annual performance basis. Remuneration of officers other than the Chief Executive Officer is based on their individual contract agreements.

Details of the nature and amount of each element of the emoluments of each Director at the Dampier Port Authority and of the Chief Executive Officer and Senior Managers of the Authority are as follows:

## Board Members

### 2011

Name	Directors Fees \$	Superannuation \$	Total \$
B Hammond	45,000	4,050	49,050
R. Vitenbergs	25,000	2,250	27,250
M. Deeks	16,050	1,485	17,985
N. Bridge	12,244	1,102	13,346

Note that Directors appointed from Woodside Energy and Rio Tinto do not receive remuneration for board member duties.

### 2010

Name	Directors Fees \$	Superannuation \$	Total \$
B Hammond	45,000	4,050	49,050
R. Vitenbergs	25,000	2,250	27,250
M. Deeks (commenced July 09)	14,575	1,312	15,887

## Other Executives

### 2011

Name	Salary \$	Motor Vehicle \$	Other \$	Superannuation \$	Total \$
Steve Lewis Chief Executive Officer	340,099	-	-	28,537	368,636
John Fewings Harbour Master	214,538	24,457	836	19,308	259,139
Rochelle Macdonald Port Development Manager	202,076	16,547	-	17,823	236,446

### 2010

Name	Salary \$	Motor Vehicle \$	Other \$	Superannuation \$	Total \$
Steve Lewis Chief Executive Officer	290,389	31,421	783	26,702	349,295
John Fewings Harbour Master	196,988	25,121	168	18,390	240,667
Rochelle Macdonald Port Development Manager	177,615	16,547	-	15,985	210,147

## Retirement, Election and Continuation of Office of Members

The changes which occurred during 2010-2011 year were the appointment of Mr Noel Bridge and the resignation of Ms Lisa Hamilton and Mr Mike Spreadborough.

During the financial year 7 Directors' meetings were held. The number of meetings in which the Directors were in attendance is shown in the table below.

	No. of Meetings eligible to attend	Meetings attended
Brendan Hammond	7	7
Robert Vitenbergs	7	7
Michael Spreadborough	6	4
Mike Deeks	7	7
Lisa Hamilton	6	4
Noel Bridge	6	6
Ben Doig (alternate for Michael Spreadborough)	3	3
Fiona Russell (alternate for Lisa Hamilton)	3	3

## Environmental Performance

Section 51(1)(b) of the *Port Authorities Act 1999* requires the Port Authority to have an environmental management plan for the Port. The Port Authority has a current plan and is constantly working to improve its performance in this area.

## Indemnification of Directors

During the financial year the Directors' and Officers' Liability Insurance Policy was renewed to ensure that the directors and officers of the Authority had adequate coverage. The policy provides insurance against all liabilities and expenses arising as a result of work performed in their capacities, to the extent permitted by law.

The Authority paid an insurance premium of \$17,910.80 GST exclusive in respect of the Directors' and Officers' Liability Insurance Policy for the reporting period.

At the date of this report no claims have been made against the policy.

## Indemnification of Auditors

The Auditor General's Office has been appointed as the Port Authority's auditor in accordance with Schedule 5 Section 37(2) of the *Port Authorities Act 1999*.

The total fee payable for the financial year ended 30 June 2011 is \$39,000 GST exclusive.

## Rounding of Amounts

The Authority satisfies the requirements of clause 31 of Schedule 5 contained in the *Port Authorities Act 1999* and accordingly, amounts in the financial statements and Directors' Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the Board.



Brendan Hammond

Chairman



Robert Vitenbergs

Deputy Chairman

Dated this 23rd day of August, 2011

Perth WA

## Directors Declaration

The Directors' declare that the financial statements and notes:

- comply with Accounting Standards, the *Port Authorities Act 1999* and other mandatory professional reporting requirements; and
- give a true and fair view of the Authority's financial position as at 30 June 2011 and of its performance, as represented by the results of its operations and its cash flows, for the financial year ended on that date.

In the Directors' opinion:

- the financial statements and notes are in accordance with the *Port Authorities Act 1999*; and
- there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

This declaration has been made in accordance with a resolution of the Directors.



Chairman



Director

Dated this 23rd day of August, 2011

Perth WA



**Auditor General**

**INDEPENDENT AUDITOR'S REPORT**

To the Parliament of Western Australia

**DAMPIER PORT AUTHORITY**

I have audited the financial report of the Dampier Port Authority. The financial report comprises the Statement of Financial Position as at 30 June 2011, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory Notes and the Directors' Declaration.

**Directors' Responsibility for the Financial Report**

The directors of the Dampier Port Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Port Authorities Act 1999, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

As required by the Port Authorities Act 1999, my responsibility is to express an opinion on the financial report based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial report that gives a true and fair view 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 Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Independence**

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and the Australian Auditing Standards, and other relevant ethical requirements.

**Opinion**

In my opinion, the financial report of the Dampier Port Authority is in accordance with schedule 5 of the Port Authorities Act 1999, including:

- giving a true and fair view of the Authority's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.



