

DAMPIER
PORT AUTHORITY

2014

ANNUAL REPORT



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VISION

To be Australia's premier energy and industry hub and gateway to Asia

PURPOSE

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

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





2013-14 AT A GLANCE

1.8%

▼ **DECREASE**
in total tonnage
to **177,528,093** tonnes

26.3%

▲ **INCREASE**
in total revenue
to **\$86,403,972**
(excl. capital contributions)

52.8%

▲ **INCREASE**
in net profit before tax
to **\$42,808,581**
(excl. capital contributions)

6.7%

▼ **DECREASE**
in total vessel visits
to **6,027**

52.7%

▲ **INCREASE**
in dividends declared
to **\$19,459,590**

ABOUT THE PORT OF DAMPIER

The Port of Dampier was developed by Hamersley Iron in the 1960's as the site for its iron ore export operations. Two decades later, Woodside Energy Limited selected Dampier as the best site to establish its world-class Liquefied Natural Gas processing plant, resulting in the simultaneous formation of the Dampier Port Authority.

The Dampier Port Authority (DPA) was officially established on 1 March 1989. It was also vested several land parcels on the Burrup Peninsula. Some of these lands have been developed since the early 1980's and leased to a range of tenants who undertake light industrial and marine service activities associated with the development and operation of the Port.

The DPA is the nominated authority for more than 900km² of port vested waters and land along the west Pilbara coastline between the Port of Dampier and the Port of Ashburton.

Since its inception, the Port of Dampier has rapidly evolved to become one of Australia's largest bulk export ports, connecting Western Australia's rich iron ore reserves to the east and offshore gas fields of the Carnarvon basin to the west with global export markets.

It consists of private port terminals that facilitate the export of iron ore, salt, gas products and the transfer of general cargo. The DPA is responsible for managing port waters and vessel traffic, and operates a number of multi-user facilities to support the safe and efficient movement of cargo. The DPA also manages the King Bay Industrial Estate (KBIE) that provides essential landside support infrastructure for industry and leaseholders within the Port of Dampier.

In recent years, the west Pilbara region has been viewed as the most important and fastest growing area of the Australian economy with a number of large-scale resource projects under development. In thinking like a gateway port, the DPA has played a pivotal role in driving investment opportunities and expansion of economic, social and environmental assets and outcomes for the benefit of all.

To meet the needs of industry and ensure the efficient and safe carriage of goods across Western Australian trade borders, the DPA has adopted a position of leadership and influence. As in recent years, the DPA has continued to work alongside government, private industry and the local community to progress significant infrastructure projects such as the Floating Deck Trans-shipment System and Floating Deck installation within the Port of Dampier, and in the development of remote greenfield sites including the Port of Anketell, Port of Ashburton and Cape Preston East this year.

The DPA, along with other Western Australian port authorities and private port operators are, currently planning a new chapter in their rich history as they transition to a regional ports business model in July 2014.



FROM THE CHAIR

On 1 March 2014, the DPA completed twenty-five years of service to the west Pilbara region, its customers and the Dampier community.

It is fitting that in our twenty-fifth and final year, the DPA is at the peak of its performance, maintaining activity and trade volumes and associated earnings for the State.

The DPA has strengthened its professional operations team during the year in anticipation of the growth and opportunities at the greenfield ports and terminals of Ashburton, Cape Preston East, and Anketell. The organisation has continued to develop its understanding of supply chains into and out of the port, the progression of interim logistics at Dampier and strong planning and proponent support capabilities in its West Perth office.

The DPA continues to lead the port industry in its thinking, flexibility, and innovation. Major initiatives such as the newly commissioned Floating Deck Trans-shipment System, further development of innovative floating deck applications, approval of our Dampier Marine Services Facility concept, implementation of a Vessel Traffic Services system and the development of the Port of Ashburton, are all examples of our forward thinking and customer focus.

The sustained leadership under Chief Executive Officer Steve Lewis over the past decade and support offered by the capable and committed team of women and men of the DPA forms the basis of the flexible, nimble and different-thinking

organisation for which the DPA is renowned. The Port of Dampier is continuing to grow in capability and achievement and will play a strong role in future management of west Pilbara ports and terminals.

The DPA Board has had a challenging year in balancing the strategy, performance and focus of the organisation with the need to support the immense work of amalgamation. I express my appreciation to my fellow Board members for their commitment, resolve and counsel during this tumultuous year. Much has been achieved and the DPA is in a good position to play its role in the wider Pilbara region.

The DPA can be very proud of its twenty-five years of service, overseeing some of the most significant trade growth in the history of the Port. I have greatly valued my long association with the DPA including 14 years as a Board member, Deputy Chairman and Chairman, and I am confident that the legacy of the DPA will be a valuable and component part of the future success of the new Pilbara Ports Authority.

Robert Vitenbergs, Chairman

OUR PROUD HISTORY

Across its 25-year history, the Dampier Port Authority has achieved an impressive 2,584.8 million tonnes total throughput to become one of Australia's largest and strategically most important ports.

The DPA commenced operations on 1 March 1989. A control tower and administration building were subsequently opened on 14 March 1989 by The Honorable David Parker, MLA Deputy Premier & Minister for Resources and Development to oversee the safe, efficient operation of the Port of Dampier and support State development in the Pilbara. The Port of Dampier is one of the youngest ports in Western Australia at only 51 years old.

By 1966, a town site and mine had been constructed at Mount Tom Price and were connected to the Port and town site at Dampier by a heavy gauge railway line. Within the Port, Hamersley Iron initially constructed a general cargo wharf across which construction materials and domestic supplies were traded. The Parker Point iron ore facility was also constructed and bid farewell to its first shipment of ore on 16 August 1966.

Two decades later, the North West Shelf Venture (NWSV) selected Dampier as the best site to establish its world-class Liquefied Natural Gas (LNG) processing plant. This resulted in the simultaneous formation of the DPA. Since then, the DPA has been responsible for the facilitation of trade within the Port of Dampier and for the overall safety, environmental protection, security and strategic planning of the Port in line with industry demand and economic conditions.

During its 25-year history, the DPA has seen fluctuations in activity as a result of changes in global commodities demand, economic conditions and industry development. On the whole, annual total trade across Port of Dampier berths has grown steadily and the DPA has been recognised as one of the world's largest bulk export ports for most of the last 25 years with a total throughput tonnage of 2584.8 million tonnes since its foundation.

In June 1999, legislation was passed through State Parliament whereby all Western Australian port authorities moved to a standard legislative governance model with increased capacity for commercial operation and governance.

In 2011, the Board of the DPA refined the organisation's vision and purpose to address the unique position it occupies within the value chain and the importance it plays in connecting Australia to the rest of the world through efficient and nimble port operations.

2014 is a year in which we celebrate a quarter of a century of accomplishments for the DPA and reflect on the role it has held in shaping Australia's economic prosperity.



Iron ore being loaded into the holds of the Tachikawa Maru at King Bay (Dampier), the first shipment of iron ore from Tom Price for Hamersley Iron, August 1966.

CELEBRATING 25 YEARS

1966 Port and town site in Dampier constructed.
First shipment of Hamersley Iron Pty. Ltd. ore from Parker Point, bound for Japan.
16 August

1990 The DPA assumed control of the Materials Offloading Facility (MOF), now called the Dampier Cargo Wharf (DCW).
The DPA obtained Mines Department approval to handle shipment of ammonium nitrate.
October

1963 Hamersley Iron Pty. Ltd. entered into an agreement with the State Government to develop an iron ore mine at Mt. Tom Price and a port in the Dampier Archipelago.

1972 Dampier Salt commenced operations.
April

1980 Woodside Offshore Petroleum and Joint Ventures developed onshore LNG production plant.

1989 Dampier Port Authority officially commenced operational and administrative control of the Port of Dampier.
1 March

First LNG cargo vessel, the Northwest Sanderling departed for Japan.
August

LNG project officially launched by Prime Minister Bob Hawke.
September



Construction of iron ore processing plant and export facilities at King Bay (Dampier), 1966.



Aerial view of DPA administration building and Communications Tower, circa 1992.



Construction of the Heavy Load Out facility, circa 2001.

1992 Total trade volume increased to 51.19 million tonnes, securing the DPA the title of Australia's largest tonnage port.
June

1996 Hamersley Iron exported its one billionth tonne of iron ore and celebrated its thirtieth anniversary of Dampier operations.
August

1999 Port Authorities Act (1999) came into effect, allowing all Western Australian Ports to operate under consistent definitions of functions and powers to facilitate trade.

Dampier Public Wharf extended from 112 to 209 metres to allow two-way flow of traffic.

1993

1995 New LNG extraction and storage facilities commissioned at the Karratha Gas Plant and second export jetty to accommodate LNG vessels and condensate tankers constructed, with first LNG shipment taking place.
December

Dampier Salt exported its 50 millionth tonne of salt.
7 December

10 thousandth vessel to arrive at the port since its establishment.
10 December

1998 DPA once again named Australia's largest tonnage trade port with total throughput of 75.69 million tonnes.

NWSV's fourth phase of development began with the construction of a 4.4Mtpa LNG processing train at Karratha Gas Plant.

2001

The Heavy Load Out (HLO) facility was constructed, a slipway created and channel dredged. Dredge spoil used in a reclamation project presenting 17 hectares of useable land to the supply base.



Construction of the Dampier Bulk Liquids Berth, circa 2005.

2003

100 millionth tonne from Dampier Salt shipped on the MV Marguerite.

The DPA appointed manager of the DCW.

2004

LNG Train IV begins production, increasing total annual gas production capacity to 11.9 million tonnes.

2005

Dampier Bulk Liquids Berth commissioned in November to facilitate the export of products from downstream processing of natural gas on the Burrup Peninsula.

Discovery of the Pluto gas field.

2006

More than 700,000 tonnes of anhydrous ammonia was exported from the Dampier Bulk Liquids Berth's (DBLB) first customer (Burrup Fertilisers) by the end of the financial year.

2007

New Australian record for tonnage throughput achieved with 126.1 million tonnes recorded during the financial year.

The \$12 billion foundation Pluto project was approved for development. This was the second largest resource project in Australia at the time.
July

Rio Tinto increased capacity to 145Mtpa after completing a US\$1.4 billion upgrade of Parker Point facilities, including two new car dumpers, two new ship loaders, 600 metre wharf extension, new screenhouse and stockpiles.

2008

Construction of a fifth processing train completed for Woodside, adding up to 4.4Mtpa LNG processing capacity to the gas plant. Train V represents the first prefabricated modularised LNG train in the world.

The DPA recorded record throughput of 133.95Mtpa and became the world's largest bulk export port.



2009

State Development Agreements signed with Chevron for Wheatstone foundation project infrastructure. The DPA entered into a commercial agreement with Chevron for the creation of port facilities and port operating arrangements.

NWSV celebrated 25 years of domestic gas production and 20 years LNG export to the Asia Pacific.

Rio Tinto installed a new ship loader at East Intercourse Island and exported its two billionth tonne of iron ore.

2012

Dampier Salt celebrates its 40th anniversary of salt shipments from Dampier.

The State Government announces plans to progressively merge seven port authorities (excluding Fremantle), into four regional port authorities.

2014

The first shipment of international cargo was received by the Port of Ashburton MOF.

2 April

Completion of the first stage one-hectare Floating Deck Trans-shipment System landside facility dock, barge ramp and an area to support landing and consolidation of cargo in Dampier.

April

Ports Legislation Amendment Bill 2013 is passed into law. Dampier Port Authority ceases to be a trading entity on 30 June 2014.

2011

The DPA officially assumed responsibility for multi-user port water and land areas at the Port of Ashburton.

1 December

2013

State and Commonwealth environmental approvals to construct and operate an iron ore export facility at Cape Preston East were issued to Iron Ore Holdings (IOH).

Module movement for Pluto construction, circa 2007.

Aerial shot of the Port of Dampier.



PORT SERVICES

The Port of Dampier continues to be a key contender in the global ranking for largest bulk export port with a total throughout of 177.5 million tonnes in 2013/14.

INTRODUCTION

The DPA's strong influence on Australia's economic prosperity is evidenced in the large volumes traded across Port of Dampier wharves since 1992 when the DPA first claimed the title of the largest tonnage port in Australia.

The DPA supports industry to create and maintain efficient, cost effective and nimble operations capable of rapid change in response to overseas trade markets.

PORT OF DAMPIER

The DPA owns and operates a range of multi-user facilities to support the safe and efficient movement of cargo and is responsible for ensuring necessary planning, vital services and support infrastructure are in place for industry to optimise trading activities now and for the future.

The overall tonnage through the Port of Dampier showed a slight decrease of 1.82% to 177,528,093 tonnes as compared to 2012/13, but remains above previous tonnage volume recorded through the port.

Table: Total tonnage by commodity (tonnes)

	2013 - 14	2012 - 13	2011 - 12	2010 - 11	2009 - 10	2008 - 09
Iron Ore	146,158,819	148,668,041	145,744,327	136,287,257	141,260,217	116,550,652
Salt	3,558,379	3,520,699	3,760,170	4,178,783	4,539,951	3,610,665
Condensate	3,249,575	4,288,520	3,265,661	4,832,060	4,099,877	4,145,638
Liquefied Natural Gas	20,117,711	20,371,747	15,616,747	17,094,479	17,214,420	14,407,975
Liquefied Petroleum Gas	1,245,987	1,325,361	1,700,280	922,882	1,975,261	957,270
Petroleum Products	610,601	708,330	582,121	468,501	471,674	443,886
Ammonia	803,991	657,304	732,183	765,499	796,166	335,770
General Cargo	1,783,030	1,277,550	447,759	449,110	336,880	371,891
Total Cargo Tonnes	177,528,093	180,817,552	171,849,248	164,998,571	170,694,446	140,823,747

DAMPIER CARGO WHARF

The Dampier Cargo Wharf (DCW) was constructed in 1982 as part of the North West Shelf Venture (NWSV). It is operational 24 hours a day, seven days a week and provides up to seven berths together with water and fuel to vessels servicing the marine industry and offshore oil and gas fields.

Since taking administrative control of the DCW in 1990, the DPA has experienced exponential growth in general and project cargo trade across these berths as companies facilitate planning and logistics of landside mineral exploration activities.

