



Port Hedland Port Authority
Annual Report 2008





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Front Cover Photograph: Courtesy Mark Davis, North West Telegraph.







Our HISTORY

The coast of Western Australia was visited by many exploring parties prior to the foundation of the colony in 1829. However, it was not until 1863 that the vessel 'Mystery' dropped anchor in a mangrove inlet, which was subsequently given the name of Port Hedland after the Master of the 'Mystery', Captain Peter Hedland.

Towards the end of the century, it became apparent that the pastoral industry in the Eastern Pilbara needed a port, and in 1896 construction of the first Port Hedland jetty begun. With the discovery of gold in the Marble Bar area a few years later, the jetty was extended in 1908, and a railway between Marble Bar and Port Hedland was completed in 1911.

From then until the late 1930s, the port was mainly used for the import of stores and producer items for the local industries, and the export of pearl shell, wool, livestock, gold, tin and small amounts of copper.

After the Second World War, the port continued to serve the pastoral industry, and began to export significant quantities of manganese.

However, in 1965 the iron ore industry, as we know it today, began in the port, when Goldsworthy Mining Ltd (now BHP Billiton Iron Ore) dredged an approach channel and turning basin for ships of up to 65,000 Dead Weight Tonnes (DWT). At the same time the Leslie Salt Company (now Dampier Salt Ltd) commenced development of a solar salt industry. A new land backed wharf (No 3 Berth) was built to cater for salt exports and to improve the facilities available for the import of fuel and producer items.

Subsequently the Mt. Newman Mining Company (now BHP Billiton Iron Ore) chose Port Hedland as its export port, and further dredging and development took place to allow the use of the port by large bulk carriers of up to 120,000 DWT. With experience, the size of vessels was increased, and vessels of up to 315m in length and 185,000 DWT, were accepted.

In 1975/76 further work was carried out when extensions to the turning basin and some channel widening took place, allowing ships of up to 225,000 DWT to be handled. The condition of the original timber jetty (now designated No 2 Berth) was unsound and its demolition was commenced in 1976.

In 1986 major capital dredging was undertaken to deepen the channel by 2.5m. In conjunction with a computerised under keel clearance programme, (the first in an Australian port) this allowed the port to handle ships up to 330m, and 260,000 DWT.

Continued...

The channel at Port Hedland is now 20 nautical miles in length for outward vessels, varying in both width and depth with minima of 183m and 14.2m respectively. Gated pairs of synchronised beacons, which are maintained and owned by the Port Authority, mark the channel to Port limits 10 nautical miles offshore. The Outer Channel (beyond Port limits) which varies in width from 250m to 470m is marked by 13 synchronised beacons owned and maintained by the Australian Maritime Safety Authority.

In 2005 the Port Authority extended its No 1 Berth to recreate No 2 Berth. The combined berths can accommodate fully loaded Panamax size vessels, over a range of different cargoes. The shiploader on No 1 Berth handles bulk mineral exports.

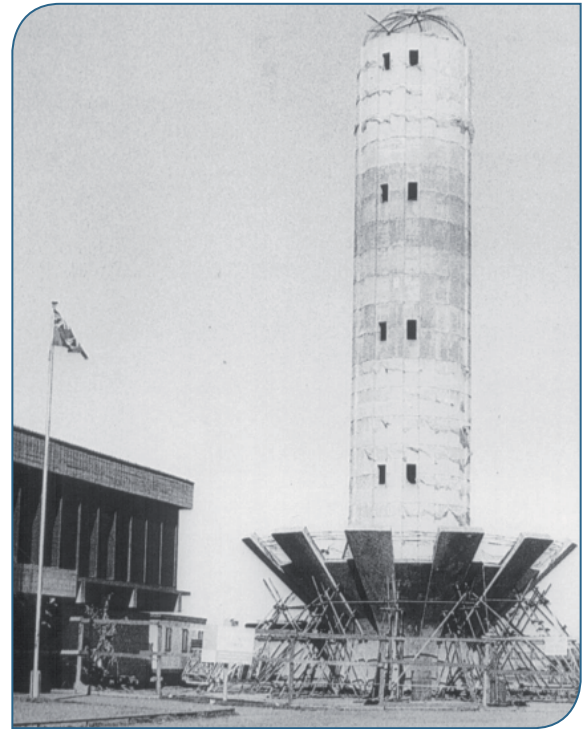
The construction of a second berth on Finucane Island by BHP Billiton Iron Ore in 2004 together with the reconstruction of the original Goldsworthy wharf completed in 2007 as part of Rapid Growth Project 3 has BHP Billiton Iron Ore's shipping capacity at 129 Mtpa.

Fortescue Metals Group (FMG) completed construction of its Herb Elliott port facilities during the year comprising two cape size berths with an installed capacity of 45 Mtpa and shipped its first ore in May 2008.

Today, the port continues to serve the mining and pastoral industries of the Pilbara. Iron ore continues to be the dominant export trade with Port Hedland being the largest iron ore export port in the world, but also important to the regional economy are exports of salt, manganese, chromite, copper concentrates and livestock. For the 2004/05 financial year the port became the first port in Australia to exceed 100 million tonnes in a single year and continuing record tonnages are expected over the years to come as the port experiences major exponential growth.



Port Hedland Jetty C 1940.



Construction of Port Authority Tower

The year at a GLANCE

✓ Highlights

30 June 2008	Record Annual Throughput	130,707,208 tonnes
30 June 2008	Record Annual Iron Ore Throughput	125,267,292 tonnes
30 June 2008	Record Annual Bulk Minerals (excl. salt)	2,165,595 tonnes
30 June 2008	Record Monthly Throughput	12,638,162 tonnes

PHPA Annual Report 08 / Highlights

⚓ Shipping

	2007/08	2006/07	2005/06	2004/05	2003/04
Ratio of Accidents to Total Vessel Movements	.001	.001	-	-	-
Number of Vessels	1,027	888	925	895	773
Gross Registered Tonnage (millions)	74	63.6	56.4	56.3	47.4
Port Throughput – Cargo (millions)	130.7	111.8	110.6	108.5	89.8

PHPA Annual Report 08 / Shipping

💰 Finance and Performance

	2007/08 \$000	2006/07 \$000	2005/06 \$000	2004/05 \$000	2003/04 \$000
Total Revenue	38,253	27,130	24,184	19,699	17,027
Charges Against Revenue	32,777	23,534	19,477	17,296	13,719
Cumulative Profit (Loss)	49,365	45,143	44,241	24,414	23,553
Working Capital	-17,283	-6,952	3,004	-3	8,064
Fixed Assets at Book Value	74,109	53,748	43,466	43,609	34,001
Return on Assets	6.3%	6%	7.7%	4.2%	6.3%
Debt Ratio	1:2.5	1:3.5	1:4	1:8	1:8
Total Revenue Per Cargo Tonne (in cents)	29.3	24:3	21:9	18:1	19.0

PHPA Annual Report 08 / Finance and Performance

📈 Change in Charges

	2007/08	2006/07	2005/06	2004/05	2003/04
Annual CPI Change	4.5%	3.1%	4.7%	3.4%	2.5%
PHPA Charge Increase *	7.7%	6.5%	6.1%	-	-
Real Change in Port Charges	3.2%	3.4%	1.4%	-3.4%	-0.7%
Cumulative Total **	-10.7%	-11.4%	-13.4%	-14.4%	-10.3%

*Equals percentage increase of pilotage and tonnage over total budgeted ship and cargo revenue.
 **This represents the compounded total change over the last 10 years.



Chairman and CEO's report

The Port Hedland Port Authority witnessed a significant surge in iron ore exports with record trade levels of 130.7 million tonnes for 2007/08 as BHP Billiton Iron Ore's (BHPBIO) Rapid Growth Project 3 (RGP3) was commissioned in September 2007 with a capacity of 129 Mtpa and Fortescue Metals Group (FMG)/The Pilbara Infrastructure (TPI) new Herb Elliott port facilities were commissioned in May 2008 with a capacity of 45 Mtpa. Port Hedland once again maintained its status as the largest iron ore export port in the world. Plans for the development of an additional 11 berths in the inner harbour over the next five years are well advanced, and should bring the total Inner Harbour throughput to around 470 Mtpa. A study into the development of a further 400 Mtpa capacity multi-user Outer Harbour off Finucane Island to meet the continuing demand for iron ore exports post 2013 is nearing completion. The Port Hedland Port Authority once again exceeded its targets and it is thus with great pleasure that we submit this report.

Trade records were again set this year with record total throughput of 130,707,208 tonnes, primarily due to record iron ore exports of 125,267,292 tonnes. Record throughput of manganese and copper concentrate exports as well as campaign shipments of aged Hot Briquetted Iron fines has resulted in a 31% increase in bulk minerals loaded over the Port Authority's shiploader on No 1 Berth to a new record of 2,165,595 tonnes. Fuel imports reached a new record of 619,957 tonnes. Salt exports for the year were down due to the impacts of Cyclone George. Ship calls for the year increased by 16% to 1,027 equating to roughly 3 per day on average.

Facilitating the expansion plans, growth in trade and continuous improvement measures continues to place additional demands on the Port Hedland Port Authority staff as we expand to meet the challenges ahead. Six additional Port Authority staff positions were filled during the year with a further six in the process of recruitment.

The Port Authority has successfully implemented a number of safety, security and environmental improvements during the year, with positive results and the full support of port users. Community relations are good with close consultation on development plans and a number of community related projects being pursued. A Port Collaboration and Heritage Agreement was concluded during the year with the traditional owners.

The bulk of the Port Authority charges remained unchanged during 2007/08 apart from a 5% increase in pilotage charges and a restructuring of tonnage dues. Tonnage dues reduced by 17% however a new cape size vessel surcharge for vessels greater than 60,000T GRT was introduced to offset a 170% increase in channel maintenance dredging expenditure. The Port Authority has undertaken a feasibility study and business case to procure or lease a \$50M dredge for its future maintenance requirements to be shared with other WA ports. This project, if approved, will not only reduce dredge campaign costs, but if performed yearly in lieu of 3 yearly, will offer significant draft and port capacity benefits, increased exports and transport efficiencies to iron ore exporters, worth hundreds of millions of dollars yearly as port throughput increases.

For the 2008/09 year ahead most port charges have remained unchanged however pilotage fees increased by 32% and tonnage dues by 10%. The large increase in Pilotage fees is attributable to significant increases in the helicopter and pilot boat service contracts as existing term contracts come to an end, adjusting to market, but also enhanced scope of services to meet the future growth.

The financial performance of the Port Authority was slightly ahead of budget with a net operating profit of \$3,738,000, of this a total of \$1,869,000 or approximately 50% of net operating profit will be paid to the State in the form of dividends.

BHPBIO's Finucane Island C berth came back into service in September 2007 following an outage of a year to undertake the complete demolition and reconstruction of the old berth built by Goldsworthy Mining in 1966. BHPBIO RGP4 expansions are underway which will see throughput increase to 155 Mtpa by 2010. RGP5 (200 Mtpa) and RGP6 (240 Mtpa) are in detailed planning and are expected to come on stream in 2011 and 2012 respectively. These projects will entail the construction of four more berths within the Inner Harbour.

FMG commissioned their Herb Elliott port facilities in May 2008 and exported a total of 1,657,380 tonnes for the year and expect to ramp up to the full 45 Mtpa production rate during the second half of 2008. Expansion plans for a third berth at Anderson Point (increasing throughput to 95 Mtpa) and a fourth berth in South West Creek giving a total capacity of 120 Mtpa are under investigation.

Hancock Prospecting have been earmarked a berth in South West Creek with a capacity of 30 Mtpa fed by conveyor from stockyard and rail car dump facilities at Boodarie.

After extensive study the total approved long term capacity within the Inner Harbour is as set out below, the distribution of A and B Class capacity to the parties above is roughly in the ratio 1:5.

Class A	Tidally constrained unrestricted Capes (generally 180,000T upwards – with priority sailing)	320 Mtpa
Class B	Tidally constrained restricted Capes (generally up to 160,000T – secondary sailing priority)	70 Mtpa
Class C	Non Tidally constrained vessels (generally up to 120,000T – third sailing priority)	80 Mtpa
Total		470 Mtpa

Iron Ore Junior producers (North West Iron Ore Alliance and others) have been earmarked two berths up South West Creek with a potential short term capacity allocation of 50 Mtpa B Class (out of the C Class capacity stated above) on the understanding that this capacity be redirected to the Outer Harbour from 2015 should demand from the Boodarie Industrial Estate (BIE) require this Inner Harbour berth capacity.

PHPA's new berth at Utah Point will be capable of handling vessels up to 120,000 tonnes deadweight with a capacity of between 17 - 20 Mtpa (C class) and designed to handle multiple bulk mineral products (including Manganese, Chromite, Iron Ore, Titanomagnetite and possibly Ilmenite in due course). 17 Mtpa capacity on a long term basis has been allocated to foundation customers, Consolidated Minerals, Process Minerals International, Atlas Iron, Aurox Resources and Hitec Energy. Some short term capacity has been allocated to BHPBIO during the initial years of operation until Aurox Resources ramps up to full production. This berth is designed to receive 9 Mtpa by road with the balance either pumped by slurry pipeline (magnetite) or railed. Dredging was completed in May 2007, the detailed designs are finalised, and Environmental approval expected in Q4 2008. Completion of the berth is now expected Q1 2010.

The removal of manganese and chromite exports from No. 1 berth will enable significant expansion in general cargo, containers, fuel and concentrates over the existing public berths from 2010 until such time as new berths are developed at Lumsden Point and South West Creek to cater for the medium to

long term growth in these commodities. Plans for a new 60,000 tonnes multi-user concentrates shed to handle the strong growth in copper and zinc concentrates are well advanced with four proponents seeking export capacity.

To satisfy demands for capacity in excess of the 470 Mtpa all proponents are being urged to consider export facilities via the Outer Harbour where a minimum 400 Mtpa of additional bulk export capacity will be able to be accommodated. The Outer Harbour is envisaged to accommodate a total of 17 Cape size iron ore berths able to receive vessels up to 320,000T deadweight as well as a further 4 bulk liquids berths (LNG/LPG other). The stockyards would be located to the north of the Boodarie Industrial Estate (BIE), fed by rail along the western side of the BIE. The Outer Harbour berths are to be located roughly 6 kms offshore Finucane Island serviced by conveyors up to 15km long with a new channel parallel to the existing channel.

Through detailed studies and investigations Port Hedland Port Authority has identified significant additional capacity through the Inner Harbour to meet immediate proponent demands and has fast tracked development plans for an Outer Harbour to meet proponents' growth aspirations for the next 10 years. This growth will create significant challenges and opportunities for the Port Authority, the Town of Port Hedland and the State.

We extend our appreciation to the Directors, Port Authority staff, contractors and service providers for their significant contributions and dedication to achieve our stated vision.





Corporate PLAN

The Authority's Vision, Mission and Broad Objectives provide guidance in its decision making.

Vision

To be the "Port of Choice" for trade to and from the Pilbara and be the world's leading bulk commodities port.

Mission

To promote, facilitate and expand trade through the port, via the provision of safe and efficient services, and timely infrastructure development, whilst fulfilling our social and environmental responsibilities.

Achievements against major goals planned for 2007/2008

The Authority set a number of major goals for itself for 2007/2008 in its Statement of Corporate Intent submitted to the Minister for Planning and Infrastructure. Those goals and the achievements in respect of those goals are detailed overleaf.

Goals	Achievements
<p>Service Provision</p> <p>The provision of reliable, competitive and efficient port and marine services that meet and are responsive to the needs of users.</p>	
<p>Maintain minimal disruption to marine operations.</p>	<ul style="list-style-type: none"> • This was achieved apart from a total of 3 days port closures due to the passage of tropical cyclones off the coast. • Port Authority contracted service providers were reviewed and audited against KPIs and improvements actioned. • Licensing arrangements were implemented for a number of non Port Authority provided services. • Operating procedures were further enhanced during the year with enhanced security and safe operating monitoring arrangements put in place, as well as the employment of an Operations Officer and two Operations Assistants. • Emergency response plans have been improved with a full blown regional Emergency Response exercise operation planned for September 2008.
<p>Improve operating and cost efficiencies of Port Authority contracted and third party provided services.</p>	<ul style="list-style-type: none"> • The Security and Maintenance service contracts were retendered during the year with the Pilot Boat and Helicopter contract out for retender Q3 2008. Whilst costs have increased for the provision of these services, the scope of these service contracts have been enhanced to meet the ports future needs. • Negotiations underway with incumbent pilotage service contractor for new contract post July 2010. • Competition for tug services investigated and service companies canvassed in light of expansion of shipping movements. FMG called for tenders for its requirements which resulted in the retention of the incumbent service provider. • Vessel Movement Protocols for all shipping within the port implemented including taking over overall responsibility for ship scheduling within the port.
<p>Maintain technological, leading edge port status.</p>	<ul style="list-style-type: none"> • Leading edge ship scheduling software developed combining ship scheduling with Dynamic Under Keel Clearance. Logistics/Shipping Officer appointed during the year to manage process with Port Authority's Shipping Superintendent. • Through detailed capacity modeling, new berth configuration, vessel classification and modified port operating parameters, the Port Authority has been able to augment Inner Harbour capacity to 470 Mtpa. • Dynamic Under Keel Clearance and navigation capabilities have been incorporated into Portable Pilotage Units and trialed. Improvements are being investigated prior to full implementation (technology enhancements for more compact units). • Sailing separation between departing vessels of 30 minutes now implemented wherever possible, to proof the future capacity modeling and potential of the port. • Cavotec suction mooring system contracted for the new Port Authority berth at Utah Point. Following successful implementation at Utah Point, the Port Authority will then consider installation of system at No. 1 berth. • Port access and security controls, through installation of card swipe security access system, linked to maritime security identification cards has been deferred due to capital constraints. However aesthetic high security fence installation has been installed along port boundary with town, following damage caused by Cyclone George. Improved security contract with two security guards, regular patrols and 24 hours coverage, has earned Port Hedland commendation by the Dept of Infrastructure, Transport, Regional Development and Local Government. • New helicopter hangar completed which is able to house two EC 120 helicopters as well as enhancements to helipad area.

