



**Dampier
Port Authority**

A Gateway Port

Annual Report **2013**



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Our intent

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

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

- Our values**
- Integrity** – in our dealings
 - Professionalism** – in our work
 - Value for money** – to our customers
 - Care** – for our environment, our staff and community
 - Teamwork** – for shared success


Year at a glance

 **5.2%**
INCREASE in total export tonnage to 179,856, 504 tonnes

 **26.7%**
INCREASE in total revenue to \$68,404,125

 **55.9%**
INCREASE in net profit before tax to \$28,017,880

 **58.7%**
INCREASE in dividends declared to \$12,741,828

 **3%**
INCREASE in total vessel visits to 6,457



The Dampier Port Authority (DPA) is a commercialised government entity operating under the *WA Port Authorities Act 1999* to facilitate trade and development within a safe and secure environment. Established in March 1989, the DPA today employs 79 staff within its Dampier head office and operational base, and its West Perth office.

The DPA is the nominated authority for more than 900km² of port vested waters and land along the West Pilbara coastline between the Port of Dampier and the Port of Ashburton area. The Port of Dampier is one of Australia's largest bulk export ports, connecting Western Australia's rich iron ore reserves to the east and offshore gas fields of the Carnarvon basin to the west with global export markets.

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

In December 2011, the multi-user Port of Ashburton area supporting the proposed hydrocarbon industry some 215 kilometres south west of the

Port of Dampier was formally vested in the DPA. Once development works currently being undertaken by the foundation proponent are complete, common-user port facilities will be transferred to DPA ownership.

The DPA advanced planning for the potential development of the privately funded multi-user deep water Port of Anketell area this financial year and has more recently been involved in facilitating a new terminal at Cape Preston East to support the shipment of iron ore by junior miners operating within the West Pilbara.

Operating as a gateway port, the DPA recognises the unique position it occupies within the value chain, connecting Australia with the rest of the world through land and marine networks. The "ports as gateways" approach challenges the conventional port management model and demonstrates the pivotal role ports play in driving investment opportunities and expansion of economic, social and environmental in-perpetuity assets and outcomes for the benefit of the State and

the community. As described throughout this report, the gateways concept is unique to the DPA; a way of thinking that has enabled effective corporate governance and financial management of state owned assets and significantly influenced planning outcomes for the Port of Ashburton area, Port of Anketell area, Cape Preston East and facilities within the Port of Dampier such as the Floating Deck Trans-shipment System (FDTS) and floating deck installation.

Underpinning our gateway thinking is our ability to achieve sound financial returns. The financial results for 2012-13 were a record for the DPA in terms of revenue, profitability and return on investment and were underpinned by record cost control. The results reflect the goals of sound financial management and trade facilitation whilst providing the most cost effective service to port users.

From the Chair

The DPA has achieved a great deal in 2012-13. Particular highlights are our ground-breaking work on interim logistics, our innovation in the use of customer intelligence to fast track supply chain improvements and our pursuit of flexible, nimble processes and systems to support gateway thinking.

The year was capped off by the DPA hosting the “ports as gateways” themed biennial 2013 WA Ports Conference on behalf of Ports WA. This conference showcased the DPA’s latest thinking and provided an opportunity to share national and international experiences related to the important role ports play in state and national development.

The Port of Dampier has again set new trade volume records and achieved significant economic return to the State of Western Australia this year. Significant achievements include:

- total tonnage of 180.4 million tonnes (4.96% increase on 2011-12 throughput) for the Port of Dampier;
- 3% increase in vessel arrivals at the Port of Dampier, totalling 6,457 vessels for the year; and,
- an almost 60% increase in dividends of \$12.7 million returned to the State of Western Australia.

These and other achievements outlined in this annual report have come from the DPA’s

ability to think differently about how a port can add value and in turn, facilitate trade. Our accomplishments clearly demonstrate that being a gateway port adds value in so many ways, and is critically important to the prosperity of the Pilbara, Port of Dampier customers and the wider community.

I thank Chief Executive Officer Steve Lewis, his leadership team and the dedicated women and men of the DPA for their strong and ongoing commitment to thinking differently, being flexible and nimble, and continuing to innovate. These qualities set us apart and firmly place the DPA at the forefront of port management and regional development.

Finally, I express my gratitude to the DPA Board which continues to show great leadership, strategy and entrepreneurship in creating and embracing opportunities which abound in the Pilbara. As chairman for the past five years, I am very proud of what has been achieved and how much more resilient and focused the DPA has become in ensuring that we play our unique role in the development of the Pilbara and our great state.



As we go into our 25th year of operations in 2013-14, we are well positioned to respond to new opportunities as they arise and support the Pilbara in its continued growth.

Brendan Hammond, Chairman

Our philosophy

Ports can no longer be considered solely a facilitator of trade given their centrality to land use, logistic and strategic community development considerations. As custodian of the Dampier gateway into the Pilbara, the DPA acknowledges it must adopt a position of influence and coherence across all value chains. The real value of a port is achieved by it doing its job efficiently, effectively and with clear intent on sustaining the economic wealth and opportunity of the state and the nation.

By employing a unique commercial and entrepreneurial approach to conducting business, the DPA has the capacity to identify opportunities that support the creation of truly sustainable intergenerational assets and in so doing, derive significantly greater benefit than those operating under a more traditional landlord mode of port management. It is this fundamental philosophy, requisite thinking and people which have progressed the Port of Dampier to become a gateway port over the past four years. 2012-13 has built upon these foundation years to deliver superior results in all areas of its business and the facilitation of trade as Australia's premier industry and energy hub and gateway to Asia.

Ports as gateways

Connecting Australia to the world through marine and land networks



Ports as gateways Creating value GATEWAY THINKING In the business initiatives Smart business approach



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Characteristics of a gateway port

In its endeavours to develop a business model which best fits the role of a port in the vast Pilbara region, the DPA has developed a set of characteristics which are essential to gateway thinking and can be applied to any port environment.

Dampier Cargo Wharf and energy hub berths of Pluto and the North West Shelf Venture operations



- **Gateway ports maximise the opportunity to create value.** This entails **strong thinking** and emphasis on creating in-perpetuity assets. Being alert to creating value at every opportunity is an essential characteristic of a gateway port. The facilitation of trade is a significant component of how ports add value.
- **Gateway ports own the underlying seabed and land which comprise port boundaries on behalf of the state.** This forms the basis upon which the state retains ultimate control of trade gateways and the platform upon which opportunities and value are developed.
- **Gateway ports own all common user infrastructure** to ensure optimal access to current and future trades through the port. Ownership of these underlying assets occurs regardless of how they are funded and who built them. This model offers certainty over what industry can and cannot own, whilst still permitting full operational license of these assets to support their activities as required.
- **Gateway ports do not need to be the operator of port infrastructure or provider of port services** (including stevedoring, towage, pilotage, security, etc...) to be effective. These activities should be performed by the most efficient and effective entity to create maximum value.
- **Gateway ports focus on things that are best done by ports.** They ensure sufficient land, port facilities, water, power, communications and strong planning are in place to remain resilient to future demand and form a basis upon which private industry investment and entrepreneurship can thrive.

- **Gateway ports play a central role in assisting the private sector fund port expansion.** Ports often see all sides of a transaction and hold the best knowledge around future port trade and revenue potential. Ports can use this knowledge along with state links to enable private sector entities to be fully involved in infrastructure development and service provision.
- **Gateway ports create synergies in planning logistics and project development by facilitating the free flow of information** between government, community and industry. Ports are ideally placed to receive, synthesise and disseminate information between multiple stakeholders. A gateway port is one of the few arms of government capable of adopting a whole-of-state perspective on port development. This is particularly relevant for regional ports and an important element of how a gateway port creates value through effective information management.
- To effectively perform their role, **gateway ports plan beyond port boundaries** in considering how government, industry and community interests are affected by local, national and international supply chain activities. Ports must think with an “inner port, outer port, and beyond port” mindset in order to create the most effective response to supply chain needs, product logistics, infrastructure provision and community value creation.
- Under a commercialised structure, **gateway ports are a conduit between government and industry** (and the community in some cases). In addition to dealing with the private sector on a full commercial basis, it can assist in private sector interactions with government agencies.
- **Gateway ports are part of the community in which they operate.** A strong community supports a strong port, and a strong port supports the aspirations of a strong community. In the case of regional ports, they are likely to be one of the few government agencies employing senior management and resources within these communities. Gateway ports can make a substantial contribution to the identification of opportunities, sharing of information and resources, and support of local initiatives.
- **Gateway ports take overall responsibility for maintaining the port environment.** Strong development approval processes, well developed environmental thinking and capabilities, emergency preparedness and license compliance monitoring must be maintained by a port to ensure operational effectiveness and state interests are protected.
- **Gateway ports maintain a flexible and nimble organisational structure, with clear accountabilities for competent, knowledgeable, thinking personnel.** Staff resources may be supplemented by internal and external subject matter experts where necessary, with a clear focus on ensuring the port creates value at every opportunity.
- **Gateway ports have strong corporate governance practices.** Ports must act honestly, fairly and in the best interest of the state at all times. Sound audit and risk management practices and high governance standards across the organisation create a benchmark upon which a ports integrity and performance are measured.

Gateways thinking

As a state owned custodian of the natural gateway, the DPA is on a journey to embed gateways thinking into its operations. The DPA has taken the essence of a gateway port and categorised it into four pillars of activity:



External dimension

The DPA recognises that all results are generated from outside the organisation. The first two pillars relate to the DPA's important interactions with customers, industry, community and other government agencies.

1. Ports as gateways

This first principal pillar drives sound operational excellence in the DPA's efforts to directly support port users. The DPA uses its capacity to think and act within a broad regional context; support the bigger picture encompassing regional, state and national development, and identify ways to align stakeholders in information sharing activities.

2. Creating value

Ports must keep their finger on the pulse of the various supply chains in which they do business and use customer intelligence and fast design methods to bring ideas to fruition. The DPA considers what customers are trying to achieve and how port operations and decisions further their goals. This is an exciting area of gateway thinking where collaboration between customers, stakeholders and the port can yield better outcomes for all.

Internal dimension

Focus on improving the DPA's internal performance and ensuring that gateway thinking is supported and encouraged by all staff is critical to identifying and embracing new opportunities.

3. In the business initiatives

A commitment to ensuring the DPA has internal processes to support business excellence, operations, and the ability for it to incorporate value creation principles in an efficient, flexible and innovative way. This pillar also looks to reduce waste and guarantee that the port is delivering value for money.

4. Smart port approach

The DPA recognises the importance smart thinking and smart implementation hold to becoming a smart port. It is devising better ways to use the experience and enthusiasm of its board, management and staff in determining opportunity gaps and improving processes to meet current needs and future demands.

The 2012-13 annual report presents the DPA's results in relation to creating value in every part of its work and commitment to continually adapting and improving its gateway thinking.

Ports as gateways

Ports as gateways

Ports as gateways is the first pillar of gateway thinking and evidences the DPA's ability to look beyond the traditional landlord model in identifying opportunities. Expansive thinking is critical to delivering in-perpetuity assets capable of achieving long term value growth. It is via this commercial and entrepreneurial business approach and the DPA's ability to think big in looking beyond the confines of port operations that greater commercial, environmental and social benefits are derived for the state, the nation and the community at large.

Port of Dampier facilities and King Bay Industrial Estate



Facilitating trade growth

The DPA is witness to all facets of port activity and is best placed to create opportunities for stakeholders to maximise existing and future trade capacity and revenue potential from port related activities.

By adopting a whole of supply chain perspective in the identification of commercially viable trade opportunities, the DPA engages stakeholders in strategic initiatives that derive better long term outcomes for all.

Whilst our operational focus over the past 12 months has remained with the Port of Dampier, significant development works in the Port of Ashburton area associated with the Chevron Wheatstone project and the opportunities being presented with the Port of Anketell area have become an ever increasing part of our business.

Port of Dampier

The Port of Dampier is located along the West Pilbara coastline, approximately 1,260 kilometres north of Perth in Western Australia. It is centred within a logistics network extending 350 kilometres inland to the iron ore rich deposits of the Pilbara region and 200 kilometres seaward to the oil and gas fields of the North West Shelf. As one of Australia's largest bulk export ports, the Port of Dampier is a vital part of the vast north west export precinct and a strategic gateway to Asian markets.

Located on the Burrup Peninsula, the Port of Dampier is surrounded by an abundance of natural and heritage assets. The area is recognised as containing one of the richest concentrations of Aboriginal rock art in the world.

The DPA owns and operates a range of multi-user facilities to support the safe and efficient movement of cargo. These comprise both seaward and landside facilities such as the Dampier Cargo Wharf (DCW), Dampier Bulk Liquids Berth (DBLB) and Heavy Load Out facility (HLO). The DPA is also responsible for managing almost 70 hectares of industrial land with the KBIE.

The Port of Dampier also contains separate terminals for iron ore, salt and gas products. Under existing State Agreements, Rio Tinto Iron Ore (RTIO) and Rio Tinto Minerals - Dampier Salt (Dampier Salt) operate on the western side of the port from private facilities at Parker Point, East Intercourse Island and Mistaken Island. Woodside Energy Limited (Woodside) operates the North West Shelf Venture (NWSV) and Pluto LNG plants from private export facilities located on the eastern side of the port.

The DPA is responsible for ensuring that necessary planning, vital services and supporting infrastructure are in place for industry to optimise trading activities now and for the future.

Total Port of Dampier export throughout increased 5.2% to 179.86Mt with imports totalling 509,368 tonnes in 2012-13.