**COLIN MURPHY**  
AUDITOR GENERAL  
29 September 2011

4<sup>th</sup> Floor Dampier House, 2 Howland Street, West Perth 6005, Western Australia. Tel: 08 9222 7500 Fax: 08 9322 5664

# Directors Report 2011

## Statement of Comprehensive Income

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Revenue	3	44,344	37,973
Employee benefits expense	2	(8,713)	(6,456)
Asset Maintenance		(6,685)	(4,321)
Power & water		(605)	(369)
Depreciation and amortisation expense	2	(4,061)	(3,906)
Legal		(1,777)	(1,220)
Insurance		(477)	(485)
Consultants		(4,488)	(7,944)
Finance costs	2	(4,183)	(4,261)
Audit fees	2	(72)	(64)
Supplies and services (a)		(2,643)	(1,632)
Other expenses		(864)	(637)
<b>Profit before income tax</b>	2	<b>9,776</b>	<b>6,680</b>
Income tax expense	4	(2,771)	(1,408)
<b>Profit for the year</b>		<b>7,005</b>	<b>5,272</b>
<b>Total comprehensive income for the year</b>		<b>7,005</b>	<b>5,272</b>

(a) Administration expenses are included in supplies and services.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

## Statement of Financial Position

As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	21(a)	10,691	6,082
Trade and other receivables	5	5,074	3,701
Other	6	290	127
Current tax asset	7	0	2,284
<b>Total Current Assets</b>		<b>16,055</b>	<b>12,194</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	93,034	92,620
Deferred tax assets	8	1,339	693
<b>Total Non-Current Assets</b>		<b>94,373</b>	<b>93,313</b>
<b>TOTAL ASSETS</b>		<b>110,428</b>	<b>105,507</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	3,529	2,717
Borrowings	12	1,894	1,794
Unearned Income	14	2,167	759
Current tax liability	15	994	0
Provisions	16	1,160	869
<b>Total Current Liabilities</b>		<b>9,744</b>	<b>6,139</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	17	1,032	1,031
Borrowings	12	64,440	66,706
Provisions	16	43	40
<b>Total Non-Current Liabilities</b>		<b>65,515</b>	<b>67,777</b>
<b>TOTAL LIABILITIES</b>		<b>75,259</b>	<b>73,916</b>
<b>NET ASSETS</b>			
<b>EQUITY</b>			
Contributed equity	18	17,002	17,002
Retained earnings	19	18,167	14,589
<b>TOTAL EQUITY</b>		<b>35,169</b>	<b>31,591</b>

The Statement of Financial Position should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

For the year ended 30 June 2011

	Note	Contributed Equity \$'000	Retained Earnings \$'000	Total Equity \$'000
<b>Balance at 1 July 2009</b>		<b>17,002</b>	<b>10,658</b>	<b>27,660</b>
Total comprehensive income for the year			5,272	5,272
Transactions with owners in their capacity as owner				
Dividends paid	13		(1,341)	(1,341)
<b>Balance at 30 June 2010</b>		<b>17,002</b>	<b>14,589</b>	<b>31,591</b>
<b>Balance at 1 July 2010</b>		<b>17,002</b>	<b>14,589</b>	<b>31,591</b>
Total comprehensive income for the year			7,005	7,005
Transactions with owners in their capacity as owner				
Dividends paid	13		(3,427)	(3,427)
<b>Balance at 30 June 2011</b>		<b>17,002</b>	<b>18,167</b>	<b>35,169</b>

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Statement of Cash Flows

For the year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts from customers		36,186	28,631
Receipts from government contributions		7,709	7,670
Payments to suppliers and employees		(25,160)	(22,903)
Interest received		482	335
Interest paid		(4,208)	(4,279)
Income tax paid		(1,914)	(2,189)
Income tax received		1,580	-
GST receipt on sales		3,681	2,980
GST receipt from taxation authority		(2,041)	(1,114)
GST payments on purchases		(1,640)	(1,836)
<b>Net cash inflow/(outflow) from operating activities</b>	21(b)	<b>14,675</b>	<b>7,265</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant & equipment		39	183
Payment for acquisition of property, plant & equipment		(4,512)	(4,249)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>(4,473)</b>	<b>(4,066)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Dividends paid	13	(3,427)	(1,341)
Repayment of borrowings		(2,166)	(1,689)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>(5,593)</b>	<b>(3,030)</b>
<b>Net increase in cash and cash equivalents</b>		<b>4,609</b>	<b>169</b>
<b>Cash and cash equivalents at 1 July</b>		<b>6,082</b>	<b>5,913</b>
<b>Cash and cash equivalents at 30 June</b>	21(a)	<b>10,691</b>	<b>6,082</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

# Directors Report 2011

## Notes to and Forming Part of the Financial Statements

For the year ended 30 June 2011

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### 1. Basis of preparation

##### a) Statement of Compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views and the *Port Authorities Act 1999*. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented, unless otherwise stated.

The financial statements were authorised for issue on 23rd August 2011 by the Board of Directors of the Dampier Port Authority.

##### b) Presentation of statement of comprehensive income

The Directors have concluded that the financial statements present fairly the Authority's financial position, financial performance and cash flows with applicable standards and interpretations.