Goals	Achievements
<p>Maintain efficient stevedoring services.</p>	<ul style="list-style-type: none"> • Stevedoring operations enhanced with all operators licensed and collaborating with Port Authority to enhance service delivery. Port Authority's Operations Officer verifies safety and environmental compliance and assists in troubleshooting for enhanced operating efficiencies as witnessed by average shiploader rate 16% higher than 2006/07. • Stevedore allocated old MI shed for workshop and office facilities. • Design of new improved bulk minerals handling facility at Utah Point evolved in close collaboration with stevedore.
<p>Establish new web site.</p>	<ul style="list-style-type: none"> • New web site to industry standard established and operational.



Goals	Achievements
<p>Port Facilities</p> <p>The provision and maintenance of suitable, reliable and competitive port facilities to meet user needs.</p>	
<p>Efficient and timely maintenance.</p>	<ul style="list-style-type: none"> • Maintenance Contract tendered. Incumbent retained with enhanced commitments to meet Port Authority's needs. • Maintenance dredging of shipping channel and berth pockets performed in November/December 2007. Berth pocket toe lines unable to be dredged – barge mounted pumped solution now identified. Port Authority now fast tracking the securing of its own maintenance dredge with a view to dredge annually in lieu of every three years, which will greatly benefit proponents through increased departure drafts. • Overhaul and refurbishment of ageing tug pen infrastructure continued with further selective replacement of perimeter sheet piles completed during the year. Programme of replacement to continue over the next year avoiding disruption to tug pen operations. • Major shiploader shutdown and overhaul occurred during the year with significant operational improvements implemented.
<p>Provide facilities for increasing bulk export capacity.</p>	<ul style="list-style-type: none"> • The development of a multi-user bulk export facility at Utah Point advanced with construction due to start late 2008 with completion Q1 2010. The berth provides for a 7500 tph shiploader and potential 17 - 20 Mtpa capacity dependent on ship sizes chartered. • Facilitated the export of 320,000T of aged Hot Briquetted Iron fines (expected to continue until early 2009). • Development of a fourth concentrate shed with a storage capacity of 60,000T advanced. Commitments awaited from proponents before construction can proceed. • Conditional allocation of nine new Cape size berths within the Inner Harbour with a combined supplementary capacity of 240 Mtpa negotiated during the year. • Plans for a new 400 Mtpa+ Outer Harbour significantly advanced with concept plans finalised and fatal flaw analysis nearing completion.
<p>Improved shiploader performance.</p>	<ul style="list-style-type: none"> • Design of wash water treatment plant advanced. • Improvements in berth spillage control implemented with permanent heavy duty kerbing installed. • Improvements to shiploader implemented during major shutdown with further enhancements planned for next scheduled shutdown, with resultant higher throughput rates. • Optimum moisture content of concentrates proven as means to improve throughput rates, minimise blockages, spillage and dust generation.
<p>Ensure appropriate and compliant port infrastructure.</p>	<ul style="list-style-type: none"> • Electrical distribution network upgraded. • Navigation aids upgraded and additional directional wave rider buoy purchased, albeit one wave rider buoy parted and lost during heavy seas. • Construction of additional tug pens 9 and 10 completed. • New helicopter hangar completed. • Contract tendered and awarded to provide for safer access to old tug pens. • Staff housing upgrades progressed, three new houses completed and occupied, two additional houses purchased and new house under construction. Other housing for port expanded staffing being rented at present. • Ground floor office and boardroom refurbishment completed.

Goals	Achievements
<p>Planning and Development</p> <p>Through forward planning, ensure that future development is not unreasonably constrained by external restrictions, effectively meets the needs of expected trades, is coordinated and efficiently uses the port area.</p>	
<p>Based on the findings of the Channel Capacity Study, the Port Authority's investigations and the Pilbara Port Study update the Ultimate Development Plan accordingly and submit for approval.</p>	<ul style="list-style-type: none"> • Ultimate Development Plan (UDP) updated and circulated to key stakeholders for comment in December 2007. Plan has been well received by all parties contacted with no comments received back. Upon completion and approval of the Outer Harbour concept plans in Q3 2008 the UDP will be updated and circulated for public comment.
<p>Interface with FMG/TPI and BHPBIO to ensure construction activities progress to plan, with minimal impact on shipping.</p>	<ul style="list-style-type: none"> • The Port Authority has provided every assistance to BHPBIO and FMG/TPI as well as their appointed contractors to facilitate the development of the additional berths in a timely manner, with both proponent berth developments completing on schedule.
<p>Develop the new multi-user berth at Utah Point with a view to completion by end 2009.</p>	<ul style="list-style-type: none"> • Government approvals and proponent contributions have been finalised, Public Environmental Review process (environmental approval) now well advanced with approval expected Q4 2008. Detailed design significantly complete, contract for piles and shiploader awarded. Tenders for wharf and other components to be called Q3 2008.
<p>Facilitate progress on the Auslink road upgrade to the Great Northern Highway (GNH) in Port Hedland in view of additional traffic feeding the new berth at Utah Point and future rail and trade throughput generally.</p>	<ul style="list-style-type: none"> • As a result of close consultation and collaboration with Main Roads WA and the Minister for Planning & Infrastructure, road enhancements to the GNH to cater for the increased road train traffic feeding Utah Point from start 2010 have been approved. Furthermore, funding commitments have been secured for the eventual rerouting of the GNH to the rear of Wedgefield including grade separated crossings to minimise the impact of road train and through traffic on local traffic.
<p>Plan for new haul road and utilities to Finucane Island in support of new berth. Ensure development of common user service corridor and appropriate utilities to Anderson Point, that can be extended through to the Boodarie Industrial Estate (BIE) in due course.</p>	<ul style="list-style-type: none"> • New enhanced Finucane Island road, with hard shoulders and proper intersections at Wedgefield, Anderson Point turnoff and Finucane Island, will be developed on Port Authority land with existing BHPBIO road reverting to a rail service road. Equitable cost contributions have been negotiated with FMG and BHPBIO. • The Aurox Resources slurry pipeline, power and water supply shall be accommodated within the road reserve. • Plans have been finalised for a Pre Assembled Module berth in South West Creek capable of receiving modules of up to 3000T and 30m wide by 45m high, with a corridor connecting with the new PHPA road to Finucane Island and eventually to service the BIE and Outer Harbour stockyard areas including a link to the GNH.
<p>Actively participate in the Town of Port Hedland Land Use Master Plan process to secure equitable outcomes on the interfaces between industry/port operations and residential/community (eg West End, Wedgefield, Redbank).</p>	<ul style="list-style-type: none"> • This collaborative and iterative process including the exchange of development plans and ideas as they evolve has worked very well. A number of amenity projects have been factored into the Port Authority's Ultimate Development Plan as a result of this, as well as the evolution of a number of win-win opportunities.

Goals	Achievements
<p>Trade Facilitation</p> <p>Facilitate trade and business opportunities within and through the port.</p>	
<p>Minimise increases in core charges for 2007/08.</p>	<ul style="list-style-type: none"> The bulk of the Port Authority charges remained unchanged during 2007/08 apart from a 5% increase in pilotage charges and a restructuring of tonnage dues. Tonnage dues reduced by 17% however a new cape size vessel surcharge for vessels greater than 60,000T GRT was introduced to recoup a 170% increase in channel maintenance dredging expenditure.
<p>Progress port development.</p>	<ul style="list-style-type: none"> The updated Ultimate Development Plan was issued to key stakeholders in December 2007 with further iterations since, including the evolution of plans for a 400 Mtpa Outer Harbour. Capacity to 470 Mtpa through the Inner Harbour has been proven during the year and a total of nine cape size export berths and 240 Mtpa of installed capacity earmarked for proponents to develop in the next five years.
<p>Support increased production and shipping of all shippers.</p>	<ul style="list-style-type: none"> (DUKC) implemented with approximately 10 cm gain in sailing draft estimated to be worth around \$150 million in additional trade. Interaction and current modelling studies concluded including significant additional simulation modelling of future port developments using the Broome simulator. Whilst currents have increased with development dredging these impacts remain manageable. Following extensive trials and additional simulation, Port Operating Guidelines now updated to accommodate enhanced pilotage parameters of double shuffle manoeuvres, reduced tug requirements and berthing draft reductions. Equitable Vessel Movement Protocols finalised for all vessels calling at the port, catering for multiple proponent port usage. PHPA scheduling of all vessel movements implemented. 30 minute separation now being implemented whenever possible.
<p>Capture container and break bulk trade.</p>	<ul style="list-style-type: none"> Market study into Container and General Cargo potential completed. Area set aside for new AQIS approved inspection, fumigation and washdown facility and adjacent container park. Tenders due out Q2 2008. Significant general cargo imports planned over the next five years in support of development projects. A number of proponents seek significant container throughput from early 2010: <ul style="list-style-type: none"> Moly Mines high value Molybdenum exports. Hitech Energy Manganese secondary processing plans. Mill balls, lime and reagents for concentrate and magnetite producers.

Goals	Achievements
<p>Capture port related industries for Port Hedland.</p>	<p>PHPA are working closely with industry, Department of Industry and Resources and the Town of Port Hedland (TOPH) to capture new trade that may be accommodated on port land, at the Boodarie Industrial Estate or within the Wedgefield Industrial Estate, serviced by the Port Authority berths, namely:</p> <ul style="list-style-type: none"> • Enhanced coastal trade with the potential for Port Hedland to become the main container hub for the Pilbara including freight forwarding linked to TOPH airport freight plans. • Ammonium Nitrate import potential of 0.5 Mtpa. • LNG export facilities via the Outer Harbour. • 1000 MW Power Generation Facility at Boodarie. • Import of used earthmoving and mining equipment. • Biodiesel plants (PHPA has received approaches from three interested proponents). • Logistics base for large supply vessels servicing the North West oil and gas developments – a number of vessels have been supported this past year. • Floating Production Storage Offloading (FPSO) maintenance – Cossack Pioneer serviced in Port Hedland in 2005. Strong interest now being shown by other 'production tankers' with 17 units operating offshore WA. • PHPA plans to have own maintenance dredge and potential small cutter suction dredge to serve port needs and future WA needs with Port Hedland as home port. • Pre Assembled Module berth now planned which will permit imports of large modules to 3000T enabling development projects to be fast tracked and built cost effectively. • Establishment of a Naval Base & attraction of cruise ships are possibilities which can be accommodated if berth capacity to suit the items above are developed.

Goals	Achievements
<p>Financial</p> <p>To establish pricing for users of port services and facilities commensurate with the achievement of the required return on Government investment and consistent with the Authority's trade facilitation objective.</p>	
<p>To keep increases in charges to the minimum necessary to maintain the mid range target Rate of Return (ROR).</p>	<ul style="list-style-type: none"> • Port Authority charges remained unchanged other than a 5% increase in pilotage charges and a restructuring of tonnage dues. • The Port Authority is structuring changes internally but also to its contracted out services (helicopter, pilot boat, pilotage, maintenance and security services including maintenance dredging) as well as licensed operations to enhance service delivery and to provide leading edge hardware to cater for the massive future growth. This will result in short term cost increases in some services during 2008/09 but as throughput increases further from 2009/10 onwards, port charges are expected to be held firm. • Achieved ROR of 6.3% against the Port Authority's long term average target of 6.5%.
<p>International Financial Reporting Standards (IFRS).</p>	<ul style="list-style-type: none"> • The 2008 financial statement and notes are in compliance with IFRS reporting requirements.

Goals	Achievements
<p>Human Resources</p> <p>To provide a safe, healthy and supportive environment which encourages employees to work with commitment and enthusiasm to achieve corporate objectives.</p>	
<p>Zero harm to employees and others in the port area.</p>	<ul style="list-style-type: none"> • Monthly Port Authority OS&H meetings held with good attendance of all port users with Positive Attitude Safety System and culture entrenched throughout the port. • Port Authority continues to pursue implementation of contractors HSE systems including regular attendance at safety and tool box meetings. • Trilogy OS&H reporting and management system captures all incidents with mechanisms to ensure problem areas are addressed and incidents 'closed out'. Reporting and trend analysis continues at a high level. • Australian Standards for OH&S implemented. • Traffic Management Plan implemented within the port.
<p>Employees skilled in their jobs.</p>	<ul style="list-style-type: none"> • Staff with requisite skills employed. • 4.3% of total staff costs expended on training, including: maritime security & counter terrorism; environmental management; business continuity; oil spill management; cultural awareness; Vessel Tracking System; coxswains tickets; computer and first aid. • Significant oil spill response training effected ahead of full regional response exercise in September 2008. • Significant Marine Pilot simulation exercises conducted including Portable Pilot Unit training.

Goals	Achievements
<p>Environment, Community Safety and Health</p> <p>To protect the environment of the port area and minimize the impacts of port activities on the environment and the community by ensuring that environmental management is incorporated in our operations and port development.</p>	
<p>Port Security improvements.</p>	<ul style="list-style-type: none"> • Maritime Security Identification Card (MSIC) and security card access maintained including enhanced contracted security capacity. • The Port Authority continues to implement increased security measures in and around the port, in line with the International Ship and Port Security Code. • Security Plan updated during the year.
<p>Enhance Marine Pollution Response capability.</p>	<ul style="list-style-type: none"> • Full regional oil spill response exercise planned for September 2008. • Enhanced oil spill response equipment needs identified.
<p>Minimise contamination of the harbour sediments from product spillage.</p>	<ul style="list-style-type: none"> • Permanent bunding of No. 1 berth substantially complete. Design of system to capture and treat wash down water advanced. • Shiploading system enhanced with new belly pans to contain spillage. The achievement of optimised moisture content particularly with the concentrates greatly enhances production and reduces spillage.
<p>Minimise dust escaping from PHPA area.</p>	<ul style="list-style-type: none"> • Port wide dust monitoring and policing continued. Moisture control and product handling monitored with the addition of the Port Authority Operations Officer position. • Upon moving the manganese and chromite export operations to Utah Point the dust impact of PHPA's operations on town will decrease significantly. • The Port Authority is also taking a more prominent role on dust impacts from the entire port operation perspective, as dust impacts are integral to the approval of expansions especially in light of the significant Inner Harbour and Outer Harbour development plans. Development guidelines will be set by PHPA in close consultation with the DEC and EPA.
<p>Target to manage mangrove habitats in accordance with the requirements of EPA Guidance Statement 29.</p>	<ul style="list-style-type: none"> • Mangrove Habitat Study completed. • Areas within the port have been identified where new mangrove habitats can be created to offset against the port's needs to destroy mangroves to facilitate new trade and development. This project has the potential to provide fill for residential plot developments in Port Hedland and aboriginal development opportunities. Plans supported by EPA. • Notwithstanding the above, EPA are conducting a review of the application of Guidance Statement 29.
<p>Promote environmentally responsible development.</p>	<ul style="list-style-type: none"> • As part of the ongoing Ultimate Development Planning process, the Port Authority is continuously seeking ways to minimise impacts on the environment of new developments with particular recognition on dust, noxious emissions (No₂ & So₂), noise, mangrove destruction and marine pollution. Furthermore the Port Authority in collaboration with proponents and the TOPH is investigating amenity positive projects to counter any negative amenity impacts port expansions may bring. • The Port Authority operations were carbon neutral for the year, by contribution to a tree planting offset program.

Goals	Achievements
<p>Community Support</p> <p>Establish and maintain a close relationship with the Port Hedland community in order to win support for current port operations and future developments.</p>	
<p>Be recognised as a good corporate entity.</p>	<ul style="list-style-type: none"> • PHPA has invested a total of over 3% of pre-tax profits into community related projects in 2007/08. • PHPA has advanced the redevelopment plans of the Spoilbank in collaboration with the TOPH, in particular facilitating the development of the marina and approach channel. The sale of spoil material for pretty pool landfill has been negotiated which will generate circa \$1M towards the marina development. • PHPA have committed \$100,000 towards a new boat ramp at the Spoilbank marina and continues to provide assistance to the TOPH with maintenance of the existing boat ramp. During the year accumulated siltation was removed as a joint venture operation with the TOPH. • The development of a viewing gallery on PHPA land alongside Marrapikurrinya Park, using the old airport control tower has progressed with concept plans prepared. Negotiations for funding including a restaurant/coffee shop and visitors centre development alongside the tower are advancing. • Program to encourage aboriginal employment implemented with the conclusion of the Port Collaboration and Heritage Agreement with the traditional land owners, with two positions filled with the Port Authority by Aboriginals. • PHPA continues to support the Seafarers' Centre. • PHPA is a key sponsor of numerous local events, including Australia Day fireworks, Port Hedland Golf Tournament and Black Rock Stakes. • PHPA is a key sponsor of Australia's North West Tourism – Pilbara Marketing Campaign.

Major goals **PLANNED** for 2008/2009

Service provision

- Maintain minimal disruption to marine operations.
- Maintain efficient stevedoring services.
- Improve operating and cost efficiencies of Port Authority contracted and third party provided services.
- Maintain technological, leading edge port status and enhance infrastructure to suit.

Port facilities

- Efficient and timely maintenance.
- Provide facilities for increasing bulk export capacity.
- Improved shiploader performance.
- Ensure appropriate and compliant port infrastructure.

Planning and development

- Ultimate Development Plan update to include Outer Harbour plans.
- Facilitate Inner Harbour Development
- Ensure construction activities progress to plan, with minimal impact on shipping.
- Develop the new multi-user bulk minerals berth at Utah Point with a view to complete by Q1 2010.
- Finalise Outer Harbour Development plans and implement.

Trade facilitation

- Minimise future increases in core charges.
- Progress port development.
- Support increased production and shipping of all shippers.
- Grow container and break bulk trade.
- Capture port related industries for Port Hedland.

Financial

- To keep increases in charges in line with target ROR.
- Review implementation of International Financial Reporting Standards (IFRS).

Human resources

- Increased port management, staff and enhanced service contracts to handle future exponential growth.
- Zero harm to employees and others in the port area.
- Employees skilled in their jobs.

