

DAMPIER PORT
BURRUP PENINSULA

09





OUR INTENT »

OUR COMMITMENT »



Dampier Bulk Liquids Berth

OUR VISION

To be respected for our contribution to State Development and as a Port operator in the community we serve.

OUR 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.

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

Exceeding stakeholder expectations and delivering operational excellence is the pervading criterion for all port activities and services.

Sound decision making and strategic thinking is critical to the future success of the Port. Effective planning and maintaining a visionary approach develops mutually beneficial relationships between key proponents, government agencies, the State and the community. These relationships have enabled sustainable economic development and shared success. The Dampier Port Authority (DPA) has redefined the Port's capabilities with the aim of providing strategic advice, quality port facilities and delivering exceptional customer service.

Integrity in all dealings is paramount, as the decisions made today will impact generations to come. DPA stands firm on the commitment to carefully consider environmental, social, heritage and community impacts from commercial activities within the Port of Dampier and the Pilbara region of Western Australia. This is achieved through balancing the development of one of the most important industrial and trade centres in Australia, whilst preserving the peninsula and adjoining marine environments.

DPA strives to provide an efficient, professional Port operation which meets the current and future needs of customers. Applying a proactive and innovative approach in managing the Port of Dampier maximises operational efficiencies and provides real value for money. Unlocking the potential of the Pilbara plays a significant role in improving DPA's ability to meet the changing needs of the region and the State.

DPA is cognisant of its responsibility to safeguard people, assets and trade within the Port of Dampier. Ongoing investment in technology, systems and resources forms the very fabric of DPA's commitment to protecting and promoting safety and security of the Port.



A VIEW

FROM THE CHAIR



It has been a special year for the Dampier Port Authority as it celebrates its 20 years of operations and positions itself for the next exciting stage of port development. In recognition of that milestone this year's annual report has been expanded to include some of the history of the Port and its future direction.

Over the past 20 years the Dampier Port Authority has rapidly become one of Australia's largest and most strategically important ports. Since 1 March 1989, the Authority has overseen trade development, operations, marine safety, environmental management, and in more recent time, security at the Port of Dampier, and it has forged an enviable reputation for customer service, including being named Australian Port of the Year in 2007.

While the year ended 30 June 2009 will be remembered for the global financial crisis and its severe impact on world shipping, it was also a year where the DPA took further important initiatives to prepare itself for the next wave of development in the Port and the Pilbara region. Some of the decisions the Board has made, include:

- ▶ significant improvements to internal systems and processes to provide greater efficiency;
- ▶ approval of the introduction of a vessel traffic information system as traffic volumes increase;
- ▶ enhanced risk management processes;
- ▶ opening of a Perth Office to facilitate better planning and closer liaison with customers and new proponents;
- ▶ recruitment of additional staff to improve the capability of the port to respond to customer needs; and
- ▶ provision of specialist advice and support to proponents seeking to develop projects in the Pilbara region, including areas currently outside the boundaries of the Authority.

Of particular importance is the work the Port has undertaken to plan for additional berth capacity and more laydown area through its Dampier Marine Services Facility project. This single initiative will support a number of major resource projects over the



next decade, as well as attract new trades in break bulk and general cargo. Finally, the Port has been privileged to have provided exceptional support to the Pluto LNG project with the major logistics surrounding large pre-assembled units for plant construction. It has been a busy and successful year, including achieving a 5 per cent increase in trade on the previous year, and recording a pre-tax profit of \$3.8m.

I congratulate my fellow Board members on their commitment and direction over the past year. Also, on the occasion of the Authority's 20th anniversary I would acknowledge the achievements of past Board members, management and staff, who set the foundations from which we have been able to build the strong reputation of the Port.

The prospects for the Port of Dampier are very exciting, and the Board and the employees of the Authority look forward to another year of growth and achievement.

Brendan Hammond
Chairman



FROM THE CEO

EXPANDING THE BOUNDARIES



The Port of Dampier is one of the youngest ports in WA – 43 years old. It has proud beginnings with Hamersley Iron's decision in the early 1960s to establish its iron ore export facilities in Dampier. Two decades later the North West Shelf Venture (NWSV) also selected Dampier as the best site to establish its world-class LNG processing plant, simultaneously giving "birth" to the establishment of the Dampier Port Authority.

Since 1 March 1989, the Dampier Port Authority has been responsible for the facilitation of trade in the port, and for the overview of safety, environment, security, and planning for growth. Along the way, the Port has seen periods of high activity and other times when trade has been adversely impacted by changes in global demand. However, with some minor exceptions, total trade has grown annually and steadily to the point where Dampier has been the world's largest bulk export port for most of the past two decades.

However, arguably the most exciting Port history has been the past six years, when Dampier has been a central player in the resource boom that has been driven largely by unprecedented demand from China. That period has seen major infrastructure upgrades by Rio Tinto, and substantial expansions in LNG capacity for the NWSV. The Port has become a major exponent of pre-assembled module movement to support Train V for the NWSV, and more recently for the Pluto LNG project. But even more importantly for the future development of the Port, this period of rapid growth has enabled the Dampier Port Authority to improve its capabilities, reputation, and systems, to the critical mass necessary to oversee a world-class Port.

Customer service has been a key area of performance during this period of high demand, and this has been recognised in 2006 with the winning of the Premier's Award for Better Services, and being named Australian Port of Year in 2007 by Lloyds List DCN.

This brings us to 2009, where Dampier is again centrally placed to lead and support the development of the West Pilbara region. We are at a point where



we can confidently expand the boundaries of our thinking and expertise to embrace new opportunities for the benefit of our community, our state, and the nation. Already we are thinking "outside the square", providing our marine and planning expertise to other port locations, and advising proponents on project development and approval processes.

Expanding our boundaries in all its permutations is the next logical step in our quest to better facilitate trade and development of the Pilbara. The dedicated team of women and men of the DPA have the capacity to deliver outstanding results over the next five years (and beyond) as we think big, think smart, and think future in all our decision making, our customer service, and our new initiatives.

We celebrate our 20 years of history, and we are committed to making the next 20 years the most significant in our history!

Steve Lewis
Chief Executive Officer



THE YEAR THAT WAS 2008-2009

Key External Events

- ▶ The Liberal Party won the State Election held on 6 September 2008.
- ▶ The collapse of global financial markets in September 2008 caused a sudden decline in world trade. The crisis impacted port trade, particularly over the October to December 2008 period.

Trade

- ▶ A total of 4,007 vessels berthed at the Port during the period, with a total commodity throughput of 140,823,747 tonnes, making Dampier the world's second largest bulk export port.
- ▶ Despite the uncertain economic environment, previous year's tonnages were exceeded by 5 percent. The continued trade success stands testament to the resilience of port customers in managing their business, and the support provided by the DPA in the efficient and effective management of the Port.
- ▶ Apache Energy Limited's Varanus Island explosion and the subsequent inability to deliver gas to domestic and industrial gas markets caused the only other notable disruption to shipping during the course of the year. However, bulk liquids (anhydrous ammonia) resumed once the supply was reinstated.

Finance

- ▶ DPA achieved a profit of \$3.8 million. A pleasing result given the difficult trading conditions during the year.
- ▶ DPA reviewed the pricing principles used in calculating fees and charges for 2009-10. Subsequently a comprehensive 'user pays' pricing policy was adopted, taking into account competition and other commercial considerations. The new pricing structure aims to improve the consistency, transparency and accountability for cost recovery arrangements and a means to promote the efficient allocation of resources now and in the future.

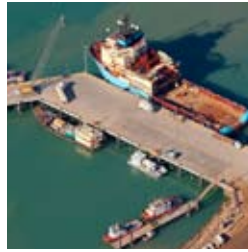
Capital and Maintenance Works

- ▶ A cyclical maintenance and upgrade programme has been undertaken to improve the Dampier Cargo Wharf (DCW) facility, which resulted in minor disruption to shipping. However, small cargo vessels are now operating along the eastern face and further upgrade works are being considered to enable large cargo vessels and rig tender vessels to utilise the berths.
- ▶ The provision of the Port Entry Light in the Dampier Bulk Liquids Berth (DBLB) channel was an important improvement in marine safety with many more ships using the channel for DCW, Heavy Load-Out (HLO) and DBLB berthing.

Internal Focus

- ▶ To support the rapid expansion of the organisation in recent years DPA has focused on improving internal processes and procedures. The development and implementation of an Electronic Document Management System was a key achievement and has resulted in significant improvements in the way information and data is managed by DPA.
- ▶ Applying a whole-of-Port approach to improving the safety and environmental performance of port operations, saw the introduction of DPA's integrated Safety, Health, Environmental and Quality Management System (SHEQ).





Proponent Activity

- ▶ Completion of the North West Shelf Venture (NWSV) Train V Project, adding 4.4 mtpa of LNG processing capacity per year, bringing total capacity at the Karratha gas plant to 16.3 mtpa.
- ▶ Woodside Burrup Limited (WBL) commenced construction of a Burrup Materials Facility, production Jetty and continued the construction of Pluto LNG Train I. In addition, upgrade works were carried out on DPA's Heavy Loadout facility and an Alternate Loadout Facility was constructed and office facilities and quarantine wash down areas installed.
- ▶ Rio Tinto Iron Ore expansion works were completed, increasing the capacity of its port facilities from 120 Mtpa to 145 Mtpa.
- ▶ Mermaid Marine Australia (MMA) invested approximately \$50 million on their Facility Upgrade works, including a 170 metre wharf extension. To date the upgrade has been a huge success, without interrupting normal operations. Work is expected to be complete by December 2009.
- ▶ Oceanic Offshore (Oceanics) commenced earthworks in King Bay Industrial Estate (KBIE) for the construction of a new office complex, purpose built warehouse and extensive laydown facilities for diving equipment and storage.
- ▶ DPA purchased the De Witt location Lot 314 in the KBIE from the State. The land was made available to Engineered Construction and Maintenance (ECM) through a lease arrangement, to support the development of a new laydown area and temporary offices.

Environment

- ▶ On 2 February 2009 the *Mermaid Eagle* broke its cyclone mooring in the West Lewis Mooring Area and grounded on King Point, spilling a quantity of diesel fuel into the sea. The DPA's emergency response plan was immediately implemented, together with MMA's equipment and personnel, minimising the impact to the environment.

Safety

- ▶ To further enhance the safety and welfare of all employees and port facility users, DPA purchased a new drug and alcohol testing kit and implemented reviewed policies and procedures accordingly.
- ▶ Installation of the Water Ammonium Light (WAL) detection system, to mitigate any risks associated with the DBLB ammonium export activities.
- ▶ Whole-of-Port oil spill response exercise was conducted in July to ensure continued development of oil spill response capabilities.

Security

- ▶ February 2009 saw the regulatory change to the Landside Restriction Zone (LRZ). The physical boundaries of the LRZ have been extended to DPA's security gate and visitors are now required to have an escort at all times whilst on DPA vested land.
- ▶ Purchase of the *Burrup Responder* to undertake Port Security Patrols and assist in Emergency Response operations.
- ▶ DPA funded the upgrade of the current Digital Video Recording and CCTV system, ensuring DPA has the latest technology in security reporting capabilities.

Perth Office

- ▶ In January 2009, DPA established a joint planning office in Perth with the Port Hedland Port Authority. The initiative signified a mutual commitment to Port and State development. The strategy of the office is to improve the planning and management of new infrastructure along the Pilbara Coastline for the benefit of Western Australian development through strengthening working relationships between the two leading bulk tonnage Ports, and being interactive with State authorities, potential and existing proponents whilst maintaining a critical conduit of information to the regional centres.

PLATINUM ANNIVERSARY

CELEBRATING 20 YEARS IN THE PILBARA

The Port of Dampier was developed in the 1960s by Hamersley Iron as the site for its Iron Ore export operations. When the NWSV chose Dampier for its LNG hub, DPA was established as the Port Authority on the 1 March 1989 to oversee the safe and efficient operation of the Port, and to support State Development in the Pilbara region. Dampier is widely recognised as one of the most strategically important Ports in Western Australia.

1989

1990

1991

STATISTICS COMPARISON FOR TOTAL CARGO (mtpa) >

49,676,585

53,832,370

51,202,918

Over its 20 year history DPA has an impressive throughput total of 1,719,711,590 mtpa. It has been an incredibly exciting period for the DPA. In the last two decades the Port has served as the portal for the Western Australian resources boom, responsible for facilitating the efficient, safe and effective movement of trade. By working in consultation with port users, DPA continues to be very effective in managing the unprecedented growth in export activity and development in the Pilbara region.

There is no question that DPA lays claim to a reputation for superior customer service. In 2006, DPA received the Premiers Award for Better Services for its rollout of the Maritime Security Identification Card (MSIC) program. In 2007 DPA was declared Lloyds List DCN Australian Port of the year, in recognition of its contribution to the economic development of the region, State and the country by providing professional port management to the NWSV Train V project. DPA is one of only three Western Australian ports to receive the honour in the 13 year history of the awards. The award was a terrific compliment after a year of extraordinary activity and unparalleled growth in the Port.

There has been a exceptional level of infrastructure development in recent years and this looks set to continue into the foreseeable future. DPA are confident that Port activities will continue to intensify substantially over the next decade.

- ▶ Dampier Port Authority officially commenced operational and administrative control of the Port on 1 March, 1989.
- ▶ First LNG Cargo Vessel the Northwest Sanderling departed for Tokyo Bay, Japan in August following the completion of the second phase of development.
- ▶ LNG project is officially launched by Prime Minister Bob Hawke in September.
- ▶ 16 February Accepted control of the Materials Offloading Facility (MOF) now called Dampier Cargo Wharf (DCW).
- ▶ DPA had a total of 11 full time staff members.
- ▶ Revenue as at 30 June 1990 was \$1,949,297.
- ▶ Installation of security boom gates at Mof Road entrance.
- ▶ Consultants Bowman, Bishaw and Gorham appointed to commence development of the Authority's Environmental Management Plan.

Dampier Port Authority Chairmen and CEO's

Tenure	Chairman	Tenure	C.E.O.
1989-1992	John Jenkins	1989-1996	Garth Hammonds
1992-2002	Wayne Stewart	1996-1998	Colin Norman
2002-2008	Peter West	1998-2002	Greg Trenberth
2008+	Brendan Hammond	2002-2003	Robert Vitenbergs
		2003+	Steve Lewis



1992

59,197,374

- By June 1992 the Port had increased the tonnage volumes to a total trade of 59.19 million tonnes which once again made Dampier the largest tonnage Port in Australia and this was maintained until 1998.
- An additional 4.5 hectares of Crown Land was acquired by the DPA. This land was to be used by the Authority to attract and encourage Port related industries to establish their respective operations within Port environment.
- Construction of a third LNG processing train is completed at the Karratha Gas Plant.
- Mermaid Marine Australia's Supply base was officially opened.
- Dampier Salt's 20 year anniversary of shipments of salt from Dampier. Dampier Salt field capacity expanded to 3 million tonnes.

