



DAMPIER PORT AUTHORITY

STATEMENT OF CORPORATE INTENT

2006-07

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1.0 INTRODUCTION

The Dampier Port Authority (DPA) has been operating for over 17 years and is responsible for the efficient, safe, and effective operation of the Port of Dampier, including the maintenance of facilities and primary care of the physical environment of the Port. The port has grown considerably in terms of export tonnages, shipping movements, and industry development. It is currently the second largest tonnage port in Australia, and expects by the beginning of this Statement of Corporate Intent (1 July 2006) to be the largest tonnage port in the country.

During the 12 months of this plan, the DPA will be addressing land availability for port expansion and for industry development, and will be undertaking preparations for the port activity associated with three major oil and gas projects. This is the first year of the DPA's five year Strategic Development Plan. The remainder of the five year period will see further work undertaken on land development and added facilities to support the export capacity and businesses providing marine support to the oil and gas industry and major offshore construction works in the region.

The 2006-07 year will also see the Port undertake further enhancements to its staff management, additional capital investment in infrastructure, further work on port pricing and revenue growth. In addition, the DPA will continue to improve systems and processes to support the administrative and management challenges of a busy and growing commercial port.

This plan incorporates all the requirements necessary for the DPA to fulfill its obligations under Part 5, Division 1, of the *Port Authorities Act 1999*.

2.0 CHARACTERISTICS OF THE PORT OF DAMPIER

2.1 Operating Environment

Ports within a Port

The Port of Dampier consists of three "ports" within a single Port, but all come within the DPA's responsibilities in regard to safety, environment, and all marine matters.

Under existing State Agreements, Hamersley Iron (Pilbara Iron) and Dampier Salt (both subsidiaries of Rio Tinto) operate to the western side of the Port from private facilities at Parker Point, Intercourse Island, and Mistaken Island. Three berths are used to export iron ore and a separate berth exports salt. The four berths account for over 80 per cent of the throughput of the Port.

Woodside Energy Limited, under a State Agreement, operates from private facilities located in the eastern side of the Port at Withnell Bay. These berths export LPG, LNG, and Condensate, and account for approximately 15 per cent of the throughput of the Port.

The DPA itself operates the Dampier Cargo Wharf, which provides up to seven berths plus water, and fuel to the vessels servicing the marine industry and offshore oil and gas facilities. The DPA's facilities consist of the Wharf, a

temporary heavy load out facility, barge ramp, and the newly completed Bulk Liquids Berth.

In competition to the DPA, Mermaid Marine has established facilities on land leased from the DPA to the west of the Port in the King Bay Estate. Mermaid has been established for many years and has developed a number of facilities to service the off-shore oil and gas industry, as well as other marine service requirements, including a slipway, heavy load out facility, and laydown area.

The term "Dampier Ports" will become more and more associated with the DPA's sphere of influence within the Port of Dampier, and under any plans for future expansion.

Provision of Services

The DPA maintains a 24 hour, 7 days per week Communications Tower to coordinate vessel movements at Dampier Ports and to oversee the safety and security of the Port of Dampier. In addition to the services provided directly by the DPA, the following services are provided by the private sector under license arrangements with the DPA:

- Stevedoring
- Pilotage
- Towage
- Bunkering

2.2 Existing and Potential Customers

The Port of Dampier includes major customers such as Rio Tinto (Hamersley Iron and Dampier Salt) and Woodside Energy Limited. Most shipping activity to the Port arises from the operations of these two international companies.

In addition, the Port of Dampier is the location for significant support companies such as Mermaid Marine, Toll Industrial, and Brambles.

In the next ten years, the DPA will benefit from the gas-to-liquids industry on the Burrup Peninsula. Burrup Fertilisers Pty Ltd will commence exporting from the new bulk liquids berth in the second quarter of 2006. It is possible that an additional ammonia/urea producer will use the port's new facility in the five year period of this plan.

The Dampier Cargo Wharf will see significant growth in activity as companies like Santos, BHP, Apache, and the Gorgon project operate in the area.