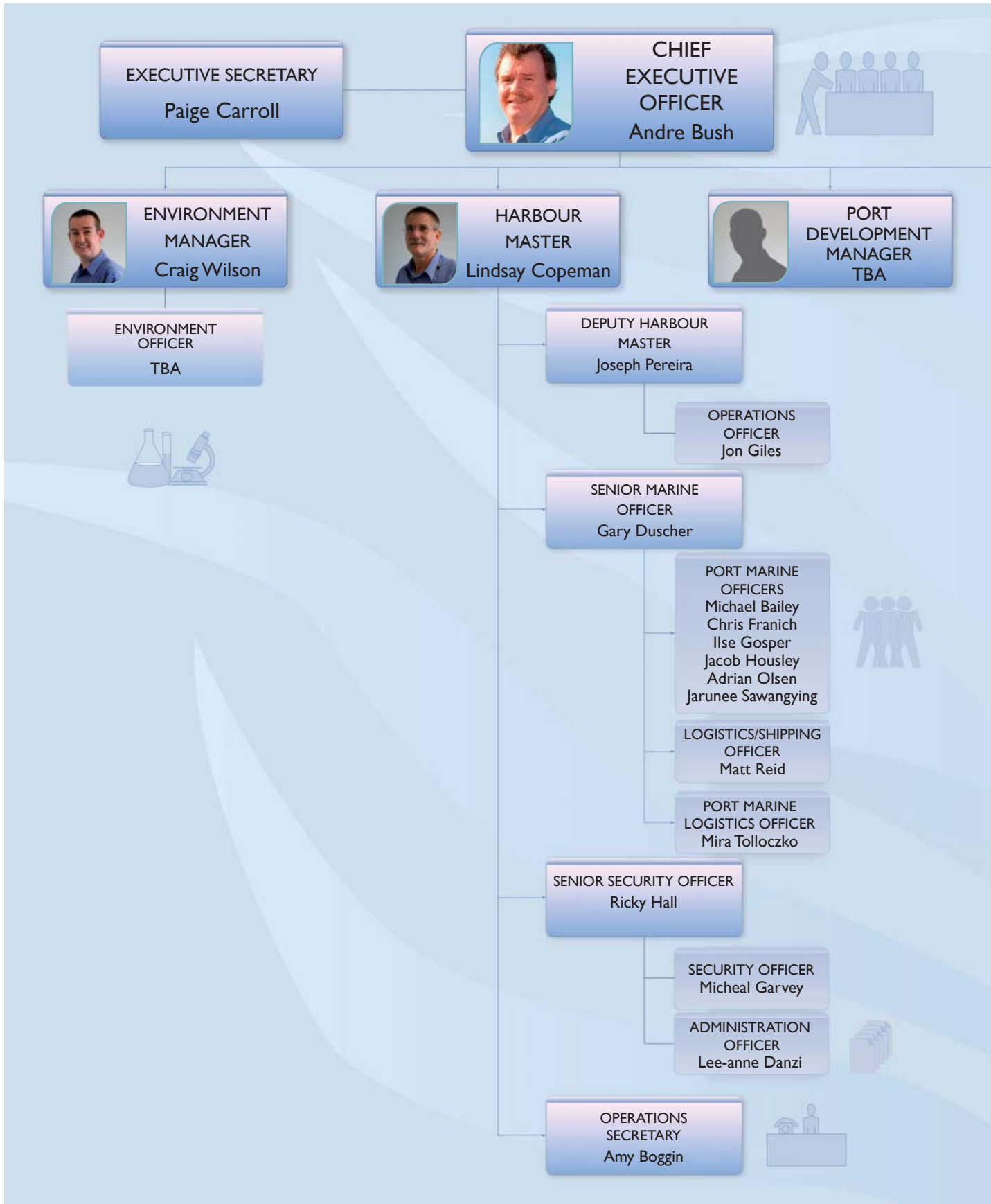
Environment, community safety and health

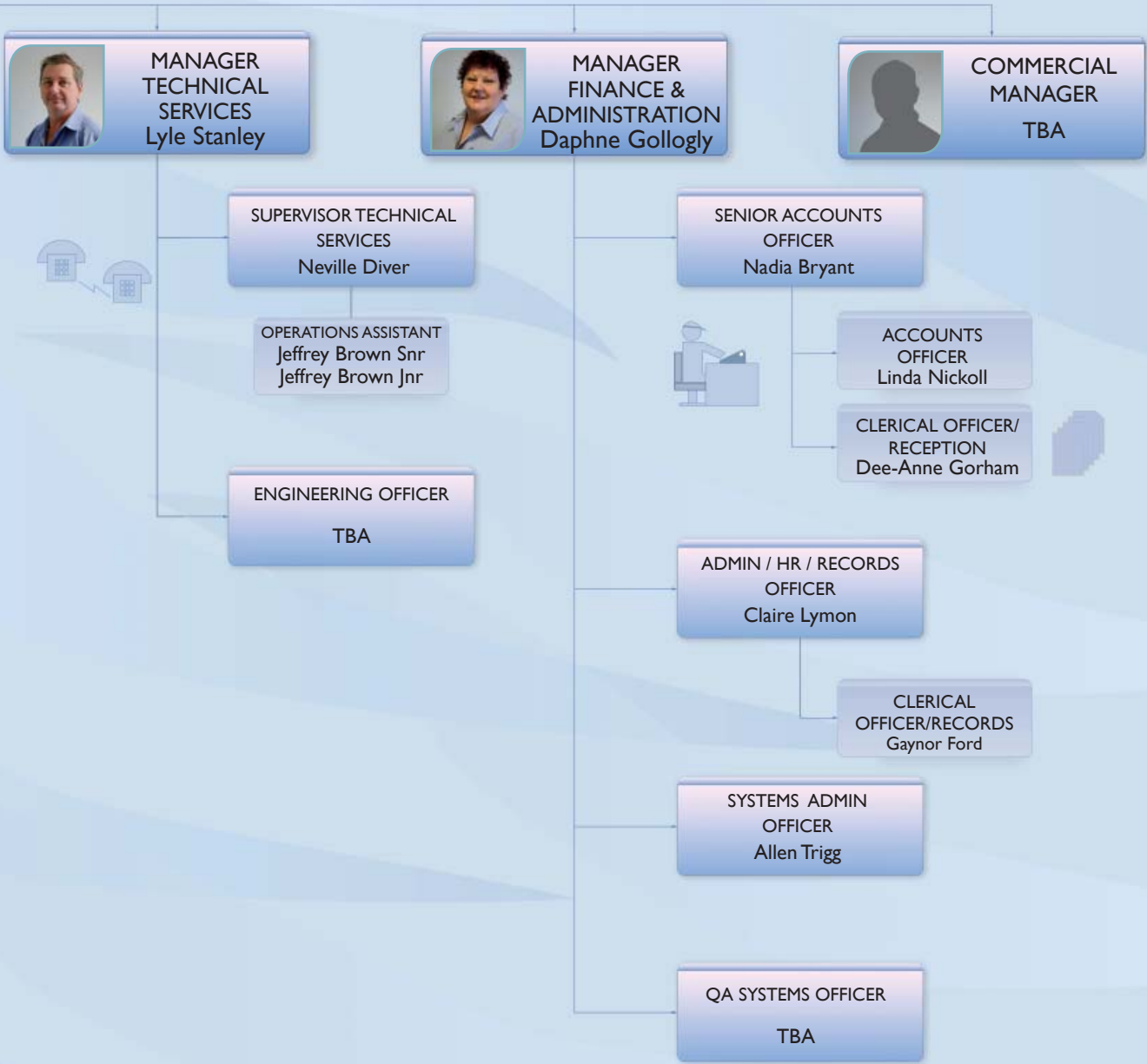
- Port security improvements.
- Achieve ISO 14001 accreditation.
- Maintain marine pollution response capability.
- Minimise contamination of the harbour sediments from product spillage.
- Minimise dust escaping from PPHA area.
- Target to manage mangrove habitats in accordance with the requirements of EPA Guidance Statement 29.

Community support

- Be recognised as a good corporate entity.

Personnel









POLICY Statements

Port Hedland Port Authority workplace environment fosters fairness and equity, and does not tolerate any form of discrimination or harassment in the workplace.

Planning and ensuring accountability for Equal Employment Opportunity (EEO) and Diversity programs has been made easier by the development of an EEO planning tool by the Office of Equal Employment Opportunity. This is a secure system for developing and maintaining Port Hedland Port Authority's EEO Management Plan.

The Port Hedland Port Authority's Representation in Relevant Equal Opportunity areas are as follows:

EQUAL OPPORTUNITY AREAS	% Representation as at June 2008
 Women	40%
 People from culturally diverse backgrounds	26%
 Indigenous Australians	7%
 People with disabilities	0%

WHAT WAS THE INITIATIVE	WHAT WAS ACHIEVED?	WHAT DIFFERENCE HAS IT MADE TO YOUR AGENCY?	HOW WAS THE INITIATIVE EVALUATED?
Training for staff in Injury Management	13% of staff participated	Improved recognition and understanding, implementation Injury Management System	Feedback from participants
Healthy Workplaces – Wellness Program – ‘Walking with Attitude’	Employees increased their daily physical activity	Recognition & understanding of physically activity being fun	Feedback from participants

EEO policies and equity principles continue to be incorporated into the Authority's operational and management practices. The Authority is committed to analysing workplace practices to ensure they do not directly or indirectly discriminate against employees or potential employees and address inequitable practices to avoid direct and indirect discrimination against any EEO groups.

Recruitment and selection practices have been enhanced by the new online resource tool introduced by Office of Public Sector Standards entitled “The Right Path to the Right People”. This tool is designed to supplement our resources by providing a user friendly recruitment and selection resource.

Worksafe recommends that workplace bullying is treated like any other safety and health hazard and has developed a brochure on “Bullying in the Workplace” a guide for workers, Port Hedland Port Authority supports the Worksafe initiative and has provided all staff with the brochure.

Other Workplace policies and practices are reviewed annually or when current legislation and Government requirements are changed.

Workplace Injuries Performance Indicators

	Notes	2007/08	2006/07	2005/06	2004/05	2003/04
Number of Fatalities	(1)	0	0	0	0	0
Number of Severe Claims	(2)	0	0	0	0	0
Number of Lost Time Injury/Diseases	(3)	0	0	0	0	1
Lost Time Injury Severity Rate	(4)	0	0	0	0	0

Notes

1. Number of compensated work related fatalities.
2. Number of claims in the financial year where the estimate for lost time exceeds 60 days. Fatal claims are included.
3. Number of claims occurring in the financial year where 1 day or more is estimated to be lost.
4. Number of severe claims divided by the number of Lost Time Injury/Diseases multiplied by 100.

Staffing

New Appointments

Manager Finance & Administration	Mrs Daphne Gollogly
Accounts Officer	Mrs Linda Nickoll
Clerical Officer/Reception	Mrs Dee-Anne Gorham
Port Marine Officer	Mr Michael Bailey
Operations Secretary	Ms Amy Boggin
Port Marine Officer	Ms Kirsty-Lee Ellison
Operations Officer	Mr Jonathan Giles
Port Marine Officer	Mr Jacob Housley
Port Marine Officer	Mr Michael Jakimowicz
Port Marine Officer	Ms Jarunee Sawangying
Port Marine Logistics Officer	Ms Mira Tolloczko
Operations Assistant	Mr Jeffrey Brown Junior
Operations Assistant	Mr Jeffrey Brown Senior

Resignations & Retirements

Manager Finance & Administration	Mr Graham Gardner
Clerical Officer/Receptionist	Mrs Vicki Denton
Port Marine Officer	Ms Kristy-Lee Ellison
Port Marine Officer	Mr John Glover
Port Marine Officer	Mr Geoff Tremenheere
Port Marine Officer	Mr Michael Jakimowicz

Maternity Relief

Administration/Human Resource Officer	Mrs Robyn Dickens
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Recruitment Practices

All recruitment and selection processes are undertaken in accordance with the criteria set down in the “Public Sector Standards in Human Resource Management”. Appointments are based on assessment of merit, equity and probity with full disclosure given to potential applicants of the provisions and entitlements applicable according to legislation and PHPA Staff Agreement.

Once a reviewable selection decision is made, unsuccessful applicants are advised that they can make a breach of standard claim under the Public Sector Management (Breaches of Public Sector Standards Regulation) 2005. During 2007/2008 nil breaches were received.

Equity & Diversity

PHPA is committed to an equitable and diverse workforce and has adopted workplace practices to prevent discrimination in relation to gender, marital status, pregnancy, family status, race, age religion or political conviction.

PHPA promotes Equal Opportunity and Diversity in the workplace by recognising the contribution that indigenous Australians, people with disabilities, people from culturally diverse backgrounds, youth and women make to the workforce.

Induction and orientation sessions provide information on Code of Conduct and Ethics, Equal Opportunity, and Discrimination legislation.

Corruption Prevention

PHPA is required to specifically consider risk of corruption and misconduct of its staff. Achieving 'best practice' in the management of risk and preventing corruption where such circumstances can adversely affect the service delivery of the Port is a priority. PHPA actively promotes employee responsibility by identifying, minimising and preventing risk of corruption. The duty to act ethically and to comply with all relevant codes, governing employee behaviour includes policies on computer use and the internet is acknowledged during induction and orientation of new employees.

Disability Access

PHPA is committed to providing all people with disabilities access to facilities and services provided by PHPA and supports the contribution that people with disabilities has in the workplace.

Record Keeping

PHPA has implemented a recordkeeping policy and plans in accordance with statutory requirements and throughout the year has monitored record handling practices and procedures to ensure compliance with the endorsed statutory requirements. New employees are informed of their obligations under the State Records Act, and are advised of their responsibility regarding Public Sector recordkeeping policies and procedures.

Occupational Health & Safety Management System

PHPA has implemented an Occupational Health & Safety Management System which allows all aspects of Occupational Health & Safety to be integrated into the day-to-day practices of PHPA. The main focus recognises commitment and responsibility including managing Occupational Health & Safety and 'duty of care' provisions under the act.

Workers Compensation & Injury Management

Workers Compensation and Injury Management provides timely and effective intervention for employees that have injured themselves at work or those employees who have injuries that may affect their ability to undertake their duties. PHPA ensures that injured employees receive their entitlements and can access 'best practice' injury management interventions and rehabilitation programs including structured 'return to work' programs providing light or restricted duties for those employees with injuries. These programs are developed in conjunction with the employee, their doctor and medical providers, and their manager.

Future Direction – Human Resources

PHPA values the very special relationships it has with its major stakeholders and the community of Port Hedland and is committed to developing and delivering services that provide a workplace culture based on diversity and equity.





Overview of PORT Operations

Introduction

In 2007 the Port Authority facilitated a customer survey of Port users and service providers. This led to the development of an Operations Plan aimed at addressing the points raised but also to ensure that the port would be appropriately positioned to handle the rapid growth and development proposed and to capture this in the Port's Ultimate Development Plan.

The Operations Team have since implemented strategies outlined in the Operations Plan to bring to fruition our vision of being the Pilbara's "Port of Choice" and to be recognised as the world's leading bulk commodities export port.

Whilst indications are that Port Hedland will become the world's leading export tonnage port in the foreseeable future, our vision is to be the world's leading bulk commodities export port, in the much wider context. In addition to first class operations and facilities; environmental management, safety and security management, technology and sustainable community, relationships will be key indicators in the achievement of this vision.

The development of Vessel Movement Protocols, the introduction of the Klein Vessel Traffic Management Information System, and a major revision of the Safety and Marine Oil Pollution Management Plans during the year are significant steps towards this goal.

The following account of Port Operations for 2007/08 highlights some of the initiatives currently being undertaken.

Trade and Shipping

The Port registered a record of 1027 ships visiting the port during the 2007/08 period. This is an increase of 139 ships that helped to contribute to a record cargo throughput of 130,707,208 tonnes for 2007/08.

The largest percentage of this figure was generated by the record total of 125,267,292 tonnes of iron ore exported through the port. Salt exports improved over the year with a total export of 2,409,527 tonnes. Manganese, chromite, copper concentrate and aged Hot Briquetted Iron fines exports accounted

for a record 2,165,595 tonnes. Fuel imports grew with an annual total of 619,957 tonnes in the 2007/08 period. General and containerised figures were down when compared with the figures for 2006/07, Livestock exports witnessed a small increase to 7,951 tonnes.

The overall tonnage for the 2008/09 period is projected to rise exponentially and reach a figure of around 180 million tonnes.

Other Cargo

Ship loading rates for all dry bulk products increased from last financial year. The major products, manganese and copper concentrate, both achieved 10-15% increases with the overall Gross Loading Rate (for all products) increasing 16% to 501 tph, with a 10% increase to the net rate to 660 tph.

Increased tonnage rates can be attributed to a combination of ship loader repairs/modifications improved efficiencies by stevedores, shippers and with the whole port interface. Major maintenance on the ship loader, particularly relating to belly pans, chute transfer points and wharf bunding, has resulted in less stoppages during loading and significantly improved loader/wharf clean down times. Major clean down periods between products have reduced from around 18-24 hours last year to 12-18 hours for most vessels during this financial year.

Improvements regarding cargo moisture issues with certain dry bulk products combined with ongoing ship loader maintenance and further client experience should result in a continued increase in loading rates for the coming financial year.

Port Operations

The Port Operations have experienced a period of rapid growth during the 2007/08 period which created several new positions within the Operations team. An Operations Officer has been appointed to work closely with the Deputy Harbour Master on cargo and other landside issues. A new enhanced scheduling team comprising of two new positions has been created to handle the ever growing increase in shipping and an increase of the number of Port Marine Officers to seven has allowed the port to increase training in this area and cover relief periods effectively.

Home Port

The Port Hedland Port Authority was granted home port status during 2008 after meeting all the Australian Maritime Safety Authority (AMSA) requirements to be awarded home port status.

Port Security

The Port Authority continues to implement increased security measures in and around the port, in line with the International Ship and Port Security (ISPS) Code.

Maritime Security Identification Cards (MSIC)

During the 2007/08 financial year the Port Authority has received 794 applications for MSIC. The original justification for becoming an issuing body was based on an initial demand for the issue of 800 cards and an ongoing number of approximately 180-200 cards per year. The current demand as evidenced in the figures for the 2007/08 period demonstrate the necessity to maintain this service for port users.