1993

57,692,399

- With an increased demand for the shipping of general cargo and considerable growth in the offshore exploration industry, the authority obtained approval to commence constructing wharf extensions. At this time the main wharf was extended from 112 metres to 209 metres, to allow two way flow of traffic.
- DPA acquired an additional 32.5 hectares of crown land from the State.

1994

60,491,298

- With an increase in business for the Port Authority, the existing Administration building no longer met the requirements for operations. Extensions commenced, allowing for an office and filing room to be constructed and the utilisation of a dedicated Emergency Communications Control Centre.
- Organisational restructure. Position of Harbour Master was deleted and General Manager/Executive Harbour Master created.

1995

66,567,564

- Grounding of bulk carrier *'Bulkazores'* during Cyclone Bobby. This occurred on the outer chain of reefs on the edge of the Port at Kendrew Islands. The ship was removed without incident.
- A new LNG extraction and storage facilities were commissioned at the Karratha Gas Plant and a second ship loading jetty was built for loading LPG and condensate.
- Mermaid Sound Port and Marine Services appointed as the Pilotage services provider for a 5 year period.
- 50 Millionth tonne shipped milestone reached by Dampier Salt.

1996

67,243,033

- Cyclone Olivia came within 50nm of the Port on the 10 April 1996 and inflicted substantial structural damage to the surrounding area.
- Hamersley Iron celebrated its 30th year of operations and their one billionth tonne of Iron Ore.

1997

72,236,787

- In February an agreement was made with Western Australian Petroleum (WAPET) to manage Dampier Public Wharf (DPW), now called DCW and construct a roll-on-roll-off barge ramp adjacent to the DPW to assist WAPET consolidate their North West Shelf logistical support operations to Dampier. It became operational in May 1997. The ramp later reverted to DPA ownership.



1998

75,668,724

- The Port re-established itself as the largest port in the country for trade tonnage with a throughput of 82.53 million tonnes.

1999

71,332,846

- Port Authorities Act 1999 came into effect, allowing all Western Australian Ports to operate under consistent definitions of functions and powers, to facilitate trade.
- April marked the first anniversary of the DPW lease arrangement, greater flexibility in service and turnaround times were recorded.
- Western Stevedoring extended the DPW Laydown area to enable short and long term storage availability for Port facility users.
- All available land in the King Bay Supply Base was officially leased with developments underway.
- Cyclone Lance saw the temporary closure of the Port; the cyclone finally crossed the coast between Onslow and Exmouth.

2000

82,527,515

- NWSV signs letter of intent with existing and some new Japanese customers, underpinning the fourth phase of development.

2001

81,445,508

- NWSV fourth phase of development began with the construction of a 4.4mtpa LNG processing train at Karratha Gas Plant.
- A major upgrade of the MMA facility was conducted; HLO wharf was constructed along with a slipway, a channel was dredged into the HLO and slipway, with the dredge spoil used in a reclamation program providing the supply base 17 hectares of useable land.

2002

82,695,345

- Burrup Fertilisers Pty Ltd (BFPL) obtained financial close for its ammonia project, the first to commit to construction on the King Bay Hearson's Cove Industrial Area.
- 30 year anniversary of Dampier Salt shipments from their Dampier site.
- Dampier Salt's capacity amounted to 9 million tonnes.

2003

92,228,225

- *China Steel Realist* suffered a structural failure in pipe work resulting in heavy crude oil being pumped over the side. A response was mounted by Hamersley Iron supported by DPA. The vessel *Cowrie* was able to recover some of the oil, before less than 200 litres impacted the shoreline.
- DCW management returned to DPA. Wharf Manager appointed, to oversee DCW operations.
- Port Development Plan undertaken to provide users with a 20 year outlook on port development.
- DPA engaged URS to complete preliminary and phase 2 geotechnical investigations for the Dampier Bulk Liquids Berth (DBLB).
- 100th million tonne from Dampier Salt shipped on the *MV Marguerite*.



2004

88,879,819

2005

95,825,886

2006

110,069,146

2007

126,125,225

2008

133,949,276

2009

140,823,747

- ▶ Barclay Mowlem Candec began construction of a new bulk liquids berth to service Burrup products derived from the downstream processing of gas.
- ▶ LNG Train IV begins production increasing total annual LNG production capacity to 11.9 million tonnes.
- ▶ Discovery of the Pluto gas field.
- ▶ DBLB commissioned in November 2005, a purpose built Bulk Liquids Berth and a multi user service corridor (SC). The infrastructure was funded by the Western Australian State Government to facilitate development and the export of products from down stream processing of natural gas on the Burrup Peninsula.
- ▶ BFPL is one of the world's largest ammonia production facilities, producing 6% of the total world output of tradable ammonia. The project created 1100 jobs (at peak) during construction and continues to provide employment for nearly 100 production and administrative staff.
- ▶ DPA was a finalist for the Premier's Excellence Award for Public Sector Management for the 2004 dredging program.
- ▶ Phase V LNG expansion begins in August with the construction of a fifth LNG processing train, a second LNG loading berth and associated infrastructure at the Karratha Gas Plant.
- ▶ MMA further wharf extension works were completed giving the base 160m of Berth space.
- ▶ Dampier Salt opened the Northshore wash point using new washing technology.
- ▶ Introduction of the Maritime Security Identification Card (MSIC). DPA became an issuing body and implemented an industry focused issuing process which was well received by the local industry. It was this initiative that earned the port the prestigious Premier's Award for customer service.
- ▶ November 2006, the world's biggest ore carrier *Berge Stahl* loaded at East Intercourse Island headed for European Steel Mills. The ship was roughly the size of three football fields long and over three storeys high. Few ports in the world are able to accommodate the *Berge Stahl* fully loaded.
- ▶ The first customer to use the DBLB in mid 2006 was Burrup Fertilisers Pty Ltd, for the export of anhydrous ammonia.
- ▶ Mof road widening works completed in September.
- ▶ Pluto was approved for development in July 2007. The \$12 billion foundation project is Australia's second largest resource project to date. Pluto has generated thousands of jobs and is making a significant contribution to the Western Australian economy.
- ▶ DPA was named Lloyds List DCN Australian Port of the Year. One of only three ports to hold the title in its 12 year history at that time.
- ▶ Rio Tinto completed the US\$1.4 billion Dampier Port upgrade, increasing total capacity to 145 mtpa with two new car dumpers, two new shiploaders and wharf extension, new screen-house and stockpiles at Parker Point. The installation of two new ship loaders at the Parker Point wharf allows two vessels to be loaded simultaneously and a 600 metre extension of the wharf allows up to four vessels to be berthed at the one time, reducing ship waiting time. The expansion works were completed in 2007 increasing the capacity of its port facilities by 90 percent from 74 million tonnes per annum four years ago to (Mtpa) to 145 million tonnes per year.
- ▶ Staircase completed on the DCW for the exclusive use of the Australian Navy when in Port.
- ▶ Construction of a 5th processing train was completed for Woodside, adding up to 4.4 million tonnes of annual LNG processing capacity and bringing total capacity at the Karratha gas plant to 16.3 mtpa. Train V represents the first prefabricated modularised LNG train in the world.
- ▶ DPA recorded record tonnage throughput of 133.95 mtpa and claimed the status of the world's largest bulk export port.
- ▶ Upgrade of the Heavy Load-out facility was completed.
- ▶ MMA completed construction of a new undercover storage shed 2250m².
- ▶ MMA wharf extension completed, increasing berth capacity from 3-6 berths.
- ▶ Burrup Materials Facility (BMF) commenced Construction.
- ▶ Construction was completed on a dedicated Oil Spill Response shed.
- ▶ HLO completed in time for the PLUTO pre-fabricated module movements.
- ▶ Small boat access to DCW established.
- ▶ Lower Laydown Area car park completed.
- ▶ WEL completed the construction of the Alternate Load Out Facility (ALF) specifically for PLUTO works.
- ▶ NSWV celebrates two significant milestones: 25 years of domestic gas production and 20 years of LNG exports to international customers in the Asia Pacific region.
- ▶ ECM leased De Witt location 314 and commenced construction on new offices and storage facilities.
- ▶ DPA and Port Hedland Port Authority establish a joint Perth Office. The "Pilbara Ports" office focuses on strategic state development planning and stakeholder relations.
- ▶ PEL Navigation Light installed in Dampier.
- ▶ A whole of Port Safety, Health, Environment and Quality Management System implemented.
- ▶ Rio Tinto installed a new ship loader at East Intercourse Island and exported their 2 billionth tonne of iron ore.
- ▶ MMA's upgrade undertaken with the construction of 2 x 40 person offices and various other buildings along with asphaltting 40 percent of the lay down area.



OUR PORT

The Port of Dampier continues to be a key contender in the global ranking for largest Bulk export port, with a total throughput of 140.8m tonnes.





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

Demand for iron ore and gas products has underpinned DPA's tonnage of 140,823,747 million tonnes for 2008-09. Almost half the vessels provide support to the offshore oil and gas industry, which despite the economic downturn is an industry still experiencing heightened levels of exploration and development activity. Vessel numbers are expected to continue to grow in the next 5 years as market confidence strengthens, completion of additional berth facilities, export demand increases, and development activity continues in adjacent areas.

Despite the turbulent economic environment DPA exceeded the previous year's tonnages by 5 percent.

Dampier Cargo Wharf

The Dampier Cargo Wharf (DCW) has had a stable year indicating only a slight decrease in revenue from 15.3 percent to 13.7 percent. Demand for the facility continues to be sporadic with weeks of extremely high demand (consequently some queuing) and weeks of relatively steady demand. It remains a high priority for DPA to monitor the logistics chain and external constraints in order to strive for the targeted 24/7 operational efficiency of the facility.

Critical maintenance for the DCW has continued to ensure the ongoing efficiency and competency of the facility. Currently the DCW is into the first year of topside concrete repairs, which means 15 square metres of the DCW will be unavailable at a time for maintenance, until the repairs are complete. To date all maintenance has been managed efficiently, with every effort focused on reducing the impact on port facility users. In addition to topside repairs, DPA are into the fourth year of soffit repairs.

In planning for growth, DPA embarked on a new fender program on the eastern face of the DCW. The eastern side of the DCW is operational and accommodating smaller cargo vessels.

Dredging works on the eastern face of the DCW will also be considered in the coming year to allow

for larger cargo vessels and rig tenders. Projected demand suggests that rig tender activity alone will increase the level of congestion on the DCW to exceed capacity by 2013. DPA has prioritised strategic planning for this event, with a view to add new capacity as soon as practicable.

Dampier Bulk Liquids Berth

The Dampier Bulk Liquids Berth (DBLB) had a quiet start to the year. The Varanus Island gas explosion and the subsequent scarcity of gas in the region left the DBLB idle for the first two quarters of 2008-09. This enabled all cyclical maintenance requirements to be fulfilled during the period. Export activities recovered well during the third quarter once the gas supply was reinstated. The DBLB has sufficient capacity for a second ammonia importer or exporter, five DME/Methanol/Other products and a diesel/fuel importation pipeline.

A letter of intent has been issued for the design and fabrication of a remote controlled, self levelling gangway for the DBLB. The advanced facility will significantly improve ship to shore access for vessels berthing at the DBLB, further enhancing DPA's quality facilities and safety for port users.

Port Dues

There was no change to port dues in 2008-09. DPA continues to provide one of the lowest port charges in Australia, reflecting the continued commitment to provide operational efficiency and value for money.

Dampier Marine Service Facility and Laydown Area

High demand and the potential for overwhelming project demand prompted a review into the DCW capabilities and the possibility of creating additional berth capacity and associated laydown area. During the year, concept work was completed for the proposed Dampier Marine Service Facility (DMSF), a new marine facility designed to supplement the DCW. Preliminary geotechnical investigative work was completed, and environmental planning work has commenced. All efforts are currently focused on gaining environmental and heritage approval for the proposed facility. Stage 1 of the project is on track for delivery at the end of 2012, subject to necessary funding approval.



Parker Point Rio Tinto. Photo courtesy Rio Tinto

Navigation Aids

During the year DPA invested in a new Port Entry Light (PEL). Since installation the PEL has been a tremendous success for the Port. The light serves as a prominent feature for vessels as they approach the Port. The ease and simplicity of the light has encouraged a considerable number of vessels to use the BLB channel for better safety.

Existing navigational aids in Mermaid Strait received annual maintenance to ensure optimal condition. Moving forward DPA have planned for regular monitoring of navigational aids to ensure they support the high vessel traffic expected from current and future industry projects.

Storage Shed

The construction of a new storage facility in the lower Laydown area was completed in the last quarter of 2008. The facility houses DPA patrol boats and oil spill response equipment. The storage shed was dedicated to Vicki Lorantas who retired from the DPA in 2008 after an impressive ten years with the Port. Vicki was widely renowned for her passionate commitment to oil spill response and the local marine environment.

Records Management System

Due to the rapid expansion of the organisation in recent years DPA have focused internally on processes and procedures. The development and implementation of an Electronic Document Management System was a key achievement and has resulted in more effective information and data management. The new software provides the facility to comply with State legislation on records management, while adding efficiency of DPA's records management process.

SHEQ Management System

Applying a whole of Port approach to improving the safety and environmental performance of all port operations, saw the introduction of DPA's integrated Safety, Health, Environmental and Quality Management System (SHEQ). SHEQ brings together the key port service providers and operators to develop, coordinate and promote safe and sustainable operations in the Port of Dampier. The integrated approach of SHEQ is an important focal point for understanding trends and changes in best practice and compliance regimes, across a broad range of issues including environmental policy, workplace safety, emergency and incident management and security. SHEQ continues to benefit the daily operations of Australia's second largest tonnage port.

Strategic Aim: To be supportive and creative in assisting our customers to grow and develop their activities in the Port of Dampier.

Rio Tinto

Rio Tinto's expansion works were completed in late 2007, increasing the capacity of its port facilities from 120 mtpa to 145 mtpa. Works included the installation of a new car dumper, screen house and related facilities. More than 800 personnel were involved during construction and a further 200 jobs created to operate the facility.

NWSV

Woodside Energy Limited (WEL) the operator of the North West Shelf Venture facilities completed Train V in the third quarter of 2008, the first prefabricated modularized LNG train in the world. The construction of Train V added up to 4.4 mtpa of LNG processing capacity, bringing total capacity at the Burrup Peninsular gas plant to 16.3 mtpa.

Woodside Burrup Limited (WBL)

Pluto, owned and operated by WBL is Australia's second largest resource project to date and commenced construction in the first quarter of 2008. The plant is being built from prefabricated units. The project involves construction of a new channel, swing basin and LNG jetty. The project has generated thousands of jobs and is making a significant contribution to the local community and the Western Australian economy. Pluto continues to make good progress with first gas expected by the end of 2010.

