



# **BUNBURY PORT AUTHORITY**

## **- Statement of Corporate Intent -**

**2011-2012**

**(Updated August 2011)**



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## 1. INTRODUCTION

The Bunbury Port Authority manages and operates the Bunbury Port for the benefit of the South West Region and the Western Australian community but has a statutory obligation to act in accordance with prudent commercial principles and endeavour to make a profit aside from when this conflicts with a duty imposed by this document or the Port's approved Strategic Development Plan or Statement of Corporate Intent (SCI). For the purpose of the SCI the South West Region and the Port's main area of influence is in accordance with the definition used by the Australian Bureau of Statistics for the South West Statistical Region (see below).

Division 2 Section 58 of the Port Authorities Act (1999) requires the Board of a Port Authority in each year to prepare and submit to the Minister for the Minister's agreement a draft Statement of Corporate Intent for the Port Authority and any subsidiary. The Bunbury Port Authority does not currently have any subsidiaries.

Section 66 of the Act requires the concurrence of the Treasurer before the SCI can be agreed.

Section 30 of the Act defines the functions of the Bunbury Port Authority, which includes among other things: to facilitate trade within and through the port, and plan for the future growth and development of the port.

To allow the pursuit of these and the other functions, as shown in Section 4, the Act gives the Bunbury Port Authority exclusive control of the port.

Section 60 of the Act requires the Statement of Corporate Intent to be consistent with the Strategic Development Plan for the Port and any subsidiary. In addition, it must specify:

- an outline of the Port Authority's objectives;
- an outline of major planned activities;
- proposed arrangements to facilitate trade;
- estimates of operating revenue and expenditure;
- an outline of capital expenditure and borrowing requirements;
- proposed pricing arrangements;
- proposed provisions for dividends;
- the performance targets and other measures by which performances may be judged and related to objectives;
- accounting policies that apply to the preparation of accounts;
- the type of information to be given to the Minister including information to be given in half yearly and annual reports;
- the nature and scope of community service obligations that are to be performed;
- the cost of, funding for, or other arrangements to make adjustments relating to community service obligations;
- the ways in which and extent to which compensation will be made for performing community service obligations; and
- such other matters as may be agreed on by the Minister and the Board of the Port Authority.

The objectives, strategies and targets for the coming financial year are outlined in this SCI and summarised in the following corporate statements.



The SCI was approved at the Special Board meeting of 7 December 2010.



Map provided courtesy of South West Development Commission

## 2. MISSION STATEMENT

### Mission Statement

*“To contribute to the economic growth and development of the South West region of Western Australia by facilitating trade in a commercial, efficient and sustainable manner”.*

Within the focus of sustainable development the role of the Bunbury Port is to operate an efficient and competitive port and to ensure that goods are moved reliably, efficiently and effectively between sea and land transport.



### **3. PORT AUTHORITY CORPORATE OBJECTIVES**

The corporate objectives of the Authority are categorised into the following main activity areas, which are;

- Customer Focus
- Financial Performance
- Environmental Focus
- Productivity Improvement
- Infrastructure & Supply Chain Development
- Community Relations
- Landside Development
- Safety
- Corporate Values
- Risk Management

#### **3.1 Customer Focus**

- Ensure the provision of efficient port facilities and services are established to meet customer needs.
- Establish partnerships and alliances in response to customer needs.
- Ensure Government and community expectations are considered in port planning and development.
- Manage and monitor service provision contracts for the benefit of customers.
- Provide competitive and benchmarked port charges, which are clearly understood by users and stakeholders.
- Improve two way communication with our users, community and stakeholders including Government agencies.
- Ensure port charging regimes are equitable.

#### **3.2 Financial Performance**

- Be financially self sufficient and viable on a commercial basis over the long term.
- Ensure that capital expenditure and major maintenance is financially justified, properly planned and funded.
- Achieve the long term hurdle rate of return while keeping customer costs to a competitive level.
- Ensure financial management of the Port is aligned with the State's budgetary policies.
- Monitor financial performance through appropriate and regular reporting mechanisms.