The Port has a compulsory induction program as part of the access requirements. The induction currently incorporates safety, security and environmental matters within the Port. The Port facilitated 2139 inductions during the 2007/08 period. During the 2008/09 period the program will be enhanced to incorporate cultural awareness.

Port Closure

The Cyclone season for 2007/08 whilst being active had little impact on port operations. The Port was closed for a total on 76.5 hours during the 2007/08 cyclone period due to the threat of Cyclone Melanie that formed on 28 December 2007 and Tropical Cyclone Nicholas, a category 3 cyclone that formed on 13 February 2008.

Technological Improvements

Dynamic Under Keel Clearance (DUKC) System

The DUKC's primary function is to increase cargo throughput without jeopardising safety.

In October 2007 the Port Hedland Port Authority worked in conjunction with OMC International to upgrade to the DUKC Series 4 edition. This upgrade allowed an average of 10cm increase in available draft which allowed iron ore ships to load increased tonnage whilst still meeting all safety requirements. The upgrade of the DUKC Series 4 edition involved extensive testing before it was introduced as an enhancement for the Port's shipping operations.

It is estimated that the Series 4 upgrade of the DUKC update will generate an annual benefit to the Port as a whole of approximately \$150 million a year.

Klein Vessel Traffic Management Information System (VTS)

The Klein VTS was introduced as a result of an operational need for the Port to get a dedicated marine management system. The Klein VTS in conjunction with the DUKC allowed the Port to take over all scheduling for the Port in the 2007/08 period.

Portable Pilot Unit (PPU)

Portable Pilot Unit's are a portable navigation aid that superimposes the ships position onto an electronic chart indicating in real time the speed, direction and position of the vessel. This information is obtained by way of a Dynamic Global Positioning System (DGPS).

The Port currently operates one Portable Pilot Unit under a lease agreement on a trial basis. The current weight of this particular unit is approximately 8 kilos. Since the beginning of the current trial some manufacturers have managed to successfully reduce the weight of their PPU's. The Port is currently evaluating quotes and will place an order for light weight PPU units early in the 2008/09 financial year.

Marine Pilot Transfers

In the 2007/08 period 90% of all Marine Pilot transfers were undertaken by helicopter. Marine Pilot transfer by helicopter has been the Port's preference for the past 37 years. The contracted service provider for the past 11 years, Jayrow Helicopters enhanced their operations this year with the introduction of a Eurocopter EC120B to replace the Jet Ranger. The EC120B has an enclosed tail rotor to improve safety.

Guardian Marine was awarded a short term contract for the provision of Pilot Vessel transfers until December 2008.

Both Helicopter and Pilot Vessel contracts are currently being renewed through the tender process which will be completed early in the new financial year. The services sought will be enhanced in line with the increased shipping demand in the years ahead and need for enhanced performance and safety.

Pilotage

There were a record number of 1027 shipping movements for the 2007/08 financial year and 1013 of these movements were completed under pilotage. This figure has increased from 890 shipping movements and 882 pilotage movements for the 2006/07 period. The pilots have welcomed two new members to their organisation to help cater for the increased demands for their services.

Shipping Control Tower

The Shipping Control Tower continues to play a critical role in the overall operation of the Port. 2007/2008 has seen a substantial increase not only in tonnage throughput but also in the number of ships visiting the Port.

A number of initiatives have been implemented within the Tower to assist Port Marine Officers (PMO's) to carry out their duties:

The introduction of 8 hour shifts was seen as a significant move in combating operator fatigue as shipping increases and periods of inactivity become significantly smaller. The 8 hour shift roster currently in effect puts the Port close to the industry benchmarks in relation to Fatigue Management. Staffing levels have been increased by 1 PMO to ensure the continuity of the 8 hour shifts (compliment is now 7 PMOs).

A substantial upgrade to the Transas Vessel Tracking System (VTS) has been completed with excellent results. The upgrade has already enabled the Port to clearly identify a vessel which had struck one of the navigational beacons causing significant damage. The system is considerably more operator friendly and is complimented by split screen technology and the introduction of a number of additional critical system

functions. This system will be further enhanced by the purchase of a new radar display and scanner during fiscal year 2008/2009.

To compliment the VTS upgrade, a training regime has commenced for the operators with Pivot Marine for the provision of IALA certificated VTS Operators training. One operator has successfully completed the course and others are scheduled to take part in these courses during the coming year. A number of PMOs also successfully completed training courses which enabled them to be issued with Restricted Coxswain certificates.

Creciente Grounding

The Australian Transport Safety Bureau (ATSB) report and findings on the Creciente grounding that occurred in September 2006 was released in May this year. On 12 September 2006 the Creciente (a Hong Kong registered bulk carrier) broke away from the Port's D berth partially due to the strong spring tide. Despite the best efforts of all concerned, particularly the Port Hedland Pilots and the Teekay Tugs to hold the Creciente in a natural deep water section of the channel (which after investigation the ATSB deemed was the best course of action) the ship grounded at approximately 06:15 but was successfully refloated three hours later and moved to a safe anchorage for repairs.

This highlighted the need for the Port's Emergency Plan to be tested and improvements have been made following the release of the ATSB report on the event in line with their recommendations. The Port's Emergency Plan has been amended to cover such incidents more effectively. The Port's requirements for mooring line management by ships crews have been upgraded as a result of this incident.



Occupational Health and Safety.

The Port continues to successfully implement the revised Port Hedland Port Authority OHS Management Plan. The 2007/08 period signified a complete year using the Trilogy OHS Management System. Trilogy has allowed the Port to increase its productivity in OHS hazard management and reporting capabilities. As of 30 June 2008 the Port was eleven months LTI free.





Planning and DEVELOPMENT

Major Works 2007/08

The Port Authority has completed a number of major works for the year. Significant projects included the following:

Helicopter Hangar

The new EC120B helicopter with improved safety features incorporated a three bladed rotor which was not able to fit inside the existing hangar. A new hangar capable of housing two EC120B's was constructed adjacent to the existing hangar. The design and construction was undertaken by Bruce Rock Engineering. In addition a new 10,000 litre above ground fuel tank was installed.



New Tug Pens

In keeping up with the increasing trade, BHPBIO has purchased additional tugs. The Port constructed another two floating tug pens within the tug haven bringing the total number of pens to ten. Local company Cervan Marine was awarded the contract to build the new pens.



Maintenance Dredging

The Port has a three year cycle of maintenance dredging of the channel and berth pockets. The most recent campaign was completed in December 2007 by Dredeco using the dredger “Lange Wapper”. Unfortunately issues remain with accumulated sediments at the fender toe lines resulting in reduced available depths at the berths. This issue is being addressed with a remedial dredging program during 2008/09. The next maintenance dredge program is due in 2010.



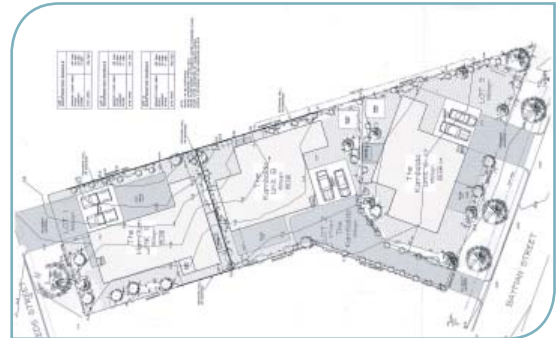
Security Fencing

The first stage of the Port’s program to install security fencing around the boundaries was completed. The fencing selected was “Palisade”. Further sections of fencing are planned over the next 12 months.



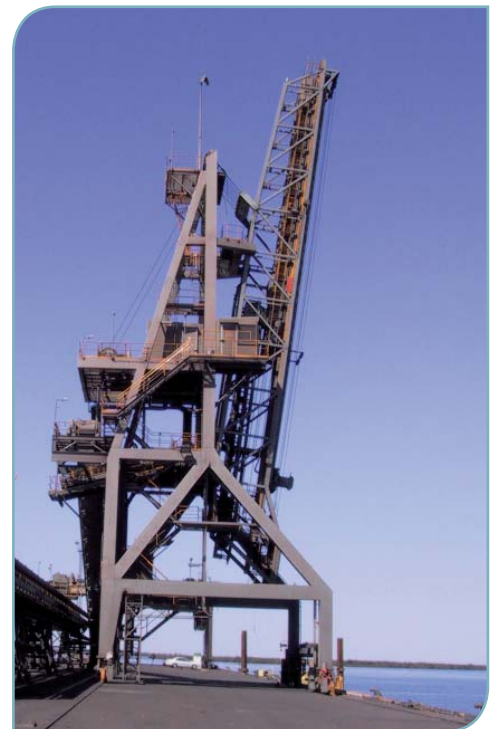
Staff Housing

The upgrade of existing Port housing continues unabated. In addition the Port completed the fit out of three McGrath transportable style homes allowing staff to move in around March this year. A further contract for house construction has been awarded to Goldman Construction to build the Port’s next house on land at Pretty Pool. In support of this construction program the Port purchased a further two homes on the open market bringing the total number of mixed Port accommodation to 21 units.



Ship Scheduling Software

With increasing trade there is greater pressure on the Port to fairly allocate the best part of the tide between the major iron ore miners FMG and BHPBIO. This pressure will increase as additional berths are constructed and more mining companies establish within the harbour. To manage this allocation fairly the Port has adopted the implementation of Klein Scheduling Software directly linked to the Dynamic Under Keel Clearance system. The system will continue to be upgraded to meet the increasing expectations of Port users.



Miscellaneous

Minor projects to improve shiploader productivity and environmental performance continued through the year. Other minor works included additional portable offices, upgrades to the administration building, vehicles and upgrades to water and power distribution networks.

Projects PLANNED for 2008/09

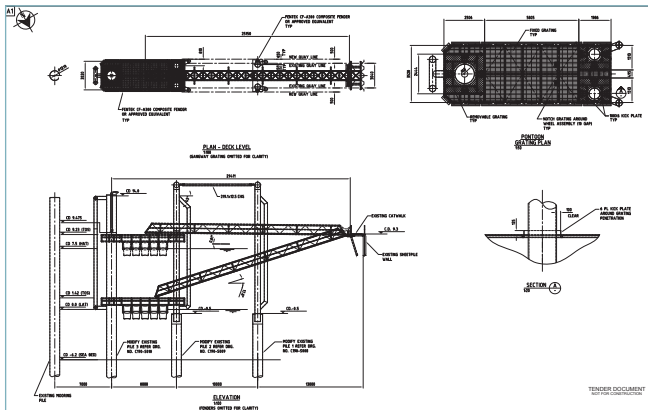
Front Entry Statement

In conjunction with the Town of Port Hedland's improvement program for the town centre, the Port will be undertaking a number of visual improvement projects at the Port entry. The design will reflect and continue the improvements planned for the town centre and will incorporate an upgrade of the RSL Memorial.



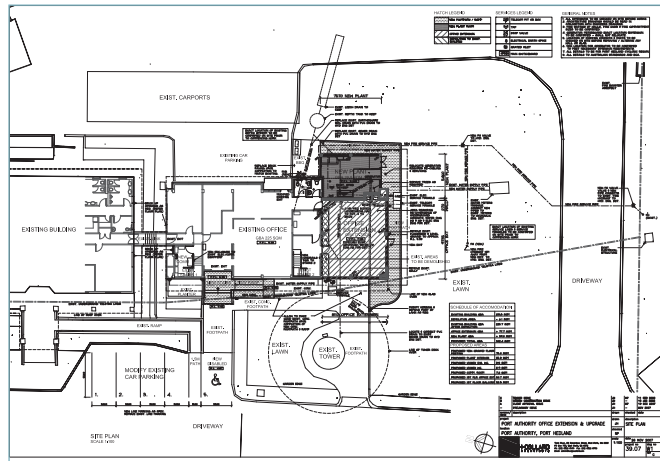
Tug Haven Access Modifications

The Port has a requirement to improve the access arrangements within the original tug pens. The current staircase is seen to pose a risk to tug crew when accessing the tugs. A contract has been awarded to remove the existing staircases and install floating pontoons. This project will be jointly funded by PHPA and BHPBIO.



Administration Building Extension

The increase in Port trade has also necessitated an increase in staffing levels, however, office space is at a premium. To provide for more space a design has been commissioned to extend the original office building. Architects Hodge & Collard have managed the project and the Port is soon to award the contract for construction. The extension will provide a further 200m² of office space.



Staff Housing

Port will continue to increase its base of housing units with the completion of the Pretty Pool house. An additional five housing blocks have been requested from Landcorp in the second stage of the Pretty Pool development.

No 1 Berth Damming

To ensure that contaminated wash down water from the bulk loading system does not enter the harbour the Port plans to dam and collect the loadout wharf wash down water. The collected water will be treated to separate product from water. The collected water will then be re-used within the site.

New Copper Concentrate Shed

A number of new concentrate exporters will be using Port Hedland as their export port. Rather than provide individual storage for each company the proponents were directed to find an infrastructure provider to construct a single multi-user storage shed. POAGS and Cootes have been selected by the miners to provide the storage shed and conveying facilities. The shed will have a capacity of 60,000T and is located directly behind the No. 1 Berth.

Container Yard and AQIS Facility

Projections are that the Port could soon handle between 200-400,000T of containers within the next few years. It is proposed to invite interested companies to build and operate a container handling yard and AQIS facility within the Port to accommodate this trade.

Maintenance Dredger for the West Coast

The recent high costs of maintenance dredging has prompted the Port to investigate the feasibility of providing a maintenance dredger on the west coast similar to the operation by the Port of Brisbane in Queensland.

Utah Berth Development

By far the single biggest project for the Port in the coming year, a new berth and stockpiling facility with a capacity in the range 17-20 Mtpa will be built on the western side of the harbour to accommodate the export requirements of the junior iron producers such as Aurox Resources and Atlas Iron. Due to limits on road haulage, some of the spare capacity during the initial years of operation has been contracted to BHPBIO. The current trade in manganese and chrome from Consolidated Minerals and Process Minerals International will relocate to the new facility. Award of major supply items such as pile and shiploader has occurred and it is expected that tenders for the berth and civil works will be advertised in Q3 2008.

Minor Works

The program of upgrading outdated facilities will continue with particular focus on the telephone, fresh water and electrical supply networks.





DIRECTORS' REPORT

Directors

IAN WILLIAMS, BE.Elect., FIEAust., FAusIMM

Chairman

Mr Williams was appointed Chairman on 1 September 2003 for a term expiring 30 June 2009. Ian is a widely experienced executive who has occupied a number of very senior positions within the mining and processing industries in Australian and overseas. Ian is an Adjunct Professor of the University of Queensland's Sustainable Mineral Institute.



MICHAEL DZIOMBAK

Director

Mr Dziombak was first appointed to the Board on 10 October 2005 for a term of 3 years expiring 30 June 2008. Mr Dziombak is the President of the Port Hedland Chamber of Commerce.



TERRY BUCK

Director

Mr Buck's appointment finished 30 September 2007.



MICK EVANS

Director

Mr Evans was appointed as a Director with effect from 27 May 2004. Mr Evans was Vice President Rail and Port from BHP Billiton Iron Ore Pty Ltd and resigned from the Board in March 2008.



GEOFFREY STOCKER

Director

Mr Stocker was appointed to the Board on 18 September 2006 for a term of 2 years expiring on 30 June 2008. Mr Stocker is Managing Director of Pilbara Logistics Pty Ltd.



ROGER RICHARDSON

Director

Mr Richardson was reappointed to the Board on the nomination of BHP Billiton in 2001. Mr Richardson is Superintendent Shipping for BHP Billiton Iron Ore Pty Ltd and a former Town Councillor. Mr Richardson is also Chairman of the Tropical Cyclone Industrial Liaison Committee. Mr Richardson was not a director during the months of February, March and April and was reappointed in May 2008.



ANTHONY COOKE

Director

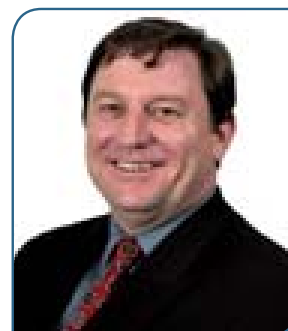
Mr Cooke was appointed to the Board on 31 December 2007 for a term of 2 years expiring on 31 December 2009. Mr Cooke is self employed and is the Director of Metanoia Consulting Pty Ltd trading as "Tony Cooke Consulting".



ALAN WATLING

Director

Mr Watling was appointed to the Board on 31 December 2007 for a term of 2 years expiring on 31 December 2009. Mr Watling is Chief Operating Officer of Fortescue Metals Group.



PAUL SLOCOMBE

Alternative Director

Mr Slocombe was appointed Alternate Director to Mr Evans from 26 February 2007. From March 2008 he became Alternate Director to Mr Richardson.



PETER HANRAHAN

Alternate Director

Mr Hanrahan was appointed Alternate Director to Mr Richardson from February 2007 to March 2008.



Principal ACTIVITIES

Port Hedland Port Authority:

- Provides and maintains essential port facilities including the channel and turning basin, navigation aids, berths, shiploader, storage areas and utilities.
- Provides services for the safe movement of ships within the port including scheduling and movement control, pilotage, and under keel clearance optimisation.
- Controls services provided by others in the port including stevedoring, towage, and line boats.
- Controls the activities of others in the port including the planning and construction of dedicated private facilities.
- Lease industrial land.
- Plans for the future growth and development of the port.

There have been no significant changes in the nature of the principal activities during the financial year.

Operating Results

Information on the operations and financial position of the Authority and its business strategies and prospects is summarised in the Highlights and Major Goals Planned in this annual report.

Dividends Paid or Recommended

Dividends paid during the year are as follows:

A final dividend of \$1,254,009, as recommended in the 2007 report was paid in March 2008.

Likely Developments and Expected Results

In the opinion of the Directors, no developments have occurred since 30 June 2008 which are likely to significantly affect the operations of the Port Authority as at the date of this report.

Significant Changes in the State of Affairs

There have been no significant changes to the state of affairs of the Authority since the previous Directors' report.

Events Subsequent to Balance Date

At 22:20 on 31 July 2008 the bulk carrier “Iron King” grounded on the eastern side of the channel taking out Beacon 44 following a steering failure. Emergency Response Procedures were activated, precautionary oil spill response measures taken and at 09:50 on 1 August 2008 the Iron King was successfully refloated with the assistance of eight tugs. The vessel transited the channel under escort and anchored north of C1 at 13:15.

