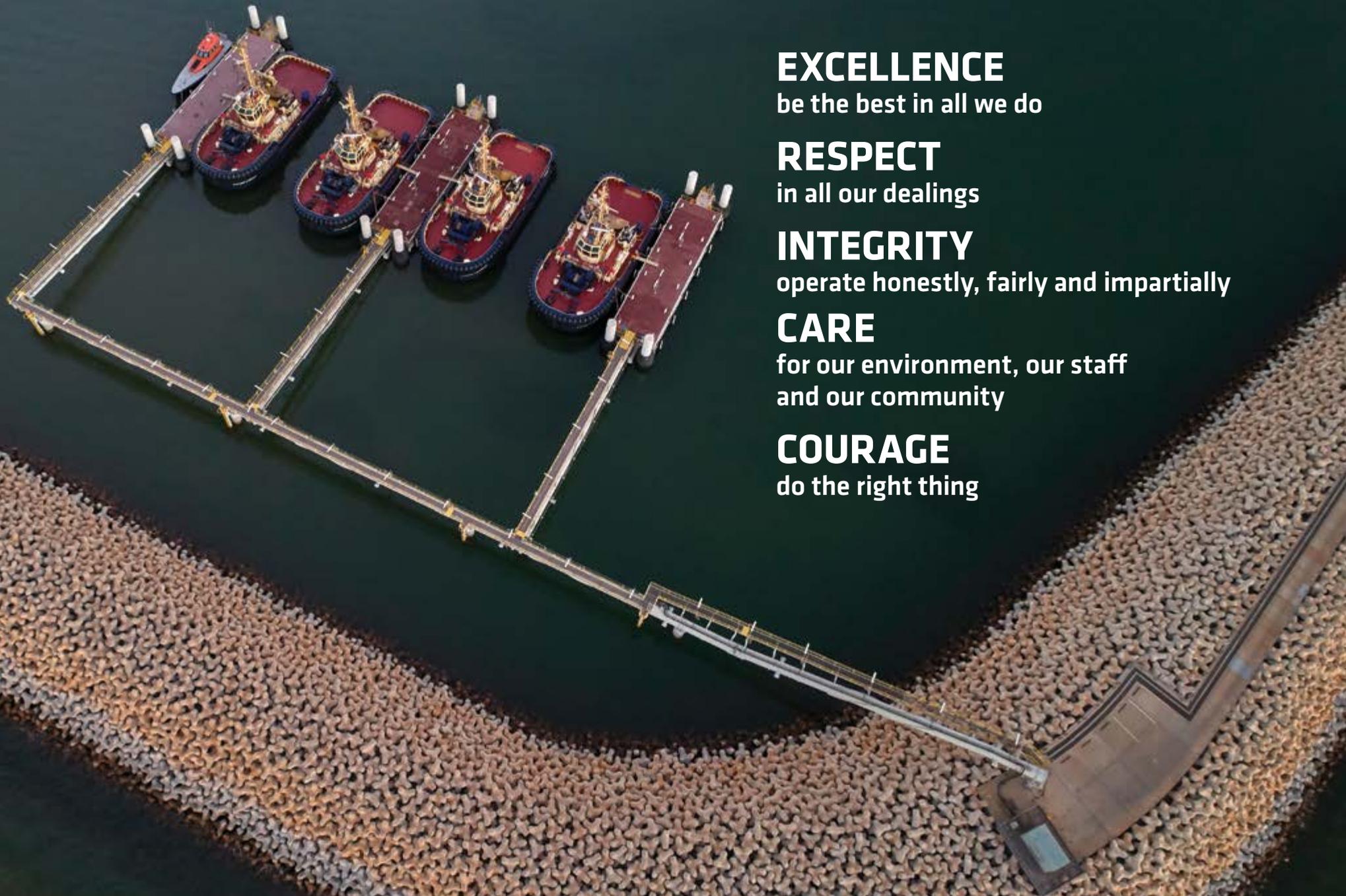


PILBARA PORTS AUTHORITY

Annual Report 2018-19



Cover image: Port of Dampier
This page: Port of Ashburton tug pens



EXCELLENCE

be the best in all we do

RESPECT

in all our dealings

INTEGRITY

operate honestly, fairly and impartially

CARE

for our environment, our staff
and our community

COURAGE

do the right thing

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Statement of Compliance

To the Hon. Alannah MacTiernan MLC

Minister for Regional Development; Agriculture and Food; Ports

In accordance with Section 68 and clauses 34 and 35 of Schedule 5 of the *Port Authorities Act 1999* (WA), I hereby submit for your information and presentation to Parliament, the Annual Report of Pilbara Ports Authority for the financial year ended 30 June 2019.

Brad Geatches

Chair, Pilbara Ports Authority Board of Directors



Image: Port of Port Hedland



Pilbara Ports Authority 2018/19 Highlights

Total annual throughput

697.2

million tonnes (Mt)

Total annual throughput at Port of Dampier:

172.9Mt

Total annual throughput at Port of Port Hedland

513.3Mt

Record monthly throughput at Port of Port Hedland:

49.3Mt - June 2019

Record tonnage from Port of Port Hedland in a 24-hour period - 23 August 2018:

2.5Mt on 14 capesize vessels

Record tonnage from Port of Port Hedland on a single tide: 15 January 2019:

1.7Mt on 10 vessels

Revenue excluding Port Improvement Rate (PIR)

\$409.7 million

Number of safe vessel movements

16,833



Port of Ashburton

Pilbara Ports Authority 2018/19 Highlights



Lithium concentrate shipments commence from the Pilbara

First conventional **roll-on/roll-off vessel discharge** at Port of Port Hedland

Final transfer of **Port of Ashburton Cargo Wharf** and other landside areas to Pilbara Ports Authority on 1 December 2018

\$55.3 million Integrated Marine Operation Centre (IMOC) at Port of Port Hedland operational

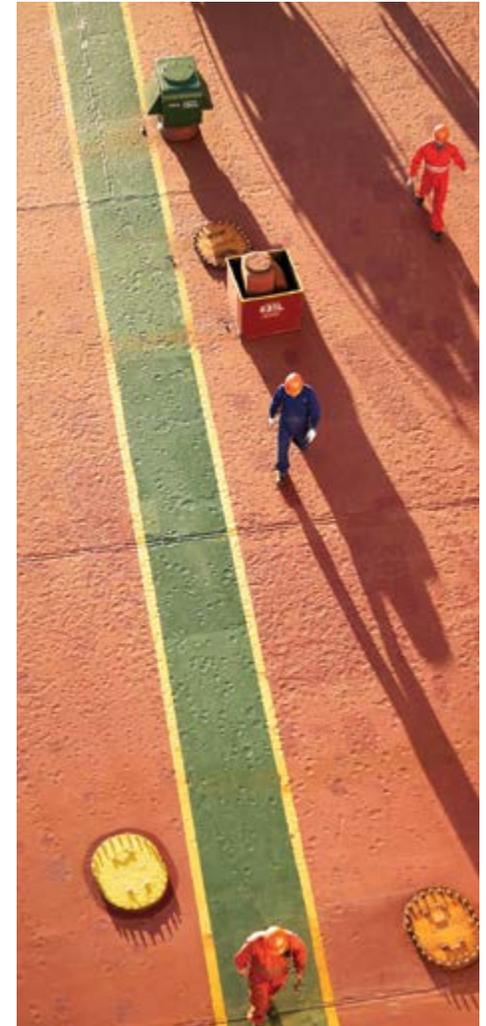
35 marine navigation aids replaced at Port of Port Hedland

\$310,501

support for local community groups, sporting and not-for-profit organisations in the Dampier/Karratha, Onslow and Port Hedland communities



Australian Biosecurity Award and Golden Gecko Award for **State-Wide Array Surveillance Program (SWASP)**



Chair's Report

It is a privilege as Chair of Pilbara Ports Authority to deliver the 2018/19 financial and operational results for the world's largest bulk export port authority.

The fifth year since the amalgamation of the former port authorities of Dampier and Port Hedland was another strong year for Pilbara Ports Authority, with a total annual throughput of 697.2Mt, a profit before income tax of \$180.3 million and dividend return to the State of \$150.9 million.

These results demonstrate the organisation's significant contribution to both the State's and nation's economies, and it remains committed to facilitating future trade growth for the benefit of customers and the people of Western Australia.

Pilbara Ports Authority closed the financial year with full management authority of three operational ports, following the final handover of the Port of Ashburton in December 2018. The organisation's authority over ports in the Pilbara is set to grow further after legislation passed in Parliament in early 2019 to transition five existing *Shipping and Pilotage Act 1967* ports to Pilbara Ports Authority management.

These future ports will further support the ongoing growth of small and large miners in Western Australia, agribusinesses and other regionally based industries.

Pilbara Ports Authority's Board of Directors supports the organisation's operational and financial success by bringing fresh perspectives to the business. This includes continued support for the State Government's strategic priorities, in particular the WA Industry Participation Strategy (WAIPS). This important initiative aims to maximise opportunities for WA businesses to secure work on government contracts and raise awareness of local industry capabilities. Pilbara Ports Authority supported the WAIPS during the year with the \$33.5 million replacement of the Berth 3 deck at the Port of Port Hedland. A total of 61 direct employees and more than 27 subcontractors, 84 per cent of them from regional WA, were employed on the project.

Another significant highlight for the financial year was the completion of two of the three Port Improvement Rate (PIR) projects at the Port of Port Hedland. Funded by industry via a temporary levy charged on vessels entering and exiting the harbour, the three projects have a combined estimated final cost of \$210.3 million. The two PIR projects that completed during 2018/19 were the Channel Marker Replacement Program and the new Hedland Tower – Integrated Marine Operations Centre.

The third project, the Channel Risk Optimisation Project, will be completed in the 2019/20 financial year. Thanks to the PIR, the port will continue to operate safely and efficiently for decades to come.

Consistent with State Government priorities, new trade and development opportunities were pursued at all three ports. At the Port of Port Hedland work continued on the Lumsden Point General Cargo Facility Project, which will accommodate a variety of cargoes including live exports and lithium concentrate and other battery metals. Two shipments totaling 6,266 head of cattle were exported from the Port of Port Hedland during the year and Pilbara Ports Authority continues to proactively promote its live export capabilities.

At the Port of Dampier, Pilbara Ports Authority progressed opportunities to diversify trade including methanol and magnesium products, urea exports and cruise ships. At the Port of Ashburton work began on a general cargo, multi-user facility, which will facilitate new trade opportunities when it starts to receive vessels in 2019/20.

Pilbara Ports Authority's focus on excellence was evident in the SWASP, which received state and national awards for its contribution to affordable and effective surveillance against invasive marine pests.

Chair's Report

Pilbara Ports Authority was a founding participant in the collaborative program with other Western Australian port authorities and the Department of Primary Industries and Regional Development. The SWASP will be trialed across Australian ports in the near future.

I would like to thank fellow Board members, the Chief Executive Officer, Executive team and staff for welcoming me to the role of Chair; together we will continue to successfully progress Pilbara Ports Authority's vision of being the global leader in port planning, operations and marine services, while delivering suitable financial returns to the people of Western Australia.

I would also like to thank the Minister for Ports, Hon. Alannah MacTiernan MLC, for her continued support and guidance, and the Executive teams at the Department of Transport (DoT), the Department of Jobs, Tourism, Science and Innovation and the Department of Treasury for their significant contribution to the success of Pilbara Ports Authority.

Brad Geatches

Chair

Pilbara Ports Authority Board of Directors

CEO's Report

Closing out its fifth year since the former port authorities of Dampier and Port Hedland successfully amalgamated, Pilbara Ports Authority has delivered another strong result in 2018/19, with 697.2Mt passing through its three ports, reaffirming its status as the world's largest bulk export port authority.

This was achieved within Pilbara Ports Authority's rigorous safety framework. I am pleased to report that this year's safety statistics reflect our commitment to the wellbeing of our staff, contractors and visitors, with a Lost Time Injury Frequency Rate of 1.32 against a target of 1.55. The safety of everyone who works at or visits the ports is our highest priority. The Board and Executive continue to be proactive about reviewing and monitoring safety performance across our operations. This includes service providers and port users to ensure they comply with Pilbara Ports Authority's best-practice safety processes and procedures.

Pilbara Ports Authority's operational performance remained strong with annual throughput almost in line with record annual throughput in 2017/18.

The slight decrease was due mainly to port closures associated with Tropical Cyclone Veronica, which crossed the Pilbara coast in March 2019. The cyclone caused the closure of the Port of Ashburton for 109.5 hours, the Port of Dampier for 132 hours and the Port of Port Hedland for 92.5 hours.

The Port of Port Hedland recorded a total throughput of 513.3Mt, which was just one per cent lower than last year's record, despite an active cyclone season. At the Port of Dampier, total throughput was 172.9Mt, two per cent lower than the previous year's record. Total iron ore exports across the two ports totaled 647.8Mt, comprising 506.6Mt at the Port of Port Hedland and 141.2Mt at the Port of Dampier.

Pilbara Ports Authority continued to progress efforts to support future trade growth at existing and new ports. At the Port of Port Hedland, works to replace Berth 3 made good progress during the year, with the demolition of the existing concrete deck and its replacement with a new reinforced concrete deck. The Berth 3 works is a pilot project under the State Government's WAIPS, designed to maximise opportunities for Western Australian businesses to secure work on government contracts. The project employed a workforce of 61 people and more than 27 subcontractors, with 84 per cent of personnel based in regional WA.

In December 2018, Pilbara Ports Authority increased its cargo capacity with the final handover of the Port of Ashburton, which services the Chevron-operated Wheatstone project. The *Ports Legislation Amendment Act 2019* was enacted on 26 February 2019 to facilitate the transfer of the management of five *Shipping and Pilotage Act 1967* ports in the Pilbara from DoT to Pilbara Ports Authority. Due diligence is underway to facilitate the transfer of these ports on a staggered, case-by-case basis.

Pilbara Ports Authority also made progress on the new greenfield ports of Balla Balla, Cape Preston West, Cape Preston East and Anketell. In line with the State Government's multi-user access principles, the Port of Balla Balla is planned as a multi-user iron ore transshipping operation while the Port of Cape Preston West will initially be used for the export of salt and potash. Development opportunities with potential users for the ports of Anketell and Cape Preston East continue to be explored.

During the year, two inaugural marine cadets (one each at Dampier and Port Hedland ports) were welcomed into our marine operations team as part of Pilbara Ports Authority's commitment to training and mentoring the next generation of Australian shipping industry talent.

CEO's Report

The cadetship is being delivered in collaboration with Oldendorff Carriers and South Metropolitan TAFE and provides the skills and experience required for a successful and rewarding career at sea. The cadetship involves pre-sea training, a minimum of 300 days of sea time and further shore-based studies. The cadets are being mentored by Pilbara Ports Authority's Master Mariners at their respective ports.

During 2018/19, more than \$310,000 was committed to local community groups to support their projects across the communities of Dampier/Karratha, Onslow and Port Hedland. Recipients included the Karratha Visitor Centre, Onslow Primary School and St John Ambulance in Port Hedland. Funding is just one-way Pilbara Ports Authority contributed to the communities in which it operates. Close engagement with local communities is another and eight Community Consultation Committee (CCC) meetings were held across the three port communities during the year.

Following another busy and successful year I would like to thank the Minister for Ports Hon. Alannah MacTiernan MLC and former Ports Minister Hon. Rita Saffioti MLA, along with their respective staff, for supporting Pilbara Ports Authority's vision to be the global leader in port planning, operations and marine services. I also extend my thanks to our other State Government stakeholders and partners; DoT and the departments of Jobs, Tourism, Science and Innovation and Treasury.

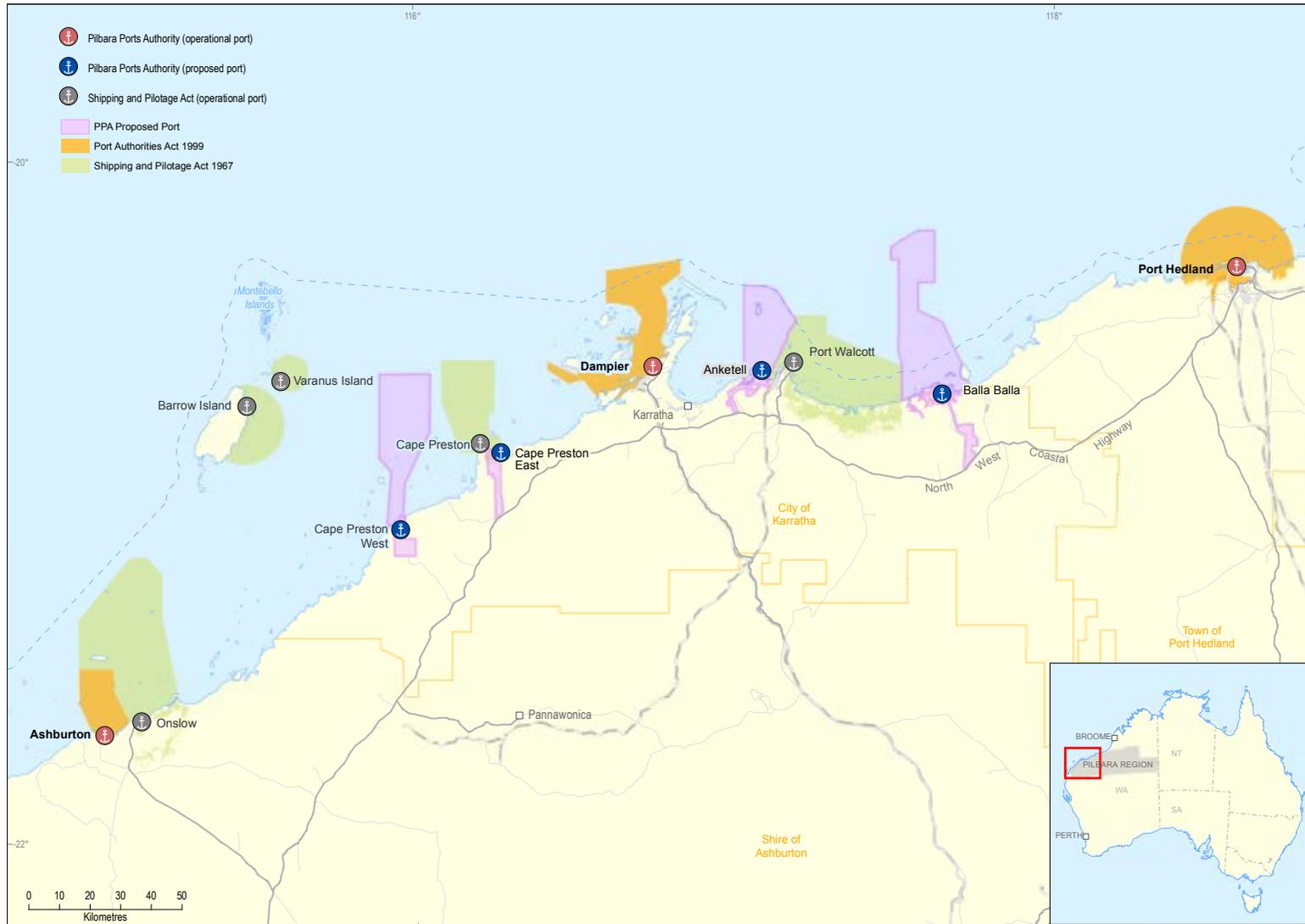
I would like to thank outgoing Chair Ken Pettit for his leadership and guidance, and welcome new Chair Brad Geatches to the role. I also thank the Board of Directors and my Executive team for their diligence, contribution and support.

Finally, I would like to acknowledge and thank all staff for their hard work, professionalism and commitment to Pilbara Ports Authority's values of excellence, respect, integrity, care and courage.

Roger Johnston

Chief Executive Officer

Organisation Profile



Organisation Profile

Pilbara Ports Authority is the world's largest bulk export port authority, encompassing the ports of Ashburton, Dampier and Port Hedland.

Pilbara Ports Authority will progressively assume oversight of the ports of Barrow Island, Cape Preston, Onslow, Port Walcott and Varanus Island, pursuant to the *Ports Legislation Amendment Act 2019*, which was enacted in February 2019. These ports are currently administered by the Department of Transport (DoT) under the *Shipping and Pilotage Act 1967*.

New greenfield ports are planned at Anketell, Balla Balla and Cape Preston.

Pilbara Ports Authority operates as a Western Australian Government Trading Enterprise and is governed by the *Port Authorities Act 1999* (WA) (the Act).

The ports of Dampier and Port Hedland are the world's largest bulk export ports, responsible for approximately 80 per cent of Australia's, and approximately 42 per cent of the world's, seaborne iron ore exports.

Other major export commodities include Liquefied Natural Gas (LNG) and salt. Approximately 42 per cent of Australia's and nine per cent of the world's LNG is exported through the ports of Dampier and Ashburton.

Salt exports through the ports of Port Hedland and Dampier totalled approximately 6.1Mt in 2018/19, accounting for approximately 51 per cent of salt mined in Australia, and 8.5 per cent of the world's salt exports.

In 2018/19, a total annual throughput of 697.2Mt was achieved through more than 16,000 safe vessel movements. Profit before income tax for the financial year was \$180.3 million, and total payments to the state were \$209.7 million, including dividends and taxes.

There are 19 operational berths at the Port of Port Hedland. Pilbara Ports Authority operates berths 1, 2 and 3 in the harbour's Eastside Operations, and the Utah Facility. BHP owns and operates eight berths, five berths are owned and operated by Fortescue Metals Group and two berths are owned and operated by Roy Hill Infrastructure.

At the Port of Dampier, marine assets owned and operated by Pilbara Ports Authority include the Bulk Liquids Berth (BLB) and the Dampier Cargo Wharf (DCW), which provides up to three berths.

Rio Tinto and Woodside Energy own and operate private port terminals; Toll and WQube also operate private facilities.

On 1 December 2018 Pilbara Ports Authority received final handover of the Port of Ashburton. The Port of Ashburton is a strategic industrial area accommodating LNG facilities and other hydrocarbon-based and natural gas processing facilities for WA's domestic gas supply. It is ultimately designed as a multi-user port.

Pilbara Ports Authority provides overall port management and coordinates Vessel Traffic Services (VTS), ship scheduling, berthing allocations for multi-user facilities and port communications. The Authority also oversees marine safety and port security, cooperating with Commonwealth Government agencies responsible for customs, quarantine and marine safety. The Authority maintains shipping channels, navigation aids and other port infrastructure, and contracts out or issues licences for stevedoring, towage, pilotage, helicopter and pilot boat transfers, security and waste management.

Pilbara Ports Authority manages 10,615ha of port land at Ashburton, Cape Preston East, Dampier and Port Hedland, and facilitates the development of land and leases to support port-related industries.

Organisation Profile

SHARED RESPONSIBILITIES

Pilbara Ports Authority has shared responsibilities with numerous Federal and State Government agencies in areas such as planning, emergency response, security and environmental management.

ROLE AND LEGISLATIVE FRAMEWORK

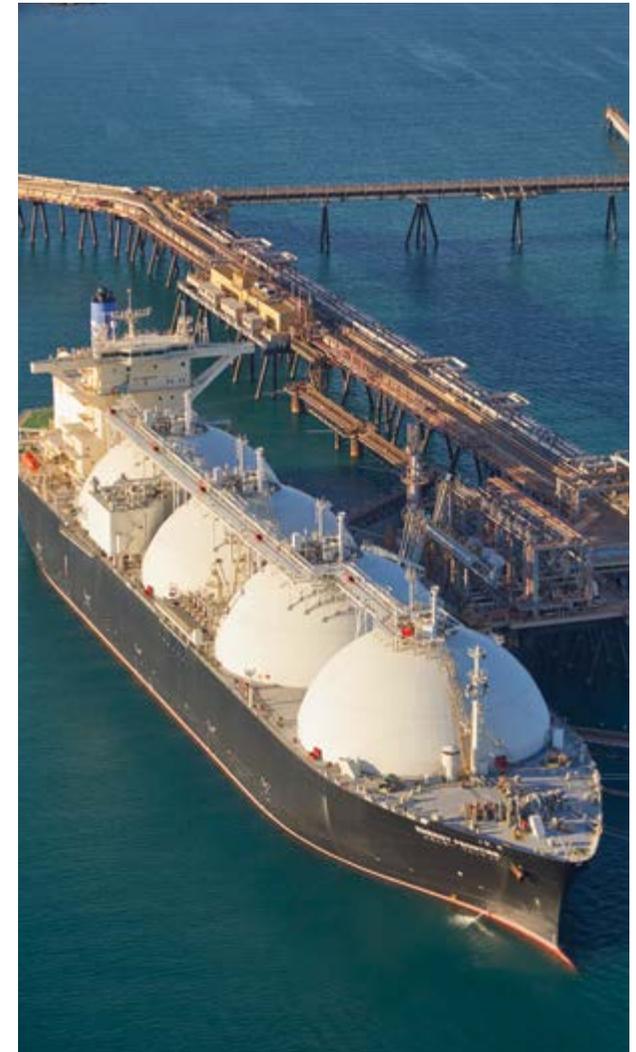
Pilbara Ports Authority operates as a Western Australian Government Trading Enterprise and is governed under the Act, which establishes the functions of the Authority and State Government reporting requirements. Pilbara Ports Authority has a duty to act on commercial principles, and is granted the power to perform the following defined functions:

- Facilitating trade within and through the ports;
- Planning for future growth and development of the ports;
- Undertaking or arranging for activities that will encourage and facilitate the development of trade and commerce generally for the economic benefit of the State through the use of its port and related facilities;
- Controlling business and other activities in its ports or in connection with operation of the ports;
- Being responsible for the safe and efficient operation of the ports;
- Being responsible for maintaining port property;

- Being responsible for port security;
- Protecting the environment of the ports; and
- Minimising the impact of port operations on the environment.