The increase in export tonnage at the Port of Dampier is mainly attributable to growth in the oil and gas industry: in particular Woodside's Pluto LNG plant reaching ready for start-up status in 2012; augmentation of Chevron Australia Pty. Ltd's (Chevron) rock exporting activities from the HLO to cover undersea pipelines and build groynes at its Barrow Island facility, and an increase in general cargo traffic across the DCW.

Total tonnage by commodity (tonnes)

	2012-13	2011-12	2010-11	2009-10	2008-09
Iron ore	148,379,812	145,744,327	136,287,257	141,260,217	116,550,652
Salt	3,441,499	3,760,170	4,178,783	4,539,951	3,610,665
Condensate	4,288,520	3,265,661	4,832,060	4,099,877	4,145,638
Liquified natural gas	20,371,607	15,616,747	17,094,479	17,214,420	14,407,975
Liquified petroleum gas	1,325,361	1,700,281	922,882	1,975,261	957,270
Petroleum products	340,213	582,100	483,055	471,674	443,886
Ammonia	657,304	732,185	765,499	796,165	335,770
General cargo	1,561,557	442,151	461,189	374,649	371,891
Total Cargo Tonnes	180,365,873	171,843,622	165,025,204	170,732,214	140,823,747

Dampier Cargo Wharf

The DCW continues to be an essential piece of infrastructure for project cargo and general cargo trade within the Pilbara region. In 2012-13 almost 1.3 million tonnes of break bulk, project, general and offshore service and supply cargo was traded across the DCW.

As demand for the DCW continued to grow in 2012-13, the DPA prioritised its maintenance program to optimise the facility's serviceable life. Key maintenance activities undertaken during the year included:

- Completion of underside repairs including the remediation of reinforced concrete soffit.
- Replacement of fender struts.
- Scoping of topside repair works including the remediation of reinforced concrete joints and kerbing.
- Replacement of existing safety ladders.

Dampier Bulk Liquids Berth

The DBLB was constructed in 2005 to support the Burrup Peninsula's downstream gas processing industry. The facility can accommodate vessels from 20,000 to 55,000 tonnes displacement.

Yara International and Shell Australia continued to use the DBLB to trade products in the 2013 financial year, with 657,304 tonnes of



Dampier Cargo Wharf in action

anhydrous ammonia exported through the DBLB and 168,862 tonnes of diesel imported. A total of 59 ships called at the DBLB with an annual occupancy of 54.5 days.

In April 2013, the DPA assets team upgraded DBLB pylons and navigational aids.

Heavy Load Out Facility

Since it was constructed in 2003, the HLO has proven to be a valuable asset for the operation of large scale resource projects within the region. Some 50 metres in length, the HLO provides for the loading and unloading of heavy cargo such as pre-fabricated modules used in the construction of the Pluto LNG plant.

Throughout 2012-13, Chevron utilised the HLO to load out bulk rock for its Gorgon Project works on Barrow Island. In April 2013, the world's largest bulk rock dumping vessel, the *Joseph Plateau*, began operating at the HLO and loaded its first consignment of bulk rock bound for Barrow Island. During the month of June the *Joseph Plateau* loaded a total of 14,441m³ of rock from the HLO.

King Bay Industrial Estate

The DPA holds and manages 69.4 hectares of land with direct access to port waters. The KBIE is a crucial landside support element of the Port of Dampier, with the majority



The Joseph Plateau loading rock at the HLO for Chevron

of leaseholders providing vital offshore oil and gas industry support services and infrastructure.

In 2012-13, the DPA delivered on a number of key targets outlined in its KBIE Infrastructure Upgrade Programme, including installation of batter slope protection and construction of substantial stormwater relief drains to optimise land use.

Development within estate lease areas is managed by the respective tenants who must comply with DPA Development Guidelines to ensure all developments are strategically managed and accommodate future growth.

Notable leaseholder developments approved during the year included:

Mermaid Marine Australia (MMA)

- Relocation and extension of the diesel tank farm.
- Upgrade to services including major drainage works and the construction of new truck wash down facilities.
- Various civil works to improve drainage. (NB: During the year the DPA also approved the development application for a new desalination facility and upgrade of existing HV facilities of the new main substation. Construction is yet to commence).

- Construction of perimeter fencing to the Gorgon Project quarantine inspection and logistics support services area.

Toll Energy

- Civil works to improve the utility and amenity of the facility.
- Relocation of sub-lessee powder tanks.

Caltex Australia

- Diesel fuel bunkering operations.

British Petroleum

- Marine gas/oil bunkering barge operations.

Chevron

- Construction of an upstream site office on the HLO site.
- Installation of a temporary barge extending off the HLO.

The DPA also conducted additional market valuations for KBIE leaseholders last year. Leases reflect the regions market rental value to ensure valuable port land rates remain consistent with current pricing.



Port of Dampier communications tower and offices

Office accommodation

The DPA head office and operational base is located on Dampier's Burrup Peninsula. To accommodate the growing Dampier workforce, the DPA commissioned an additional temporary office block and asphalt resurfacing of the supporting car park in February 2013. In March, the DPA also completed an upgrade of wharf offices and its amenities building.

In addition to general office accommodation, the DPA maintains a 24 hour, 7 day a week port communications tower on site in Dampier. The tower is responsible for vessel traffic management within the Port of Dampier

and Port of Ashburton area. The DPA also maintains a planning and corporate services office in West Perth.

The office was established in 2009 and continues to provide a strategic connection to key private and public decision makers.

In 2013, the DPA acquired additional floor space within the same building to accommodate workforce growth and future development of a regional ports centre which all regional ports can use to establish a presence in Perth. The Pilbara Development Commission has recently taken up a lease with the West Perth offices.

Port of Ashburton area

In 2009 the State Government approved an historic State Development Agreement with Chevron for the creation of community, infrastructure and service developments necessary to support the Chevron-operated Wheatstone foundation project within the Ashburton North Strategic Industrial Area. The DPA also entered into commercial agreements with Chevron for the creation of port facilities and operating arrangements for this new port.

Located 12 kilometres south west of Onslow on the West Pilbara coastline, the 8,000 hectare hydrocarbon precinct will house natural gas projects, associated industry and downstream processing facilities. Under the DPA's jurisdiction, the Port of Ashburton area will also comprise port waters, Common User Coastal Area (CUCA) facilities and Eastern Infrastructure Corridor (EIC).

The DPA officially assumed responsibility for multi-user port water and land areas at the Port of Ashburton area on 1 December 2011. Security, safety, environmental and marine matters of the new port are managed and operated by the DPA in accordance with its role under the *WA Port Authorities Act 1999*.



Port of Ashburton area early developments works of the Material Offloading Facility at the Chevron Wheatstone project (courtesy of Chevron Australia Pty Ltd)

The DPA is specifically charged with setting port standards and auditing requirements; administering planning, development and construction approvals; controlling marine and personnel safety; managing environmental risks within the CUCA and port waters and consulting with industry and community to ensure all interests are protected throughout the development process. To achieve this, the DPA has created port operating guidelines; developed safety, cyclone and oil spill response plans; implemented remote vessel traffic and communication systems, and instilled pilotage directions to ensure safe and efficient port operations.

At the completion of the Wheatstone foundation project, the Materials Offloading Facility (MOF), channel and navigational aids will transfer to DPA ownership and form key multi-user facilities to augment trade within the West Pilbara region.

In 2012-13, the DPA processed a number of development and construction approvals for development works within the CUCA and Port of Ashburton area waters.

Notable approvals included:

- Construction approval of navigable channel dredging.

Port of Ashburton area map



- Construction approval for installation of a booster reverse osmosis plant at the temporary water area.
- Construction approval for micro tunnel pad and associated work area.

In addition to this, the DPA secured funding for the infrastructure required to make the Port of Ashburton area operational upon completion of the Wheatstone foundation project. This funding provides for the following essential port related infrastructure:

- Port administration buildings (including gatehouse, oil spill response shed, car parks and associated utilities).
- Water desalination plant and potable water storage.
- Wastewater treatment plant.
- Power station.
- Patrol vessel with trailer and suitable tow vehicle.
- Fuel storage farm to supply the power station and MOF berth bunkers.
- Additional construction works including roads, laydown areas, drainage and lighting.
- Provision of telecommunications/fibre optic cabling.

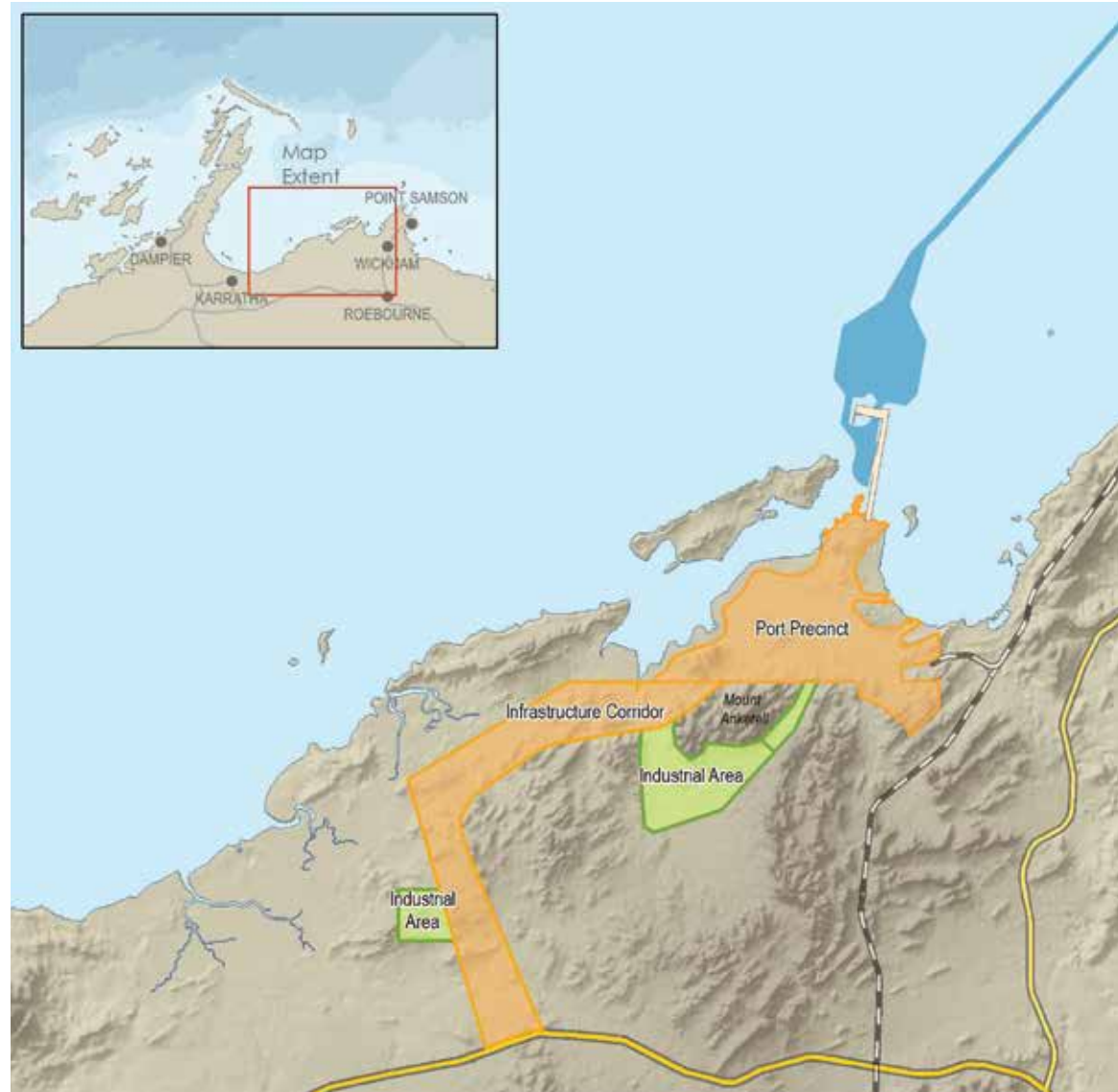
Port of Anketell area

The State Government identified the Port of Anketell area as the Pilbara's next multi-user deep water port and industrial precinct in 2010. Once vested in the DPA, the DPA will assume operational control over this privately funded development. In consultation with the State and foundation proponent, the DPA is progressing development planning of an infrastructure corridor and port precinct to cater for a notional export capacity of 400 million tonnes per annum (Mtpa).

Infrastructure corridors have been designed to accommodate a road and services corridor and up to four rail lines and marshalling yards. The rail corridors will terminate in a nested rail loop and contain stockyards with 20 million tonnes storage capacity. Planned marine infrastructure includes a causeway, two double-sided iron load out jetties, a MOF, liquid import berth and general cargo berth.

The DPA has worked jointly with the Department of State Development (DSD) to examine the access model and discuss possible implementation issues.

One potential foundation proponent has secured both state and federal environmental approval for the development of the initial stage of the Port of Anketell area development.



Port of Anketell area map

Cape Preston East

In 2012-13, the DPA worked with the Department of Transport to evaluate the potential for a new terminal on Crown land at Cape Preston East. If developed, port facilities at Cape Preston East would provide junior miners with an iron ore export facility in the West Pilbara.

Influence & leadership

As a gateway port, the DPA holds a unique position of regional responsibility in providing leadership to influence and promote initiatives and opportunities that support development of regional, state and national assets.

The DPA has experienced growth in the number and diversity of stakeholders in line with expanded export trade in the past year. In order to operate as an efficient trade gateway, it is critical the DPA develops beneficial relationships with all stakeholders for the purpose of knowledge sharing and conducting compliant best practice business operations.