The total time the Port was closed due to the incident was 17 hours. Following thorough inspections and clearance by AMSA, the Iron King was cleared to proceed to its destination on 12 August 2008. Security of \$1.8M was received from the P&I Club for costs incurred by PHPA including anticipated costs to replace Beacon 44.

Remuneration REPORT

Remuneration Policy

The Minister determines the emoluments of the Directors.

The Board, with the approval of the Minister determines the emolument package of the Chief Executive Officer. The Board delegates to the Chief Executive Officer the power to determine the terms and conditions of other senior executives in accord with competitive emolument packages for senior executives based on benchmarking with other organisations.

The performance and bonus of the Chief Executive Officer and senior executives is monitored against agreed criteria.

The CEO was eligible for a Risk Performance Bonus of 5% of base salary, payable at the sole discretion of the Board following a performance review. This was paid on 7 March 2008.

The Harbour Master was eligible for a Performance Bonus of 5% of base salary, payable at the sole discretion of the CEO following a performance review. This was paid on 1 December 2007.

The employment conditions of the CEO, Mr Andre Bush and other key management personnel are formalised in contracts of employment. Mr Bush is employed under a fixed five-year term contract which commenced on 6 December 2005 and expires 5 December 2010. The Harbour Master, Mr Lindsay Copeman is employed under a fixed five-year term contract which commenced on 11 October 2001 and was renewed for a further five-year term due to expire 12 November 2011.

Manager Technical Services, Mr Lyle Stanley, Manager Finance & Administration, Mrs Daphne Gollogly and Environment Manager, Mr Craig Wilson were converted to fixed term five-year contracts on 1 May 2008 and these will expire 30 April 2013. Under these contracts the managers will be eligible for a Performance Bonus of 5% of base salary, payable at the sole discretion of the CEO following a performance review.

Directors' Emoluments 2008

The emoluments of each Director of the Authority are as follows:

Director	Directors' Fees	Committee Fees	Super-annuation Benefits	Incentives	Non Cash Benefits	Total
Ian Williams	45,000	-	4,050	-	-	49,050
Terry Buck	8,355	-	752	-	-	9,107
Michael Dziombak	16,500	-	1,485	-	-	17,985
Anthony Cooke	8,250	-	742	-	-	8,992
Roger Richardson*	11,000	-	-	-	-	11,000
Alan Watling*	8,250	-	-	-	-	8,250
Mick Evans*	9,625	-	-	-	-	9,625
Geoffrey Stocker	16,500	-	1,485	-	-	17,985

* Directors' fees are paid to the Directors' respective employers.

PHPA Annual Report 2008 / Directors' emoluments

Directors' Emoluments 2007

Director	Directors' Fees	Committee Fees	Super-annuation Benefits	Incentives	Non Cash Benefits	Total
Ian Williams	22,000	-	1,980	-	-	23,980
Brent Rudler	2,750	-	248	-	-	2,998
Terry Buck	11,000	-	990	-	-	11,990
Michael Dziombak	11,000	-	990	-	-	11,990
Agnita Vordehake	7,173	-	646	-	-	7,819
Mick Evans*	11,000	-	-	-	-	11,000
Roger Richardson*	11,000	-	-	-	-	11,000
Geoffrey Stocker	8,250	-	742	-	-	8,992
Peter Hanrahan	-	-	-	-	-	-
Paul Slocombe	-	-	-	-	-	-

* Directors' fees are paid to the Directors' respective employers.

PHPA Annual Report 2007 / Directors' emoluments

Executive Emoluments 2008

The emoluments of the Executive Officers receiving the highest emoluments for the Authority are as follows:

Officer	Salary	Super-annuation Benefits	Incentives	Non Cash Benefits	Total
Andre Bush	211,033	33,857	10,049	37,338	292,277
Lindsay Copeman	185,472	33,211	8,714	17,875	245,272
Lyle Stanley	154,793	26,748	-	18,836	200,377
Daphne Gollogly	149,470	19,431	-	9,569	178,470
Craig Wilson	121,470	20,905	-	6,490	148,865
Graham Gardner (retired 05/08)	164,632	20,911	-	5,108	190,651

PHPA Annual Report 2008 / Executive Officer emoluments

Executive Emoluments 2007

Officer	Salary	Super-annuation Benefits	Incentives	Non Cash Benefits	Total
Andre Bush	197,513	21,831	-	25,200	244,544
Lindsay Copeman	185,177	19,676	-	10,146	214,999
Lyle Stanley	144,093	16,134	-	5,833	166,060
Graham Gardner (retired 05/08)	144,486	16,191	-	5,780	166,457

PHPA Annual Report 2007 / Executive Officer emoluments

Directors' Meetings

The number of meetings of the Authority's Board of Directors held during this financial year and the number of meetings attended by each Director were:



	Directors' meetings		Special Directors' meetings	
	No. of meetings held while in office	Meetings attended	No. of meetings held while in office	Meetings attended
Ian Williams	11	11	-	-
Michael Dziombak	11	10	-	-
Terry Buck	3	2	-	-
Roger Richardson	8	8	-	-
Geoff Stocker	11	9	-	-
Paul Slocombe	11	2	-	-
Mick Evans	8	3	-	-
Anthony Cooke	6	6	-	-
Alan Watling	6	5	-	-
Peter Hanrahan	8	-	-	-

PHPA Annual Report 2008 / Directors' Meetings

Directors' Interest in Contracts

During or since the previous financial year, no Director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received, or due and receivable in the accounts or the fixed salary of a full time employee) by reason of a contract made by the Port Authority with the Director or with a firm of which the Director is a member or an entity in which the Director has a substantial financial interest.

Rounding of Amounts

The Authority is of a kind referred to in Class Order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.



ENVIRONMENT

Environmental Management Plan Review

The Authority's Environmental Management Plan was reviewed again this financial year as part of our continuous improvement program. Environmental audits of port activities were undertaken and significant environmental aspects and impacts identified. A number of new management initiatives have been planned for the 2008/09 financial year.

Environmental Audit

A port wide environmental audit was undertaken during the financial year to assist in the identification of significant environmental aspects and risks at the Port as well as fulfilling the purpose of an environmental management system gap audit. The audit identified a number of areas that had not been previously identified as environmental risks and will assist significantly in the development of an environmental management system.

Air Quality Monitoring

Port Hedland Port Authority has been instrumental in the formation of the Port Hedland Industries Council, whose purpose is initially to manage air quality and air quality monitoring in Port Hedland. The group has developed a Rules of Association and the intent of the group has been advertised. In its first year the group will develop a web-based reporting system for air quality monitoring results and undertake a review of air quality monitoring locations.

The Port Authority upgraded its ambient air quality monitoring program during the year, installing an external communications package to the dust monitor to allow for offset collection and analysis of air quality monitoring data.

Long Term Sea Dump Permit

Port Hedland Port Authority secured the first Long Term Sea Dump Permit in Western Australia during the year. A Long Term Dredge Material Management Plan has been developed and a Technical Advisory and Consultative Committee for dredging formed to better manage maintenance dredging in Port Hedland.

In order to secure the permit, an intensive sediment monitoring program was implemented and, as a result of some elevated contaminations, a wide range of sediment testing undertaken. As a result of the testing, all sediment was approved for sea disposal.

As a requirement of the Long Term Dredge Material Management Plan, the Authority is developing a long term sediment monitoring program in a effort to better classify the sediments to be dredged to assist in the decision making process when considering the disposal options of the sediments.

Utah Point Berth Project Environmental Approvals

The Utah Point Berth Project was referred to the Environmental Protection Authority (EPA) in September 2006. The project was assessed by the EPA and given a Public Environmental Review (PER) level of environmental impact assessment. PHPA obtained the services of Sinclair Knight Merz (SKM) to assist in the delivery of a PER for the proposed project.

A large amount of work has been undertaken to both classify and minimise the environmental impacts associated with the project and the PER was approved for public release in June 2008. Studies associated with the PER include noise and air quality modelling, terrestrial flora and fauna studies, marine flora and fauna studies, soil and groundwater contamination studies, surface water contaminations studies and water use and reuse investigations.

A significant community consultation program was also developed and implemented with positive interaction and feedback with various community groups and stakeholders. As a result of this extensive program the Authority received no community comment during the public release period.

Mangrove Research

The Port Authority has undertaken significant work in the past year both classifying the mangroves within Port Hedland Harbour and investigating the possibility of a mangrove offset program. The increasing amount of mangrove loss within the harbour has prompted the Port Authority to gain a better understanding of the functionality and importance of the mangrove ecosystems within the harbour and gain a better understanding of loss thresholds.

To assist in maintaining a functioning ecosystem, the Authority has been investigating the possibilities of developing a mangrove offset area within the harbour. Whilst this won't replicate the ecosystem dynamics it will replicate the basic functionalities of a mangrove ecosystem. The offset program will be further developed prior to a pilot project being established.

No. 1 Shiploader Upgrades

Further improvements to the No. 1 Shiploader were implemented in 2007/08 in an attempt to improve the environmental risks associated with this operation. Improved plastic bunding was installed on the rear of the wharf to capture water runoff from the berth surface and investigations have been undertaken to determine methods to recycle wash down water. Spill plates on conveyors have been modified to assist in spillage control and cleaning efficiency.

Washdown Bay

The washdown bay has now been completed with a water recycling system installed. A preventative maintenance and inspection regime has now been developed to ensure the washdown bay is operating in an optimum and safe condition. The washdown bay has seen a high amount of use and has been a positive outcome for a once significant environmental problem at the port.

A road sweeper dumping pit was also added to the washdown bay during the year to provide a well managed area for the roadsweeper to dispose of waste products. Water from this area is also recycled.

Carbon Neutral Program

Port Hedland Port Authority again participated in the Carbon Neutral Program. All of the carbon dioxide emissions from the Authority's vehicles, and other plant used throughout the port including front end loaders, other mobile plant and the pilot boat and work boat, were calculated and the appropriate number of trees planted to offset these emissions. The trees were planted in salinity affected areas of the state, resulting in an additional positive environmental outcome.

HERITAGE

Utah Point Heritage Surveys

Port Hedland Harbour is an area rich in aboriginal heritage, overseen by the traditional owners the Marapikurrinya people. Aboriginal heritage was identified as an important consideration as part of the Utah Point Berth Project. The Port Authority has worked closely with the traditional owners to undertake a number of heritage surveys within the project area to identify and document the importance of heritage sites within this area.

Unfortunately, the development will result in a direct impact on a number of heritage sites and as such the Port Authority was required to submit a S18 Notice under the Aboriginal Heritage Act 1972.

Port Collaboration and Heritage Agreement

Through the Utah Point Berth Project process, it was identified that the Port Authority had had little interaction with the traditional owners and the management of Aboriginal heritage on Port land in the past. As a result, the Port Authority has decided to improve its management of heritage issues within the Port.

The Port Authority and the traditional land owners represented by Marapikurrinya Pty Ltd developed and ratified the Port Collaboration and Heritage Agreement. The Agreement allows for a cooperative approach to heritage management and the port for a better management outcome. Initiatives in the agreement include the development of a Heritage Co-Management Group, the development of a Cultural Heritage Management Plan, the introduction of cultural awareness training and business development assistance and business capability building for Marapikurrinya Pty Ltd. The Agreement also allows for the streamlining of the heritage survey and Section 18 process.





Corporate GOVERNANCE Statement

Port Hedland Port Authority and the Board are committed to achieving and demonstrating the highest standard of corporate governance.

The relationship between the Board and senior management is critical to the Authority's long term success. The Board has adopted the following corporate governance principles to enhance the interests of the government shareholder and other key stakeholders.

The Board of Directors

The responsibilities of the Board include:

- Providing strategic guidance to the Authority including contribution to the development of and approving the corporate strategy;
- Reviewing and approving business plans, annual budgets and financial plans including available resources and major capital expenditure initiatives;
- Overseeing and monitoring;
 - Organisational performance and the achievement of the Authority's strategic goals and objectives;
 - Compliance with the Authority's Code of Conduct;
 - Progress of major capital expenditures and other significant corporate projects including any acquisitions or divestments;
- Monitoring financial performance including approval of the annual and half year financial reports and liaison with the Authority's auditors;
- Appointment, performance assessment and, if necessary, removal of the Chief Executive Officer;

- Ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team;
- Ensuring there are effective management processes in place and approving major corporate initiatives;
- Enhancing and protecting the reputation of the Authority; and
- Overseeing the operation of the Authority's system for compliance and risk management.

Composition of the Board

The Authority had seven non executive directors including the Chairman. The seven directors were made up of five appointed by the Minister, plus two industry nominated Board Directors. The two BHPBIO nominated Board Directors reduced to one during the year because of the lapse of the Goldsworthy lease, as agreed to with BHPBIO.

The Board generally meets once a month and as required during the year when special meetings may be called.

Appointments and Retirements of Directors

The appointment of a Director is by the Minister in accordance with Section 7 (1) of the Port Authorities Act 1999. Retirement age for Directors is 72, although annual extensions are available with Ministerial approval. Directors are appointed for periods of up to three years and are eligible for reappointment. The Minister may at any time remove a Director from office and is not required to give any reason for doing so. The Minister appoints a Director as Chairman and another as Deputy Chairman.

Independent Professional Advice

The Authority will permit any Director to seek external professional advice as considered necessary in the performance of their responsibility as a Director at the Authority's expense, with the approval of the Chairman.

Conflict of Interest

In the event that a potential conflict of interest may arise, involved Directors must withdraw from all deliberations concerning the matter. They are not permitted to exercise any influence over other Board members and to make improper use of information or their position.

Fees for Directors are determined in accordance with Section 10 of the Port Authorities Act 1999.

Ethical and Public Sector Standards

The Board recognises that the Authority's corporate governance, safety, occupational health, environmental and ethical standards must reflect best Australian and international practices. The Board therefore keeps these practices under review. All Directors and employees are required to meet the minimum standards set out under the Port Authorities Act (1999) and Section 8 and 9 of the Public Sector Management Act 1994 for Ethical Business Practice and Code of Conduct.

The Port has not had any incidences, complaints, or grievances regarding recruitment nor any cases of unfair dismissal. Occupational health issues and accidents were dealt with appropriately by management and no further action by the Board was required. The Authority has not had any breaches, alleged breaches or complaints against any staff member in relation to the Code of Conduct.

Remuneration Committee

The Remuneration Committee consists of two Directors (currently I Williams and A Cooke) and the CEO for review of employees of the Authority. All Directors are involved in the performance and review of the remuneration of the Chief Executive Officer. A comprehensive annual review includes performance evaluation, having regard to comparative remuneration and independent advice as necessary. Ministerial approval is sought for recommendations to the salary and conditions for the Chief Executive Officer.

Audit Committee

The Audit Committee of the Board consists of two Directors (currently A Watling and I Williams) along with the CEO and Manager Finance and Administration and performs the following functions:

- Ensures compliance with statutory responsibilities relating to accounting policy and disclosure;
- Liaises with, assesses the quality and reviews the scope of work and reports of the external and internal auditors;
- Assesses the adequacy of accounting, financial and operating controls;
- Reviews proposed reported financial information and recommends its approval or otherwise to the board;
- Monitors the identification, management and control of risk.

Internal Controls and Risk Management

Procedures have been established at the Executive and Board level that are designed to safeguard the assets and interests of the Authority and to ensure the integrity of reporting.

These include accounting, financial reporting and internal control policies and procedures.

The Authority has in place the following arrangements to monitor:

- Approval and review by the Board of the annual budget, Statement of Corporate Intent and Strategic Development Plan. These are to be agreed between the Minister and the Board with the concurrence of the Treasurer;
- Authorisation of major capital and contract commitments by the Board;
- Guidelines, limits and controls on all financial exposure;
- A comprehensive annual insurance program operated with the assistance of professional outside advisors;
- Compliance with equal opportunity covering affirmative action, sexual harassment, discrimination and the environment;
- A regulatory compliance program to cover corporations law requirements.

The Board reviews actual financial results against budget each month. The Authority prepares six monthly financial statements and performance reports which are submitted to the Minister.

Risk management is discussed at monthly senior managers' meetings where operational and business risks are assessed and appropriate action implemented.

Expenditure Guidelines

The Authority has clearly defined guidelines for operating and capital expenditure. These include monthly reports against budget for the major business units as well as formally approved levels of delegated financial authority endorsed by the Board. The Authority is required to obtain the approval of the Minister for major capital works expenditure that exceeds \$2,000,000. The Board also reviews capital expenditure and cash flows on a monthly basis.

Signed in accordance with a resolution of the Directors.