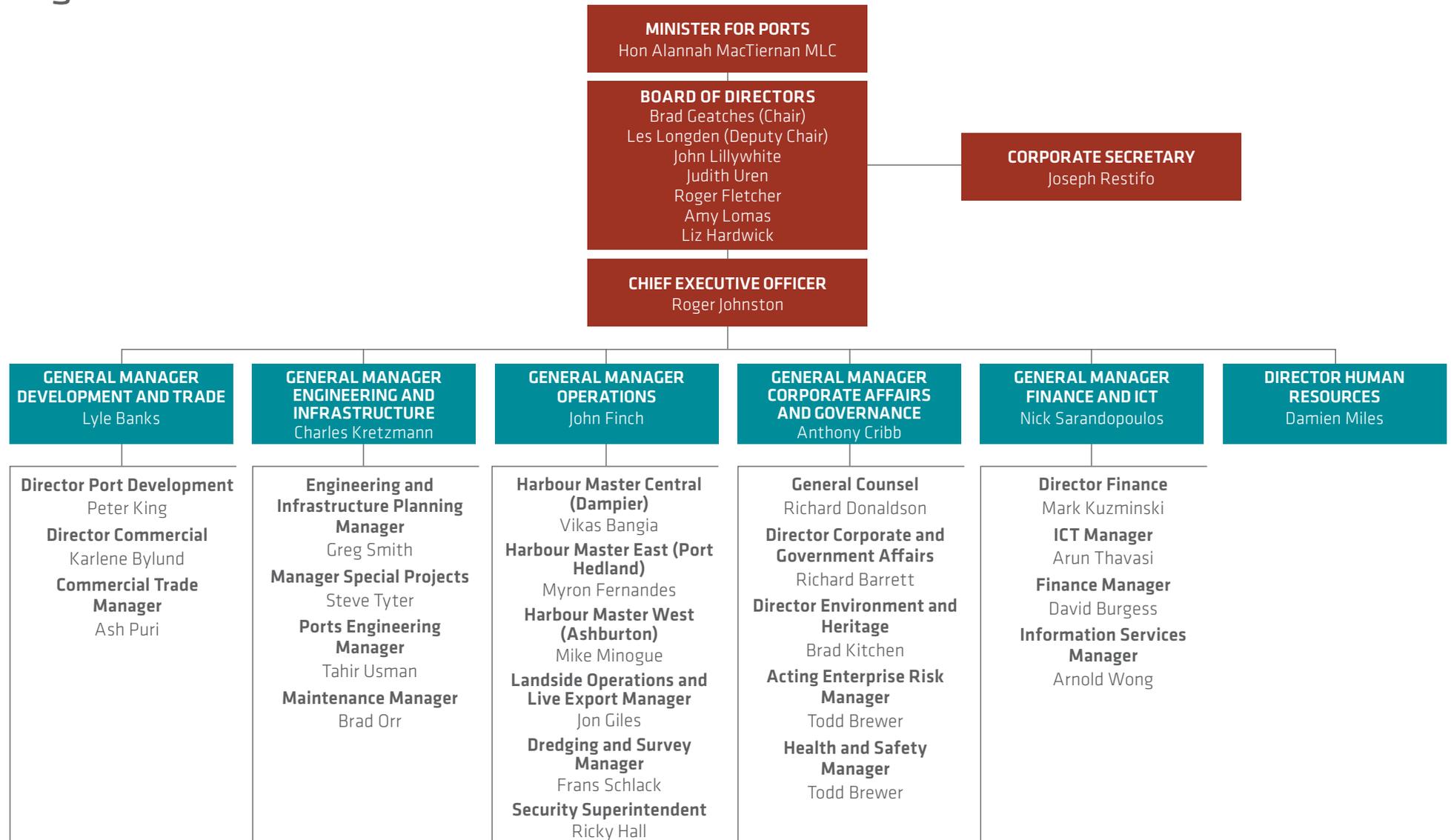
Pilbara Ports Authority operates as a commercialised entity with an independent Board of Directors reporting to Western Australia's Minister for Ports. The Board comprises seven directors, including a Chair, which sets strategic direction, and monitors achievements against the strategic objectives.

In carrying out its responsibilities and exercising its powers, the Board recognises its overriding responsibility to act honestly, fairly and diligently, and in accordance with the law, in serving the interests of Western Australia, Pilbara Ports Authority's employees, its port users and the community.



Port of Dampier

Organisation Structure



Board Of Directors



CHAIR
Brad Geatches
BComm, MAICD

Mr Geatches was appointed to the Pilbara Ports Authority Board in May 2019, for a term ending 31 December 2021.

Mr Geatches brings more than 30 years' senior executive experience in underground mining, airports and seaports.

From 2007 to 2016 he was CEO of Perth Airport Pty Ltd and in that capacity led a \$1.1 billion capital investment program that greatly expanded the airport's capacity and transformed the airport's customer experience. Prior to this, he was CEO of Cairns Port Authority, the operator of the Cairns airport and seaport, and CEO of Powercoal Pty Ltd, a company operating underground mines in NSW.

He is CEO of MATES in Construction, a charity providing mental health and suicide prevention services to workers in the construction and mining industries. He is also a Director of Brisbane Airport, Perth Zoo and Carers Australia WA.

He has a Bachelor of Commerce and is a member of the Australian Institute of Company Directors.



DEPUTY CHAIR
Les Longden
BEng (Hons), Grad Dip App Fin, FFIN,
FAICD

Mr Longden was appointed to the former Port Hedland Port Authority Board on 1 October 2009 and was reappointed to the Pilbara Ports Authority Board for a term expiring 31 December 2019.

He was Deputy Chair of the former Dampier Port Authority from July 2013 until its amalgamation into Pilbara Ports Authority in July 2014.

Mr Longden has more than 30 years' experience in the resources industry across a variety of development and operations roles.

He is a principal of a Perth-based engineering and project management consultancy and was previously an Executive Director of an ASX-listed oil exploration and production company.

Mr Longden is a fellow of the Australian Institute of Company Directors and a fellow of the Financial Services Institute of Australasia.



DIRECTOR
John Lillywhite
BCom, MBA, Grad Dip Ornithology,
GAICD

Mr Lillywhite was appointed to the Pilbara Ports Authority Board on 22 October 2014 and was reappointed for a term expiring 30 June 2019.

He has held positions in the telecommunications, energy and waste utilities industries, working in various Australian States, and countries including the USA, Saudi Arabia, Poland and India.

Mr Lillywhite is a graduate of the Advanced Management Program from the Harvard Business School.

He also holds a Bachelor of Commerce, Graduate Diploma in Ornithology and an MBA and is a Graduate of the Australian Institute of Company Directors.

Board Of Directors



DIRECTOR

Judith Uren

BE(Hons), MEngSci, FIEAust,
CPEng(NPER), CA(Life), MAICD

Ms Uren was appointed to the Pilbara Ports Authority Board on 23 May 2016 and has been reappointed for a term expiring on 31 December 2020.

Ms Uren has extensive engineering experience in the design and management of civil infrastructure works in the transport, resource and oil and gas sectors, and has substantial experience in the delivery of projects using alliance and design and construct contracts.

Ms Uren was a director of a privately owned engineering consultancy for 16 years where her Board role included a primary focus on the development of business opportunities for the group and representing the company on large infrastructure projects and at industry level.

Ms Uren is a fellow of the Institute of Engineers Australia, a WA Branch Executive Committee member and life member of Consult Australia and a member of the Australian Institute of Company Directors.



DIRECTOR

Roger Fletcher

B App Sc, MOHS, GAICD

Mr Fletcher was appointed to the Pilbara Ports Authority Board on 1 February 2018 for a term expiring 30 June 2020.

He has more than 25 years' international and Australian experience in the oil and gas industry and public infrastructure in a variety of corporate, operations, exploration, development and project roles in The Hague, London, Sydney and Perth. This includes senior leadership roles in major capital projects, a global business and a Government Trading Enterprise, specialising in environment, health and safety, enterprise risk, approvals, community and stakeholder engagement.

He holds a Bachelor of Applied Science from Curtin University, Master of Occupational Health and Safety from the University of Sydney and is a Graduate of the Australian Institute of Company Directors.



DIRECTOR

Amy Lomas

BEcon (Hons), MAICD

Ms Lomas was appointed to the Board on 1 July 2018 for a term ending 31 December 2019. She has a deep understanding of the Western Australian economy and its mineral and petroleum sectors accumulated across more than 17 years working as an economist in various consulting and public sector roles.

Currently with PwC, Ms Lomas' former roles include Executive Director Strategic Policy at the former Western Australian Department of State Development (now the Department of Jobs, Tourism, Science and Innovation) and various positions over 10 years in the Western Australian Department of Treasury, including as Director Economic and Revenue Forecasting and as an advisor to former Treasurer, the Hon Eric Ripper MLA.

Ms Lomas is Vice Chair of the board of Treetops Montessori and International Baccalaureate School and a member of the Economic Society of Australia. Ms Lomas holds a Bachelor of Economics with Honours from Murdoch University. She is a member of the Australian Institute of Company Directors.

Board Of Directors



DIRECTOR
Liz Hardwick
BA, LLB, GAICD

Ms Hardwick was appointed to the Pilbara Ports Authority Board on 1 January 2019 for a term expiring on 31 December 2021.

She has more than 20 years' of legal and commercial experience. A qualified practising lawyer, she has national and international experience gained in law firms, acting for both government and the private sector. She is a consultant of a legal and board advisory business and was previously the General Counsel Asia Pacific for a global oil and gas provider in the subsea industry. She held this position for 11 years.

Ms Hardwick holds a Bachelor of Arts (History and Politics), Bachelor of Laws and is a Graduate of the Australian Institute of Company Directors.



Port of Port Hedland

Executive Team



CHIEF EXECUTIVE OFFICER
Roger Johnston
BSc, MAICD

Mr Johnston was appointed CEO of the former Port Hedland Port Authority by the Minister for Transport in January 2012, and in 2015 was re-appointed as CEO of Pilbara Ports Authority to 30 June 2020.

He brings with him more than 38 years' experience as a senior Executive and Company Director and is responsible for leading the Executive to deliver on strategic directives. Mr Johnston has previously held senior leadership roles with a number of multinational and logistics companies.

He holds a Bachelor of Science Degree, is a Board Member of Ports Australia and is a member of the Australian Institute of Company Directors.



GENERAL MANAGER OPERATIONS
Captain John Finch
MBA, MC1

Captain Finch is General Manager of Operations, holding the position with Port Hedland Port Authority since 2011. He is a Master Mariner and holds a Master of Business Administration in Maritime Management.

Mr Finch has more than 35 years' experience in marine, regulatory and port management roles and brings extensive knowledge and operational expertise to Pilbara Ports Authority.

Previously, he was Harbour Master in a number of Queensland ports. Mr Finch has held senior port operations and regulatory positions after serving approximately 15 years' on international and coastal vessels in various marine industry sectors.



GENERAL MANAGER CORPORATE AFFAIRS AND GOVERNANCE
Anthony Cribb
BA, LLB, MAICD

Anthony Cribb joined Pilbara Ports Authority as General Manager Corporate Affairs and Governance in May 2019.

Mr Cribb has more than 20 years' experience as a senior executive in national energy infrastructure businesses and in the upstream oil and gas sectors. He has significant experience in risk management and corporate governance functions, including legal, access regulation, enterprise risk management, risk and assurance and OHS&E, in listed and unlisted companies.

He has acted as company secretary, has held directorships, and been responsible for liaising with State and Federal governments on a range of policy and legislative reforms.

Mr Cribb holds a Bachelor of Arts and Bachelor of Laws from Queensland University, a Diploma of Spanish as a Foreign Language from the University of Zaragoza and is a member of the Australian Institute of Company Directors.

Executive Team



**GENERAL MANAGER
DEVELOPMENT AND TRADE**

Lyle Banks

BEng(Hons), MLaw Melb GDipBus
AMC, GAICD

Mr Banks joined Pilbara Ports Authority in 2013 and is responsible for port development, industrial lands and commercial trade across all port sites.

He has extensive national and international experience in port planning and development in the private and public sectors and managed several private port expansion projects in Dampier and Port Hedland before joining Pilbara Ports Authority.

He has held management roles in planning, development and environment at Fremantle Ports and has represented ports on government and industry committees. Mr Banks was appointed Chair of Port Hedland Industries Council (PHIC) in 2019.

Mr Banks holds a Master of Laws and Bachelor of Engineering from the University of Melbourne, a Diploma in Business (Port and Terminal Management) from the Australian Maritime College, and is a Graduate of the Australian Institute of Company Directors.



**GENERAL MANAGER
FINANCE AND ICT**

Nick Sarandopoulos

B.Com, CA, Grad Dip App Fin, MBA,
GAICD

Mr Sarandopoulos has been the General Manager of Finance and ICT since August 2014.

He is an experienced financial professional with extensive financial, treasury and commercial management expertise. He has worked in several major ASX-listed companies in the transport and mining sectors in the past 20 years.

Before joining Pilbara Ports Authority, Mr Sarandopoulos was National Finance Manager at Toll in its Energy division for seven years.

Mr Sarandopoulos holds a Bachelor of Commerce and a Master of Business Administration from the University of Western Australia. He is a Chartered Accountant and holds a postgraduate qualification in Advanced Finance and Investment with the Financial Securities Institute. He is a Graduate of the Australian Institute of Company Directors.

In 2018, Mr Sarandopoulos was awarded the Finance Practitioner of the Year Award from the WA Institute of Public Administration Australia.



**GENERAL MANAGER
ENGINEERING AND
INFRASTRUCTURE**

Charles Kretzmann

BSc (Civil Engineering), BComm

Mr Kretzmann joined Pilbara Ports Authority as General Manager Engineering and Infrastructure in October 2017.

He is a Civil Engineer with more than 30 years' experience in planning, design, construction, project and program management for public and private sector organisations.

Before joining Pilbara Ports Authority, Mr Kretzmann held several roles at the Water Corporation over 16 years, including Asset Manager for the North West Region and, more recently, as program manager and project director based in Perth. His portfolio included major construction projects, refurbishment and retrofitting programs, strategic wastewater programs and an advisory role for irrigation projects.

He holds a Bachelor of Science (Civil Engineering), a Bachelor of Commerce degree and a post graduate qualification in Environmental Management.

Executive Team



**DIRECTOR
HUMAN RESOURCES**

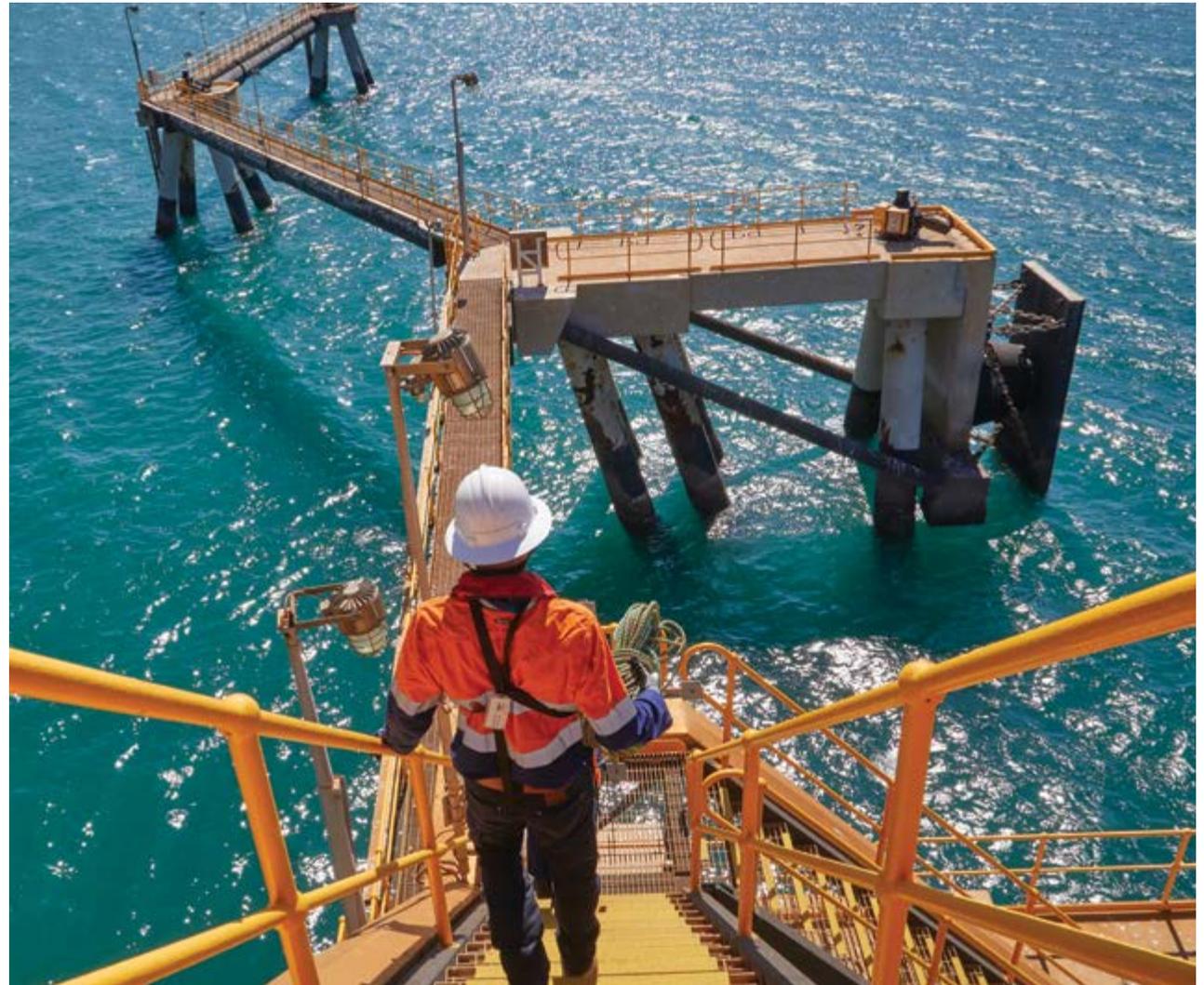
Damien Miles

MEthics&LegStud (Bus), BSW (Hons),
Grad Cert IHS, Adv Dip Mgt

Mr Miles has responsibility for human resources, industrial relations, non-industrial physical resources, and employee development. He joined Port Hedland Port Authority in 2010 as the Human Resources Manager and was the Director responsible for the Pilbara Ports amalgamation. He has 20 years' experience in the human resources and human services sectors.

He holds a Masters in Ethics and Legal Studies (Business). He also holds a Bachelor of Social Work with Honours, an Advanced Diploma in Management, a Graduate Certificate in Integrated Human Studies and is a Graduate of the Australian Institute of Company Directors.

In 2016, he was awarded the Human Resource Management Practitioner of the Year Award from the WA Institute of Public Administration Australia (IPAA).



Port of Dampier

Performance Highlights

RESULTS WITH TARGETS FOR FINANCIAL AND NON-FINANCIAL KEY PERFORMANCE INDICATORS

Pilbara Ports Authority's three strategic pillars are Trade Facilitation, Sustainability, and Business Excellence. Achievement against these objectives is measured through performance targets. These targets also monitor financial performance.

ECONOMIC RESULTS		
FINANCIAL	FY TARGET	FY RESULTS
Rate of Return on Assets (%) excl. PIR	10.1%	6.6%
Economic Rate of Return (%) excl. PIR	11.2%	6.8%
TRADE RESULTS		
PORT TRADE (Million tonnes)	FY TARGET	FY RESULTS
Ports of Ashburton and Dampier	192,307	183,962
Port of Port Hedland	544,097	513,302
Total port trade	736,404	697,264
VESSEL VISITS		
Port of Ashburton	140	153
Port of Dampier	3,873	3,468
Port of Port Hedland	3,190	2,951
Total vessel visits	7,203	6,572

SYSTEMS AND INDUSTRY BEST PRACTICE		
	FY TARGET	FY RESULTS
Lost Time Injury Frequency Rate	1.55	1.32
Environmental Protection Notices (s 65 EP Act)	0	0
Number of sites certified to Integrated Management System	3	3
COMMUNITY ENGAGEMENT AND CUSTOMER SATISFACTION		
	FY TARGET	FY RESULTS
Stakeholder Satisfaction Survey results	>70	77
Number of CCC meetings held	8	8

Performance Highlights

FINANCIAL PERFORMANCE

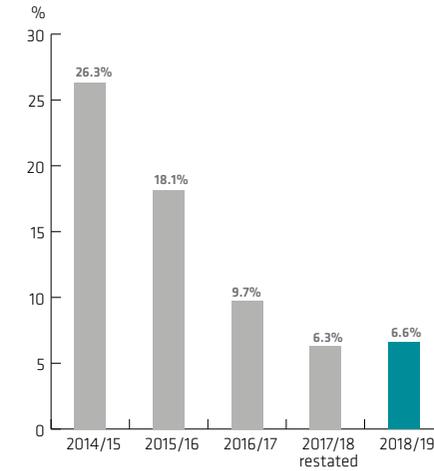
Profit before income tax



Net profit after tax

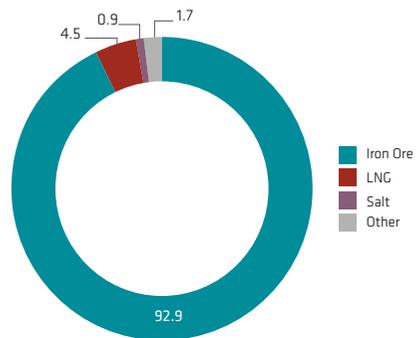


Return on Assets (excluding PIR)

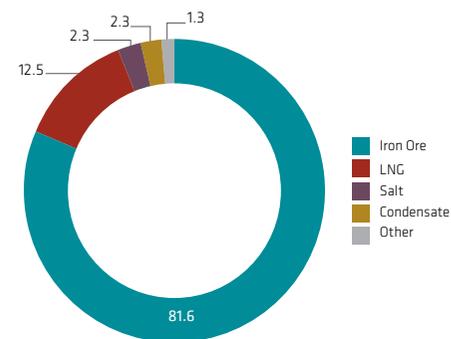


TOTAL THROUGHPUT 2018/19

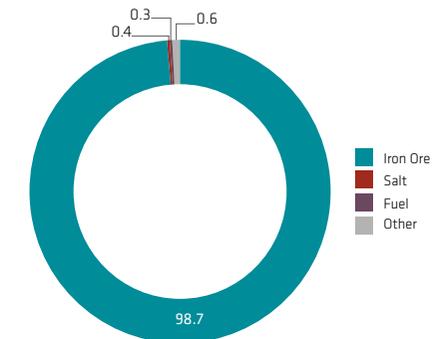
Pilbara Ports Authority total throughput by commodity %



Port of Dampier by commodity %



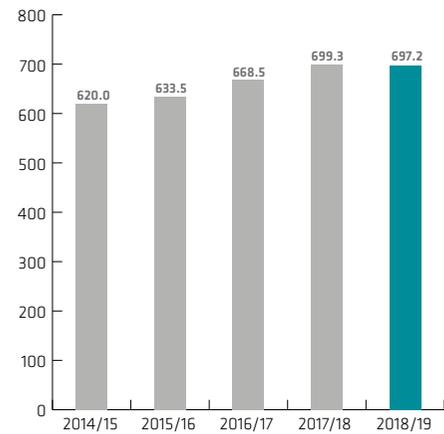
Port of Port Hedland by commodity %



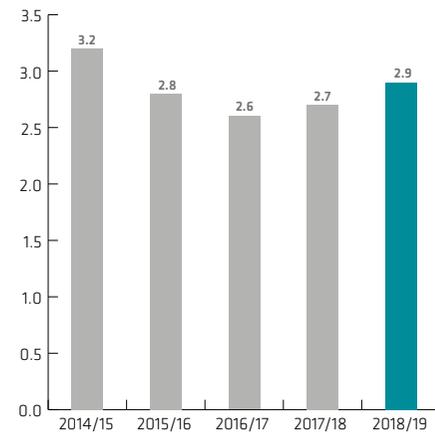
Performance Highlights

PPA THROUGHPUT (MILLION TONNES)

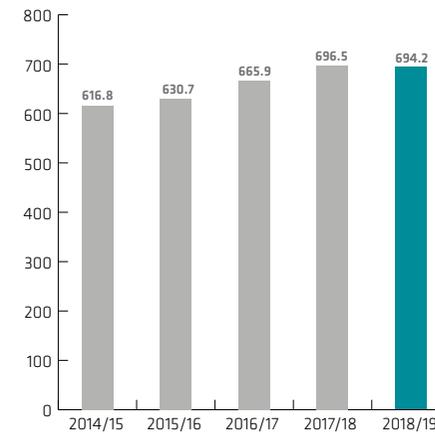
PPA total throughput



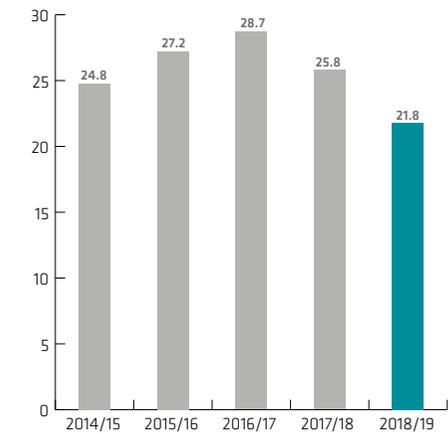
PPA total imports



PPA total exports

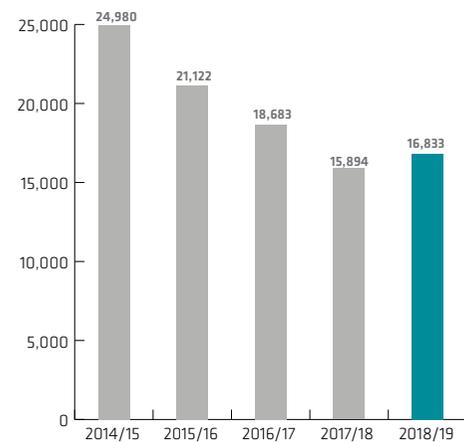


Throughput across PPA's four berths at Port of Port Hedland

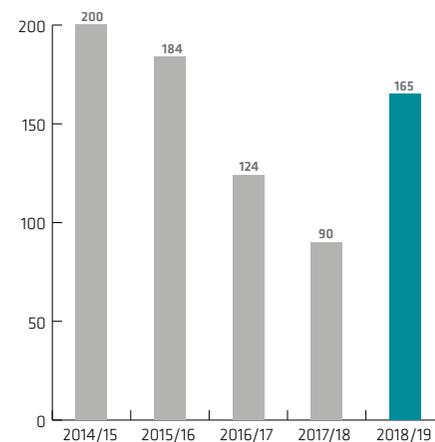


VESSEL MOVEMENTS

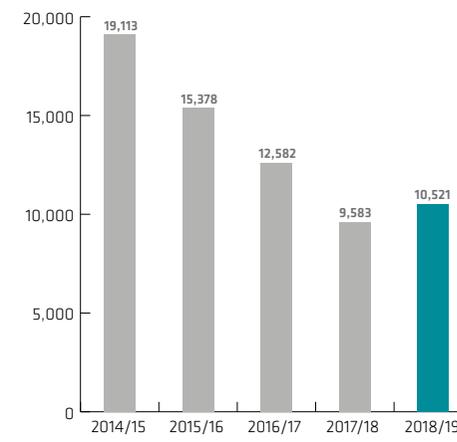
Total vessel movements



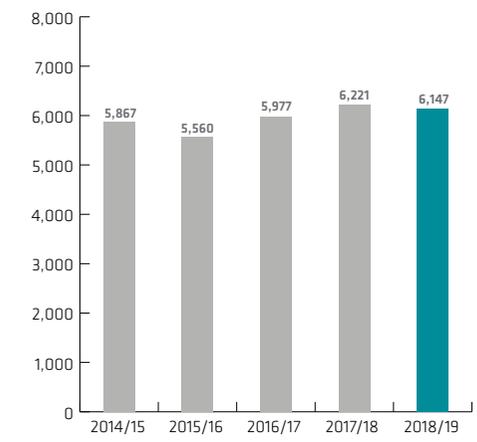
Port of Ashburton



Port of Dampier



Port of Port Hedland



Performance Against Government Goals

GOVERNMENT GOAL	PILBARA PORTS AUTHORITY'S OBJECTIVES	OUTCOMES
<p>A Strong Economy</p> <p>Creating jobs and repairing the State's finances</p>	<p>Business Excellence</p> <p>Trade Facilitation</p>	<p>Facilitation and diversification of trade and throughput growth resulting in increased dividends and royalties.</p> <p>Annual workforce planning increase in workforce and technical areas, including graduate and marine cadet programs.</p> <p>Salary Strategy accords with Government Wages Policy and provides conservative limits on salary levels at recruitment.</p> <p>Requirements of the <i>Western Australian Jobs Act 2017</i> (WA) and WAIPS incorporated into tendering process.</p> <p>Berth 3 Deck Replacement project volunteered as a WAIPS Pilot Project.</p> <p>Regional Price Preference in procurement processes in accordance with the State Supply Commission Buy Local Policy.</p> <p>Residential workforce model, no fly-in, fly-out.</p> <p>PIR and Capital Projects boosted construction activity during a lull.</p>
<p>Regional Prosperity</p> <p>Delivering stronger regional economies</p>	<p>Business Excellence</p> <p>Trade Facilitation</p>	<p>Residential workforce model, no fly-in, fly-out. This supports regional job creation and encourages local flow-on of employee income. The residential workforce also gives health, education, housing and transport providers certainty in population numbers that require servicing.</p> <p>Training opportunities provided to students and graduates include cadetships, graduate programs, apprenticeships, traineeships and student vacation work.</p> <p>CCC meetings at each port location provide a forum for two-way communication between the Authority and the local communities in which it operates. Committee membership includes the relevant local government authority and representatives from local community, business and interest groups.</p> <p>PIR and Capital Projects boosted construction activity during a lull.</p> <p>Majority of maintenance contractors used are local to each port, providing a source of sustained employment for local businesses.</p> <p>Requirements of the <i>Western Australian Jobs Act 2017</i> (WA) and WAIPS incorporated into the tendering process.</p> <p>Regional Price Preference in procurement processes in accordance with the State Supply Commission Buy Local Policy.</p>