2.3 Statutory Obligations

Port Authorities Act 1999

Under Section 30 of the Port Authorities Act 1999, all State-owned ports, including the Dampier Port Authority (DPA), have the following statutory functions:

- Facilitating trade within and through the Port and planning for future growth and development of the Port.
- Undertaking or arranging activities that will encourage and facilitate the development of trade and commerce generally for the economic benefit of the State through the use of the Port and related facilities.
- Controlling business and other activities in the port or in connection with the operation of the Port.
- The safe and efficient operation of the Port.
- The maintenance and preservation of vested property and other property held by it.
- To protect the environment of the Port and minimise the impact of port activities on that environment.

These statutory obligations underpin the thrust and outcomes of this Strategic Development Plan.

Compliance with other Legislation

The DPA will comply with all relevant legislation, including the Environmental Protection Act, in going about its business. The DPA is committed to continuing to improve its compliance systems, and being seen as a model for similar agencies.

As a commercialised entity the DPA is not specifically required to comply with legislation such as the *Financial Administration and Audit Act 1985*, or parts of the *Public Sector Management Act 1994*. However, in these instances, the DPA is committed to the tenet of such legislation and models its internal policies to reflect prudent management practices.

3.0 STRATEGIC FRAMEWORK

Following a strategic review workshop in September 2005, the DPA has reaffirmed its vision for 2006-07, and the Purpose which encapsulates the responsibilities of the organisation under the *Port Authorities Act 1999*. The Board, management and staff have are committed to the key values, which will define what the DPA stands for in going about its activities.

Vision

"To be respected for our contribution to State development and as a port operator in the community we serve."

The Vision recognises the key role that the DPA has, in contributing to the development of the State of Western Australia, and the value that the DPA brings to the Pilbara region and the Karratha/ Dampier community. The DPA is focused on being respected as a port operator, making a significant contribution to the State's economy and well-being.

Purpose

"To bring growth and prosperity to the region and the State through the provision of safe, secure, efficient, and innovative management of the Port of Dampier."

The Purpose outlines why the DPA exists. Again, it recognises the central obligation upon the DPA to bring growth and prosperity to the region and the State through operating in a professional manner. Of particular note is the DPA's desire to be "innovative" in the way the port is managed and develops. The Purpose represents a significant daily challenge to the management and staff of the DPA.

The following **Values** define how the Board, management, and staff will conduct its activities:

Integrity..... in our dealings
Professionalismin our work
Value for Money.....to our customers
Care.....for our environment
Teamwork.....for shared success

4.0 MAJOR PLANNED ACHIEVEMENTS FOR 2006-07

The Strategies and Actions to be undertaken in 2006-07 are outlined in Section 5 against the key result areas identified by the DPA.

The following major achievements will result from those actions in 2006-07:

1. Establish new spoil grounds to facilitate future dredging activities in the port.
2. Construct new navigation aids in Mermaid Strait, to improve marine safety and to prepare for the large number of shipping movements expected from the Gorgon Project construction activities.
3. Undertake hydrographic surveys of Mermaid Sound, as the first instalment of whole of port seabed surveys. These surveys will help all port users and will provide opportunity for further refinement of port parameters in relation to deep draft vessels.
4. Support the continued planning and development of major gas projects (ie Pluto and Gorgon). There is significant and time consuming planning and technical work to be undertaken by the DPA to support these important projects.
5. A major oil spill and emergency response exercise will be undertaken during 2006-07 to test the response capability of local, State, and Federal response agencies (including the DPA).
6. Environmental and heritage approval will have been achieved in relation to all land requirements identified in the Port's 20-Year Port Development Plan. (This task was significantly delayed in 2005-06 due to the impending National Heritage Listing decision – now due in September 2006.)
7. Further water quality and coral monitoring work will be undertaken to add to the growing body of knowledge the port and its users can utilise to continue sound environmental management of the Port of Dampier.
8. The DPA will undertake the largest roll-out of Maritime Security Identification Cards in WA, to further enhance port security.
9. Further significant investment in management and staff training will be undertaken in 2006-07 to support security, hazardous goods, safety, and increasing growth in marine operations.