#### **3.3 Environmental Focus**

- Promote, plan and develop the Port in an environmentally responsible manner for the benefit of the State, industry customers and the community.
- Establish the Authority's "Carbon Footprint" and work towards reducing it.
- Undertake environmental studies and monitoring to pro actively manage, plan and develop the port in an environmentally sustainable manner.
- Consult and communicate with key stakeholders as part of the Port's Environmental Management System.



- The Port to continue to work to achieve ISO 14001 environmental accreditation.
- Ensure port operations are managed to reduce the environmental impact on surrounding marine, terrestrial and community areas.
- Develop a Buffer Definition Policy for the Inner Harbour in consultation with relevant government agencies, community and other stakeholders as an integral part of the further enhancement of the Inner Harbour Structure Plan.

### **3.4 Productivity Improvements**

- Provide training and development for employees to improve productivity and efficiency.
- Improve partnering and working relationships with suppliers and encourage through contract negotiation and competitive tendering the provision of cost efficient services to Port users.
- Maintain a continual improvement approach to operational performance.
- Improve productivity where possible to minimise vessel and cargo costs.
- Maintain and sustain harmonious workplace relations.

### **3.5 Infrastructure & Supply Chain Development**

- Work with the responsible Authorities to ensure provision of efficient land and rail transport systems to and from the port.
- Ensure that the maintenance of assets is of a high standard to ensure that the operational life of infrastructure is not compromised.
- Maintain and update the Asset Management Plan to ensure that periodic maintenance and capital acquisitions are carried out and aligned with the budgeted amount.

### **3.6 Community Relations**

- Work through the Port Community Liaison Committee to address and improve Port/Community communication in port planning, development and operations.
- Respond to genuine community concerns to address impacts from port operations.
- Recognise that the Port serves the regional community of the South West.
- Recognise the Port's impact is focussed on the Bunbury area and in particular adjacent residential locations.

### **3.7 Landside Development**

- Acquire land for port expansions and community buffer needs in line with the requirements of the Bunbury Port Inner Harbour Structure Plan.
- Maximise commercial return on leased land.

### **3.8 Safety**

- Eliminate as far as practicable possible hazards in the workplace.
- Develop, maintain and implement a safety management system based upon the requirements of Worksafe in accordance with the Occupational, Safety & Health Act or any other applicable legislation.



- Provide appropriate training for employees.
- Safety to be an agenda item on at least a monthly basis with the workforce.

### **3.9 Corporate Values**

To support the Authority's objectives the Board has approved the following core values for the organization.

- Safety, environment and risk management (continuous improvement within the workplace, within the port environment)
- Respect (for our staff, our customers, our fellow Board of Directors, our shareholder and the communities within which we operate).
- Honesty (integrity, trust and fairness)
- Adding value to the economic development of the State and in particular the South West.
- Progress through partnering (with our shareholder, staff, customers, service providers and communities within which we operate).

### **3.10 Risk Management**

- Risk management is recognised by the Authority as an important process in managing risks that have been identified in the day to day operations of the port.
- The Authority holds weekly management meetings to discuss new risks that may have been identified and discuss actions to be taken on risks that have already been identified.
- The Authority will maintain a risk register of all risks identified in order to protect its staff, assets, port customers, the environment, its reputation and earnings by avoiding or minimising where possible the risks that have been identified.
- The Authority will maintain a risk register for all products shipped through the port which identifies any inherent risks.
- To develop and implement a Business Continuity Plan to ensure the timely resumption and delivery of essential business activities in the event of a major disruption.

## **4. MANAGEMENT OF THE PORT**

The Board of the Bunbury Port is the body responsible and accountable to the Minister for Transport for the performance of functions, establishment of policies and generally controlling the affairs of the Authority. A code of conduct has been developed and applied to Directors and all employees of the Authority. In addition Corporate Governance principles which include assessment of Board effectiveness have been implemented as Board policy.

To allow Directors to fulfil the corporate and statutory responsibilities a number of committees have been established including:

- the Internal Audit and Risk Management Committee;
- the Corporate Governance Committee; and
- the Human Relations Committee.



In addition to the corporate governance principles, code of conduct and this SCI the Authority has a medium term (5 years) Strategic Development Plan. These documents in conjunction with the Port's Inner Harbour Structure Plan, provide the basis for the future planning and development of the port and assists in coordinating day to day decisions to ensure they align with long term plans and current and future customer and community needs and expectations.