Performance Against Government Goals

GOVERNMENT GOAL	PILBARA PORTS AUTHORITY'S OBJECTIVES	OUTCOMES
<p>A Bright Future</p> <p>Improving the health, wellbeing and education of our children</p>	Sustainability	<p>Marine Cadetships and Graduate Programs provide career pathways for local students, and incentives for local students to achieve Year 12 ATAR.</p> <p>Promote port authority career pathways to local students by hosting school visits or attending local schools, attending career expos, offer relevant work experience, including university student vacation work.</p> <p>CSI program has a strong history of supporting school and educational-based programs. Since 2017, Hedland Senior High School has received funding for robotics competitions, STEM programs, the Science Engineering Challenge, and the Shooting Goals Program.</p> <p>Supported the Port Hedland Primary School Leadership Conference through funding and providing guest speakers.</p>
<p>A safer community</p> <p>Reducing youth reoffending and illicit drug use in the community</p>	Sustainability	<p>A strict Drug and Alcohol Policy that is reinforced through a testing program for staff and contractors.</p> <p>Funding to community groups allocated under the Staff Community Grant program reinforces staff values of community health and safety.</p>
<p>A liveable environment</p> <p>Ensuring a sustainable future by linking homes to transport, conserving land and reducing waste</p>	Sustainability	<p>Foundation member of the PHIC, which brings together port users so there is a consistent and comprehensive approach to shared issues such as air quality and dust.</p> <p>Contributed to the development of the collaborative SWASP, which uses molecular techniques to identify possible invasive marine species, allowing more rapid response to a potential incursion of an introduced marine pest and decreasing the impact of invasive pests in the environment.</p> <p>Mangrove Mates education program and mangrove nursery development.</p> <p>Employee participation and support for environmental clean ups.</p> <p>Recycling initiatives.</p> <p>Environmental and heritage management.</p> <p>Oil spill prevention and preparedness.</p>

Performance Against Government Goals

GOVERNMENT GOAL	PILBARA PORTS AUTHORITY'S OBJECTIVES	OUTCOMES
<p>Aboriginal Wellbeing</p> <p>Reducing the over-representation of Aboriginal people in custody</p>	<p>Sustainability</p>	<p>Strong, respectful and well-established relationships with Indigenous people who are acknowledged to represent the Traditional Custodians of the land upon which the Authority operates, are in place across the Authority's ports.</p> <p>Indigenous engagement and consultation is recognised as an important part of the ongoing success of existing operations and future growth. A strong commitment is in place to maintain two-way communication with Indigenous stakeholders.</p> <p>Cultural Heritage Awareness Training is mandatory for all staff and discussions have commenced with Traditional Owners to develop and deliver additional training specific to each of the Authority's ports.</p> <p>Active support for the Public Sector Commission's Indigenous Traineeships Program including providing placement positions for trainees.</p> <p>Support for local Indigenous events, festivals and initiatives is offered through the CSI. Grant recipients have included:</p> <ul style="list-style-type: none"> - City of Karratha's NAIDOC Community Event and Cossack Art Awards - Red Earth Arts Festival - The Yaburara & Coastal Mardudhenera Aboriginal Corporation's NAIDOC Ball - The Thalanyji Foundation, to assist in delivering the Onslow Basketball Carnival - The Ngarluma and Yindjibarndi Foundation to develop the Roebourne Native Community Garden <p>A Diversity & Inclusion Strategy is in place that targets working with communities within which the Authority operates to increase Indigenous employment.</p> <p>Human Resources processes accommodate cultural leave, enabling Indigenous staff to attend cultural events.</p> <p>Commitment to the State's Aboriginal Procurement Policy (APP). Prior to adopting the APP the Authority gave preferential rating to local Indigenous businesses through its procurement policy. It is a requirement under the tendering procedure that tender submissions for contracts with the Authority demonstrate the proportion of Aboriginal employees and or labourers.</p> <p>The Authority proactively seeks opportunities to provide advice, support and opportunities to local Indigenous ranger groups.</p>



Onboard a tug in the Port of Ashburton tug pens

TRADE FACILITATION

To facilitate trade through the Pilbara for the benefit of the State and our customers

Pilbara Ports Authority's role is to help ensure the continued sustainability of the Pilbara region by facilitating and expanding trade in the region.

Image: Loading iron ore at the Port of Port Hedland

IMOC: A NEW SKYLINE FOR PORT HEDLAND

To respond to growing needs at the Port of Port Hedland, Pilbara Ports Authority has built the IMOC, a \$55.3 million building that provides a central, consolidated facility for marine, landside and security operations.

When the former shipping control tower was built in 1968 the port saw about 500 vessel movements each year and annual throughput was about 15Mt. Fifty years later vessel movements number more than 6,000 each year, and throughput regularly exceeds 45Mt each month. The old shipping tower could no longer meet the demands of the world's biggest bulk export port.

Led by Pindan, the construction involved approximately 70 contractors and subcontractors, many of them Pilbara-based. The project also generated significant demand for ancillary services in Port Hedland during the construction period.

In December 2018 the IMOC achieved practical completion and the marine operations team began moving into the building.

The new facility, which has since been named Hedland Tower, houses ground-breaking technology and operational systems for controlling the port's marine operations including vessel movements in the inner harbour, through the channel and offshore anchorages. There is state-of-the-art equipment for the VTS function, dredging management and port security.

The VTS equipment was installed in the IMOC in May 2019 and is further enhanced by best-in-class disaster recovery technology and dedicated CCTV cameras. The technology was showcased to representatives from the Australian Maritime Safety Authority and other Australian VTS centres at the 24th session of the VTS Working Group, who visited the facility in May 2019.

The 45.2m control tower offers operations staff panoramic harbour monitoring of all existing and future port facilities. The steel and glass construction features a dedicated incident control centre, pilot accommodation, Maritime Security Identification Card (MSIC) office and reception.

To reflect the rich cultural and maritime history of Port Hedland, four rooms in the IMOC are named after people and words with connections to the local community, with each carrying a brief description.

The IMOC has a design life of at least 50 years and has been built to accommodate future capacity and technological advances to ensure it supports the co-ordinated, efficient and safe operation of the Port of Port Hedland.

A demolition contract for the old tower was awarded in May 2019. Preparations to decommission and then demolish the old tower are well advanced.

The IMOC was delivered under the initial budget estimate of \$70.8 million. It was funded by users of the port through the PIR.



Trade Facilitation

LUMSDEN POINT GENERAL CARGO FACILITY

Preliminary dredging and reclamation works for a new General Cargo Facility and Logistics Hub at Lumsden Point in the Port of Port Hedland's inner harbour were completed in December 2018. The work provides support for private investment in the future development of the Lumsden Point General Cargo Facility, which includes berth construction, cargo handling infrastructure and roads and services for an adjacent logistics hub.

Expressions of Interest were received in July 2018 and, in January 2019, shortlisted bidders were invited to participate in a Request for Proposal process. This process is underway and submissions for the development of Lumsden Point are due in August 2019.

PORT HEDLAND BERTH 3

Berth 3 at the Port of Port Hedland is a common-user facility, used primarily for the export of salt and the import of fuels and general cargo. Inspections in recent years revealed the concrete deck had deteriorated and needed replacing.

The Berth 3 project is a pilot project for the WAIPS. The contract was initially awarded to York Civil Pty Ltd and was terminated in August 2018 following the company going into voluntary administration.

Pilbara Ports Authority assumed the key supplier contracts and issued a new public tender on a construction-only contract basis. In December 2018, the new contract was awarded to Total AMS Pty Ltd, a Fremantle-based company.

Total AMS arrived on site in January 2019 for the first of three construction periods. The separate periods were negotiated to allow product export to continue during construction. The first construction period saw the successful replacement of half the operational concrete deck. The second construction period commenced in mid-May 2019. The project is expected to be completed by late-October 2019.

CHANNEL MARKER REPLACEMENT PROJECT

The Channel Marker Replacement Project (CMRP) involved replacing ageing offshore and land-based navigation markers to ensure the ongoing safe passage of vessels within the Port of Port Hedland. The project is funded through the PIR.

Three land-based navigation leads were replaced in 2017/18. On-water construction work for the replacement of 35 marine navigation aids along the Port Hedland shipping channel commenced in June 2018. The project was completed in May 2019, two months earlier than scheduled and under budget. The project was safely managed and successfully completed without any reportable impacts to shipping and wider port operations.

In March 2019, the new navigation aids withstood sustained winds of 55 knots and significant swells from Tropical Cyclone Veronica.

Pilbara Ports Authority carried out environmental inspections during delivery of the CMRP to ensure activity was in accordance with the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999* referral decision notice. The audit found there were no environmental non-compliances.

Pilbara Ports Authority also acted to ensure preservation and protection of osprey nests on existing channel markers. During the project, the Authority built and installed two nesting platforms on top of the markers, bringing the total of installed nesting platforms on navigational aids within the Port of Port Hedland to five.

CHANNEL RISK AND OPTIMISATION PROJECT

The Channel Risk and Optimisation Project (CROP) is designed to reduce the risk of an incident blocking the Port Hedland shipping channel and further improve the efficiency of ship movements. The project includes establishing an emergency passing lane, deepening one of the refuge zones and improved use of existing depths along the channel.

The first stage of the project, including dredging the redesigned refuge zone to 17.5m, was completed in January 2018.

Trade Facilitation

The final stage of the CROP was split into two phases to mitigate the risks associated with dredging during the cyclone season.

Phase 1 was completed in October 2018 and delivered the refuge zone to its design depth of 18m. Phase 2 commenced on 2 April 2019, using a Cutter Suction Dredge and auxiliary equipment to accomplish the CROP's designs.

The CROP is a PIR-funded project.

UTAH ROAD

Utah Road is the sole access for road trains delivering bulk product to the Utah Facility at the Port of Port Hedland. During the reporting period the first two stages of a six-stage construction project to improve the road were completed. Utah Road remained open during the work, and approximately 390 quad road trains were safely routed through the work each day.

Stage 3 commenced in mid-June 2019 and will rehabilitate 1.27km of the Utah Road pavement, maintaining access during construction. The scope of work for Stage 3 involves construction of a cement stabilised sub-base, bitumen stabilised crushed rock base, and an asphalt wearing course. The contract for Stage 3 was awarded to West Australian company DeGrey Civil Pty Ltd and the works are expected to be completed by the end of 2019.

DAMPIER CARGO WHARF EXTENSION & LANDSIDE REDEVELOPMENT

Pilbara Ports Authority continues to improve the DCW to enhance its capability and functionality. Following decommissioning of the floating deck by its operator, planning has commenced for the removal of its mooring piles. A new mooring dolphin is being investigated to reinstate full functionality of the DCW after the floating deck is removed.

Pilbara Ports Authority is planning a new land-backed wharf on the southern end of the DCW to support new projects proposed in the Burrup Strategic Industrial Area and to provide opportunities for new shipping services to call at the port. Potential export opportunities include a methanol production facility, a urea production facility and production of magnesium (sodium) carbonate which is being trialled at a pilot plant in Karratha.

The concept plans include a new berth pocket and dredging a new vessel manoeuvring area. The proposed new wharf will be a multi-user, multi-product facility capable of accommodating cruise ships, bulk carriers, roll-on/roll-off cargo vessels and vessels supporting the offshore oil and gas industry.

PORT OF ASHBURTON

Pilbara Ports Authority assumed responsibility for the operation of the Ashburton Cargo Wharf (ACW) and other associated landside areas at the Port of Ashburton from 1 December 2018.

Both LNG processing facilities continue to run smoothly, averaging 11 to 12 export shipments each week.

Pilbara Ports Authority is establishing a multi-user port environment to enable commencement of a general cargo, multi-user facility. First contracts for security infrastructure and site facilities are in progress. The Authority is working to establish appropriate pilotage services for third-party vessels.

The ACW is expected to be operationally ready to receive vessels later in 2019.

To meet market requirements, a commercial common user area is being designed. Stage 1 will comprise six lots, each approximately 1ha.

TRADE DIVERSIFICATION

Pilbara Ports Authority has seen an increase in new and existing trades during the reporting period and is progressing enquiries from potential port users relating to possible trade and development opportunities in the Pilbara.

Trade Facilitation

Lithium Concentrate

The first shipment of lithium concentrate from the Port of Port Hedland occurred in October 2018. Since then, port users, Pilbara Minerals and Altura Mining, have continued regular exports. In the longer term, Pilbara Ports Authority is planning to accommodate an anticipated increase in lithium concentrate production and other battery metals through the Lumsden Point General Cargo Facility.

Ammonium Nitrate

Pilbara Ports Authority received a Special Berth Licence for the shipment of ammonium nitrate from the Port of Dampier in October 2018. The licence permits the shipment of 3,600 tonnes with the opportunity to increase export volumes. The Authority is licensed to handle restricted amounts of ammonium nitrate at the Port of Port Hedland. As production and demand increase, opportunities to facilitate exports and imports of the product from both ports are being assessed.

Livestock Exports

Two shipments totalling 6,266 head of cattle were exported from the Port of Port Hedland during the reporting period. Pilbara Ports Authority continues to support livestock exports from Port Hedland and promote its live export capabilities through recognised industry forums and events.

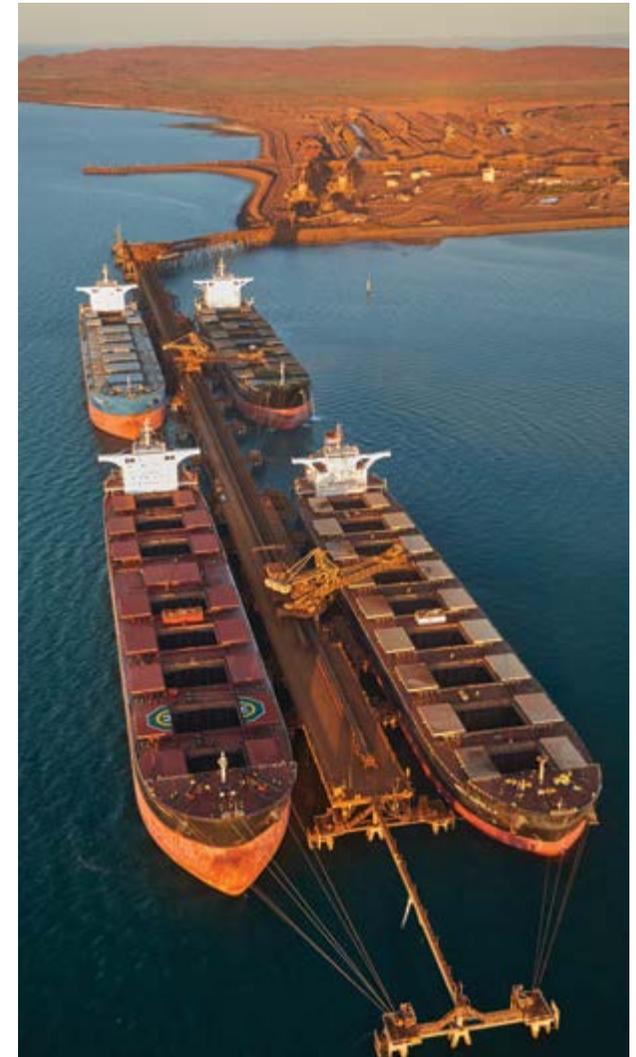
In October 2018, the Kimberley Pilbara Cattlemen's Association Field Day, AGM and Innovation Conference were held in Port Hedland, providing Pilbara Ports Authority with the opportunity to demonstrate its support of the industry.

Imports

Demand for imports of containerised trade and mining equipment including tyres, support equipment and parts continues at the Port of Port Hedland. During the reporting period, Pilbara Ports Authority upgraded the Eastside biosecurity area to prepare for increased shipments of containers, roll-on/roll-off and breakbulk cargo and will also upgrade the biosecurity area at the Port of Dampier. Imported products used for processing including soda ash, caustic soda and sulphuric acid are increasing as lithium mining and other processing operations are developed in the Pilbara.

Project cargoes

Pilbara Ports Authority continues to work with mining and resources companies to facilitate the import of project cargo for new mine and rail developments, gas processing facilities and other downstream processing facilities.



Port of Dampier

Trade Facilitation

Other Commodities

Proposed industrial salt and potash projects to Asian markets are being progressed and Pilbara Ports Authority continues to receive enquiries for potential sand suppliers for export to Singapore.

Tourism

During the reporting period there were no cruise ship visits to the Port of Port Hedland or to the Port of Dampier. Pilbara Ports Authority continues to encourage cruise ships into both ports and is reviewing current infrastructure for potential expansion in the future. Pilbara Ports Authority is working closely with WA Tourism, Pilbara Development Commission and City of Karratha to promote and attract cruise ships to Dampier.

GREENFIELD PORTS

In addition to the established ports of Ashburton, Dampier and Port Hedland, Pilbara Ports Authority continues to progress new port developments at the greenfield sites at Anketell, Balla Balla and Cape Preston.

Port of Anketell

Pilbara Ports Authority continues to look for opportunities to progress the development of the Port of Anketell, 30km east of Karratha. The declaration of the port has not yet occurred due to the absence of a foundation proponent.

Port of Balla Balla

The Port of Balla Balla was proclaimed in October 2017 and Pilbara Ports Authority is working with BBI Group, DoT and the Department of Planning, Lands and Heritage (DPLH) to finalise land assembly for the port. The Authority is also continuing to assist the foundation proponent, BBI Group, in planning port infrastructure for a multi-user iron ore transshipping operation.

Port of Cape Preston East

The land assembly process to create a Crown Reserve for 'port purposes' is complete, and the port reserve has been placed under management of Pilbara Ports Authority under the provisions of the *Land Administration Act 1997*. Following the decision by the foundation proponent to relocate its port facilities west of Cape Preston, Pilbara Ports Authority is exploring development opportunities with other potential users. The port at Cape Preston East will be declared under the Act once a proponent commits to infrastructure development and future operations in the port.

Port of Cape Preston West

Pilbara Ports Authority has commenced the planning and land assembly process, in consultation with the State Government and the proposed foundation proponent, BCI Minerals, for the creation of a new greenfield port at Cape Preston West. The new port is being developed in accordance with the State Government's multi-user access principles, initially for the export of salt and potash.

SHIPPING AND PILOTAGE ACT PORTS

The *Ports Legislation Amendment Act 2019* was enacted on 26 February 2019 to facilitate the transfer of the ports of Barrow Island, Cape Preston, Onslow, Port Walcott and Varanus Island from DoT to Pilbara Ports Authority. The Port of Varanus Island is planned to be the first port transferred under the legislation and a working group, chaired by Pilbara Ports Authority, has been established to progress this.

It is anticipated the transfer of the other ports located in the Pilbara will occur in subsequent years.



SUSTAINABILITY

To manage the ports' growth and operation while respecting the Pilbara's community, environment and heritage

The ports of Ashburton, Dampier and Port Hedland are located within and adjacent to areas of significant environmental and cultural heritage value.

Pilbara Ports Authority provides responsible environmental stewardship of port-controlled land, seabed and waters, and aims to minimise the environmental impact of port activities.

Image: Port of Port Hedland

State-Wide Array Surveillance Program

In the reporting period, the success of the SWASP was recognised through State and national awards.

The SWASP is a world-first in the use of molecular techniques by a collaborative marine biosecurity surveillance network. It uses cost-effective and practical sampling methods to allow ports and regulators to more rapidly identify and respond to a potential incursion of marine pests, decreasing the impact on the environment.

All port authorities in Western Australia have voluntarily implemented the program, extending the network through 11 ports and 11,000km of coastline.

Twice a year, in summer and winter, port staff deploy a network of settlement arrays in port waters across the State. The arrays are soaked for two months and small plates within the arrays act as a surface for marine growth. At the end of the soak period, the plates are removed, photographed, frozen and sent to the Department of Primary Industries and Regional Development's (DPIRD) Aquatic Pest Biosecurity unit in Perth.

DPIRD's biosecurity scientists extract the DNA, which is processed using molecular techniques. Each sample is compared against a reference library of DNA from known marine pest species developed by the Aquatic Pest Biosecurity unit as well as publicly available databases. If a match is found, it indicates the potential presence of that species within the port.

The SWASP began in 2010 as a three-port program and in 2016 was expanded to all WA port authorities, with 37 settlement arrays yielding 592 plates a year.

In October 2018, the SWASP received the Department of Mines, Industry Regulation and Safety's (DMIRS) Resource Sector Award for Excellence (Golden Gecko Award), as a collaborative marine biosecurity surveillance program between Western Australian port authorities and DPIRD.



The SWASP was also recognised at the Australian Biosecurity Awards in March 2019 where WA Ports and DPIRD's Aquatic Pest Biosecurity team won the national prize for the Industry and Government Categories for the SWASP.

In 2019 SWASP will be implemented in five Queensland ports in a pilot study that may guide future expansion into other Australian ports.

Sustainability

SAFETY

Pilbara Ports Authority is committed to providing safe and healthy work environments. The Board and Executive Committee have high expectations relating to safety and ensure safety is discussed as the first agenda item when reviewing business performance.

During the reporting period, Pilbara Ports Authority committed to a set of safety objectives and improvements that were rigorously reviewed by the Executive Committee and Board. Targets for individuals or projects were also regularly reviewed.

Significant construction projects completed during the reporting period included the IMOC, which was completed without a recorded lost-time injury. Other significant construction projects are underway, and significant resources are dedicated to ensuring safety remains the top priority of each project.

Pilbara Ports Authority reported a Lost Time Injury Frequency Rate (LTIFR) of 1.32 against a target of 1.55, with three Lost Time Injuries (LTIs) recorded during the reporting year. This figure includes all employees, contractors and licensees.

DREDGING

Pilbara Ports Authority conducts maintenance dredging to maintain its existing assets, and capital dredging as part of new projects. During the reporting period, a total of 102,686m³ was dredged from the Port of Port Hedland, and 390,699m³ was dredged from the Port of Ashburton, in accordance with each port's Long-Term Dredge Management Plan.

Maintenance Dredging

Pilbara Ports Authority conducts its maintenance dredging in accordance with long-term dredge management plans and associated sea dumping permits, which are issued by the Commonwealth Department of the Environment and Energy under the *Environment Protection (Sea Dumping) Act 1981*.

In August 2018, the inaugural maintenance dredging campaign in the Port of Ashburton was completed under the five-year sea dumping permit (SD2016/3282). This permit allows a total of 2.5 million m³ of material to be dredged over a five-year period, with no more than 1.5 million m³ to be dredged from maintenance dredging, and no more than 1 million m³ for emergency dredging associated with one or more cyclone events.

During the reporting period, maintenance dredging was completed in the Port of Port Hedland under a new five-year sea dumping permit (SD2017/3702). The permit was issued on 3 July 2018 and allows 2.5 million m³ of material to be dredged across the five years.

A further maintenance dredging campaign in the Port of Port Hedland commenced in late May 2019 and was completed in June 2019 to remove sediment accumulated as a result of Tropical Cyclone Veronica.

Capital Dredging

Channel Risk and Optimisation Project (CROP)

Pilbara Ports Authority holds a sea dumping permit (SD2017/3542) for the dredging and spoil disposal works required for the CROP. The permit allows up to 3.266 million m³ of material to be dredged over a three-year period.

During the reporting period, water quality and marine fauna monitoring programs were implemented in Port Hedland in accordance with the sea dumping permit and associated Dredge Management Plan. The water quality program includes the use of satellite imagery, supplemented with data from water quality loggers at coral reef sites, to measure the extent and concentrations of sediment plumes generated during dredging and sea-dumping activities.

Sustainability

Results have indicated there have been no adverse impacts to water quality or key sensitive receptors, such as corals. The marine fauna monitoring program requires visual monitoring and avoidance of areas where marine fauna, such as whales, dolphins or turtles, are observed. Dredging to date has avoided these areas.

Lumsden Point

Pilbara Ports Authority holds an environmental approval issued under Part IV of the *State Environmental Protection Act 1986* (Ministerial Statement 967) for the implementation and development of the Lumsden Point General Cargo Facility. The approval allows up to 2 million m³ of material to be dredged and pumped ashore for reclamation within existing and approved dredge material management areas. During the first phase of the project, around 1.3 million m³ of material was dredged and reclaimed onshore. An environmental monitoring program for the project includes water quality, subtidal benthic primary producer habitat (coral), mangrove health and sedimentation rates. Post-dredging results confirmed there were no exceedances of agreed environmental criteria and demonstrated there were no adverse impacts from dredging and dewatering activities to the surrounding environment.

LAND USE PLANNING

Pilbara Ports Authority's port master plans form part of the Authority's suite of planning documents. The Authority regularly prepares and reviews port master plans for its existing and greenfield port developments. The planning objectives align with overarching strategy documents such as Pilbara Ports Authority's Strategic Development Plan and the National Ports Strategy.