5.0 STRATEGIC ACTIONS

The strategic aims and critical success factors for Dampier Ports for the next five years have been identified under six headings, representing the key areas of the DPA where performance is critical (Key Result Areas) to the organisation's success. The Strategies and Actions applicable to each Key Result Area are presented below (note: item numbering reflects that of the source document – the Strategic Development Plan).

TRADE (Key Result Area 1)

Strategic Aim **To be supportive and creative in assisting our customers to grow and develop their activities in Dampier Ports.**

Critical Success Factors

- Increase in trade volume
- Increase in customers
- New products traded through the Port

Item No.	Strategies/Actions	Timing
TR0601	Gain acceptance of the 2006 Port Development Plan, and commitment to the vesting of near-Port crown land to the Dampier Port Authority.	November 2006
TR0603	Facilitate the Port management of development projects by major existing customers of the Port of Dampier.	2006 and ongoing
TR0604	Facilitate the Port management of the proposed Gorgon Project on Barrow Island, as it relates to logistics and marine operations to and from the Port of Dampier.	2006 and ongoing
TR0605	Ensure that the Port is consulted in relation to the allocation and use of outer-Port land, to ensure the strategic needs of the port and its customers are fully appreciated in land use planning.	2006-2007 initiative, with ongoing action in outer years
TR0606	Facilitate the forward deployment of two Armidale Class patrol boats at the Port of Dampier.	2006 – 2007, and ongoing support
TR0607	Establish new spoil grounds in the Port to facilitate future dredging activities to facilitate trade growth, environmental management, and safety.	2006-2007 for environmental approval

TR0608	Actively work with the major customers in the Port of Dampier to look for opportunities to promote trade, enhance efficiency, improve safety, and provide operational support.	Initial assessment by November 2006, then ongoing
TR0609	Continue to improve the capabilities, professionalism, and reputation of the DPA, so that future opportunities to expand services beyond the existing port boundaries can be supported, should they arise.	Annual reviews of progress
TR0610	Undertake the surveys and analysis to determine the most appropriate strategy to replace the Dampier Cargo Wharf. This action involves the development of a new land-backed facility in the port which can come on-stream in the next 5 years, and provide the extra capacity into the future.	June 2007 for ground assessment and site selection to be completed
TR0611	Work with other relevant government agencies to determine the most appropriate location for recreational boating facilities in the Port of Dampier, including the development of Hampton Harbour and the location of a future marina in the port.	2006-07 study in conjunction with DPI timing
TR0612	Manage the services corridor on behalf of Landcorp on a fully commercial basis.	October 2006, then ongoing
TR0613	Undertake whole of port seabed hydrographic surveys, to assist all users with accurate navigation charts and to facilitate various development activities by user of the port.	First survey by May 2007, then annually
TR0614	Promote the Port Development Plan to users, future proponents, and to government agencies, and the basis for decision making on inner-Port, near-Port, and Outer-Port land use and development.	December 2006
TR0615	Conduct review of trade opportunities with current customers (including forecasts).	6 monthly reviews (Ongoing)
TR0616	Promote Dampier Ports to potential customers as an attractive port from which to trade.	Ongoing
TR0617	Implement a strategy for the provision of quarantine services in the Port.	June 2007
TR0618	Investigate the feasibility of establishing a small container trade operation in the Port	June 2007

It should be noted that rail access is provided to the iron ore terminals within the Port of Dampier (East Intercourse Island and Parker Point terminals). These rail assets are privately owned by Rio Tinto. There are no current plans or anticipated need to provide additional rail access beyond these privately-owned facilities, and hence no strategic actions are listed for this area of government policy.