##### c) Basis of measurement

The financial report is prepared on an accrual basis and in accordance with historical cost convention.

##### d) Functional and presentation currency

These financial statements are presented in Australian dollars and all values are rounded to the nearest (\$'000) unless otherwise stated.

##### e) Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statement:

- Discount rates used in estimating provisions
- Estimating useful life of key assets
- Long service leave – retention rates and discount rates.

#### 2. Summary of significant accounting policies

##### (a) Income

###### Revenue

Revenue is measured at the fair value of consideration received or receivable. Revenue is recognised for the major business activities as follows:

###### Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser.

###### Provision of services

Revenue is recognised on delivery of the service or by reference to the stage of completion.

###### Interest

Revenue is recognised as the interest accrues.

###### Gains

Gains may be realised or unrealised and are usually recognised on a net basis. These include gains arising on the disposal of non current assets.

###### Lease income

Lease income from operating leases is recognised in income on a straight-line basis over the lease term.

###### Government Grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Authority will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (Continued)

##### (b) Income Tax "Equivalent"

The Authority operates within the national tax equivalent regime ("NTER") whereby an equivalent amount in respect of income tax is payable to the State Department of Treasury and Finance. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government.

As a consequence of participation in the NTER, the Authority is required to comply with AASB 112 "Income Taxes".

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rate expected to apply when the assets are recovered or liabilities settled, based on those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

##### (c) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings.

##### (d) Maintenance and Repairs

Plant and equipment of the Authority is required to be overhauled on a regular basis. This is managed as part of an ongoing cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred. Other routine maintenance, repair costs and minor renewals are also charged as expenses as incurred.

##### (e) Property, Plant and Equipment and Infrastructure

###### Initial recognition and measurement

All items of property, plant and equipment and infrastructure are initially recognised at cost.

For items of property, plant and equipment and infrastructure acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

###### Capitalisation/expensing of assets

The Authority has a general policy of expensing at the time of purchase all individual assets costing \$1,000 or less or with a useful life of less than three (3) years. The materiality of the item purchased is also taken into consideration when adopting this policy. Regardless of cost, physical control over all the Authority's assets is maintained.

###### Subsequent measurement

After recognition as an asset, the Authority uses the cost basis less, where applicable, any accumulated depreciation or amortisation for all property, plant and equipment. Costs include expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably.

###### Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method, using rates which are reviewed annually.

Estimated useful lives for each class of depreciable asset are:

Buildings	40 to 50 years
Plant and equipment	3 to 5 years
Berths/Wharves	25 to 40 years
Navigational Aids	20 to 50 years
Motor vehicles	5 years
Software	3 to 5 years
Environmental Approvals	50 years
Channel	50 years

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### (f) Intangible Assets

#### Capitalisation/expensing of assets

All acquired and internally developed intangible assets are initially measured at cost. For assets acquired at no cost or for nominal cost, cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets can only be revalued to fair value where an active market exists.

The carrying value of intangible assets is reviewed for impairment annually when the asset is not yet in use, or more frequently when an indicator of impairment arises during the reporting year indicating that the carrying value may not be recoverable.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Authority have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software	3 to 5 years
Web site costs	3 to 5 years
Environmental approvals	50 years

#### Computer Software

Acquired software items costing less than \$1,000 are expensed in the year of acquisition. Where software is an integral part of the related hardware, it is treated as property, plant and equipment. Where the software is not an integral part of the related hardware, it is treated as an intangible asset.

#### Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a website, to the extent that they represent probable future economic benefits that can be reliably measured, are capitalised.

#### Environmental Approvals

These are the costs associated with obtaining approval to dredge the channel to the Bulk Liquids Berth and are depreciated over the life of the channel.

### (g) Impairment of Assets

Property, plant and equipment, infrastructure and intangible assets are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at each reporting date irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment. Surplus assets at cost are tested for indications of impairments at each reporting date. See note 10 'Impairment of assets' for the outcome of impairment reviews and testing.

### (h) Cash and Cash Equivalents

For the purpose of the Cash Flow Statement, cash and cash equivalents comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

### (i) Financial Instruments

In addition to cash, the Authority has three categories of financial instrument:

- Loans and receivables;
- Held to maturity investments (term deposits); and
- Financial Liabilities measured at amortised cost.

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

These have been disaggregated into the following classes;

#### Financial Assets

- Cash and cash equivalents
- Receivables
- Term Deposits

#### Financial Liabilities

- Payables
- Western Australia Treasury Corporation Borrowings

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost as the effect of discounting is not material.

The fair value of short term receivables and payables is the transaction cost or the face value because there is not interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

### (j) Receivables

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off.

The provision for uncollectible amounts (doubtful debts) is raised when collectability is no longer probable. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

### (k) Payables

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of goods or services at the amounts payable. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

### (l) Investments and other financial assets

The Authority classifies its investments in the following categories:

#### (i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

#### (ii) Held to maturity assets

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Authority's management has the positive intention and ability to hold to maturity.

The Authority did not hold any investments in these categories for the financial years presented.