Mermaid Marine Australia

DPA is continuing to work with Mermaid Marine Australia (MMA) in increasing its facilities in order to meet project demands in the region. This work involved the extension of the existing wharf facility, additional shedding and road works. Total investment was approximately \$50 million and has provided essential growth to marine related facilities to support the offshore industry. Construction works included the creation of an additional 3 berths on the supply base. The expansion works have been a great success. Multiple construction contractors have been working on site without interruption to normal operations, a testament to forward planning. The work is due for completion by December 2009.



Oceanic Offshore

Oceanic Offshore, a marine services provider to a wide range of offshore industries, developed a new warehouse and office complex in the King Bay Industrial Estate. The development commenced in late 2008 and construction approvals were staged to facilitate the commencement of earthworks in parallel with the finalisation of the building's construction documentation. When completed, the facility will house Oceanic's office facilities in a two storey office area within the warehouse and extensive outdoor laydown facilities for equipment supporting Oceanic's diving operations. The development may be extended by the construction of further office accommodation and associated car parking on the site.

Engineered Construction and Maintenance Pty Ltd (ECM)

DPA facilitated and supported the development of De Witt Location 314 in the King Bay Industrial Estate by Engineered Construction and Maintenance Pty Ltd (ECM). ECM is a long-standing Western Australian based company that provides engineering, construction and maintenance services on a contract basis to industries in the Pilbara and Kimberley regions. DPA purchased this land from the State and made it available to ECM through a lease arrangement to help the company achieve its development aspirations.

ECM worked hard to secure the necessary approvals including environment and heritage, to enable its development to proceed.

Burrup Fertilizers Pty Ltd

Apache Energy Limited's Varanus Island explosion and the subsequent inability to deliver gas to domestic and industrial gas markets caused a severe disruption to exports by BFPL. Production has recently resumed at the plant and exports of Anhydrous Ammonia are occurring.

Other Projects

Exceptional interest has been shown in providing fuel facilities in the Port of Dampier, including diesel, petroleum, heavy fuels and jet fuel. DPA is continuing to work on various projects in relation to the provision of fuel. It is expected that the DBLB will provide an opportunity for the import of diesel fuel in 2010-11. Other storage and supply options are expected to come on stream in 2010.

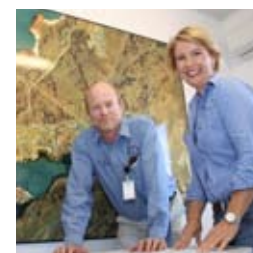
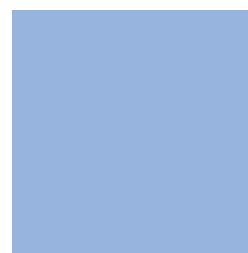
In order to assist DPA's customers to grow and develop their activities within the Port, the engineering and maintenance departments increased in size to improve in-house technical capabilities. Due to the rapid increase in numbers a new temporary engineering and maintenance office block was installed at the rear of the main Administration building.



OUR PEOPLE

DPA endeavours to foster an organisational culture in which all employees feel valued and supported in their roles.





Employees from all levels within the organisation are encouraged to extend their skill base by participating in external training opportunities, wherever possible. Encouraging professional development is a key facet to employee satisfaction and ultimately the achievement of DPA's business objectives. During the course of the year, the entire DPA workforce participated in additional external training. To supplement external training, employees benefit from on-the-job training aimed at keeping skills up to date and enhancing their long term career opportunities.

The number of employees has grown considerably in the last 5 years, in response to the diversity and enormity of DPA's operations. This year was no exception, with seven new employees welcomed to the Port, bringing the total workforce to 30.

The basis for all DPA recruitment focuses on competence and performance, regardless of age, nationality, race, gender, religious belief, sexuality, physical ability and cultural background. At the end of this financial year women represented 57 percent of the workforce. DPA prides itself on being an equal opportunity employer, and a promoter of diversity in the workplace.

A renewed initiative for the Port is the introduction of the Business Traineeship Program, organised in consultation with Apprenticeships Australia. The 12 month program covers the different facets of Port activities and operations. The first trainee will commence in third quarter of 2009.

Housing shortages in the region continues to be an ongoing challenge for DPA. In response to this, DPA purchased a triplex housing development allotment in Tambrey Estate, Karratha. The construction of a unit development will provide additional DPA employee housing. The design brief for the development required fitting three, two storey, three bedroom units onto the compact corner allotment, while complying with Shire of Roebourne's Planning Guidelines and Landcorp's Design Guidelines. The result is a striking development which provides 3 units of identical design but oriented to provide individual street frontages and generous outdoor living areas. The specification and facade design achieve excellent standards of energy efficiency which is further enhanced by environmental initiatives such as grey water recycling, solar hot water and photovoltaic cells to contribute to the energy requirements of each unit. Construction of the units will commence in October 2009 with completion scheduled for May 2010.

NOTABLE STAFF ACCOMPLISHMENTS FOR 2008-09

Doctorate of Philosophy - Rochelle Macdonald

Vessel Traffic Service Operations Course - Dan Frost and Tony Abbott

Logistics, Finance and Administration for Oil Spill Pollution Course - Carole Luca

Oil Spill Response Management Training Workshop - Dan Frost and Wayne Young

Oiled Wildlife Response Course - Wayne Young

Oil Spill Response Team Leader Course - Wayne Young, Bruce Young, Tony Smith, Dan Frost and Chris Burgess

Quality Auditing Diploma - Dave Blackman

Auditing Training - Katharina Pieczonka, Wayne Young, Jo Smythe, Lizeth de la Hoz and Rochelle Macdonald



OUR ENVIRONMENT

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

The Port of Dampier is located on the Burrup Peninsula within the Pilbara region of Western Australia. The Port is one of the most important industrial export hubs in Australia, including major exports in iron ore, liquefied natural gas, condensate and salt.

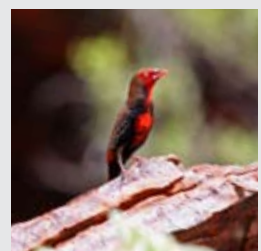
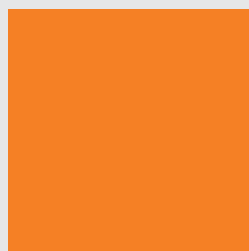
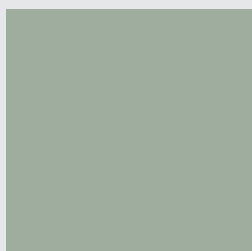
The land and marine areas of the Burrup Peninsula have significant natural, scenic and cultural heritage values, including one of the richest concentrations of Aboriginal rock art in the world.

Given its unique location, the shipping and associated industrial operations occurring within the Port of Dampier have the potential to impact on these sensitive environments. However, DPA has a commitment to manage and protect the environment and cultural heritage values in which it operates.

Principal activities undertaken in 2008/09 to protect the environment included:

- ▶ DPA continued to be a key member of the Dredging Environmental Management Group for the Pluto Project. Participating in this group continues to be an invaluable exercise in understanding the unique interactions of the Port of Dampier marine environment. All Pluto dredging works have been professionally managed to date and the impact on the benthic primary producer habitat has been well within the approved limits for the project.

- ▶ Further work was undertaken to coordinate research efforts and to improve the database of environmental information. This work will continue, with the objective of creating a comprehensive and usable suite of information. The database seeks to capture learnings from each project, thereby supporting future developments and forms an important source of information for revising the Port Marine Management Plan.
- ▶ Due to the rugged terrain and areas of environmental and anthropogenic significance, there is currently no development ready land. Areas for potential development are being explored, whilst considering areas of environmental or heritage significance.
- ▶ The revision of DPA's Development Guidelines confirms DPA's commitment to the environment. These guidelines are applied to all leaseholder developments to ensure that standards are comprehensively applied and universally adopted to promote sustainable development. The guidelines also ensure that developments are located and designed to harmonize with the area's environment and minimise environmental impacts and where possible preserve significant aboriginal sites. Subsequent environmental compliance monitoring of all leaseholders is an on-going activity.
- ▶ DPA has a comprehensive Environmental Management Plan and Marine Management Plan which assists the DPA and its customers to properly manage the environment of the Port. DPA continues to strive to provide leadership in environmental management, research and development of good practices.

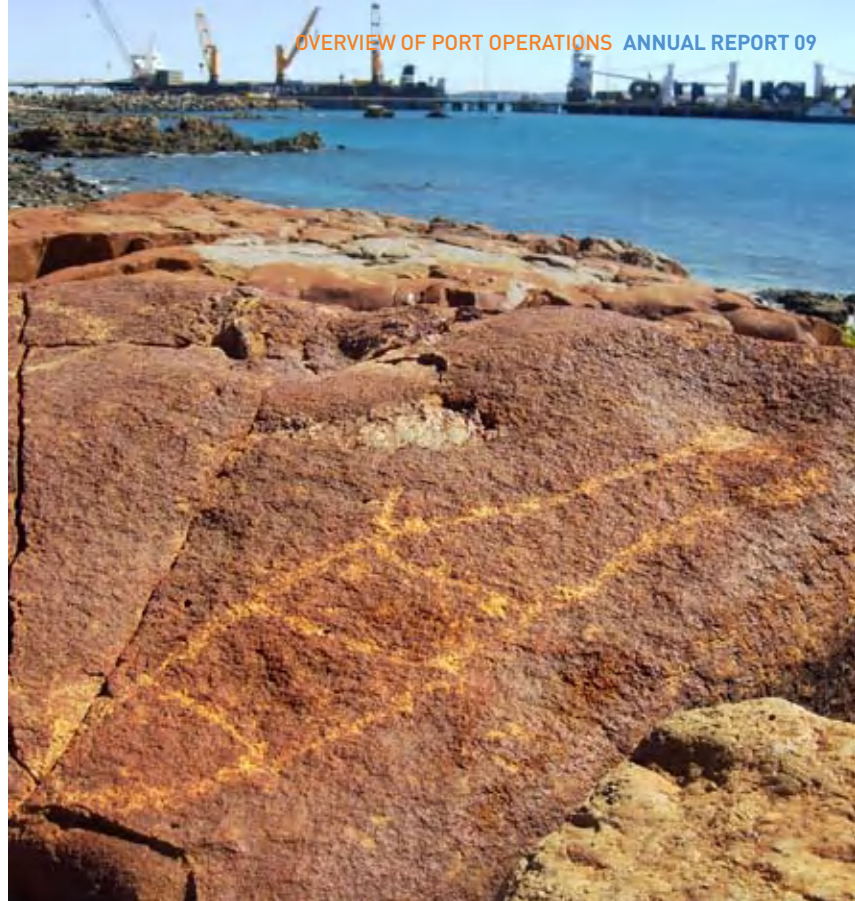


DPA is in the process of seeking advice from Traditional Custodians for the Dampier Archipelago, regarding the non-commercial use of this photograph in the DPA Annual Report for the 2008-09 financial year. This is in accordance with advice received from the Department of Indigenous Affairs on Thursday 24th September 2009

- ▶ DPA has provided environmental advice and support to major projects planned for the Port, and has maintained good relationships with Local, State and Federal Agencies.
- ▶ DPA has continued its commitment to oil spill response with additional training and exercise drills held during 2008-09 including participating in Port headland Port Authority's major exercise in September. These skills were utilised with the effective management of the Mermaid Eagle incident, along with a number of minor spills in the Port during the year.
- ▶ The Woodside Burrup Limited's Pluto Project was the first user of the new area for dredged material disposal in the Port of Dampier during 2008. The Port developed the new dredge spoil ground as an alternative site for dredge spoil disposal to facilitate infrastructure development over the next decade.

Beyond our day-to-day and reactive management works, in the coming year DPA has a number of strategic projects planned. While the Dampier Marine Services Facility project is a focal point for future works, the DPA also plans to:

- ▶ Revise and improve our Marine Management Plan. With the aim to expand the coverage of DPA's current plan to include all Port waters, include coordination of all stakeholders and complement the adjacent proposed Dampier Archipelago Marine Park planning.



- ▶ Review and improve our Heritage Management Plan. Works will seek to improve DPA's understanding of resources within and adjacent to land holdings, planning to avoid and minimise impacts and improve engagement with indigenous groups.
- ▶ Develop a Dredge Management Plan for the Port. This work will seek to capture the learnings from projects undertaken in the Port, and promote continuous improvement in management and performance. The plan will be a component of our Marine Management Plan.
- ▶ Improve stakeholder coordination across the Port. The Port is fortunate to have relatively few, well resourced long-term stakeholders in the Port. Coordination, cooperation and collation of data will seek to provide a best practice outcome.



“Young, remote and surrounded by an abundance of natural and heritage assets, the Port of Dampier is unlike any other Australian Port. This provide us with the opportunity to do something better than existing Ports.”

Environment Manager, Wayne Young



OUR SAFETY

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

DPA is charged with ensuring the safety, health and welfare of all employees, contractors, port facility users and visitors. To that end health and safety aspects are considered to be strategic considerations in all DPA decision making and operational activities. The continuous improvement of DPA's safety, health and environmental performance is fundamental to future success.

Marine Safety

The Port of Dampier continues to enjoy a high standard of marine safety, with DPA recording only minor incidents during the year. In consultation with major customers, the Port has set tug escort requirements, port parameters and improvements in navigation aids. DPA continues to work with its customers and port users to develop and continuously improve performance in this area.

Incidents

There were four lost time injuries recorded in total for the year (all outside of the DPA workforce). Regular team meetings were held to discuss safety and to provide further training as required. Subsequently, additional efforts were concentrated on preventative measures following reported incidents.

Cyclone Season

The Port survived a relatively active cyclone season, with six forming off the coast of Western Australia. There were periods of heavy rain, which hindered rail access for various industry groups. Despite this, DPA operations were comparatively uninterrupted; furthermore there wasn't any notable cyclone damage to port assets.

Moorings

During the year DPA has targeted improvements to the safety of moorings in the Port. In a cyclone-prone area, the standard of moorings is of critical importance and the Port has established sound moorings standards. All mooring locations are now mapped and tracked thus providing a much better overview of risk areas. During the first half of 2009 DPA updated the Moorings Handbook issued to all mooring applicants and current mooring owners.

Whole of Site Ammonia Detection System

DPA initiated the acquisition of a whole of site Ammonia Detection System; Water Ammonium Lighting Detection System (WAL). The WAL system is a vital requirement for the port given the hazardous nature of anhydrous ammonia and the severity of injury from exposure. Monitors are situated across the Port, which detect the levels of ammonia, with readings reported back to the communications tower. An alarm will sound across the Port in the event of detection limits exceeding regulated limits.