Industry engagement

The DPA takes an active role in preserving positive stakeholder relationships necessary to run an efficient and modern port through

its membership of several industry-based committees and forums.

The DPA's Security and Emergency Response Coordinator was appointed to the role of chair of the Burrup Industry Emergency Management Committee in April 2013, giving the DPA key stakeholder contact for emergency response initiatives being introduced across the region.

A major milestone of the Vehicle Traffic Services (VTS) National Working Group, of which the DPA is a member, was the development of a legislative marine order for VTS which is due to come into effect in the

latter part of 2013. This marine order provides for the Australian Maritime Safety Authority to assume the role as the Competent Authority in Australia under the *Navigation Act 2012* and Chapter V of the International Convention for the Safety of Life at Sea.

The DPA continues to demonstrate leadership through numerous activities within the Port of Dampier in relation to emergency response and oil pollution preparedness and response. The DPA continues to chair the Marine Oil Pollution (MOP) Committee which is now host to 12 member organisations involved in various aspects of port operations.



Consultation with a range of stakeholders working on Exercise Archipelago Challenge

Collection of marine settlement arrays to assist in the monitoring of marine pests



The MOP Committee's core function is to enhance marine oil spill response within the Port of Dampier. To support this, the DPA hosted a large scale oil spill exercise entitled *Archipelago Challenge* that involved 22 organisations and 108 people in August 2013 (refer page 28).

The DPA works cooperatively with our tenants and neighbours to protect the Port of Dampier's unique natural environment.

The DPA continued to facilitate the Department of Fisheries' marine pest survey work to monitor port waters for the presence of invasive marine pests. In 2010, the Department of Fisheries

Biosecurity group and the DPA established a monitoring program for introduced marine pests in the Port of Dampier. The program is designed to help with the early detection of introduced marine pests within the Port of Dampier. This body of monitoring work involves three monthly collection of marine settlement arrays which are suspended in the Port's waters at a number of locations next to existing wharf infrastructure.

Detailed monitoring surveys undertaken at the Port of Dampier in 2010 and 2013 have shown that the Port remains free of any target marine pest species.

In 2012-13, DPA environment staff presented at a national bifouling workshop to offer a port practitioners perspective on marine pest management.

In June 2013, the DPA Technical Advisory Consultative Committee undertook review of its Dredge Management Plan in consultation with port stakeholders to remove outdated processes, consolidate information into a more concise format and ensure an holistic approach to environmental protection is a key focus of port users in current and future dredging works.

Partnerships

In 2009, the DPA partnered with RTIO, Dampier Salt, Woodside Pluto LNG and the Woodside NWSV in creating the Industrial Communities Against Rubbishing our Environment (ICARE) agreement to address the problem of off-site litter.

Since its establishment four years ago, ICARE regularly sees in excess of 40 people actively participate in major roadside clean ups on the Burrup Peninsula. The DPA has extended its ICARE activities to incorporate gate side monitoring of incoming and outgoing port traffic by DPA security staff to minimise landside rubbish from unsecured loads.

2013 WA Ports Conference



The WA Ports Conference is a biennial event, hosted by a Western Australian port authority as nominated by the WA Ports Council. Hosted by the DPA and held in Perth for the first time in over 30 years, this years conference was attended by almost 280 delegates holding senior positions in 119 public and private organisations.

Presented under the “ports as gateways” theme, the conference provided a forum for the development and exchange of views on issues relating to the efficient development and management of Australian ports and maritime facilities.

The DPA Chairman and CEO presented the “ports as gateways” approach and how gateway thinking enables better value to be created by ports from their unique position in the value chain. Highly engaging presentations were also made by Dr. Asaf Ashar (University of New Orleans, National Ports & Waterways) and David Whitehead (Director, British Ports Association). The Honorable Troy Buswell (Minister for Transport) also

presented to release the Regional Freight Transport Network Plan which was well received by all in attendance.

The 2013 WA Ports Conference represented an excellent platform upon which the DPA was able to promote the gateway model of port management. Ports WA and the DPA received overwhelmingly positive feedback from speakers, sponsors and most importantly, conference delegates.



Creating value

Creating value

Creating value is the second pillar of gateway thinking. One of the ways the DPA creates value is through working with port stakeholders to optimise port operations and leaseholder activities through rapid and collaborative planning and design.

Port planning

The DPA Development Plan 2010 – 2020 is central to the DPA's ability to ensure future planning considerations are not compromised by present development initiatives. The DPA is currently developing a Dampier Land Use & Infrastructure Plan (DLUIP) to sit under the Port of Dampier Development Plan and define strategic project directions. In May 2013, the DPA contracted a traffic consultant to critically assess existing road infrastructure and usage, and provide recommendations for the future development of an ultimate road network for inclusion in the DLUIP.

In 2012, the DPA undertook a major revision of its Development Guidelines, engaging with key stakeholders as part of this rigorous review process. Nearing completion, these revised guidelines will provide a clear and concise set of performance standards for application across multiple port locations.

A stage one hydrographic survey of the Port of Dampier was conducted by the

DPA in partnership with RTIO in April 2013 to maintain accurate modelling data of port waters and ensure port safety. Data density profiling has been greatly enhanced using new survey parameters and is now presented in a format that incorporates seabed classification. The DPA plans to make data accessible to port stakeholders via interactive online tools in the near future.

Focused development strategy

In 2012, the DPA focused on a development strategy that identifies the various supply chains extending through the port. The aim was to maximise both export trade and inwards supply chain logistics for the Pilbara region. Several key projects to support this approach have been advanced over the past year. These include the Dampier Marine Services Facility (DMSF), floating deck installation and the Floating Deck Trans-shipment System (FDTS).

Once completed, these projects will dramatically improve local, state and national supply chain efficiencies.

Dampier Marine Services Facility

In 2012, the DPA continued to develop the concept of a multi-user general and specialised cargo facility adjacent to the DCW. Once constructed, the DMSF will complement current DCW activities and offer additional trade opportunities for existing and new customers within the Port of Dampier.

During the year the DPA evaluated a business case for obtaining private DMSF infrastructure funding. The DPA also undertook an external market sounding with key industry representatives to ensure feasibility of the concept. The DPA is currently in the process of obtaining internal and government approvals before embarking on a procurement model for DMSF infrastructure.

Floating deck installation

The concept of installing a floating deck extension of the DCW was conceived by the DPA to address offshore oil and gas marine service supply constraints within the Port of Dampier. The floating deck installation provides additional berth space and a cargo stacking area as a forward supply base. The floating deck will enable oil and gas offshore supply vessels to achieve much faster turnarounds through the Port of Dampier.

As one of the largest in the world, the 3500m² floating platform will be located to the north of the existing DCW and linked to the wharf by a vehicular ramp. It is capable of accepting two of the worlds largest offshore vessels at any one time and will hold a very high degree of meteorological and ocean condition tolerance. This low environmental impact structure evidences how innovative, cost effective infrastructure can be installed more rapidly than conventional construction methods.

Following an extensive tender process, Apache Energy was awarded the contract to build the floating deck installation based on a design that is unique to Australian ports. Floating deck piling works are expected to commence in November 2013 with commissioning in early 2014.

Heavy Load Out facility

Work undertaken on the HLO during 2012 is evidence of the DPA's commitment to considering the business needs of its leaseholders.

In 2011, Chevron made application to the DPA to use the HLO for the loading of over 1.6 million tonnes of rock to construct an undersea pipeline connecting its offshore gas fields to mainland process operations at the Wheatstone site and build groynes on Barrow Island to support the Gorgon Project.

Additional development of the HLO was required to meet Chevron's construction timeline and progress these significant resource projects. The DPA Environment & Heritage department took the lead in obtaining required approvals for HLO berth deepening and obtained Commonwealth approvals necessary to dredge a berth pocket 30 metres offshore and dispose of dredge materials at approved spoil placement sites within Port of Dampier waters on behalf of Chevron.

The DPA also expedited development and construction approvals for the installation of a temporary barge extending off the HLO.

The barge and additional dredging permits large rock barges and vessels such as the



Dredging works at the HLO

Joseph Plateau to moor and load rock in order to meet Chevron's project schedule.

Throughout the entire dredging program, the DPA undertook water quality monitoring to ensure turbidity levels remained within acceptable levels.

Floating Deck Trans-shipment System



The concept of developing and installing a FDTS was conceived by the DPA to address major constraints on inwards break bulk and other industrial cargo that impact the entire Pilbara region through heavy road use along the North West coastal highway.

The FDTS will enable some of the world's largest cargo vessels to call regularly at the Port of Dampier and facilitate global liner shipping services within the Pilbara for the first time. The rapid construction, cost effective, open access system will enable fast turnaround of visiting cargo vessels. The FDTS is a system that includes construction of a new land-backed facility and the operation of giant pontoons, known as floating decks. The floating

decks transport cargo between the land berth and the anchorage areas where cargoes are transferred to waiting vessels by either roll-on roll-off or vessel crane handling systems.

The FDTS holds minimal environmental footprint and does not require dredging of port waters. It can be rapidly expanded to cope with additional demand and offers significant landside facilities that have not previously been available within the Port of Dampier, such as a licensed customs premises,

quarantine wash down facility and space for stacking and storing cargo.

The FDTS is expected to provide scope for handling industrial cargo such as giant pre-assembled modules through the Port of Dampier and is expected to play an important role in the facilitation of the Yara Pilbara Technical Ammonium Nitrate Production Facility.

Construction is expected to commence in August 2013 with completion anticipated for early 2014.

Vessel simulation exercise

In February 2013, the DPA took part in a vessel simulation exercise for iron ore loading operations at Cape Preston East in conjunction with Iron Ore Holdings. The main aim of the simulation exercise was to ascertain whether a self-discharging vessel could operate within port limits without the need for dredging works. The exercise supported the deployment of a self-discharging vessel within the Cape Preston East area.

A broader view of value

A port has the potential to create value beyond its boundaries and in terms other than trade. Under gateway thinking, the DPA adopts a broader view of value by lending support and expertise in areas beyond its direct management. Through this broader view of value, the DPA strives to establish and strengthen partnerships within the communities in which it operates.

Environment & heritage

The DPA takes an active role in aligning stakeholders and the broader community with a shared environmental vision for the region. The DPA Environment & Heritage team conducts regular environmental awareness tours for port proponents and visitors throughout the year and hosts internal



Unique coral and sponge gardens located close to the Port of Dampier

environmental awareness ‘lunch and learn’ sessions to provide broader practical context to environmental management initiatives.

The team also plays a key role in reviewing the various developments proposed within the Port of Dampier and at greenfield locations to ensure appropriate environmental controls are incorporated into the design and operation of these facilities. The DPA works with the Environmental Protection Authority, Commonwealth Department of Sustainability, Environment, Water, Populations and Community (SEWPaC) and proponents to ensure compliance of any development undertaken.

Sustainable housing

The DPA is gradually increasing its staff housing stock to meet future growth needs. The DPA employed an internal development approval process in the design and construction of two more residences within Karratha in 2013.

Both residences were designed to maximise energy and water efficiency, incorporating some important sustainable design features such as low emissivity glass, solar energy and hot water, water wise landscaping, grey water reticulation, cross ventilation ‘breeze ways’, energy efficient lighting and 5-Star water efficient plumbing. The design for the Echidna Road property achieved an 8 (out of 10)

Proposed Onslow accommodation
(artists impression)



star rating according to the Nationwide Housing Energy Rating Scheme.

In the last 5 years, the DPA has built four houses and endeavours to extract learnings from each housing construction project to not only enhance sustainability ratings of future developments, but ensure liveability is not compromised in the process.

In 2013, land was also purchased in Onslow to construct permanent accommodation for staff working in the area. The DPA invited tenders for architectural consultancy services to prepare innovative design concepts for the site. It is anticipated that additional land will be

purchased in time depending on the number of staff based in Onslow.

Recycling resources

Earlier this year, the DPA partnered with Western Australian charity Technology Assisting Disability WA (TADWA) to connect redundant resources with Western Australians in need. In 2012-13, the DPA delivered 30 computers to TADWA for assessment and reuse. TADWA recycles 97% donated computer software and hardware items for redistribution to Western Australia's disabled and aged community and their carers.

Redirecting resources

Earlier this year, the DPA loaned one of its port response vessels, *Spinifex*, to the Albany Port Authority (APA) on trial with a long term view to permanently place the vessel in Albany. The *Spinifex* is well suited to APA needs and significantly expands its on water capacity.

“This is good example of regional port authorities working together for the best outcome for the State. Although the port authorities operate much like private business, we’re not in direct competition. We’ll often look for opportunities to share experience, skills and from time-to-time, resources.”

Steve Lewis, CEO, Dampier Port Authority

Community engagement

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

Sponsorship and community partnerships comprise a significant part of the DPA’s enduring commitment to community investment. In 2013, the DPA extended its support of community organisations, almost doubling its 2012 sponsorship investment to approximately \$140,000.

Notable funding recipients include:

- Dampier Seafarers
Through a worldwide association of chaplains, staff and volunteers, the Mission to Seafarers meets the spiritual, social and practical needs of seafarers in over 230 ports around the world. It reaches out to seafarers by visiting them on their ships and welcoming them to the local seafarers' centre where they can shop, contact home via the internet or phone, or simply relax outside their work environment.

The DPA is a strong advocate for the Mission to Seafarers service and maintains a long term sponsorship agreement with its Dampier Seafarers Centre. The DPA is currently investigating new ways to lend support and influence other Australian ports to do the same.