### (m) Borrowings

All loans are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

### (n) Provisions

Provisions are liabilities of uncertain timing and amount. The Authority only recognises a provision where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of economic benefits is probable and can be measured reliably. Provisions are reviewed at each balance sheet reporting date and adjusted to reflect the current best estimate.

#### (i) Employee Benefits

##### Annual Leave and Long Service Leave

The liability for annual and long service leave expected to be settled within 12 months after the balance sheet date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled more than 12 months after the balance sheet date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance sheet date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the experience of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the balance sheet date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

All annual leave and unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Associated payroll on-costs are included in the determination of other provisions.

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## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Superannuation

The liabilities for superannuation charges under the West State Superannuation Scheme, Gold State Superannuation Scheme or other funds of the employees' choosing are extinguished by fortnightly (West State & Gold State) and other payments of employer contributions to the appropriate funds.

### (ii) Provisions – Other

#### Employment On Costs

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognised as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are not included as part of the Authority's 'Employee benefits expense' and the related liability is included in Employment on-costs provision.

#### Dividends

Provision is made for the amount of any dividend declared on or before the end of the financial year, but not distributed at reporting date.

### (o) Payment of Dividend to the State

In accordance with section 84 of the *Port Authorities Act 1999* the Board of the Authority intends to make a recommendation to the Minister for Transport that dividends amounting to \$4,553,615 (2010: \$3,426,953) be declared in respect for the year ended 30 June 2011. The proposed dividend is in accordance with the dividend policy included in the Authority's statement of corporate intent for 2010-2011.

### (p) Comparative Figures

Where the classification of an item in the financial statements has been changed in relation to the corresponding item in the financial statements for the immediately preceding financial year, the item for that immediately preceding financial year has been similarly reclassified for the purpose of showing comparative figures.

### (q) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of associated GST, unless the GST is not recoverable from the taxation authority. In this case it is recognised as part of the cost of the acquisition of the asset or part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

### (r) New standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the entity in the period of initial application. They are available for early adoption at 30 June 2010, but have not been applied in preparing this financial report:

AASB 124 : Related Party Disclosures, this revision amends the disclosure requirements for government related entities and the definition of a related party and is effective for annual reporting periods ending on or after 31 December 2011.

## NOTE 2: PROFIT BEFORE INCOME TAX

Profit before income tax expense includes the following expenses:

	2011 \$'000	2010 \$'000
Employee benefits expense		
Annual Leave	555	390
Long Service Leave	225	171
Superannuation	483	415
Fringe benefits tax	296	288
Board members fee	99	60
Wages	4,925	3,200
Temporary Staff	1,104	1,024
Other	1,026	908
Total employee benefits	8,713	6,456
Depreciation and amortisation		
Building and improvements	425	382
Plant and equipment	980	925
Berths/wharve	2,073	2,015
Navigation aids	239	239
Channel	344	344
Total depreciation and amortisation	4,061	3,905
Finance costs	4,183	4,261
Auditors Remuneration	72	64

## NOTE 3: REVENUE

	2011 \$'000	2010 \$'000
Operating activities of the Authority		
– rendering of services – port dues	21,609	19,323
– rendering of services – DCW/Barge Ramp	5,561	4,318
– rendering of services – Bulk Liquids Berth	907	904
– Government contribution – Bulk Liquids Berth	7,709	7,670
– leases revenue	5,410	4,024
– foreign exchange gain (loss)	(2)	(23)
– Other	2,661	1,373
	43,855	37,589
Non-operating activities of the Authority		
– Net gain on disposal of property, plant and equipment	489	361
– interest received	44,344	37,973

## NOTE 4: INCOME TAX EXPENSE

	2011 \$'000	2010 \$'000
The income tax attributable to the financial year differs from the amount prima facie payable on the profit before income tax and is reconciled as follows:		
Profit before income tax	9,776	6,680
Tax at the Australian tax rate of 30% (2010: 30%)	(2,933)	(2,004)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry Items	5	(2)
Investment allowance deduction	0	10
Research and development	178	495
Prior year under/(over) provision	(21)	93
	(2,771)	(1,408)
Income tax (expense)	(2,771)	(1,408)
Income tax expense comprises:		
Provision attributable to current year	(3,416)	(197)
(Increase)/decrease in deferred tax liability	(1)	(878)
Increase/(decrease) in deferred tax asset	646	(333)
	(2,771)	(1,408)

## NOTE 5: TRADE AND OTHER RECEIVABLES

	2011 \$'000	2010 \$'000
Trade debtors	5,074	3,701

Trade debtors are normally settled on 14 day terms.