Mr B Dziombak

Director

12 September 2008



Mr R Richardson

Director

12 September 2008





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*The Port Hedland Port Authority was established through the Port Authorities Act 1999.
Its principal place of business is The Esplanade, Port Hedland.
Annual reports and other information are available on our Website: www.phpa.com.au*



Financial OVERVIEW

Analysis of Revenue by Source

	2007/08		2006/07		VARIATION	
	\$000	%	\$000	%	\$000	%
Charges on Ships	21,105	55	14,623	54	6,482	58
Charges on Cargo	10,569	28	8,624	32	1,945	17
Lease Rental	5,484	14	2,710	10	2,774	25
Other Revenue	1,095	3	1,173	4	(78)	0
Total	38,253	100	27,130	100	11,123	100

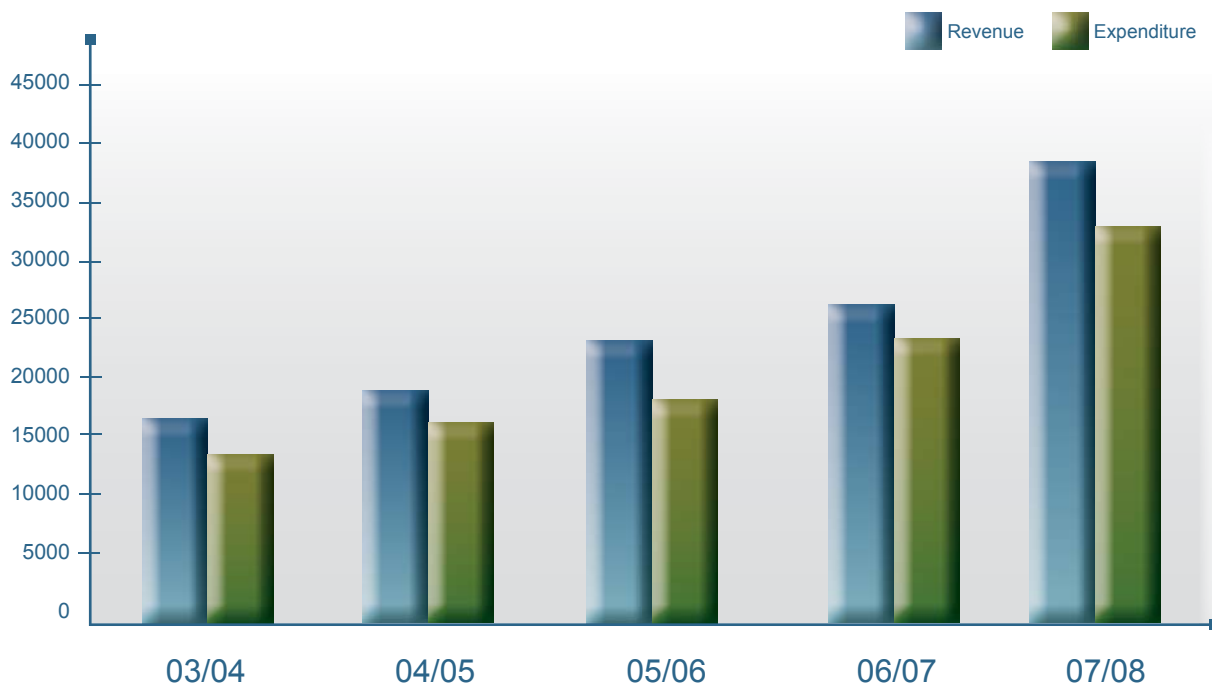
Principal Items of Revenue and Expenditure

	2007/08		2006/07		2005/06		2004/05		2003/04	
	\$000	%	\$000	%	\$000	%	\$000	%	\$000	%
REVENUE										
Pilotage and Tonnage	19,641	51	13,402	49	12,267	51	10,896	55	9,222	54
Wharfage and Berthage	7,827	20	6,422	24	5,641	23	4,205	21	3,367	20
Other	10,785	29	7,306	27	6,276	26	4,598	24	4,430	26
Total	38,253	100	27,130	100	24,184	100	19,699	100	17,019	100
CHARGES AGAINST REVENUE										
Maintenance	7,982	24	4,935	22	3,578	18	3,532	20	3,073	22
Salaries	3,303	10	2,647	12	1,867	10	1,734	10	1,541	11
Depreciation	4,732	14	4,178	19	3,094	16	2,924	17	1,812	13
Pilotage and Hydro Survey	8,141	25	6,580	29	5,575	28	5,167	30	4,199	31
Other Charges	8,619	27	5,194	18	5,363	28	3,939	23	3,086	23
Total	32,777	100	23,534	100	19,477	100	17,296	100	13,711	100

Principal Items of Revenue and Expenditure (Cont.)

	2007/08 \$000	2006/07 \$000	2005/06 \$000	2004/05 \$000	2003/04 \$000
APPROPRIATION STATEMENT					
Operating Net Profit / (Loss)	5,476	3,596	4,707	2,403	3,308
Income Tax Expense	(1,854)	(1,189)	(1,497)	(732)	(1,055)
Prior Period Tax Adjustments	116	100	-	-	-
Transfer Catastrophe Reserve	-	-	-	-	2,900
Accumulated Profit	45,143	44,241	24,414	23,553	19,519
Total	48,881	46,748	27,624	25,224	24,672
LESS APPROPRIATION					
Catastrophe Salvage Reserve	-	-	-	-	-
Adjustment for Prior Periods (IFRS)	-	-	16,617	-	-
Accumulated Profits	-	-	-	-	-
Tax Effect	-	-	-	-	-
Increase in Prior Year Dividend	-	-	-	-	-
Dividend Paid	(1,254)	(1,605)	-	(810)	(1,119)
Accumulated Profit as at 30 June	47,627	45,143	44,241	24,414	23,553

Figure I - PHPA REVENUE & EXPENDITURE



Income Statement - Year Ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Revenue from ordinary activities	2	38,253	27,130
Port Operations Expense	3	(28,133)	(21,029)
Management Operations Expense	3	(3,237)	(2,505)
Interest on WATC borrowings	3	(1,407)	-
Profit from ordinary activities before related income tax expense		5,476	3,596
Income tax expense	4	(1,738)	(1,089)
Net Profit/(Loss)		3,738	2,507

The above income statement should be read in conjunction with the accompanying notes.



Balance Sheet as at 30 June 2008

	Notes	2008 \$'000	2007 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	1,165	1,330
Trade and other receivables	6	9,588	4,226
Inventories	7	322	357
Current tax asset	6	1,891	
Total current assets		12,966	5,913
Non current assets			
Cash and cash equivalents	5	2,500	-
Property, plant and equipment	8	74,109	53,748
Deferred tax assets	9	1,564	671
Total non current assets		78,173	54,419
Total assets		91,139	60,332
LIABILITIES			
Current liabilities			
Trade and other payables	10	6,811	10,767
Loan	10	25,000	
Current tax liabilities	11	-	1,226
Provisions	12	825	872
Total current liabilities		32,636	12,865
Non current liabilities			
Other non-current liabilities	13	5,825	-
Deferred tax liabilities	13	2,839	94
Provisions	14	547	565
Total non current liabilities		9,211	659
Total liabilities		41,847	13,524
Net assets		49,292	46,808
EQUITY			
Contributed equity	15	1,665	1,665
Retained earnings	16	47,627	45,143
Total equity		49,292	46,808

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity - Year Ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Total equity at the beginning of the financial year	15,16	46,808	45,906
Profit for the year		3,738	2,507
Dividends paid	17	(1,254)	(1,605)
Total equity at the end of the financial year		49,292	46,808

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Cash Flow Statements for the Year Ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		32,006	27,225
Payments to suppliers and employees (inclusive of goods and service tax)		(30,724)	(16,413)
		1,282	10,812
Other revenue		580	487
Other receipts		5,825	-
Interest paid		(1,407)	-
Interest received		415	206
Income taxes paid		(3,003)	(2,320)
Net cash (outflow) inflow from operating activities	25	3,692	9,185
Cash flows from investing activities			
Payments for property, plant and equipment		(25,137)	(14,479)
Proceeds from sale of property, plant and equipment		34	20
Net cash inflow (outflow) from investing activities		(25,103)	(14,459)
Cash flows from financing activities			
Proceeds from borrowings		25,000	-
Repayment of borrowings		-	-
Dividends paid	17	(1,254)	(1,605)
Net cash inflow (outflow) from financing activities		23,746	(1,605)
Net increase (decrease) in cash and cash equivalents		2,335	(6,879)
Cash and cash equivalents at the beginning of the financial year		1,330	8,209
Cash and cash equivalents at the end of the financial year	5	3,665	1,330

The above cash flows statement should be read in conjunction with the accompanying notes.



Notes to the FINANCIAL STATEMENTS

and Forming Part of the Accounts for the Year Ended 30 June 2008

Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial report presents separate financial statements for Port Hedland Port Authority as an individual entity.

(a) General

In preparing these financial statements the Authority has adopted, where relevant to its operations, new and revised Standards and Interpretations from their operative dates as issued by the AASB and formerly the Urgent Issues Group (UIG).

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard or Interpretation 'Application of Australian Accounting Standards and Other Pronouncements'. No Standards and Interpretations that have been issued or amended but are not yet effective have been early adopted by the Authority for the annual reporting period ended 30 June 2008.

The following standards and amendments were available for early adoption but have not been applied by the Authority in these financial statements:

AASB 101 'Presentation of Financial Statements' (September 2007). This Standard has been revised and will change the structure of the financial statements. These changes will require that owner changes in equity are presented separately from nonowner changes in equity. The Authority does not expect any financial impact when the Standard is first applied.

AASB 1004 'Contributions' (December 2007). AASB 1050 'Administered Items' (December 2007). AASB 1051 'Land Under Roads' (December 2007). AASB 1052 'Disaggregated Disclosures' (December 2007).

AASB 123 'Borrowing Costs' (June 2007). AASB 1049 'Whole of Government and General Government Sector Financial Reporting'. AASB 2007-2 'Amendments to Australian Accounting Standards arising from AASB Interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 and AASB 139]' – paragraphs 1 to 8 AASB 2007-3 'Amendments to Australian Accounting Standards arising from AASB 8 [AASB 5, AASB 6, AASB 102, AASB 107, AASB 119, AASB 127, AASB 134, AASB 136, AASB 1023 & AASB 1038]' AASB 2007-6 'Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101 AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]' AASB 2007-8 'Amendments to Australian Accounting Standards arising from AASB 101'

The Port Hedland Port Authority plans to adopt the above standards, if relevant, in the 2008/2009 financial year. The impact of these standards are not quantifiable nor reasonably estimable in the current financial year.

(b) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, the Framework, Statements of Accounting Concepts and other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the financial provisions of the Port Authorities Act 1999.

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention, modified by the revaluation of land, buildings and infrastructure 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.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000).

Critical Accounting Estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Authority's accounting policies. Where necessary comparatives have been adjusted for improved reporting. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 14.

(c) Revenue Recognition

Revenue from ordinary activities is net of returns and taxes, for services to entities outside the Authority and is recognised as revenue when the services have been provided. Lease revenue, derived from the lease of vacant land and buildings is recognised on a straight line basis over the lease term. Other Revenue and Interest Revenue which includes interest on short term investments, is recognised when accrued.

(d) Income Tax

From July 2001 the Authority was subject to taxation under the National Tax Equivalent Regime (NTER). Under NTER the Authority has implemented full tax effect accounting and has paid to the State Government the equivalent tax that would have been paid to the Federal Government under Federal Tax Legislation.

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

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

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

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

(e) Acquisition of Assets

The purchase method of accounting is used for all acquisitions of assets regardless of whether equity instruments or other assets are acquired. Cost is determined as the fair value of the assets given up or undertaken at the date of acquisition plus incidental costs directly attributable to the acquisition.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of the acquisition. The discount rate used is the incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

(f) Receivables

Trade receivables are recognised initially at the amounts receivable as they are due for settlement generally within 30 days from the date of recognition, except for property rentals which are governed by individual lease agreements.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in the income statement.

(g) *Inventories*

Raw materials and stores, work in progress and finished goods are stated at cost.

(h) *Investments*

Investments are stated at cost and interest revenue is recognised when accrued.

(i) *Property, Plant and Equipment*

Land and buildings (note 8) are shown at cost less subsequent depreciation for buildings. All other property, plant and equipment is stated at cost less depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit and loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings and Port Improvements	25 - 40 years	Straight line
Capital and Periodical Dredging	3 - 40 years	Straight line
Navigational Aids	2 - 10 years	Straight line
Wharves and Utilities	10 - 40 years	Straight line
Office Furniture, Fittings and Equipment	3 - 20 years	Straight line

Capital dredging is expenditure undertaken to deepen the existing channel and berth pockets. Periodical dredging of silt build up in the channel over a 3 or 4 year cycle is also classified as capital dredging.

(j) Impairment of Assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents includes restricted cash and cash equivalents. These are comprised of 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 change in value.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Authority prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

*(m) Employee Benefits**(i) Wages and Salaries, Annual Leave and Sick Leave*

Liabilities for wages and salaries, including non monetary benefits expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Through application of the Standard AASB 119 Employee Benefits, a liability for Sick Leave has not been recognised, as experience indicated that on average, sick leave taken in each year is less than the entitlements accruing in that period and this experience is expected to recur in future periods. Liabilities for non accumulating sick leave are recognised when the leave is taken and measured at the rates paid.

(ii) Long Service Leave

The liability for long service leave expected to be settled within 12 months of the reporting date is recognised in the provision for employee benefits and is measured in accordance with (i) above. The liability for long service leave expected to be settled in more than 12 months of the reporting date is recognised in the non current provisions for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future salary levels, experience of employee departure and periods of service. Expected future payments are

discounted using market yields at the reporting date on notional government bonds with terms to maturity that match as closely as possible, the estimated future cash flows.

(iii) **Superannuation**

Contributions are made by the Authority to employee superannuation funds and are charged as expenses as when incurred.

(n) *Goods and Service Tax*

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(o) *Dividends*

Provision is made for the amount of any dividend declared on or before the end of the financial year but not distributed at balance date. (Refer note 17)

(p) *Interest Bearing Borrowings*

All borrowings are initially recorded at the fair value of the consideration received less directly attributable transaction costs.

Note 2. Revenue

From Continuing Operations	2008 \$'000	2007 \$'000
Sales Revenue		
Charges on Cargo	10,569	8,624
Charges on Ships	21,105	14,623
Utilities and Lease Rentals	4,787	3,075
Utilities and Lease Rentals (prior year)	919	-
	37,380	26,322
Other Revenue		-
Interest	415	206
Other Revenue	458	602
	873	808
Revenue from Ordinary Activities	38,253	27,130

Included in utilities and lease rentals is revenue from lease properties occupied by lessees during prior financial periods. During this year these lessees agreed to pay rent calculated as being due and payable, prior to the date of execution of those leases.

Note 3. Expenses

Profit before Income Tax includes the following expenses:	2008 \$'000	2007 \$'000
Port Operations Expense		
Employee Benefits	2,689	2,286
Pilotage Service Costs	8,292	6,774
Port Maintenance Costs	8,648	5,582
Security Expense	1,359	896
Amortisation Dredging	2,170	1,844
Depreciation	2,563	2,334
Other Port Expenses	2,412	1,313
	28,133	21,029
Management Operations Expense		
Employee Benefits	1,618	1,281
Other Management Expenses	1,619	1,224
Interest on WATC borrowings	1,407	-
	4,644	2,505

Note 4. Income Tax Expense

	2008 \$'000	2007 \$'000
(a) Income Tax Expense		
Current Taxation	-	1,771
Deferred Income Tax	1,854	(582)
Under (Over) Provision in Prior Year	(116)	(100)
	1,738	1,089
(b) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Profit from Continuing Operations Before Income Tax Expense	5,476	3,596
Tax at the Australian Tax Rate of 30% (2007 30%)	1,643	1,079
Tax Effect of Amounts Which are not Deductible (Taxable) in Calculating Taxable Income:		
Entertainment	6	20
Non Deductible Consulting Expense	201	86
Depreciation on Plant and Equipment (Non Depreciable for Tax)	4	4
	1,854	1,189
Under (Over) Provision in Prior Years	(116)	(100)
Total Income Tax Expense	1,738	1,089

Note 5. Current Assets – Cash and Cash Equivalent

	2008 \$'000	2007 \$'000
Current		
Cash on Hand	1	1
Cash at Bank	1,164	1,329
Cash on Deposit	-	-
	1,165	1,330
Non Current		
Restricted Cash(a)	2,500	-
	3,665	1,330

(a) Restricted cash held to be used only for the purpose of capital expenditure.

Note 6. Current Assets – Trade and Other Receivables

	2008 \$'000	2007 \$'000
Net Trade Receivables		
Trade Receivables	9,583	4,215
Provision for Doubtful Debts	(23)	-
Prepayments	28	11
	9,588	4,226
Current Tax Asset		
Current Tax Asset	1,891	-
	11,479	4,226
Ageing of Receivables Past due but not Impaired		
Not more than 3 months	605	750
More than 3 months but less than 6 months		27
More than 6 months but less than 1 year	-	-
More than 1 year	-	-
	605	777

Note 7. Current Assets - Inventories

	2008 \$'000	2007 \$'000
Spares – at Cost	322	357

Note 8. Non Current Assets - Property, Plant and Equipment

	2008 \$'000	2007 \$'000
Land and Buildings		
Freehold Land		
At Cost	640	460
	640	460
Buildings		
At Cost	14,488	10,207
Less: Accumulated Depreciation	(4,121)	(3,705)
	10,367	6,502
Capital Dredging		
At Cost	25,553	14,269
Less: Accumulated Depreciation	(5,878)	(3,709)
	19,675	10,560
Plant and Equipment		
Navigational Aids		
At Cost	7,541	7,402
Less: Accumulated Depreciation	(4,285)	(3,953)
	3,256	3,449
Wharves and Utilities		
At Cost	33,492	30,884
Work in Progress	6,624	1,117
Less: Accumulated Depreciation	(8,356)	(7,467)
	31,760	24,534
Other Equipment		
At Cost	13,245	12,310
Less: Accumulated Depreciation	(4,834)	(4,067)
	8,411	8,243
	74,109	53,748

Reconciliations

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

	Freehold land \$'000	Buildings and port improvement \$'000	Capital dredging \$'000	Navigation aids \$'000	Wharves and utilities \$'000	Other equipment \$'000	Total \$'000
Carrying Amount at 1 July 2007	460	6,502	10,560	3,449	24,534	8,243	53,748
Additions & WIP	180	4,286	11,285	168	8,115	1,103	25,137
Disposals	-	(1)	-	-	-	(42)	(43)
Depreciation Expense	-	(420)	(2,170)	(361)	(889)	(893)	(4,733)
Carrying Amount at 30 June 2008	640	10,367	19,675	3,256	31,760	8,411	74,109

(a) Valuations of Land and Buildings

An independent valuation of freehold land was undertaken by 'Valuation Services' in June 2003. The valuation method was based on the market valuation method.

	\$'000
Freehold Land	
At Independent Valuation 2003	1,066
Freehold Buildings	
At Independent Valuation 2003	1,174
Crown Reserves	
Crown Reserves Independent Valuation 2003	1,325
Buildings on Crown Reserves at Independent Valuation 2003	1,637

An independent valuation of crown reserves was undertaken by Fudali Waterhouse Pty Ltd. The valuation methodology was based on the current use of assets. Under the Port Authorities Act 1999 the Authority is restricted from selling Crown land vested with the Authority.