Oil Spill Risk Assessment and Response Capability Review

DPA is currently assessing tenders for the review of the marine oil spill risks and response arrangements within the Port. The aim of the commission is to



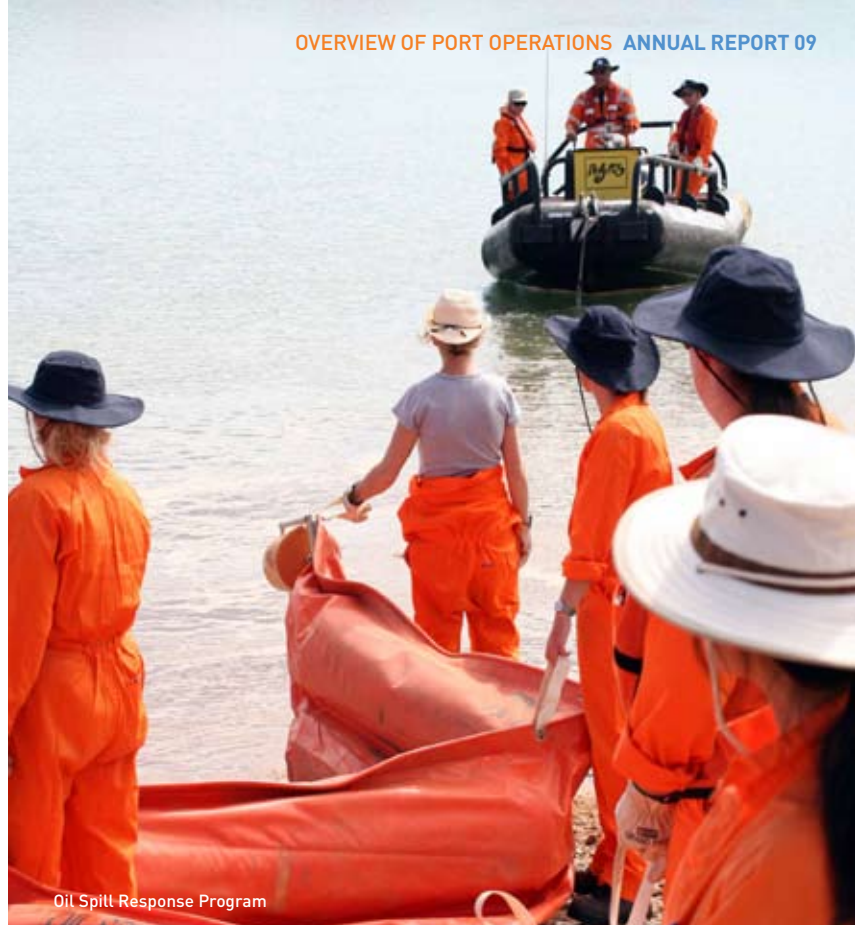
examine the current and future risks of oil spills within the Port of Dampier, the location of high risk areas, what would be impacted and determination of DPA's ability to respond to these events. The review will take place in two stages, the first aimed at quantifying DPA risks with current shipping operations, while the second stage concentrating on reviewing DPA's ability to respond to the range of spills identified in the first stage. This included a review of oil spill equipment including: First Strike Equipment; AMSA Tier 2 stockpile and industry response equipment stockpiles.

Oil Spill Response Practice Drill

An oil spill response drill was conducted in June 2009 to test the response capability of the organisation and to familiarise new employees with the response equipment. This event provided an opportunity for all employees to participate in an oil spill response exercise in a low key, fun, learning environment and to understand the basic elements of a response. Roles were assigned to individuals outside normal areas of expertise but within physical capabilities. The exercise was very successful and the team worked very effectively.

STEMS

Safety Training Employee Management System (STEMS) software package was re-configured to DPA's requirements in 2008. STEMS is an exciting, unique,



Oil Spill Response Program

fresh approach to safety management. Its user friendly interface and intuitive navigation ensured employees were receptive to the new software and implementation has proven successful. The software enables DPA to accurately record, report on and manage all facets of Health and Safety within the Port.

Regional Response Group

Captain John Fewings, DPA's Harbour Master, heads the Regional Response Group; a group designed around 'mutual aid' in the event of marine emergencies, specifically oil pollution. The group is comprised of representatives from the following port locations: Port Hedland; Barrow Island; Onslow; and Port Walcott. The group mobilised in response to the *Iron King* incident in Port Hedland in 2008, to serve as the support crew to assist Port Hedland Port Authority (PHPA).



"The implementation of random drug and alcohol testing has shown the DPA's commitment to ensuring that a safe workplace is maintained for our staff, our leaseholders and visitor's to the Port."

Safety Officer, Chris Burgess



OUR SECURITY

The level of port and marine security continues to evolve and develop as DPA invests in new technologies, systems and resources to assist in safeguarding the Port and associated operations.



“This past year our security has advanced both technologically and in capability, to a point where our industry partners are seeking our input into their own security measures and planning.”

Security Officer, Peter Berry

DPA is focused on liaising with port facility users and key stakeholders to manage probable risk and mitigate potential consequences. As a preventative measure DPA test security arrangements in order to assess capabilities and the ongoing efficiency of operations.

Burrup Responder

In October 2008, the *Burrup Responder* was purchased; an 8 metre twin outboard powered catamaran patrol vessel, built in Western Australian and modified to meet the Port's exacting requirements. The vessel's primary purpose is to undertake port security patrols and emergency responses. With the support of the NWSV, the Burrup Responder is moored at the King Bay Supply Base, ready for quick deployment. The vessel also assists in mooring management, oil spill response capability and navigational aid maintenance. DPA have made it a priority for the vessel to be used for combined agency patrols and to support industry activities in the event of marine emergencies in the neighbouring environment.

Maritime Security Identification Card (MSIC) Compliance

Despite the economic downturn, MSIC applications increased this year, with a total of 1772 cards issued. The consistent number of MSIC applications received by the Port, confirms DPA's extended service value to customers. It also demonstrates the continuing employment opportunities in the Pilbara.

CCTV Project and Security Infrastructure Upgrade

DPA funded an upgrade to the current Digital Video Recording and CCTV system. The new system allows for additional camera's to be installed, greater picture resolution and improved recording capacity. The enhanced reporting capability of the system is where significant value lies. Using the access control system, DPA have the latest tools in interpreting the data, resulting in more informed security reporting abilities.

Relocation of the Security Gatehouse

Concept selection took place in 2009 to confirm the improvements planned for the security gatehouse. The entry into the Port will be improved through the construction of a new sliding security gate and permanent new gatehouse. The gatehouse will accommodate security, MSIC processing and safety personnel. A large first aid room is also included in the design, incorporating drug and alcohol testing

facilities. Safety and security are considered to be areas of potential growth, thus the gatehouse has been designed to accommodate a second storey extension in the future. The gatehouse will be constructed using transportable building technology which minimises on site construction time and disturbances to port facility users entering and exiting the Port. The construction of the gatehouse is expected to be completed by mid 2010.

Landside Restriction Changes

In February 2009 there was an amendment to the Landside Restricted Zone (LRZ) requiring visitor escorting arrangements for access to the Port of Dampier. The LRZ has been extended to the front security gate thereby covering the entire DPA site (excluding KBIE). All visitors to the Port without a valid MSIC card and site safety induction require an escort at all times. Visitors are no longer permitted to drive personal vehicles on site; they must now park at the security gate. To facilitate visitor access DPA purchased a small bus to ferry visitors from the gate to locations within the Port.

Port Security Committee Participants

DPA continues to facilitate the Dampier Port Security Committee. The committee comprises of local marine businesses, industry leaders and DPA's Safety and Security Officers. The committee meets periodically to discuss and assess the security implications of current and future projects. DPA believe the very essence to protecting the safety and security of the Port and most importantly the many port facility users and stakeholders is being well informed and prepared.

Port Facility Security Training

DPA recently arranged Port Facility Security training for employees and appropriate industry members within the region. In accordance with the requirements under the Maritime Transport and Offshore Facilities Security Act 2003, DPA provided all employees with the opportunity to further their security accreditation and will continue to facilitate refresher courses as required. The course assists in DPA's overall objective to protect and promote security within the Port and ensures employees are well equipped to participate in strategic security planning.



OUR COMMUNITY

In recognition of the Port's significant role in the local community and wider regional area, DPA are passionate about maintaining sound community relations.



“In the 26 years I have lived in the Pilbara I have witnessed some very significant changes to the Port and it is fantastic to be working with a team dedicated to maximising the potential of the area, without losing sight of the importance of the community.”

Corporate Secretary, Kaye Morrison

Strategic Aim: To integrate Dampier Port into the Community we serve.

Strengthening working partnerships and advancing the interests of the local community and the Port is a prevailing consideration in all DPA decisions and operations.

It was another successful year for the DPA in sponsoring worthy community groups and initiatives. Over the Port's 20 year history, the key to successful sponsorships arrangements has been found in aligning the Port with marine related activities and initiatives that coincide with DPA's organisational culture, goals and objectives.

In June of 2008 DPA established a Local Community Partnership (LCP) with the Pilbara Joblink Enterprises in Karratha. The LCP program was aimed at inspiring industry to create career, education, and training and employment initiatives for Senior High School students in the Pilbara region. DPA supported the LCP initiative and invited the Punmu (Rawa) Community School Students for an industry tour of the Port and its operations. The students were addressed by employees on the day, who explained the purpose of the Port and various career opportunities within it. Assisting students gain confidence in the workplace, especially to those disadvantaged by proximity constraints would not ordinarily be exposed to such industry, was a truly rewarding experience for the port. DPA plan to continue this partnership with Joblink.

For the 5th year running, DPA continues to be a major sponsor of the Cossack Art Awards. From its small beginnings the Cossack Art Awards is now greatly respected and recognised throughout Australia, and as such has attracted a significant increase in participating artists with an incredibly high standard of work. The Cossack Art Awards attracts Pilbara residents and thousands of visitors to Cossack raising the profile of the region and providing a platform for aspiring artists.

West Pilbara Volunteer Sea Search and Rescue Group (WPVSSRG) have been in operation in the Dampier area since 1974, serving the local community by providing assistance, sea search and rescue and educational facilities to the boating public. The group provides a 24/7 on call roster, of experienced skippers and rescue crew.

In addition to the commercial marine industry, boating and water sports are a popular past time for the local community. DPA continue to view WPVSSRG as an integral part of the overall port safety to both visiting vessels and the general boating community. In appreciation of the service the group provides the local community, DPA has been a major sponsor of the group since 2003.

During the year DPA continued its partnership with the Dampier Seafarers Centre. The centre is located on the esplanade in the Dampier town centre and provides welcome and friendship to seafarers visiting the Hampton Harbour. Such a facility is vital to the marine industry, providing invaluable practical amenities and spiritual welfare for all seafarers visiting the Port.

DPA remains supportive of various community sporting associations including the country week soccer club, Karratha Amateur Swimming and the Dampier Sharks football club. Focus has also been placed on providing funding for school events and initiatives, including funding a proportion of the Roebourne Senior High School student's educational trip to Canberra. The trip was an invaluable opportunity for the remote student's to spread their wings and visit the capital city of Australia.

United in compassion for those affected by the devastating Victorian Bushfires in February 2009, DPA employees generously donated to the Red Cross Victorian Bushfire appeal.

Other sponsorships and/or donations were provided to:

- ▶ Genes for Jeans donations;
- ▶ Pilbara Play Day Karratha Community House;
- ▶ Dampier Volunteer Fire Brigade;
- ▶ Ports and Marine Environment Sponsorship AUSMEPA;
- ▶ Karratha Senior High School; and
- ▶ Dampier Primary School.

Always looking to the future, DPA will remain steadfast in sustaining active partnerships with the community, in a way that holistically links social, environmental and economic factors and enhances the prosperity of all those involved with the Port.



Mof Road

OUR FUTURE

EXPANDING THE BOUNDARIES

DPA continues to be one of the largest bulk export ports in the world. Retaining such a reputation relies on a dedicated focus on innovation and continuous improvement. DPA is committed to pursuing an ambitious, yet essential, agenda of sustainable growth for the port. This commitment ensures the Port can accommodate and support Western Australia's future trade growth by maximising operational efficiencies, ensuring timely provision of Port facilities and infrastructure, and improving accessibility of Port land.

The main priorities for DPA in moving forward to the next financial year include:

Port Planning and Development

Always looking to the future DPA are committed to working closely with industry, communities and Government agencies to assist the State in delivering significant State initiatives and support major resources, industrial and infrastructure projects. In particular DPA plan to promote its advantageous position and capability to provide valuable strategic advice in regards to port planning and development, and in marine operations, safety, and diversity. DPA has also expanded its environmental expertise in anticipation of developments along the Pilbara coastline.

Dampier Marine Services facility (DMSF)

A principal focus for future expansion is the creation of additional berth capacity in the Port of Dampier. The DMSF project is aimed at increasing DPA's berthing facilities and laydown areas, specifically designed to support the exceptional growth and expected increase in activity in the oil, gas, mining, downstream processing and infrastructure industries in Australia's North West.

The DMSF will be constructed in two stages. The scope of works for Stage 1 includes the construction of a seawall and reclamation area, dredging of swing basin and berthing pockets, laydown areas constructed from dredge fill, a heavy load out/rock load out land backed wharf. The construction of such

a facility is critical in facilitating the development and delivery of major projects in the region.

Stage 2 will provide additional berth capacity to support development projects in Australia's North West. Subject to finding support the construction of Stage 2 is anticipated to commence in the beginning of 2011 and to be operational by the first quarter of 2014.

To date DPA's strategic investment into the DMSF has amounted to approximately \$4 million. Moving forward, investment is planned for the geotechnical analysis, design consultancies, project management and construction. A timely delivery of the project is a fundamental priority for DPA, as there are major investments in the oil and gas industry which require access to such a facility before the end of 2011. DPA is committed to delivering the project in order to support and attract new investors and industries to the region.

Community Relations

The future trend for DPA's community relations is towards increasing the level of community consultation, in order to establish a stronger collaboration between DPA and its community constituents. DPA recognise that future success depends not only on its employees and the quality and diversity of its assets, but also on its record of building partnerships with the local community. In order for DPA to continue to develop the Port and surrounding area, it is important for DPA to operate in a positive environment and be accepted as a company with expertise and integrity.

Perth Office

In January 2009, DPA together with the Port Hedland Port Authority (PHPA) launched the new "Pilbara Ports" office in Perth. The aim of the office is to strengthen the relationships with organisations that both ports interface with, and enable a better coordination of strategic planning for current and future major developments within existing port limits and developments along the Pilbara coastline. DPA's commitment to a presence in Perth provides the

“The future of the Dampier Port Authority is about expanding our boundaries... to use our expertise and experience to ensure the Pilbara reaches its full potential.”

CEO, Steve Lewis

benefit of face-to-face communication with existing port facility users, industry and government, and allows the Port to expand its internal capabilities to reinforce its involvement and participation in government decision making processes affecting the Port and the Pilbara region.

Ms Katerina Businoska has been appointed to the new position of Pilbara Ports Business Development Officer to assist in the progress of strategies which develop and promote the principal Pilbara Ports and assist in the respective ports' strategic planning. The joint approach and the shared position will consolidate the relationship between the two organisations to promote better planning and coordination of resource developments along the Pilbara coastline.