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## NOTE 6: OTHER CURRENT ASSETS

	2011 \$'000	2010 \$'000
Prepayments	207	37
Deposit	83	90
	<u>290</u>	<u>127</u>

## NOTE 7: CURRENT TAX ASSET

	2011 \$'000	2010 \$'000
Current tax asset	<u>0</u>	<u>2,284</u>

## NOTE 8: DEFERRED TAX ASSETS

	2011 \$'000	2010 \$'000
The deferred tax asset comprises		
accrued expenses	12	7
operational expenditure	966	326
settlement payment	0	79
FX – unrealised	0	7
provisions	361	274
	<u>1,339</u>	<u>693</u>
Reconciliation of movement in deferred tax assets		
Opening balance	693	1,026
Prior year adjustment	255	(371)
(charged)/credited to P&L	391	38
Closing balance	<u>1,339</u>	<u>693</u>

## NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2011 \$'000	2010 \$'000
<b>Land and buildings</b>		
Land		
Freehold - at cost (ii)	2,082	1,868
Total Land	<u>2,082</u>	<u>1,868</u>
Building and improvements (iii)		
At cost	13,633	13,216
Accumulated depreciation	(2,970)	(2,545)
Total buildings and improvements	<u>10,663</u>	<u>10,671</u>
Total land buildings and improvements	<u>12,745</u>	<u>12,539</u>
<b>Plant and equipment</b>		
At cost	5,717	5,466
Accumulated depreciation	(3,587)	(2,748)
Total plant and equipment	<u>2,130</u>	<u>2,718</u>
<b>Intangibles</b>		
Computer software, website establishment and environmental approvals		
At cost	735	610
Accumulated depreciation	(199)	(136)
Total intangible assets	<u>536</u>	<u>474</u>
<b>Infrastructure</b>		
Berths / Wharves		
At cost	76,474	75,326
Accumulated depreciation	(20,975)	(18,916)
At recoverable amount	339	339
Accumulated depreciation	(109)	(95)
Total berths/wharves	<u>55,729</u>	<u>56,654</u>

## NOTE 9: PROPERTY, PLANT AND EQUIPMENT

(continued)

	2011 \$'000	2010 \$'000
Navigation aids		
At cost	5,572	5,572
Accumulated depreciation	(2,403)	(2,164)
Total navigation aids	<u>3,169</u>	<u>3,408</u>
Channel		
At cost	17,210	17,210
Accumulated depreciation	(1,922)	(1,578)
Total navigation aids	<u>15,288</u>	<u>15,632</u>
Infrastructure in the course of construction - at cost		
Dredging DCW Approvals	59	59
Residential housing	491	-
Arrestor bed	1,667	-
Payroll software	-	59
Gatehouse	1,220	610
BLB Gangway	-	467
	<u>3,437</u>	<u>1,195</u>
Total infrastructure	<u>77,623</u>	<u>76,889</u>
Total property, plant and equipment	<u>93,034</u>	<u>92,620</u>

(i) The Authority has 2 parcels of land Lot 471 and Lot 472 Reserve 41636, vested to the Authority for port purposes. The current non improved market valuation is \$3,800,000. The valuation has been determined by the Valuer Generals Office as at the 1st July 2009. These 2 parcels are not reflected in the financial statements.

(ii) Freehold land has been valued at \$3,086,000 based on the property's market value as at 30 June 2010.

(iii) The Bulk Liquid Berth (BLB) commenced construction in January 2004 and was completed on the 7th November 2005. The Authority has entered into an agreement with the Western Australian Government whereby the State will pay to the Authority a State Subsidy for the term of the loan associated with the construction of the BLB (Note 12), as well as a Community Service Obligation for a period of 30 years. The amounts payable each year are determined to ensure that the Authority does not trade at a financial loss in regard to that asset.

Reconciliation of carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial year are set out below:

	2011 \$'000	2010 \$'000
Land		
Carrying amount at 1 July	1,868	1,222
Additions	214	646
Disposals	-	-
Carrying amount 30 June	<u>2,082</u>	<u>1,868</u>

# Directors Report 2011

## NOTE 9: PROPERTY, PLANT AND EQUIPMENT

(continued)

Building and improvements		
Carrying amount at 1 July	10,671	8,947
Additions	418	2,106
Depreciation for the year	(426)	(382)
Carrying amount 30 June	10,663	10,671
Plant and equipment		
Carrying amount at 1 July	2,718	3,027
Additions	367	734
Disposals	(116)	(377)
Accumulated depreciation on disposal	77	218
Depreciation for the year	(916)	(884)
Carrying amount 30 June	2,130	2,718
Intangibles		
Carrying amount at 1 July	474	503
Additions	125	12
Depreciation for the year	(63)	(41)
Carrying amount 30 June	536	474
Infrastructure		
Berths/Wharves		
Carrying Amount at 1 July	56,654	55,922
Additions	1,148	2,746
Depreciation for the year	(2,073)	(2,014)
Carrying Amount 30 June	55,729	56,654
Navigational Aids		
Carrying Amount at 1 July	3,408	3,408
Depreciation for the year	(239)	(239)
Carrying Amount 30 June	3,169	3,408
Channel		
Carrying Amount at 1 July	15,632	15,976

Depreciation for the year	(344)	(344)
Carrying Amount 30 June	15,288	15,632
Work in Progress		
Carrying amount at 1 July	1,195	3,193
Additions	3,897	3,280
Transfer to non current assets	(1,655)	(5,278)
Carrying Amount 30 June	3,437	1,195
Total property, plant and equipment	93,034	92,620

## NOTE 10: IMPAIRMENT OF ASSETS

There were no indications of impairment of Property, Plant & Equipment, Infrastructure and Intangible assets at 30 June 2011.

The Authority held no goodwill or intangible assets with an indefinite useful life during the reporting period and at reporting date there were no intangible assets not yet available for use.