- Cossack Art Award
From humble beginnings in Western Australia's resources heartland, today the Cossack Art Award is a respected and well recognised event on the Australian cultural calendar.

The Cossack Art Award is the richest art prize in regional Australia, attracting over 300 entries across nine categories with a total prize pool of \$109,000. The Award represents a unique opportunity for



Harbour Master (John Fewings) and CEO (Steve Lewis) farewell the Spinifex

regional artists to showcase their work on a national level alongside established Australian artists.

The DPA has held Platinum Award sponsorship status for the past nine years.

- Engineers Australia
The DPA partnered with professional industry body Engineers Australia to support engineers working in the field of coastal, ocean and port engineering in facilitating the 2013 Coastal, Ocean and Port Engineering Panel.

- Dampier Sharks Football Club
The Dampier Sharks Football Club holds a rich history and profound connection to the town of Dampier as a member of the North Pilbara Football League. The DPA has supported the Club for the past six years, accepting official sponsorship title for the Club's league team in 2013.

Exercise Archipelago Challenge



The DPA recognises the importance of regularly reviewing the Marine Oil Pollution Plan. To support this, Exercise Archipelago Challenge was conducted at the Port of Dampier on 14 and 15 August 2012 and involved 108 people across 22 organisations.

The exercise was seen as an opportunity for various port stakeholders and neighbouring port authorities to collaborate in mounting a large scale, simulated marine oil pollution (MOP) incident

response. The exercise also represented an opportunity for participants to be trained in the operation and deployment of oil spill response equipment contained within the port and National Plan stockpiles.

The exercise successfully proved that the DPA staff, port proponents and members of the Regional Response Committee are competent first strike agents for the West Pilbara coastline.

This exercise also highlighted the importance of maintaining strategic relationships between port authorities and port operators along this remote and pristine stretch of Pilbara coastline.

Exercise Archipelago Challenge was an excellent opportunity for all participants to be exposed to realistic circumstances experienced during an actual oil pollution event.



In the business initiatives

In the business initiatives

The third pillar of gateway thinking sees innovative business processes drive a ports ability to create value through achieving greater efficiency, waste reduction, and using the full capability of the women and men of the DPA.

Internal systems are continually enhanced to be more robust, yet nimble and flexible enough to support innovative port management systems capable of rapid response to changing industry, government and community demands, and emerging technology.

Developing clusters

The DPA has experimented with the use of strategic clusters. These clusters provide leadership opportunities to staff that may not have such opportunity in their day-to-day role. These multi-disciplinary clusters differ from project teams in that they allow staff across the organisation that may not have professional expertise relevant to cluster initiatives, but are able to lend their own thinking skills to develop rapid recommendation and guidance on initiatives targeted for consideration by the leadership group. Staff are carefully selected so that the generation of ideas is not constrained by profession-based restrictions subject area experts may impose on the project concepting process.

Several clusters were formed throughout the year, including an Indigenous Cultural Awareness Training Cluster, Safe Haven Cluster and Smarts Ports Cluster. As a result of the work undertaken by the Indigenous Cultural Awareness Training Cluster, a pilot program offering cultural awareness training for staff based in Dampier and Onslow will be implemented by the end of 2013. The Smart Ports Cluster contributed by developing principles and processes around smart thinking and the Safe Haven Cluster explored the opportunity to develop a safe haven for small craft in the Port of Dampier.

Improving business systems

Improving business systems to adapt to the fast changing opportunities of the Pilbara has been a key focus for 2012-13. Document management processes were streamlined, a more robust capital management program introduced and commercial agreements reviewed

to accurately reflect current market value throughout the year. The Safety, Health, Environment & Quality Management System transitioned to a more systematic and effective document management system through the removal of redundant and duplicate information. Document management will be further enhanced when a new electronic document management system (Objective) is implemented in the second half of 2013.



DPA staff monitor health of mangroves

Environmental management

The DPA employs robust environmental management systems and takes an active interest in assisting the operations of its leaseholders by providing expertise and advice on how to minimise environmental impacts.

Monthly leaseholder site visits are conducted by the Environment & Heritage team to ensure environmental management practices are implemented effectively and allow the DPA to maintain a strong and transparent relationship with its tenants.

A photo monitoring program, recording mangrove health in Mangrove Bay (Dampier) was initiated by the DPA in 2012. The program is already showing the positive signs of how well mangroves rejuvenate in their natural environment.

Significant attention has been paid to environmental management requirements of Chevron’s Wheatstone foundation project, with DPA conducting monthly site visits to the Port of Ashburton area. Greenfield port developments provide a unique opportunity to ensure environmental considerations and measures are implemented from commencement of the project. The DPA Environment & Heritage team work with

Chevron and their subcontractors to ensure the highest level of environment and heritage stewardship for the site.

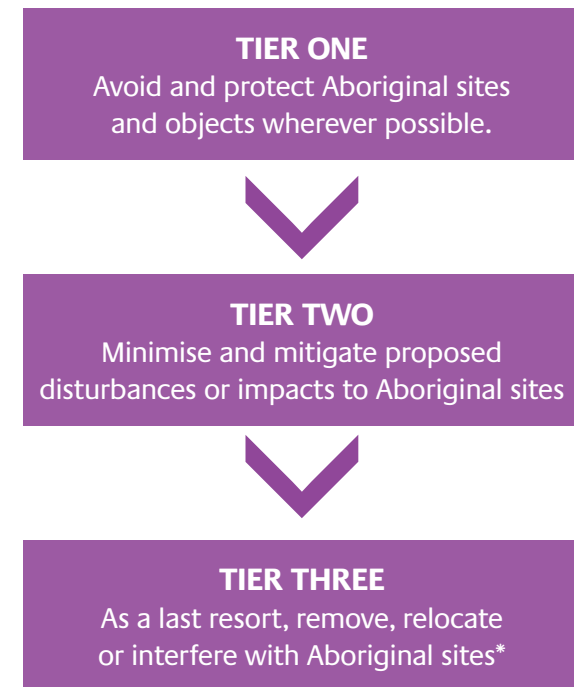
Heritage management

The DPA has complemented its heritage management capability with the appointment of a new Senior Environment & Heritage Officer. In addition to developing deeper relationships with various local Aboriginal groups, the Senior Environment & Heritage Officer led the review of the DPA Aboriginal Heritage Management Plan. The review was conducted in consultation with the Ngarluma, Wong-Goo-Tt-Oo and Yabua Mardudhunera groups and the Department of Indigenous Affairs (DIA) during December 2012 and January 2013. The review resulted in collection of existing Aboriginal heritage information on DPA land, better reflection of current business practices and an agreed framework for the interaction process and proponent obligations under the Development Approvals process.

The DPA’s management of Aboriginal heritage sites and process for engagement with Aboriginal groups are now more clearly defined within the DPA Aboriginal Heritage Management Plan.

The Heritage Management Plan now adopts the following protocols:

Hierarchy of controls



* Ministerial approval under Section 18 of the *Aboriginal Heritage Act 1972* will be required prior to progressing this action.

In 2012-13, no heritage sites were impacted by Port of Dampier developments.

Occupational safety & health management

The DPA strives to achieve the highest attainable level of occupational safety and health working conditions for its employees, contractors and visitors. During 2012-13, no loss time injuries were recorded and it has been 529 days since the DPA's last lost time injury.

Support for the Health, Safety & Environmental (HSE) Stakeholder Forum continued to grow in 2013. Chaired by the DPA, the Forum is designed to improve knowledge sharing amongst HSE professionals and positively influence safety behaviours amongst

industry stakeholders operating within the Port of Dampier. Industry representation extended to JDN/Chevron Joint Venture, Patrick Stevedoring, QUBE, RTIO, Dampier Salt, MiSWACO, Saipem Leighton, Woodside, Australian Marine Services, Yara Pilbara, Joyce Crane Hire, MMA, Toll Logistics, Woodside, Oceanic Offshore, the Shire of Roebourne, Department of Fire & Emergency Services and WorkSafe in 2013.

The DPA has an extensive work program for workplace safety and health, with an emphasis on providing strong leadership to port users in this important area of daily operations.

Blood alcohol concentration policy

The Health & Safety Department has continued to place high emphasis on reinforcing the DPA 0.0% Blood Alcohol Concentration policy through random breath testing and a proactive education and awareness campaign.

For the twelve months ending April 2013, 6,736 random alcohol tests were conducted within port environs. Results indicate the DPA zero tolerance expectation to fitness for work continues to resonate with port users.

Influenza vaccination campaign

An influenza education and awareness campaign was undertaken during May 2013 and was very well received. The campaign included general intranet postings, distribution of flyers and posters and a registered nurse presenting on the benefits of influenza vaccinations. DPA staff across Dampier and Perth were offered free influenza vaccinations as part of the campaign. Staff unable to receive an onsite vaccination were able to receive vaccination services at their elected medical surgery. The program was very well supported with a number of staff participating for the first time.

Random breath testing across all DPA sites is conducted by our Health and Safety Team



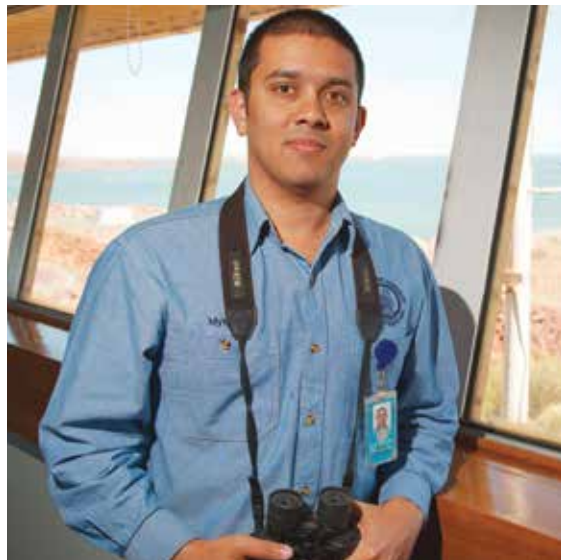
Smart port approach

Smart port approach

The final pillar in gateway thinking is the internal generation of ideas – using the tension between the current state and the future that the DPA seeks to create to identify better ways of working and creating value. By asking “what would a smart port do?” in a particular situation, the DPA has begun to institutionalise the necessary thinking that is needed to identify new opportunities for customers and the community. The smart port approach also recognises the importance of smart implementation of innovative solutions.

Developing people

The DPA leadership team focused on more devolved decision making and thin paperwork. Under a refined Levels of Excellence program which sets out accountabilities for each role,



Deputy Harbour Master (Myron Fernandes) supports our operational staff in ensuring the safe passage of vessels

divisional managers directly manage staff recruitment and appraisals, and have more influence over the professional development of their staff.

Human Resources continues to enhance business systems and processes to achieve business excellence. The DPA conducted a review of all staff position descriptions to clearly define job requirements and identify the most appropriate training for personal career progression and capacity to satisfy DPA's current requirements. The review resulted in a comprehensive training matrix and human resource metrics reporting being created that enable the DPA to deliver upon strategic business objectives.

The DPA currently has a total staff of 79 full time employees consisting of a 42% to 58% male to female staff ratio.

Major staff development initiatives undertaken in 2012-13 include:

- 80% of DPA managers trained in occupational safety and health and injury management responsibilities.
- Four new staff obtained VTS operator accreditation. Staff to be installed once VTS accreditation is achieved in 2014.
- Pilot program for Cultural Awareness Training assessed and approved.
- Job based staff development programs based on skills for individual roles and responsibilities introduced.
- Mandatory desktop cyclone preparation exercises conducted, for DPA staff and external stakeholders.

Shipping

The DPA is responsible for overseeing the safe operations and vessel traffic management of its gazetted port locations. In 2013, the DPA entered into an agreement with Australian Maritime Systems Limited to supply key equipment for a contemporary VTS system. The equipment will be installed in a new building within the Port of Dampier to enable effective vessel monitoring across all areas of DPA responsibility. The new building and equipment will progressively enable the DPA to achieve VTS accreditation and significantly enhance its maritime safety governance for expected future growth. In 2013, preliminary VTS equipment was installed to enable coverage of the new Port of Ashburton area and Wheatstone project. Installation of the entire system is expected to be completed by May 2014.



Iron ore vessels operating from the Rio Tinto facility at Parker Point

Online services

The DPA website was relaunched in May 2013 to incorporate additional port locations and interactive user functionality under the organisations e-business strategy.

In order to create an e-business environment focussed on usability and accessibility for Port of Dampier users, the DPA replaced its online platform with a dynamic new site featuring better customer-oriented information and services.

Using the new platform, the DPA also replaced its online site induction. Induction content was reviewed and functionality substantially improved for port users.

The Maritime Security Identification Card (MSIC) module on the new website portal has been the first application of e-business for the DPA. The on-line application imports applicant data directly into the MSIC database, substantially reducing data entry requirements.

In addition, the MSIC section of the website is more customer-focused, providing customers with increased information on MSIC processes and the ability to provide updated address details online. Enhancements have also been made to the MSIC database



Port of Dampier
Safety and Security
Services Building
at the entrance
to the Landside
Restricted Zone

to improve functionality and enable customers to be notified of information by SMS or email, greatly increasing efficiency and reducing paperwork.

A total of 2,610 MSIC applications were processed by the MSIC office this financial year.

Subsequent enhancements to the DPA online systems will see GIS information, mooring data and security access integrated in the future.

Information management

The DPA has progressed a smart port model whereby connectivity and mobility across all facets of the business are at the forefront of business thinking.