PORT OPERATIONS (Key Result Area 2)

Strategic Aim **To provide an efficient, professional, port operation which meets the current and future needs of our customers.**

Critical Success Factors

- Improve cost efficiency
- High customer satisfaction

Item No.	Strategies/Actions	Timing
PO0601	Introduce a new radio system to enhance operational effectiveness.	December 2006
PO0602	Continue and enhance the forums for port users to discuss improvements and developments in the operations of the port, and how the DPA can assist with trade development.	Annual assessment, and ongoing
PO0603	Undertake a program of auditing marine operations, safety, and environmental compliance within the Port of Dampier.	May 2007, and ongoing
PO0604	Introduce a capability to undertake pilotage vessels using DPA facilities. This capability would be in addition to the pilotage services provided in the port under a licence agreement with Woodside Marine.	September 2006, and ongoing
PO0605	Develop and review a Port Disaster Recovery Plan.	Develop plan by December 2006.
PO0606	Undertake customer satisfaction survey.	November (annual)
PO0608	Facilitate and promote a "whole of port" approach to all elements of port operations, utilising strategic partnerships to manage resource needs and strengthen response capabilities.	Ongoing
PO0609	Renew stevedoring licenses (based on competitive tendering process).	July 2006 initial licence

FINANCIAL PERFORMANCE (Key Result Area 3)

Strategic Aim **To ensure the port remains financially viable and meets the commercial expectations of its shareholders and stakeholders.**

Critical Success Factors

- Sound financial management
- Value for money

Item No.	Strategies/Actions	Timing
FP0601	Examine the opportunities for deriving income from port services, and from land holdings and infrastructure.	April 2007
FP0602	Develop a revenue/cost model to underpin price setting, and promote cost efficiency and revenue development.	April 2007
FP0603	Introduce a complete risk management program.	February 2007
FP0605	Close out the Bulk Liquids Berth construction contract with Barclay Mowlem Constructions. This action is expected to involve some litigation, and eventual settlement of outstanding claims.	June 2007
FP0606	Enhance the contract management capability of the DPA through enhanced systems, skills training, and appropriate resourcing.	Annual review of progress, ongoing
FP0607	Further develop a suite of performance indicators to support the financial management of key functions and the implementation of the Strategic Development Plan.	November 2006-

5.4 SAFETY AND SECURITY (Key Result Area 4)

Strategic Aim **To protect and promote the safety and security of people, assets, and trade within Dampier Ports.**

Critical Success Factors

- High safety awareness
- High security awareness

Item No.	Strategies/Actions	Timing
SS0601	Establish and operate a self-funded Maritime Security Identification Card (MSIC) issuing centre for the Karratha/Dampier region.	May – December 2006, then ongoing
SS0602	Introduce enhanced water-side patrols of the port to check anchorages, monitor moorings, and observe port activities.	August 2006
SS0603	Construct new navigation aids in Mermaid Strait to facilitate increased ship movements and enhance marine safety.	May 2007
SS0604	Update internal safety procedures.	Annual review of progress, ongoing
SS0606	Promote safety and security awareness among staff, port users and the community.	Ongoing
SS0607	Review emergency procedures and update plans.	Annual review of progress, ongoing
SS0608	Facilitate training and exercises to improve security and emergency response capability.	Ongoing

5.5 ENVIRONMENT (Key Result Area 5)

Strategic Aim To manage and protect the environment from the commercial activities of Dampier Ports.

Critical Success Factors

- High environmental awareness among staff and users
- Regular testing shows good environmental health of the Port
- Minimum number of incidents of contamination

Item No.	Strategies/Actions	Timing
EN0602	Complete the revision of the Environmental Management Plan for the Port of Dampier, and implement the new provisions of the Plan to enhance the environmental management of the Port and its users.	December 2006 for plan approval. New initiatives introduced throughout 2006-07
EN0603	Regularly monitor the environmental "health" of the Port of Dampier, consistent with the Environmental Management Plan (EMP).	Ongoing
EN0604	Construct a cyclone-rated storage shed to hold oil spill equipment held by the Dampier Port Authority as part of the National Stockpile.	June 2007
EN0605	Continue the DPA commitment to oil spill response training, for staff and customers.	Main exercise in October 2006, with other training ongoing
EN0606	Undertake and/or facilitate marine research projects to increase the knowledge of the ports marine environment to the DPA, port users, environmental bodies, and the community.	June 2007

5.6 CORPORATE CITIZENSHIP (Key Result Area 6)

Strategic Aim To integrate Dampier Ports into the community we serve.