## NOTE 11: TRADE AND OTHER PAYABLES

	2011 \$'000	2010 \$'000
Trade creditors	1,687	1,982
Sundry creditors	1,842	735
	3,529	2,717

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

Current		
Loan – Western Australian Treasury Corporation	1,894	1,794
Non Current		
Loan – Western Australian Treasury Corporation	64,440	66,607
Total Loan	66,334	68,500

## Terms and conditions

The Western Australian Treasury Corporation (WATC) loan is repayable, by quarterly instalments of principal and interest over 25 years in accordance with a fixed instalment repayment schedule. Apart from the contractual obligation to repay the WATC under its normal portfolio lending arrangements, the Authority has not provided any security in respect of the loan.

On completion of the multi-user infrastructure projects in November 2005, the original facility of \$75.64 million was reduced to \$73.14 million by \$2.5 million, representing the unused portion of the facility no longer required. The WATC's approved lending facility to the Authority at balance date, is as disclosed in Note 21(c).

## NOTE 13: DIVIDENDS PAID

	2011 \$'000	2010 \$'000
Operating dividend	3,427	1,341

During the financial year ended 30 June 2011, an operating dividend of \$3,426,953 was paid in respect of the financial year ended 30 June 2010. Subsequent to 30 June 2011 the Directors have recommended that a dividend of \$4,553,615, being 65% of net profit after tax, be paid.

## NOTE 14: UNEARNED INCOME

Revenue received in advance of service delivery	2,167	759
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## NOTE 15: CURRENT TAX LIABILITY

Current tax liability	994	0
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## NOTE 16: PROVISIONS

(a) Current		
Employee benefits		
Annual leave	587	447
Long service leave	573	422
	1,160	869
(a) Non-current		
Employee benefits		
Long service leave	43	40
Total employee benefits	1,203	909

(a) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of liabilities will occur as follows:

	2011 \$'000	2010 \$'000
Within 12 months of balance date	573	422
More than 12 months after balance sheet date	43	40
	626	462

Movements in Provisions

	2011 \$'000
Employment on cost provision	
Carrying amount at 1 July	909
Provisions made during the year	509
Amounts utilised in the year	(219)
Carrying amount at 30 June	1,203

## NOTE 17: DEFERRED TAX LIABILITIES

The provision for deferred income tax liability is made up of the following:

- Depreciation	1,026	1,023
- Accrued income	6	8
	1,032	1,031

Reconciliation of deferred tax liabilities

Opening balance	1,031	153
Prior year adjustment	0	62
Charged/(credited) to P&L	1	816
Closing balance	1,032	1,031

## NOTE 18: CONTRIBUTED EQUITY

On 1 March 1989 the Authority was deemed to have acquired from Woodside Energy, the original fixed assets and support infrastructure required to effectively manage and operate the Port. These "gifted" assets included the original Dampier Cargo Wharf, the original administration building, staff houses, navigational aids, plant and other equipment.

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## NOTE 18: CONTRIBUTED EQUITY (Continued)

The Authority also received refunds from State Treasury for sales and income tax equivalent.

These funds are not available for distribution.

	2011 \$'000	2010 \$'000
Developers Contribution	16,111	16,111
State Equity Contribution	891	891
	<u>17,002</u>	<u>17,002</u>

## NOTE 19: RETAINED PROFITS

Retained profits at the beginning of the financial year	14,589	10,658
Net profit for the year	7,005	5,272
Dividends paid	(3,427)	(1,341)
Retained profits at the end of the financial year	<u>18,167</u>	<u>14,589</u>

## NOTE 20: RELATED PARTY TRANSACTIONS

### (a) Directors

The names of persons who were directors of Dampier Port Authority any time during the financial year are as follows: B Hammond, R Vitenbergs, M Spreadborough, L Hamilton, M Deeks, B Doig, F. Russell, N Bridge

### (b) Remuneration and Retirement Benefits

Information on remuneration of directors is disclosed in the Directors Report.

### (c) Other Transactions with Directors and Director related entities

In terms of the *Port Authorities Act 1999* (Schedule 6, Division 1), two (2) directors are nominated by companies that have contractual dealings on normal commercial terms and conditions with the Authority from time to time, being, Ms L Hamilton and Mrs F Russell for Woodside Energy and Mr Spreadborough and Mr B Doig for Rio Tinto.

## NOTE 21: NOTES TO STATEMENT OF CASH FLOWS

	2011 \$'000	2010 \$'000
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows and Statement of Financial Position comprises the following		
Cash at bank	3,440	1,686
Cash at call	7,249	4,395
Cash on hand	2	1

	2011 \$'000	2010 \$'000
(b) Reconciliation of net cash inflow from operating activities to profit after income tax		
Profit for the year	7,005	5,272
Depreciation	4,061	3,906
Net (gain)/loss on sale of property, plant and equipment	-	(23)
Changes in assets and liabilities		
Receivables	(1,374)	(1,441)
Prepayments	(170)	(13)
Accrued income	7	(32)
Payables	812	(199)
Unearned income	1,408	127
Movements in provisions		
Employee benefits	294	357
Income taxes	2,284	198
Deferred income taxes	348	1,595
Net cash inflows from operating activities	<u>14,675</u>	<u>7,265</u>
(c) Financial facility		
At the date of this report, the financing arrangement available to the Authority from the Western Australia Treasury Corporation is:		
Loan facility	66,334	69,500
Amount utilised	(66,334)	(68,500)
Unused loan facility	-	1,000