Importantly the short, medium and long term directions will be in accordance with the functions established in the Port Authorities Act (1999) with planning focused on the long term needs of the region and the need for the Port's future growth while minimising the impact on the community.

The Board has also developed and agreed on a risk management based profile which is used to assess all major projects. The risk matrix considers among other things the potential impacts on operational, financial, social, community and environmental risks of major projects.

#### **4.1 Functions and Responsibilities of the Authority:**

The Port Authorities Act (1999) outlines the general functions and responsibilities of the Port which include:

- (a) Being responsible for the safe and efficient operation of the port;
- (b) Facilitate trade within and through the port and plan for future growth and development of the port;
- (c) Undertake or arrange for activities that will encourage and facilitate the development of trade and commerce generally for the economic benefit of the State through the use of the port and related facilities.
- (d) Be responsible for the maintenance and preservation of vested property and other property held by the Authority; and
- (e) Protect the environment of the port and minimise the impact of port activities on that environment.



**In performing these functions, the Authority will;**

- Lead, plan and manage the development of the port within the context of Government policy and the Authority's overall planning strategies.
- Market and promote the port and the South West region locally, nationally and internationally to increase awareness and diversify trade.
- Ensure all current and future port users have equality of access to port infrastructure, facilities and services.
- Ensure that financial returns are sufficient to maintain financial viability and earn an acceptable rate of return.
- Facilitate improvements in port security, productivity, efficiency and reliability.
- Continue to enhance and develop good working relationships with the community, customers and other stakeholders.
- Liaise with service providers to ensure that contractual obligations are achieved and that a trained and skilled workforce is maintained.
- Implement strategies to ensure that port charges are competitive.
- Implement noise and dust minimisation strategies.
- Identify and develop appropriate commercial opportunities.
- Obtain input on port operations and developments from the Port Community Liaison Committee, Port User's and other stakeholders.
- Promote and develop safe work practices and procedures.
- Assess all major projects against the agreed risk management profile and minimise risk to "as low as reasonably practicable".



## 4.2 Structure Plan

A key planning tool for the Port Authority is the Inner Harbour Structure Plan. The plan provides a mechanism to:

- Determine appropriate transport/service corridors within the Port;
- Locate storage and other port activities around the Harbour;
- Evaluate and minimise potential impacts on the surrounding community, including:
  - Noise
  - Dust
  - Transport
- Develop buffers consistent with the State Industrial Buffer Policy (SPP4) both within and external to the Port to provide a reduction in impacts on the surrounding community.
- Provide a staged approach for future Port development that will ensure infrastructure is made available in a timely manner to Port Users.
- Ensure Port plans and future developments are compatible with the town planning schemes that surround it and are consistent with the indicative land uses as provided in the Inner Harbour Structure Plan.

The Authority will continue to inform the City of Bunbury and Department of Planning in regard to future Port developments. Approvals for non-port related future development projects in the Port will be the responsibility of the Authority in consultation with the Department of Planning.

The next stage in the development of the Structure Plan is to complete an external buffer study in order to develop a Buffer Definition Policy. Noise and dust modelling undertaken as part of the Structure Plan development will be updated as part of defining appropriate Port buffers. Having over 24 months of dust monitoring with TEOM's at PM10 will allow for ratification of the dust model.

Changes are also expected to occur in the Port with respect to noise generation. For example the proposed return of trains for the proposed urea export project and increased activity on Berth 5 which may lead to a requirement to review and model noise impacts.

Risks associated with potentially hazardous materials will be examined on a case by case basis to ensure community and environmental concerns are considered before allowing the material in the Port area. With regards to these types of materials which may be exported through the port in the future, the Authority will continue to be proactive and obtain base line data prior to exports commencing as it did in preparation for the Copper Concentrate exports. This will allow the Authority to be in a position to monitor any post export build up of such materials so adequate controls can be put in place to minimise their impact on the environment.

The State Industrial Buffer Policy will be used as a basis for the Buffer study. The role of internal buffers such as the diverted Preston River Channel and "Low" impact land uses at Port boundaries will also be considered as a passive way of providing buffers.