In addition, Dr Rochelle Macdonald (DPA Port Development Manager) and Ms Brooke Grieves (DPA Business Development Officer) have also been appointed to the Perth Office to foster stakeholder relationships and develop and coordinate the organisational development activities, and land use planning for Dampier.

The establishment of the new Pilbara Ports office has seen a transformation in the way the DPA operates and interfaces with organisations to provide more effective and coordinated support to industry and government in the Pilbara, and has been well received by stakeholders.

Internal Focus

As Port operations continue to grow exponentially, DPA will maintain focus on continuous improvement. The SHEQ Management System provides the corner stone for benchmarking and ensures DPA have the necessary tools to remain ahead of upcoming trends and changes affecting Port operations.

Due to the rapid expansion of the organisation in recent years DPA are focused on internal processes and procedures. The development and implementation of an Electronic Document Management System (RecFind 6) was a key achievement and has vastly improved information and data management at the Port.

Additional Capacity Available on Current Infrastructure

The Dampier Bulk Liquids Berth (DBLB) commissioned in November 2005, a purpose built Bulk Liquids Berth and a multi user service corridor (SC). The infrastructure was funded by the Western Australian State Government to facilitate development and export of products from down stream processing of natural gas on the Burrup Peninsula. The first customer to use the facility in mid 2006 was Burrup Fertilisers Pty Ltd, for the export of anhydrous ammonia. There is sufficient capacity on the facility for other proponents. The DBLB and the SC are classified as a dangerous good facility, with a Class 1, Zone 1 rating generally from the DBLB Control Room to the Loading Platform.

The DBLB has been designed to accommodate the following future expansion:

- ▶ Retro fitting of a Bulk Solids facility on the existing DBLB structure;
- ▶ Space Allocation for a sea water fire fighting system;
- ▶ Stage 2 & 3 berths, north of existing structure (i.e. DBLB 2 & DBLB 3); and
- ▶ Deepening of Channel and Berth Pocket to accommodate 65,000 DWT vessels.





Dampier Bulk Liquids Berth

OUR COMPLIANCE

Advertising and Sponsorship

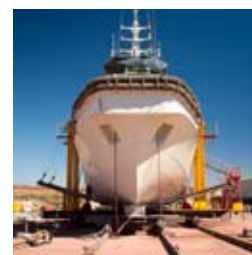
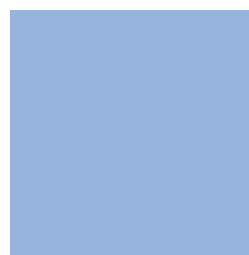
In accordance with Section 175ZE of the Electoral Act 1907, the Dampier Port Authority incurred the following expenditure in advertising, market research, sponsorship, direct mail and media advertising.

Item	Organisation	Total Value
Sponsorship \$61,755	Cossack Art Awards	\$12,000
	West Pilbara Volunteer Sea Search & Rescue Group	\$10,909
	Dampier Seafarers	\$13,636
	Roebourne Senior High School Canberra Trip	\$6,727
	Dampier Community Association	\$6269
	Miscellaneous (Schools, community & sporting clubs)	\$6119
Media Advertising \$15,740	Miscellaneous (Local Business Support, Rescue Groups Marine Safety Publications)	\$15,740
Market Research	N/A	
Direct Mail	N/A	
Advertising	N/A	

Compliance with the Code of Conduct

In accordance with Section 23 of the Port Authorities Act 1999 and Section 31 of the Public Sector Management Act 1994, DPA has reported to the Minister for Planning and Infrastructure and to the Office of Public Sector Standards on its compliance with the Code of Conduct. There were no detected breaches of the Code of Conduct during 2008-09.





Corruption Prevention

DPA continues to revise and implement policies with a view to identifying, managing and preventing misconduct and corruption. DPA has developed appropriate segregation of duties pertaining to financial approvals and processing.

Information Statement

DPA have formalised a Freedom of Information (FOI) Statement, detailing DPA's updated FOI processes. The information Statement is available to the public via the DPA website. There were no FOI applications received during 2008-09.

Recordkeeping

DPA's record management systems are carried out in accordance with the State Records Act 2000, and in line with the minimum reporting requirements advice:

- ▶ All employees participate in regular Records Management training.
- ▶ DPA has issued State Records Office with a revised Record Keeping Plan (RKP).
- ▶ Policies and Procedures have been incorporated into the DPA induction process and RKP.
- ▶ All records management procedures are made available to employees on DPA's intranet.

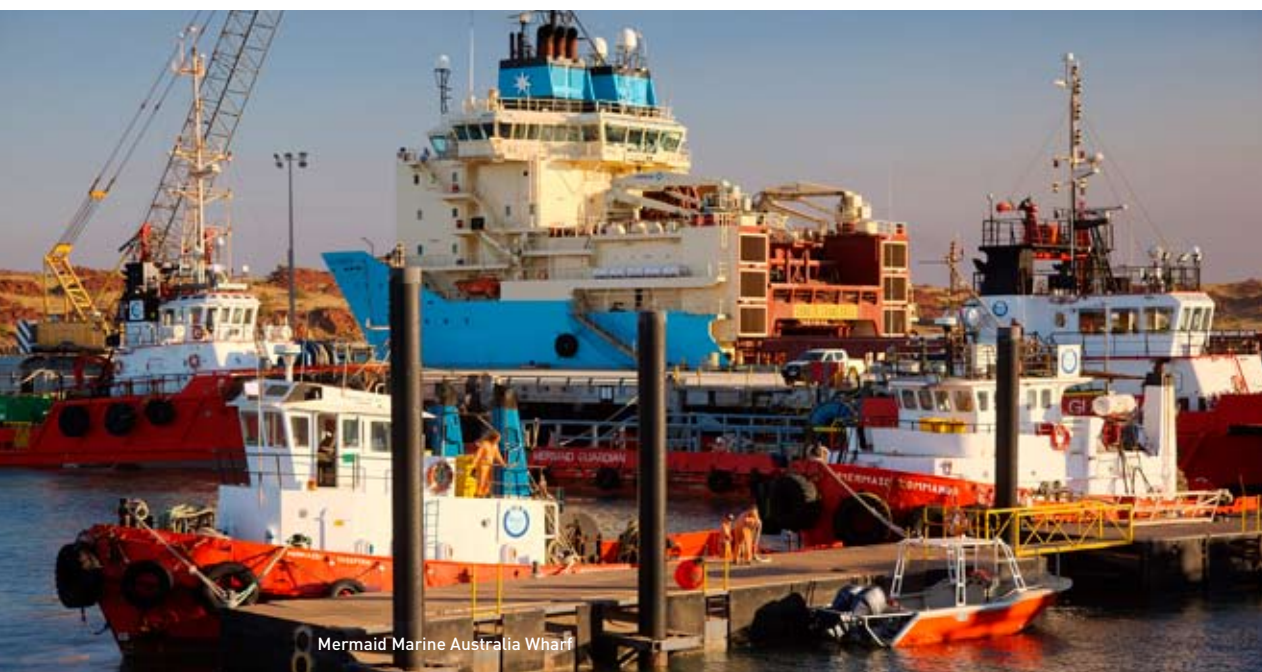
Occupational Safety and Health

A policy of DPA is to achieve the highest attainable level of occupational safety and health working conditions for its employees, contractors, visitors and other persons throughout all areas of its activities. At DPA, all people have a responsibility for implementing this Policy by striving to achieve zero tolerance towards hazards, incidents and accidents.

Employees also have a duty to take care for their own health and safety of others affected by their actions at work. In order to achieve this each individual employee is required to:

- ▶ Comply so far as he/she is reasonably able, with safety procedures and directions given by the employer;
- ▶ Not wilfully interfere with or misuse items or facilities provided in the interests of safety and health of organisation employees; and
- ▶ Must in accordance with agreed organisation procedures, report hazards and accidents.

Indicator	Actual Figures 2008-09
Number of Fatalities	Zero
Lost Time Injury (LTI/D) incidence rate	Zero
Lost Time Injury severity rate	Zero



Mermaid Marine Australia Wharf



Dampier Cargo Wharf and laydown area

DIRECTORS

In accordance with Schedule 5, Division 9 we report on the operations of the Dampier Port Authority (DPA) for the year to 30th June, 2009 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 2011
Mr Robert Vitenbergs	Deputy Chairman	31 December 2011
Ms Lisa Hamilton	Member	31 December 2011
Mr Michael Spreadborough	Member	31 December 2011
Mr Benjamin Doig (Alternate to Mr Michael Spreadborough)	Member	31 December 2011
Mr John Jenkin (Alternate to Ms Lisa Hamilton)	Member	31 December 2011



Front row: Michael Spreadborough, Lisa Hamilton, Steve Lewis. Back row: Brendan Hammond, Robert Vitenbergs



CURRENT BOARD MEMBERS

Chairman: Mr Brendan Hammond

Ministerial Appointment:

Appointed in July 2008 with term expiring in June 2011.

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 and until recently served as the Managing Director of Argyle Diamond Mines in Western Australia. As a board member of the WA Community Foundation he has strong involvement in community and indigenous activities, art, health and learning.

Deputy Chairman: Mr Robert Vitenbergs

Ministerial Appointment:

Re-appointed January 2007 with term expiring December 2011.

Qualifications:

Bachelor of Science (Hons).

Experience:

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

Hamersley Iron Nominee: Mr Mike Spreadborough

Appointed to the Board April 2006 with term expiring December 2011.

Qualifications:

Bachelor of Engineering (Mining) (Hons) – University of Queensland 1986.

Master of Business Administration. Deakin University 1993.
NSW Below Ground Mine Managers Certificate.

WA First Class Mine Managers Certificate.

Experience:

Since April 2006 General Manager Coastal Operations for Pilbara Iron with accountability for the Dampier and Cape Lambert port operations and Pannawonica mining operation. Previously Vice President Mining Olympic Dam for BHP Billiton.

Northwest Gas Development (Woodside)

Agreement Nominee: Ms Lisa Hamilton

Appointed to the Board April 2006 with term expiring December 2011.

Qualifications:

BSC/LLB (Hons); Post Graduate Diploma in Energy Studies; Australian Institute of Company.

Directors – Director's Responsibility training.

Experience:

7 years practicing in industrial relations and Employment law, with 11 years experience in the Oil and gas industry. Past Director with the Ngarluma and Yindjibarndi Foundation Ltd. Currently employed as General Manager Marine for Woodside Energy Limited, responsible for pilotage, marine operations and marine assurance for the Woodside Group.

“After 20 years of achievement, the Dampier Port Authority stands on the edge of an outstanding future where the boundaries of our expertise, our thinking, and our involvement will expand to embrace the unique opportunities that the Pilbara provides. We look forward to that challenge!”

CEO, Steve Lewis



STAFF

Name	Position	Name	Position
Mr Steve Lewis	Chief Executive Officer	Mr Wayne Young	Environment Manager
Ms Kaye Morrison	Corporate Secretary	Mrs Angela Willcocks	Environment Officer
Capt. John Fewings	Harbour Master	Mr Dave Blackman	Maintenance Superintendent
Mr Daniel Frost	Vessel Traffic Manager	Mr Patrick Ellison	Maintenance Officer
Mr Chris Burgess	Safety Officer	Mrs Megan Marion	Corporate Services Manager
Mr Peter Berry	Security Officer	Mrs Tracie Jennings	Corporate Services Officer
Mr Tony Smith	Wharf Manager	Mrs Joanne Burgess	Administration Assistant Corporate
Ms Jo Cheung	Administration Assistant	Dr Rochelle Macdonald	Port Development Manager
Mr Bruce Young	Deputy Wharf Manager	Mrs Lizeth De La Hoz	Port Engineer
Mrs Debbie Bulham	Port Liaison Administration Officer	Ms Katharina Pieczonka	Project Manager
Ms Donna Davidson	Port Liaison Administration Officer	Mr Tekohi Caves	Project Engineer
Mr Tony Abbott	Port Liaison Administration Officer	Ms Jo Smythe	Contract Administrator
Mrs Leanne Barrett	Port Liaison Administration Officer	Ms Kim Allen	Administration Assistant Engineering
Mrs Kim Maree	Port Liaison Administration Officer		
Mrs Carole Luca	Port Liaison Administration Officer		

PRINCIPAL ACTIVITIES

The principal activities of the Dampier Port Authority 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.

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 Security Act 2003 requirements.

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

NET PROFIT AFTER TAX

The Authority finished the financial year with a profit after compliance with the "National Tax Equivalent" legislation of \$2,683,030 compared to last year's profit of \$4,594,885.87 after tax. See the accompanying Financial Statements for further details.

DIVIDEND

In accordance with the current dividend policy the Directors have recommended \$1,341,515 dividend be paid being 50% of net operating profit after tax.

	2009 \$'000	2008 \$'000
Total dividends recommended in respect of the financial year	1,342	2,297
Total dividends paid during the financial year	2,297	969

SIGNIFICANT CHANGES TO THE STATE OF AFFAIRS

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

REVIEW OF OPERATIONS

Finance

The Authority has dual goals of sound financial management and trade facilitation. In achieving these goals, the Authority aims to achieve its rate of return on assets, while providing the most cost-effective service to port users.

The final result was a pre-tax profit of \$3,809,716, against budgeted profit of \$4,149,874.

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

	2009 \$'000	2008 \$'000
Port Dues	9,358	8,914
Dampier Cargo Wharf Operations	3,669	4,100
Barge Ramp	0	11
Lease-King Bay Industrial Estate/Other	3,592	2,738
Dampier Bulk Liquids Berth	8,718	8,453
Interest	430	532
Profit on sale of assets	8	23
MSIC	289	301
Project Management	403	721
Other Revenues	298	999
Total Revenue	26,765	26,792
Less unallocated expenses		
Employee expenses	5,055	3,795
Maintenance	4,596	3,446
Power & Water	373	494
Depreciation	3,596	3,360
Insurance	345	271
Legal	634	821
Consultants	2,309	2,442
Audit Fees	57	51
Borrowing Expenses	4,365	4,429
Supplies and services	1,288	758
Other	338	361
Total Expenditure	22,956	20,228
Profit from ordinary activities before income tax expense	3,809	6,565
Income tax benefit/(expense)	(1,126)	(1,970)
Profit from ordinary activities after income tax expense	2,683	4,595



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 number of ships entering the port.

(b) Dampier Cargo Wharf (DCW) Operations

There has been a slight decrease in revenue is due to lower volume of operations occurring at the DCW. The main areas of decrease is in water sales \$224k and berth hire \$193k.

(c) Barge Ramp

There has been minimal vessels arriving at the barge ramp during the year.

(d) Lease – King Bay Industrial Estate)/Other

Income from King Bay Industrial Estate has increased significantly compared to last financial year. This is due to lease reviews and an additional quarter worth of rent on a lease that commenced in October 2007.