The facility was extended in 1993 to accommodate two way flow of traffic and increased vessel visits. Dredging and remediation works have also been undertaken in recent years to accommodate larger vessels at the facility. Vessels up to 35,000 tonnes displacement can be berthed alongside the western face of the DCW and cargo weighing up to 300 tonnes safely unloaded.

In 2013/14, approximately 353,911 tonnes of break bulk, project, general and offshore service and supply cargo were traded across the DCW. To support heavy usage of the facility, Engineering Services completed cyclical maintenance on its access ladders, lighting and topside decks. This year asphalt resurfacing works were undertaken at the wharf services area in February resulting in significant cost savings on dust control measures.

DAMPIER BULK LIQUIDS BERTH

The Dampier Bulk Liquid Berth (DBLB) was initially constructed in 2005 to support the downstream gas processing activities on the Burrup Peninsula. The facility can currently accommodate vessels up to 55,000 tonnes displacement.

Yara Pilbara Fertilisers Pty. Ltd. and Shell Australia continued to use the DBLB to trade products in the 2014 financial year, with 803,991 tonnes of anhydrous ammonia exported and 445,295 tonnes of diesel imported. A total of 55 ships called at the DBLB with an annual occupancy of 56.9 days.

The DPA completed refurbishment of the lower deck, access handrails and berth lighting in 2014 and procured a poly barge to service jetty fender, underside and pylon repairs on both the DBLB and DCW.

DAMPIER MARINE SERVICES FACILITY

Conception of the multi-user Dampier Marine Services Facility (DMSF) commenced in 2009 to address forecast demand on the DCW, improve port infrastructure efficiency and introduce new break bulk and general cargo trade opportunities to the Port of Dampier. When constructed, this facility will support and complement the activities currently undertaken at the DCW and provide additional opportunities for existing and new customers within the Port of Dampier.

State Cabinet approved the business case and procurement process for this initiative in February 2014 and tasked the DPA with seeking market interest in the project. Expressions of interest from interested parties will be sought in late 2014 subject to State Government and Board approval.

FLOATING DECK INSTALLATION

The DPA developed the concept of installing a floating deck extension of the DCW to address offshore oil and gas marine service supply constraints within the Port of Dampier. The floating deck installation provides additional berth space and a cargo stacking area as a forward supply base.

This innovative installation features world first engineering elements including a unique bracket attachment design and a real time dynamic force monitoring system. On completion, the floating deck will be one of the world's largest at 3,500m². Located to the north of the DCW, it will be capable of accepting two of the largest offshore supply vessels at any one time and form an essential link in the offshore supply chain with much faster turnarounds achievable through the Port of Dampier.

Physical installation is expected to commence in late 2014. Conversion works currently being undertaken will enable the deck to be used as a platform to install mooring dolphins prior to commissioning of the facility late in 2014.



The Joseph Plateau loading rock at the Heavy Load Out facility for Chevron.

HEAVY LOAD OUT FACILITY

The Heavy Load Out facility (HLO) was constructed in 2003 to support the NWSV Trunkline Expansion Project and was further upgraded in 2006 and 2008 to accommodate the offloading of the North West Shelf Venture Train V pre-assembled modules and construction of Woodside's Pluto LNG plant. The HLO has proven to be a vital asset for the construction and operation of large-scale projects in the region.

Since 2011, Chevron Australia Pty. Ltd. (Chevron) has leased the facility to load bulk rock for its Gorgon project work on Barrow Island. The rock load tonnage for 2013/14 was 1,377,287, with wharfage generating approximately \$14 million.

Following completion of the Gorgon project, the facility will also be used for rock load out operations associated with the Chevron Wheatstone project.

KING BAY INDUSTRIAL ESTATE

Since being designated in the late 1980's as a landside support area for the oil and gas industry, the King Bay Industrial Estate (KBIE) has evolved from its humble beginnings of unsealed roads and undeveloped land into a booming industrial site. The KBIE now consists of 69.4 hectares of high quality lease plots and sealed roads accommodating eight leaseholders that operate vital oil and gas support services.

In conjunction with leaseholders, the DPA has undertaken significant infrastructure upgrade works to optimise land use;

improve road, drainage and utility services and protect this vital asset from risks associated with cyclones and large rain events during this time.

The DPA undertook batter slope protection works along Streckfuss Road and upgraded the intersection at King Bay Road in December 2013 to improve road safety and traffic flow. During May, scour protection works were also undertaken on the road. Future water and power usage studies were proposed to ensure infrastructure within this vital facility meets long-term demand.

The DPA granted construction approval for Mermaid Marine Australia's containerised wash water system and associated services within Area A; installation of a crib room, office and ablutions block within Area J; replacement of its main sub-station and alterations to the existing slipway screen.

Extensions to Gearhart's washpad and associated facilities at Lease Area 6 were also approved as was replacement of the Patrick Stevedoring office space with a new office complex.

BCC Contracting ended their ten year leasing arrangements at the KBIE at the end of 2013. This vacant lot is now open for expressions of interest.

A SAFE AND SECURE PORT

VESSEL TRAFFIC MANAGEMENT

The DPA Marine Operations department plays an active role in maintaining the safe, efficient and coordinated movement of vessel traffic within the Port of Dampier. With an ever-increasing amount of vessel traffic within the Port, work was undertaken in 2014 to realign anchorages and pilotage boarding grounds and establish a recommended route through the Mermaid Sound area. These measures will lead to safer and more efficient movement of vessel traffic through port waters.

VESSEL TRAFFIC SERVICES

A Vessel Traffic Services (VTS) system is critical to the efficient, safe and coordinated movement of ships within a port environment. This year, the DPA focused on expanding vessel-monitoring services to other port sites under its jurisdiction.

Tenure was granted for the installation of a VTS tower in the Port of Ashburton area in March 2014, with construction expected to commence in late 2014. Negotiations with Woodside are also underway for the construction of a second remote tower in the Burrup Peninsula, with construction planned for late 2014.

To support expansion of its VTS capabilities, the DPA undertook civil and electrical works necessary for the establishment of a larger, dedicated VTS building within the Port of Dampier.

PORT SECURITY PLANNING

The Port Security Plan for the Port of Dampier underwent revision as a result of new facilities being established in 2014. A new Port Security Plan was developed and approved by the Office of Transport Security for the Port of Ashburton prior to the first commercial vessel visiting the Port.

EMERGENCY MANAGEMENT

Following a comprehensive review of organisational security in January 2013, the DPA's Security and Emergency Response Coordinator conducted an integrated access review aimed at bringing landside security requirements into line across multiple port sites within the west Pilbara.

The DPA maintains an active presence on relevant maritime security taskforces, with the Security and Emergency Response Coordinator continuing to hold the Burrup Industry Emergency Management Committee Chair role in 2014. The Committee has worked to introduce a range of security measures this year. A single emergency siren tone was installed across the Burrup Peninsula for use in emergency situations, and an Emergency Management Traffic Plan developed to ensure mobility of emergency response units in the event a large scale module blocks port access routes.

The DPA is also active on the Ports Australia Port Security Working Group. It provided recommendations on how new Australian Customs and Border Protection Service legislation introduced in November 2013 can be practically and cost effectively implemented within the Pilbara region.

MARITIME SECURITY IDENTIFICATION CARD

Since its introduction in 2006, the DPA's Maritime Security Identification Card (MSIC) issuing body has processed over 21,000 MSIC applications with a total of 3,342 for this current financial year; approximately 700 more than the 2013 financial year.

The e-business model has continued to improve the way clients can access and process applications online and meet associated regulatory requirements. The DPA continues to improve systems and processes to increase client satisfaction and process efficiency.

DYNAMIC DATA MAPPING

The DPA introduced a web-based tool known as 'PortMap' in February 2013. The introduction of this tool complemented the DPA's current business systems, including Technology One asset management and Objective document management systems and will provide additional functionality for the organisation. This together with ongoing system enhancements will enable the system to meet the specific needs of individual business units.

Of note is the significant body of work the DPA undertook to integrate dynamic mapping tools within the Dampier Land Use and Infrastructure Plan (DLUIP) providing users with a seamless visual reference for content contained within this Plan.

The success of this project was recognised in the DPA's nomination as finalist in the Western Australian Spatial Excellence Awards 2013.

STRATEGIC PLANNING & DEVELOPMENT

The most exciting period of history for the Dampier Port Authority has arguably been the last decade during which a number of significant mining and energy projects have been developed across the region.

The DPA has employed a unique commercial and entrepreneurial approach to conducting business as it works alongside industry in the creation of truly sustainable intergenerational assets that derive economic and social benefit for the west Pilbara region.

The DPA has supported industry to bring large-scale infrastructure upgrades and new capital projects to fruition in recent years. Construction of the Pluto LNG infrastructure to facilitate export of LNG; movement of pre-assembled modules

for the NWSV Joint Venture Train V and Technical Ammonium Nitrate Production Facility; development works for the multi-user Port of Ashburton, and planning for the Cape Preston East and Anketell bulk commodity ports are just some of the major developments that the DPA has been involved in.

During the current financial year, the DPA has redrafted its Port Development Guidelines used to direct proponents through project development applications. These revisions have resulted in a more user-friendly document that

encompasses the Port of Dampier and new port sites and clearly articulates responsibilities for both the DPA and stakeholders throughout the development application process.

PORT OF ASHBURTON

The State Government approved a historic Development Agreement with Chevron in 2009 for the creation of community, infrastructure and service developments necessary to support the Chevron-operated Wheatstone foundation project. These elements form foundation proponent infrastructure for the Ashburton North Strategic Industrial Area (ANSIA).

Located 12 kilometres south west of Onslow on the west Pilbara coastline, the ANSIA houses an 8,000-hectare hydrocarbon precinct for natural gas projects, associated industry and downstream processing facilities. It will also feature a common user port facility.

The Port of Ashburton area was formally vested with the DPA on 1 December 2011. Under the DPA's jurisdiction, the Port of Ashburton area will be developed with port waters supported by Common User Coastal Area (CUCA) facilities and the Eastern Infrastructure Corridor (EIC). Security, safety, environmental and marine matters of the new port are managed and operated by the DPA in accordance with its role under the *Port Authorities Act 1999*.

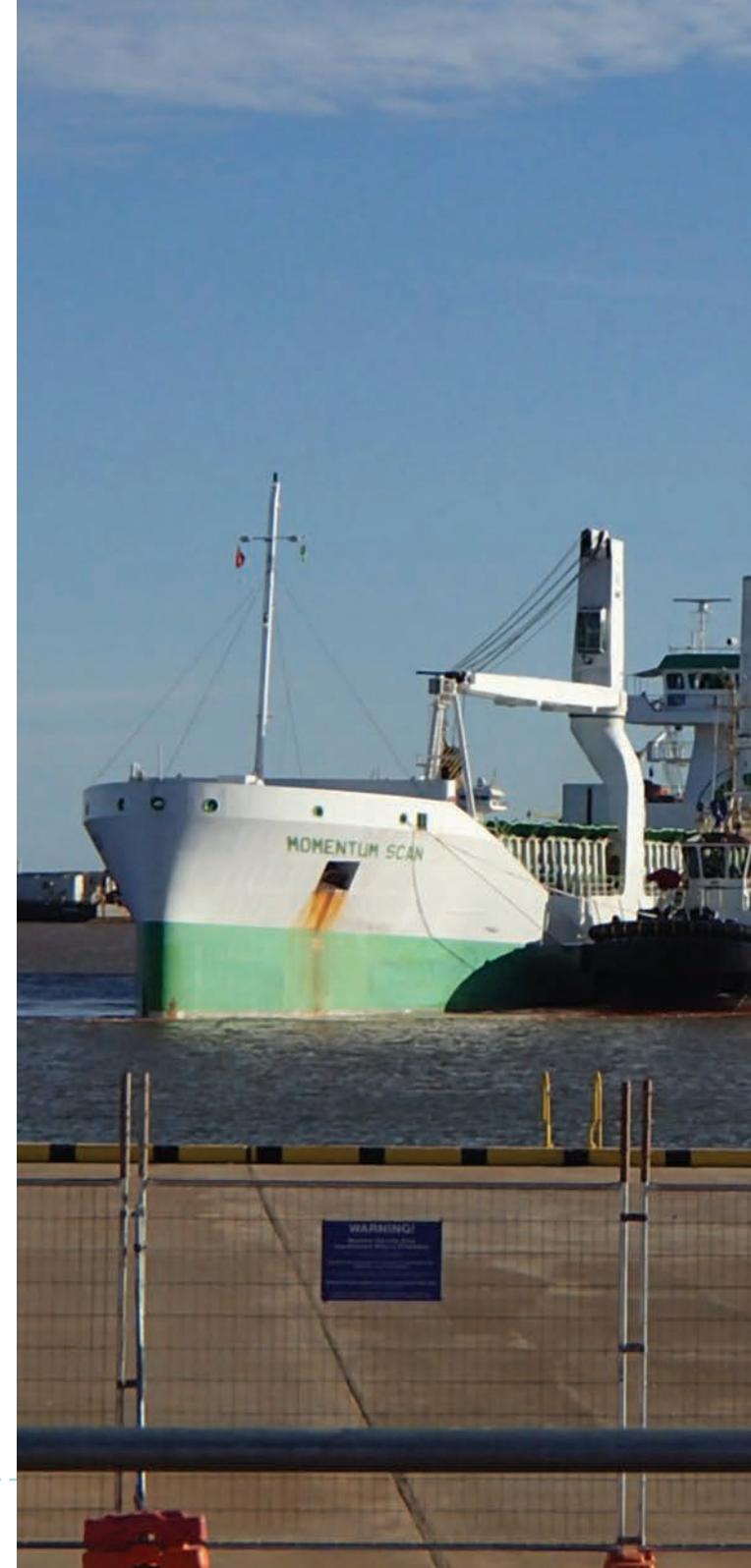
First ship arriving at the Materials Offloading Facility, Port of Ashburton (courtesy of Chevron Australia Pty Ltd).

During construction of the Wheatstone foundation stage, the DPA entered into a construction works lease and license arrangement with Chevron allowing them access to construct a Materials Offloading Facility (MOF), laydown areas and a navigable channel. Ownership of this infrastructure will transfer to the DPA in the future and will form the foundation of key multi-user facilities which will be further developed to augment trade for the west Pilbara region.