During the reporting period, Pilbara Ports Authority finalised the Port of Port Hedland Land Use Master Plan, with a planning horizon to 2030. The plan focuses on landside and nearshore marine development and contemplates future infrastructure requirements for sustainable growth and development of the Port of Port Hedland. It recognises significant environmental and heritage values to allow early identification of the impacts of future developments. The plan also promotes alignment between Federal and State government strategies for the port, land use planning with local government, transport planning with DoT and Main Roads Western Australia, and State environmental planning policies.

The Port of Port Hedland Land Use Master Plan provides guidance on future development in the port and will assist regional and local planning bodies and transport network providers in preparing development strategies for Port Hedland and surrounding areas.

Pilbara Ports Authority has commenced a review of the Land Use Master Plan for the Port of Dampier, also with a planning horizon to 2030.

LNG BUNKERING

The International Maritime Organisation (IMO) has set new international regulations for lower fuel emissions by 2020. The change is set to increase the demand for LNG as a transport fuel. In 2017, Pilbara Ports Authority developed and granted a licence for truck-to-ship LNG bunkering services at the Port of Dampier. Regular LNG bunkering operations have since occurred from the port.

Pilbara Ports Authority continues to support LNG bunkering services and has developed a standard licence for the provision of LNG ship-to-ship bunkering services. The new licence incorporates competency and standard requirements. The requirements are consistent with the best-practice guidance proposed by the Society for Gas as a Marine Fuel and are considered necessary to ensure the provision of LNG for the operation and fuelling of vessels can be conducted safely and efficiently in Pilbara Ports Authority's ports.

Sustainability

In anticipation of the increased demand for LNG as a transport fuel, Pilbara Ports Authority also entered discussions with other entities interested in providing LNG bunkering services in the Pilbara. This included truck-to-ship and ship-to-ship LNG bunkering services.

Pilbara Ports Authority has commenced a review of its existing infrastructure and readiness to accommodate additional truck-to-ship, and ship-to-ship LNG bunkering operations and service providers.

MINOR CAPITAL WORKS

During the reporting year, 40 minor capital projects were endorsed, 37 were approved and 27 closed. The total spend on these projects was \$14.7 million against a budget of \$16.5 million.

The minor capital works program includes Utah Road rehabilitation, upgraded workshops in Port Hedland and building refurbishments. Monthly reporting and forecast reviews are in place to manage all capital projects.



A SWASP settlement array is deployed at the Port of Dampier

Sustainability

ENVIRONMENT AND HERITAGE MANAGEMENT AND REGULATIONS

Pilbara Ports Authority maintains an annual Environmental Management Plan and an Environmental Management System independently certified to ISO 14001:2015. The Authority is also required to obtain, hold and remain compliant with a range of State and Commonwealth approvals and permits.

In March 2017, Pilbara Ports Authority submitted an amendment of its licence under Part V of the State *Environmental Protection Act 1986* for the Utah Facility, to increase throughput from 21.35Mt per annum to a maximum of 24.1Mt per annum plus 10 per cent, and to include spodumene Direct Shipping Ore (DSO) within that allocation. At the end of the reporting period the application remained under assessment by Department of Water and Environmental Regulation (DWER).

Between January and August 2018, Pilbara Ports Authority participated in consultation with DWER, DoT and other WA port authorities in the development of new conditions applicable to Part V licences. These conditions are designed to increase operational flexibility at ports by permitting trials for new products not listed on the licence, where it can be demonstrated that any risk to public health, amenity and the environment is minimised to acceptable levels.

In June 2019, DWER advised of its decision to amend the Authority's Part V Licence L4432/1989/14 (for its Eastern Operations) in this manner.

DWER also completed site compliance audits of Pilbara Port Authority's Part V Environmental Licences in Port Hedland on 29 and 30 October 2018, including the Eastern Operations and Utah Facility. No licence non-compliances were highlighted during the audit.

An application was submitted to the Environmental Protection Authority of Western Australia (EPA) for the extension of the Lumsden Point disturbance footprint (under Ministerial Statement 967) to include the Stingray Creek Southern Swing Basin (SCSSB) area. The application remains under assessment by the EPA.

In December 2018 some infrastructure and assets at the Chevron Wheatstone Project site were transferred to Pilbara Ports Authority under the terms of the Ashburton North State Development Agreement (Wheatstone Project). Under the State Agreement, environmental conditions associated with the transferred infrastructure and assets formerly managed under Chevron's Ministerial Statement 873 will be transferred to the Pilbara Ports Authority. Pilbara Ports Authority continues to work with Chevron and DWER on this transfer of conditions but, in the meantime, responsibility for compliance with the conditions remains with Chevron.

Sea Dumping Permits:

- A two-year Commonwealth Sea Dumping Permit was issued to Pilbara Ports Authority on 31 July 2018 to support capital dredging of the SCSSB within the Port of Port Hedland inner harbour.
- On 17 June 2019, a five-year Commonwealth Sea Dumping Permit was issued to Pilbara Ports Authority for maintenance dredging within the Port of Dampier. This is the first time Pilbara Ports Authority has sought to undertake maintenance dredging at its facilities in the Port of Dampier, since they were constructed in the 1980s, 2003 and 2012.
- Pilbara Ports Authority holds separate five-year Commonwealth Sea Dumping Permits for the maintenance dredging carried out in the Port of Ashburton and the Port of Port Hedland.
- Pilbara Ports Authority holds a Sea Dumping Permit for capital dredging associated with the CROP at the Port of Port Hedland. In 2018, Pilbara Ports Authority engaged Consulting Environmental Engineers to undertake an external audit of this permit and associated dredge management plan during the Stage 2 dredging program. The auditors visited the Port of Port Hedland between 1 and 3 October 2018 and found the CROP was operating in full compliance with the conditions and commitments outlined in the permit and associated dredge management plan.

Sustainability

ENVIRONMENTAL MONITORING & MANAGEMENT PROGRAMS

Pilbara Ports Authority implements comprehensive environmental monitoring programs to understand the impacts port operations have on the marine and landside environments, and to guide environmental management programs. Some programs are regulated by the statutory approvals and permits held by Pilbara Ports Authority, while others have been developed to inform and improve the overall understanding of the environment in which Pilbara Ports Authority operates. Some of the monitoring programs include:

- Mangroves: monitoring the health of mangrove communities within the ports of Dampier and Port Hedland. Pilbara Ports Authority also commenced a longer-term program to map and monitor the extent of mangroves within and surrounding both ports;
- Groundwater: water quality sampling and testing across a network of groundwater monitoring bores at the ports of Dampier and Port Hedland;
- Marine sediment: annual marine sediment quality sampling and testing at the ports of Ashburton and Port Hedland will be used to support and inform future maintenance dredging campaigns and Commonwealth sea dumping permit applications;

- Marine pests: bi-annual implementation of the SWASP marine biosecurity surveillance across the ports of Ashburton, Dampier and Port Hedland;
- Air quality: Pilbara Ports Authority's air quality monitoring network in Port Hedland is operated and maintained by experienced third-party consultants. Real-time boundary monitors at the Utah Facility monitor the concentration of dust at five or 10-minute intervals except during cyclones, maintenance events or monitor faults. Further analysis is conducted through High Volume Air Samplers at the Utah Facility and Eastern Operations, which identify the concentration of dust and specific metal concentrations within that dust;
- Marine water quality: quarterly sampling and testing is undertaken by Pilbara Ports Authority at eight sites in the Port of Dampier and adjacent Dampier Archipelago to build understanding of the port's marine environment, including natural processes;
- Surface water quality: sampling and testing of stormwater and surface water to inform management and improve stormwater quality discharges at the ports of Dampier and Port Hedland;

- Weeds: comprehensive biennial weed surveys by expert consultants and targeted management of weeds are completed across port lands in Ashburton, Dampier and Port Hedland; and
- Vertebrate pests: bi-annual management of feral cats and foxes across port land in Dampier and Port Hedland is carried out to protect the local turtle rookeries and other native species.

DUST STUDIES

Pilbara Ports Authority is required to monitor and report on dust levels generated from its activities at the Utah Facility and Berths 1 and 2 in Port Hedland. These levels and the reporting requirements are regulated by DWER and are set out in Pilbara Ports Authority's environmental licences issued under Part V of the State *Environmental Protection Act 1986*.

Pilbara Ports Authority's dust monitoring network is operated and maintained by third-party consultants, who collect data and provide it to operational staff through a web-based interface. Pilbara Ports Authority continues to work with the WA ChemCentre to investigate dust in the Port Hedland airshed, to distinguish between dust arising from the natural landscape versus dust from stockpiles of bulk commodities. Pending the success of this research it may be possible to determine the apportionment of distinct dust sources.

Sustainability



Inspecting dust monitoring equipment at the Port of Port Hedland

MANGROVE MATES

The Mangrove Mates program is Pilbara Ports Authority's environmental education initiative, developed to educate primary school-aged children about the importance of mangroves.

During the reporting period, the program was delivered to 425 students from eight primary schools across the Pilbara including, for the first time, students from the Port Hedland School of the Air. Since 2012, the program has been delivered to 1,597 primary school-aged students across the Pilbara.

CULTURAL HERITAGE

Pilbara Ports Authority maintains a Cultural Heritage Management Plan, which outlines how the organisation operates its port facilities while protecting and managing Aboriginal, historical and maritime cultural heritage values. The plan has a tiered approach which focuses on the principles of avoidance, mitigation and management. Initiatives from the plan during the reporting period included:

- Working with Traditional Owners in Port Hedland to monitor works within a sensitive heritage site;
- Continued engagement with the Marduthuni Rangers to carry out feral cat trapping at the Port of Dampier;

Sustainability

- Participation in the Murujuga Rock Art Stakeholder Reference Group, comprised of Traditional Owners, Government, industry and community stakeholders, to assist with the development and implementation of the Murujuga Rock Art Strategy that applies to the Dampier Archipelago including the Burrup Peninsula; and
- Attending stakeholder consultation sessions and providing feedback to DPLH's review of the *Aboriginal Heritage Act 1972* to assist in the development of effective legislation to replace the existing Act.

Pilbara Ports Authority has commenced providing Cultural Heritage Awareness Training to all its staff across all locations. Cultural Heritage Awareness Training is being provided in a multi-tiered approach and Pilbara Ports Authority is working with local Traditional Owner Groups to develop training sessions specific to the individual Pilbara ports and locations.

VERTEBRATE PEST MANAGEMENT PROGRAM

Ongoing management of vertebrate pests – specifically feral cats and foxes – at the ports of Dampier and Port Hedland are carried out to protect the local turtle rookeries and other native species.

In Dampier, the Yaburara and Coastal Mardudhunera Aboriginal Corporation's Marduthuni Rangers were engaged to conduct vertebrate pest management targeting feral cat populations, using trigger-activated cages, as well as trialling the use of attractants, night sensor cameras and several new baits. The program was highlighted as a training opportunity to up-skill new Marduthuni Rangers on vertebrate pest control techniques in an industrial context.

In Port Hedland, Pilbara Ports Authority coordinated the Greater Port Hedland Vertebrate Pest Management Program, which synchronised the timing of feral animal control efforts across port and industry lands.

COMMUNITY BIRD WATCHING

Pilbara Ports Authority partnered with Murujuga Land and Sea Unit Rangers and local industry to host the second annual community bird watching event at Murujuga National Park on the Burrup Peninsula. More than 50 members of the local community took part in the free event, which was guided by local bird enthusiasts, experts from Birdlife Australia's Broome Bird Observatory, and Murujuga Rangers. Through this initiative Pilbara Ports Authority has helped create an ongoing sustainable platform for future annual events that showcase the unique cultural and environmental landscape of Murujuga National Park.

PORT HEDLAND INDUSTRIES COUNCIL

Pilbara Ports Authority is a foundation member of PHIC, which brings together port users so there is a consistent, collaborative and comprehensive approach to shared issues such as air quality and noise, and a single industry-wide point of contact for government and community engagement. PHIC also provides a forum for information sharing and knowledge transfer on best-practice principles which assists members to manage and minimise the impacts of industry on the community.

PHIC members fund and operate the Port Hedland Ambient Air Quality Monitoring network, which provides real-time information on a range of environmental parameters, including ambient dust levels, within Port Hedland and surrounds. This network is operated and maintained by a specialist contractor, and PHIC engages an independent air quality expert to review the data, which is published as an annual air quality monitoring report on the PHIC website.

As part of the State Government's Dust Taskforce Report (2016), it was recommended the network be transferred to DWER. To progress the proposed transfer, PHIC has been working with DWER to provide a range of data including equipment registers, calibration data and service records along with leasing and site constraint details.

Sustainability

DWER staff also undertook a site diligence audit of the eight network sites in May 2019.

PHIC members continue to engage with the WA Planning Commission on another taskforce recommendation, to develop a sustainable Improvement Plan and Scheme for the West End to support the ongoing prosperity of Port Hedland, the port and the community.

PHIC was restructured during the reporting period to provide improved governance and accountability to ensure the correct level of support and expertise is maintained during a transition period. PHIC is chaired by Pilbara Ports Authority's General Manager of Development and Trade. The Authority further supports PHIC by providing staff and skills to committees and working groups.

COMMUNITY CONSULTATION COMMITTEES

Pilbara Ports Authority hosts CCCs in Ashburton, Dampier and Port Hedland, as required under Section 14A of the Act.

The committee meetings provide a forum for two-way communication between Pilbara Ports Authority and the local communities in which it operates.

Committee members include representatives from the local community, business and interest groups as well as the relevant local government authority.

The meetings include operational, environmental and community updates, as well as presentations on major projects and new initiatives. Meeting minutes are published on Pilbara Ports Authority's website.

LOCATION	NUMBER OF MEETINGS HELD IN 2018/19	MEETINGS EXPECTED IN 2019/20
Port of Ashburton	2	2
Port of Dampier	3	3
Port of Port Hedland	3	3

STAKEHOLDER SATISFACTION SURVEY

Pilbara Ports Authority seeks feedback on its performance and corporate reputation through its annual Stakeholder Satisfaction Survey.

In the 2019 survey, 164 stakeholders were interviewed, representing Pilbara Ports Authority's port users, service providers, community members and organisations and local, State and Federal government stakeholders.

Pilbara Ports Authority received a result of 77 based on the TRI*M index, which measures an organisation's corporate reputation. The result was an increase of one point from the previous year's result.

This result was able to be benchmarked against a WA ports average of 63, all Australian average of 46 and global public sector average of 58.

The key findings included:

- Safe Operations: majority of stakeholders clearly understood that safety is the organisation's priority;
- Environment: overall environmental performance was rated more positively this year. The team is well-regarded and good feedback was received for procedures and controls;
- Stakeholder Engagement: there was inconsistency between stakeholders, with a perception that Pilbara Ports Authority's communications are standardised and technical;
- Management team: the Executive team and Harbour Masters are seen to be professional, experienced and knowledgeable;
- Efficient services: increased tonnages reflect efficient operations;

Sustainability

- Financial management: little change in financial management perception. Some port users would like to see more profits reinvested into ports and fees reduced;
- Facilities: in Port Hedland, the IMOC is frequently mentioned as a positive. Views are more negative in Dampier regarding the DCW; and
- Future Strategy: suggestion that reviews and consultations around strategy should take place more frequently and with greater transparency.

WHAT OUR STAKEHOLDERS SAID

Comments from the 2019 Stakeholder Satisfaction Survey



Transparent in their strategic view, fluid in communication – easy to talk to and understands common goal.

Government



Good understanding of weather and cyclones and don't necessarily close the port at first sight of weather forecasts. They investigate and prioritise safety and understand the risks involved. Having qualified Marine personnel goes a long way towards achieving optimum operational efficiency during these challenging times.

Port user



I've seen all their future plans, I think it is excellent, they have been open and transparent.

Port user



They are constantly looking at themselves, their roles, their position all the time with the aim to improve their service. There's no resting on laurels there.

Port user



[They are] open to communication, but I think the general discussions and feedback I get are generally not much of a negotiation, rather these are the terms and these are what everyone go by therefore you have to.

Service provider

Sustainability

COMPLAINT MANAGEMENT

Pilbara Ports Authority received one complaint during the reporting period, which was managed in line with the Authority's External Complaints Procedure. The complaint was from a community member and related to the IMOC community naming submission period, whereby the submissions were limited to current Port Hedland residents. To resolve the issue, Pilbara Ports Authority said it would be acceptable if the complainant's suggestion was submitted by a friend or family member who was a current Port Hedland resident.

COMMUNITY SUPPORT INITIATIVE

Pilbara Ports Authority's CSI program provides financial and in-kind support to community initiatives and events, local community groups, sporting and not-for-profit organisations in the Dampier/Karratha, Onslow and Port Hedland communities.

During the reporting period \$310,501 was committed, including support for the following groups, organisations and events:

- City of Karratha
- Cooke Point Playgroup
- Dampier Community Association
- Hedland Senior High School
- Hedland Water Polo Association

- Karratha Community Association
- Karratha Community House
- Karratha Visitor Centre
- King Bay Game Fishing Club
- Onslow Primary School
- Passion of the Pilbara (Onslow)
- Pilbara Music Festival
- Port Hedland Chamber of Commerce and Industry
- Port Hedland Cricket Association
- Port Hedland Game Fishing Club
- Port Hedland Primary School
- St John Ambulance (Hedland)
- Telethon Speech and Hearing
- Thalanyii Foundation
- Town of Port Hedland
- West Pilbara Junior Cricket Association
- West Pilbara Port Welfare Association
- Yaburara and Coastal Mardudhunera Aboriginal Corporation

As part of its CSI program, Pilbara Ports Authority also provides an opportunity for staff to nominate and vote on selected charities or not-for-profit organisations to receive a Staff Community Grant. The following recipients each received \$5,000 during the reporting period:

- Saving Animals from Euthanasia (Port Hedland)
- Royal Flying Doctor Service (Port Hedland)
- Volunteer Fire and Rescue Service (Karratha)
- Volunteer State Emergency Service (Dampier)

BUSINESS EXCELLENCE

To optimise performance through industry-leading practices and innovation

Pilbara Ports Authority is committed to the development of industry-leading practices, technologies and processes that optimise performance and foster innovation.

Image: Port of Dampier

Investing In Australian Shipping Talent

Pilbara Ports Authority welcomed its inaugural marine cadet, Kyal Randazzo, on 2 July 2018 to the Port of Port Hedland.

Delivered in partnership with Oldendorff Carriers, Pilbara Ports Authority's marine cadet program provides the skills and experience required for a successful and rewarding career at sea. The program includes at least two years of training, financial support towards required study and valuable sea time, which is difficult to secure outside a structured program.

Kyal has completed pre-sea training, delivered through South Metropolitan TAFE, which included basic navigation and marine skills, and safety training.

He is now working to complete a minimum of 300 days of sea time with international shipping company Oldendorff Carriers. Further shore-based studies will follow, supported and mentored by Pilbara Ports Authority's Master Mariners.

Upon completion of the program, Kyal will attain a Deck Watch Keeper's qualification which is a key qualification for a successful career in the industry.

Kyal was selected from 32 applicants for the Port Hedland-based cadetship, after a rigorous vetting process that included psychometric testing and interviews with family members and former teachers. Criteria included successful completion of Year 12 and being a Pilbara resident.

Through the marine cadet program, Pilbara Ports Authority is offering young, Pilbara-based school leavers the opportunity to pursue a viable and rewarding career in the marine industry.

The program is also another way in which the Pilbara Ports Authority, which employs nine Master Mariners covering three port locations, is giving back to the Australian shipping industry by helping train the next generation of talent.



Kyal Randazzo completes a vessel familiarisation ahead of his first sea voyage to China.

As the fleet of Australian-registered ships reduces, it is becoming difficult for young people to secure sea time on Australian ships, which is a requirement for marine qualifications. Currently, there are only about a dozen Australian-registered ships that can do international voyages. Pilbara Ports Authority has used its connections with international shipping companies to develop a training program that gives young people every opportunity for future success.

A second marine cadet, Ben Hobart, began his cadetship at the Port of Dampier in early 2019.

Business Excellence

HARBOUR MASTER CAPABILITY

Pilbara Ports Authority introduced a formal Harbour Master capability process across each of its ports in 2015. The Authority has further developed the process into a biennial formal audit against the UK Port Marine Safety Code and Harbour Master Occupational Standards. The audit was conducted from 10 to 21 June 2019 and findings were presented to the Risk and Audit Committee.

Pilbara Ports Authority is the only Australian port authority to conduct such an assessment against a recognised International Standard, which is testament to the continual improvement focus of the marine function and aligns with the Authority's strategic focus on providing world-class safe and efficient port marine operations.

MARITIME SECURITY COMPLIANCE

Pilbara Ports Authority has implemented maritime security plans for the ports of Ashburton, Dampier and Port Hedland. The Authority is also recognised as an MSIC Issuing Body and has an approved MSIC Plan. The plans are compliant with and approved under the auspices of the *Maritime Transport and Offshore Facilities Security Act (2003)*.

In February 2019, Pilbara Ports Authority achieved compliance against the Australian Cyber Security Centre's Essential Eight mitigation strategies at maturity level 3 for its MSIC systems. A security compliance inspection of MSIC records was carried out by the Department of Home Affairs during the reporting period. Audits of the Maritime Security and MSIC plans for the ports of Ashburton, Dampier and Port Hedland, were conducted in May 2019.

As an industry leader in maritime compliance, Pilbara Ports Authority assisted other WA ports, Woodside Energy Ltd and BHP with reviews and external audits of their maritime security plans.

DISASTER RECOVERY SYSTEMS

Pilbara Ports Authority achieved VTS system availability of 99.8% for critical navigational systems during the reporting period, meeting the minimum standards set by the International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA). The VTS objective to provide safe and efficient vessel movement was achieved by maintaining an uninterrupted situational overview of the VTS area and approaches. This was achieved by providing system redundancies to electronic charting systems, radar, AIS, maritime radios, CCTVs and metocean equipment.

The Port Hedland DUKC® Disaster Recovery system went live on 12 October 2017 with an aim to achieve 99.8% uptime and maintain throughput efficiency. During the reporting period Pilbara Ports Authority achieved 99.97% uptime until 31 October 2018 and 100% from 1 November 2018 onwards.

The newly – established IMOC facility and the new VTS centre in Port Hedland will further enhance VTS equipment redundancies.

2018 SAFE SHIPS, SAFE PORTS FORUM

The 2018 Safe Ships, Safe Ports forum was held in Perth on 18 and 19 September 2018. The forum attracted more than 190 attendees representing the shipping and ports industry across Pilbara Ports Authority's ports. Approximately 100 shipping company executives from 46 international shipping companies travelled from within Australia and internationally to attend.

The scope of the 2018 forum included current operational areas of interest and future industry changes including ballast water regulations, IMO 2020 requirements (MARPOL Annex VI) and LNG as a future marine fuel.

Business Excellence

The forum was followed by a site visit to the ports of Dampier and Port Hedland. The site visit was attended by 40 international shipping company representatives and included presentations, on-water harbour tours and VTS tours.

VESSEL ACCEPTANCE STANDARDISATION PROCESS

In September 2018, Pilbara Ports Authority hosted a vessel vetting workshop for international shipping companies whose vessels regularly call at the Port of Port Hedland. The workshop aimed to seek feedback from vessel operators on vessel vetting standards adopted by the Port Hedland bulk terminal operators.

A key outcome of the workshop was vessel operators requesting a standardisation of terminal criteria, where possible, across all Pilbara Ports Authority ports.

An initial assessment indicated that all the bulk terminal operators at the ports of Dampier and Port Hedland request similar information from vessels as part of the acceptance of the vessels at their terminals.

Pilbara Ports Authority is working with all bulk exporters to create a consistent standard and questionnaire.

STRATEGIC ALLIANCE CONTRACTING

In 2016 Pilbara Ports Authority commenced a formal process of benchmarking all contractual relationships against criteria including criticality, market availability, business impact and value for money. The process was further developed to assist in determining the best procurement strategies with the most critical of services being pursued on a strategic alliance methodology model.

Pilbara Ports Authority has now implemented Strategic Alliance contracts with Port Hedland Marine Pilots and O'Brien Maritime Consultants that provide bespoke and critical services for safe and efficient vessel movements within the Port of Port Hedland.

PORT HEDLAND HELICOPTER HELIONIX

Following the marine pilot transfer helicopter incident at Port Hedland in March 2018, Pilbara Ports Authority Executive and Board endorsed a latest generation Eurocopter type H135P3H as the replacement helicopter for marine pilot transfer services. The helicopter was delivered to Port Hedland on 24 February 2019 and was introduced into service after completion of induction formalities.

The Port of Port Hedland is the first Australian port to use the H135P3H helicopter for marine pilot transfer operations. The helicopter is fitted with state-of-the-art safety features including the latest Helionix Avionics system, auto hover recovery button, four-axis auto pilot system, Helicopter Terrain Awareness and Warning System and the Helicopter Emergency Egress Lighting System.

The new helicopter was introduced into service without any detrimental impact to shipping operations.

CYCLONE PREPAREDNESS

In compliance with its cyclone preparedness procedures, Pilbara Ports Authority monitored the formation and passing of multiple tropical systems during the 2018/19 cyclone season.

Tropical Cyclone Veronica formed on 22 March 2019 and tracked towards the Pilbara coastline, eventually stalling off the Pilbara coastline and dissipating on 26 March 2019. The passage of Tropical Cyclone Veronica caused the closure of all three of Pilbara Ports Authority's ports, for varying durations of time.

Business Excellence

During the passage of Tropical Cyclone Veronica, Pilbara Ports Authority followed its prescribed cyclone evacuation procedures, shutting down each of its ports and evacuating all large commercial vessels. Whilst there was no significant ongoing impact to operations across Pilbara Ports Authority's ports, the ports of Dampier and Port Hedland sustained some damage to navigation aid and berth infrastructure. Temporary repairs to the navigation aids were completed immediately after the cyclone event. Shipping operations at all three ports resumed without delay after the passage of Tropical Cyclone Veronica.

HYDROGRAPHIC SURVEY STANDARDS

Pilbara Ports Authority's Hydrographic Survey standards and deliverables are maintained and applied across each of the Authority's ports, including proponent activities. Annual hydrographic surveys have been conducted in each of the ports. Pilbara Ports Authority's Under Keel Clearance Standards are also maintained across all ports.

A hydrographic survey conducted in Port Hedland following Tropical Cyclone Veronica revealed some significant siltation impacts that were rectified via an expedited maintenance dredging program.

INFORMATION AND COMMUNICATION TECHNOLOGY PROJECTS

Pilbara Ports Authority continues to develop and deploy technologies that optimise port performance. During the reporting period key Information and Communication Technology (ICT) projects included:

- The ICT Strategic Plan was revisited at the start of the reporting period with an objective to align with business priorities. A program of works has been implemented.
- The Authority's information security capabilities continue to mature. Activities during the reporting period included cyber security awareness, governance and advanced technical controls.
- Infrastructure modernisation for end-user computing was carried out as a two-staged approach through the implementation of the Office 365 platform and upgrade to Windows 10. The initiative delivered business value in terms of user experience, mobility and performance.

INFORMATION SERVICES

Pilbara Ports Authority's Record Keeping Plan was reviewed and updated during the reporting period and a significant volume of physical records were archived to off-site storage.