(e) Dampier Bulk Liquids Berth

Each year the DPA calculates the State Subsidy payable from WA Government based on budget costs, during 08/09 financial year the forecast expenditure on the facility was greater than in previous years.

(f) Interest

During the year the DPA invested surplus cash, the decrease is due to the interest rates starting at around 7% declining to 2.6% at the end of the financial year.

(g) Profit from the sale of Non Current Assets

The net proceeds from sale of Non Current Assets are lower this year due to an increase in assets sold.

(h) MSIC

Maritime Security Identification Card (MSIC) is a federal requirement to increase security within Australian Ports. The MSIC was a requirement for WA ports from 1st January 2007 and is valid for five years. Income received is similar to the previous year.

(i) Project Management

There has been a decline in project management fees during the financial year due to a decrease in the number of major projects being managed. Currently the DPA is managing one major project.

(j) Other Revenues

There has been a decrease in other revenue \$676k of income in 2007/08 being attributable to reimbursement of maintenance costs.

(k) Employee Expenses

This has increased from last financial year due to the increase in staff levels including accommodation requirements and temporary staff hired due to the inability to attract staff to the region.

(l) Maintenance

Maintenance costs were higher than last financial year due to the implementation of cyclical maintenance program and increase in maintenance on the Dampier Cargo Wharf (DCW).

(m) Power and Water

The decrease in expenditure is largely due to a decrease in water usage and electricity consumption at the DCW.

(n) Depreciation

Depreciation is similar to the previous year.

(o) Insurance

Costs for insurance increased slightly compared to last financial year.

(p) Legal

Legal costs decreased during the year.

(q) Consultants

Consultancy costs are similar to last financial year.

(r) Auditing

Audit costs are similar to last financial year.

(s) Borrowing costs

Borrowing costs are similar to last financial year.

(t) Supplies and Services

These cost have increased significantly compared to last financial year, this is due to the following:

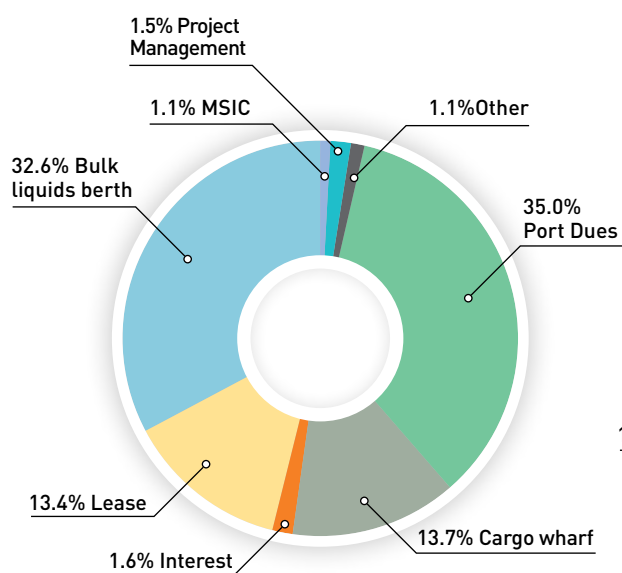
- ▶ Opening of the Perth office in January 2009 \$128k;
- ▶ Additional office space hired to accommodate increases in staffing levels \$135k; and
- ▶ Increase in staff travelling for business meetings, conferences and training \$119k.

(u) Other

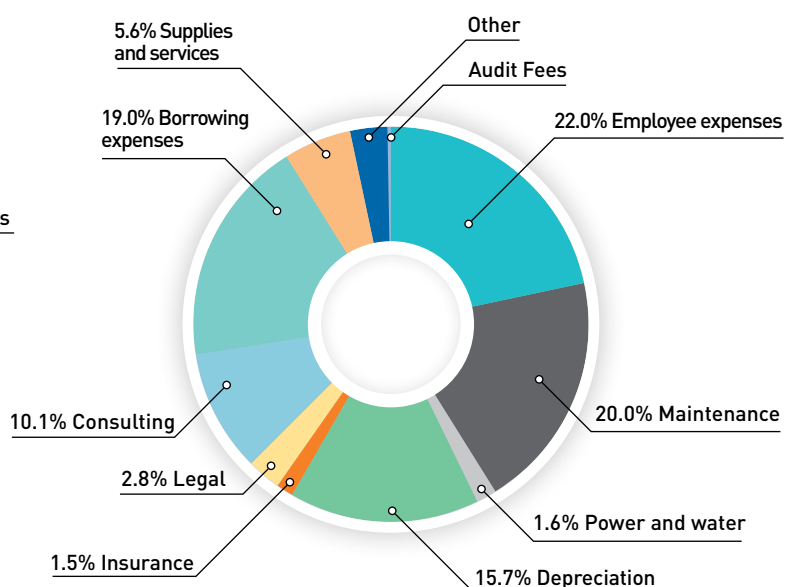
Other expenditure is similar to last financial year.

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

SOURCES OF REVENUE 2009



EXPENDITURE ALLOCATION 2009



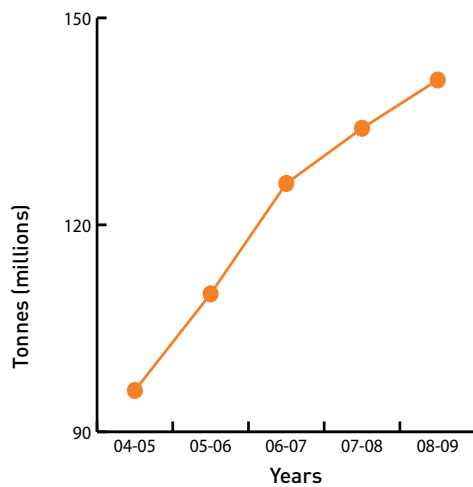
KEY PERFORMANCE INDICATORS

Economic

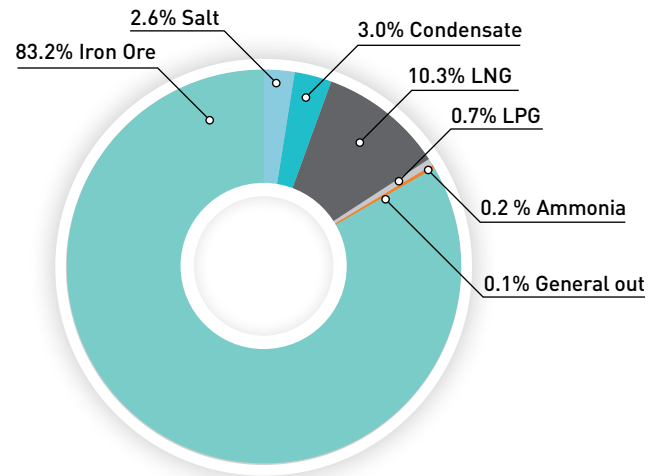
The table below shows commodity throughput for the past 5 years. Export of Iron Ore continues to be the predominant contributor.

Commodity	2008 - 2009	2007-2008	2006-2007	2005-2006	2004-2005
Iron Ore	116,550,652	112,176,315	103,890,562	89,242,635	75,847,351
Salt	3,610,665	3,435,339	3,539,471	3,212,634	3,121,401
Condensate	4,145,638	3,027,115	3,299,767	3,373,302	3,603,478
Liquified Natural Gas	14,407,975	12,279,748	12,508,917	11,784,741	11,279,152
Liquified Petroleum Gas	957,270	1,526,302	1,487,877	1,468,917	1,341,409
Petroleum Products	443,886	378,066	274,737	412,653	254,495
Ammonia	335,770	744,865	727,895	62,171	0
General Cargo	371,891	381,526	395,999	512,092	378,600
Total Cargo Tonnes	140,823,747	133,949,276	126,125,225	110,069,145	95,825,886
Total Vessel Numbers	4,007	4,029	3,403	3,062	2,669
Total Gross Registered Tonnage	106,701,463	97,893,363	95,156,837	87,156,692	77,721,593

PORT OF DAMPIER ANNUAL CARGO THROUGHPUT



% CARGO FOR 2008/2009



FINANCIAL Rate of Return

The Minister for Planning & Infrastructure sets the Authorities target rate of return. The expected rate of return for the 2008/2009 financial year was 6.80%. The rate of return achieved by the Dampier Port Authority was 7.42%. (Dampier Bulk Liquids Berth (DBLB) 6.96%, General operations excl DBLB was 8.94%).

The average long run rate of return achieved by the Dampier Port Authority over the past 5 years was 5.57%

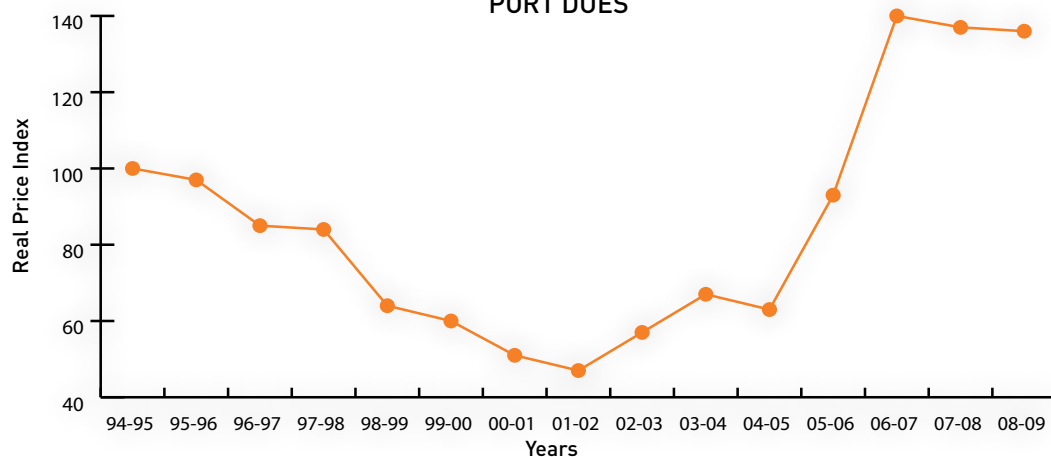
The target rate of return is calculated on profit before borrowing and taxation cost divided by the written down deprival cost of total assets less gifted assets.

Real Price Index (1994/95 = 100)

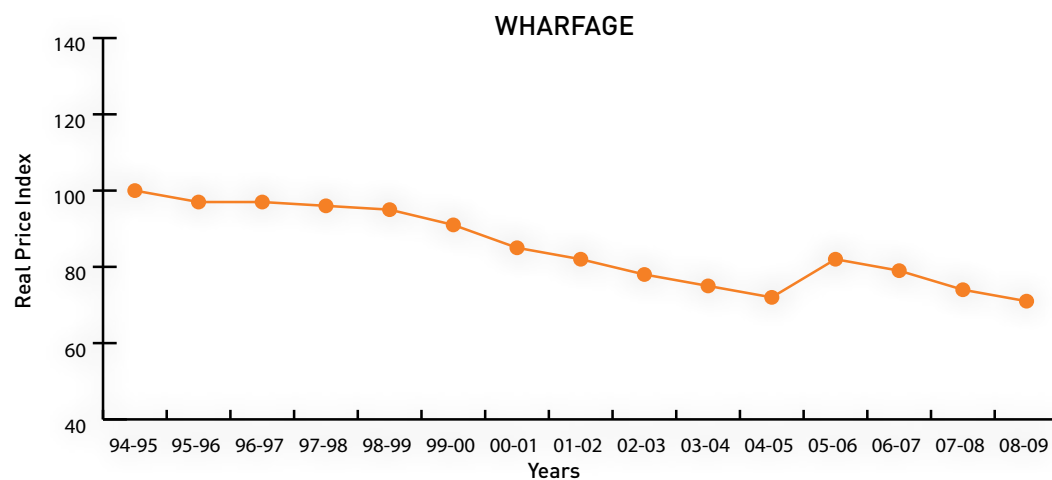
Dampier Port's real price index shows prices deflated by the consumer price index for Perth, to give an indication of the relative value of money over the years shown.

As the graph for port dues indicates the real price index for port dues has increased by 35.74% between 1994/95 and 2008/2009. Prices will increase to \$0.1584 2009/2010.

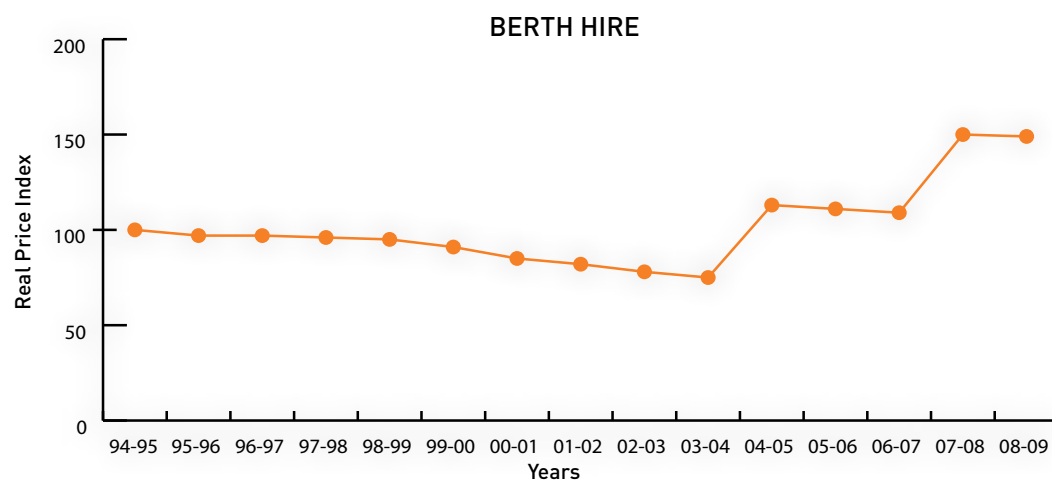
PORT DUES



As the graph for Wharfage charges indicates the real price index has fallen by 29.22% from 1994/1995 to 2008/2009. Wharfage charges will increase from 1 July 2009 to \$6.10.



As the graph for berth hire indicates the real price index for berth hire has increased by 48.88% between 1994/95 and 2008/2009. Prices will increase to \$62.50 per 50m vessels LOA from 1 July 2009.





STABILITY OF WORKFORCE

Staff Turnover was 15.87 per cent for 2008-2009.

Occupational Health and Safety

No Workers Compensation claims were made during the financial year.

SIGNIFICANT EVENTS AFTER YEAR END

There were no matters occurring subsequent to the end of the financial year and the date of this report.

LIKELY DEVELOPMENTS AND FUTURE RESULTS

The Authority expects that trade volumes for 2009/2010 financial year to increase by 27 million tonnes, mostly due to the increases in iron ore exports. As a consequence, revenue is expected to rise proportionately over this financial year.

Significant changes in the Authority's operations are occurring due to a number of development projects coming to fruition.