Port infrastructure is currently under construction and will eventually comprise an inner harbour area protected by a concrete armoured breakwater. Within the harbour, a MOF featuring three berths connected to supporting landside laydown areas will also be built. Dredging has provided adequate access channels and depths have been declared by the DPA Harbour Master to allow international vessels access to the MOF and supporting infrastructure.

The first shipment of international cargo was received by the MOF on 2 April 2014.

The DPA is also dedicated to further development of the port to enhance its use as a common user facility. Future development will be tailored to ensure it complements existing port services across the Pilbara.



The Wheatstone Project: Our Responsibilities Now and in the Future

The DPA is actively involved in the development of the new Port of Ashburton in guiding Chevron through port development approvals, reviewing proposed infrastructure and ensuring it conforms to port standards and requirements. The DPA has assigned a dedicated team to assist Chevron during this integral phase of the Wheatstone LNG Project.

All construction developments within the Common User Coastal Area (CUCA) and Eastern Infrastructure Corridor (EIC) are regulated in accordance with the DPA Port Development Guidelines. The DPA is specifically charged with setting port standards and auditing requirements; administering planning, development and construction approvals; controlling marine and personnel safety. The DPA also manages environmental risks within the CUCA and port waters and consults with industry and community to ensure all interests are protected throughout the development process. To achieve this, the DPA has created port operating guidelines; developed safety, cyclone and oil spill response plans; implemented remote vessel traffic and communication systems, and installed pilotage directions to ensure safe and efficient port operations.

The DPA Wheatstone team is tasked with providing analytical and technical review of proposed developments within

the CUCA to ensure each stage conforms to guideline requirements and the Port Development Master Plan. Infrastructure developments are closely reviewed by the team to ensure they meet specific criteria for safety, operability and are suitably designed for purpose both now and in the future. The team visits site regularly to monitor construction and ensure relevant approvals are delivered in accordance with project and schedule requirements.

Upon close out of the project phase, the team will further coordinate the final infrastructure transfer between Chevron and Pilbara Ports Authority by providing all supporting documentation required to facilitate the process.

Looking to the future of the newly established Port of Ashburton, the DPA's Wheatstone team has engaged specialist consultants to undertake a feasibility study to help guide future expansion and development. Maintenance and operation plans are also underway to further enhance developments in maritime operations and security for the new port.

On completion the development will provide the capacity to export up to 25-million tonnes of LNG per annum, plus other hydrocarbon products.



Aerial image of the Port of Ashburton including Materials Offloading Facility at the Chevron Wheatstone Project (courtesy of Chevron Australia Pty Ltd).

THE PROPOSED PORT OF ANKETELL

Anketell is located approximately 30 kilometres east of Karratha and ten kilometers south-west of Cape Lambert. The Port of Antekell is being planned as a deep-water multi-user port facility capable of exporting in excess of 350 million tonnes of iron ore per annum, with provision for the export of other bulk commodities and importation of fuel and general cargo.

Anketell port land is 'project ready'. State and Commonwealth environmental approvals are in place to construct first stage port and associated infrastructure capable of exporting up to 115 million tonnes of iron ore per annum. In April 2014, the State Government entered into a native title agreement with the Ngarluma people for the 3,462 hectares of land intended for port development purposes and 838 hectares set aside for the Strategic Industrial Area (SIA). Aboriginal heritage surveys over the 4,300 hectares to identify culturally significant sites and help shape future development of the port and SIA have commenced.

The DPA has prepared a Land Use and Infrastructure Plan for the Port of Anketell that sets out the Ultimate Development Concept for the Port. Construction of facilities will depend on user needs and construction likely to occur over several stages that are consistent with the Ultimate Development Concept.

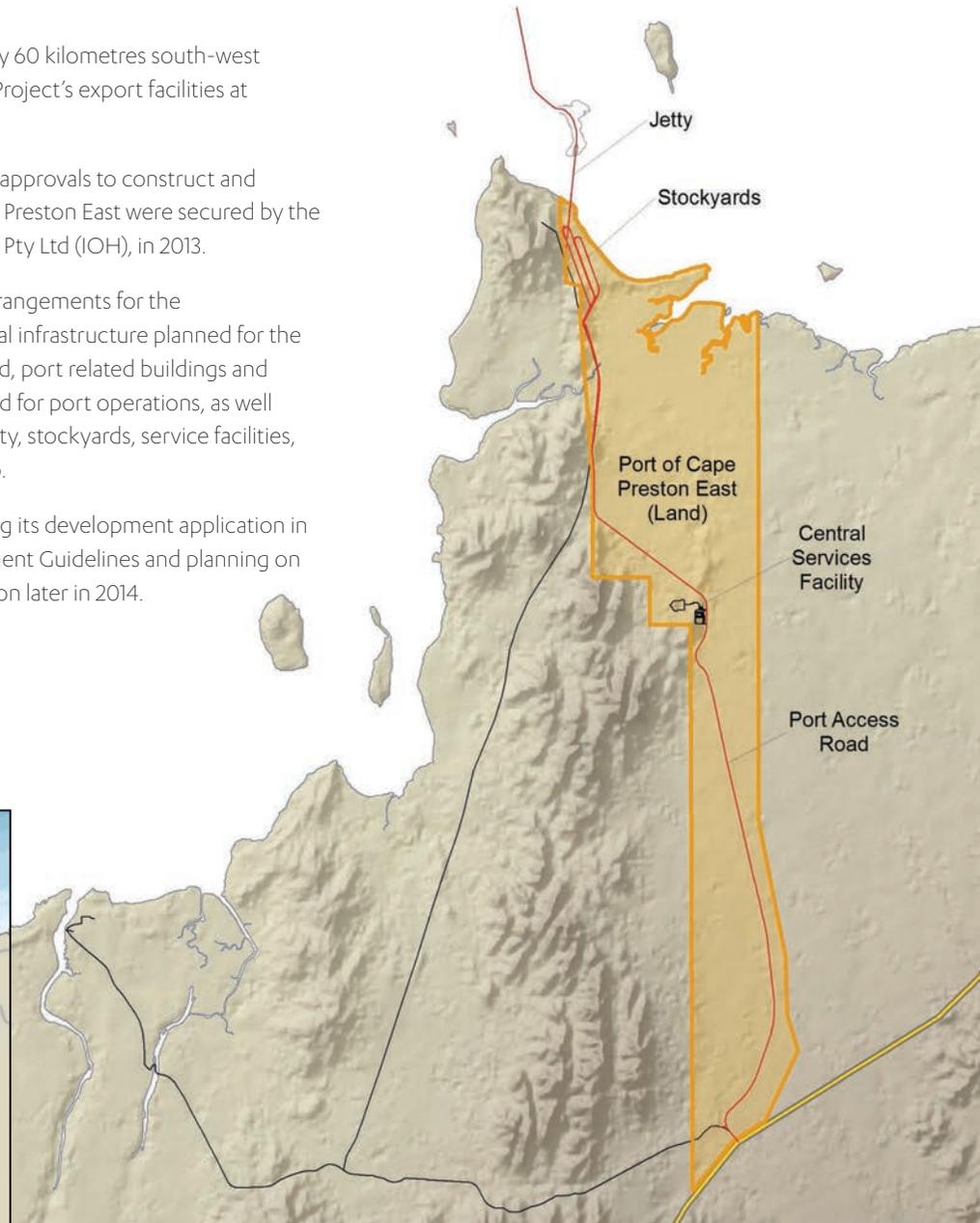
CAPE PRESTON EAST

Cape Preston East is located approximately 60 kilometres south-west of Dampier and adjacent to the Sino Iron Project's export facilities at Cape Preston.

State and Commonwealth environmental approvals to construct and operate an iron ore export facility at Cape Preston East were secured by the foundation proponent, Iron Ore Holdings Pty Ltd (IOH), in 2013.

The DPA has concluded its commercial arrangements for the trans-shipment port facility with IOH. Initial infrastructure planned for the greenfield site will include port access road, port related buildings and supporting ancillary infrastructure required for port operations, as well as IOH's port infrastructure including a jetty, stockyards, service facilities, administration building and workers camp.

IOH is currently in the process of preparing its development application in accordance with the DPA's Port Development Guidelines and planning on receiving a project final investment decision later in 2014.





Floating Deck Trans-shipment System

The concept of developing and installing a Floating Deck Trans-shipment System (FDTS) was conceived by the DPA in 2013 to address major constraints on the movement of general cargo and project freight into the Dampier area and in particular to attract liner shipping services to the Port of Dampier. The FDTS will permit swifter turnaround for some of the world's largest cargo vessels within the Port and reduce reliance on main port and road haul networks.

The floating deck has been designed to enable optimum operability of the FDTS through the installation of a specialised ramp and ballast system capable of handling a range of cargo from small, unitised freight through to giant pre-assembled modules. The floating deck dock and barge ramp are rapidly interchangeable through the use of giant steel wedges, and permit conventional landing craft to access the facility with relative ease.

Construction of the first stage one-hectare landside facility comprising the FDTS dock, barge ramp and a support area was completed in April 2014. The last weekend of April saw the first shipment of large modules across the new facility for use in Yara Australia Pty. Ltd's operations.

A four hectare expansion of the FDTS landside component is expected to commence in September 2014. Expansion will include a second barge dock of a similar capacity to the first as an additional floating deck, a large covered area, quarantine washdown bay and licensed customs premises.

Module being transported across the Floating Deck Trans-shipment System.

ENVIRONMENT, COMMUNITY & PEOPLE

The environment in which the DPA operates is unique. Its people are as diverse as its clients, and the ever-changing business climate in which it operates requires it to be responsive to change and adopt a leadership role in coordinating the efforts of government, industry and port operations for which it is responsible.

ENVIRONMENT & HERITAGE

The natural environment and ancient landscapes of the Burrup Peninsula are rich and diverse, with an abundance of plant and animal life unique to the region.

DPA lands contain a large number and diversity of Aboriginal heritage sites across the Burrup: petroglyph (rock art) sites are thought to number up to one million. These and other archaeological sites such as shell middens, stone tool workshops, artefact scatters, standing stones and stone pits are recognised globally and hold great significance in understanding our Aboriginal heritage.

In 2007, the Dampier Archipelago and parts of the Burrup Peninsula were included on the National Heritage List in recognition of these outstanding Aboriginal heritage values.

The DPA's commitment to protecting environmental and heritage assets stretches back even before 2006 when the first environmental specialist was employed. With implementation of the 'Expanding the Boundaries' initiative in 2010 and new ports of Ashburton and Anketell coming online, the Environment and Heritage team expanded to three full time staff.

With expansion came an increased focus on Aboriginal heritage management across DPA lands and greenfield development sites. In light of the potential impact shipping and associated industrial activities has on the sensitive environments of the Port of Dampier, the DPA remains committed to managing and protecting environmental and cultural heritage values for the future prosperity of the region.

DPA staff member conducting regular quality testing of port waters.



ENVIRONMENTAL MANAGEMENT

The DPA has consistently maintained robust Environmental Management Systems (EMS) to assist and guide our business to protect the natural landscape of the Burrup Peninsula and Dampier Archipelago. The EMS allows the DPA to consider the risks associated with various activities undertaken within the Port of Dampier and provide a structured and adaptive management approach to ensuring adverse impacts to the area's environment and heritage values are minimised.

Two major oil spill incident response exercises were undertaken by the DPA in recent years as a prominent leader in environmental protection initiatives along the Pilbara coastline. Exercise Troubled Waters (2007) and Exercise Archipelago Challenge (2013) required the collaboration of neighbouring ports and port stakeholders to mount a large scale, simulated marine oil pollution exercise aimed at refining competencies of the west Pilbara's first strike agents.

In September 2013, the DPA invited staff and members of the Marine Oil Pollution (MOP) Committee to participate in Exercise 'Stained Seas'. The full day marine oil spill exercise familiarised participants with a wide range of equipment, methods for deployment and activation of the DPA's emergency response procedures. A post exercise feedback survey indicated a high level of value is placed on such training exercises.

The DPA continued to work closely with the Department of Fisheries (DoF) on the management of invasive marine pests that pose a potential threat to Australian ports. In 2014, the Environment and Heritage team assisted the DoF to manage vessels with potential pest species on the hull or other hull niche areas on several occasions.

It also renewed its commitment to the sentinel monitoring program for invasive marine pests in the Port of Dampier initially developed in conjunction with the DoF

Biosecurity Group and two other major Western Australian port authorities. Now in its fourth year, the program, combined with larger biannual survey works conducted by the DoF, have found no identified introduced marine pests detected in Dampier waters.

The DPA continued to work with leaseholders to ensure environmental and heritage compliance via involvement in development approval processes, biannual lease inspections and informal site visits. As part of the construction application process, proponents must now submit a Construction Environment Management Plan that is often developed in conjunction with DPA staff as the DPA moves towards best practice and greater information sharing amongst tenants.

ABORIGINAL HERITAGE MANAGEMENT

The DPA's ongoing commitment to heritage management was strengthened last year with the release of its Aboriginal Heritage Management Plan. The Plan is a transparent approach to Aboriginal heritage management and acts as a guide to engagement and processes when dealing with heritage matters and traditional landowners in the Port.

In accordance with the Plan, traditional landowners were engaged to assist in surveying and clearing a parcel of land needed for the development of a new marine vessel traffic control centre within the Port of Dampier area in 2014. The benefit of this approach allowed for collaboration and the establishment of an achievable timeframe for completion with the traditional owners. These works were completed in May 2014 on time and within budget.

The DPA has also worked with the Thalanyji people, traditional landowners at Onslow and the Yabuara Mardudhunera people, traditional owners at Cape Preston East, to understand and include heritage preservation in the early stages of future port development plans.

INFLUENCE & LEADERSHIP

INDUSTRY PARTNERSHIPS

The DPA is highly involved in a range of positive initiatives and opportunities that support development and protection of regional, state and national assets.

Since an Environment and Heritage team was instilled in the DPA in 2006, significant work has been undertaken to actively engage with industry, government and the wider community. Recent years have seen this team actively engaged in the planning, development and daily operations of the KBIE and Chevron Wheatstone project to ensure activities comply with industry standards and do not compromise environment and heritage assets. The team is also involved in the development of Cape Preston East to ensure environmental considerations are taken into account at each stage.

This team has also worked to enhance its relationship with the Murujuga Rangers and grow their understanding of activities undertaken within the Port of Dampier whilst working together on a number of heritage management issues.