PORT MAPS

Port Maps is Pilbara Ports Authority's web-based mapping system, which enables the Authority's staff to access and share location or spatial information such as maps, plans and boundaries for each of the Authority's port sites. During the reporting year, Pilbara Ports Authority built on Port Maps' ongoing success by preparing more targeted maps that enable improved decision making and provide transparency to port development projects. Pilbara Ports Authority is now exploring options within Port Maps to provide access to port planning information for external stakeholders as well as developing Port Maps' 3D capabilities to aid in planning new developments, to enhance the utility of the spatial information base.

During the reporting period, Port Maps' mobile technology was tested by marine oil spill response teams to provide location information to first responders in the field and a platform to share live incident information back to the incident control centre. Further development is planned, including exploring collaboration functionality with third parties such as DoT and proponents.

Business Excellence

INNOVATION AND IMPROVEMENT

The Innovation and Improvement Committee supports Pilbara Ports Authority's culture of innovation. During the reporting period the focus was on application and workflow improvements that provide mobile solutions to business issues. Activities included an employee innovation challenge as well as guest speakers from similar organisations. The ideas generated have supported the formulation of current ICT mobile computing initiatives. In other areas, innovation project management is being aligned to Pilbara Ports Authority's broader project management process, and video-based promotion of innovative solutions is now in place.

EMPLOYEE ENGAGEMENT

The Annual Employee Engagement Survey was conducted in September 2018. The results placed the Pilbara Ports Authority's engagement score at 68%, which is eight points above the Australian benchmark and four points above the 2017 score. The actively disengaged score reduced two points to 3%.

Pilbara Ports Authority's employee engagement activities during the reporting period included:

- Finalising the Employee Value Proposition in September 2018.

- Recognising employee recognition award recipients in August and December 2018.
- Developing a new Working with Respect Program focussing on staff interaction and activities. The training was piloted in February 2019 and has now been rolled out across the organisation.
- Introducing Leave for Exceptional Circumstances in August 2018, which includes Domestic Violence Leave.

ORGANISATIONAL CAPABILITY

The following projects and programs were delivered during the reporting period:

- The Critical Role Assessment was completed in July 2018. Following the assessment, Leadership Development Program participants were nominated, and commenced their program in September 2018.
- Pilbara Ports Authority's most recent Workforce Plan was approved in September 2018. The plan created five new permanent positions and in-sourced three previously out-sourced roles. In line with the Authority's ongoing commitment to training, two new marine cadet positions were approved, and two new graduate positions commenced.
- A new training framework was implemented, and a new Learning Management System was successfully deployed across the Authority.

- The Authority is developing business analytics dashboards for managers and is co-ordinating broader business intelligence through its Business Intelligence Working Group. The outcomes will inform organisational capability decision making.

ENTERPRISE RISK MANAGEMENT

Pilbara Ports Authority's Enterprise Risk Management Framework helps identify, manage and monitor strategic, corporate and operational risk and controls, and their effectiveness. Risk management activities undertaken during the reporting period include:

- Quarterly environment scans to identify recent and relevant events in the industry which may have a positive or negative effect on Pilbara Ports Authority's strategic risks;
- Quarterly reviews and reporting of the Authority's strategic, corporate and operational risk profile;
- Bi-annual Port Strategic Risk Review Committee meetings; and
- Progress in the implementation of improvement opportunities highlighted in the independent Enterprise Risk Management Framework maturity assessment performed in 2016/17. This included a decision to replace the Authority's Enterprise Risk Management software.

Business Excellence

INTEGRATED MANAGEMENT SYSTEM

Pilbara Ports Authority maintains a certified Integrated Management System that enables consistent quality of the services delivered. In October 2018, an ISO surveillance audit was conducted at all sites with no corrective actions reported. Pilbara Ports Authority is certified to:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System
- ISO/ IEC 27001:2013 Information Security Management System
- AS/NZS 4801:2001 Occupational Health and Safety Management System

During the reporting period, Pilbara Ports Authority's VTS centres maintained certification from IALA.

Also, during the reporting period, certification for the International Standard for Maritime Pilot Organisations was maintained for Port Hedland Pilots and Woodside Energy employed pilots.

AUDITS

During the reporting period, the business systems and processes relating to the following risks were independently audited, in accordance with Pilbara Ports Authority's three-year strategic internal audit program:

- Project management close-out
- Business impact assessment
- Fire on a vessel at a berth
- Physical resources
- Accounts payable operating model
- Corporate Affairs and Governance organisational compliance
- Cyber security maturity

No critical-rated findings or observations were identified through these internal audits.

The Executive and the Risk and Audit Committee maintained oversight of the progress against the internal audit program, the outcomes of the internal audits and the implementation of recommendations and opportunities for improvement.

An ISO surveillance audit was conducted in relation to the following Integrated Management Systems that Pilbara Ports Authority is certified to:

- ISO 9001:2015 Quality Management System
- ISO 14001:2015 Environmental Management System

- ISO/ IEC 27001:2013 Information Security Management System
- AS/NZS 4801:2001 Occupational Health and Safety Management System

No corrective findings and actions were identified as part of this audit.

In line with Pilbara Ports Authority's commitment to continuous improvement, legislative compliance and world's best practice within its marine operations, the following maritime capability audits were completed during the reporting period:

- Port Marine Safety Code – Harbour Master Capability Audit
- Pilbara Ports Authority Maritime Security Plans
- Formal DMIRS audits of mine site operations
- International Standard for Pilotage Organisations Audit
- Channel blockage risk audit
- VTS certification audits
- MSIC issuing body audits

The internal audit of the VTS Objective Statement to assess compliance with procedures and identify areas of potential improvement identified no major findings. All critical operational equipment and systems conform to the IALA minimum standards of 99.8% uptime.

Business Excellence

EMERGENCY MANAGEMENT AND RESPONSE

Pilbara Ports Authority maintains comprehensive emergency response plans that are regularly tested through simulated field exercises and desktop training. During 2018/19, the plans were tested through:

Exercise Matilda

Exercise Matilda tested Pilbara Ports Authority's Crisis Management Plan by simulating a scenario involving the transit of contraband through the Port of Dampier. The exercise was held in September 2018. Members of Pilbara Ports Authority's Board also participated in this simulation.

Port of Dampier marine pollution exercise

An annual oil spill exercise held at the Port of Dampier in October 2018 tested the effectiveness of Pilbara Ports Authority's emergency response plans, in particular the activation of the Incident Management Team and deployment of oil spill response resources. Participants included staff and port proponents.

The installation of three purpose-built Anhydrous Ammonia Shelters has further enhanced the protection of personnel in the event of an incident involving Anhydrous Ammonia release.

Exercise Amity Challenge

DoT conducted a four-day State maritime environmental emergency response exercise, Amity Challenge, in November 2018. The exercise involved more than 200 participants from multiple agencies. Pilbara Ports Authority was represented by 11 staff, who participated in the incident control centre in Fremantle and the forward operating base within the Port of Albany. The exercise provided a great opportunity for participants to perform their roles in a multi-agency response context.

Port of Port Hedland search and rescue exercise

Pilbara Ports Authority hosted a search and rescue exercise at Port Hedland in May 2019. Participants included WA Police, Volunteer Marine Rescue and St John Ambulance. The exercise tested local search and rescue response plans and capabilities.

State Regional Exercise

In June 2019, a State regional emergency simulation exercise was conducted at the Port of Dampier, which was coordinated by DoT and was partnered with representatives from Pilbara Ports Authority, other State government departments, port facility operators, oil and gas producers and the City of Karratha. The exercise tested the effectiveness of the relationships between DoT and industry participants.

Vessel salvage workshop 2019

In June 2019, Pilbara Ports Authority hosted its second annual salvage workshop at the Port of Port Hedland. The workshop included representation from port proponents, State and Federal government agencies and international shipping companies. The focus areas of this year's workshop were:

- Setting the expectations for various stakeholders during a salvage event within the port environment; and
- The commercial and legal considerations during a salvage event within the port environment.

Vessel fire at Port Hedland berth exercise

Pilbara Ports Authority hosted an emergency exercise in June 2019 simulating a fire on a vessel alongside a berth at the Port of Port Hedland. Participants included staff, port users, service providers and Department of Fire and Emergency Services (DFES) as the Hazard Management Agency. The exercise tested the Authority's fire response plans and capabilities and further enhanced the existing working relationship with DFES.

Business Excellence

Port of Port Hedland marine pollution response exercise

The pollution response exercise at the Port of Port Hedland in June 2019 was one of the regular and varied training sessions conducted at the port during the reporting period. Approximately 60 people participated, including Pilbara Ports Authority staff, port customers and DoT as the Hazard Management Agency. The exercise tested the Authority's pollution response plans and capabilities and further enhanced the existing working relationship with DoT on marine pollution preparedness and response.

Exercise Banjo

Exercise Banjo was held in June 2019 and tested Pilbara Ports Authority's crisis management activation processes and capabilities. The exercise enabled the Authority to assess its Crisis Management System, team member preparedness and awareness of the Crisis Management Plan.



Employees participate in oil spill response training

Current and Emerging Trends

The *Ports Legislation Amendment Act 2019* was enacted on 26 February 2019 to facilitate the transfer of the *Shipping and Pilotage Act 1967* ports of Barrow Island, Cape Preston, Onslow, Port Walcott and Varanus Island from DoT to Pilbara Ports Authority's oversight.

The Port of Varanus Island is expected to be the first port transferred under the legislation. Following the transfer of Varanus Island, it is expected that the other ports will progressively transfer to Pilbara Ports Authority.



Safe passage planning and information exchange at the Port of Port Hedland

Directors' Report

In accordance with Schedule 5, Division 3 of the Act, the Directors of Pilbara Ports Authority present their report for the 12 months ended 30 June 2019.

APPOINTMENT, RETIREMENT AND CONTINUATION OF DIRECTORS

A Director is appointed by the Minister for Ports in accordance with Section 7 (1) of the Act. Directors are appointed for periods of up to three years and are eligible for reappointment.

The following persons were Directors of Pilbara Ports Authority during the reporting period.

Mr Ken Pettit SC (Chair) – Director and Chair from 15 August 2011 to 15 March 2019

Mr Ken Pettit SC was reappointed to the Board as Chair on 1 July 2016 for a term expiring 30 June 2018. Mr Pettit was reappointed on 1 July 2018 for a term expiring 30 June 2020 and resigned on 15 March 2019.

Mr Les Longden (Deputy Chair) – Director since 1 October 2009

Mr Les Longden was reappointed to the Board as Deputy Chair on 1 July 2016 for a term expiring 30 June 2018. Mr Longden was reappointed on 1 July 2018 for a term expiring 31 December 2019.

Mr John Lillywhite – Director since 22 October 2014

Mr John Lillywhite was reappointed to the Board as a Director on 14 February 2018 for a term expiring 30 June 2019.*

Ms Judith Uren – Director since 23 May 2016

Ms Judith Uren was reappointed to the Board as a Director on 1 January 2019 for a term expiring 31 December 2020.

Mr Roger Fletcher – Director since 1 February 2018

Mr Roger Fletcher was appointed to the Board as a Director on 1 February 2018 for a term expiring 30 June 2020.

Mr Brad Geatches (Chair)

Mr Brad Geatches was appointed to the Board on 24 May 2019, for a term ending 31 December 2021.

Ms Amy Lomas (Director)

Ms Amy Lomas was appointed to the Board as a Director on 1 July 2018 for a term expiring 31 December 2019.**

Ms Liz Hardwick (Director)

Ms Liz Hardwick was appointed to the Board as a Director on 1 January 2019 for a term expiring 31 December 2021.

Mr Boyd Winton – Director since 22 October 2014

Mr Boyd Winton was reappointed to the Board as a Director on 20 June 2016 for a term expiring 30 June 2018. In accordance with clause 1(4) of Schedule 2 to the Act, Boyd Winton's term ended on 30 July 2018 as a result of PPA being notified on 31 July 2018 that Ms Amy Lomas had been appointed to fill the vacancy. Mr Winton continued as a Director until confirmation was received and consequently attended the July 2018 Board meetings.

BOARD MEETINGS

Ten Board meetings were held during the reporting period.

RISK AND AUDIT COMMITTEE

The Risk and Audit Committee of the Board has a minimum membership of two Directors and operates in accordance with a formal terms of reference reviewed and approved by the Board.

The Risk and Audit Committee's role is to assist the Board in the effective discharge of its responsibilities for financial reporting, internal control systems, internal and external audit functions, corporate governance and risk management.

Directors' Report

The Risk and Audit Committee carries out its role through:

- providing independent oversight of Pilbara Ports Authority's systems of accounting and internal controls, including financial reporting and tax and treasury issues;
- providing independent oversight of the planning, performance and outcomes of Pilbara Ports Authority's internal and external audit processes;
- providing independent oversight of Pilbara Ports Authority's risk management systems and obtaining assurance from the Executive that all major risks are identified, prioritised and managed in a coordinated manner and that Pilbara Ports Authority is operating within the risk appetite set by the Board and in compliance with applicable laws, regulations and codes of conduct;
- providing independent oversight of Pilbara Ports Authority's processes for the detection and prevention of fraudulent and corrupt behaviour; and
- reviewing the adequacy of Pilbara Ports Authority's insurance policies and verifying that insurance coverage is held at all times.

The Risk and Audit Committee sat six times throughout the reporting period.

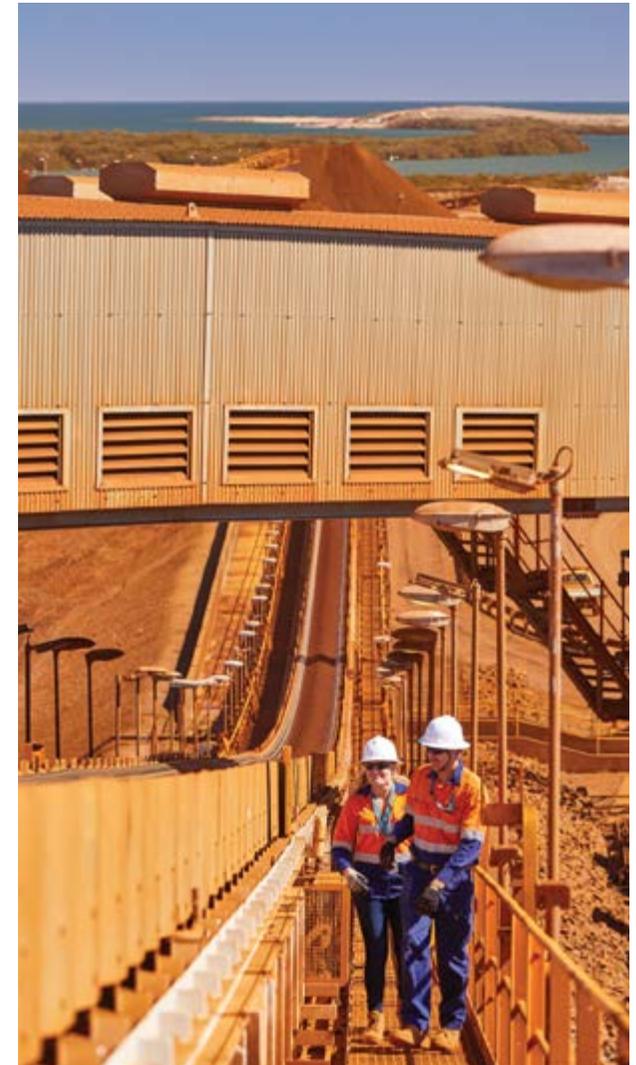
The Risk and Audit Committee members throughout the reporting period were Mr Les Longden (Chair), Mr John Lillywhite and Ms Amy Lomas.

REMUNERATION AND NOMINATIONS COMMITTEE

The Remuneration and Nominations Committee of the Board has a minimum membership of two Directors and operates in accordance with a formal terms of reference reviewed and approved by the Board.

The Remuneration and Nomination Committee's role is to assist the Board in relation to its responsibilities for remuneration activities, Board composition and Director development and reviewing the performance of the Chief Executive Officer and the Board.

The Remuneration and Nominations Committee sat twice throughout the reporting period. The Remuneration and Nominations Committee members throughout the reporting period were Mr Ken Pettit (Chair), Mr Les Longden, Ms Judith Uren and Mr Roger Fletcher.



Utah Facility at the Port of Port Hedland

Directors' Report

BOARD MEETINGS

DIRECTOR	NUMBER OF BOARD MEETINGS HELD DURING THE PERIOD THE DIRECTOR HELD OFFICE DURING THE YEAR	BOARD MEETINGS ATTENDED	NUMBER OF RAC MEETINGS HELD DURING THE PERIOD THE DIRECTOR WAS A RAC MEMBER	RAC MEETINGS ATTENDED	NUMBER OF RNC MEETINGS HELD DURING THE PERIOD THE DIRECTOR WAS A RNC MEMBER	RNC COMMITTEE MEETINGS ATTENDED
Ken Pettit	7	7	-	-	2	2
Les Longden	10	10	6	6	1	1
John Lillywhite	10	10	6	5	-	-
Judith Uren	10	10	-	-	1	1
Roger Fletcher	10	10	-	-	1	1
Amy Lomas	10**	8	5	5	-	-
Liz Hardwick	5	5	-	-	-	-
Brad Geatches	1	1	-	-	-	-
Boyd Winton	1***	1	-	-	-	-

* Mr John Lillywhite's term expired on 30 June 2019 and was not renewed. Ms Jodie Ransom was appointed as a director with effect from 1 July 2019.

** PPA received notification that Ms Lomas had been appointed on 31 July 2018. Consequently, Ms Lomas was unable to attend the July 2018 Board Meeting, despite her appointment being expressed to apply from 1 July 2018.

*** Mr Boyd Winton was reappointed to the Board as a Director on 20 June 2016 for a term expiring 30 June 2018. In accordance with clause 1(4) of Schedule 2 to the Act, Boyd Winton's term ended on 30 July 2018 as a result of PPA being notified on 31 July 2018 that Ms Amy Lomas had been appointed to fill the vacancy. Mr Winton continued as a Director until confirmation was received and consequently attended the July 2018 Board Meeting.

PRINCIPAL ACTIVITIES

The principal activity during the year was the provision of port services and facilities. There were no significant changes in the nature of these activities during the year.

RESULTS

The profit before income tax for the financial year was \$180.3 million. The income tax expense attributable to the profit for the financial year was \$54.0 million.

DIVIDENDS

Total dividend payments of \$150.9 million were paid in the financial year.

REVIEW OF OPERATIONS

Pilbara Ports Authority manages the ports of Ashburton, Dampier and Port Hedland pursuant to its statutory functions.

Directors' Report

A summary of the results during the year is detailed below.

	2019 (\$'million)	2018 (\$'million)
Profit before tax	180.3	257.8
Income tax	(54.0)	(77.1)
Profit after tax	126.3	180.6
Retained earnings at 1 July	389.8	429.8
Dividends paid in the financial year	(150.9)	(220.7)
Retained earnings at 30 June	365.2	389.8

STATE OF AFFAIRS

There were no significant changes in the state of affairs during the financial year under review. Pilbara Ports Authority operates in Western Australia under the provisions of the Act.

EVENTS SUBSEQUENT TO REPORTING DATE

In the opinion of the Directors at Pilbara Ports Authority, there were no events subsequent to the end of the financial year and to the date of this report that significantly affected, or were likely to affect operations, the results of those operations or the state of affairs, in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Nil.

DIRECTORS' DISCLOSURES

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 Pilbara Ports Authority with the Director or with a firm of which he or she is a member, or an entity in which he or she has substantial interest.

Interests in contracts

During the financial year, Pilbara Ports Authority did not enter into any contracts with entities in which Directors declared a conflict of interest.

REMUNERATION REPORT

In accordance with Clause 13(c) (ii) of Schedule 5 of the Act, the following report details the nature and amount of each element of the emolument of each Director and the three officers of Pilbara Ports Authority receiving the highest emoluments.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Directors and Officers Liability Insurance Policy was renewed during the financial year to ensure that the Directors and Officers had adequate insurance cover against all liabilities and expenses arising as a result of work performed in their capacities, to the extent permissible under the law.

Pilbara Ports Authority paid an insurance premium of \$111,734.70 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 in respect to Directors' and Officers' liabilities.

APPOINTMENT OF AUDITORS

The Office of the Auditor General (OAG) has been appointed as Pilbara Ports Authority's auditor in accordance with Schedule 5 Clause 37 (2) of the Act. KPMG was engaged by the OAG to conduct the audit field work and provide advice to the OAG.

The total fee payable for the financial year ending 30 June 2019 was \$108,000 (GST exclusive).

ROUNDING OF AMOUNTS

Pilbara Ports Authority satisfies the requirements of clause 31 of Schedule 5 contained within the Act 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 prepared in accordance with a resolution of the Board on 29 August 2019.

Directors' Report

DIRECTORS' AND EXECUTIVE OFFICERS' REMUNERATION 2018/2019

		SHORT TERM			POST-EMPLOYMENT	CASH OUT OF ACCRUED LEAVE	TERM-INFORMATION BENEFITS	TOTAL
		SALARY & FEES	VEHICLE ALLOWANCE OR VEHICLE	TOTAL	SUPER-ANNUATION BENEFITS			
Directors								
Non-Executive Directors								
Name: (Chair) Ken Pettit (Appointed 15/08/2011) Resignation 15/03/2019	2018	\$89,501	-	\$89,501	\$8,503	-	-	\$98,004
	2019	\$63,683	-	\$63,683	\$6,050	-	-	\$69,733
Name: (Chair) Brad Geatches (Appointed 24/05/2019)	2018	-	-	-	-	-	-	-
	2019	\$9,983	-	\$9,983	\$948	-	-	\$10,931
Name: (Deputy Chair) Les Longden (Appointed 01/10/2009)	2018	\$54,514	-	\$54,514	\$5,179	-	-	\$59,693
	2019	\$52,294	-	\$52,294	\$4,968	-	-	\$57,262
Name: Julian Tapp (Appointed 01/07/2009) Contract end 9/02/2018	2018	\$29,104	-	\$29,104	\$2,765	-	-	\$31,869
	2019	-	-	-	-	-	-	-
Name: Boyd Winton (Appointed 01/07/2009) Term end 30 July 2018	2018	\$44,751	-	\$44,751	\$4,251	-	-	\$49,002
	2019	\$4,303	-	\$4,303	\$409	-	-	\$4,712
Name: John Lillywhite (Appointed 22/10/2014)	2018	\$42,208	-	\$42,208	\$4,010	-	-	\$46,218
	2019	\$44,458	-	\$44,458	\$4,223	-	-	\$48,681
Name: Judith Uren (Appointed 23/05/2016)	2018	\$42,208	-	\$42,208	\$4,010	-	-	\$46,218
	2019	\$44,370	-	\$44,370	\$4,215	-	-	\$48,585

Directors' Report

		SHORT TERM			POST-EMPLOYMENT	CASH OUT OF ACCRUED LEAVE	TERM-INFORMATION BENEFITS	TOTAL
		SALARY & FEES	VEHICLE ALLOWANCE OR VEHICLE	TOTAL	SUPER-ANNUATION BENEFITS			
Name: Roger Fletcher (Appointed 1/02/2018)	2018	\$17,370		\$17,370	\$1,650	-	-	\$19,020
	2019	\$44,370	-	\$44,370	\$4,215	-	-	\$48,585
Name: Amy Lomas (Appointed 1/07/2018)	2018	-	-	-	-	-	-	-
	2019	\$40,473	-	\$40,473	\$3,845	-	-	\$44,318
Name: Liz Hardwick (Appointed 1/01/2019)	2018	-	-	-	-	-	-	-
	2019	\$20,942	-	\$20,942	\$1,989	-	-	\$22,931
<i>Total non-executive directors' remuneration</i>	2018	\$319,656	-	\$319,656	\$30,368	-	-	\$350,024
	2019	\$324,876	-	\$324,876	\$30,862	-	-	\$355,738
Executive Officers								
Name: Roger Johnston, CEO	2018	\$477,782	\$38,000	\$515,782	\$67,052	-	-	\$582,834
	2019	\$477,782	\$38,000	\$515,782	\$77,801	\$82,693	-	\$676,276
Name: John Finch (General Manager Operations/Harbour Master)	2018	\$421,209	\$35,000	\$456,209	\$54,757	-	-	\$510,966
	2019	\$421,209	\$35,000	\$456,209	\$54,757	-	-	\$510,966
Name: Lyle Banks (General Manager Development & Trade)	2018	\$285,922	\$35,000	\$320,922	\$41,720	-	-	\$362,642
	2019	\$290,702	\$35,000	\$325,702	\$42,341	-	-	\$368,043
<i>Total executive officers remuneration (Top 3)</i>	2018	\$1,184,913	\$108,000	\$1,292,913	\$163,529	-	-	\$1,456,442
	2019	\$1,189,693	\$108,000	\$1,297,693	\$174,899	\$82,693	-	\$1,555,285



Financial Statements

for the year ended 30 June 2019

Financial Statements

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Statement of Comprehensive Income

for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 30 JUN 2018 *RESTATED \$'000
REVENUE			
Revenue	2	417,550	418,039
Other revenue	3	24,296	93,851
Total revenue		441,846	511,890
EXPENSES			
Employee benefits	4	(50,575)	(51,055)
Finance expenses	5	(7,765)	(8,236)
Supplies and services	6	(93,549)	(78,316)
Other expenses	7	(8,350)	(12,100)
Asset maintenance		(24,787)	(29,579)
Port utilities		(10,506)	(11,045)
Rates and taxes		(6,365)	(6,218)
Depreciation and amortisation		(59,615)	(57,558)
Total expenses		(261,512)	(254,107)
Profit before income tax		180,334	257,783
Income tax expense	8	(53,990)	(77,142)
Net profit after tax		126,344	180,641
OTHER COMPREHENSIVE INCOME			
Items that will never be reclassified to profit or loss			
Remeasurement of defined benefit liability, net of tax	22 (c)(ii)	(46)	27
Changes in the asset revaluation reserve, net of tax		314,541	(26,751)
Total comprehensive income		440,839	153,917

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

* Refer to Note 35 for restatement of Port Hedland channel fair value.