ENVIRONMENTAL PERFORMANCE

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

BOARD MEMBERS

2009

Name	Directors Fees \$	Superannuation \$	Total \$
B Hammond	45,000	4,050	49,050
R. Vitenbergs	25,000	2,214	27,214
D. Rothe (left Dec 2008)	8,250	743	8,992

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

2008

Name	Directors Fees \$	Superannuation \$	Total \$
P West	45,000	4,050	49,050
R. Vitenbergs	25,000	2,250	27,250
D. Rothe	16,500	1,485	17,985

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

DIRECTORS INTEREST IN CONTRACTS

During the financial year, the Authority did not enter into any contracts with entities, in which Directors declared an interest, except as set out in Note 22.

REMUNERATION REPORT

Remuneration Policy

The Minister determines remuneration of directors of the Dampier Port Authority. 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 Dampier Port Authority and of the Chief Executive Officer and Senior Managers of the Authority are as follows:

OTHER EXECUTIVES**2009**

Name	Salary \$	Motor Vehicle \$	Other \$	Super \$	Total \$
Steve Lewis Chief Executive Officer	245,553	22,087	793	21,137	289,570
John Fewings Harbour Master	177,214	24,457	872	15,430	217,973
Rochelle Macdonald Port Development Mgr	152,415	4,195	-	13,717	170,327

2008

Name	Salary \$	Motor Vehicle \$	Other \$	Super \$	Total \$
Steve Lewis Chief Executive Officer	207,580	11,420	1,304	20,216	240,520
John Fewings Harbour Master	165,705	17,293	1,223	12,739	196,960
Rochelle Macdonald Port Development Mgr	122,042	6,547	2,198	11,028	141,815

Retirement, Election and**Continuation of Office of Members**

The only change to the Board Membership during 2008-2009 was the retirement of Mr Desmond Rothe in December 2008.

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	7
Robert Vitenbergs	7	7
Michael Spreadborough	7	7
Desmond Rothe	3	2
Lisa Hamilton	7	6
John Jenkins (alternate for Lisa Hamilton)	1	1

INDEMNIFICATION OF DIRECTORS

During the financial year the Directors' and Officers' Liability Insurance Policy was renewed to ensure that the directors and officers of the Authority 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 Authority paid an insurance premium of \$11,448 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.



INDEMNIFICATION OF AUDITORS

The Auditor General's Office has been appointed as the Port Authority'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 2009 is \$27,500 GST exclusive.

ROUNDING OF AMOUNTS

The Authority 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 11th day of August, 2009, Dampier WA

DIRECTORS' DECLARATION

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 2009 and of its performance, as represented by the results of its operations and its cash flows, 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.

Brendan Hammond
Chairman

Robert Vitenbergs
Deputy Chairman

Dated this 11th day of August, 2009



Auditor General

INDEPENDENT AUDIT REPORT ON DAMPIER PORT AUTHORITY

To the Parliament of Western Australia

I have audited the financial report of the Dampier Port Authority. The financial report comprises the Balance Sheet as at 30 June 2009, and the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the year ended on that date, a summary of significant accounting policies, other explanatory Notes and the Directors' Declaration.

Directors' Responsibility for the Financial Report

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

Summary of my Role

As required by the Port Authorities Act 1999, my responsibility is to express an opinion on the financial report based on my audit. This was done by testing selected samples of the audit evidence. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion. Further information on my audit approach is provided in my audit practice statement. Refer www.audit.wa.gov.au/pubs/AuditPracStatement_Feb09.pdf.

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

Audit Opinion

In my opinion, the financial report of the 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 2009 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

GLEN CLARKE
ACTING AUDITOR GENERAL
23 September 2009

DAMPIER PORT AUTHORITY

INCOME STATEMENT

For the year ended 30 June 2009.

	NOTE	2009	2008
		\$'000	\$'000
Revenue	3	26,765	26,792
Employee benefits expense	2	(4,915)	(3,795)
Maintenance		(4,596)	(3,446)
Power & water		(373)	(494)
Depreciation	2	(3,596)	(3,360)
Legal		(634)	(821)
Insurance		(345)	(271)
Consultants		(2,309)	(2,441)
Borrowing costs	2	(4,365)	(4,429)
Audit fees	2	(57)	(51)
Supplies and Services (a)		(1,288)	(758)
Other expense		(478)	(361)
Profit before income tax expense	2	3,809	6,565
Income tax expense	4	(1,126)	(1,970)
Profit for the period		2,683	4,595

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

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

DAMPIER PORT AUTHORITY

BALANCE SHEET

As at 30 June 2009.

	NOTE	2009	2008
		\$'000	\$'000
Current Assets			
Cash and cash equivalents	23(a)	5,913	6,599
Trade and other receivables	5	2,260	3,157
Other	6	82	72
Current tax asset	7	384	-
		8,639	9,828
Non-current assets classified as held for resale	9	-	3,638
Total Current Assets		8,639	13,466
Non-Current Assets			
Property, plant and equipment	10	92,437	89,769
Deferred tax assets	8	1,026	659
Total Non-Current Assets		93,463	90,428
Total Assets		102,102	103,894
Current Liabilities			
Trade and other payables	12	2,916	2,502
Borrowings	13	1,693	1,592
Unearned Income	15	632	580
Current tax payable	16	-	1,333
Provisions	17	516	312
Total Current Liabilities		5,757	6,319
Non-Current Liabilities			
Deferred tax liabilities	18	153	92
Borrowings	13	68,496	70,189
Provisions	17	36	20
Total Non-Current Liabilities		68,685	70,301
Total Liabilities		74,442	76,620
Net Assets		27,660	27,274
Equity			
Contributed equity	19	17,002	17,002
Retained earnings	20	10,658	10,272
Total Equity		27,660	27,274

The Balance Sheet should be read in conjunction with the accompanying notes.

DAMPIER PORT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2009.

	NOTE	2009	2008
		\$'000	\$'000
Total equity at the beginning of the financial year		27,274	23,648
Profit for the period		2,683	4,595
Dividends paid	14	(2,297)	(969)
Balance of equity at the end of the financial year		27,660	27,274

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

DAMPIER PORT AUTHORITY

CASH FLOW STATEMENT

For the year ended 30 June 2009.

	NOTE	2009	2008
		\$'000	\$'000
Cash Flow From Operating Activities			
Receipts from customers		19,020	18,367
Receipts from government contributions		8,252	7,596
Payments to suppliers and employees		(15,018)	(11,434)
Interest received		424	532
Interest paid		(4,377)	(4,390)
Income tax paid		(2,937)	(1,521)
GST receipt on sales		2,118	1,862
GST receipt from taxation authority		1,497	1,124
GST payments on purchases		(3,615)	(2,986)
Net cash inflow/(outflow) from operating activities	23(b)	5,364	9,150
Cash Flow From Investing Activities			
Proceeds from sale of property, plant & equipment		3,725	129
Payment for acquisition of property, plant and equipment		(5,886)	(2,750)
Net cash inflow/(outflow) from investing activities		(2,161)	(2,621)
Cash Flow From Financing Activities			
Dividends paid	14	(2,297)	(969)
Proceeds from borrowings		-	889
Repayment of borrowings		(1,592)	(1,541)
Net cash inflow/(outflow) from financing activities		(3,889)	(1,621)
Net increase/(decrease) in cash equivalents		(686)	4,908
Cash and cash equivalents at 1 July		6,599	1,691
Cash and cash equivalents at 30 June	23(a)	5,913	6,599

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the Year Ended 30 June 2009.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general-purpose financial report which has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRSs), other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views and the Port Authorities Act 1999. The financial report is prepared on an accrual basis and in accordance with historical cost convention. The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented, unless otherwise stated.

The financial statements were authorised for issue on 11th August 2009 by the Board of Directors of the Dampier Port Authority.

Early adoption of standards

No standards and Interpretations that have been issued or amended but are not effective have been early adopted by the Authority for the annual reporting period ended 30 June 2009. Where applicable, the Authority plans to apply these standards and interpretations from their applicable date. The adoption of new and amending standards and interpretations mandatory for annual periods reporting on or after 1 January 2009 did not result in any significant changes to the accounting policies that were in place at 30 June 2009.

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

The following is a summary of the significant accounting policies adopted by the Authority in the preparation of the financial report.

(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

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

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)**For the Year Ended 30 June 2009.**

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) Borrowing Costs

Borrowing costs for qualifying assets are capitalised net of any investment income earned on the unexpended portion of the borrowings. Other borrowing costs are expensed when incurred.

(d) Maintenance and Repairs

Plant and equipment of the Authority 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.

The Authority 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 Authority's assets is maintained.

Subsequent measurement

After recognition as an asset, the Authority 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 Authority 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	3 to 5 years
Berths/Wharves	25 to 40 years
Navigational Aids	20 to 50 years
Motor vehicles	5 years
Software	3 to 5 years
Environmental Approvals	50 years
Channel	50 years

(f) Intangible 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.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

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 Authority 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 Authority 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) 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.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

(i) Financial Instruments

In addition to cash, the Authority has three 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 their is not interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(j) 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.

(k) Payables

Payables are recognised when the Authority 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.

(l) Investments and other financial assets

The Authority classifies its investments in the following categories:

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

(ii) Held to maturity assets

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Authority's management has the positive intention and ability to hold to maturity.

The Authority did not hold any investments in these categories for the financial years presented.

(m) Borrowings

All loans are initially recognised at cost, being the fair value of the net proceeds received. Subsequent measurement is at amortised cost using the effective interest rate method.

(n) Provisions

Provisions are liabilities of uncertain timing and amount. The Authority 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.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

(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 end of the reporting 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 end of the reporting 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 reporting date.

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

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.

(ii) Provisions-Other

Employment On-Costs

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

(o) Payment of Dividend to the State

In accordance with Section 84 of the Port Authorities Act 1999 the Board of the Authority intends to make a recommendation to the Minister for Planning and Infrastructure that dividends amounting to \$1,341,515 (2008: \$2,297,443) be declared in respect for the year ended 30 June 2009. The proposed dividend is in accordance with the dividend policy included in the Authority's statement of corporate intent for 2008-2009.

(p) Comparative Figures

Where the classification of an item in the financial statements has been changed in relation to the corresponding item in the financial statements for the immediately preceding financial year, the item for that immediately preceding financial year has been similarly reclassified for the purpose of showing comparative figures.

(p) 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 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 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 taxation authority, are presented as operating cash flows.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 2: PROFIT BEFORE INCOME TAX

Profit before income tax expense includes the following expenses:

	2009	2008
	\$'000	\$'000
Employee benefit		
Annual leave	294	192
Long service leave	131	84
Superannuation	442	407
Fringe benefits tax	202	106
Board members fee	53	74
Wages	2,251	1,673
Temporary staff	862	742
Other	680	517
Total employee benefits	4,915	3,795
Depreciation		
Building and improvements	314	230
Plant and equipment	771	666
Berths/wharve	1,912	1,916
Navigation aids	255	203
Channel	344	345
Total depreciation	3,596	3,360
Finance costs	4,365	4,429
Auditors remuneration	57	51

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 3: REVENUE

	2009	2008
	\$'000	\$'000
Operating activities of the Authority		
Rendering of services – port dues	9,358	8,914
Rendering of services – DCW/Barge Ramp	3,669	4,111
Rendering of services – Dampier Bulk Liquids Berth	465	857
Government contribution – Dampier Bulk Liquids Berth	8,253	7,596
Leases revenue	3,592	2,738
Other	990	2,021
	26,327	26,237
	2009	2008
	\$'000	\$'000
Non-operating activities of the Authority		
Net gain on disposal of property, plant and equipment	8	23
Interest received	430	532
	26,765	26,792

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 4: 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:

	2009	2008
	\$'000	\$'000
Profit before income tax:	3,809	6,565
Tax at the Australian tax rate of 30% (2008: 30%)	(1,143)	(1,969)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Sundry Items	(2)	(1)
Investment allowance deduction	18	-
Prior year under/(over) provision	1	-
	(1,126)	(1,970)
Income tax (expense)	1,126	1,970
Income tax expense comprises:		
Provision attributable to current year	(1,431)	(2,152)
(Increase)/decrease in deferred tax liability	(61)	(74)
Increase/(decrease) in deferred tax asset	366	256
	(1,126)	(1,970)

NOTE 5: TRADE AND OTHER RECEIVABLES

	2009	2008
	\$'000	\$'000
Trade debtors	2,260	3,157

Trade debtors are normally settled on 14 day terms.

NOTE 6: OTHER CURRENT ASSETS

	2009	2008
	\$'000	\$'000
Prepayments	42	46
Deposit	40	26
	82	72

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 7: CURRENT TAX ASSET

	2009	2008
	\$'000	\$'000
Current tax assets	384	-

NOTE 8: DEFERRED TAX ASSET

	2009	2008
	\$'000	\$'000
The deferred tax asset comprises:		
Accrued expenses	8	8
Operational expenditure	696	318
Settlement payment	156	234
Provisions	166	99
	1,026	659
Reconciliation of movement in deferred tax assets:		
Opening balance	659	402
(charged)/credited to P&L	367	257
Closing balance	1,026	659

NOTE 9: NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE

	2009	2008
	\$'000	\$'000
Building and Improvements	-	3,638
	-	3,638

The Dampier Port Authority transferred the service corridor to Landcorp for \$3,638m in April 2009.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT

	2009	2008
	\$'000	\$'000
Land and Buildings		
Land		
Freehold - at cost (ii)	1,222	250
Total Land	1,222	250
Building and improvement (iii)		
At cost	11,110	8,736
Accumulated depreciation	(2,163)	(1,848)
Total buildings and improvements	8,947	6,888
Total land buildings and improvements	10,169	7,138
Plant and Equipment		
At cost	5,109	4,023
Accumulated depreciation	(2,082)	(1,506)
Total plant and equipment	3,027	2,517
Intangibles		
Computer software, website establishment and environmental approvals		
At cost	598	566
Accumulated depreciation	(95)	(65)
Total intangible assets	503	501
Infrastructure		
Berths / Wharves		
At cost	72,579	72,579
Accumulated depreciation	(16,915)	(15,016)
At recoverable amount	339	339
Accumulated depreciation	(81)	(68)
Total berths/wharves	55,922	57,834
Navigation aids		
At cost	5,572	5,572
Accumulated depreciation	(1,925)	(1,670)
Total navigation aids	3,647	3,902

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 10: PROPERTY, PLANT AND EQUIPMENT (cont)

	2009	2008
	\$'000	\$'000
Channel		
At cost	17,210	17,210
Accumulated depreciation	(1,234)	(890)
Total navigation aids	15,976	16,320
Infrastructure in the course of construction - at cost		
Lot 314	432	432
DCW Berth 2 & 4 upgrade	2,530	539
Dredging DCW approvals	59	59
Residential housing	22	-
Gatehouse	74	-
DBLB gangway	75	47
Intranet development	-	20
New carpark lower laydown	-	137
Concrete office	-	34
Vessel	-	54
Air conditioning upgrade	-	31
Shed	-	3
Strategic Environmental Assessment	-	201
	3,192	1,557
Total Infrastructure	78,737	79,613
Total property, plant and equipment	92,436	89,769

(i) The Authority has 2 parcels of land Lot 471 and Lot 472 Reserve 41636, vested to the Authority for port purposes. The current non improved market valuation is \$425,000. The valuation has been determined by the Valuer Generals Office as at the 1st July 2003. These 2 parcels are not reflected in the financial statements.