The DPA is currently represented on a range of industry bodies and forums including Ports WA and Ports Australia. This confirms the DPA's commitment to ensuring the interests of regional ports such as the Port of Dampier are maintained as a result of commentary and advice provided on government and industry policy at both State and Federal level.

In 2014, an Environment and Heritage employee was appointed to PIANC's EnviroCon Working Group 170 – Best Practices that has been responsible for preparing a working paper on how to effectively manage sea turtles and mammals in marine waterway and port construction activities.

Since its inception in 2009, the Industrial Communities Against Rubbishing our Environment (ICARE) initiative (a collaboration between the DPA, Rio Tinto Iron Ore (RTIO),

Dampier Salt Limited, Woodside Pluto LNG and the Woodside NWSV) has grown exponentially to effectively address the problem of roadside littering.

The profound impact this project has had on the Port of Dampier and amenity of the area was recognised in it being awarded the Keep Australia Beautiful WA Star (Business & Enterprise) Award 2013. ICARE was also recognised, winning the Keep Australia Beautiful Tidy Towns Regional Award 2013 submission.

COMMUNITY ENGAGEMENT

The DPA operates under the adage 'A strong community supports a strong port, and a strong port supports the aspirations of a strong community'.

In the 2014 financial year, a number of requests for sponsorship were assessed and a total of \$173,687 granted to a range of organisations and events.

Notable funding recipients include:

- Dampier Seafarers' Centre
- Cossack Art Award
- NAIDOC Week
- Dampier Sharks Football Club (2014-2017).

Of particular note is the \$50,000 donation made to the Dampier Seafarers' Centre. This one off donation was made in recognition of the important services it offers maritime workers within the region and to mark the 25th anniversary of the DPA's existence.

The DPA continued its involvement with the Chevron Community Reference Group in 2014, presenting on the role of the DPA within the Port of Ashburton area and announcing approval for new housing within Onslow to group members in February 2014.

Celebrations were held with industry, the local community and staff throughout March to mark the DPA's 25th anniversary. One of the highlights of this month was a community luncheon held on 26 March 2014. This event saw representatives from the local communities of Dampier and Karratha visit the Port. Organisations such as the Dampier Seafarers' Centre, the Dampier Community Association, Pilbara Development Commission and the Shire of Roebourne were all in attendance. Local school children, the Shire President and members of the Burrup Rangers were also present on the day.

Patrick Churnside of the Murujuga Rangers performs a Welcome to Country at the DPA's 25th Anniversary Community Luncheon.





*Onslow houses
under construction*

Sustainable Pilbara Housing

The vesting of the Port of Ashburton to the DPA by the State Government in 2011 marked one of the first steps in an exciting new chapter for DPA operations in the west Pilbara region.

The DPA acquired a 935m² allotment on First Avenue, Onslow, for the purpose of building accommodation to house Onslow-based staff, or those who will need to relocate permanently or temporarily to Onslow to contribute to the construction, operation and management of the Port of Ashburton.

The lot is located within the Onslow town centre, which is being progressively transformed thanks to a number of mixed-use commercial and residential developments in keeping with the Shire of Ashburton's town planning policies.

After having obtained both planning and building approvals from the Shire of Ashburton, the DPA engaged Thermal Comfort Homes to construct three multi-storey homes using a combination of in-situ and modular design.

The development follows the same high-standard energy efficiency and sustainable principles as the DPA's residential developments in Karratha. Water wise features include the installation of a rainwater storage tank for ancillary domestic use together with grey water units for garden reticulation and the incorporation of local native plants are just some of the features of the homes. The addition of solar panels and increased thermal efficiency contributed to the development being awarded 7.5 stars under the Nationwide House Energy Rating Scheme (NaTHERS).

The sustainable houses are expected to be completed in late 2014.

OCCUPATIONAL SAFETY & HEALTH

The DPA has maintained an excellent occupational safety and health (OSH) record throughout its history and has continued to work collaboratively with stakeholders to protect and promote the health, safety and security of people, assets and trade within the Port of Dampier.

With a growing OSH presence across the organisation, a number of continuous improvement programs have been facilitated in recent years to further enhance the safety and health of DPA employees and all port users.

Following the implementation of an internal auditor training program in August 2013, control measures were developed and executed by staff on a monthly basis. Internal audits provide an opportunity to identify systematic improvements in the areas of OSH, security, maritime and landside operations. More than 1,500 safety and health interactions including lease area inspections, DPA work area inspections, hazard hunts and face-to-face discussions were held throughout the reporting year.

Up until 4 January 2014, the DPA had not recorded a Lost Time Injury (LTI) for 748 consecutive days. Three work-related and one non-work related LTI incidents have been recorded to date. The work-related incidents were related to workplace hazards, but were not associated with a failure of critical controls aligned with the DPA's higher consequence OSH risks. Each incident was recorded and investigated to DPA standards to ensure adequate preventative controls were in place to prevent reoccurrence.

To assist in the identification and control of OSH hazards that DPA employees are exposed to during remote, long haul and local travel, a customisable risk assessment template was

developed by the DPA safety team. Training is being provided to all employees to assist staff in using the template and to mitigate risks associated with travel.

Saliva based drug testing was reintroduced as a condition of entry to the DPA site in 2014 following the emergence of new testing technology. A Site Information Card was also developed by the OSH team in response to a number of personnel accessing the DPA site having limited knowledge of site emergency response procedures.

Port proponent representatives were invited to participate in three Health, Safety and Environment (HSE) Stakeholder Forums in 2014 facilitated and chaired by the DPA OSH team. These forums are designed to improve knowledge sharing amongst HSE professionals operating in the wider Burrup area and demonstrate the OSH team's commitment to this area.

DEVELOPING OUR PEOPLE

As at 30 June 2014, the DPA comprised of 77 full time equivalent employees consisting of 35 male (45.5%) and 42 female (54.5%) personnel.

Training and business processes continued to be a key focus for the DPA, with a range of new initiatives introduced to support business excellence within the organisation. The training matrix introduced in 2013 has resulted in the delivery of focused role based training for employees and development of new training opportunities.

Of significant note is the appointment of a new Harbour Master to the Port of Dampier and creation of a Deputy Harbour Master, Regional Ports position. These positions have

been introduced to provide marine liaison and oversight at the greenfield port sites of Ashburton and Cape Preston East.

A new Enterprise Bargaining Agreement for VTS officers was reached with the Maritime Union of Australia in November 2013, and nine VTS officers were appointed by May 2014 to further enhance vessel-monitoring capabilities across multiple sites. A twelve-week internal VTS training program was developed by the Deputy Harbour Master to supplement the international accreditation required of all VTS officers. This additional training was introduced to assist new staff develop a deeper understanding of the technology and how this vital service is employed within the Port of Dampier.

An oil spill matrix was devised to ensure minimum training and skill standards for employees are maintained in preparation for an oil spill incident at any port site under DPA jurisdiction.

The DPA also facilitated the attendance of certain key employees at the specialist oil spill responder courses administered by the Australian Maritime Safety Authority and the Australasian Inter-Services Incident Management System course this year, highlighting the DPA's commitment to fostering shared training opportunities within its network.



DPA Wharf Manager overseeing operations on the Dampier Cargo Wharf.

COMPLIANCE

The Dampier Port Authority holds itself to a very high level of standards and practices to meet its legislative and compliance requirements.

EXPENDITURE ON ADVERTISING

In accordance with section 175Ze of the *Electoral Act 1907*, the DPA incurred the following expenditure in advertising, market research, sponsorship, direct mail and media advertising.

Item	Organisation(s)	Total Value
Sponsorship	Various (Cossack Art Awards, Dampier Sharks Football Club, Dampier Seafarers, tours, schools, community groups, sporting clubs, etc.)	\$173,687
Media advertising	Miscellaneous (e.g. local business support & community publications).	\$13,685
Market research		Nil

FREEDOM OF INFORMATION

Each year the DPA provides the Office of the Information Commissioner with a Freedom of Information Statement. The statement is made available to the public via the DPA website. During 2013/14, the DPA received one partial transfer request for information.

PUBLIC SECTOR STANDARDS & ETHICAL CODES

In accordance with Section 23 of the *Port Authorities Act 1999*, the 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 2013/14.

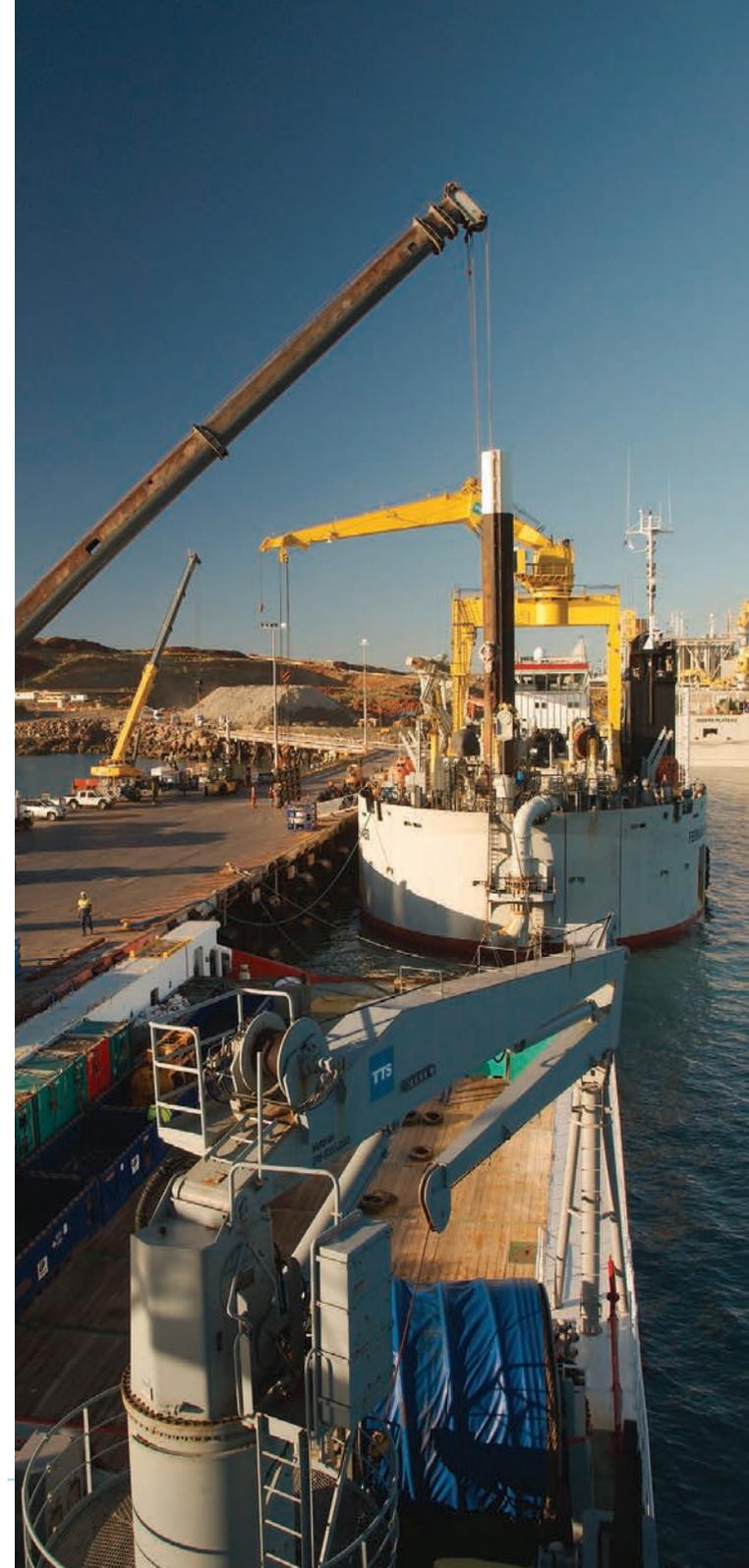
The *Public Interest Disclosure Act 2003 (PID)* enables people to make disclosures about wrongdoing within the State public sector, local government and public universities without fear of reprisal. The DPA did not receive any PID's during 2013/14.

RECORDKEEPING PLANS

The DPA's Recordkeeping Plan (RKP) ensures all record management systems are carried out in accordance with the *State Records Act 2000*. Accordingly, DPA ensures:

- All employees participate in regular records awareness training;
- Policies and procedures are incorporated into the DPA induction process and RKP; and
- All records management procedures are made available to employees on DPA's intranet.

Significant work was undertaken in the year to update the DPA's electronic record management system, to a complete electronic document and records management system. 2013 saw the successful roll out of Objective, a new electronic document management system, for use by all DPA staff.



OCCUPATIONAL SAFETY, HEALTH & INJURY MANAGEMENT

The DPA has documented its safety, health and injury management commitment to its employees, contractors, leaseholders, licensees and visitors in an Occupational Safety & Health policy and a Workplace Rehabilitation policy.

Each policy is endorsed by the Chief Executive Officer and available to the public through the organisation's website. The policy statements are communicated during the site access and new starter inductions and also displayed throughout the work environment.

The DPA utilises the Australian Work Health and Safety Strategy 2012/13 Safety, Health & Injury Management performance targets as a baseline for annual performance assessment. DPA's performance in 2013/14 is recorded in the following table.

The DPA's Workplace Rehabilitation policy is communicated and reinforced during the annual site induction and internal training programs ensuring participation and compliance with the *Injury Management Act 1981*.

As of the 30 June 2014 the DPA has not recorded a Lost Time Injury for 60 consecutive days.

Indicator	Result			
	2011-12	2012-13	2013-14	Target
Number of fatalities	Zero (0)	Zero (0)	Zero (0)	Zero (0)
Lost time injury and/or disease incidence rate	2.82	Zero (0)	3.7*	Zero (0)
Lost time injury and/or disease severity rate	Zero (0)	Zero (0)	Zero (0)	Zero (0)
% of injured workers returned to work				
(i) within 13 weeks	N/A	N/A	N/A	100%
(ii) within 26 weeks	N/A	N/A	N/A	≥ 80%
% of Managers trained in OH&S and injury management responsibilities	34%	80%	95%	≥ 80%

* Derived using the Code of Practice: Occupational Safety and Health in the Western Australian Public Sector

FINANCIALS



DIRECTORS REPORT

In accordance with Schedule 5, Division 9, *Port Authorities Act 1999*, we report on the operations of the Dampier Port Authority (DPA) for the year to 30 June 2014 as follows:

BOARD MEMBERS

The following persons were members of the Board of the Dampier Port Authority during the financial year.