Statement of Financial Position

As at 30 June 2019

	NOTES	2019 \$'000	2018 30 JUN 2018 *RESTATED \$'000	2018 1 JUL 2017 *RESTATED \$'000
ASSETS				
Current assets				
Cash and cash equivalents	9	219,869	323,116	419,834
Trade receivables	11	52,893	53,389	44,578
Other receivables	12	7,598	52,222	2,187
Inventories	13	6,344	6,099	4,635
Total current assets		286,704	434,826	471,234
Non-current assets				
Property, plant and equipment	14	2,416,524	1,818,122	1,824,994
Intangible assets	16	726	1,043	1,131
Investment in Shares	17	10	-	-
Total non-current assets		2,417,260	1,819,165	1,826,125
Total assets		2,703,964	2,253,991	2,297,359
LIABILITIES				
Current liabilities				
Trade payables	18	4,894	6,922	9,766
Other payables	19	47,263	23,605	23,079
Interest bearing borrowings	20 (a)	23,032	22,856	22,691
Current tax liabilities	21	29,877	766	11,294
Provisions	22 (a)	7,582	7,377	6,978
Total current liabilities		112,648	61,526	73,808

Statement of Financial Position

As at 30 June 2019

	NOTES	2019 \$'000	2018 30 JUN 2018 *RESTATED \$'000	2018 1 JUL 2017 *RESTATED \$'000
Non-current liabilities				
Other payables		-	-	100
Interest bearing borrowings	20 (b)	108,832	131,864	154,721
Provisions	22 (b)	69,067	68,900	78,426
Deferred tax liabilities	23	493,141	386,949	381,257
Total non-current liabilities		671,040	587,713	614,504
Total liabilities		783,688	649,239	688,312
NET ASSETS				
		1,920,276	1,604,752	1,609,047
EQUITY				
Contributed equity	24 (a)	307,184	281,616	219,143
Reserves	24 (b)	1,247,911	933,370	960,121
Retained earnings	24 (c)	365,181	389,766	429,783
Total equity		1,920,276	1,604,752	1,609,047

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

* Refer to Note 35 for restatement of Port Hedland channel fair value.

Statement of Changes in Equity

for the year ended 30 June 2019

	NOTES	CONTRIBUTED EQUITY \$'000	RESERVES \$'000	RETAINED EARNINGS \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2017 as previously reported		219,143	666,313	429,783	1,315,239
Impact of restatement*	35	-	293,808	-	293,808
Restated balance at 1 July 2017*		219,143	960,121	429,783	1,609,047
Total comprehensive income restated*					
Profit		-	-	180,641	180,641
Other comprehensive income/(loss)		-	(26,751)	27	(26,724)
Total comprehensive income restated*		-	(26,751)	180,668	153,917
Transactions with owners in their capacity as owners	24 (a)	62,473	-	-	62,473
Dividends paid	25	-	-	(220,685)	(220,685)
Restated balance as at 30 June 2018*		281,616	933,370	389,766	1,604,752
Restated balance at 1 July 2018*		281,616	933,370	389,766	1,604,752
Total comprehensive income					
Profit		-	-	126,344	126,344
Other comprehensive income/(loss)		-	314,541	(46)	314,495
Total comprehensive income		-	314,541	126,298	440,839
Transactions with owners in their capacity as owners	24 (a)	25,568	-	-	25,568
Dividends paid	25	-	-	(150,883)	(150,883)
Balance as at 30 June 2019		307,184	1,247,911	365,181	1,920,276

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

* Refer to Note 35 for restatement of Port Hedland channel fair value.

Statement of Cash Flows

for the year ended 30 June 2019

	NOTES	2019 \$'000	2018 \$'000
Cash flows from operating activities			
Receipts from customers		472,008	449,007
Payments to suppliers and employees		(236,841)	(232,567)
Government contributions	2 (iii)	9,121	8,680
Interest received		7,246	9,576
Interest paid		(5,718)	(7,689)
Income taxes paid		(53,489)	(73,706)
Net cash inflow from operating activities	10	192,327	153,301
Cash flows from investing activities			
Payments for property, plant and equipment and intangibles		(146,928)	(67,266)
Proceeds from sale of property, plant and equipment		19	53
Payment for Investments in associates	17	(10)	-
Net cash (outflow) from investing activities		(146,919)	(67,213)
Cash flows from financing activities			
Repayment of borrowings		(22,856)	(22,856)
Equity contributions	24 (i)	25,084	60,735
Dividends paid	25	(150,883)	(220,685)
Net cash (outflow) from financing activities		(148,655)	(182,806)
Net (decrease) in cash and cash equivalents			
		(103,247)	(96,718)
Cash and cash equivalents at the beginning of the financial year		323,116	419,834
Cash and cash equivalents at the end of the financial year	9	219,869	323,116

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

Notes to the Financial Statements

for the year ended 30 June 2019

1 BASIS OF PREPARATION

(a) Australian Accounting Standards

The Pilbara Ports Authority (“the Authority”) has prepared its financial statements for the year ended 30 June 2019 in accordance with Australian Accounting Standards. The term ‘Australian Accounting Standards’ includes Standards and Interpretations issued by the Australian Accounting Standards Board (AASB).

The Authority has adopted any applicable new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by *TI 1101 Application of Australian Accounting Standards and Other Pronouncements*. There has been no early adoption of any Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the year ended 30 June 2019

(b) Statement of compliance

The Authority is a not-for-profit entity that prepares general purpose financial statements in accordance with Australian Accounting Standards (including Australian Interpretations) adopted by the AASB and the financial reporting provisions of the Port Authorities Act 1999.

The financial statements were authorised for issue on 29 August 2019 by the Board of Directors of the Authority.

(c) Presentation

Statement of Comprehensive Income

Expenses have been classified by nature. This is considered to provide more relevant and reliable information than classification by function due to the nature of the Authority’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 Authority’s financial position, financial performance and cash flows and that it has complied with applicable standards and interpretations, except that it has departed from AASB 101, Para 99, to achieve a fair presentation.

(d) Basis of measurement

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, except for channels, breakwaters, land, berths and jetties which have been measured at fair value.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

1 BASIS OF PREPARATION (CONTINUED)

(e) Functional and presentation currency

The financial statements are presented in Australian dollars, which is the Authority's functional currency. All amounts have been rounded to the nearest thousand (\$'000), unless otherwise indicated.

(f) Use of estimates and judgements

In preparing the financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amount 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 estimates are recognised in the period in which the estimate is revised prospectively.

Information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 14 – Property, plant and equipment: useful life and fair value
- Note 22 – Employee benefit provision: actuarial assumptions
- Note 22 – Provision for land rehabilitation: assumptions and uncertainties, including the:
 - extent of environmental damages to be rectified;
 - methodology and timing of the rectifications; and
 - financial rates to be used, including discount and inflation rates.

(g) Comparative accounts

Comparative figures are, where appropriate, reclassified to be comparable with the figures presented in the current financial year.

(h) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

2 REVENUE	NOTES	2019 \$'000	2018 \$'000
Shipping	(i)	246,145	224,909
Charges on cargo	(i)	100,260	97,856
Port improvement rate	(i)	32,113	56,119
Rental and leases	(ii)	29,911	30,475
Government contributions	(iii)	9,121	8,680
Total revenue		417,550	418,039

Revenue recognition

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

(i) Rendering of services

Revenue from services rendered is recognised in the Statement of Comprehensive Income in proportion to the stage of completion of the transaction at the reporting date.

(ii) Rental and leases

Rental income is recognised as revenue on a straight line basis over the term of the lease. Lease incentives granted are recognised as an integral part of total rental income, over the term of the lease.

(iii) Government contributions

Grants received from Government for the operation of the Bulk Liquids Berth at the Port of Dampier are measured at fair value of the consideration received or receivable received or receivable.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

3 OTHER REVENUE	NOTES	2019 \$'000	2018 \$'000
Non-Government contributions	(i)	6,337	71,152
Utility revenue	(ii)	6,566	7,692
Interest revenue	(iii)	7,283	9,618
MSIC revenue	(iv)	966	903
Reversal of impairment	(v)	9	1,240
Other revenue	(vi)	3,135	3,246
Total other revenue		24,296	93,851

Revenue recognition

Other revenue is recognised and measured at the fair value of consideration received or receivable as follows:

(i) Non-Government contributions

During the year ended 30 June 2019:

Gifted assets of \$6,336,807 received from a proponent for Port of Ashburton.

High Non-Government contributions in 2018 due to a commercial arrangement entered into with a proponent to provide \$71 million in dredging services.

(ii) Utility revenue

Utility revenue is a partial cost recovery of a proportion of utility expenditure passed onto proponents. The revenue is recognised when the utility expenditure is incurred by the Authority.

(iii) Interest revenue

Interest revenue is recognised as the interest is earned.

(iv) MSIC revenue

MSIC revenue is recognised when Maritime Security Identification Cards are ordered by customers.

(v) Reversal of impairment

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised in prior years. Refer to Note 14 for a breakdown by asset class.

(vi) Other revenue

Other revenue consists of gains which may be realised or unrealised and are recognised on a net basis.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

4 EMPLOYEE BENEFITS	NOTES	2019 \$'000	2018 \$'000
Salaries		36,623	36,014
Superannuation	(i)	4,710	4,473
Temporary staff		2,490	3,854
Annual leave expense		2,301	2,383
Long service leave expense		838	937
Board member fees		325	320
Other employee expenses		3,288	3,074
Total employee benefits		50,575	51,055

(i) Includes contributions to the defined benefits plan.

Employment on-costs comprise superannuation, payroll tax and workers' compensation and are recognised as liabilities and expenses when the employment to which they relate has occurred. These employment on-cost expenses are included in the employee benefits disclosed in Note 4.

5 FINANCE EXPENSES	NOTES	2019 \$'000	2018 \$'000
Western Australian Treasury Corporation borrowing expenses		5,604	6,533
Interest expenses		14	22
Land rehabilitation provision net present value increase/(decrease)	22 (c)(i)	2,147	1,681
Total finance expenses		7,765	8,236

All finance expenses are recognised using the effective interest method.

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 accordance with *AASB 123 Borrowing Costs*.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

6 SUPPLIES AND SERVICES	NOTES	2019 \$'000	2018 \$'000
Contractor expenses		58,442	51,000
Software licences		5,863	5,430
Consulting		5,569	4,616
Lease of plant and equipment and commercial property	(i)	11,803	6,965
Other		11,872	10,305
Total supplies and services		93,549	78,316

(i) Operating lease payments for plant and equipment and commercial property are recognised on a straight line basis over the lease term.

Supplies and services are recognised as expenses in the reporting period in which they are incurred. These include the day-to-day running costs incurred in the normal course of operations.

7 OTHER EXPENSES	NOTES	2019 \$'000	2018 \$'000
Lease of residential properties	(i)	3,687	3,938
Loss on disposal of assets		151	1,466
Insurance		3,283	2,751
Rehabilitation change in cost assumptions	22 (c)(i)	(1,937)	450
Other		3,166	3,495
Total other expenses		8,350	12,100

(i) Operating lease payments for residential properties are recognised on a straight line basis over the lease term.

Other expenses are recognised as expenses in the reporting period in which they are incurred. These include the day-to-day running costs incurred in the normal course of operations.

All expenditure relating to asset maintenance, port utilities and rates and taxes is recognised as an expense in the reporting period in which it is incurred.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

8 INCOME TAX EXPENSE	NOTES	2019 \$'000	2018 30 JUN 2018 *RESTATED \$'000
(a) Income tax expense			
Current tax	(i)	61,109	61,075
Adjustment for prior period	(ii)	21,492	(1,091)
Temporary differences	(iii)	(6,974)	16,280
Over/(under) provision in prior years		(21,637)	878
		53,990	77,142
(b) Numerical reconciliation of income tax expense to prima facie tax payable			
Profit before income tax expense		180,334	257,783
Tax at the Australian tax rate of 30%		54,100	77,335
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Entertainment and travel		32	16
Other		3	5
Total numerical reconciliation of income tax expense to prima facie tax payable		54,135	77,356
Under/(over) provision in prior years		(145)	(214)
Total income tax expense		53,990	77,142

* Refer to Note 35 for restatement of Port Hedland channel fair value.

- (i) Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year.
- (ii) Any adjustment to tax payable in respect of previous years is separately disclosed. It is measured using tax rates enacted or substantively enacted at the reporting date.
- (iii) Temporary differences as at 30 June 2018 has been restated from \$19.199 million (reported in 2017-18 annual report) to \$16.280 million. The reduction of \$2.919 million is the 30% tax of the additional \$9.730 million depreciation recognised as part of the Port Hedland channel restatement. Further information is provided in Note 35.

The Authority operates within the National Tax Equivalent Regime ("NTER") whereby an equivalent amount in respect of income tax is payable to the State Government. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government. As a consequence of participation in the NTER, the Authority is required to comply with *AASB 112 Income Taxes*.

Income tax expense comprises current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income. Refer to Note 23 Deferred tax liabilities.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

9 CASH AND CASH EQUIVALENTS	NOTES	2019 \$'000	2018 \$'000
Non-restricted		115,311	151,624
Restricted	(i)	104,558	171,492
Total cash and cash equivalents		219,869	323,116

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

- (i) Restricted cash and cash equivalents are reserved for a specific purpose and therefore not available for general business use. These include:
- Port Improvement Rate cash of \$39.575 million (2018: \$107.672 million) for approved Port of Port Hedland improvement projects; and
 - Proponent contributions of \$64.983 million (2018: \$63.820 million) for Port of Ashburton development and Port of Port Hedland land rehabilitation.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

10 NOTES TO THE STATEMENT OF CASH FLOWS	NOTES	2019 \$'000	2018 \$'000
Reconciliation of net profit after tax to net cash inflow from operating activities:			
Net profit after tax	(i)	126,344	187,452
Non-cash items:			
Non-Government contributions		(6,337)	(71,152)
Depreciation and amortisation expense		59,615	47,828
Loss on disposal of assets		151	1,466
Other		(5,655)	1,767
Change in assets and liabilities:			
Trade receivables		496	(8,811)
Other receivables		(2,911)	(2,389)
Inventories		246	(1,464)
Deferred tax assets / liabilities		(28,609)	8,611
Trade payables		(2,027)	(2,844)
Other payables		23,659	426
Current income tax		29,112	(10,528)
Provisions		(1,757)	2,939
Net cash inflow from operating activities		192,327	153,301

(i) 2018 net profit after tax of \$187,451,507 is as was previously reported in the 2018 financial statements as there has been no restatement of the Statement of Cash Flows, Note 35.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

11 TRADE RECEIVABLES	2019 \$'000	2018 \$'000
Trade receivables	52,893	53,389
Total trade receivables	52,893	53,389

Trade receivables are recognised and carried at the original invoice amounts less allowance for any uncollectible amounts or discounts provided. Receivables are generally settled within 30 days except for property rentals, which are governed by individual lease agreements and may be settled under different terms.

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect the debts.

The aged analysis of trade receivables is provided in Note 26. There was no impairment of trade receivables required for the years ended 30 June 2019 or 30 June 2018.

12 OTHER RECEIVABLES	NOTES	2019 \$'000	2018 \$'000
Dredging receivable	(i)	111	47,647
Prepayments		1,270	593
Accrued income		2,075	1,733
GST paid to suppliers		4,136	2,242
Other receivables		6	7
Total other receivables		7,598	52,222

(i) Dredging works of \$47.536 million were completed by a proponent during FY 2018/19. The dredging receivable was reduced from \$47.647 million to \$111,030 as at 30 June 2019.

13 INVENTORIES	2019 \$'000	2018 \$'000
Spare parts	6,344	6,099
Total inventories	6,344	6,099

Inventories are not held for resale and are measured at cost; unless they are no longer required, in which case they are measured at net realisable value.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

14 PROPERTY, PLANT AND EQUIPMENT

	CHANNELS AND BREAK- WATERS \$'000	LAND \$'000	BERTHS AND JETTIES \$'000	BUILDINGS AND IMPROVE- MENTS \$'000	PLANT AND EQUIPMENT \$'000	INFRA- STRUCTURE \$'000	BUILDINGS UNDER CON- STRUCTION \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
2018									
At fair value balance at 1 July 2017 as previously reported	830,779	71,029	286,822	-	-	-	-	-	1,188,630
Impact of restatement*	419,726	-	-	-	-	-	-	-	419,726
At fair value balance at 1 July 2017 restated*	1,250,505	71,029	286,822	-	-	-	-	-	1,608,356
Less fair value increment/(decrement)	-	(39,210)	-	-	-	-	-	-	(39,210)
Less reserve impact of transfers increment/(decrement)	(95)	-	1,090	-	-	-	-	-	995
Less accumulated depreciation restated*	(30,565)	-	(9,674)	-	-	-	-	-	(40,239)
Total written down value at fair value restated	1,219,845	31,819	278,238	-	-	-	-	-	1,529,902
At cost	-	-	-	58,865	157,862	117,692	38,806	53,638	426,863
Less accumulated depreciation	-	-	-	(16,024)	(77,100)	(42,942)	-	-	(136,066)
Less accumulated impairment	-	-	-	(2,577)	-	-	-	-	(2,577)
Total written down value at cost	-	-	-	40,264	80,762	74,750	38,806	53,638	288,220
Total property, plant and equipment at 30 June 2018 restated*	1,219,845	31,819	278,238	40,264	80,762	74,750	38,806	53,638	1,818,122

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	CHANNELS AND BREAK- WATERS \$'000	LAND \$'000	BERTHS AND JETTIES \$'000	BUILDINGS AND IMPROVE- MENTS \$'000	PLANT AND EQUIPMENT \$'000	INFRA- STRUCTURE \$'000	BUILDINGS UNDER CON- STRUCTION \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
2019									
At fair value	1,378,401	32,238	289,933	-	-	-	-	-	1,700,572
Less fair value increment/(decrement)	436,770	1	12,573	-	-	-	-	-	449,344
Less accumulated depreciation	(60,642)	-	(19,576)	-	-	-	-	-	(80,218)
Total written down value at fair value	1,754,529	32,239	282,930	-	-	-	-	-	2,069,698
At cost	-	-	-	93,142	171,176	125,593	11,004	100,959	501,874
Less accumulated depreciation	-	-	-	(18,881)	(86,588)	(47,012)	-	-	(152,481)
Less accumulated impairment	-	-	-	(2,567)	-	-	-	-	(2,567)
Total written down value at cost	-	-	-	71,694	84,588	78,581	11,004	100,959	346,826
Total property, plant and equipment	1,754,529	32,239	282,930	71,694	84,588	78,581	11,004	100,959	2,416,524

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the reporting period are set out in the table below:

	NOTES	CHANNELS AND BREAK- WATERS \$'000	LAND \$'000	BERTHS AND JETTIES \$'000	BUILDINGS AND IMPROVE- MENTS \$'000	PLANT AND EQUIP- MENT \$'000	INFRA- STRUCTURE \$'000	BUILDINGS UNDER CON- STRUCTION \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
2018										
Carrying amount as at 1 July as previously reported		830,165	69,291	277,959	37,426	87,850	77,561	13,316	11,700	1,405,268
-Impact of restatement*		419,726	-	-	-	-	-	-	-	419,726
Carrying amount as at 1 July restated*		1,249,891	69,291	277,959	37,426	87,850	77,561	13,316	11,700	1,824,994
Additions		152	1,738	2,938	1,465	1,868	1,398	28,664	51,492	89,715
Transfer from work in progress		-	-	4,733	3,318	2,693	823	(3,044)	(8,836)	(313)
Transfer between asset classes		(252)	-	1,352	(1,108)	(1,017)	1,065	-	-	40
Transfer to Statement of Comprehensive Income		-	-	-	-	-	-	(130)	(718)	(848)
Depreciation restated*		(29,851)	-	(9,551)	(2,002)	(10,069)	(5,648)	-	-	(57,121)
Disposals		-	-	(382)	(227)	(2,254)	(524)	-	-	(3,387)
Accumulated depreciation on disposals		-	-	99	152	1,691	75	-	-	2,017
Revaluation increments/(decrements)	24(b)	-	(39,210)	-	-	-	-	-	-	(39,210)
Reserve impact of transfers		(95)	-	1,090	-	-	-	-	-	995
Impairment losses reversed	3(v)	-	-	-	1,240	-	-	-	-	1,240
Carrying amount as at 30 June 2018 restated*		1,219,845	31,819	278,238	40,264	80,762	74,750	38,806	53,638	1,818,122

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	NOTES	CHANNELS AND BREAK-WATERS \$'000	LAND \$'000	BERTHS AND JETTIES \$'000	BUILDINGS AND IMPROVEMENTS \$'000	PLANT AND EQUIPMENT \$'000	INFRA-STRUCTURE \$'000	BUILDINGS UNDER CONSTRUCTION \$'000	WORK IN PROGRESS \$'000	TOTAL \$'000
2019										
Carrying amount as at 1 July restated*		1,219,845	31,819	278,238	40,264	80,762	74,750	38,806	53,638	1,818,122
Additions ⁽ⁱ⁾		83,668	419	1,810	34,343	13,244	11,044	18,278	49,308	212,114
Transfer from work in progress		44,323	-	211	-	1,255	1,006	(45,604)	(1,191)	-
Transfer to Statement of Comprehensive Income		-	-	-	-	-	-	(476)	(796)	(1,272)
Depreciation		(30,077)	-	(9,902)	(2,899)	(10,581)	(5,708)	-	-	(59,167)
Disposals		(25,855)	-	-	(66)	(1,185)	(4,149)	-	-	(31,255)
Accumulated depreciation on disposals		25,855	-	-	43	1,093	1,638	-	-	28,629
Revaluation increments/(decrements) ⁽ⁱⁱ⁾	24(b)	436,770	1	12,573	-	-	-	-	-	449,344
Impairment losses reversed ⁽ⁱⁱⁱ⁾	3(v)	-	-	-	9	-	-	-	-	9
Carrying amount as at 30 June		1,754,529	32,239	282,930	71,694	84,588	78,581	11,004	100,959	2,416,524

* Refer to Note 35 for restatement of Port Hedland channel fair value.

(i) PIR projects of \$110.848 million and Lumsden capital dredging of \$47.536 million were completed as at 30 June 2019.

(ii) For asset classes measured at fair value, increases or decreases in value are recognised as a revaluation increment / decrement in the asset revaluation reserve. Further information on fair value measurements is provided in Note 15.

(iii) For asset classes measured at cost, impairment losses or reversals are recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Minor assets

Items of property, plant and equipment costing less than \$5,000 are expensed to the Statement of Comprehensive Income.

Initial recognition and measurement

Items of property, plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition with the exception of vested crown land. Vested land is generally transferred at the Valuer General's fair value at the time of transfer. Purchased software that is integral to the functionality of related equipment is capitalised as part of that equipment. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent measurement

Subsequent to initial recognition of an asset, the revaluation model is used for the measurement of channels and breakwaters, land and berths and jetties, and historical cost for all other property, plant and equipment. Channels and breakwaters, land and berths and jetties are carried at fair value less accumulated depreciation and accumulated impairment losses. All other items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated using the straight line method over their estimated useful lives in a manner that reflects the consumption of their future economic benefits, recognised in the Statement of Comprehensive Income.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

14 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Estimated useful lives for each class of depreciable asset are:

Asset class at cost	Estimated useful lives	Asset class at fair value	Estimated useful lives
Infrastructure	10 – 50 years	Channels and breakwaters	10 – 98 years
Buildings and improvements	2 – 50 years	Berths and jetties	10 – 50 years
Plant and equipment (including office equipment, motor vehicles)	2 – 40 years		

Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs (under \$5,000) are expensed as incurred. This includes repairs that relate to the restoration of an asset to its original service potential. Repairs that improve the functionality of the asset or increase its effective life are capitalised and depreciated.

Land

Land which is either freehold, vested in the Authority or under management order in accordance with the Port Authorities Act 1999 is considered to be under the control of the Authority and is recorded in property, plant and equipment. Land assets are not depreciated.

15 FAIR VALUE MEASUREMENTS

	NOTES	2019 LEVEL 2 \$'000	2019 LEVEL 3 \$'000	2019 TOTAL \$'000	2018 30 JUN 2018 *RESTATED LEVEL 2 \$'000
Assets measured at fair value as at the end of the reporting period:					
Channels and breakwaters	14	112,265	1,642,264	1,754,529	1,219,845
Land	14	23,697	8,542	32,239	31,819
Berths and jetties	14	258,147	24,783	282,930	278,238
Total assets measured at fair value		394,109	1,675,589	2,069,698	1,529,902

* Refer to Note 35 for restatement of Port Hedland channel fair value.

Reconciliations of the carrying amounts of the assets measured at fair value are provided in Note 14.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

15 FAIR VALUE MEASUREMENTS (CONTINUED)

Valuation techniques

PPA engaged the services of an independent valuer to determine the fair value of assets as at 30 June 2019 and will continue to do so at a minimum of every three years.

Valuation technique to derive level 2 and 3 fair value

The basis of the valuation assumes an asset can be exchanged after an adequate period of marketing to obtain its best price, having regard to the highest and best use of the asset for which market participants in the principal or most advantageous markets would be prepared to pay. In the absence of a market price, fair value has been estimated by reference to the best available market evidence including current market prices for recent transactions of similar assets or current market new replacement costs, considered to be level 2 inputs against which an allowance for depreciation is applied. Where no market price or market evidence is available, unobservable inputs are applied such as indexation, which are considered to be a level 3 input.

Where the market buying price and market selling price differ materially, often in the case of specialised assets, fair value has been estimated using the direct replacement cost of the asset, whereby replacement cost is depreciated for consumption of service potential and other obsolescence. Where inputs in this method of valuation are directly or indirectly observable they are considered level 2 inputs, for example direct replacement cost in a new asset market, asset utilisation and allocation of useful life. Where inputs in this method of valuation are unobservable, they are considered level 3 inputs, for example indexation of acquisition cost, industry or consumer price indices.

Channels and breakwaters

The valuation of channels and breakwaters has been determined based on the assumed total volumes that would need to be dredged to replace them. A calculation of the gross current cost for dredged areas was made based on current market new replacement costs. Depreciation was applied to determine the written down current cost having regard to the life of the port generally and its remaining life specifically. Depreciation was calculated after giving consideration to the condition generally of port assets employed, economic factors relating to a continuation of trade and technological advances giving rise to potential risk of functional obsolescence.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

15 FAIR VALUE MEASUREMENTS (CONTINUED)

Land

In determining the value of land, consideration was given to industrial and residential land sales evidence and land value movement trends generally over the last 2 years within the boundaries of the Town of Port Hedland (including Finucane Island, South Hedland and Wedgefield), City of Karratha (including Dampier), and the Shire of Ashburton (including Onslow). The applied analysis of this evidence took into account the limited number of uses to which much of the port related land could be put.

Berths and jetties

The Authority's fair values for berths and jetties have been estimated using current market new replacement cost, against which an allowance for depreciation was applied.

16 INTANGIBLE ASSETS

	COMPUTER SOFTWARE \$'000	ENVIRONMENTAL APPROVALS \$'000	TOTAL \$'000
2018			
At cost	4,956	449	5,405
Less accumulated amortisation	(4,249)	(113)	(4,362)
Total written down value at cost	707	336	1,043
2019			
At cost	5,066	449	5,515
Less accumulated amortisation	(4,665)	(124)	(4,789)
Total written down value at cost	401	325	726

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

16 INTANGIBLE ASSETS (CONTINUED)

Reconciliations of the carrying amounts of intangible assets at the beginning and end of the reporting period are set out in the table below:

	COMPUTER SOFTWARE \$'000	ENVIRONMENTAL APPROVALS \$'000	TOTAL \$'000
2018			
Carrying amount as at 1 July	786	345	1,131
Additions	77	-	77
Transfer from work in progress	313	-	313
Transfer between asset classes	(40)	-	(40)
Amortisation for year	(429)	(9)	(438)
Disposals	(2)	-	(2)
Accumulated amortisation on disposals	2	-	2
Carrying amount as at 30 June	707	336	1,043
2019			
Carrying amount as at 1 July	707	336	1,043
Additions	131	-	131
Transfer from work in progress	-	-	-
Transfer between asset classes	-	-	-
Amortisation for year	(437)	(11)	(448)
Disposals	-	-	-
Accumulated amortisation on disposals	-	-	-
Carrying amount as at 30 June	401	325	726

Minor assets

Intangible assets costing less than \$5,000 are expensed to the Statement of Comprehensive Income.