A security audit undertaken in September 2012 identified an opportunity to further improve IT security and business operations through the procurement of new information management resources such as advanced firewall systems and additional data storage capacity.

An asset management component of the Technology One finance and procurement system was launched in October 2012 to

provide transparency and accountability for all DPA maintenance programs. This new component provides organisation-wide access to asset management projects and all DPA staff have received Technology One training to improve interdepartmental synergies.

An Electronic Content Management (ECM) system was approved in March 2012; a critical step for the DPA in its move towards smart port thinking and the use of e-business technologies. The ECM system will comprise two parts. SharePoint was launched in June 2013 as a collaborative business tool and central internal communication tool for employees to replace the existing

intranet facility. Objective will be integrated into SharePoint in July 2013 to replace the current document and record management system and integrate multiple services into one smart document management system that provides efficiencies across the business.

Security

The DPA upgraded its CCTV systems in January to enhance its monitoring capacity and introduce remote access for relevant staff to access footage on mobile and smart phone technology at any time. This initiative increases response time and the deployment of resources in the event of a security incident.

Dynamic data mapping

In February 2013, a web based enterprise GIS toolkit was launched to further the DPA's geospatial data capacity.

Part of the toolkit works included the introduction of 'PortMap', a web-based tool that allows staff to dynamically interrogate data and create customisable geographic maps.

PortMap is supported by over 100 layers of location data including information on services, lease boundaries, heritage sites, marine operations and land tenure.

Port Security
Officer registering
visitor to the port



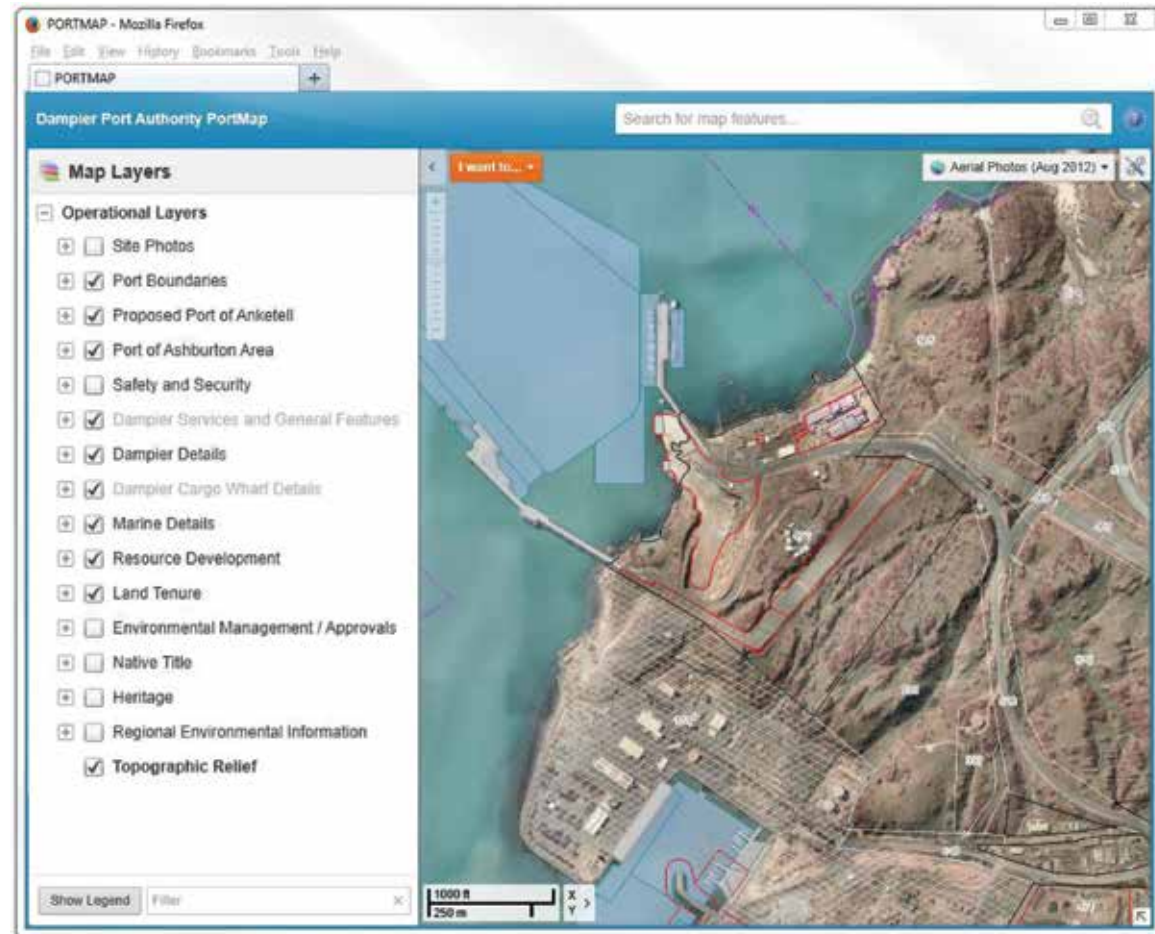
The ability to interrogate data at a specific location has proven to stimulate new thinking and has supported better informed decision making across all levels of the organisation.

Given the volume of data required to support a comprehensive GIS toolkit, a Standard Area Network was established in July 2012 to accommodate storage requirements.

GIS has been utilised to support a range of business activities across the DPA, including supporting greenfield port developments, visualising and reporting on the underwater terrain of the port and supporting land use and infrastructure planning.

PortMap is being used internally as a dynamic information source, integrating information from a wide range of sources from internal business specific systems and external agencies. Bringing together different pieces of information based on a locational relationship to answer questions, inform decisions and generate knowledge.

Within the next financial year PortMap will be made available externally, allowing Port customers access to these information rich interactive mapping tools.



Interactive
PortMap tool
available to
DPA staff

Compliance

Compliance

Expenditure on advertising

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

Item	Organisation(s)	Total Value
Sponsorship	Various (Cossack Art Awards, Dampier Sharks Football Club, Dampier Seafarer, tours, schools, community groups, sporting clubs etc...)	\$140,000
Media Advertising	Miscellaneous (e.g. local business support & community publications).	\$20,172
Market Research		Nil



Vessel movements from the Dampier Cargo Wharf

Freedom of information

Each year the DPA provides the Office of the Information Commissioner with a Freedom of Information Statement. The statement is made available to the public via the DPA website. During 2012-13 DPA received one partial transfer request for information.

Public sector standards & ethical codes

In accordance with Section 23 of the *Port Authorities Act 1999*, the DPA has reported to the Minister of Transport and Public Sector Standards Commission on its compliance with the Code of Conduct. There were no detected breaches of the Code of Conduct during 2012-13.

The *Public Interest Disclosure Act 2003* (PID) enables people to make disclosures about wrongdoing within the State public sector, local government and public universities without fear of reprisal. The DPA did not receive any PID's during 2012-13.

Recordkeeping plans

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

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

Significant work was undertaken in the year to update the DPA's electronic record management system, to a complete electronic document and records management system. The new system Objective will be launched in the second half of 2013.

Occupational safety, health & injury management

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

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

The DPA utilise the *Australian Work Health and Safety Strategy 2012-13* Safety, Health & Injury Management performance targets as a baseline for annual performance assessment. DPA's performance in 2012-13 is recorded in the following table:

Indicator	Result			
	2010-11	2011-12	2012-13	Target
Number of fatalities	Zero (0)	Zero (0)	Zero (0)	Zero (0)
Lost time injury and/or disease incidence rate	Zero (0)	2.82	Zero (0)	Zero (0)
Lost time injury and/or disease severity rate	Zero (0)	Zero (0)	Zero (0)	Zero (0)
% of injured workers returned to work				
(i) within 13 weeks	N/A	N/A	N/A	100%
(ii) within 26 weeks	N/A	N/A	N/A	≥ 80%
% of Managers trained in OH&S and Injury Management responsibilities	25%	34%	80%	≥ 80%

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

As of the 30th June 2013 the DPA has not recorded a Lost Time Injury for 529 consecutive days.

Acronyms

APA	Albany Port Authority	KBIE	King Bay Industrial Estate
Chevron	Chevron Australia Pty. Ltd.	LNG	Liquefied Natural Gas
CUCA	Common User Coastal Area	MMA	Mermaid Marine Australia
DBLB	Dampier Bulk Liquids Berth	MOF	Materials Offloading Facility
DCW	Dampier Cargo Wharf	MOP	Marine Oil Pollution
DEC	Department of Environmental Conservation	MSIC	Maritime Security Information Card
DIOR	Department of Industry and Resources	Mtpa	Million tonnes per annum
DLUIP	Dampier Land Use & Infrastructure Plan	NWSV	North West Shelf Venture
DMSF	Dampier Marine Services Facility	PID	Public Interest Disclosure
DPA	Dampier Port Authority	Dampier Salt	Rio Tinto Minerals – Dampier Salt
DSD	Department of State Development	RTIO	Rio Tinto Iron Ore
ECM	Electronic Content Management	TADWA	Technology Assisting Disability WA
EIC	Eastern Infrastructure Corridor	VTS	Vehicle Traffic Services
FDTS	Floating Deck Trans-shipment System	WATC	Western Australian Treasury Corporation
HLO	Heavy Load Out	Woodside	Woodside Energy Limited
ICARE	Industrial Communities Against Rubbishing our Environment		

Financials

Directors report

In accordance with Schedule 5, Division 9 we report on the operations of the Dampier Port Authority (DPA) for the year to 30th June, 2013 as follows:

Board members

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

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

Current Board members



Mr Brendan Hammond, Chairman

Ministerial Appointment: Has been Chairman since July 2008, Brendan was reappointed in June 2011 with term expiring in June 2013.

Experience: Chairman of Horizon Power since April 2006.

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



Mr Robert Vitenbergs, Deputy Chairman

Ministerial Appointment: Has been a Board member since January 2000. Rob was re-appointed in January 2012 with term expiring December 2013.

Qualifications: Bachelor of Science (Hons)

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



Mr Mike Deeks CSC, Director

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

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

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



Mr Noel Bridge, Director

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

Qualifications: Bachelor of Business (Accounting major), Australian Rural Leadership Program, Australian Institute of Company Directors

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

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



Ms Fiona Russell, Director

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

Qualifications: Australian Institute of Company Directors, Advanced Diploma of Management, Post Graduate Certificate Maritime Management,

Bachelor of Commerce (International Business), Certificate III and IV Applied Language Studies – Chinese (Mandarin)

Experience: General Manager – Marine, Woodside Energy Ltd.

This position is responsible for managing the port operations, pilotage, offshore marine operations and marine contractor and vessel assurance for the Woodside Group. It provides leadership, direction and support

for all marine activities associated with the provision of safe, reliable and effective offshore, port operational and commercial marine services and marine technical assurance.

Fiona has gained experience in various marketing and export roles in the WA mining industry in management of export operations, logistics and contract management.



Mr Nick Serle, Director

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

Qualifications: Bachelor of Engineering (Electrical and Electronic)

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

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

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

Strategy team

(as at the 30 June 2013)

Name	Position
Mr Steve Lewis	Chief Executive Officer
Mr Valmiki Chandrashekhar	Chief Financial Officer
Captain Paul Toussaint-Jackson	Chief Operating Officer
Dr Rochelle Macdonald	Director of Strategy and Development
Mr Brad Kitchen	Director of Environment and Community

Principal activities

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

Manage the safe operations of the Port

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

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

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

Facilitate trade in the Port

- Ensure that port users have access to the facilities of the Port.
- Negotiate port facilities agreements for the major gas to liquids projects that propose to utilise the Burrup Peninsula.

Manage the environment within the Port

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

Maintain security within the Port

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

Net profit after tax

The DPA finished the financial year with a profit after compliance with the "National Tax Equivalent" legislation of \$19,604,000 compared to last year's profit of \$12,352,000 after tax. See the accompanying Financial Statements for further details.

Dividend

In accordance with the current dividend policy the directors have recommended \$12,741,828 dividend be paid being 65% of net operating profit after tax.

	2013	2012
	\$'000	\$'000
Total dividends recommended in respect of the financial year	12,742	8,029
Total dividends paid during the financial year	8,029	4,554

Significant changes to the state of affairs

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

Review of operations

Finance

Underpinning our gateway thinking is our ability to achieve sound financial returns. The financial results for 2012-13 were a record for the DPA in terms of revenue, profitability and return on investment and were underpinned by record cost control. The results reflect the goals of sound financial management and trade facilitation whilst providing the most cost effective service to port users.

The final result was a pre-tax profit of \$28,018,000.