(ii) Freehold land has been independently valued by Fudali Waterhouse PRP at \$438,000, based on the property's market value as at 30th June 2003.

(iii) The Dampier Bulk Liquid Berth (DBLB) commenced construction in January 2004 and was completed on the 7th November 2005. The Authority has entered into an agreement with the Western Australian Government whereby the State will pay to the Authority 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 Authority does not trade at a financial loss.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

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:

	2009	2008
	\$'000	\$'000
Land		
Carrying amount at 1 July	250	250
Additions	972	-
Disposals	-	-
Carrying amount 30 June	1,222	250
Building and improvements		
Carrying amount at 1 July	6,888	7,079
Additions	2,373	43
Disposals	-	(7)
Depreciation on disposal	-	3
Depreciation for the year	(314)	(230)
Carrying amount 30 June	8,947	6,888
Plant and equipment		
Carrying amount at 1 July	2,517	2,550
Additions	1,329	704
Disposals	(243)	(632)
Accumulated depreciation on disposal	165	528
Depreciation for the year	(741)	(633)
Carrying amount 30 June	3,027	2,517
Intangibles		
Carrying amount at 1 July	501	524
Additions	32	10
Depreciation for the year	(30)	(33)
Carrying amount 30 June	503	501

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

	2009	2008
	\$'000	\$'000
Infrastructure		
Berths/Wharves		
Carrying Amount at 1 July	57,834	59,581
Additions	-	169
Depreciation for the year	(1,912)	(1,916)
Carrying Amount 30 June	55,922	57,834
Navigational Aids		
Carrying amount at 1 July	3,902	2,850
Additions	-	1,255
Depreciation for the year	(255)	(203)
Carrying amount 30 June	3,647	3,902
Channel		
Carrying amount at 1 July	16,320	16,665
Depreciation for the year	(344)	(345)
Carrying amount 30 June	15,976	16,320
Work in Progress		
Carrying amount at 1 July	1,557	987
Additions	2,116	2,299
Transfer to non current assets	(480)	(1,729)
Carrying amount 30 June	3,193	1,557
Total property, plant and equipment	92,437	89,769

NOTE 11: IMPAIRMENT OF ASSETS

There were no indications of impairment of Property, Plant & Equipment, Infrastructure and Intangible assets at 30 June 2009.

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

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 12: TRADE AND OTHER PAYABLES

	2009	2008
	\$'000	\$'000
Trade creditors	1,880	1,743
Sundry creditors	1,036	759
	2,916	2,502

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

NOTE 13: BORROWINGS

	2009	2008
	\$'000	\$'000
Current		
Loan - Western Australian Treasury Corporation	1,693	1,592
Non-Current		
Loan - Western Australian Treasury Corporation	68,496	70,189
Total loan	70,189	71,781

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

On completion of the multi-user infrastructure projects in November 2005, the original facility of \$75.64 million was reduced to \$73.14 million by \$2.5 million, representing the unused portion of the facility no longer required. The WATC's approved lending facility to the Authority at balance date, is as disclosed in Note 23(c).

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 14: DIVIDENDS PAID

	2009	2008
	\$'000	\$'000
Operating dividend	2,297	969

During the financial year ended 30 June 2009, an operating dividend of \$2,297,443 was paid in respect of the financial year ended 30 June 2006. Subsequent to 30 June 2009 the Directors have recommended that a dividend of \$1,341,515 being 50% of net profit after tax, be paid.

NOTE 15: UNEARNED INCOME

	2009	2008
	\$'000	\$'000
Revenue received in advance of service delivery	632	580

NOTE 16: CURRENT TAX LIABILITIES

	2009	2008
	\$'000	\$'000
Provision for current income tax	-	1,333

NOTE 17: PROVISIONS

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

	2009	2008
	\$'000	\$'000
(a) Current		
Employee benefits		
Annual leave	294	176
Long service leave	222	136
	516	312
(b) Non-Current		
Employee benefits		
Long service leave	36	20
Total employee benefits	552	332

NOTE 18: DEFERRED TAX LIABILITIES

The provision for deferred income tax liability is made up of the following:

	2009	2008
	\$'000	\$'000
Depreciation	151	92
Accrued Income	2	-
	153	92
Reconciliation of deferred tax liabilities		
Opening balance	92	18
Charged/(credited) to P&L	61	74
Closing balance	153	92

NOTE 19: CONTRIBUTED EQUITY

On 1st March 1989 the Authority was deemed to have acquired from Woodside Energy Limited, the original fixed

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

assets and support infrastructure required to effectively manage and operate the Port. These "gifted" assets included the original Dampier Cargo Wharf, the original administration building, staff houses, navigational aids, plant and other equipment.

The Authority also received refunds from State Treasury for sales and income tax equivalent. These funds are not available for distribution.

	2009	2008
	\$'000	\$'000
Developers Contribution	16,111	16,111
State Equity Contribution	891	891
	17,002	17,002

NOTE 20: RETAINED PROFITS

	2009	2008
	\$'000	\$'000
Retained profits at the beginning of the financial year	10,272	6,646
Net profit for the year	2,683	4,595
Dividends paid	(2,297)	(969)
Retained profits at the end of the financial year	10,658	10,272

NOTE 21: REMUNERATION OF DIRECTORS AND EXECUTIVES

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

NOTE 22: RELATED PARTY TRANSACTIONS

(a) Directors

The names of persons who were directors of Dampier Port Authority any time during the financial year are as follows: R Vitenbergs, M Spreadborough, L Hamilton, B Doig, J. Jenkin and D Rothe.

(b) Remuneration and Retirement Benefits

Information on remuneration of directors is disclosed in Note 21.

(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 Authority from time to time, being, Ms L Hamilton and Mr J Jenkin for Woodside Energy Limited and Mr Spreadborough and Mr B Doig for Pilbara Iron.

NOTE 23: NOTES TO STATEMENT OF CASH FLOWS

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

	2009	2008
	\$'000	\$'000
(a) Reconciliation of cash		
Cash at the end of the financial year as shown in the Statement of Cash Flows and Statement of Financial Position comprises the following:		
Cash at bank	2,686	516
Cash at call	3,226	6,082
Cash on hand	1	1
	5,913	6,599
(b) Reconciliation of net cash inflow from operating activities to profit after income tax:		
Profit of the year	2,683	4,595
Depreciation	3,596	3,360
Net (gain) loss on sale of property, plant and equipment	(8)	(23)
Capital assets written back	(458)	-
Changes in assets and liabilities		
Receivables	897	(335)
Prepayments	4	(38)
Accrued income	(14)	(10)
Payables	414	936
Unearned income	53	534
Movements in provisions		
Employee benefits	220	60
Income taxes	(1,333)	253
Deferred income taxes	(690)	(182)
Net cash inflows from operating activities	5,364	9,150
(c) Financial facility		
At the date of this report, the financing arrangement available to the Authority from the Western Australia Treasury Corporation is:		
Loan facility	74,900	77,600
Amount utilised	(70,189)	(71,781)
Unused loan facility	4,711	5,819

NOTE 24: FINANCIAL INSTRUMENTS**(a) Financial risk management objectives and policies**

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

Financial instruments held by the Dampier Port Authority are cash and cash equivalents, term deposits, loans from Western Australia Treasury Corporation, receivables and payables. The Port Authority has limited exposure to financial risk. To minimise the risk the Port Authority does not enter into foreign exchange contracts and cash is invested with banks with an AA rating. The Port Authority's overall risk management program focuses on managing the risk identified below.

Credit risk

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

All financial assets are unsecured and the Authority 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, as shown in the table Note 24 (c).

The Authority 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 Authorities 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.

	2009	2008
	\$'000	\$'000
Trade receivables		
Group 1	97	52
Group 2	1,209	1,193
Total trade receivables	1,306	1,245
Cash and short term deposits	5,913	6,599
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:		
Not more than 3 months old	875	1,529
More than 3 months but less than 6 months old	16	249
More than 6 months but less than 1 year	-	84
More than 1 year	63	10
	954	1,872

Liquidity Risk

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)**For the Year Ended 30 June 2009.**

arises when the Authority is unable to meet its financial obligations as they fall due.

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

Market risk

The Authority does not trade in foreign currency and is not materially exposed to other price risks (for example equity securities or commodity price changes). The Authority's exposure to market risk for changes in interest rates relates primarily to the long term debt obligations. The Authority's borrowings are all obtained through Western Australia Treasury Corporation (WATC) and are all fixed with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than detailed in the interest rate sensitivity analysis table at Note 23 (c), the Authority has limited exposure to interest rate risk because it has no other borrowings.

(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:

	2009	2008
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	5,913	6,599
Loans and Receivables (i)	2,260	3,117
Available for sale financial assets	-	3,638
	8,173	13,354
Financial Liabilities		
Financial liabilities measured at amortised cost	2,916	2,502
Borrowings	70,189	71,781
	73,105	74,283

(i) The amount of loans and receivables excludes GST recoverable from the ATO (statutory receivable).

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

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

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

FINANCIAL LIABILITIES 2009							
	Weighted average interest rate %	Floating Interest Rate \$'000	Fixed Interest Maturing in 1 Year or less \$'000	Fixed Interest Maturing 1-5 years	Fixed Interest Maturing over 5 years	Non Interest Bearing \$'000	Total \$'000
Financial Assets							
Cash at Bank	3.5	5,913	-	-	-	-	5,913
Receivables			-	-	-	2,260	2,260
		5,913	-	-	-	2,260	8,173
Payables						2,916	2,916
Borrowing from WATC - Fixed Rate		-	1,693	10,132	58,364	-	70,189
		-	1,693	10,132	58,364	2,916	73,105

FINANCIAL LIABILITIES 2008							
	Weighted average interest rate %	Floating Interest Rate \$'000	Fixed Interest Maturing in 1 Year or less \$'000	Fixed Interest Maturing 1-5 years	Fixed Interest Maturing over 5 years	Non Interest Bearing \$'000	Total \$'000
Financial Assets							
Cash at Bank	6.90	6,599	-	-	-	-	6,599
Receivables		-	-	-	-	3,117	3,117
Available for Sale		-	-	-	-	3,638	3,638
		6,599	-	-	-	6,755	13,354
Payables		-	-	-	-	2,502	2,502
Borrowing from WATC - Fixed Rate		-	1,592	9,644	60,545	-	71,781
		-	1,592	9,644	60,545	2,502	74,283

DAMPIER PORT AUTHORITY

INTEREST RATE SENSITIVITY ANALYSIS

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

2009					
		-1 % Change		+1 % Change	
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial Assets					
Cash and cash equivalents	5,913	(59)	(59)	59	59
Financial Liabilities					
Payables	2,916	(29)	(29)	29	29

2008					
		-1 % Change		+1 % Change	
	Carrying amount \$'000	Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
Financial Assets					
Cash and cash equivalents	6,599	(66)	(66)	66	66
Financial Liabilities					
Payables	2,502	(25)	(25)	25	25

(c) Net Fair Values

The net 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 2009 \$'000	Net Fair Value 2009 \$'000	Carrying Amount 2008 \$'000	Net Fair Value 2008 \$'000
Borrowing from WATC	70,189	67,867	71,781	65,798

The net fair value of borrowings is estimated by discounting expected cash flows at the interest rates currently offered to the Authority for borrowings of the same remaining maturities and security plus costs expected to be incurred when the liability settled.

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.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 25: COMMITMENTS

	2009	2008
	\$'000	\$'000
(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	2,136	4,607
Capital commitments include amounts for:		
Vehicle	45	126
Gangway	515	-
Office equipment	15	-
Triplex house	1,561	-
Vessel	-	127
Berths	-	1,358
Sheds	-	1,184
Land	-	1,812
	2,136	4,607

	2009	2008
	\$'000	\$'000
(b) Operating Expenditure Commitments		
Commitments for maintenance works contracted at the reporting date but not recognised as liabilities payable:		
Within one year	941	1,120
Within one to five years	2,219	1,200
Greater than five years	287	-
	3,447	2,320
Operating commitments include amounts for:		
Concrete repairs to Dampier Cargo Wharf	1,200	1,800
Piling repairs to Dampier Cargo Wharf	1,042	-
Hire of 38 Parliament Place	257	-
Transportable	948	-
Repairs to TSEP quarry wall	-	520
	3,447	2,320

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 26: LEASE REVENUE RECEIVABLE IN THE FUTURE

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

	2009	2008
	\$'000	\$'000
Within 1 year	3,292	2,727
Later than 1 year and not later than 5 years	3,617	3,868
Later than 5 years	4,275	3,679
	11,184	10,274

Lease commitment receivables as at the 30 June 2009 was \$208,511 (2008 \$108,844).

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

NOTE 27: CONTINGENT ASSET

The Port Authority and one of our lease holders are in dispute regarding an unimproved market valuation effective from 1st January 2007; this valuation is used to calculate the rental income of the lease. In accordance with the terms of the lease agreement both the Port and the leaseholder appointed independent Valuer's to determine the unimproved market valuation in December 2006, due to the complexity of the valuations, the Port received the valuation report in June 2009.

Despite numerous attempts from both parties there has been no resolution regarding the lease income. Under the lease terms the valuations on the lease area will need to be determined by arbitration in accordance with the Commercial Arbitration Act 1985. Once the valuation has been determined the increase in rental income will be back dated to 1st January 2007 in accordance with the lease terms.

DAMPIER PORT AUTHORITY

Notes to and forming part of the Financial Statements (cont)

For the Year Ended 30 June 2009.

NOTE 28: CONTINGENT LIABILITY

(a) Contaminated Sites

Under the Contaminated Sites Act 2003, the Authority is required to report known and 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 environment values. Where sites are classified as "contamination – remediation required" or "possibly contaminated – investigation required", the Authority will have a liability in respect of investigation or remediation expenses.

The Authority reported four suspected contaminated sites, all within the De Witt Location 471, to the Department of Environment and Conservation. On 15 June 2007, the Department has classified 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 for marine environments. According to the Department's assessment based on information available at the time of classification, the site appears 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 are required to determine the contamination status of soil, surface water and groundwater at the Site.

In light of the above, a memorial will be lodged by the Department against the Certificate of Title on the De Witt Location 471, with the Registrar of the Department of Land Information, which will record 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. On this ground, the Directors do not believe that the Authority has to bear the financial obligations in respect of further investigation and remediation expenses for the affected site.

NOTE 29: SUBSEQUENT EVENTS

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