Critical Success Factors

- High level of community involvement
- High level of community awareness
- Community support for DPA activities

Item No.	Strategies/Actions	Timing
CC0601	Continue and review the communication strategy, which has been developed to achieve the following outcomes: 1 Improve working relationships 2 Increase knowledge and awareness of the DPA and its roles 3 Improve cooperation and sharing of resources 4 Promote a distinctive and positive image of the DPA 5 Strengthen internal communications	Ongoing
CC0603	Continue community support and sponsorship program (including Cossack Art Awards, and Volunteer Sea Rescue).	Review annually
CC0604	Continue to market the port through the very successful "Schools Program".	Ongoing
CC0605	Undertake a community awareness survey.	November (annually)

6.0 FINANCIAL AND PERFORMANCE INFORMATION

6.1 Operating Revenue and Expenditure

The DPA aims to minimise the financial impact on the economy of the port and the facilitation of trade, while at the same time ensuring it can properly meet its statutory responsibilities and acts in accordance with prudent commercial principles.

The attached 'Budgeted Statement of Financial Performance for the Year Ended 30 June 2006 reflects the DPA position.

6.2 Capital Expenditure and Borrowing Requirements

During 2006-07, the DPA will complete new navigation aids in Mermaid Strait; construct a cyclone proof shed for the storage of national oil spill response equipment; replace fendering on Berths 2 and 4 of the Dampier Cargo Wharf; and will add to its employee housing stock (to cope with unprecedented demand for general housing in Dampier/Karratha). The DPA will also undertake a significant amount of necessary minor works throughout the year. The DPA will be funding the balance of these capital works programs from internal funds.

The total capital works program for 2006-07 (subject to funding approval) is \$6.672m.

6.3 Pricing Arrangements

Pricing of services provided by the DPA, are designed to facilitate trade within the Port. In addition, pricing is compared annually to prices from the next nearest port, and to commercial rates being levied by the private sector. The Board of the DPA is conscious of the need to keep port dues to the minimum level necessary to effectively provide for current and future services.

Additional work will be undertaken in 2006-07 to further identify the relationship between costs and the setting of prices, including determining the level of pricing required to ensure that assets can be replaced, and major maintenance undertaken at specified times. It was not possible to do this work in 2005-06 due to turnover in the accounting role, but it is a high priority task for the new financial year.

The DPA has undertaken a comparison of port charges and has determined that there is a need to increase port dues in 2006-07 from 4.90 cents per GRT to 7.50 cents per GRT, to enable the Port to pay for future capital works, additional environmental monitoring, hydrographic surveys, and ongoing maintenance of infrastructure. The increase will occur from 1 July 2006). No other port charges are proposed for increase in 2006-07.

6.4 Dividends

Dividends are paid to Government at the level of 50 per cent of after tax profits. The Board will recommend a level of dividend to the Minister annually, or the Minister may

determine in consultation with the Board (under Section 84 of the Act) a different dividend payment.

In 2006-07 the Dampier Port Authority is predicting an operating profit of \$1.254m and proposes a normal dividend of \$0.627m.

6.5 Accounting Policies

Under the provisions of the Port Authorities Act 1999, reporting requirements are in line with those applicable under Corporations Law. Accounting policies and accounting treatments will generally be contained in the Annual Reports of the DPA. From July 2005, the DPA has adopted the applicable international accounting standards, in accordance with Government guidelines.

Reference in DPA accounts to "pricing and non-pricing depreciation" relates to the segregation of those assets which were "gifted" to the Authority by Woodside Energy Ltd in 1989 when the Authority was created. These are the only gifted assets received by the DPA.

6.6 Reporting Requirements

The Port Authorities Act 1999 defines the reporting requirements for the DPA. These include a six-monthly report, and Annual Report to the Minister, and in addition to these requirements, the DPA is also regulated by the Government Financial Responsibility Act 2000 which provides for mid-year review estimates, and quarterly whole of government data.

In all other cases, the DPA seeks to minimise reporting requirements, except as necessary to assist the Government in its planning and reporting. Each request for additional information is assessed individually.

6.7 Community Service Obligations

The capital cost of the Bulk Liquids Berth and Dampier Cargo Wharf strengthening will be recovered from users. In the case of the bulk liquids berth, the present position is that State Treasury will underwrite the unused portion of the facility with a community service obligation payment, to the extent necessary to enable the DPA to service the debt and cover the operating costs of the facility.