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

	2013	2012
	\$'000	\$'000
Port dues	31,579	26,295
Dampier Cargo Wharf operations	12,830	6,131
Lease-King Bay Industrial Estate/Other	9,006	9,246
Dampier Bulk Liquids Berth	10,267	8,338
Interest	826	619
Profit on sale of assets	90	78
MSIC	643	722
Project management	600	399
Mooring fees	244	205
Other revenues	2,319	1,963
Total revenue	68,404	53,996
<i>Less unallocated expenses:</i>		
Employee expenses	13,888	11,823
Maintenance	5,920	5,681
Power and water	927	571
Depreciation	4,208	4,171
Insurance	630	492
Legal	1,266	912

	2013	2012
	\$'000	\$'000
Consultants	3,186	3,574
Audit fees	74	73
Finance costs	4,092	4,110
Supplies and services	4,535	3,480
Other	1,660	1,132
Total expenditure	40,386	36,018
Profit from ordinary activities before income tax expense	28,018	17,978
Income tax benefit/(expense)	(8,414)	(5,626)
Profit from ordinary activities after income tax expense	19,604	12,352

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

a. Port dues

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

b. Dampier Cargo Wharf (DCW) Operations

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

c. Lease – King Bay Industrial Estate/Other

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

d. Dampier Bulk Liquids Berth

Income was higher compared to previous years due to an increase in tariffs from users and higher state subsidy from WA Government based on budgeted costs.

e. Interest

During the year the DPA invested surplus cash, the increase is due to higher cash reserves as a result of better cash management.

f. Profit from the sale of non current assets

The net proceeds from sale of non current assets are higher this year due to an increase in assets sold.

g. MSIC

Maritime Security Identification Card (MSIC) is a federal requirement to increase security within Australian ports. Income received is marginally lower this year due to a slight decrease in the number of MSIC being processed.

h. Project management

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

i. Mooring fees

Mooring fees were on par to last year.

j. Other revenues

There has been an increase in other revenue from DPA hosting the WA Ports Conference in May 2013. This increase in revenue has been offset by increase in expenditure to pay for the conference.

k. Employee expenses

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

l. Maintenance

Maintenance costs have increased slightly from last year key maintenance programmes undertaken include repairs to underside jetty and replacement of fender struts on Dampier Cargo Wharf.

m. Power and water

Water usage increased in the DCW and is offset by higher revenue from water sales at the DCW. Power costs have increased due to an increase in tariff costs.

n. Depreciation

Depreciation is similar to last financial year.

o. Insurance

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

p. Legal

Legal costs increased during the year due to an increase in commercial work related to Greenfield port development.

q. Consultants

Decrease in consultancy costs due to cost control measures undertaken.

r. Auditing

Audit costs are similar to last financial year.

s. Finance cost

Finance costs are similar to last financial year.

t. Supplies and services

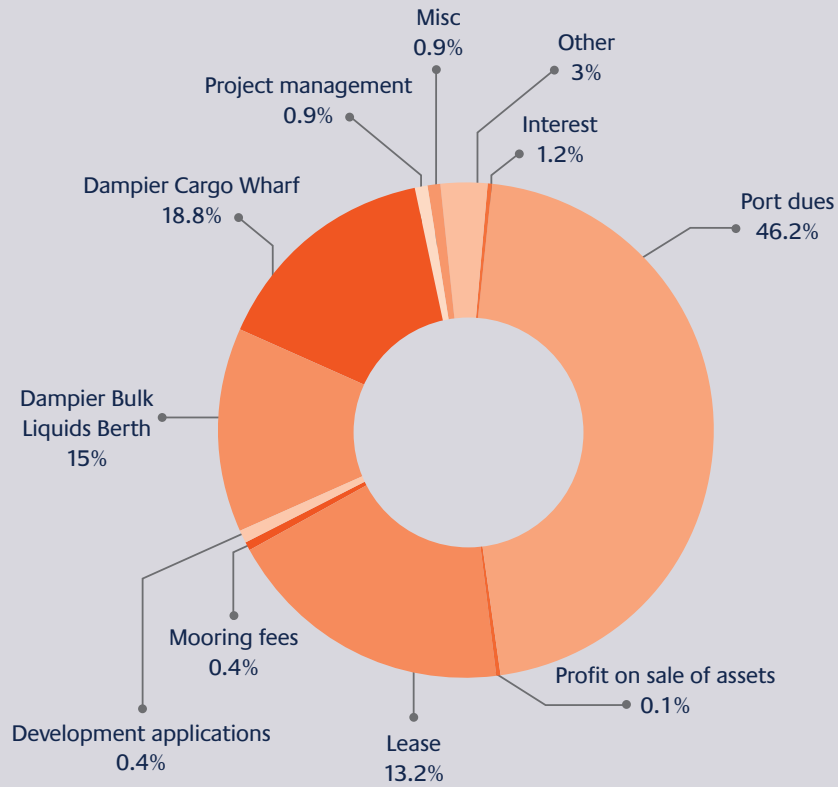
These costs have increased compared to last financial year. Increases were mainly in account of staff development and additional office rental.

u. Other

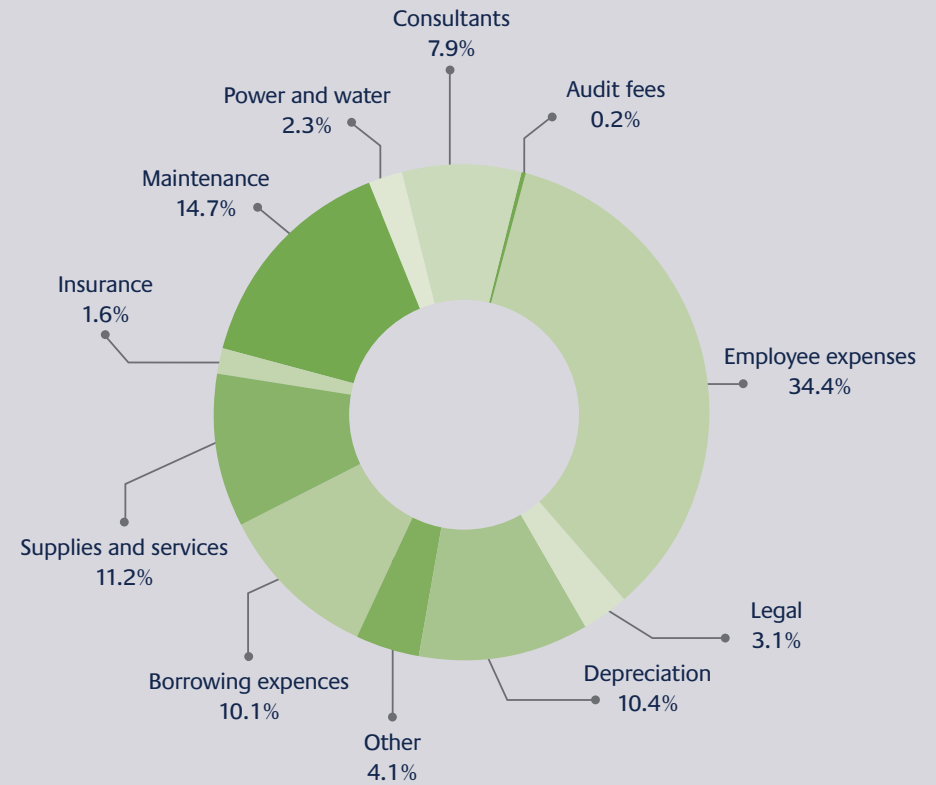
Other expenditure is higher than last financial year, due to increases in payroll tax, hydrographic surveys and land tax.

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

Sources of revenue 2013



Expenditure allocation 2013



Key performance indicators

Economic

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

Commodity	2012-13	2011-12	2010-11	2009-10	2008-09
Iron Ore	148,379,812	145,744,327	136,287,257	141,260,217	116,550,652
Salt	3,441,499	3,760,170	4,178,783	4,539,951	3,610,665
Condensate	4,288,520	3,265,661	4,832,060	4,099,877	4,145,638
Liquefied Natural Gas	20,371,607	15,616,747	17,094,479	17,214,420	14,407,975
Liquefied Petroleum Gas	1,325,361	1,700,281	922,882	1,975,261	957,270
Petroleum Products	340,213	582,100	483,055	471,674	443,886
Ammonia	657,304	732,185	765,499	796,165	335,770
General Cargo	1,561,557	442,151	461,189	374,649	371,891
Total Cargo Tonnes	180,365,873	171,843,622	165,025,204	170,732,214	140,823,747
Total Vessel Numbers	6,457	6,269	6,003	4,657	4,007
Total Gross Registered Tonnage	136,291,272	125,739,196	121,826,752	123,370,017	106,701,463

Port of Dampier annual cargo throughput (financial year end)



Financial

Rate of return

The Minister for Transport sets the DPA's target rate of return which is 6-8%. The budgeted rate of return for the 2012/2013 financial year was 11%. The rate of return achieved by the DPA was 17.8% (Dampier Bulk Liquids Berth (DBLB) 6.32%, General operations excl DBLB was 29.98%).

The average long run rate of return achieved by the DPA over the past 5 years was 11.15%

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

Stability of workforce

Staff turnover was 21.79% for 2012-2013.

Occupational health and safety

One Workers compensation claim was made during the financial year.

Significant changes to the state of affairs

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

Events subsequent to reporting date

There has not risen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the DPA,

to affect significantly the operations of the DPA, the results of those operations, or the state of affairs of the DPA, in future financial years.

Likely developments and future results

Significant changes in the DPA's operations are occurring due to a number of development projects coming to fruition, including the increased activity once the Port of Ashburton area becomes operational; the increased trade in the Port of Dampier from the development of the Floating Deck installation and Dampier Marine Services Facility project.

Directors benefits

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

Directors interest in contracts

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

Remuneration report

Remuneration Policy

The Minister determines remuneration of directors of the DPA.

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

Details of the nature and amount of each element of the emoluments of each director at the DPA and of the Chief Executive Officer and senior managers of the DPA are as follows:

Board members 2013

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

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

Board members 2012

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

Other Executives 2013

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

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

Other Executives 2012

Name	Salary	Motor vehicle	Other	Super	Total
	\$	\$	\$	\$	\$
Steve Lewis, Chief Executive Officer	386,461	–	–	36,853	423,314
Valmiki Chandrashekhar, Chief Financial Officer (Commenced 3 November 2011)	154,154	12,846	–	15,030	182,030
Paul Toussaint-Jackson, Chief Operating Officer	301,834	7,795	1,073	27,125	337,377
Rochelle Macdonald, Director Strategy & Development	223,846	–	–	20,510	244,356
Brad Kitchen Director, Environment & Community (Commenced 28 May 2011)	16,923	–	–	1,523	18,446

Retirement, election and continuation of office of members

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

	No. of meetings eligible to attend	Meetings attended
Brendan Hammond	7	4
Robert Vitenbergs	7	7
Mike Deeks	7	7
Noel Bridge	7	7
Fiona Russell	7	4
Nick Serle	7	5

Environmental performance

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

Identification of Directors

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

The DPA paid an insurance premium of \$21,406 GST exclusive in respect of the Directors' and Officers' Liability insurance policy for the reporting period.

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

Identification of auditors

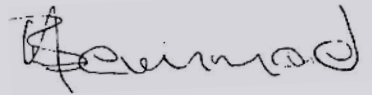
The Auditor General's Office has been appointed as the DPA's auditor in accordance with Schedule 5 Section 37(2) of the *Port Authorities Act 1999*.

The total fee payable for the financial year ended 30 June 2013 is \$41,000 GST exclusive

Rounding of amounts

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

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



Brendan Hammond
Chairman



Robert Vitenbergs
Deputy Chairman

Dated this 27th day of August, 2013
Perth WA

Directors declaration

– Dampier Port Authority

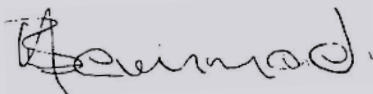
The Directors' declare that the financial statements and notes:

- a. comply with Accounting Standards, the *Port Authorities Act 1999* and other mandatory professional reporting requirements; and
- b. give a true and fair view of the Authority's financial position as at 30 June 2013 and of its performance, as represented by results of its operations and its cashflows, for the financial year ended on that date.

In the Directors' opinion:

- a. The financial statements and notes are in accordance with the *Port Authorities Act 1999*; 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.

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



Chairman



Deputy Chairman

Dated this 27th Day of August, 2013

Perth WA



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

DAMPIER PORT AUTHORITY

I have audited the financial report of the Dampier Port Authority. The financial report comprises the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory Notes and the Director's Declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

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

Opinion

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

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2013 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Dampier Port Authority for the year ended 30 June 2013 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
4 September 2013

Statement of comprehensive income

For the year ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Revenue	4	68,404	53,996
Employee benefits expense	3	(13,888)	(11,823)
Asset maintenance		(5,920)	(5,681)
Power and water		(927)	(571)
Depreciation and amortisation expense	3	(4,208)	(4,171)
Legal		(1,266)	(912)
Insurance		(630)	(492)
Consultants		(3,186)	(3,574)
Finance costs	3	(4,092)	(4,110)
Audit fees	3	(74)	(73)
Supplies and services (a)		(4,535)	(3,480)
Other expenses		(1,660)	(1,132)
<i>Profit before income tax</i>		28,018	17,978
Income tax expense	5	(8,414)	(5,626)
<i>Profit for the year</i>		19,604	12,352
Total comprehensive income for the year		19,604	12,352

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

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

Statement of financial position

as at 30 June 2013

	Note	30 June 2013 \$'000	30 June 2012 restated* \$'000	1 July 2011 restated* \$'000
Current assets				
Cash and cash equivalents	21(a)	29,816	16,863	10,691
Trade and other receivables	6	5,620	5,518	5,074
Other	7	426	288	290
Total current assets		35,862	22,669	16,055
Non-current assets				
Property, plant and equipment	9	92,922	94,886	93,459
Deferred tax assets	8	1,492	1,019	307
Total non-current assets		94,414	95,905	93,766
Total assets		130,276	118,574	109,821
Current liabilities				
Trade and other payables	11	3,508	3,911	3,529
Borrowings	12	2,120	1,998	1,894
Unearned Income	14	2,445	1,642	2,167
Current tax liability	15	4,068	2,655	994
Provisions	16	1,885	1,589	1,160
Total current liabilities		14,026	11,795	9,744
Non-current liabilities				
Borrowings	12	59,887	62,007	64,440
Provisions	16	66	50	43
Total non-current liabilities		59,953	62,057	64,483
Total liabilities		73,979	73,852	74,227
Net assets		56,297	44,722	35,594