MR
**ROBERT
VITENBERGS**
CHAIRMAN

Appointed to the board in January 2000. Rob was re-appointed in January 2012 as Deputy Chairman and in September 2013 he was appointed Chairman. Resigned from the Board with effect from 30 June 2014.

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.



MR
LES LONGDEN
DEPUTY CHAIRMAN

BE (Hons) FAICD F Fin

Appointed to the Board in July 2013 with term expiring 31st December 2014.

Qualifications: Bachelor Engineering (Elect Hons), Graduate Diploma in Applied Finance, Australian Institute of Company Director Diploma.

Experience: Les Longden has over 25 years' experience in the resources industry across a variety of development and operational roles. Les is currently principal of Perth based engineering and project management consultancy, and was previously an Executive Director of an ASX listed oil exploration and production company. Les is also Deputy Chairman of the Port Hedland Port Authority, a position he has held since September 2009.



MR
**MIKE
DEEKS CSC**
DIRECTOR

Appointed to the Board in July 2009 with term expiring 30 June 2014.

Qualifications: Masters of Management, Bachelor of Arts, Fellow of the Australian Institute of Company Directors

Experience: Mike is the WA Site Executive for Raytheon Australia, responsible for all Western Australian operations. Mike is a member of the State Training Board and is Deputy Chair of Challenger Institute Governing Council. Previous positions include WA Government Advisor and Marine & Defence Industry Strategist, Department of Industry and Resources (DOIR) and Executive Chairman, Nautronix Ltd. Mike served 32 years in the Royal Australian Navy retiring in the rank of Commodore.



**MR
NOEL
BRIDGE**
DIRECTOR

Appointed to the Board in July 2010 with term expiring 30 June 2014.

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).



**MS
FIONA RUSSELL**
DIRECTOR

Appointed to the Board in July 2011 with term expiring 31 May 2014.

Qualifications: Member of Australian Institute of Company Directors, Advanced Diploma of Management, Post Graduate Certificate Maritime Management, Bachelor of Commerce (International Business), Certificate III and IV Applied Language Studies – Chinese (Mandarin)

Experience: Fiona was appointed to the position of Manager Marine for Woodside Energy Ltd in 2010.

This position oversees Woodside’s port operations, pilotage, offshore marine operations and marine contractor and vessel assurance. It provides leadership, direction and support for all marine activities associated with the provision of safe, reliable and efficient 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.



**MR
NICK SERLE**
DIRECTOR

Appointed to the Board in July 2011 with term expiring 31 May 2014.

Qualifications: Bachelor of Engineering (Electrical and Electronic)

Experience: Nick Serle was appointed General Manager – Port Operations for Rio Tinto 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 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 Rio Tinto merger of Robe and Hamersley Iron and the Hope Downs Joint Venture Project.



**MR
PETER
WILSHAW**
DIRECTOR

Appointed to the Board in July 2013 with term expiring 30 June 2015.

Qualifications: Bachelor of Science (Chemistry), Masters Business Leadership.

Experience: Peter Wilshaw’s career spans over 30 years’ in the resource industry with extensive executive level experience in operations and major growth projects (greenfields and brownfields). Peter has occupied executive level roles in large business units in internationally diverse environments and cultures across precious metals, aluminium and iron ore.

Peter is a non-executive board member of BC Iron, Mercy Ships Australia and consults to the resource industry as an associate of Virtual Consulting International.

Ms Michelle Yeates and Mr Dominic Allery were Alternate Directors for Rio Tinto and North West Shelf Venture respectively, with term expiring 31 May 2014.

STRATEGY TEAM (AS AT 30 JUNE 2014)

Name	Position
Mr Valmiki Chandrashekhar	Chief Financial Officer
Captain Paul Toussaint-Jackson	Chief Operating Officer
Mr Brad Kitchen	Director Environment and Community

PRINCIPAL ACTIVITIES

The DPA had jurisdiction over the Port of Dampier and Port of Ashburton area. The principal activities of the DPA can be summarised as follows:

MANAGE THE SAFE OPERATIONS OF THE PORT OF DAMPIER

- 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 new proponents or existing proponents that want to expand their facilities within port boundaries.

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 that the port meets the *Maritime Transport and Offshore Facilities Security Act 2003* requirements.

NET PROFIT AFTER TAX

The DPA finished the financial year with a profit after compliance with the "National Tax Equivalent" Regime (NTER) legislation of \$52,618,000 compared to last year's profit of \$19,604,000 after tax. See the accompanying Financial Statements for further details.

DIVIDEND

In accordance with the current dividend policy the directors have recommended a \$19,459,590 dividend be paid being 65% of net operating profit after tax, excluding the Chevron capital contribution of \$32,400,000 as approved by EERC, to be rewarded and paid in the 2015 financial year.

	2014	2013
	\$'000	\$'000
Total dividends recommended in respect of the financial year to be rewarded in 2015 financial year	19,460	12,742
Total dividends paid during the financial year	12,742	8,029

SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

The Ports Legislation Amendment Bill 2013 passed in June 2014 through the Western Australian State Parliament.

The Bill introduced structural reforms to Western Australia's port authorities by amending the *Port Authorities Act 1999*. The Dampier Port Authority will merge with Port Hedland Port Authority on the 1 July 2014 and be renamed the Pilbara Ports Authority.

A reporting Board was established on 24 June 2014 to wind up the financial affairs of the Dampier Port Authority. The reporting board consists of Mike Deeks, Noel Bridge, Peter Wilshaw and Les Longden.

REVIEW OF OPERATIONS

FINANCE

Underpinning our gateway thinking is our ability to achieve sound financial returns. The financial results for 2013/14 were a record for the DPA in terms of revenue, profitability and return on investment and were underpinned by good cost control. The results reflect the goals of sound financial management and trade facilitation whilst providing the most cost effective service to port users.

The final result was a pre-tax profit of \$75,208,581

A summary of revenues according to significant operating areas is set out below:

	2014	2013
	\$'000	\$'000
Port dues	37,378	31,579
Dampier Cargo Wharf operations	23,890	12,830
Lease-King Bay Industrial Estate/Other	9,506	9,006
Dampier Bulk Liquids Berth	9,455	10,267
Interest	2,268	826
Profit on sale of assets	4	90
MSIC	810	643
Project management	812	600
Contribution	32,400	-
Mooring fees	247	244
Other revenues	2,034	2,319
Total Revenue	118,804	68,404

	2014	2013
	\$'000	\$'000
Less expenses:		
Employee expenses	16,151	13,888
Maintenance	4,944	5,920
Power and water	1,074	927
Depreciation	4,374	4,208
Insurance	598	630
Legal	810	1,266
Consultants	1,989	3,186
Audit fees	65	74
Finance costs	3,937	4,092
Supplies and services	6,987	4,535
Other	2,666	1,660
Total expenditure	43,595	40,386
Profit from ordinary activities before income tax expense	75,209	28,018
Income tax benefit/(expense)	(22,591)	(8,414)
Profit from ordinary activities after income tax expense	52,618	19,604

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 from an increase in the port due rate.

B. DAMPIER CARGO WHARF (DCW) OPERATIONS

This increase in revenue is primarily from rock load out activity from Chevron for the Gorgon project.

C. LEASE - KING BAY INDUSTRIAL ESTATE/OTHER

Income from King Bay Industrial Estate has increased marginally compared to last financial year.

D. DAMPIER BULK LIQUIDS BERTH

Income was lower when compared to previous years due to an increase in revenue from users and a lower state subsidy from the WA Government.

E. INTEREST

During the year the surplus cash was invested in 30-120 day term deposits. The increase in income is due to higher cash reserves as a result of better cash management.

F. PROFIT FROM THE SALE OF NON-CURRENT ASSETS

The net proceeds from sale of non current assets are 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. Income received is higher this year due to an increase in the number of MSIC applications being processed.

H. PROJECT MANAGEMENT

Project management fees have increased following increased activity at the Port of Ashburton area.

I. MOORING FEES

Moorings fees were on par to last year.

J. OTHER REVENUES

There has been a slight decrease in other revenue, this is mainly due to the DPA hosting the WA Ports Conference in May 2013.

K. EMPLOYEE EXPENSES

This has increased from last financial year due to the increase in staff levels and redundancy payments associated with the merger into Pilbara Ports Authority.

L. MAINTENANCE

Maintenance costs have decreased from last year, although all key maintenance programmes were completed as planned.

M. POWER AND WATER

Revenue from water usage at the Dampier Cargo Wharf is similar to last financial year. Power costs have increased due to an increase in supply costs.

N. DEPRECIATION

Depreciation is similar to last financial year.

O. INSURANCE

Costs for insurance are slightly lower compared to last financial year.

P. LEGAL

Legal costs decreased during the year due to a decrease in commercial work related to new port development.

Q. CONSULTANTS

Decrease in consultancy costs due to cost control measures undertaken.

R. AUDITING

Audit costs are similar to last financial year.

S. FINANCE COST

Finance costs are similar to last financial year.

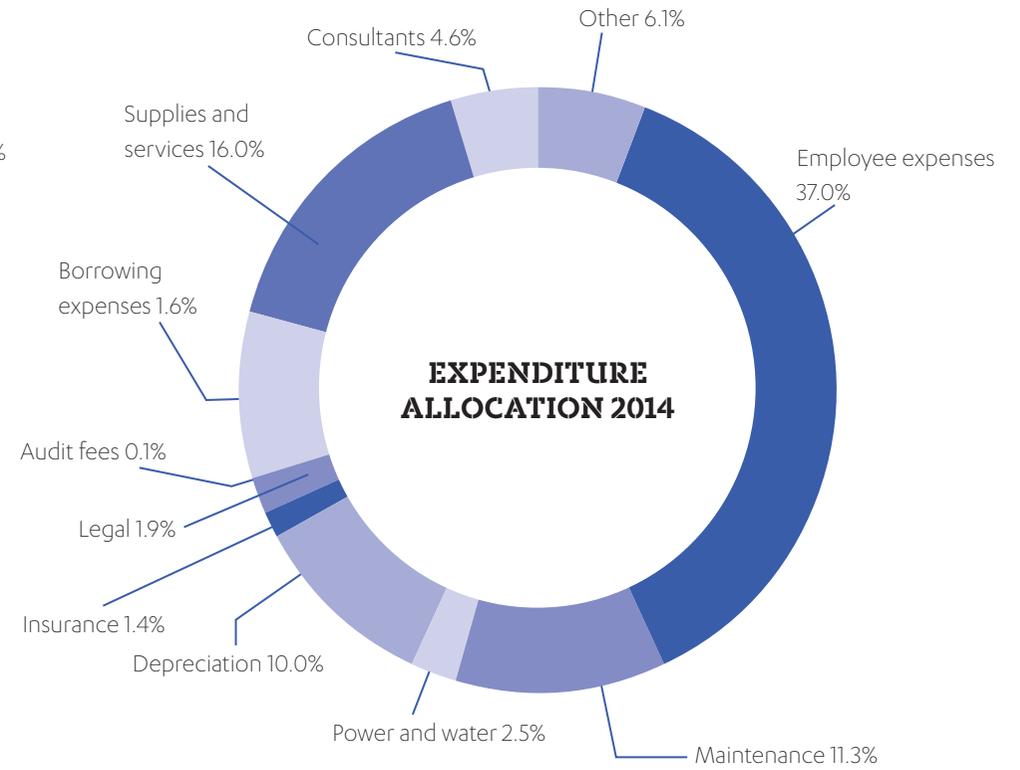
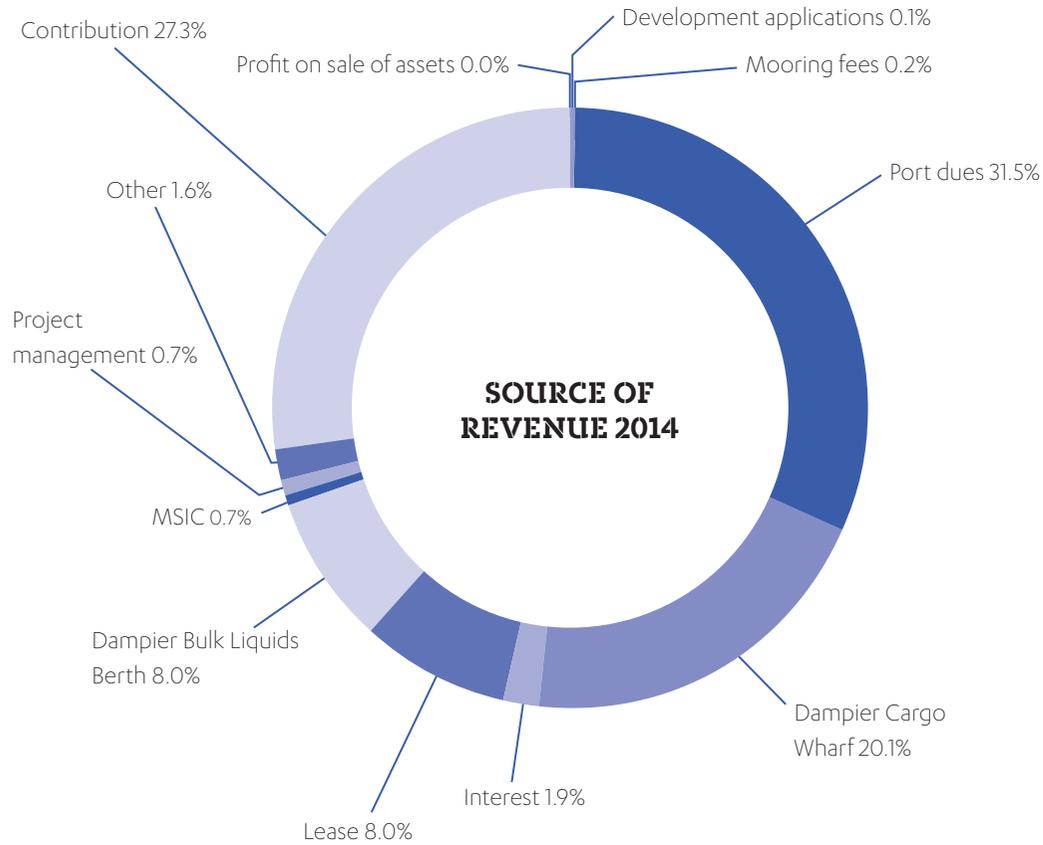
T. SUPPLIES AND SERVICES

Increases were mainly in additional office rental and hire of Vessel Tracking System equipment.