## NOTE 22: FINANCIAL INSTRUMENTS

### (a) Financial risk management objectives and policies

Financial instruments held by the Dampier Port Authority are cash and cash equivalents, term deposits, loans from Western Australia Treasury Corporation, receivables and payables. The Port Authority has limited exposure to financial risk. To minimise the risk the Port Authority cash is invested with banks with an AA rating or better. The Port Authority's overall risk management program focuses on managing the risk identified below.

#### Credit risk

Credit risk arises when there is a possibility of the Authority's receivables defaulting on their contractual obligation resulting in the financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

All financial assets are unsecured and the Authority does not believe it is materially exposed to any credit risk.

## NOTE 22: FINANCIAL INSTRUMENTS (Continued)

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions or impairment, as shown in the table note 22 (d).

The Authority does not have any material credit risk exposure to any single debtor or group of debtors. In addition, receivables are monitored on an ongoing basis with the result the Authorities exposure to bad debt is minimal.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

	2011 \$'000	2010 \$'000
Trade receivables		
Group 1	61	42
Group 2	3,019	2,722
Total group trade receivables	<u>3,080</u>	<u>2,764</u>
Cash and short term deposits	<u>10,691</u>	<u>6,082</u>

Group 1 - New customers (less than 6 months old)

Group 2 - Existing customers (more than 6 months old)

Ageing of receivables past due but not impaired based on information provided to Senior Management, at balance sheet date:

	2011 \$'000	2010 \$'000
Not more than 3 months old	1,993	937
More than 3 months but less than 6 months old	-	-
More than 6 months but less than 1 year	-	-
More than 1 year	2	-
	<u>1,995</u>	<u>937</u>

#### Liquidity Risk

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due.

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of available loan funds. The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure sufficient funds are available to meet its commitments.

#### Market risk

The Authority does not trade in foreign currency and is not materially exposed to other price risks (for example equity securities or commodity price changes). The Authority's exposure to market risk for changes in interest rates relates primarily to the long term debt obligations. The Authority's borrowings are all obtained through Western Australia Treasury Corporation (WATC) and are all fixed with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than detailed in the interest rate sensitivity analysis table at note 23 (c), the Authority has limited exposure to interest rate risk because it has no other borrowings.

#### (b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at balance sheet date are as follows:

	2011 \$'000	2010 \$'000
<b>Financial Assets</b>		
Cash and cash equivalents	10,691	6,082
Loans and Receivables (i)	5,074	3,701
	<u>15,765</u>	<u>9,783</u>
<b>Financial Liabilities</b>		
Financial liabilities measured at amortised cost	3,529	2,717
Borrowings	66,334	68,500
	<u>69,863</u>	<u>71,217</u>

#### (c) Financial instrument disclosures

##### Credit risk, liquidity risk and interest rate and exposure risk

The following table details the exposure to liquidity risk and interest as at the balance sheet date. The Authority's maximum exposure to credit risk at the balance sheet date is the carrying amount of the financial assets as shown on the following table. The table is based on information provided to senior management of the Authority. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date.

The Authority does not hold any collateral as security or other credit enhancements relating to the financial assets it holds.

# Directors Report 2011

## NOTE 22: FINANCIAL INSTRUMENTS (continued)

### Financial Liabilities/ Assets

#### 2011

	Weighted average interest rate %	Floating Interest Rate \$'000	Fixed Interest Maturing in 1 year or less \$'000	Fixed Interest Maturing 1-5 years	Fixed Interest Maturing over 5 years	Non Interest Bearing \$'000	Total \$'000
<b>Financial Assets</b>							
Cash at bank	2.7	10,691	-	-	-	-	10,691
Receivables		-	-	-	-	5,074	5,074
		10,691	-	-	-	5,074	15,765
<b>Financial Liabilities</b>							
Payables						3,529	3,529
Borrowings from WATC - fixed rate		-	1,894	8,813	55,627	-	66,334
		-	1,894	8,813	55,627	3,529	69,863

### Financial Liabilities/ Assets

#### 2010

	Weighted average interest rate %	Floating Interest Rate \$'000	Fixed Interest Maturing in 1 year or less \$'000	Fixed Interest Maturing 1-5 years	Fixed Interest Maturing over 5 years	Non Interest Bearing \$'000	Total \$'000
<b>Financial Assets</b>							
Cash at bank	3.50	6,082	-	-	-	-	6,082
Receivables		-	-	-	-	3,701	3,701
		6,082	-	-	-	3,701	9,783
<b>Financial Liabilities</b>							
Payables						2,717	2,717
Borrowings from WATC - fixed rate		-	1,794	8,348	58,358	-	68,500
		-	1,794	8,348	58,358	2,717	71,217

## NOTE 22: FINANCIAL INSTRUMENTS (continued)

### Interest rate sensitivity analysis

The following table represents a summary of the interest rate sensitivity of the Authority's financial assets and liabilities at the balance sheet date on the surplus for the period and equity for a 1% change in the interest rates. It is assumed that the change in interest rate is held constant throughout the reporting period.