6.8 Diversity Policy

The DPA is an equal opportunity employer that actively promotes diversity in the workplace. The DPA has only a small staff, but already has a significant number of female employees working in operations and administrative areas. The DPA has already achieved good cultural diversity within its ranks during 2005-06. While further diversity will be an ongoing commitment, during 2006-07 the DPA will also continue to open opportunity for more young people to enter the industry.

Dampier Port Authority			
BUDGETED INCOME STATEMENT			
FOR THE YEAR ENDED 30TH JUNE, 2007			
Actual 2004/2005 \$'000	Forecast 2005/2006 \$'000		Budget 2006/2007 \$'000
		REVENUE	
2,945	4,163	Port Dues	6,939
2,026	2,038	Dampier Cargo Wharf	2,162
0	8,046	Bulk Liquids Berth	10,026
221	265	Lease Revenue	289
39	46	Interest Revenue	56
93	35	Other Revenues	60
<u>5,325</u>	<u>14,593</u>		<u>19,532</u>
		EXPENDITURE	
50	72	Advertising & Promotions	109
1,488	708	Audit & Other Consulting	1,149
0	5,539	Bulk Liquids Berth	8,624
49	56	Communication Expenses	58
537	781	Depreciation Pricing Assets	1,003
114	46	Development Costs	48
1,869	1,980	Employment Expenditure	2,513
18	143	Environment	428
3	2	Freight & Transport Costs	3
0	26	Finance Expenses	306
640	914	General Maintenance	2,071
160	168	Insurance	175
12	13	LGRE	14
255	227	Power & Water	276
17	16	Rates & Taxes	18
609	620	Security	304
125	102	Sundry Expenses	150
103	92	Travel & Accommodation	106
<u>6,049</u>	<u>11,505</u>		<u>17,355</u>
-724	3,088	OPERATING PROFIT BEFORE TAX & NON-PRICING DEPRECIATION	2,177
<u>384</u>	<u>386</u>	Less Depreciation Non-pricing Assets	<u>386</u>
-1,108	2,702	OPERATING PROFIT BEFORE TAX	1,791
-322	478	Less Income Tax Equiv. Payments	<u>537</u>
<u>-786</u>	<u>2,224</u>	NET OPERATING PROFIT AFTER TAX	1,254
0	1,112	Dividend	627
-1.21%	6.45%	Rate of Return on Non-Gifted Assets before Non-Pricing Dep. & Interest	6.96%

Dampier Port Authority			
Budgeted Balance Sheet			
As at 30th June 2007			
Actual 2004/2005 \$'000	Forecast 2005/2006 \$'000		Budget 2006/2007 \$'000
		Current Assets	
960	3,445	Bank Accounts & Cash on Hand	3,301
1,044	733	Receivables	2,497
211	10	Other	10
<u>2,215</u>	<u>4,188</u>		<u>5,808</u>
		Fixed Assets	
28,514	112,578	Wharves, Buildings, Plant etc.	119,250
13,382	16,314	Less Depreciation	19,698
<u>15,132</u>	<u>96,264</u>		<u>99,552</u>
		Other Non-Current Assets	
524	100	Deferred Tax Asset	200
<u>75,103</u>	<u>100,552</u>	TOTAL ASSETS	<u>105,560</u>
		Current Liabilities	
4,472	1,000	Creditors	500
667	1,696	Port Infrastructure Loans	1,937
84	200	Employee Provisions	200
73	73	Unearned Income	53
38	478	Provision for Taxation	0
24	0	Provision for Dividend	0
<u>5,320</u>	<u>3,447</u>		<u>2,690</u>
		Non-Current Liabilities	
48,459	74,467	Port Infrastructure Loans	79,732
68	248	Employee Provisions	211
0	0	Unearned Income (Barge Ramp Liability)	0
78	100	Deferred Tax Liabilities	10
<u>48,605</u>	<u>74,815</u>		<u>79,953</u>
<u>53,925</u>	<u>78,263</u>	TOTAL LIABILITIES	<u>82,643</u>
<u>21,178</u>	<u>22,290</u>	NET ASSETS	<u>22,917</u>
		EQUITY	
16,111	16,111	Developers Contribution	16,111
891	891	Government Equity Contribution	891
4,176	5,288	Unappropriated Profits June 30	5,915
<u>21,178</u>	<u>22,290</u>	EQUITY	<u>22,917</u>