(b) Lease Rentals

Properties are leased to tenants under operating leases with rental payments in accordance with the terms of the lease agreement. Minimum lease payments receivable on property leases are as follows.

Minimum lease payments under non-cancellable operating leases not recognised in the financial statements are as follows.

	2008 \$'000	2007 \$'000
Within One Year	2,632	1,862
Later Than One Year but not Later than Five Years	9,890	7,141
Later Than Five Years	12,524	10,093

(c) Impairment of Assets

There were no indications of impairment to property, plant and equipment as at 30 June 2008. The Authority held no goodwill or intangible assets with an indefinite useful life at reporting date. All surplus assets at 30 June 2008 have been classified as non current assets held for sale or written off.

Note 9. Non Current Assets Deferred Tax Assets

	2008 \$'000	2007 \$'000
<i>The Balance Comprises Temporary Differences Attributable to Movements:</i>		
Opening Balance at 1 July	671	551
Charged/(Credit) to the Income Statement	892	107
Movement Attributable to the Prior Year Adjustments	1	13
Closing Balance at 30 June	1,564	671
Amounts recognised in profit or loss:		
Accrued Expenses	30	31
Employee Benefits	412	431
Doubtful Debts	7	-
Income Received in Advance	245	133
Capital Works Expenditure	42	48
Environmental Impact Expenditure	1	4
Business Related Costs	16	24
Carried Forward Losses	811	-
	1,564	671

Note 10. Current Liabilities

Trade and Other Payables

	2008 \$'000	2007 \$'000
Trade and Other Payables	4,389	9,670
Rental Received in Advance	817	441
Other Payables	704	377
Accrued Expenses	901	279
	6,811	10,767

Loans

	2008 \$'000	2007 \$'000
WA Treasury Corporation Loan	25,000	-

Note 11. Current Liabilities Tax

	2008 \$'000	2007 \$'000
Provision for taxation	-	1,226

Note 12. Current Liabilities Provisions

	2008 \$'000	2007 \$'000
Employee Benefits Annual Leave	594	437
Employee Benefits Long Service Leave	197	402
Other Employee Benefits	34	33
Dividends Payable	-	-
	825	872

Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

2008	Employee Benefits Annual Leave \$'000	Employee Benefits Long Service Leave \$'000	Other Employee Benefits Pension Scheme \$'000	Dividends Payable \$'000	Total \$'000
Current					
Carrying Amount at Start of Year	437	402	33	-	872
Additional Provisions Recognised	167	1	1		169
Payments/Other Sacrifices of Economic Benefits	(10)	(206)	-	-	(216)
Carrying Amount at End of Year	594	197	34	-	825

Reconciliation of other employee benefits – pension scheme, see note 14.

Note 13. Non Current Liabilities

Deferred Tax Liabilities

The Balance Comprises Temporary Difference Attributable to:	2008 \$'000	2007 \$'000
Fixed Assets	2,830	88
Others	9	6
Net Deferred Tax Liabilities	2,839	94

Movements:

Opening Balance at 1 July	94	570
Charged/(Credit) to the Income Statement	2,745	(476)
Movement Attributable to the Prior Year Adjustments	-	-
Closing Balance at 30 June	2,839	94

Other Non Current Liabilities

Prepaid Revenue	3,325	-
Capital Works Reimbursement in Advance	2,500	-
Total	5,825	-

Note 14. Non Current Liabilities Provisions

	2008 \$'000	2007 \$'000
Employee Benefits Long Service Leave	260	184
Other Employee Benefits	287	381
	547	565

Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below.

2008	Employee Benefits Long Service Leave \$'000	Other Employee Benefits \$'000	Total \$'000
Non Current			
Carrying Amount at Start of Year	185	381	566
Additional Provisions Recognised	76		76
Payments/Other Sacrifices of Economic Benefits	(1)	(94)	(95)
Carrying Amount at End of Year	260	287	547

(a) Pension Scheme

Reconciliation of the Present Value of the Defined Benefit Obligation

	2008 \$'000	2007 \$'000
Present Value of Defined Benefit Obligations at the Beginning of the Year	383	379
Interest Cost	22	21
Actuarial (Gains)/Losses	(86)	14
Benefits Paid	(32)	(31)
Present Value of Defined Benefit Obligations at End of the Year	287	383

Only one person now remains in this scheme

Note 15. Contributed Equity

	2008 \$'000	2007 \$'000
Equity Contributed by WA State Government	1,665	1,665

Note 16. Retained Earnings

Movements in Retained Earnings were as follows:

	2008 \$'000	2007 \$'000
Retained Earnings at the Beginning of the Financial Year	45,143	44,241
Net Profit/(Loss) after tax	3,738	2,507
Dividends Provided for or Paid (i)	(1,254)	(1,605)
Retained Earnings at the End of the Financial Year	47,627	45,143

- (i) A dividend is recommended after financial year end by the board in accordance with S84 of the Port Authorities Act 1999, based on the dividend formula agreed between the Minister for Planning and Infrastructure and the Treasurer. A dividend amount of \$1,869,000 will be proposed for the year ended 30 June 2008 (2007: \$1,605,000)

Note 17. Dividends

	2008 \$'000	2007 \$'000
Total Dividends Provided for the Years Ended 30 June 2008 and 2007	-	-
Dividends Paid in Cash During the Years Ended 30 June 2008 and 2007.	1,254	1,605

Note 18. Financial Instruments

(a) Financial Risk Management Objectives and Policies

Financial instruments held by the Authority are cash and cash equivalents, term deposits, loans, Treasurer's advances and receivables and payables. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

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 Authority measures credit risk on a fair value basis and monitors risk on a regular basis.

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 6.

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. There are no significant concentrations of credit risk.

The Authority has very low levels of default. All overdue accounts are reviewed monthly by the Board and legal action instigated if necessary. There has only been one case where this action was necessary in the current year and none in the prior year.

Provision for impairment of financial assets is calculated based on past experience, and current and expected changes in client credit ratings. For financial assets that are either past due or impaired, refer to Note 6 'Receivables'.

Liquidity risk

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due. The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of bank

overdrafts, loans and finance leases. The Authority has appropriate procedures to manage cash flows by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

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

(b) Categories of Financial Instruments

In addition to cash and bank overdraft, the carrying amounts of each of the following categories of financial assets and financial liabilities at the balance sheet date are as follows

	2008 \$'000	2007 \$'000
Financial Assets		
Cash and cash equivalents	3,665	1,331
Loans and receivables	9,588	4,226
Held-to-maturity investments	-	-
	13,253	5,557
	2008 \$'000	2008 \$'000
Financial Liabilities		
Bank overdraft	-	-
Financial liabilities measured at amortised cost (i)	31,810	10,767
	31,810	10,767

i) The amount of financial liabilities measured at amortised cost excludes GST payable to the ATO (statutory receivable/payable)

(c) Composition and Maturity Analysis

Trade and sundry payables are expected to be paid as follows:	2008 \$'000	2008 \$'000
Less than 6 months	15,993	10,767
6 months to 1 year	15,000	-
1 to 5 years	-	-
Over 5 years	-	-
	30,993	10,767
Receivables are expected to be collected as follows:		
Less than 6 months	9,560	4,215
6 months to 1 year	-	-
1 to 5 years	-	-
Over 5 years	-	-
	9,560	4,215

2008 Financial Assets and Liabilities	Within one year Weighted Average Interest Rate	Floating Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000
Cash and Deposits	5.90%	3,664	1	3,665
Receivables	-	-	9,588	9,588
WATC Borrowings	7.29%	(25,000)	-	(25,000)
Trade and Other Payables	-	-	(6,810)	(6,810)
Net Financial Assets (Liabilities)	-	(21,336)	2,779	(18,557)

2007 Financial Assets and Liabilities	Within one year Weighted Average Interest Rate	Floating Interest Rate \$'000	Non Interest Bearing \$'000	Total \$'000
Cash and Deposits	5.00%	1,330	1	1,331
Receivables	-	-	4,226	4,226
Trade and Other Payables	-	-	(10,767)	(10,767)
Net Financial Assets (Liabilities)	-	1,330	(6,540)	(5,210)

(d) *Net Fair Value of Financial Assets and Liabilities*

The net fair value of cash and cash equivalents and non interest bearing monetary financial assets and financial liabilities of the Authority approximates their carrying amounts.

	Carrying Amount \$'000	Fair Value \$'000	Carrying Amount \$'000	Fair Value \$'000
On Balance Sheet				
Non Traded Financial Assets				
Cash	3,664	3,664	1,329	1,329
Deposits	-	-	-	-
Trade Debtors	9,583	9,583	4,215	4,215
Trade Creditors	(5,100)	(5,100)	(9,948)	(9,948)
Other Creditors	(1,710)	(1,710)	(819)	(819)
	6,437	6,437	(5,223)	(5,223)

e) *Interest Rate Sensitivity Analysis and Price Risk*

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

2007/08	Carrying amount (\$000's)	-1% change		+1% change	
		Profit (\$000's)	Equity (\$000's)	Profit (\$000's)	Equity (\$000's)
<i>Interest rate sensitivity analysis</i>					
Financial Assets					
Cash and cash equivalents	3,664	(36)	(36)	36	36
Receivables	9,583	(96)	(96)	96	96
Other financial assets	-	-	-	-	-
Financial Liabilities					
Payables	6,810	(68)	(68)	68	68
Borrowings	25,000	(250)	(250)	250	250
Other financial liabilities	-	-	-	-	-

2006/07

Carrying amount	-1% change		+1% change	
	Profit (\$000's)	Equity (\$000's)	Profit (\$000's)	Equity (\$000's)

*Interest rate sensitivity analysis***Financial Assets**

Cash and cash equivalents	1329	(13)	(13)	13	13
Receivables	4215	(42)	(42)	42	42
Other financial assets	-	-	(108)	108	108

Financial Liabilities

Payables	10767	(108)	(108)	108	108
Borrowings	-	-	-	-	-
Other financial liabilities	-	-	-	-	-

Note 19. Director and Executive Disclosures

(a) Directors

The following persons were directors of Port Hedland Port Authority during the financial year:

Chairman – Non Executive

I Williams

Directors – Non Executive

T Buck (term ended September 2007)

M Dziombak

A Cooke (appointed in 2007)

R Richardson

G Stocker

A Watling (appointed in 2007)

M Evans (resigned March 2008)

(b) Key Management Personnel

The following also had the authority and responsibility for planning, directing and controlling the activities of the Authority, directly or indirectly during the financial year:

Name	Position
A Bush	Chief Executive Officer
L Copeman	Harbour Master
L Stanley	Manager Technical Services
D Gollogly	Manager Finance & Administration
C Wilson	Environment Manager
G Gardner	Manager Finance & Administration (retired May 2008)

All of the above persons were also specified executives during the year ended 30 June 2008.

The emoluments of each director of the Port Hedland Port Authority and the key management personnel has been disclosed in the Directors' Report.

Note 20. Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the Authority, its related practices and non-related audit firms:

	2008 \$'000	2007 \$'000
Audit Services		
Fees Paid to the Auditor General:		
Audit and Review of Financial Reports.	23	27
Total Remuneration for Audit Services	23	27

Note 21. Contingencies

Contingent Liabilities

The Authority had no contingent liabilities at 30 June 2008.

Note 22. Commitments

Service Contracts – Port Operations	2008 \$'000	2007 \$'000
Within One Year	4,687	5,331
Later Than One Year but Not Later Than 5 Years	16,315	10,771
Later Than 5 Years	3,880	-
Total	24,882	16,102
Capital Commitments		
Within One Year	11,391	1,355
Later Than One Year but Not Later Than 5 Years	-	-
Later Than 5 Years	-	-
Total	11,391	1,355

Planning and Infrastructure Minister Alannah MacTiernan announced on the 23 October 2007, that the State Government had approved the development of a new \$225million multi-user public berth at Port Hedland.

PHPA progressed agreements with foundation customers to provide funding of \$105m by way of prepaid charges and capital contributions, to assist with the construction of a new public berth at Utah Point. The agreements for prepaid charges provide that the funds advanced will be applied as future prepaid revenue for these customers as they utilize the new port facilities. Further, the prepaid charge agreements provide a notional interest cost of the advanced funds will be credited to these customers which will also be used as prepaid revenue.

The amount advanced as at 30 June 2008 was \$3.325million, as per Note 13.

The remaining \$120million will be sourced from port borrowings, which will be fully repaid with port user fees within ten years.

Note 23. Related Parties

Directors

Two directors, Mr R Richardson and Mr. M Evans and their alternates Mr. P Hanrahan and Mr. P Slocombe are employees of BHP Billiton Iron Ore Pty Ltd. Mr A Watling, also a director, is an employee of Fortescue Metals Group Pty Ltd. Both BHPB and FMG use port facilities for the export of iron ore commodities and the terms or trade offered to these customers are equivalent to those offered to all other port users.

BHPB and FMG are leaseholders of the Port Hedland Port Authority, and the lease agreements are based on normal commercial terms and conditions.

Remuneration Benefits

Information on remuneration of Directors is disclosed in note 19.

Note 24. Events Occurring after the Balance Sheet Date

The balance of the facility agreements in relation to the Utah Point project have now been signed bringing the total prepaid charges and capital contributions to \$107.25m.

Note 25. Reconciliation of Profit after Income Tax to Net Cash Inflow from Operating Activities

	2008 \$'000	2007 \$'000
Profit for the Year	3,738	2,507
Depreciation and Amortisation	4,733	4,178
Net (Gain) Loss on Sale of Non-Current Assets	8	-
Decrease (Increase) in Trade Debtors	(5,344)	127
Decrease (Increase) in Inventories	35	(17)
Decrease (Increase) Prepayments	(17)	223
Increase (Decrease) in Accrued Charges	878	(426)
Increase (Decrease) in Trade Creditors	(4,835)	3,438
(Increase) Decrease in Future Income Tax Benefit	(892)	(120)
Increase (Decrease) in Provisions for Income Taxes Payable	(372)	(635)
Increase (Decrease) Prepaid Revenue	5,825	-
Increase (Decrease) in Provision for Deferred Income Tax	-	(476)
Increase (Decrease) in Other Provisions	(65)	386
Net Cash (Outflow) Inflow From Operating Activities	3,692	9,185

Note 26. Release of Financial Statements

It is anticipated that the Board of the Port Hedland Port Authority will authorise the release of the 2008 financial statements on 12 September 2008.

Note 27. Segment Reporting

The Port Hedland Port Authority operates under one geographical segment.

Directors' Declaration

In the directors' opinion:

- (a) The financial statements and notes set out on pages 61 to 91
 - (i) comply with the Accounting Standards, the financial provisions of the Port Authorities Act 1999 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Authority's financial position as at 30 June 2008 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the financial year ended on that date; and
- (b) There are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the directors.



Mr B Dziombak

Director

12 September 2008



Mr R Richardson

Director

12 September 2008



Auditor General

INDEPENDENT AUDIT REPORT ON PORT HEDLAND PORT AUTHORITY

To the Parliament of Western Australia

I have audited the financial report of the Port Hedland Port Authority, which comprises the Balance Sheet as at 30 June 2008, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory Notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

The directors of the Port Hedland Port Authority are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Port Authorities Act 1999. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Summary of my Role

As required by the Port Authorities Act 1999, my responsibility is to express an opinion on the financial report based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer "<http://www.audit.wa.gov.au/pubs/Audit-Practice-Statement.pdf>".

An audit does not guarantee that every amount and disclosure in the financial report is error free, nor does it examine all evidence and every transaction. However, my audit procedures should identify errors or omissions significant enough to adversely affect the decisions of users of the financial report.

Audit Opinion

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

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

COLIN MURPHY
AUDITOR GENERAL
19 September 2008

2008/09 Financial Estimates

Operating Budget 2008/09

(Not subject to audit)

In Accordance with the Port Authorities Act 1999, the Authority is required to prepare and submit a Statement of Corporate Intent including annual estimates to the responsible Minister. The Port Hedland Port Authority's 2008/09 budget was prepared in December 07 and after endorsement by the Authority's board it was subsequently submitted to the Minister for Planning and Infrastructure for approval.

In framing the budget every effort is made to achieve the Port Authority's financial obligations, maintain a balance between Government requirements, the Port Authority's financial well being and the satisfaction of its customers.

The summary of the Operating Budget, which appears below, is predicated on customers' forecast throughputs and estimated expenditure to service that activity and to maintain the fabric of the Authority's assets. The 2008/09 Operating Budget achieves these aims and provides an estimated ROR of 9.6%, based on the deprival method of valuing assets.

	2007/08 Actual \$000	2008/09 Estimate \$000
Revenue Account		
Pilotage Dues	7,465	13,727
Tonnage Dues	12,176	17,706
Wharfage	6,381	6,994
Berthage	1,446	1,236
Lease Rentals	5,484	4,831
Other	5,301	5,895
Total Earnings	38,253	50,389
Expenses		
Salaries and Employee Related Costs	4,307	4,803
Pilotage Services	7,897	11,924
Maintenance	8,226	10,256
Depreciation	4,732	7,804

Other	7,615	7,268
Total Expenses	32,777	42,055
Surplus / (Deficit)	5,476	8,334

Capital Works Programme 2008/09

(Not subject to audit)

Carry Over Capital Works 2007/08	2008/09 \$000
Minor Works	1,250
Tug Pens 9 & 10	300
Utah Point Multi-User Berth	210,212
Total	211,762
Proposed New Capital Works 2008/09 (to be approved)	
Navigational Aids	500
Wharves	5,500
Buildings	2,600
Housing	700
Office Equipment	300
Utilities	1,600
Environmental Modifications	3,500
Minor Works	300
Total for 2008/2009	15,000



STATISTICAL
INFORMATION







Performance INDICATORS

Operational

The Outcome is to provide expert marine pilotage to allow uninterrupted movement in and out of the port for shipping, including ultra large bulk carriers.

	2007/08	2006/07	2005/06	2004/05	2003/04
No of Piloted Movements	2,060	1,807	1,879	1,755	1,525
Port Closure (hours)	76.5	146	112	-	28.0
Number of Accidents to Vessels and Port	2	2	1	-	-
Ratio of Accidents/Total Vessel Movements (a)	.001	-	-	-	-

Port Services

The objective is to provide wharves, storage facilities and services to meet customers' needs in a cost effective manner.