#### 2011

	Carrying amount (\$'000's)	-1% change Profit (\$'000's)	Equity (\$'000's)	+1% change Profit (\$'000's)	Equity (\$'000's)
<b>Financial Assets</b>					
Cash and cash equivalents	10,691	(107)	(107)	107	107
<b>Financial Liabilities</b>					
Payables	3,529	(35)	(35)	35	35

#### 2010

	Carrying amount (\$'000's)	-1% change Profit (\$'000's)	Equity (\$'000's)	+1% change Profit (\$'000's)	Equity (\$'000's)
<b>Financial Assets</b>					
Cash and cash equivalents	6,082	(61)	(61)	61	61
<b>Financial Liabilities</b>					
Payables	2,717	(27)	(27)	27	27

# Directors Report 2011

## NOTE 22: FINANCIAL INSTRUMENTS (Continued)

### (d) Net Fair Values

The net fair value of a financial asset or financial liability is the amount at which the asset could be exchanged or the liability settled in a current transaction between willing parties after allowing for transaction costs.

	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	2011	2011	2011	2010
	\$'000	\$'000	\$'000	\$'000

Borrowings from WATC	66,334	67,110	68,500	69,801
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The net fair value of borrowings is estimated by discounting expected cash flows at the interest rates currently offered to the Authority for borrowings of the same remaining maturities and security plus costs expected to be incurred when the liability settled.

Other than the above, the carrying amounts of financial assets and liabilities included in the balance sheet approximate their fair values due to their short terms of maturity.

## NOTE 23: COMMITMENTS

	2011	2010
	\$'000	\$'000
<b>(a) Capital Expenditure Commitments</b>		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	1,425	1,431
Capital commitments include amounts for:		
- Vehicle	597	72
- Housing	97	-
- Arrestor Bed	184	-
- Gangway	-	366
- Office equipment	-	4
- Software and licence system	205	34
- CCTV equipment	18	-
- Land	-	208
- Gatehouse	324	747
	1,425	1,431
<b>b) Operating Expenditure Commitments</b>		
Commitments for maintenance works contracted at the reporting date but not recognised as liabilities payable		
Within one year	1,256	1,841
Within one to five years	2,195	3,319
Greater than five years	33	154
	3,484	5,314
Operating commitments include amounts for		
- Concrete repairs to Dampier Cargo Wharf	-	600
- Piling repairs to Dampier Cargo Wharf	553	1,004
- Hire of 38 Parliament Place	-	86
- Hire of 16 Parliament Place	2,237	2,808
- Transportable	694	816
	3,484	5,314

## NOTE 24: LEASE REVENUE RECEIVABLE IN THE FUTURE

Lease revenue receivable in the future in relation to leases contracted for at the reporting date but not recognised as assets, are receivable as follows:

	2011	2010
	\$'000	\$'000
<b>Within 1 year</b>	3,541	2,474
Later than 1 year and not later than 5 years	4,209	4,332
Later than 5 years	14,621	14,954
	22,371	21,760

Lease commitment receivables as at the 30 June 2011 was \$1,432,073 (2010 \$0)

The Authority's leases at the King Bay Industrial Estate are leased to companies that provide essential services to the shipping industry.

## NOTE 25: CONTINGENT LIABILITY

### (a) Contaminated Sites

Under the *Contaminated Sites Act 2003*, the Authority is required to report known and suspected contaminated sites to the Department of Environment and Conservation ("DEC"). In accordance with the Act, the DEC classifies these sites on the basis of risk to human health, the environment and environment values. Where sites are classified as "contamination – remediation required" or "possibly contaminated – investigation required", the Authority will have a liability in respect of investigation or remediation expenses.

The Authority reported four suspected contaminated sites, all within the De Witt Location 471, to the Department of Environment and Conservation. On 15 June 2007, the Department has classified De Witt Location 471 ("the Site") as "possibly contaminated – investigation required" after limited investigations were carried out and concentrations of contaminants have been found to exceed adopted assessment levels for marine environments. According to the Department's assessment based on information available at the time of classification, the site appears suitable for commercial/industrial use, but may not be suitable for more sensitive land uses such as residential housing and child care centres. It has also indicated that further works are required to determine the contamination status of soil, surface water and groundwater at the Site.

In light of the above, a memorial will be lodged by the Department against the Certificate of Title on the De Witt Location 471, with the Registrar of the Department of Land Information, which will record the site classification.

The site involved is occupied and used by lessees. The lease agreements require lessees to comply with all forms of environmental legislation and to address all forms of damage to the occupied leased land, including contamination. On this ground, the Directors do not believe that the Authority has to bear the financial obligations in respect of further investigation and remediation expenses for the affected site.

## NOTE 26: SUBSEQUENT EVENTS

There were no events occurring after the reporting date which would impact on these financial statements.



**Think Big. Think Smart. Think West Pilbara**



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