Recognition and measurement

Intangible assets costing \$5,000 or more are recognised as assets and the cost of utilising these assets is expensed (amortised) over their useful lives. Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the 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.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

16 INTANGIBLE ASSETS (CONTINUED)

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

Computer software

Software that is an integral part of related hardware is treated as property, plant and equipment.

Environmental approvals

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

Amortisation

Amortisation of intangible assets with finite useful lives is calculated for the period of the expected benefit on a straight line basis, recognised in the Statement of Comprehensive Income. All intangible assets controlled by the Authority have a finite useful life and zero residual value. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

The expected useful lives for each class of intangible asset are:

Asset class at cost	Estimated useful lives
Computer software	2 – 7 years
Environmental approvals	50 years

The Authority held no intangible assets with an indefinite useful life at reporting date.

Research and development

Research expenditure is recognised in the Statement of Comprehensive Income, as incurred. Development expenditure is capitalised only if the following applies:

- can be measured reliably;
- the product or process is technically and commercially feasible;
- future economic benefits are probable; and
- the Authority intends to and has sufficient resources to complete development and to use or sell the asset.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

17 INVESTMENT IN SHARES

Investment in associates

The Authority paid \$10,000 in December 2018 and holds a 25% equity interest in Port Hedland Industries Council Pty Ltd (PHIC). The associate is not material to the Authority. The investment in PHIC is accounted for using the equity method in accordance with AASB 128.

Name of the associate	Principal activity	Principal place of business	Proportion of ownership
Port Hedland Industries Council Pty Ltd	An industry organisation for providing strategies on community and environment management	Port Hedland	25%

Summarised aggregated financial information of the Authority's share in the associate

	NOTES	2019 \$'000	2018 \$'000
Initial investment cost		10	-
Profit from continuing operations	(i)	-	-
Aggregate carrying amount of the Authority's interest in associate		10	-

(i) The Authority's share of PHIC profit is not material and is not recognised in this financial report.

	2019 \$'000	2018 \$'000
18 TRADE PAYABLES		
Trade payables	4,894	6,922
Total trade payables	4,894	6,922

Trade payables are recognised at the amounts payable in the future for goods and services received prior to the reporting date. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

19 OTHER PAYABLES	NOTES	2019 \$'000	2018 \$'000
Rent received in advance		8,250	5,658
GST collected from customers		4,241	3,820
Accrued expenses	(i)	34,772	14,127
Total other payables		47,263	23,605

(i) Accrued expenses are recognised at the amounts payable in the future for goods and services received prior to the reporting date. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

20 INTEREST BEARING BORROWINGS	2019 \$'000	2018 \$'000
(a) Current		
Western Australian Treasury Corporation loans	23,032	22,856
Total current interest bearing borrowings	23,032	22,856
(b) Non-current		
Western Australian Treasury Corporation loans	108,832	131,864
Total non-current interest bearing borrowings	108,832	131,864
Total interest bearing borrowings	131,864	154,720

Borrowings are classified as financial instruments. All interest bearing borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. The measurement basis subsequent to initial recognition depends on whether the Authority has categorised its interest bearing liabilities as either 'financial liabilities designated at fair value through profit or loss', or financial liabilities at 'amortised cost'. The classification depends on the nature and purpose of the interest bearing liabilities. The Authority determines the classification of its interest bearing liabilities at initial recognition.

The Authority has two loans with the Western Australian Treasury Corporation (WATC) being:

- The loan for the Utah Point Bulk Handling Facility (BHF) which is repayable via annual principal payments in accordance with the 5 year borrowing limit schedule provided by WATC and quarterly interest payments in accordance with a fixed instalment repayment schedule; and
- The loan for the Port of Dampier Bulk Liquids Berth (BLB) which is repayable via 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 portfolio lending arrangements, the Authority has not provided any security in respect of the loans.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

21 CURRENT TAX LIABILITIES	NOTES	2019 \$'000	2018 \$'000
Opening balance		766	11,294
Prior year true up	(i)	22,329	(1,021)
Tax instalments paid		(58,923)	(64,533)
Tax refund/(paid)		4,596	(6,049)
Current tax expense		61,109	61,075
Total current tax liabilities		29,877	766
<p>(i) \$21.3 million of the \$22.329 million has been reclassified from deferred tax liabilities to current tax liabilities due to a re-assessment of the timing of assessment. Refer to Note 23 (iv).</p>			
22 PROVISIONS	NOTES	2019 \$'000	2018 \$'000
(a) Current			
Employee benefits			
Annual leave		2,944	3,039
Long service leave		4,362	4,006
Other employee benefits		276	332
Total current employee benefits		7,582	7,377
Total current provisions		7,582	7,377
(b) Non-current			
Employee benefits			
Long service leave		508	580
Other employee benefits	22 (c)(ii)	547	518
Total non-current employee benefits		1,055	1,098
Other provisions			
Provision for land rehabilitation	22 (c)(i)	68,012	67,802
Total other provisions		68,012	67,802
Total non-current provisions		69,067	68,900
Total provisions		76,649	76,277

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

22 PROVISIONS (CONTINUED)	NOTES	2019 \$'000	2018 \$'000
(c) Movements in other non-current provisions are set out below:			
(i) Land rehabilitation			
Carrying amount as at 1 July		67,802	77,272
Land rehabilitation works completed during the year		-	(11,601)
Change in cost assumptions	7	(1,937)	450
Net present value increase/(decrease)	5	2,147	1,681
Carrying amount as at 30 June		68,012	67,802
(ii) Pension and Gold State Superannuation			
Carrying amount as at 1 July		518	562
Interest cost		13	12
Actuarial (gains)/losses		46	(27)
Benefits paid		(30)	(29)
Carrying amount as at 30 June		547	518

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period. The unwinding of a discount is recognised as a finance cost.

Land rehabilitation

Provision for land rehabilitation liability has been recognised using a discounted cash flow methodology. Management's estimates have been developed from an internal cost model.

Employee benefits

The liability for annual and long service leave expected to be settled within 12 months after the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled using the remuneration rates expected to apply at the time of settlement. Long service leave not expected to be settled wholly within 12 months after the reporting date, is disclosed as non-current and the calculation of such will be discounted accordingly. Leave liabilities are in respect of services provided by employees up to the reporting date.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

22 PROVISIONS (CONTINUED)

When assessing expected future payments, consideration is given to estimated future wage and salary levels including non-salary components, such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted to present value using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

Employment on-costs are recognised as liabilities and expenses when the employment to which they relate has occurred.

Pension and gold state scheme

The Government Employees Superannuation Board (GESB) and other fund providers administer public sector superannuation arrangements in Western Australia in accordance with legislative requirements. Eligibility criteria for membership in particular schemes for public sector employees vary according to commencement and implementation dates.

Eligible employees contribute to the Gold State Superannuation scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995. Two people remain in GSS.

Employees commencing employment prior to 16 April 2007 who were not members of the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBSS). The Authority makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguish the agency's obligations to the related superannuation liability.

The Authority has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS obligations are funded by concurrent contributions made by the Authority to GESB.

GESB makes all benefit payments in respect of the Pension Scheme and GSS, and is recouped from the Treasurer for the employer's share.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

23 DEFERRED TAX LIABILITIES	NOTES	2019 \$'000	2018 30 JUN 2018 *RESTATED \$'000	2018 1 JUL 2017 *RESTATED \$'000
(a) Deferred tax assets				
Depreciation timing differences	(i)	17,909	9,446	1,173
Project pool expenditure		268	625	2,538
Provisions	(ii)	22,995	22,884	25,636
Other		533	1,941	2,233
Total deferred tax assets		41,705	34,896	31,580
(b) Deferred tax liabilities				
Property, plant and equipment	(iii)	(534,819)	(400,016)	(411,480)
Receivables	(iv)	-	(21,300)	-
Other		(27)	(529)	(1,357)
Total deferred tax liabilities		(534,846)	(421,845)	(412,837)
Net deferred tax assets / (liabilities)		(493,141)	(386,949)	(381,257)

* Refer to Note 35 for restatement of Port Hedland channel fair value.

- (i) The balance as at 30 June 2018 has been restated from \$6.527 million (reported in 2017-18 annual report) to \$9.446 million. The increase of \$2.919 million is the 30% tax of the additional \$9.730 million depreciation recognised as part of the Port Hedland channel restatement. Further information on depreciation timing difference is provided in Income tax expenses temporary differences, Note 8 (iii).
- (ii) This balance represents the deferred tax impact of the total provisions. Further information on provisions is provided in Note 22.
- (iii) This balance represents the deferred tax impact of increased future depreciation for accounting purposes as a result of the fair value accounting policy change. The balance as at 30 June 2018 has been restated from \$274.098 million to \$400.016 million. The increase of \$125.918 million is the 30% tax of \$419.726 million Port Hedland channel value adjustment at 1 July 2017.
- (iv) Due to a re-assessment of timing of assessment \$21.3M has been reclassified to current tax liability in 2019. The Authority made the \$21.3M payment in full in August 2019.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

23 DEFERRED TAX LIABILITIES (CONTINUED)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit(s) will be realised.

24 EQUITY

	NOTES	2019 \$'000	2018 30 JUN 2018 *RESTATED \$'000	2018 1 JUL 2017 *RESTATED \$'000
(a) Contributed equity				
Carrying amount as at 1 July				
PIR	(i)	25,084	60,735	5,112
Vested land		484	1,738	-
Equity contributions during the year				
		25,568	62,473	5,112
Carrying amount as at 30 June				
		307,184	281,616	219,143

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

24 EQUITY (CONTINUED)

	NOTES	2019 \$'000	2018 30 JUN 2018 *RESTATED \$'000	2018 1 JUL 2017 *RESTATED \$'000
(b) Asset revaluation reserve				
Carrying amount as at 1 July		933,370	960,121	-
Net revaluation increments/(decrements):				
- Channels and breakwaters	14	436,770	(95)	1,219,187
- Land	14	1	(39,210)	53,060
- Berths and jetties	14	12,573	1,090	99,354
Asset revaluations during the year		449,344	(38,215)	1,371,601
Deferred tax impact		(134,803)	11,464	(411,480)
Carrying amount as at 30 June		1,247,911	933,370	960,121
(c) Retained earnings				
Carrying amount as at 1 July		389,766	429,783	291,205
Total comprehensive income for the year	(ii)	126,298	180,668	151,663
Dividends paid	(iii)	(150,883)	(220,685)	(13,085)
Carrying amount as at 30 June		365,181	389,766	429,783
Total equity at end of period		1,920,276	1,604,752	1,609,047

* Refer to Note 35 for restatement of Port Hedland channel fair value.

(i) The proportion of dividends paid relating to the Port Improvement Rate (PIR) are returned to the Authority as an equity contribution each year. Equity contributions of \$25.084 million in 2019 (\$60.735 million in 2018) were returned to the Authority. Further information on dividends is provided in Note 25.

Any contributions received from the WA Government are recognised directly as a credit to contributed equity.

(ii) Total comprehensive income for the year excludes the changes in the asset revaluation reserve, net of tax.

(iii) The higher dividend paid in 2018 was due to a government decision to defer the interim dividend for the year ended 30 June 2017 to FY2017/18. Further information on dividends is provided in Note 25.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

25 DIVIDENDS	2019 \$'000	2018 \$'000
Final dividend prior year	75,168	136,518
Interim dividend current year	75,715	84,167
Total dividends	150,883	220,685

The dividend is payable in two tranches at a dividend payout ratio of 85% in FY2018/19:

- Tranche 1 = 75% via an interim dividend prior to 30 June, and
- Tranche 2 = 25% final dividend after year end due and payable by 31 December.

Dividends, to the extent that they are not paid within the period, are recognised as a liability in the period in which they are declared. In accordance with Australian Accounting Standards, the final dividend relating to the financial results for the year ended 30 June 2019 has not been provided for as it is expected to be declared by the Board and approved by Government after the reporting date.

The Government and the Authority have agreed that the proportion of dividends paid which relate to the Port Improvement Rate (PIR) profit are to be returned to the Authority as an equity contribution each year. \$25.084 million in 2019 (\$60.735 million in 2018) was returned to the Authority.

26 FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

Financial instruments held by the Authority are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables and Western Australian Treasury Corporation (WATC) borrowings. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

(a) Summary of risks and risk management

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority. The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table in Note 26 (c). The Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

26 FINANCIAL INSTRUMENTS (CONTINUED)

Liquidity risk

Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due. The Authority is exposed to liquidity risk through its trading in the normal course of business. The Authority has appropriate procedures to manage cash flows including drawdown of cash reserves by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices will affect the Authority's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns.

The Authority's exposure to market risk includes:

- the impact that changes in commodity prices have on the price relief (discount) provided to proponents at the Utah Point BHF; and
- the impact of changes in interest rates relating primarily to cash and cash equivalents.

The Authority's borrowings are all obtained through the WATC and are at fixed rates with varying maturity dates. The risk is managed by WATC through portfolio diversification and variation in maturity dates. The Authority does not trade in foreign currency.

(b) Categories of financial instruments

The carrying amounts of each of the following categories of financial assets and financial liabilities at the end of the reporting period are provided below:

	2019 \$'000	2018 \$'000
Financial assets		
Cash and cash equivalents	115,311	151,624
Restricted cash and cash equivalents	104,558	171,492
Loans and receivables	50,164	50,275
Total financial assets	270,033	373,391
Financial liabilities		
Financial liabilities measured at amortised cost	179,335	180,797
Total financial liabilities	179,335	180,797

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

26 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Aging analysis of financial assets	NOTES	CARRYING AMOUNT \$000	NOT PAST DUE AND NOT IMPAIRED \$000	PAST DUE BUT NOT IMPAIRED					IMPAIRED FINANCIAL ASSETS \$000
				UP TO 1 MONTH \$000	1 - 3 MONTHS \$000	3 MONTHS TO 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000	
2018									
Financial assets									
Cash and cash equivalents	9	151,624	151,624	77,363	74,261	-	-	-	-
Restricted cash and cash equivalents	9	171,492	171,492	18,328	153,164	-	-	-	-
Trade receivables (i)		48,535	48,535	38,160	10,375	-	-	-	-
Other receivables (i)		1,740	1,740	1,740	-	-	-	-	-
Total financial assets		373,391	373,391	135,591	237,800	-	-	-	-
2019									
Financial assets									
Cash and cash equivalents	9	115,311	115,311	39,081	76,230	-	-	-	-
Restricted cash and cash equivalents	9	104,558	104,558	40,373	64,185	-	-	-	-
Trade receivables (i)		48,084	48,084	39,154	8,930	-	-	-	-
Other receivables (i)		2,080	2,080	2,080	-	-	-	-	-
Total financial assets		270,033	270,033	120,688	149,345	-	-	-	-

(i) The value of receivables excludes GST recoverable from the ATO (statutory receivable), prepayments and the dredging receivable.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

26 FINANCIAL INSTRUMENTS (CONTINUED)

(d) Liquidity risk and interest rate exposure

The following table details the Authority's interest rate exposure and the contractual maturity analysis of financial assets and financial liabilities. The maturity analysis section includes interest and principal cash flows. The interest rate exposure section analyses only the carrying amounts of each item.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

NOTES	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT \$000	INTEREST RATE EXPOSURE			NOMINAL AMOUNT \$000	MATURITY DATES					
			FIXED INTEREST RATE \$000	VARIABLE INTEREST RATE \$000	NON- INTEREST BEARING \$000		LESS THAN 1 MONTH \$000	1 MONTH TO 3 MONTHS \$000	3 MONTHS TO 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000	
2018												
Financial assets												
Cash and cash equivalents 9	2.44	151,624	-	151,623	1	151,624	77,363	74,261	-	-	-	-
Restricted cash and cash equivalents 9		171,492	-	171,492	-	171,492	18,328	153,164	-	-	-	-
Trade receivables (i)		48,535	-	-	48,535	48,535	38,160	10,375	-	-	-	-
Other receivables (i)		1,740	-	-	1,740	1,740	1,740	-	-	-	-	-
Total financial assets		373,391	-	323,115	50,276	373,391	135,591	237,800	-	-	-	-
Financial liabilities												
Trade payables (ii) 18		6,292	-	-	6,292	6,292	6,292	-	-	-	-	-
Other payables (ii) 19		19,785	-	-	19,785	19,785	19,785	-	-	-	-	-
Borrowings (iii) 20 (b)	3.84	154,720	50,020	104,700	-	182,687	-	2,926	25,740	100,390	53,631	-
Total financial liabilities		180,797	50,020	104,700	26,077	208,764	26,077	2,926	25,740	100,390	53,631	-

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

26 FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate exposure and maturity analysis of financial assets and financial liabilities (continued)

NOTES	WEIGHTED AVERAGE EFFECTIVE INTEREST RATE %	CARRYING AMOUNT \$000	INTEREST RATE EXPOSURE			NOMINAL AMOUNT \$000	MATURITY DATES					
			FIXED INTEREST RATE \$000	VARIABLE INTEREST RATE \$000	NON-BEARING INTEREST \$000		LESS THAN 1 MONTH \$000	1 MONTH TO 3 MONTHS \$000	3 MONTHS TO 1 YEAR \$000	1-5 YEARS \$000	MORE THAN 5 YEARS \$000	
2019												
Financial assets												
Cash and cash equivalents 9	2.34	115,311	-	115,311	-	115,311	39,081	76,230	-	-	-	-
Restricted cash and cash equivalents 9		104,558	-	104,558	-	104,558	40,373	64,185	-	-	-	-
Trade receivables (i)		48,084	-	-	48,084	48,084	39,154	8,930	-	-	-	-
Other receivables (i)		2,080	-	-	2,080	2,080	2,080	-	-	-	-	-
Total financial assets		270,033	-	219,869	50,164	270,033	120,688	149,345	-	-	-	-
Financial liabilities												
Trade payables (ii) 18		4,449	-	-	4,449	4,449	4,449	-	-	-	-	-
Other payables (ii) 19		43,022	-	-	43,022	43,022	43,022	-	-	-	-	-
Borrowings (iii) 20 (b)	3.77	131,864	47,164	84,700	-	155,025	-	2,484	26,832	89,472	36,237	-
Total financial liabilities		179,335	47,164	84,700	47,471	202,496	47,471	2,484	26,832	89,472	36,237	-

(i) The value of trade and other receivables excludes GST recoverable from the ATO (statutory receivable), prepayments and the dredging receivable.

(ii) The value of trade and other payables excludes GST payable to the ATO (statutory payable).

(iii) With reference to the nominal amount, the maturity date analysis of financial assets and financial liabilities is inclusive of principal and interest cash flows.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

26 FINANCIAL INSTRUMENTS (CONTINUED)

(e) Interest rate sensitivity analysis

The Authority does not account for any fixed rate financial assets and liabilities at fair value through the Statement of Comprehensive Income. Therefore a change in interest rates at the end of the reporting period would not affect the reported profit.

The Authority's policy is to manage its investment portfolio through diversification and variation in maturity dates with the objective of achieving optimum returns whilst managing interest rate risk to avoid uncertainty and volatility in the market place.

The Authority regularly analyses its interest rate exposure. Within this analysis, consideration is given to potential renewals of existing positions and alternative financing structures.

At the reporting date, if interest rates had moved as illustrated in the table below, with all other variables held constant, the effect would be as follows:

	CARRYING AMOUNT \$'000	-1% CHANGE PROFIT \$'000	+1% CHANGE PROFIT \$'000
Financial Assets			
2018			
Cash and cash equivalents	323,116	(3,231)	3,231
2019			
Cash and cash equivalents	219,869	(2,199)	2,199

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

27 CONTINGENCIES

Contingent liabilities

The following contingent liabilities are additional to the liabilities included in the financial statements:

Litigation in progress

The Authority is the defendant in a plaintiff's claim for damages for personal injuries allegedly sustained in a 'trip and fall' incident at Port of Port Hedland, during the plaintiff's employment with Qube Bulk Pty Ltd. The plaintiff's claim is for damages, interest and costs in an amount yet to be quantified or determined. The Authority has denied any liability to the plaintiff and is defending the claim.

Contaminated sites

Under the Contaminated Sites Act 2003 (WA), the Authority must report known and/or suspected contamination to the Department of Water and Environmental Regulation (DWER). After receiving such a report, the DWER must classify the site 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 Authority is likely to be responsible for investigation and/or remediation (and associated expenses). The Authority will only incur liability if a lessee fails to comply with its obligations under the lease.

Port of Dampier

In October 2006, the Authority (formerly Dampier Port Authority) reported suspected contamination at three isolated sites within the De Witt Location 471. As the Contaminated Sites Management System is linked to the State cadastral system, DWER can only list whole land parcels (and not portions of a lot). Accordingly, on 15 June 2007, after investigations identified concentrations of contaminants exceeding adopted assessment levels, DWER classified all of De Witt Location 471 as "possibly contaminated – investigation required". In 2009, Rio Tinto undertook the required remediation works to have one of the three areas de-listed from the Memorial.

In 2010, Mermaid Marine Australia had another area added to the same Memorial and in 2014, a small diesel spill occurred within the Woodside leased area. While investigations and remedial works were undertaken, some residual impact remains beneath a concrete slab and as a result, this incident was added to the Memorial.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

27 CONTINGENCIES (CONTINUED)

Contaminated sites (continued)

Port of Dampier (continued)

DWER has assessed the De Witt Location 471 to be suitable for commercial/industrial use, but it may not be suitable for more sensitive land uses (such as residential housing). DWER has also indicated that further works may be required to determine the contamination status of soil, surface water and groundwater at the site. During financial years 2015/2016 and 2016/2017, the Authority engaged specialist consultants to further investigate groundwater across Lot 471 in accordance with a request from DWER. The Authority also worked with lessees to undertake additional site investigations in order to further understand and manage contamination matters on the site. This information has been provided to DWER and the Authority is yet to be advised of the outcome.

The Authority's lease agreements require lessees to comply with all environmental laws, to prepare and submit an Operational Environmental Management Plan to the Authority and to address all forms of environmental damage to the occupied leased land, including contamination. Where specific contamination events have resulted from the direct actions of the lessee, the lessee has, at its cost, the obligation and duty to investigate and remediate the affected site.

Port of Port Hedland

On 1 July 2010, a section of land (Lot 6098) vested in Port Hedland Port Authority (now the Authority) was listed under the Contaminated Sites Act 2003 (WA) as "Contaminated-Remediation Required". The Authority has made submissions and is working with the lessees and specialist consultants to investigate and manage remediation requirements.

In February 2016, four parcels of land (W004, W002 and two adjacent road reserves) located within the Wedgefield Estate part of Lot 370 were classified by DWER as "Possibly Contaminated - Investigation Required". This listing resulted from a hydrocarbon (diesel) spill which occurred on W002. The spill site was subsequently investigated by specialist consultants and remediated. However, the ongoing use of the site (and surrounding areas) by lessees for scrap metal recovery operations warrants the current classification. The Authority is working with lessees in this area and continues to undertake environmental monitoring in order to manage contamination.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

28 COMMITMENTS	2019 \$'000	2018 \$'000
Service contracts – port operations		
Within one year	53,008	43,440
Later than one year but not later than five years	126,993	59,591
Later than five years	145,196	125,692
Total service contracts – port operations	325,197	228,723
Capital commitments		
Within one year	19,444	88,335
Later than one year but not later than five years	8,543	8,161
Later than five years	-	-
Total capital commitments	27,987	96,496
Operating lease commitments (non-cancellable)		
Within one year	3,301	3,329
Later than one year but not later than five years	1,708	3,824
Later than five years	58	3
Total operating lease commitments (non-cancellable)	5,067	7,156
Operating lease commitments – employee housing (non-cancellable)		
Within one year	2,968	2,717
Later than one year but not later than five years	1,365	1,615
Later than five years	-	-
Total operating lease commitments – employee housing (non-cancellable)	4,333	4,332

Lease payments

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

29 REVENUE COMMITMENTS	2019 \$'000	2018 \$'000
Within one year	28,005	26,514
Later than one year but not later than five years	90,774	90,356
Later than five years (up to 50 years)	422,760	453,651
Total revenue commitments	541,539	570,521

Long term property leases

Properties are leased to proponents under operating leases with lease payments in accordance with the terms of their respective lease agreements. Minimum lease payments receivable on property leases are as above.

30 RELATED PARTIES

The Authority is a wholly owned government trading entity.

Related parties of the Authority

Related parties include:

- all cabinet ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other departments and statutory authorities, including related bodies, that are included in the whole of government consolidated financial statements;
- associates and joint ventures of a wholly-owned public sector entity; and
- the Government Employees Superannuation Board (GESB).

Significant transactions with Government-related entities

Significant transactions include:

- Defined contribution superannuation payments made to GESB.
- Defined benefit superannuation payments made to Department of Treasury: \$30,000 in 2019 (2018: \$29,000). Refer to Note 22(c)(ii).
- Interest bearing borrowings from WATC: \$131.864 million in 2019 (2018: \$154.720 million). Refer to Note 20.
- Dividends paid to the Western Australian State Government: \$150.883 million in 2019 (2018: \$220.685 million). Refer to Note 25.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

30 RELATED PARTIES (CONTINUED)

Material transactions with related parties

Related party transactions	NOTES	2019 \$'000	2018 \$'000
Latitude XL Pty Ltd	(i)	-	65
Corrs Chambers Westgarth	(ii)	344	123
Total related party transactions		344	188

- (i) During the year ended 30 June 2017, the Authority awarded a contract to Latitude XL Pty Ltd, a company controlled by a related party of former General Manager Corporate Affairs and Governance Raechel Paris, for refurbishment works at its West Perth office. The contract was awarded following a select tender process and on arm's length terms and conditions consistent with the Authority's procurement processes and procedures. The former General Manager Corporate Affairs and Governance had no involvement in the tender evaluation process, nor in the award of the contract to Latitude XL Pty Ltd. The value of the works under the contract was \$187,241, with variations of \$12,985. The total of \$65,536 was paid during the year ended 30 June 2018 on works completion.
- (ii) The Authority has been notified that a current WA State Government Minister has declared that a non-dependent close family member is a partner-in-charge of a law firm that provided services to the Authority. The value totalled \$344,350 during FY2018/19. The Authority has used the firm in previous years.

The Authority had no other material related party transactions with key management personnel or their close family members or their controlled (or jointly controlled) entities for disclosure.

Related and affiliated bodies

The Authority had no related bodies or affiliated bodies during the financial year.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

31 COMPENSATION OF KEY MANAGEMENT PERSONNEL

The Authority has determined that key management personnel include the Board of Directors and senior management of the Authority.