Dampier Port Authority			
Budgeted Statement of Cash Flows			
For Year ended 30th June 2007			
Actual 2004/2005 \$'000	Forecast 2005/2006 \$'000		Budget 2006/2007 \$'000
Cashflows from Operating Activities			
4,956	6,766	Receipts from Customers	9,962
-5,327	-10,115	Payment to Suppliers & Employees	-9,517
39	46	Interest received Cheque Account	56
0	0	Interest Received on Investments	0
0	14	Other Operating receipts	14
496	646	GST Receipts on Sales	952
2,906		GST Receipt from ATO	
-3,402	-2,850	GST Payments on Purchases	-1,647
-332	-3,289	Net cash provided by Operating Activities	514
Government Cashflows			
-206	99	T.E.R. Equivalent (Payments)/Refunds	-478
0	0	CSO Contribution	9,545
-12	-13	LGRE	-14
-230	-24	Dividend Payments	-1
-448	7,829	Net cash provided (used) by Government	9,052
Cashflows from Investing Activities			
51	0	Proceeds of Sale of Fixed Assets	0
-30,565	-24,832	Payment for Fixed Assets	-10,352
-30,514	-24,832	Net cash (used) by Investing Activities	-10,352
Cashflows from Financing Activities			
33,773	28,014	Proceeds from Borrowing	7,202
-1,937	-4,261	Interest Repayment	-4,864
-289	-976	Loan Principal Repayments	-1,696
31,547	22,777	Net cash (used) by Financing Activities	642
253	2,485	Net Increase (Decrease) in cash held	-144
707	960	Opening Balance of Cash / Investments	3,445
960	3,445	Cash at the end of the Financial Year	3,301

Dampier Port Authority		
BUDGETED INCOME STATEMENT		
FOR THE 6 MONTHS ENDED 31ST DECEMBER 2006		
Forecast 2005/2006 \$'000		For 6 Months Ended 31 December 2006
	REVENUE	
4,163	Port Dues	3,470
2,038	Dampier Cargo Wharf	1,081
8,046	Bulk Liquids Berth	9,786
265	Lease Revenue	144
46	Interest Revenue	32
35	Other Revenues	20
14,593		14,533
	EXPENDITURE	
72	Advertising & Promotions	52
708	Audit & Other Consulting	325
5,539	Bulk Liquids Berth	4,317
56	Communication Expenses	29
781	Depreciation Pricing Assets	501
46	Development Costs	24
1,980	Employment Expenditure	1,361
143	Environment	212
2	Freight & Transport Costs	2
26	Finance Expenses	155
914	General Maintenance	877
168	Insurance	88
13	LGRE	14
227	Power & Water	138
16	Rates & Taxes	12
620	Security	152
102	Sundry Expenses	81
92	Travel & Accommodation	53
11,505		8,393
3,088	OPERATING PROFIT BEFORE TAX & NON-PRICING DEPRECIATION	6,140
386	Less Depreciation Non-pricing Assets	193
2,702	OPERATING PROFIT BEFORE TAX	5,946
478	Less Income Tax Equiv. Payments	478
2,224	NET OPERATING PROFIT AFTER TAX	5,468
1,112	Dividend	0
6.45%	Rate of Return on Non-Gifted Assets before Non-Pricing Dep. & Interest	10.08%