U. OTHER

Expenditure is higher than last financial year, due to increases in payroll tax, land tax and local government rate equivalent.

The graphs below indicate the relative percentage of total revenue and total expenditure spent in each operating classification.



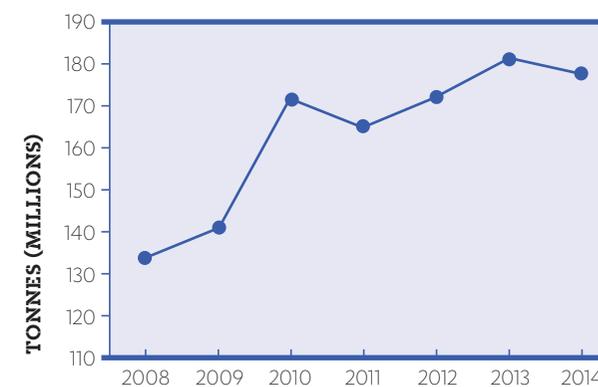
KEY PERFORMANCE INDICATORS

ECONOMIC

The table below shows commodity throughput for the past five years. Export of iron ore continues to be the dominant trade by volume.

Commodity	2013-14	2012-13	2011-12	2010-11	2009-10
Iron ore	146,158,819	148,668,041	145,744,327	136,287,257	141,260,217
Salt	3,558,379	3,520,699	3,760,170	4,178,783	4,539,951
Condensate	3,249,575	4,288,520	3,265,661	4,832,060	4,099,877
Liquified Natural Gas	20,117,711	20,371,747	15,616,747	17,094,479	17,214,420
Liquified Petroleum Gas	1,245,987	1,325,361	1,700,280	922,882	1,975,261
Petroleum products	610,601	708,330	582,121	468,501	471,674
Ammonia	803,991	657,304	732,183	765,499	796,166
General cargo	1,783,030	1,277,550	447,759	449,110	336,880
Total cargo tonnes	177,528,093	180,817,552	171,849,248	164,998,571	170,694,446
Total vessel numbers	6,027	6,469	6,281	6,022	4,670
Total gross registered tonnage	135,179,459	136,291,272	125,742,842	121,874,483	123,370,346

PORT OF DAMPIER ANNUAL CARGO THROUGHPUT* (FINANCIAL YEAR END)



FINANCIAL

RETURN ON ASSETS

The budgeted rate of return for the 2013/2014 financial year was 14.5%. The rate of return achieved by the DPA was 29.6% (Dampier Bulk Liquids Berth (DBLB) 5.2%, General operations excl DBLB was 78.9%).

The average long run rate of return achieved by the DPA over the past 5 years was 13.4%.

The 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 in accordance with WA Government guidelines.

STABILITY OF WORKFORCE

Staff turnover was 21.79% for 2013/2014.

OCCUPATIONAL HEALTH AND SAFETY

Four (4) workers compensation claim were made during the financial year.

SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

The *Ports Legislation Amendment Bill 2013* passed in June 2014 through the Western Australian State Parliament.

The Bill introduces structural reforms to Western Australia's port authorities by amending the *Port Authorities Act 1999*. The Dampier Port Authority will merge with Port Hedland Port Authority on the 1 July 2014 and be renamed the Pilbara Ports Authority.

A reporting Board was established on the 24th June to wind up the financial affairs of the Dampier Port Authority. The reporting board consists of Mike Deeks, Noel Bridge, Peter Wilshaw and Les Longden.

EVENTS SUBSEQUENT TO REPORTING DATE

The *Ports Legislation Amendment Bill 2013* passed in June 2014 through the Western Australian State Parliament. As a result, the Dampier Port Authority and Port Hedland Port Authority will amalgamate to form the new Pilbara Ports Authority. The new operations have commenced 1 July 2014.

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 DPA 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 DPA 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 DPA. 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 DPA and of the Chief Executive Officer and senior managers of the DPA are as follows:

BOARD MEMBERS 2014

Name	Directors Fees	Superannuation	Total
	\$	\$	\$
B Hammond*	11,250	1,041	12,291
R. Vitenbergs	45,000	4,163	49,163
M. Deeks	16,500	1,526	18,026
N. Bridge	16,500	1,526	18,026
L. Longden	25,000	2,312	27,312
P. Wilshaw	16,500	1,526	18,026

Brendan Hammond left the Board on the 30 September 2013.

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

BOARD MEMBERS 2013

Name	Directors Fees	Superannuation	Total
	\$	\$	\$
B Hammond	45,000	4,050	49,050
R. Vitenbergs	25,000	2,250	27,250
M. Deeks	16,500	1,485	17,985
N. Bridge	16,500	1,485	17,985

OTHER EXECUTIVES 2014

Name	Salary	Motor Vehicle	Other	Super	Total
	\$	\$	\$	\$	\$
Steve Lewis, Chief Executive Officer	471,167	30,873	259,909	51,639	813,588
Valmiki Chandrashekhar, Chief Financial Officer	412,270	20,461	132,333	38,531	603,595
Paul Toussaint-Jackson, Chief Operating Officer	448,729	30,899	199,061	40,089	718,778
Rochelle Macdonald, Director Strategy & Development (resigned 25 April 2014)	320,268	–	–	20,618	340,886
Brad Kitchen Director Environment & Community	308,513	–	–	27,859	336,372

Other: includes redundancy payments resulting from the amalgamation to Pilbara Ports Authority on 1 July 2014.

OTHER EXECUTIVES 2013

Name	Salary	Motor Vehicle	Other	Super	Total
	\$	\$	\$	\$	\$
Steve Lewis, Chief Executive Officer	441,056	–	133,824*	26,461	601,341
Valmiki Chandrashekhar, Chief Financial Officer	292,154	20,000	–	22,275	334,429
Paul Toussaint-Jackson, Chief Operating Officer	324,360	27,476	–	26,614	378,450
Rochelle Macdonald, Director Strategy & Development	246,377	–	–	20,450	266,827
Brad Kitchen Director Environment & Community	220,000	–	–	19,658	239,658

*Other includes cash out of leave balances totalling \$133,824

RETIREMENT, ELECTION AND CONTINUATION OF OFFICE OF MEMBERS

During the financial year seven 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	1	1
Robert Vitenbergs	7	7
Mike Deeks	7	7
Noel Bridge	7	6
Fiona Russell	6	6
Nick Serle	6	6
Les Longden	6	6
Peter Wilshaw	6	5

ENVIRONMENTAL PERFORMANCE

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

INDEMNIFICATION OF OFFICERS

During the financial year the Directors' & Officers' Liability insurance policy was renewed to ensure that the Directors and officers of the DPA 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 DPA paid an insurance premium of \$21,406 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.

APPOINTMENT OF AUDITORS

The Auditor General's Office has been appointed as the DPA'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 2014 is \$42,000 GST exclusive.

ROUNDING OF AMOUNTS

The DPA 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 Reporting Board.



Chairman - Les Longden



Director - Peter Wilshaw

Dated this 2 September, 2014
Perth WA

DIRECTORS' DECLARATION DAMPIER PORT AUTHORITY

The Directors' declare that the financial statements and notes:

- a. comply with Accounting Standards, the *Port Authorities Act 1999* and other mandatory professional reporting requirements; and
- b. give a true and fair view of the Authority's financial position as at 30 June 2014 and of its performance, as represented by results of its operations and its cashflows, for the financial year ended on that date.

In the Directors' opinion:

- c. The financial statements and notes are in accordance with the *Port Authorities Act 1999*; and
- d. 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 Reporting Board.



Chairman - DPA Reporting Board
Les Longden



Director - DPA Reporting Board
Peter Wilshaw

Dated this 2 September, 2014
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 2014, the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory Notes and the Director's 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 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:

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Dampier Port Authority for the year ended 30 June 2014 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 September 2014

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2014

		2014	2013
	Note	\$'000	\$'000
Revenue	4	118,804	68,404
Employee benefits expense	3	(16,151)	(13,888)
Asset maintenance		(4,944)	(5,920)
Power and water		(1,074)	(927)
Depreciation and amortisation expense	3	(4,374)	(4,208)
Legal		(810)	(1,266)
Insurance		(598)	(630)
Consultants		(1,989)	(3,186)
Finance costs	3	(3,937)	(4,092)
Audit fees	3	(65)	(74)
Supplies and services (a)		(6,987)	(4,535)
Other expenses		(2,666)	(1,660)
Profit before income tax		75,209	28,018
Income tax expense	5	(22,591)	(8,414)
Profit for the year		52,618	19,604
Total comprehensive income for the year		52,618	19,604

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

The Statement of Profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

		30 June 2014	30 June 2013
	Note	\$'000	\$'000
Current assets			
Cash and cash equivalents	21(a)	83,086	29,816
Trade and other receivables	6	6,308	5,620
Other Current assets	7	1,707	426
Total current assets		91,101	35,862
Non-current assets			
Property, plant and equipment	9	94,400	92,922
Deferred tax assets	8	2,026	1,492
Total non-current assets		96,426	94,414
Total assets		187,527	130,276
Current liabilities			
Trade and other payables	11	4,604	3,508
Borrowings	12	2,251	2,120
Unearned Income	14	2,845	2,445
Current tax liability	15	12,204	4,068
Provisions	16	2,002	1,885
Total current liabilities		23,906	14,026

Non-current liabilities			
Borrowings	12	57,636	59,887
Provisions	16	92	66
Total non-current liabilities		57,728	59,953
Total liabilities		81,634	73,979
Net assets		105,893	56,297
Equity			
Contributed equity	17	28,477	18,757
Retained earnings	18	77,416	37,540
Total equity		105,893	56,297

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 2014

		Contributed equity	Retained earnings	Total equity
	Note	\$'000	\$'000	\$'000
Balance 1 July 2012		18,757	25,965	44,722
Total comprehensive income for the year		-	19,604	19,604
Transactions with owners in their capacity as owners				
Dividends paid	13	-	(8,029)	(8,029)
Restated balance at				
30 June 2013		18,757	37,540	56,297
Balance at 1 July 2013		18,757	37,540	56,297
Total comprehensive income for the year		-	52,618	52,618
Transactions with owners in their capacity as owner	17	9,720	-	9,720
Dividends paid	13	-	(12,742)	(12,742)
Balance at 30 June 2014	1718	28,477	77,416	105,893

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 2014

	Note	2014 \$'000	2013 \$'000
Cash flow from operating activities			
Receipts from customers		109,240	59,913
Receipts from government contributions		7,185	8,148
Payments to suppliers and employees		(36,360)	(32,591)
Interest received		2,088	817
Interest paid		(3,958)	(4,080)
Income tax paid		(13,935)	(7,131)
GST receipt on sales		10,799	5,836
GST receipt from taxation authority		(8,935)	(3,997)
GST payments on purchases		(1,864)	(1,839)
Net cash inflow/(outflow) from operating activities	21(b)	64,260	25,076

	Note	2014 \$'000	2013 \$'000
Cash flow from investing activities			
Receipt of Equity Contribution from Cons Account	17	9,720	-
Proceeds from sale of property, plant & equipment		98	386
Payment for acquisition of property, plant and equipment		(5,946)	(2,482)
Net cash inflow/(outflow) from investing activities		3,872	(2,096)
Cash flow from financing activities			
Dividends paid	13	(12,742)	(8,029)
Repayment of borrowings	12	(2,120)	(1,998)
Net cash inflow/(outflow) from financing activities		(14,862)	(10,027)
Net increase in cash and cash equivalents		53,270	12,953
Cash and cash equivalents at 1 July		29,816	16,863
Cash and cash equivalents at 30 June	21(a)	83,086	29,816

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

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 Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the financial reporting provisions of 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.

Dampier Port Authority (DPA) is a not for profit entity facilitating trade in Western Australia.

Certain comparative amounts in the financial statements have been reclassified to conform with current year's presentation.

The financial statements were authorised for issue on 2 September 2014 by the Reporting Board of Directors of the DPA.

b. Presentation of statement of profit or loss and other comprehensive income

Expenses have been classified by nature and this is considered to provide more relevant and reliable information than classification by function due to the nature of the DPA's operations.

According to AASB 101 Presentation of Financial Statements, expenses classified by nature are not allocated among various functions within the entity.

The directors have concluded that the financial statements present fairly the DPA's financial position, financial performance and cash flows and it has complied with applicable standards and interpretations to achieve a fair presentation.

c. Basis of measurement

The financial report is prepared on an accrual basis and in accordance with historical cost convention. Under the *Port Authorities Act 1999*, the Dampier Port Authority and Port Hedland Port Authority will amalgamate to form the new Pilbara Ports Authority. The new operations will commence 1 July 2014, under legislation changes all assets and liabilities of Dampier Port Authority, including those under or in connection with contracts and deeds to which Dampier Port Authority is a party, will be transferred to Pilbara Ports Authority on the 1 July 2014.

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.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods in these financial statements unless otherwise stated.

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/subsidies

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the DPA 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.

Contributions

Income arising from non-reciprocal contributions is recognised when:

- the Authority obtains control of the contribution or the right to receive the contribution,
- it is probable that the economic benefits will flow to the Authority and
- the amount can be measure reliably.

b. Income tax “equivalent”

The DPA 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 DPA 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. Finance costs

Borrowing costs are recognised as expenses in the period in which they are incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset in which case they are capitalised as part of the cost of the asset. In determining the amount of borrowing costs to be capitalised during the financial year, interest revenue earned directly relating to the borrowings, is deducted from the borrowing costs incurred.

d. Maintenance and repairs

Plant and equipment of the DPA 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.

For vested land the land is transferred at the Valuer Generals' fair value at the time of transfer and thereafter deemed recorded at cost.

Capitalisation/expensing of assets

The DPA 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 DPA's assets is maintained.

Subsequent measurement

After recognition as an asset, the DPA 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 DPA 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 including motor vehicles	3 to 5 years
Berths/wharves	25 to 40 years
Navigational aids	20 to 50 years
Software	3 to 5 years
Environmental approvals	50 years
Channel	50 years

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 DPA 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.