		30 June 2013	30 June 2012	1 July 2011
	Note	\$'000	restated* \$'000	restated* \$'000
Equity				
Contributed equity	17	18,757	18,757	17,427
Retained earnings	18	37,540	25,965	18,167
Total equity		56,297	44,722	35,594

*refer to note 1(b)

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

Statement of changes in equity

for the year ended 30 June 2013

		Contributed equity	Retained earnings	Total equity
	Note	restated* \$'000	restated* \$'000	restated* \$'000
Balance 1 July 2011		17,002	18,167	35,169
Effect of recognition of vested land	1(b)	425	-	425
Restated balance at 1 July 2011		17,427	18,167	35,594
Total comprehensive income for the year		-	12,352	12,352
Transactions with owners in their capacity as owners				
Restated contribution of vested land	1(b)	1,330	-	1,330

		Contributed equity	Retained earnings	Total equity
	Note	restated* \$'000	restated* \$'000	restated* \$'000
Dividends paid		-	(4,554)	(4,554)
Restated total transactions with owners in their capacity as owner		1,330	(4,554)	(3,224)
Restated balance at 30 June 2012		18,757	25,965	44,722
Balance at 1 July 2012		18,757	25,965	44,722
Total comprehensive income for the year		-	19,604	19,604
Transactions with owners in their capacity as owner				
Dividends paid	13	-	(8,029)	(8,029)
Balance at 30 June 2013		18,757	37,540	56,297

*refer to note 1(b)

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

Statement of cash flows

for the year ended 30 June 2013

		2013	2012
	Note	\$'000	\$'000
Cash flow from operating activities			
Receipts from customers		59,913	45,758
Receipts from government contributions		8,148	6,597
Payments to suppliers and employees		(32,591)	(27,577)

		2013	2012
	Note	\$'000	\$'000
Interest received		817	594
Interest paid		(4,080)	(4,134)
Income tax paid		(7,131)	(3,994)
GST receipt on sales		5,836	4,550
GST receipt from taxation authority		(1,839)	(1,881)
GST payments on purchases		(3,997)	(2,669)
Net cash inflow/(outflow) from operating activities	21(b)	25,076	17,244
Cash flow from investing activities			
Proceeds from sale of property, plant & equipment		386	194
Payment for acquisition of property, plant and equipment		(2,482)	(4,383)
Net cash inflow/(outflow) from investing activities		(2,096)	(4,189)
Cash flow from financing activities			
Dividends paid	13	(8,029)	(4,554)
Repayment of borrowings		(1,998)	(2,329)
Net cash inflow/(outflow) from financing activities		(10,027)	(6,883)
Net increase in cash and cash equivalents		12,953	6,172
Cash and cash equivalents at 1 July		16,863	10,691
Cash and cash equivalents at 30 June	21(a)	29,816	16,863

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

Notes to and forming part of the Financial Statements for the year ended 30 June 2013

Note 1: Summary of significant accounting policies

1. Basis of preparation

a. Statement of Compliance

The financial report is a general-purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) (including Australian interpretations) adopted by the Australian Accounting Standards Board (AASB) and the financial reporting provisions of the *Port Authorities Act 1999*. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented, unless otherwise stated.

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

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

The financial statements were authorised for issue on 27th August 2013 by the Board of Directors of the DPA.

b. Restatement of comparatives

The 30 June 2012 comparatives have been restated to include Crown land vested in Dampier Port Authority. The Port recognises the land as a contribution from the Government.

The land is recognised at fair value at the date on which the land vests in the Port. The fair value was determined by Valuation Services (Landgate).

The following land was vested in the Port and recognised as a contribution from Government:

Lot 471 Reserve 41636 which vested to the Port in 1991 at an estimated fair value of \$425,000 at that date.

Talandji (Ashburton) which vested to the Port on the 9 January 2012, with a fair value of \$1.33 million at that date.

This had the following impact on the financial statements of the Port:

	Property, plant and equipment	State equity contribution
	\$'000	\$'000
Balance at 1 July 2011 as previously reported	93,034	891
Effect of land vested in the Port	425	425
Restated balance at 1 July 2011	93,459	1,316
Balance at 30 June 2012 as previously reported	93,131	891
Effect of land vested in the Port	1,755	1,755
Restated balance at 30 June 2012	94,886	2,646

	Total non current assets	Total assets	Total equity
	\$'000	\$'000	\$'000
Balance at 1 July 2011 as previously reported	93,341	109,396	35,169
Effect of land vested in the Port	425	425	425
Restated balance at 1 July 2011	93,766	109,821	35,594
Balance at 30 June 2012 as previously reported	94,150	116,819	42,967
Effect of land vested in the Port	1,755	1,755	1,755
Restated balance at 30 June 2012	95,905	118,574	44,722

c. Presentation of statement of comprehensive income

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

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

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

d. Basis of measurement

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

e. Functional and presentation currency

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

f. Use of estimates and judgments

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

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

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

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

Note 2: Summary of significant accounting policies

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

a. Income*Revenue*

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

Sale of goods

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

Provision of services

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

Interest

Revenue is recognised as the interest accrues.

Gains

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

Lease income

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

Government grants/subsidies

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

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

b. Income tax “equivalent”

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

As a consequence of participation in the NTER, the DPA is required to comply with AASB 112 “Income taxes”.

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

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

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

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

c. Finance costs

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

d. Maintenance and repairs

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

e. Property, plant and equipment and infrastructure

Initial recognition and measurement

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

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

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

Capitalisation/expensing of assets

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

Subsequent measurement

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

Depreciation

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

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

Estimated useful lives for each class of depreciable asset are:

Buildings	40 to 50 years
Plant and equipment including motor vehicles	3 to 5 years
Berths/wharves	25 to 40 years
Navigational aids	20 to 50 years
Software	3 to 5 years
Environmental approvals	50 years
Channel	50 years

f. Intangible assets

Capitalisation/expensing of assets

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

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

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

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

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life) on the straight line basis using rates which are reviewed annually.

All intangible assets controlled by the DPA have a finite useful life and zero residual value.

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

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

Computer software

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

Web site costs

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

Environmental approvals

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

g. Impairment of assets

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

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

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

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment.

Surplus assets at cost are tested for indications of impairments at each reporting date. See note 10 'impairment of assets' for the outcome of impairment reviews and testing.

h. Leases

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

Operating leases

Leases where the lessor retains substantial all the risks and benefits of ownership of the asset are classified as operating leases.

Payments made under operating leases are recognised in the Statement of Comprehensive Income on a straight line basis over the lease term as this represents the pattern of benefits derived from the lease assets.

All of DPA leases are classified as operating.

i. Cash and cash equivalents

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

j. Financial instruments

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

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

These have been disaggregated into the following classes;

Financial assets

- Cash and cash equivalents
- Receivables
- Term deposits

Financial liabilities

- Payables
- Western Australia Treasury Corporation borrowings

Initial recognition and measurement is at fair value.

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

The fair value of short term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

k. Receivables

Receivables are recognised and carried at original invoice amount less any provision for uncollectible amounts (impairment).

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off.

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

l. Payables

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

m. Borrowings

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

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

n. Provisions

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

i. Employee benefits

ANNUAL LEAVE AND LONG SERVICE LEAVE

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

Leave liabilities are in respect of services provided by employees up to the balance sheet date.

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

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

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

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

SUPERANNUATION

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

o. Provisions – other

EMPLOYMENT ON COSTS

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

Employment on-costs are not included as part of the DPA's 'employee benefits expense' and the related liability is included in employment on-costs provision.

DIVIDENDS

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

p. Payment of dividend to the State

In accordance with Section 84 of the *Port Authorities Act 1999* the Board of the DPA intends to make a recommendation to the Minister for Transport that dividends amounting to \$12,741,828 (2012: \$8,028,565) be declared in respect for the year ended 30 June 2013. The proposed dividend is in accordance with the dividend policy included in the DPA's statement of corporate intent for 2012-2013.

q. Goods and Services Tax (GST)

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

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

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

r. Future impact of Australian Accounting Standards not yet operative

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2012, and have not been applied in preparing these financial statements. Those which may be relevant to the DPA are set out below. The DPA does not plan to adopt these standards early. AASB 9 Financial Instruments (2010), AASB 9 Financial Instruments (2009)

- i. AASB 9 (2009) introduces new requirements for the classification and measurement of financial assets. Under AASB 9 (2009), financial assets are classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. AASB 9 (2010) introduces additions relating to financial liabilities. The IASB currently has an active project that may result in limited amendments to the classification and measurement requirements of AASB 9 and add new requirements to address the impairment of financial assets and hedge accounting.

AASB 9 (2010 and 2009) are effective for annual periods beginning on or after 1 January 2015 with early adoption permitted. The adoption of AASB 9 (2010) is expected to have no impact on the DPA's financial assets or liabilities.

- ii. AASB 119 Employee Benefits (2011)
AASB 119 (2011) changes the definition of short term and other long term employee benefits to clarify the distinction between the two. The DPA will need to assess the impact of the change in measurement principles of expected return on plan assets.
AASB 119 (2011) is effective for annual periods beginning on or after 1 January 2013 with early adoption permitted.

s. Contributed equity

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

	2013	2012
	\$'000	\$'000
Note 3: Profit before income tax		
Profit before income tax expense includes the following expenses:		
Employee benefits expense		
Annual leave	838	698
Long service leave	396	324
Superannuation	826	655
Fringe benefits tax	467	366
Board members fee	103	104
Wages	8,530	6,579
Temporary staff	806	1,451
Other	1,922	1,646
Total employee benefits	13,888	11,823
Depreciation and amortisation		
Building and improvements	603	570
Plant and equipment	736	845
Intangibles – environmental approvals	7	7
Intangibles – software	200	79
Berths/wharve	2,079	2,085
Navigation aids	239	240
Channel	344	345
Total depreciation and amortisation	4,208	4,171

	2013	2012
	\$'000	\$'000
Finance costs		
Interest expense	4,092	4,110
Auditor's remuneration		
Auditor General fee (external audit)	41	41
Other audit services (internal audit)	33	32
Total auditor's remuneration	74	73

Note 4: Revenue

Operating activities of the DPA		
– rendering of services – Port dues	31,579	26,295
– rendering of services – DCW/Barge ramp	12,830	6,131
– rendering of services – Bulk Liquids Berth	2,119	1,741
– Government contribution – Bulk Liquids Berth	8,148	6,597
– leases revenue	9,006	9,246
– Other	3,806	3,289
	67,488	53,299
Non-operating activities of the DPA		
– Net gain on disposal of property, plant and equipment	90	78
– interest received	826	619
	68,404	53,996

Note 5: Income tax expense

The income tax attributable to the financial year differs from the amount prima facie payable on the profit before income tax and is reconciled as follows:

Profit before income tax:	28,018	17,978
Tax at the Australian tax rate of 30% (2012: 30%)	(8,405)	(5,393)

	2013	2012
	\$'000	\$'000
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry items	(9)	3
Research and development	–	119
Prior year (under)/ provision	–	(355)
	<u>(8,414)</u>	<u>(5,626)</u>
Income tax (expense)	<u>(8,414)</u>	<u>(5,626)</u>
Income tax expense comprises:		
Provision attributable to current year	(8,886)	(6,338)
(Increase) in deferred tax liability	(209)	(160)
Increase in deferred tax asset	681	872
	<u>(8,414)</u>	<u>(5,626)</u>

Note 6: Trade and other receivables

Trade debtors	5,620	5,518
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Trade debtors are normally settled on 30 day terms.

Note 7: Other current assets

Prepayments	391	263
Deposits	35	25
	<u>426</u>	<u>288</u>

	2013	2012
	\$'000	\$'000
Note 8: Deferred tax assets		
Deferred income tax		
Deferred tax liabilities		
Depreciation	1,385	1,179
Prepayments	6	6
Accrued Income	10	7
Gross deferred tax liabilities	<u>1,401</u>	<u>1,192</u>
Deferred tax assets		
Accrued expenses	45	53
Operational expenditure	2,263	1,667
Provisions	585	491
Gross deferred tax assets	<u>2,893</u>	<u>2,211</u>
Net deferred tax assets	<u>1,492</u>	<u>1,019</u>
Reconciliation of movement in deferred tax assets		
Opening balance	2,211	1,339
Prior year adjustment	–	61
(charged)/credited to Statement of Comprehensive income	682	811
Closing balance	<u>2,893</u>	<u>2,211</u>
Reconciliation of deferred tax liabilities		
Opening balance	1,192	1,032
Prior year adjustment	–	–
Charged/(credited) to Statement of Comprehensive income	209	160
Closing balance	<u>1,401</u>	<u>1,192</u>

- i. Freehold land has been independently valued at \$5,034,000 based on the property's market value as at 30 June 2013.
- ii. The Dampier Bulk Liquid Berth (DBLB) commenced construction in January 2004 and was completed on the 7th November 2005. The DPA has entered into an agreement with the Western Australian Government whereby the State will pay to the DPA a State Subsidy for the term of the loan associated with the construction of the DBLB (Note 12), as well as a Community Service Obligation for a period of 30 years. The amounts payable each year are determined to ensure that the DPA does not trade at a financial loss in regard to that asset.