Total compensation of the key management personnel of the Authority for the reporting period is presented within the following bands:

COMPENSATION BANDS (\$)	2019	2018
Above 500,000	1	1
400,000 - 500,000	1	1
300,000 - 400,000	4	3
200,000 - 300,000	1	2
100,000 - 200,000	-	-
50,001 - 100,000	2	3
Up to 50,000	8	5
Total number of key management personnel	17	15

COMPENSATION OF KEY MANAGEMENT PERSONNEL	2019 \$'000	2018 \$'000
Short-term employee benefits	2,837	2,713
Post-employment benefits	342	331
Other-long term employment benefits	11	11
Total compensation of key management personnel	3,190	3,055

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

32 SUPPLEMENTARY FINANCIAL INFORMATION	2019 \$'000	2018 \$'000
Write-offs		
Bad debts	1	57
Total write-offs	1	57
<hr/>		
33 AUDITOR'S REMUNERATION	2019 \$'000	2018 \$'000
Office of Auditor General – External audit fee	108	119
Total Auditor remuneration	108	119

34 SUBSEQUENT EVENTS

No matters have arisen since 30 June 2019 that significantly affect, or may significantly affect the Authority's operations, the results of those operations, or the state of its affairs in future financial years.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

35 CORRECTION OF PRIOR PERIOD ERRORS

During 2019, the Authority identified that the dredging volume applied in the independent valuation of the Port Hedland channel to determine its fair value as at 30 June 2017 was understated due to error. As a consequence, the fair value of the Port Hedland channel and its depreciation charge have been understated since 30 June 2017. The errors have been corrected by restating each of the affected financial statement line items as at 1 July 2017 and for financial year 2018. The following tables summarise the impacts of the correction. There was no impact on the statement of cashflows.

	IMPACT OF CORRECTION OF ERROR		
	AS PREVIOUSLY REPORTED \$'000	ADJUSTMENTS \$'000	AS RESTATED \$'000
Statement of Financial Position			
1 July 2017			
Property, plant and equipment	1,405,268	419,726	1,824,994
Others	472,365	-	472,365
Total assets	1,877,633	419,726	2,297,359
Deferred tax liabilities	255,339	125,918	381,257
Others	307,055	-	307,055
Total liabilities	562,394	125,918	688,312
Retained earnings	429,783	-	429,783
Reserves	666,313	293,808	960,121
Others	219,143	-	219,143
Total equity	1,315,239	293,808	1,609,047
30 June 2018			
Property, plant and equipment	1,408,126	409,996	1,818,122
Others	435,869	-	435,869
Total assets	1,843,995	409,996	2,253,991
Deferred tax liabilities	263,950	122,999	386,949
Others	262,290	-	262,290
Total liabilities	526,240	122,999	649,239
Retained earnings	396,577	(6,811)	389,766
Reserves	639,562	293,808	933,370
Others	281,616	-	281,616
Total equity	1,317,755	286,997	1,604,752

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

35 CORRECTION OF PRIOR PERIOD ERRORS (CONTINUED)

	IMPACT OF CORRECTION OF ERROR		
	AS PREVIOUSLY REPORTED \$'000	ADJUSTMENTS \$'000	AS RESTATED \$'000
Statement of Comprehensive Income			
For the year ended 30 June 2018			
Total revenue	511,890	-	511,890
Depreciation and amortisation	(47,828)	(9,730)	(57,558)
Others	(196,549)	-	(196,549)
Profit before income tax	267,513	(9,730)	257,783
Income tax expense	(80,061)	2,919	(77,142)
Net profit after tax	187,452	(6,811)	180,641
Total comprehensive income	160,728	(6,811)	153,917

36 INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

AASB 9 Financial instruments

AASB 9 Financial instruments replaces AASB 139 Financial instruments: Recognition and Measurements for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Authority applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has not resulted in any changes in accounting policies or adjustments to the amounts recognised in the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

37 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE

The Authority has not adopted any of the following Australian Accounting Standards in the current reporting period. Below is a list of issued Accounting Standards that may impact the Authority in the future. Where applicable, the Authority intends to apply these Australian Accounting Standards from their noted application date.

Accounting standards operative for reporting periods beginning on 1 July 2019

(a) AASB 15 Revenue from Contracts with Customers

This Standard establishes the principles that the Authority shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The mandatory application date of this Standard is currently 1 January 2019 (AASB 2016-7). The Authority will apply the Standards from 1 July 2019 being the beginning of the FY2019/20 financial year.

The Authority recognises revenue primarily when a performance obligation is satisfied, thus will not be materially affected by this new accounting standard. The only change is to recognise Licensing fees as income in full on anniversary of effective date of licences issued, instead of recognising revenue monthly on a straight-line basis. The financial impact of the new accounting standard is \$316,042 to the Balance Sheet on transition as additional retained earnings will be recognised on 1 July 2019.

The Authority will adopt the modified retrospective approach on transition to AASB 15. No comparative information will be restated under this approach, and the agency will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

(b) AASB 16 Leases

This Standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Authority will apply the Standards from 1 July 2019 being the beginning of the FY2019/20 financial year.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

37 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE (CONTINUED)

Accounting standards operative for reporting periods beginning on 1 July 2019 (continued)

(b) AASB 16 Leases (continued)

The recognition of additional assets and liabilities, mainly from operating leases, will increase the Authority's total assets by \$37,117,443 and total liabilities by \$37,831,411. This will have an equity impact of \$713,968 on 1 July 2019. In addition, interest and depreciation expenses will increase, offset by a decrease in rental expense for the year ending 30 June 2020 and beyond.

The above assessment is based on the following accounting policy positions:

- Option 1/Option 2 of the modified retrospective approach on transition;
- the 'low value asset' threshold set at AUD\$5,000 (unless Government Officer Housing Schemes, or State Fleet);
- Leases classified as 'short term' (12 months or less) are not recognised under AASB16 (unless Government Officer Housing Scheme or State Fleet);
- Land, buildings and investment property ROU assets are measured under the cost model on transition and subsequently;
- Discount rates are sourced from WA Treasury Corporation (WATC)

The Authority will adopt the modified retrospective approach on transition to AASB 16. No comparative information will be restated under this approach, and the Authority will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

(c) AASB 1058 Income of Not-for-Profit Entities

This Standard clarifies and simplifies the income recognition requirements that apply to not-for-profit (NFP) entities, more closely reflecting the economic reality of NFP entity transactions that are not contracts with customers. Timing of income recognition is dependent on whether such a transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an Agency.

AASB 1058 will have impact on the Dampier Bulk Liquids Berth State Subsidy received by the agency – the revenue recognition will be deferred until funds are deposited in the bank account. The subsidy revenue will be fully recognised with no impact at year-end.

The Authority will adopt the modified retrospective approach on transition to AASB 1058. No comparative information will be restated under this approach, and the agency will recognise the cumulative effect of initially applying the Standard as an adjustment to the opening balance of accumulated surplus/(deficit) at the date of initial application.

Notes to the Financial Statements

for the year ended 30 June 2019
(continued)

37 FUTURE IMPACT OF AUSTRALIAN ACCOUNTING STANDARDS NOT YET OPERATIVE (CONTINUED)

Other accounting standards not yet operative

- *AASB 1059 Service Concession Arrangements: Grantors*
This Standard addresses the accounting for a service concession arrangement (a type of public private partnership) by a grantor that is a public sector agency by prescribing the accounting for the arrangement from the grantor's perspective. Timing and measurement for the recognition of a specific asset class occurs on commencement of the arrangement and the accounting for associated liabilities is determined by whether the grantee is paid by the grantor or users of the public service provided. The mandatory effective date of this Standard is currently 1 January 2020 (AASB 2018-5). The Authority has not yet determined the application or potential impact of the Standard.
- *AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not for Profit Entities*
This Standard inserts Australian requirements and authoritative implementation guidance for not-for-profit entities into AASB 9 and AASB 15. This guidance assists not-for-profit entities in applying those Standards to particular transactions and other events. There is no financial impact.
- *AASB 2018-4 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Public Sector Licensors*
This Standard amends AASB 15 to add requirements and authoritative implementation guidance for application by not-for-profit public sector licensors to transactions involving the issue of licences. The financial impact is disclosed in Note 37.
- *AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059*
This Standard amends the mandatory effective date of AASB 1059 so that AASB 1059 is required to be applied for annual reporting periods beginning on or after 1 January 2020 instead of 1 January 2019. There is no financial impact.
- *AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material*
This Standard clarifies the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. There is no financial impact.
- *AASB 2018-8 Amendments to Australian Accounting Standards – Right-of-Use Assets of Not-for-Profit Entities*
This Standard provides a temporary option for not-for-profit entities to not apply the fair value initial measurement requirements for right-of-use assets arising under leases with significantly below-market terms and conditions principally to enable the entity to further its objectives.

Director's Declaration

29 August 2019

Directors' Declaration

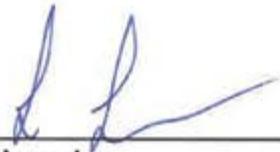
In the opinion of the Directors of the Pilbara Ports Authority:

- (a) The financial statements and notes are set out in accordance with the financial reporting provisions of the *Port Authorities Act 1999*, including:
 - (i) giving a true and fair view of the financial position of PPA as at 30 June 2019 and its performance, as represented by the results of its operations and its cash flows, for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Port Authorities Act 1999*.
- (b) There are reasonable grounds to believe that Pilbara Ports Authority will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors.



Brad Geatches
Chair
29 August 2019



Les Longden
Deputy Chair
29 August 2019

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

PILBARA PORTS AUTHORITY



Auditor General

Opinion

I have audited the financial report of Pilbara Ports Authority (the Corporation), which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Corporation's financial position as at 30 June 2019 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Pilbara Ports Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter – Restatement of comparatives

I draw attention to Note 35 of the financial statements which states that the fair value of the Port Hedland channel and its depreciation have been understated since 2017. This prior period error has been corrected by restating each of the affected financial statement line items for prior periods. My opinion is not modified in respect of this matter.

Responsibility of the Directors for the Financial Report

The directors of the Corporation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and schedule 5 of the *Port Authorities Act 1999*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Independent Auditor's Report

In preparing the financial report, the directors are responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Corporation.

Auditor's Responsibility for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

Independent Auditor's Report

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of Pilbara Ports Authority for the year ended 30 June 2019 included on the Corporation's website. The Corporation's management is responsible for the integrity of the Corporation's website. This audit does not provide assurance on the integrity of the Corporation'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 these financial report. If users of the financial report are concerned with the inherent risks arising from publication on 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.

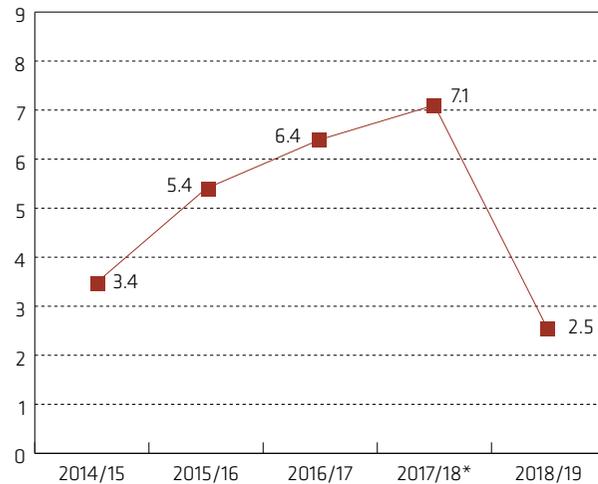


CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
4 September 2019

Key Financial Performance Indicators

In addition to the key performance indicators provided, the following financial performance indicators, which are not subject to audit, are provided to assist users to assess the financial management performance of the Authority. The indicators selected are considered appropriate for use in either evaluating the performance of a Government Trading Enterprise or an entity in the private sector.

Current Ratio Comparison
2014/15 to 2018/19

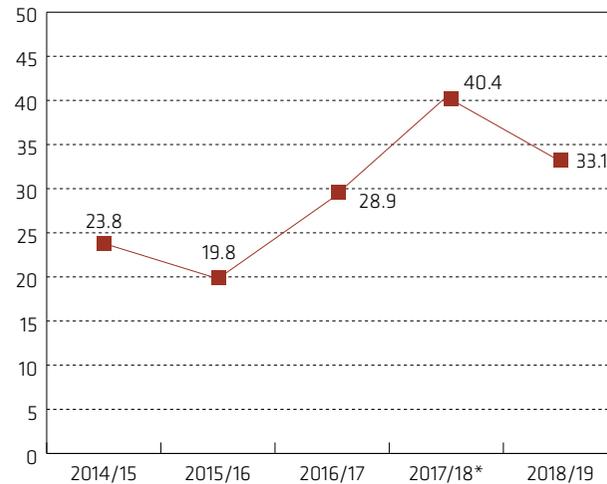


*Restated (Refer to Note 35 of the Financial Statements)

The current ratio is a liquidity ratio that measures the Authority's ability to pay its short term obligations.

The current ratio is calculated by dividing the Authority's current assets at the reporting date by the Authority's current liabilities at the reporting date.

Interest Cover Comparison
2014/15 to 2018/19

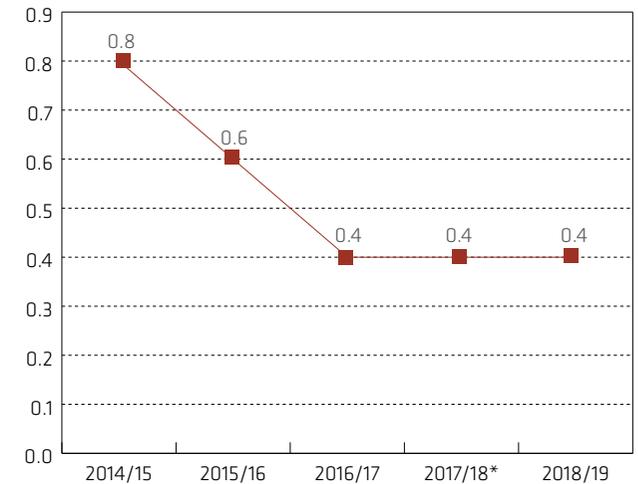


*Restated (Refer to Note 35 of the Financial Statements)

A ratio used to determine the ability of the Authority to pay interest on its outstanding debt.

The interest cover ratio is calculated by dividing the Authority's earnings before interest and taxes (EBIT) for the reporting period by the Authority's interest expenses for the same period.

Debt to Equity Comparison
2014/15 to 2018/19



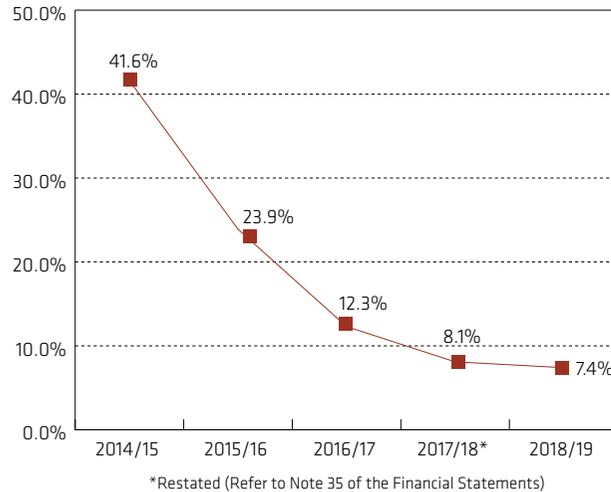
*Restated (Refer to Note 35 of the Financial Statements)

The debt to equity ratio is a measure of the Authority's financial leverage. It indicates what proportion of equity and debt the Authority is using to finance its assets.

The debt to equity ratio is calculated by dividing the Authority's total liabilities by the Authority's total equity.

Key Financial Performance Indicators

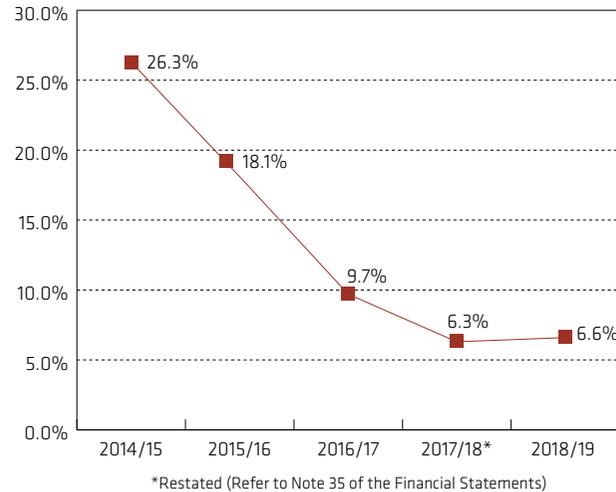
Return on Equity Comparison
2014/15 to 2018/19 (excl. PIR)



The return on equity ratio measures the Authority's profitability by revealing how much profit an entity generates on its total equity.

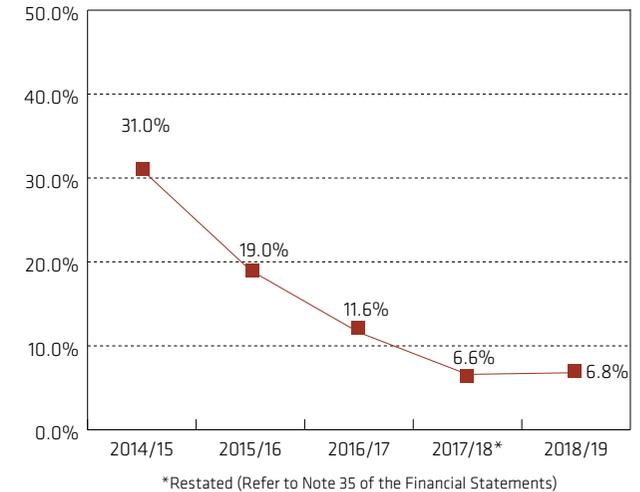
The return on equity ratio is calculated by dividing the Authority's profit before tax by the Authority's total equity.

Return on Assets Comparison
2014/15 to 2018/19 (excl. PIR)



The return on assets ratio is an indicator of how profitable the Authority is relative to the value of its total assets. It gives an idea as to how efficient management is at using its assets to generate earnings. The return on assets ratio is calculated by dividing the Authority's earnings before interest and taxes (EBIT) by the Authority's average total assets (EBIT and assets are adjusted to exclude gifted and PIR assets).

Economic Rate of Return Comparison
2014/15 to 2018/19 (excl. PIR)



In accordance with Government policy effective July 2000, the Authority is required to report a rate of return that values non-current assets at the deprival value.

The economic rate of return is calculated as per below:

$$\frac{\text{Adjusted EBIT} + \text{historical depreciation} - \text{deprival depreciation}}{\text{Deprival value of average net non-current assets} + \text{average adjusted current assets}^*}$$

*Gifted assets and assets funded through the Port Improvement Rate are excluded.

Governance

MINISTERIAL DIRECTIVES

The Minister for Ports may give directions in writing to the Board of Directors with respect to the performance of functions prescribed by the Act.

There were no Ministerial Directives during the reporting period.

OTHER FINANCIAL DISCLOSURES

Pilbara Ports Authority's financial objectives include, as a minimum, recovering costs and achieving the State Government's required Rate of Return on Assets. Pilbara Ports Authority has adopted user pays principles to recover costs and avoid unintended cross-subsidisation of fees and charges amongst users, both across ports and within ports.

Lease revenue enables Pilbara Ports Authority to fund land development opportunities without impacting upon charges for existing port users. Pilbara Ports Authority will continue to seek commercial rents for all of its properties and to develop port-vested land to support industry. Pilbara Ports Authority prices are reviewed on an annual basis and adjustments made to recover costs and achieve both strategic and operational objectives.

From 1 July 2018, Pilbara Ports Authority implemented an increase in port dues of five per cent and an increase of seven per cent on all other fees at the ports of Dampier and Port Hedland. The current list of fees and charges is available on the Authority's website.

CAPITAL WORKS

Pilbara Ports Authority has multiple capital funding sources including:

- Internal funds and balances (Minor Works);
- Larger scale projects (Major Capital Works);
- PIR (Port of Port Hedland only); and
- Proponent contributions (ports of Ashburton and Port Hedland).

Pilbara Ports Authority's Minor Works program facilitates:

- Safety upgrades;
- Upgrading information and communications technology; and
- Upgrades to civil and structural infrastructure.

This also includes acquisition and replacement of:

- Infrastructure;
- Mobile plant; and
- Office equipment.

PIR funds are utilised for critical capital improvements to common user infrastructure necessary to sustain the long-term safe operation of the Port of Port Hedland. In general, Pilbara Ports Authority requires that private developers provide their own funding for single user port facilities and provide third party access to any surplus capacity.

Pilbara Ports Authority encourages private sector investment that is aligned to long-term port planning objectives. Pilbara Ports Authority will also consider and facilitate private investment in port facilities and infrastructure where proponents provide multi-party or common user access.

Pilbara Ports Authority will invest in port infrastructure and facilities that cannot be funded by the private sector which are essential for trade facilitation and provide economic benefits to the State, regional and local communities. All investments by Pilbara Ports Authority are justified in terms of economic, social, safety and environmental benefits. Where appropriate, Pilbara Ports Authority operates on commercial principles, with rates of return on investment agreed with the State Government.

Governance

GOVERNANCE DISCLOSURES

Pilbara Ports Authority has a Fraud and Corruption Policy and a Conflict of Interest Procedure, which govern its approach to the receipt of benefits and the management of conflicts of interest by Pilbara Ports Authority Board members and staff. No non-compliances occurred during the reporting year, in which gifts were accepted that were not in line with Pilbara Ports Authority's Conflict of Interest Procedure.

UNAUTHORISED USE OF CREDIT CARDS

Pilbara Ports Authority has provided details below of instances where a WA government purchasing card (credit card) is used for personal use, as per the amended TI 321 Credit Card – Authorised Use and TI 903.

There were twenty-one instances of unauthorised use of a credit card during the reporting year, with a total value of \$6,329. These occurred due to emergency situations or minor private expenses coinciding with business travel. All instances were declared and have been fully reimbursed by card holders.

Expenditure on Advertising, Market Research, Polling and Direct Mail

In accordance with section 175ZE of the *Electoral Act 1907*, Pilbara Ports Authority incurred the following expenditure in advertising, market research, and media advertising.

Total expenditure for FY 2018/19 was \$207,600 excluding GST.

Expenditure was incurred in the following areas.

EXPENDITURE	TOTAL	EXPENDITURE	AMOUNT
Advertising agencies / media advertising	\$136,600	Adcorp	\$28,121
		Garvey Photographer	\$7,780
		Initiative Media	\$33,671
		Market Creations	\$7,954
		Marsh Agencies	\$2,700
		Redwave Media	\$41,740
		WA Newspapers	\$14,634
Market Research Agencies	\$71,000	Kantar TNS (Stakeholder Satisfaction Survey)	\$71,000
Polling Organisations	-	-	-
Direct Mail Organisations	-	-	-

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The Code of Ethics and Conduct (Code) communicates Pilbara Ports Authority's standards of conduct and integrity and promotes professionalism in the provision of services to customers, port users and the community. The Code is available on Pilbara Ports Authority's website and intranet.

The Working with Respect program provides an opportunity for all employees to explore the Code and reinforces the importance of observance of its legal requirements.

Where breaches occur, procedures are in place to support workplace resolution and/or disciplinary investigation if required. Disciplinary matters involving alleged breaches require involvement of the relevant General Manager and are reported to the CEO as well as the Risk and Audit Committee.

During the reporting period there have been two instances leading to breaches of Pilbara Ports Authority's Code of Ethics and Conduct. Each instance was managed in accordance with the Authority's procedures. Actions included written warning, apology, discussions at team meetings, training, and one termination of employment.



RECORD KEEPING PLANS

During the reporting period Pilbara Ports Authority completed an update of its Record Keeping Plan. A revised plan is expected to be approved by the State Records Commission in FY2019/2020. Through reviews and enhancements to the Electronic Document and Records Management System (EDRMS), Pilbara Ports Authority maintains compliance with the requirements outlined in the Authority's plan. Throughout the reporting period staff and contractors continued to complete training in the use of the EDRMS and Records Awareness.

SUBSTANTIVE EQUALITY

Pilbara Ports Authority's Diversity and Inclusion Strategy covers the period October 2018 to October 2020. The strategy acknowledges the importance of a diverse and inclusive workforce and the Authority's ongoing commitment to building a diverse and inclusive environment.

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

Pilbara Ports Authority's highest priority is the safety of all persons who work at or visit any of its sites. High expectations are set by the Executive Committee and apply equally to staff, contractors and visitors.

Any person working at or visiting the ports can contribute to the safety performance of its ports. Suggested improvements and identified hazards are encouraged to be reported directly to a Pilbara Ports Authority representative or online through an electronic hazard reporting system. In addition, the Authority communicates and consults with all port users through regular meetings and forums.

At all its sites, Pilbara Ports Authority has embedded processes for consultation among employees on health and safety matters. These include elected Safety and Health representatives who form the staff Health, Safety and Environment committees, and other meetings and forums where health and safety matters can be raised, including with the CEO. Improvements can also be submitted through the Innovation Hub.

Pilbara Ports Authority is committed to appropriate injury management and complies with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*, including the development of return-to-work plans. Should someone be injured at a Pilbara Ports Authority site, the Authority ensures that person can return to their normal duties as soon as practicable and medically appropriate.

Pilbara Ports Authority's occupational health and safety management system is regularly audited and reviewed by internal and external parties. In October 2018, Pilbara Ports Authority was subject to an Integrated Management System Surveillance Audit, which included an assessment of the Authority's occupational health and safety management system against AS/NZS 4801 Occupational health and safety management systems. No major or minor non-conformities were found.

PILBARA PORTS AUTHORITY EMPLOYEES ONLY

MEASURES	RESULTS 2016/17 ⁽¹⁾ BASE YEAR	RESULTS 2017/18 PRIOR YEAR	RESULTS 2018/19 ⁽¹⁾ CURRENT REPORTING YEAR	TARGETS	COMMENTS TOWARDS TARGETS
Number of fatalities	0	0	0	0	Target met
Lost time injury and disease incidence rate	0	0.47 ⁽³⁾	0.42 ⁽³⁾	0 or 10% reduction in incidence rate	One lost time injury involving an Authority employee occurred in the current reporting year ⁽²⁾
Lost time injury and severity rate	0	0	0	0 or 10% reduction in severity rate	Target met
Percentage of injured workers returned to work within 13 weeks	N/A	100%	100%	Greater than or equal to 80%	Target met
Percentage of injured workers returned to work within 26 weeks	N/A	100%	100%	Greater than or equal to 80%	Target met
Percentage of managers trained in occupational safety, health and injury management responsibilities, including refresher training within 3 years	98%	100%	100%	Greater than or equal to 80%	Target met

1) This is a three-year comparison trend (ie current reporting year is 2018/19 and comparison year is 2016/17).

2) Comment relates only to the current reporting year.

3) Reporting guidelines now only allow reporting on FTE, and not million hours worked.

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