Dampier Port Authority		
Budgeted Balance Sheet		
For the 6 Months Ended 31 December 2006		
Forecast 2005/2006 \$'000		For 6 Months Ended 31 December 2006 \$'000
	Current Assets	
3,445	Bank Accounts & Cash on Hand	11,517
733	Receivables	119
10	Other	10
<u>4,188</u>		<u>11,646</u>
	Fixed Assets	
112,578	Wharves, Buildings, Plant etc.	118,294
16,314	Less Depreciation	17,009
<u>96,264</u>		<u>101,285</u>
	Other Non-Current Assets	
0	Work in progress	0
100	Deferred Tax Asset	200
<u>100,552</u>	TOTAL ASSETS	<u>113,131</u>
	Current Liabilities	
1,000	Creditors	738
1,696	Port Infrastructure Loans	1,111
200	Employee Provisions	130
73	Unearned Income	75
478	Provision for Taxation	478
0	Provision for Dividend	0
<u>3,447</u>		<u>2,532</u>
	Non-Current Liabilities	
74,467	Port Infrastructure Loans	82,530
248	Employee Provisions	211
0	Unearned Income (Barge Ramp Liability)	0
100	Deferred Tax Liabilities	100
<u>74,815</u>		<u>82,841</u>
<u>78,263</u>	TOTAL LIABILITIES	<u>85,373</u>
<u>22,290</u>	NET ASSETS	<u>27,758</u>
	EQUITY	
16,111	Developers Contribution	16,111
891	Government Equity Contribution	891
5,288	Unappropriated Profits June 30	10,756
<u>22,290</u>	EQUITY	<u>27,758</u>

Dampier Port Authority		
Budgeted Statement of Cash Flows		
For the 6 Months Ended 31 December 2006		
Forecast 2005/2006 \$'000		For 6 Months Ended 31 December 2006 \$'000
	Cashflows from Operating Activities	
6,766	Receipts from Customers	4,983
-10,115	Payment to Suppliers & Employees	-4,685
46	Interest received Cheque Account	32
0	Interest Received on Investments	0
14	Other Operating receipts	7
646	GST Receipts on Sales	476
	GST Receipt from ATO	394
-2,850	GST Payments on Purchases	-870
-5,493	Net cash provided by Operating Activities	337
	Government Cashflows	
99	T.E.R. Equivalent (Payments)/Refunds	0
0	CSO Contribution	9,545
-13	LGRE	-14
-24	Dividend Payments	-1
7,829	Net cash provided (used) by Government	9,530
	Cashflows from Investing Activities	
0	Proceeds of Sale of Fixed Assets	0
-24,832	Payment for Fixed Assets	-5,716
-24,832	Net cash (used) by Investing Activities	-5,716
	Cashflows from Financing Activities	
28,014	Proceeds from Borrowing	7,202
-4,261	Interest Repayment	-2,445
-976	Loan Principal Repayments	-836
22,777	Net cash (used) by Financing Activities	3,921
2,485	Net Increase (Decrease) in cash held	8,072
960	Opening Balance of Cash / Investments	3,445
3,445	Cash balance at the 31st December	11,517

Dampier Port Authority

Projected Performance Indicators

	<u>Actual</u> 2004/2005	<u>Projections</u> 2005/2006	<u>Projections</u> 2006/2007
Total Trade through the port (Mtpa)	95.8	115.3	136.3
Total Vessel visits to the port	2,669	2,344	2,415
Ship Charges (Port Dues) per vessel	1,103	1,776	2,873
DPA expenditure per tonne of cargo	\$0.067	\$0.103	\$0.131
Recovery of costs (as ratio revenues/costs before tax)	0.83	1.23	1.09
Ship visits per DPA employee	153	100	103
DPA Expenditure per Employee	367,640	506,040	762,711
Safety - No of Significant Incidents	0	0	0
Rate of return	-1.21%	6.45%	6.96%

Dampier Port Authority

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Dampier Port Authority

Trade Forecasts

Commodity	2004/2005 Actual	2005/2006 Forecast	2006/2007 Forecast
Iron Ore	75,847,351	94,600,000	114,800,000
Salt	3,121,401	4,600,000	4,200,000
L.N.G.	11,279,152	10,368,750	10,605,000
L.P.G.	1,341,409	850,500	850,500
Condensate	3,603,478	4,109,300	4,901,000
Petroleum	254,495	250,000	250,000
Other Bulk Liquids			405,000
General cargo	378,600	250,000	300,000
Total	95,825,886	115,028,550	136,311,500