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

	2013	2012	2011
	\$'000	restated* \$'000	restated* \$'000
Land			
Carrying amount at 1 July – as previously stated	4,812	2,082	2,082
Effect of land vested in the Port	–	425	425
Carrying amount at 1 July – as restated	4,812	2,507	2,507
Additions – as previously stated	–	975	–
Effect of land vested in the Port	–	1,330	–
Additions – as restated	–	2,305	–
Carrying amount 30 June	4,812	4,812	2,507
Building and improvements			
Carrying amount at 1 July	14,407	10,663	10,671
Additions/transfers	1,535	4,314	418

	2013	2012	2011
	\$'000	restated* \$'000	restated* \$'000
Depreciation for the year	(603)	(570)	(426)
Carrying amount 30 June	15,339	14,407	10,663
Plant and equipment			
Carrying amount at 1 July	2,352	2,130	2,718
Additions/transfers	1,196	1,184	367
Disposals at cost	(818)	(532)	(116)
Accumulated depreciation on disposal	522	415	77
Depreciation for the year	(736)	(845)	(916)
Carrying amount 30 June	2,516	2,352	2,130
Intangibles			
Environmental approvals			
Carrying amount at 1 July	392	399	406
Depreciation for the year	(7)	(7)	(7)
Carrying amount 30 June	385	392	399
Software			
Carrying amount at 1 July	464	137	66
Additions/transfers	264	406	125
Depreciation for the year	(200)	(79)	(54)
Carrying amount 30 June	528	464	137
Infrastructure			
Berths/wharves			
Carrying amount at 1 July	53,644	55,729	56,654
Additions	–	–	1,148
Depreciation for the year	(2,079)	(2,085)	(2,073)
Carrying amount 30 June	51,565	53,644	55,729
Navigational aids			
Carrying amount at 1 July	2,929	3,169	3,408
Depreciation for the year	(239)	(240)	(239)

*refer to note 1(b)

	2013	2012	2011
	\$'000	restated* \$'000	restated* \$'000
Carrying amount 30 June	2,690	2,929	3,169
Channel			
Carrying amount at 1 July	14,943	15,288	15,632
Depreciation for the year	(344)	(345)	(344)
Carrying amount 30 June	14,599	14,943	15,288
Work in progress			
Carrying amount at 1 July	943	3,437	1,195
Additions	1,301	1,460	3,897
Transfer	(1,756)	(3,954)	(1,655)
Carrying amount 30 June	488	943	3,437
Total property, plant and equipment	92,922	94,886	93,459

*refer to note 1(b)

Note 10: Impairment of assets

There were no indications of impairment of property, plant & equipment, infrastructure and intangible assets at 30 June 2013.

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

	2013	2012
	\$'000	\$'000
Note 11: Trade and other payables		
Trade creditors	2,218	2,468
Sundry creditors	1,091	1,238
Payroll accrual	199	205
	3,508	3,911

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

	2013	2012
	\$'000	\$'000
Note 12: Borrowings		
Current		
Loan – Western Australian Treasury Corporation	2,120	1,998
Non current		
Loan – Western Australian Treasury Corporation	59,887	62,007
Total loan	62,007	64,005

Terms and conditions

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

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

Note 13: Dividends paid

Operating dividend	8,029	4,554
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During the financial year ended 30 June 2013, an operating dividend of \$8,028,565 was paid in respect of the financial year ended 30 June 2012. Subsequent to 30 June 2013 the Directors have recommended that a dividend of \$12,741,828, being 65% of net profit after tax, be paid.

	2013	2012
	\$'000	\$'000
Note 14: Unearned income		
Revenue received in advance of service delivery	2,445	1,642
Note 15: Current tax liability		
Current tax liability	4,068	2,655
Note 16: Provisions		
a. Current		
Employee benefits		
Annual leave	751	683
Annual leave – on costs	82	75
Long service leave	948	748
Long service leave – on costs	104	83
	1,885	1,589
b. Non-current		
Employee benefits		
Long service leave	59	45
Long service leave – on costs	7	5
	66	50
Total employee benefits	1,951	1,639
c. Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of liabilities will occur as follows:		
Within 12 months of balance date	175	595
More than 12 months after balance sheet date	943	286
	1,118	881

	2013	2012
	\$'000	\$'000
Movements in provisions		
Employment benefit provision		
Carrying amount at 1 July	1,639	1,203
Provisions made during the year	1,237	1,051
Amounts utilised in the year	(925)	(615)
Carrying amount at 30 June	1,951	1,639

17: Contributed equity

	2013	2012	2011
	\$'000	restated* \$'000	restated* \$'000
Developers contribution	16,111	16,111	16,111
State equity contribution	2,646	2,646	1,316
	18,757	18,757	17,427

*refer to note 1(b)

	2013	2012
	\$'000	\$'000
Note 18: Retained profits		
Retained profits at the beginning of the financial year	25,965	18,167
Net profit for the year	19,604	12,352
Dividends paid	(8,029)	(4,554)
Retained profits at the end of the financial year	37,540	25,965

Note 19: Remuneration of directors and executives

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

Note 20: Related party transactions.

a. Directors

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

b. Remuneration and retirement benefits

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

c. Other transactions with directors and director related entities

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

Note 21: Notes to statements of cash flows

a. Reconciliation of cash

	2013	2012
	\$'000	\$'000
Cash at the end of the financial year as shown in the Statement of Cash Flows and Statement of Financial Position comprises the following		
Cash at bank	2,156	2,801
Cash at call	27,658	14,060
Cash on hand	2	2
	<u>29,816</u>	<u>16,863</u>

	2013	2012
	\$'000	\$'000
b. Reconciliation of net cash inflow from operating activities to profit after income tax		
Profit for the year	19,604	12,352
Depreciation and amortisation	4,208	4,170
Net (gain)/loss on sale of property, plant and equipment	(90)	(78)
Write back of capital assets to operational	(59)	-
Changes in assets and liabilities		
Receivables	(102)	(444)
Prepayments	17	(56)
Accrued income	(153)	58
Payables	(403)	382
Unearned income	802	(525)
Movements in provisions		
Employee benefits	312	436
Income taxes	1,413	1,661
Deferred income taxes	(473)	(712)
Net cash inflows from operating activities	<u>25,076</u>	<u>17,244</u>
c. Financial facility		
At the date of this report, the financing arrangement available to the DPA from the Western Australia Treasury Corporation is:		
Loan facility	62,007	64,200
Amount utilised	(62,007)	(64,005)
Unused loan facility	<u>-</u>	<u>195</u>

Note 22: Financial instruments

a. Financial risk management objectives and policies

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

Credit risk

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

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

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

The maximum exposure to credit risk at balance sheet date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions or impairment.

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

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

	2013	2012
	\$'000	\$'000
Trade receivables		
Group 1	11	85
Group 2	4,307	2,948
Total group trade receivables	4,318	3,033
Cash and short term deposits	29,816	16,863
Group 1 – New customers (less than 6 months old)		
Group 2 – Existing customers (more than 6 months old)		
Ageing of receivables past due but not impaired based on information provided to senior management, at balance sheet date:		
Trade receivables		
Not more than 3 months old	1,247	2,093
More than 3 months but less than 6 months old	45	21
More than 6 months but less than 1 year	10	371
More than 1 year	–	–
	1,302	2,485
Reconciliation of trade receivables		
Total trade group receivables	4,318	3,033
Past due but not impaired	1,302	2,485
Total trade receivables	5,620	5,518

Liquidity risk

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

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

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

Market risk

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

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

b. Categories of financial instruments

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

	2013	2012
	\$'000	\$'000
Financial assets		
Cash and cash equivalents	29,816	16,863
Loans and receivables (i)	5,620	5,518
	35,436	22,381
Financial liabilities		
Financial liabilities measured at amortised cost	3,508	3,911
Borrowings	62,007	64,005
	65,515	67,916

c. Financial instrument disclosures***Credit risk, liquidity risk and interest rate and exposure risk***

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

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

2013 Financial liabilities/assets

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

2012 Financial liabilities/assets

	Weighted average interest rate	Floating interest rate	Fixed interest maturing in 1 year or less	Fixed interest maturing 1-5 years	Fixed interest maturing over 5 years	Non interest bearing	Total
	(%)	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Financial assets							
Cash at bank	4.10	16,863	-	-	-	-	16,863
Receivables		-	-	-	-	5,518	5,518
		16,863	-	-	-	5,518	22,381
Payables		-	-	-	-	3,911	3,911
Borrowings from WATC – principal	5.95	-	1,998	9,295	52,712	-	64,005
Borrowings from WATC – interest	5.95	-	4,081	15,020	27,833	-	46,934
		-	6,079	24,315	80,545	3,911	114,850

Interest rate sensitivity analysis

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

2013

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

2012

	Carrying amount	-1% change profit	+1% change profit
	\$'000	\$'000	\$'000
Financial assets			
Cash and cash equivalents	16,863	(169)	169

d. Fair values

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

	Carrying amount	Fair value	Carrying amount	Fair value
	2013	2013	2012	2012
	\$'000	\$'000	\$'000	\$'000
Borrowings from WATC	62,007	68,005	64,005	73,573

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

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

	2013	2012
	\$'000	\$'000
Note 23: Commitments		
a. Capital expenditure commitments		
Commitments for the acquisition of plant and equipment contracted for at the reporting date but not recognised as liabilities payable:		
Within one year	46	1,089
Capital commitments include amounts for:		
– Vehicle	–	236
– Housing	–	730
– Electrical supply	–	62
– Dampier Cargo Wharf ladders	4	–
– Software and licence system	42	61
	46	1,089

	2013	2012
	\$'000	\$'000
b. Operating lease and other expenditure commitments		
Commitments for operating leases and other contracted commitments at the reporting date but not recognised as liabilities payable		
Within one year	1,656	2,263
Within one to five years	2,415	3,585
Greater than five years	59	727
	4,130	6,575
Operating commitments include amounts for		
– Piling repairs to Dampier Cargo Wharf	–	313
– Concrete repairs to Dampier Cargo Wharf	–	787
– Maintenance Dampier Cargo Wharf ladders	36	–
– Hire of 16 Parliament Place	2,126	2,326
– Transportable	1,968	3,149
	4,130	6,575

Note 24: Lease revenue receivable in the future

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

Within 1 year	8,561	7,936
Later than 1 year and not later than 5 years	21,577	24,239
Later than 5 years	13,952	17,994
	44,090	50,169

Lease commitment receivables as at the 30 June 2013 was \$889,609 (2012 \$926,745)

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

Note 25: Contingent liability

a. Contaminated sites

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

The DPA reported three suspected isolated contaminated sites within the De Witt Location 471, to the DEC in October 2006. As the DEC management system is tied to the State cadastral system, it can only list whole land parcels, not portions of a lot. As such, on 15 June 2007, the DEC classified all of De Witt Location 471 (‘the Site’) as “possibly contaminated – investigation required” after limited investigations were carried out and concentrations of contaminants have been found to exceed adopted assessment levels. In 2009, Rio Tinto did the required works to have one of these issues de-listed from the memorial while in 2010, MMA had another issue added to that memorial.

According to the DEC's assessment, the site is suitable for commercial/ industrial use, but may not be suitable for more sensitive land uses such as residential housing and child care centres. It has also indicated that further works may be required to determine the contamination status of soil, surface water and groundwater at the site.

In light of the above, a memorial has been lodged by the DEC against the Certificate of Title on the De Witt Location 471, with the Registrar of the Department of Land Information, which records the site classification.

The site involved is occupied and used by lessees. The lease agreements require lessees to comply with all forms of environmental legislation and to address all forms of damage to the occupied leased land, including contamination. Where specific contamination events have resulted in the direct actions of this lessee, the directors do not believe that the DPA has exposure to the financial obligations in respect of further investigation and remediation expenses for the affected site.

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

Note 26: Subsequent events

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



Feedback form

DPA Annual Report 2013

Please fax to +61 8 9226 2196 or return via reply paid postage.

We wish to meet the needs and expectations of our stakeholders in future reports, and therefore would appreciate your comments on our report.

My main interest in the report is as a:

- | | | |
|---|--|--|
| <input type="checkbox"/> Customer | <input type="checkbox"/> Contractor/Supplier | <input type="checkbox"/> Transport company |
| <input type="checkbox"/> Business person | <input type="checkbox"/> Employee | <input type="checkbox"/> Port operator |
| <input type="checkbox"/> Government stakeholder | <input type="checkbox"/> Importer/Exporter | <input type="checkbox"/> Local resident |
| <input type="checkbox"/> Member of an environmental group | <input type="checkbox"/> Shipping Line/Company | <input type="checkbox"/> Student |
| <input type="checkbox"/> Member of a community group | <input type="checkbox"/> Freight forwarder | <input type="checkbox"/> Other |

How would you rate our performance?

	Operational	Economic/Financial	Social	Environment
Worse than most companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Below average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Above average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better than most companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How do you rate our report? Poor Fair Good Very good Excellent

Was there anything we didn't cover in our report that you would like to see included?

Do you have any other comments or suggestions?

Please include me on your mailing list for future reports: *Contact details (optional)*

Name	Company	Industry
Address		
Telephone	Fax	E-mail

Delivery Address:
Locked Bag 5006
KARRATHA WA 6714

No stamp required
if posted in Australia



Dampier Port Authority
Reply Paid 84496
KARRATHA WA 6714



Dampier – Principal Office

Mof Road, Burrup Peninsula, Dampier 6713
P: +61 8 9159 6555 | F: +61 8 9159 6557
E: info@dpa.wa.gov.au | www.dpa.wa.gov.au

Perth Office

Level 3, 16 Parliament Place, West Perth 6005
P: +61 8 6217 7112 | F: +61 8 9226 2196
E: info@dpa.wa.gov.au | www.dpa.wa.gov.au

ABN: 23 897 227 533