Web site costs

Web site 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, and ongoing costs of maintenance during the operating phase are expensed. Costs incurred in building or enhancing a web site, 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 DPA 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. Leases

Leases are classified as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefit incidental to ownership.

Operating leases

Leases where the lessor retains substantial all the risks and benefits of ownership of the asset are classified as operating leases. Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the lease term as this represents the pattern of benefits derived from the lease assets.

All of DPA leases are classified as operating.

i. 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.

j. Financial instruments

In addition to cash, the DPA has three (3) categories of financial instrument:

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

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 no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

k. 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.

l. Payables

Payables are recognised when the DPA 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.

m. Borrowings

All loans are initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. Subsequent measurement is at amortised cost using the effective interest rate method.

Borrowing costs are expensed as incurred unless they relate to qualifying assets.

n. Provisions

Provisions are liabilities of uncertain timing and amount. The DPA 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 and annual 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 DPA 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.

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.

o. Provisions – other

Employment on Costs

Employment on-costs, including workers' compensation insurance and payroll tax, are not employee benefits and are recognized as liabilities and expenses when the employment to which they relate has occurred.

Employment on-costs are not included as part of the DPA'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.

p. Payment of dividend to the State

In accordance with Section 84 of the *Port Authorities Act 1999* the Board of the DPA intends to make a recommendation to the Minister for Transport that dividends amounting to \$19,459,590 (2013: \$12,741,828) be declared in respect for the year ended 30 June 2014. The proposed dividend is in accordance with the dividend policy included in the DPA's statement of corporate intent for 2013/2014.

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 Australian 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 Australian 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 Australian taxation authority, are presented as operating cash flows.

r. New accounting standards and interpretations.

The Authority has applied the all of the new and revised Australian Accounting Standards and Interpretations issued by the AASB effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the Authority.

The nature and impact of each new standards and amendments are described below.

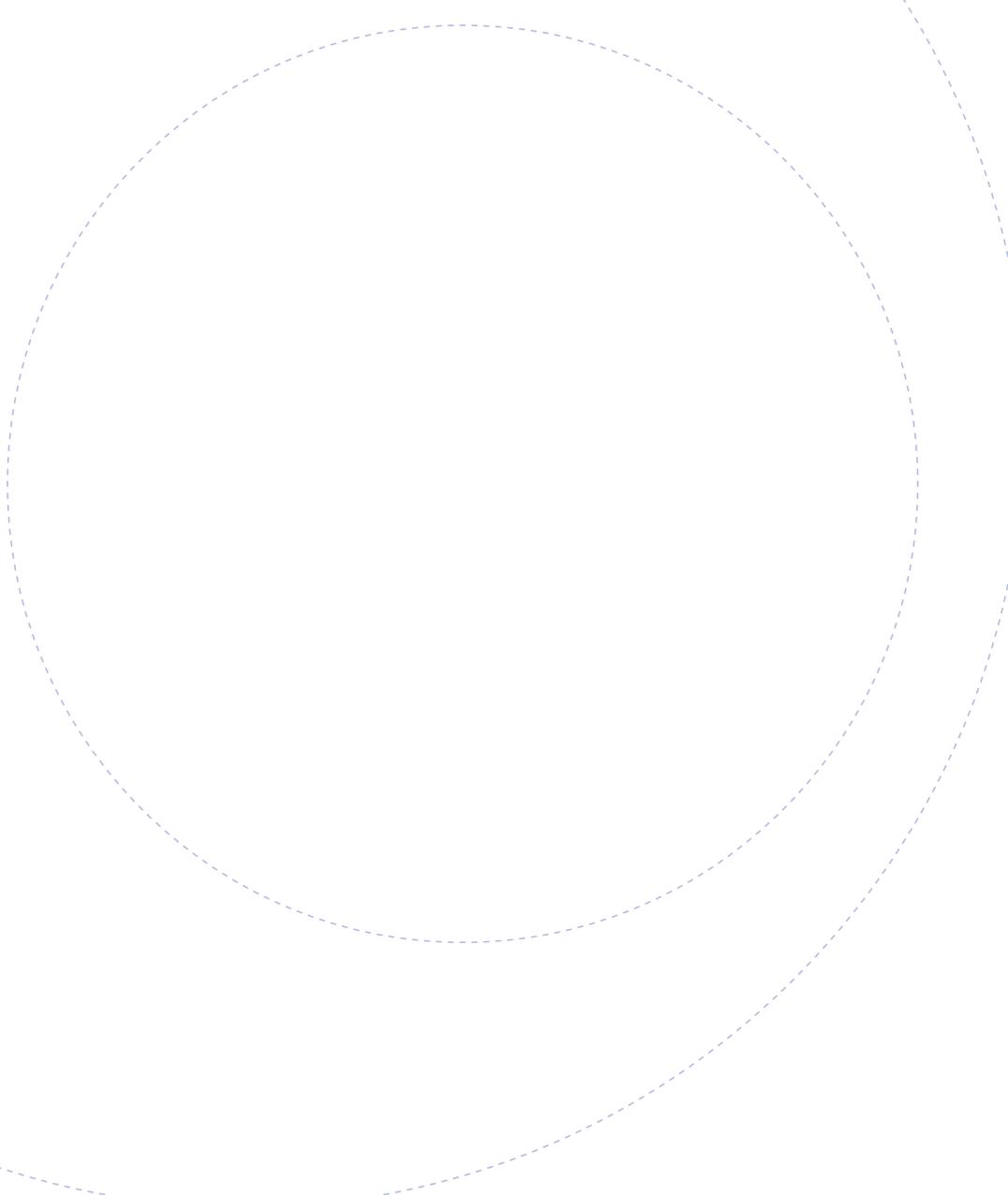
- AASB 13 Fair Value Measurement – This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no material financial impact.
- AASB 119 Employee Benefits – This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Authority assessed that the adoption of the standard had no significant impact to the financial statements.

- AASB 1048 Interpretation of Standards – This Standard supersedes AASB 1048 (June 2012), enabling references to the Interpretations in all other Standards to be updated by reissuing the service Standard. There is no financial impact

- AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 132]. This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact

- AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)[AASB 1, 8, 101, 124, 134, 1049 & 2011-8 and Int 14]. This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & 132] This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position. There is no financial impact.

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- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 & 134 and Int 2]. This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.
 - AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 & 2011-8] This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.
 - AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Int 1039 – The withdrawal of Int 1039 Substantive Enactment of Major Tax Bills in Australia has no financial impact for the Authority during the reporting period and at balance date. Measurement of tax assets and liabilities continues to be measured in accordance with enacted or substantively enacted tax law pursuant to AASB 112.46-47.
 - AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 & 2011-7 and Int 12] – The Standard introduces a number of editorial alterations and amends the mandatory application date of Standards for not for profit entities accounting for interests in other entities. There is no financial impact.
 - AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments. Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

Future impact of Australian accounting standards not yet operative

New standards and interpretations effective of annual periods beginning after 1 July 2014, have not been applied in preparing these financial statements. Under the *Ports Authority Act 1999*, the Dampier Port Authority and Port Hedland Port Authority will amalgamate to form the new Pilbara Ports Authority. The new operations will commence 1 July 2014. The Pilbara Ports Authority will retain the Australian Business Number of Port Hedland Port Authority

s. Contributed equity

DPA receives support from the WA Government (see note 17). The amount received is recognised directly as a credit to contributed equity.

NOTE 3: EXPENSE

Profit before income tax expense includes the following expenses:

	2014	2013
	\$'000	\$'000
Employee benefits expense		
Annual leave	953	838
Long service leave	512	396
Superannuation	989	826
Fringe benefits tax	614	467
Board members fee	131	103
Wages	9,993	8,530
Temporary staff	878	806
Other	2,081	1,922
Total employee benefits	16,151	13,888

	2014	2013
	\$'000	\$'000
Depreciation and amortisation		
Building and improvements	621	603
Plant and equipment	680	736
Intangibles – environmental approvals	9	7
Intangibles – software	396	200
Berths/wharve	2,085	2,079
Navigation aids	239	239
Channel	344	344
Total depreciation and amortisation	4,374	4,208
Finance costs		
Interest expense	3,937	4,092
Auditor's remuneration		
Auditor General fee (external audit)	46	41
Other audit services (internal audit)	19	33
Total auditor's remuneration	65	74

NOTE 4: REVENUE

	2014	2013
	\$'000	\$'000
Operating activities of the DPA		
- rendering of services – Port dues	37,378	31,579
- rendering of services – DCW/Barge ramp	23,890	12,830
- rendering of services – Bulk Liquids Berth	2,270	2,119
- Government contribution – Bulk Liquids Berth	7,185	8,148
- Contribution (i)	32,400	-
- leases revenue	9,506	9,006
- other	3,903	3,806
	116,532	67,488
Non-operating activities of the DPA		
- Net gain on disposal of property, plant and equipment	4	90
- interest received	2,268	826
	118,804	68,404

(i) These funds were received from Chevron as part of the State agreement and is aimed at providing the Port with funding to develop the basic infrastructure required for administration of port services for current and future users of the port.

NOTE 5: INCOME TAX EXPENSE

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:

	2014	2013
	\$'000	\$'000
Profit before income tax:	75,209	28,018
Tax at the Australian tax rate of 30% (2013: 30%)	(22,563)	(8,405)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	(28)	(9)
Research and development	-	-
Prior year (under)/provision	-	-
	(22,591)	(8,414)
Income tax (expense)	(22,591)	(8,414)
Income tax expense comprises:		
Provision attributable to current year	(23,051)	(8,886)
(Increase) in deferred tax liability	(78)	(209)
Increase in deferred tax asset	538	681
	(22,591)	(8,414)

NOTE 6: TRADE AND OTHER RECEIVABLES

	2014	2013
	\$'000	\$'000
Trade debtors	6,308	5,620

Trade debtors are normally settled on 30 day terms.
No trade debtors are considered impaired.

NOTE 7: OTHER CURRENT ASSETS

	2014	2013
	\$'000	\$'000
Prepayments	1,494	391
Accrued income	213	35
	1,707	426

NOTE 8: DEFERRED TAX ASSETS

	2014	2013
	\$'000	\$'000
Deferred income tax		
Deferred tax liabilities		
Property, Plant and Equipment	1,061	1,385
Prepayments	7	6
Accrued Income	64	10
Gross deferred tax liabilities	1,132	1,401
Deferred tax assets		
Accrued expenses	43	45
Operational expenditure	2,487	2,263
Provisions	628	585
Gross deferred tax assets	3,158	2,893
Net deferred tax assets	2,026	1,492
Reconciliation of movement in deferred tax assets		
Opening balance	2,893	2,211
Prior year adjustment	(273)	–
(charged)/credited to Statement of Comprehensive income	538	682
Closing balance	3,158	2,893
Reconciliation of deferred tax liabilities		
Opening balance	1,401	1,192
Prior year adjustment	(347)	–
Charged/(credited) to Statement of Comprehensive income	78	209
Closing balance	1,132	1,401

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	2014	2013
	\$'000	\$'000
Land and buildings		
Land		
Freehold land – at cost (i)	3,337	3,057
Vested land – at cost	1,755	1,755
Total land	5,092	4,812
Building and improvements		
At cost	20,112	19,478
Accumulated depreciation	(4,760)	(4,139)
Total buildings and improvement	15,352	15,339
Total land buildings and improvements	20,444	20,151
Plant and equipment		
At cost	6,716	6,746
Accumulated depreciation	(4,692)	(4,230)
Total plant and equipment	2,024	2,516
Intangibles – environmental approvals		
At cost	449	449
Accumulated depreciation	(77)	(68)
Total environmental intangible assets	372	381

	2014	2013
	\$'000	\$'000
Intangibles – software		
At cost	1,388	957
Accumulated depreciation	(751)	(425)
Total software assets	637	532
Total intangibles	1,009	913
Infrastructure		
Berths / wharves (ii)		
At cost	76,585	76,474
Accumulated depreciation	(27,181)	(25,110)
At recoverable amount	339	339
Accumulated depreciation	(150)	(138)
Total berths/wharves	49,593	51,565
Navigation aids		
At cost	5,572	5,572
Accumulated depreciation	(3,122)	(2,882)
Total navigation aids	2,450	2,690
Channel		
At cost	17,210	17,210
Accumulated depreciation	(2,955)	(2,611)
Total Channel	14,255	14,599

	2014	2013
	\$'000	\$'000
Infrastructure in the course of construction – at cost		
Objective software and installation	-	376
Residential housing	2,926	-
TechOne – 11.09 upgrade & maintenance	-	3
VTS Building	524	-
West Wing civil works	133	-
Admin building power cable upgrade	410	-
Aquatruck	302	-
Port of Ashburton infrastructure	330	-
DCW access ladders	-	109
Total infrastructure	4,625	488
Total property, plant and equipment	94,400	92,922

- i. Freehold land has been independently valued at \$5,034,000 based on the property's market value as at 30 June 2013.
- ii. The Dampier Bulk Liquid Berth (DBLB) commenced construction in January 2004 and was completed on the 7th November 2005. The DPA has entered into an agreement with the Western Australian Government whereby the State will pay to the DPA a State Subsidy for the term of the loan associated with the construction of the DBLB (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 DPA 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:

	2014	2013
	\$'000	\$'000
Land		
Carrying amount at 1 July 2013	4,812	4,812
Additions	280	-
Carrying amount 30 June 2014	5,092	4,812
Building and improvements		
Carrying amount at 1 July 2013	15,339	14,407
Additions/transfers	634	1,535
Depreciation for the year	(621)	(603)
Carrying amount 30 June 2014	15,352	15,339
Plant and equipment		
Carrying amount at 1 July 2013	2,516	2,352
Additions/transfers	282	1,196
Disposals at cost	(312)	(818)
Accumulated depreciation on disposal	218	522
Depreciation for the year	(680)	(736)
Carrying amount 30 June 2014	2,024	2,516

	2014	2013
	\$'000	\$'000
Intangibles		
Environmental approvals		
Carrying amount at 1 July 2013	381	388
Depreciation for the year	(9)	(7)
Carrying amount 30 June 2014	372	381
Software		
Carrying amount at 1 July 2013	532	464
Additions/transfers	501	268
Disposals	(69)	-
Accumulated depreciation on disposal	69	-
Depreciation for the year	(396)	(200)
Carrying amount 30 June 2014	637	532
Infrastructure		
Berths/wharves		
Carrying amount at 1 July 2013	51,565	53,644
Additions/Transfers	113	-
Disposals	(2)	-
Accumulated depreciation on disposal	2	-
Depreciation for the year	(2,085)	(2,079)
Carrying amount 30 June 2014	49,593	51,565

	2014	2013
	\$'000	\$'000
Navigational aids		
Carrying amount at 1 July 2013	2,690	2,929
Depreciation for the year	(240)	(239)
Carrying amount 30 June 2014	2,450	2,690
Channel		
Carrying amount at 1 July 2013	14,599	14,943
Depreciation for the year	(344)	(344)
Carrying amount 30 June 2014	14,255	14,599
Work in progress		
Carrying amount at 1 July 2013	488	943
Additions	4,646	1,301
Transfer	(509)	(1,756)
Carrying amount 30 June 2014	4,625	488
Total property, plant and equipment	94,400	92,922

NOTE 10: IMPAIRMENT OF ASSETS

There were no indications of impairment of property, plant & equipment, infrastructure and intangible assets as at 30 June 2014.