Berth Occupancy (per cent): ^(b)	2007/08	2006/07	2005/06	2004/05	2003/04
Nelson Point Berth	86%	87%	87%	84%	86%
Finucane Island Berth	80%	58%	62%	61%	65%
PHPA No 1 Berth	61%	56%	52%	41%	35%
PHPA No 2 Berth	48%	57%	16%	-	-
PHPA No 3 Berth	44%	45%	45%	50%	34%
Anderson Point	68%	-	-	-	-

<i>Average Berth Hours: (c)</i>	2007/08	2006/07	2005/06	2004/05	2003/04
Nelson Point Berth	36hrs	34hrs	36hrs	34hr	35hrs
Finucane Island Berth	35hrs	93hrs	37hrs	40hrs	49hrs
PHPA No 1 Berth	57hrs	61hrs	61hrs	40hrs	35hrs
PHPA No 2 Berth	53hrs	75hrs	65hrs	-	-
PHPA No 3 Berth	31hrs	35hrs	33hrs	36hrs	30hrs
Anderson Point	48hrs	-	-	-	-

Key:

- (a) Number of accidents to annual ship movements (accident is defined as ‘any event involving the movement of a ship, which resulted in damage’.
- (b) The total ship alongside hours for each berth expressed as a percentage of the total hours in the year.
- (c) The total ship alongside hours of each berth divided by the number of vessels using the berth throughout the year.

<i>Average Cargo Tonnes Lifted Per Vessel:</i>	2007/08	2006/07	2005/06	2004/05	2003/04
Iron Ore Vessels					
Nelson Point	165,592	165,760	155,428	142,810	158,572
Finucane Island	166,319	161,043	124,474	155,721	121,356
Anderson Point	151,566	-	-	-	-
Salt Vessels	38,246	47,669	39,369	40,665	35,515
Fuel Tankers (inc bitumen)	14,119	13,277	17,526	12,213	16,492
General Cargo	1,654	2,538	2,507	7,527	1,059
Bulk Cargo Vessels	25,259	27,166	31,830	28,912	28,267
Acid	9,949	8,549	7,789	7,957	7,988

The larger the lift the greater the economies of scale and thus containment or actual reduction of cost. PHPA has no control over selection of vessels but does control some of the facilities, which they use. Our aim, therefore, is to make these latter compatible with the needs of larger vessels.

Wharf Turnover : In Tonnes Per Linear Metre of Berth Face

	2007/08	2006/07	2005/06	2004/05	2003/04
Nelson Point	102,928	103,537	98,500	100,816	103,809
Finucane Island	77,400	64,363	67,415	61,870	29,856
Anderson Point	2,193	-	-	-	-
PHPA Berths	10,303	9,853	10,432	13,153	9,494
Goods Offloading Facility	4	-	-	-	-

PHPA Wharves Only:

Wharf Utilisation (%)	54%	53%	37%	59%	34%
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Throughput in Tonnes Per Hour

Salt	1,158	1,137	1,102	1,101	2,035
Oil	564	470	561	423	496
General Cargo	29	34	43	22	41
Misc Bulk Minerals	357	304	334	503	528

Total Cost Per Cargo Tonne (cents per tonne)	21	17	17.6	15.9	15.2
Total Cost Per Gross Registered Tonnes	37	30	31.2	28.2	26.5





STATISTICAL Information 2008

Wharf Throughput in Tonnes

	2007/08	2006/07	2005/06	2004/05	2003/04
Nelson Point Berth	67,726,640	68,127,360	64,812,663	66,337,433	68,186,061
Finucane Island Berth	55,883,272	38,489,207	40,313,940	36,998,727	17,853,699
Anderson Point	1,667,233	-	-	-	-
Goods Offloading Facility	365	-	-	-	-
PHPA Berths	5,429,697	5,192,865	5,497,481	4,686,195	3,759,476

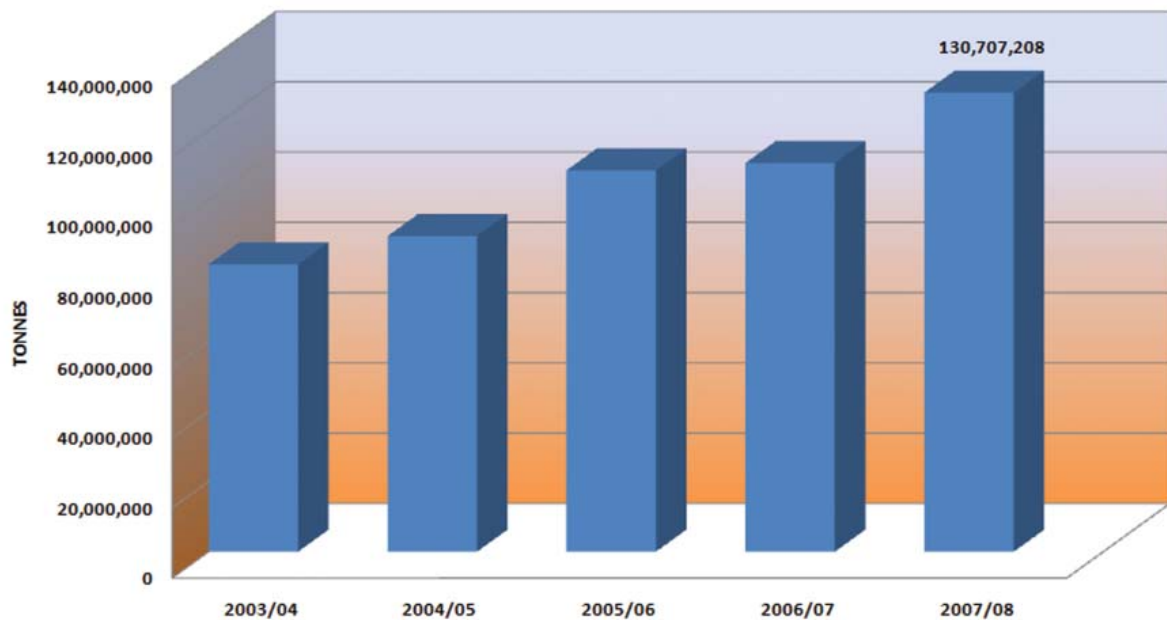
Port Trade

Import (tonnes)

	2007/08	2006/07	2005/06	2004/05	2003/04
Sulphuric Acid	69,649	145,336	147,987	95,487	71,896
Ammonium Nitrate	389	-	-	-	-
Cement	25,148	6,872	-	-	-
Caustic Soda	7,032	-	-	-	-
Bitumen	1,284	3,825	4,348	3,359	2,744
Containerised Cargo	4,930	1,989	6,152	14,970	18,602
Fuel Oils	619,957	527,256	433,807	389,700	328,919
General	65,557	127,161	37,030	18,822	26,289
	793,946	812,686	629,325	522,338	448,450

Exports (tonnes)					
	2007/08	2006/07	2005/06	2004/05	2003/04
Iron Ore	125,267,292	106,616,567	105,105,905	103,325,323	84,211,788
Hot Briquetted Iron	-	-	20,698	10,837	1,827,072
HBI Fines	321,702	-	-	-	-
Salt	2,409,527	2,669,441	3,346,372	3,619,241	2,450,553
Manganese	1,217,026	1,184,927	1,058,844	705,790	603,908
Feldspar	-	-	7,874	8,906	34,930
Copper	417,075	249,824	169,856	68,084	-
Chromite	209,792	219,337	259,458	258,080	208,272
Livestock	7,951	6,335	2,626	5,477	7,699
General /Containers	62,897	50,562	23,125	20,617	6,564
	129,913,262	110,997,437	109,994,759	108,022,355	89,354,003
Total Throughput	130,707,208	111,810,123	110,624,084	108,544,693	89,802,454

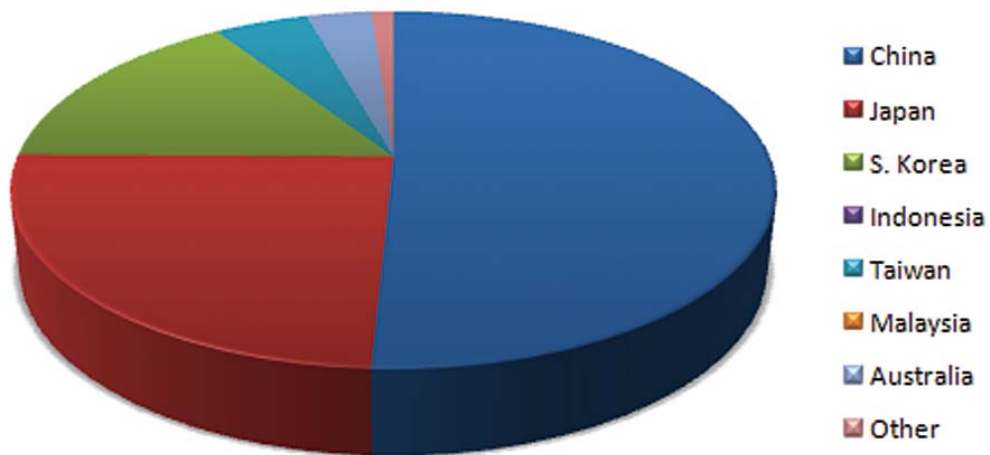
Figure 1 - Total Tonnes Throughput (\$'000's)



Main Cargo Distribution by Destination

Destination	Iron ore				Salt			
	2007/08		2006/07		2007/08		2006/07	
	Tonnes 000's	%	Tonnes 000's	%	Tonnes 000's	%	Tonnes 000's	%
China	63,597	51	50,701	48	-		304	11
Japan	30,598	24	26,994	25	905	38	847	33
S. Korea	19,599	16	15,075	14	622	26	403	15
Indonesia	-	-	-	-	597	25	243	9
Taiwan	5,950	5	6,217	6	212	9	732	27
Malaysia	-	-	-	-	55	2	-	-
Australia	4,114	3	4,215	4	-		-	-
Other	1,407	1	3,414	3	18	1	140	5
Total	125,267		106,616		2,409		2,669	

Figure 2 – Main cargo distribution by destination



Containerised Cargo

	2007/08	2006/07	2005/06	2004/05	2003/04
No. of TEU's	324	210	507	895	727

Gross Registered Tonnage of Vessels Entered Distributed by Cargo Type

	2007/08	2006/07	2005/06	2004/05	2003/04
Iron Ore	68,315,684	58,338,083	57,614,630	57,225,780	46,867,610
Hot Briquetted Iron	-	-	15,820	36,008	1,342,442
HBI Fines	219,724	-	-	-	-
Salt	1,661,542	1,680,950	2,142,246	2,285,244	1,566,753
Bulk and General Cargo	2,380,782	2,303,426	1,688,012	1,188,071	1,055,611
Fuel Tankers (inc Bitumen/Acid)	1,231,187	1,163,630	710,479	655,084	569,624
Livestock	142,019	41,546	30,452	43,907	88,794
Nil Cargo	60,898	86,912	168,450	13,395	9,615
Total	74,011,836	63,614,547	62,370,089	61,447,489	51,500,449

Number of Vessels Entered Distributed by Cargo Type

	2007/08	2006/07	2005/06	2004/05	2003/04
Iron Ore	755	650	708	681	544
Hot Briquette Iron	7	-	1	1	49
Salt	63	56	82	89	69
Bulk and General Cargo	132	109	80	76	72
Fuel Tankers (inc Bitumen/Acid)	51	57	44	40	29
Livestock	10	9	4	8	9
Nil Cargo	19	16	11	8	14
Total*	1027	897	925	895	775

* Total number of distinct visits to Port Hedland. On a single visit a vessel may take (and therefore be included in) more than one type of cargo ie livestock and general.

Commonwealth and fishing vessels which do not carry cargo and which are not rated in terms of Gross Registered Tonnage are not included in the 'Gross Registered Tonnage' table.

All Vessels Entered – Nationality (Includes Commonwealth, Naval and Service Vessels)

Flag	2007/08		2006/07		2005/06		2004/05		2003/04	
	No.	%	No.	%	No.	%	No.	%	No.	%
Antigua & Barbuda	19	1.9	16	1.8	17	1.8	26	2.9	12	1
Australia	11	1.1	14	1.6	10	1.1	14	1.6	14	1.9
Bahamas	31	3.0	28	3.2	34	3.7	18	2.0	-	-
Belgium	25	2.4	17	1.9	16	1.7	9	1	-	-
Bermuda	6	0.6	11	1.2	18	1.9	12	1.3	-	-
China	28	2.7	17	1.9	18	1.9	16	1.8	19	2.6
Cyprus	29	2.8	24	2.7	25	2.7	40	4.5	25	3.4
Denmark	10	1.0	2	0.2	-	-	2	0.2	-	-
French Antarctic Territory	5	0.5	-	-	-	-	-	-	-	-
Greece	64	6.2	67	7.5	74	8.0	49	5.5	30	4.1
Hong Kong	79	7.7	60	6.8	89	9.6	74	8.3	53	7.2
Italy	2	0.2	1	0.1	6	0.6	10	1.1	-	-
Japan	8	0.8	15	1.7	18	1.9	19	2.1	19	2.6
Liberia	37	3.6	44	5.0	53	5.7	35	3.9	50	6.8
Malta	32	3.1	30	3.4	19	2.1	17	1.9	14	1.9
Marshall Island	25	2.4	15	1.7	16	1.7	13	1.5	-	-
Netherland	1	0.1	16	1.8	8	0.9	4	0.4	-	-
Netherlands	26	2.5	-	-	-	-	-	-	-	-
Norway	7	0.7	2	0.2	4	0.4	2	0.2	-	-
Panama	352	34.3	300	33.8	299	32.3	352	39.3	301	41.1
Philippines	10	1.0	13	1.5	11	1.2	9	1.0	-	-
Singapore	60	5.8	57	6.4	56	6.1	40	4.5	27	3.7
South Korea	65	6.3	48	5.4	50	5.4	56	6.3	-	-
St Vincent	1	0.1	5	0.6	5	0.5	2	0.2	-	-
Taiwan	34	3.3	28	3.2	25	2.7	35	3.9	32	4.4
United Kingdom	37	3.6	35	3.9	27	2.9	14	1.6	-	-
Other	23	2.2	23	2.6	26	2.8	27	3.0	177	18.7
Total	1,027		888	100	925	100	895	100	733	100


Ships Piloted by Vessel Size (Vessel Size Measurement in Deadweight Tonnes)

	2007/08		2006/07		2005/06		2004/05		2003/04	
	No.	%	No.	%	No.	%	No.	%	No.	%
Up to 49,999	240	24	200	23	180	19	192	21	203	26
50,000 to 99,999	34	3	44	5	138	15	101	11	72	9
100,000 to 149,999	33	3	51	6	75	8	103	12	67	9
150,000 to 199,999	577	57	486	55	462	50	400	45	339	44
200,000 to 249,999	137	13	107	1	70	8	99	11	94	12
250,000 and over	-	-	-	-	-	-	-	-	-	-
Total	1021		888		925		895		775	

Figure 3 – Number of Ships Piloted

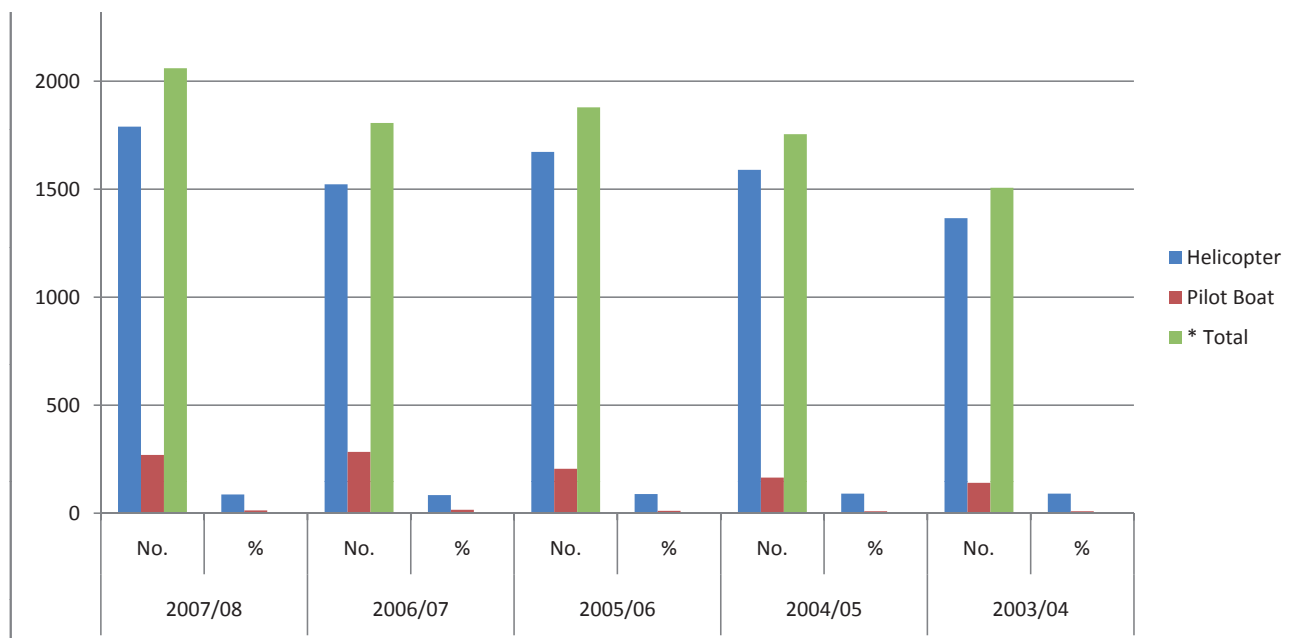


Pilot Transit Mode of Operation

	2007/08		2006/07		2005/06		2004/05		2003/04	
	No.	%	No.	%	No.	%	No.	%	No.	%
Helicopter	1790	87	1523	84	1,673	89	1,590	91	1,366	91
Pilot Boat	270	13	284	16	206	11	165	9	141	9
* Total	2,060	-	1,807	-	1,879	-	1,755	-	1,507	-

* Excludes in port movements where the helicopter or pilot boat is not used.

Figure 4 – Pilot Transit Mode of Operation







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