The DPA held no goodwill or intangible assets with an Indefinite useful life during the reporting period and at reporting date there were no material intangible assets yet available for use.

NOTE 11: TRADE AND OTHER PAYABLES

	2014	2013
	\$'000	\$'000
Trade creditors	3,246	2,218
Sundry creditors	1,144	1,091
Payroll accrual	214	199
	4,604	3,508

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

NOTE 12: BORROWINGS

	2014	2013
	\$'000	\$'000
Current		
Loan – Western Australian Treasury Corporation	2,251	2,120
Non-current		
Loan – Western Australian Treasury Corporation	57,636	59,887
Total loan	59,887	62,007

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 DPA has not provided any security in respect of the loan.

The WATC's approved lending facility to the DPA at balance date, is as disclosed in Note 21(c).

NOTE 13: DIVIDENDS PAID

	2014	2013
	\$'000	\$'000
Operating dividend	12,742	8,029

During the financial year ended 30 June 2014, an operating dividend of \$12,741,828 was paid in respect of the financial year ended 30 June 2013. Subsequent to 30 June 2014 the Directors have recommended that a dividend of \$19,459,590, being 65% of net profit after tax, be paid.

NOTE 14: UNEARNED INCOME

	2014	2013
	\$'000	\$'000
Revenue received in advance of service delivery	2,845	2,445

NOTE 15: CURRENT TAX LIABILITY

	2014	2013
	\$'000	\$'000
Current tax liability	12,204	4,068

NOTE 16: PROVISIONS

a. Current

	2014	2013
	\$'000	\$'000
Employee benefits		
Annual leave and other short term benefits	716	751
Annual leave – on costs	79	82
Other employee benefits	168	-
Long service leave	936	948
Long service leave – on costs	103	104
	2,002	1,885

b. Non-current

	2014	2013
	\$'000	\$'000
Employee benefits		
Long service leave	83	59
Long service leave – on costs	9	7
	92	66
Total employee benefits	2,094	1,951

c. Annual Leave and 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:

	2014	2013
	\$'000	\$'000
Within 12 months of balance date	1,278	840
More than 12 months after balance sheet date	816	1,111
	2,094	1,951
Movements in provisions		
Employment benefit provision		
Carrying amount at 1 July 2013	1,951	1,639
Provisions made during the year	2,269	1,237
Amounts utilised in the year	(2,126)	(925)
Carrying amount at 30 June 2014	2,094	1,951

NOTE 17: CONTRIBUTED EQUITY

	2014	2013
	\$'000	\$'000
Developers contribution	16,111	16,111
State equity contribution (i)	12,366	2,646
	28,477	18,757

(i) WA Treasury resolved to provide DPA with an equity contribution of \$9,720,000 to indemnify DPA against the cash tax exposure from the Chevron contribution.

NOTE 18: RETAINED PROFITS

	2014	2013
	\$'000	\$'000
Retained profits at the beginning of the financial year	37,540	25,965
Net profit for the year	52,618	19,604
Dividends paid	(12,742)	(8,029)
Retained profits at the end of the financial year	77,416	37,540

NOTE 19: REMUNERATION OF DIRECTORS AND EXECUTIVES

Details of Directors' and executives' remuneration are disclosed in the Remuneration Report which forms part of the Directors' Report.

NOTE 20: RELATED PARTY TRANSACTIONS

a. Directors

The names of persons who were directors of DPA any time during the financial year are as follows; B Hammond, R Vitenbergs, M Deeks, F Russell, N Bridge, D Allery, L Longden, P Wilshaw

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 DPA from time to time, being , Ms F Russell and Mr D Allery for Woodside Energy and Mr N Serle and Ms Y Yeates for Rio Tinto.

NOTE 21: NOTES TO STATEMENTS OF CASH FLOWS

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

	2014	2013
	\$'000	\$'000
Cash at bank	4,923	2,156
Cash at call	78,161	27,658
Cash on hand	2	2
	83,086	29,816

b. Reconciliation of net cash inflow from operating activities to profit after income tax

	2014	2013
	\$'000	\$'000
Profit for the year	52,618	19,604
Depreciation and amortisation	4,374	4,208
Net (gain)/loss on sale of property, plant and equipment	(4)	(90)
Write back of capital assets to operational	-	(59)
Changes in assets and liabilities		
Receivables	(688)	(102)
Prepayments	1,103	17
Accrued income	(178)	(153)
Payables	1,096	(403)
Unearned income	400	802
Movements in provisions		
Employee benefits	143	312
Income taxes	8,136	1,413
Deferred income taxes	(534)	(473)
Net cash inflows from operating activities	64,260	25,076

c. Financial facility

At the date of this report, the financing arrangement available to the DPA from the Western Australia Treasury Corporation is:

	2014	2013
	\$'000	\$'000
Loan facility	59,887	62,007
Amount utilised	(59,887)	(62,007)
Unused loan facility	-	-

NOTE 22: FINANCIAL INSTRUMENTS

a. Financial risk management objectives and policies

Financial instruments held by the DPA are cash and cash equivalents, term deposits, loans from Western Australia Treasury Corporation, receivables and payables. The DPA has limited exposure to financial risk.

Credit risk

To minimise the credit risk the DPA cash is invested with banks with an AA rating or better. The DPA's overall risk management program focuses on managing the risk identified below.

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

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

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.

The DPA 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 DPA's exposure to bad debts is minimal.

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

	2014	2013
	\$'000	\$'000
Trade receivables		
Group 1	32	11
Group 2	4,453	4,307
Total group trade receivables	4,485	4,318

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:

	2014	2013
	\$'000	\$'000
Trade receivables		
Not more than 3 months old	1,816	1,247
More than 3 months but less than 6 months old	6	45
More than 6 months but less than 1 year	1	10
More than 1 year	–	–
	1,823	1,302
Reconciliation of trade receivables		
Total trade group receivables	4,485	4,318
Past due but not impaired	1,823	1,302
Total trade receivables	6,308	5,620
Cash and short term deposits	83,086	29,816

Liquidity risk

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

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

The liquidity risk is managed by WATC through portfolio diversification and variation in maturity dates. In addition the DPA has entered into an agreement with the Western Australian Government whereby the State will pay to the DPA a state subsidy for the term of the loan.

Market risk

The DPA does not trade in foreign currency and is not materially exposed to other price risks (for example equity securities or commodity price changes). The DPA's exposure to market risk for changes in interest rates relates primarily to cash and cash equivalents and long term debt obligations.

The DPA's borrowings are all obtained through Western Australia Treasury Corporation (WATC) and are all fixed rates with varying maturities.

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:

	2014	2013
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	83,086	29,816
Loans and receivables	6,308	5,620
	89,394	35,436
Financial liabilities		
Financial liabilities measured at amortised cost	4,604	3,508
Borrowings	59,887	62,007
	64,491	65,515

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 DPA'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 DPA. The contractual maturity amounts in the table are representative of the undiscounted amounts at the balance sheet date.

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

2014 FINANCIAL LIABILITIES/ASSETS

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing 1-5 years	Fixed interest maturing over 5 years	Non interest bearing	Total
	(%)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash at bank	3.00	9,186	73,900	–	–	–	83,086
Receivables		–	–	–	–	6,308	6,308
		9,186	73,900	–	–	6,308	89,394
Payables							
Payables		–	–	–	–	4,604	4,604
Borrowings from WATC – principal	5.95	–	2,250	10,472	47,165	–	59,887
Borrowings from WATC – interest	5.95	–	3,828	13,843	21,223	–	38,894
		–	6,078	24,315	68,388	4,604	103,385

2013 FINANCIAL LIABILITIES/ASSETS

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing 1-5 years	Fixed interest maturing over 5 years	Non interest bearing	Total
	(%)	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets							
Cash at bank	3.05	5,316	24,500	–	–	–	29,816
Receivables		–	–	–	–	5,620	5,620
		5,316	24,500	–	–	5,620	35,436
Payables							
Payables		–	–	–	–	3,508	3,508
Borrowings from WATC – principal	5.95	–	2,120	9,866	50,021	–	62,007
Borrowings from WATC – interest	5.95	–	3,958	14,449	24,445	–	42,852
		–	6,078	24,315	74,466	3,508	108,367

Interest rate sensitivity analysis

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

2014

	Carrying amount	-1% change profit	+1% change profit
	\$'000	\$'000	\$'000
Financial assets			
Cash and cash equivalents	83,086	(831)	831

2013

	Carrying amount	-1% change profit	+1% change profit
	\$'000	\$'000	\$'000
Financial assets			
Cash and cash equivalents	29,816	(298)	298

d. Fair values

The 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	Fair value	Carrying amount	Fair value
	2014	2014	2013	2013
	\$'000	\$'000	\$'000	\$'000
Borrowings from WATC	59,877	68,212	62,007	68,005

The fair value of borrowings is estimated by discounting expected principal and interest cash flows at the interest rate at the measurement date.

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

a. Capital expenditure commitments

Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:

	2014	2013
	\$'000	\$'000
Within one year	447	46
Capital commitments include amounts for:		
- Housing	436	-
- Equipment	11	
- Dampier Cargo Wharf ladders	-	4
- Software and licence system	-	2
	447	46

b. Operating lease and other expenditure commitments

Commitments for operating leases and other contracted commitments at the reporting date but not recognised as liabilities payable

	2014	2013
	\$'000	\$'000
Within one year	4,440	1,656
Within one to five years	10,186	2,433
Greater than five years	1,468	236
	16,094	4,325
Operating commitments include amounts for		
- Port Management Information system	2,079	-
- Vessel tracking system equipment	8,501	-
- Maintenance Dampier Cargo Wharf ladders	-	36
- Hire of 16 Parliament Place	1,595	2,126
- Transportable	3,919	2,163
	16,094	4,325

During the year, an expense of \$2,280,106 was recognised in the profit or (loss) in respect of operating leases (2013: \$1,618,283).

NOTE 24: LEASE REVENUE RECEIVABLE IN THE FUTURE

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

	2014	2013
	\$'000	\$'000
Within 1 year	9,238	8,561
Later than 1 year and not later than 5 years	14,853	21,577
Later than 5 years	21,085	3,952
	45,176	44,090

Lease commitment receivables as at the 30 June 2014 was \$2,024,777 (2013 \$889,609)

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

NOTE 25: CONTINGENT LIABILITY

Contaminated sites

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

The DPA reported three suspected isolated contaminated sites within the De Witt Location 471, to the DEC in October 2006. As the DEC management system is tied to the State cadastral system, it can only list whole land parcels, not portions of a lot. As such, on 15 June 2007, the DEC classified all of 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. In 2009, Rio Tinto did the required works to have one of these issues de-listed from the Memorial. In 2010, Mermaid Marine Australia had another issue added to that Memorial and in 2014, a small diesel spill occurred within the Woodside leased area within the lot, investigations and some remedial works have been completed. Some residual impact remains beneath a concrete slab and as such, this incident has been added to the Memorial.

According to the DEC's assessment, the site is 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 may be required to determine the contamination status of soil, surface water and groundwater at the site.

In light of the above, a memorial has been lodged by the DEC against the Certificate of Title on the De Witt Location 471, with the Registrar of the Department of Land Information, which records 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. Where specific contamination events have resulted in the direct actions of this lessee, the directors do not believe that the DPA has exposure to the financial obligations in respect of further investigation and remediation expenses for the affected site.

As part of the pre-establishment works associated with the development of the Ashburton North Strategic Industrial Area (ANSIA), a preliminary site investigation was undertaken in 2010 to investigate land contamination matters within DPA parcels of land. The report found no issues of concern at that time, and reported that the DPA tenure area has not been contaminated, as defined under the *Contaminated Sites Act (2003)*. No memorial has therefore been issued against any lot for which the DPA has an interest in Ashburton. Whilst ongoing development works continue on the site as part of the Wheatstone development, it is expected that prior to any future leases agreements, there will be acknowledgement within that lease noting the contaminant free condition of the site prior to the commencement of a lease.

NOTE 26: SUBSEQUENT EVENTS

The *Ports Legislation Amendment Bill 2013 (Bill)* recently passed through the Western Australian State Parliament. This Bill introduces structural reforms to Western Australia's eight statutory port authorities by amending the *Port Authorities Act 1999 (Act)*.

As of 1 July 2014, Dampier Port Authority will be merged with Port Hedland Port Authority, and Port Hedland Port Authority was renamed Pilbara Ports Authority. The Pilbara Ports Authority will retain the Port Hedland Port Authority's existing Australian Business Number (i.e. ABN 94 987 448 870). The Pilbara Ports Authority will control and manage the Port of Ashburton, the Port of Dampier and the Port of Port Hedland

Under the legislative changes, amongst other things, all assets, rights and liabilities of Dampier Port Authority, including those under or in connection with contracts and deeds to which Dampier Port Authority is a party, will be transferred to Pilbara Ports Authority. Additionally, the legislative changes provide that any references to Dampier Port Authority or Port Hedland Port Authority in existing agreements, instruments and documents are taken to be references to Pilbara Ports Authority from the merger time (1 July 2014). Similarly, if either Dampier Port Authority or Port Hedland Port Authority is a party to existing contracts or deeds, the Pilbara Ports Authority will be the party from the merger time.



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