### Timing

The Buffer study is expected to be completed by 2015.

## **4.3 Infrastructure and Service Provision**

While the Authority will endeavour to meet the needs of port customers by ensuring the availability of services and infrastructure at competitive prices, it must be recognised that this provision must be managed within the overall government budgetary financial framework and policies. The practice will be to encourage provision of infrastructure and services by industry with the Authority being directly responsible where there is no private provider.

Infrastructure programmed for 2011/2012 is that which is necessary to meet the growth and development needs of the Port and the region that it serves. Projects are planned based on best information available at the time; however projects may eventuate during the year which were not expected at budget preparation time.

Port development will consider the compatibility issues of different cargoes and wherever possible will implement strategies to minimise the risk of product contamination and the protection of export markets.

To allow the Authority and Port users to benefit from these commercial opportunities the flexibility must exist to allow the Authority to pursue these opportunities or risk losing the project.

Ministerial approval will be sought for capital projects in excess of \$2 million with projects over \$1 million to be reported to the Minister.

To respond to growth in the Port in a sustainable way the Authority has initiated the following projects and investigations, which will be progressed in a substantial way in 2011/12. The projects and investigations are consistent with the outcomes of the Port's Strategic Planning sessions held in February and August 2010.

- Subject to obtaining approval of the business case in 2010/11 progress with the Berth 3 land backing project which has been identified as the next major development in the Inner Harbour..
- Commence investigations into the requirement for a waste water management control system for Berth 5 to meet the requirements of new products such as urea.
- Progress with the business case and approval for the purchase of the remaining areas of land in Glen Iris as identified in the Inner Harbour Structure Plan.
- Progress with the development of a container facilities hardstand area in either the Outer Harbour or Inner Harbour.
- Progress the development of plans for the next stage of the Inner Harbour expansion including optimum berth design for the proposed coal exports at the location known as Berth 14.
- Investigate the removal of the area of rock in the Inner Harbour near Berth 5 which will require removal by blasting and dredging.
- Continue with the Buffer Study for the Port. This will incorporate:
  - Internal buffers;



- Noise;
- Dust;
- Risk from hazardous materials; and,
- External Buffers.
- Respond to predicted trade growth including urea, coal, grain and iron oxide export by:
  - Undertaking environmental approvals for the Inner Harbour expansion;
  - Development of new facilities for the Inner Harbour (in particular Berth's 3 and 5; and
  - Assist with the facilitation of the initial iron oxide exports over Berth 1.

#### **4.3.1 Development of a Waste Water Management System at Berth 5**

On the basis of the proposed Perdaman urea export development, it has been identified that environmental improvements will be required at Berth 5 to contain storm water run off which may contain urea. This will require investigation into a suitable system to capture the water so that it does not enter the marine environment. As the majority of the future use of Berth 5 will be by Perdaman the Authority is planning to recoup the capital cost of the waste water system from a levy which will be incurred by users of Berth 5 the bulk of which will be applicable to the urea exports.

The project will not proceed until Perdaman has financial close of their urea plant project.

#### **4.3.2 Port Road/Rail Access**

As the Port increases trade volumes, the safety, social and environmental impacts of increasing road transport into (and to a lesser extent due to the export dominance of the trade, out of) the Port must be considered. While the new Port Access Road (Willinge Drive) has relieved some congestion of Eelup Roundabout in Bunbury (but not be fully effective until the Bunbury Outer Ring Road is completed) the issue of heavy vehicles on roads that service the Port's trade will not adequately addressed.

Bunbury Port is well placed to take advantage of rail transport due to its trade being resources based which is typified by large volumes on a fixed route for extended periods of time. This situation provides a basis for investors to gain an economic return on the relatively high (from a private investors view) capital expense of rail compared to trucks.

Alumina is currently railed to the Port and a third rail loop within the Port boundary is being planned to handle the future expansion of the alumina trade.

Future urea, coal and grain exports which have the potential to increase significantly in a few years time cannot be supported by a trucking regime in the longer term..

To assist with the road and rail infrastructure development required to handle the future trade growth from the South West region into the Port, the Authority has been involved in a joint submission to Infrastructure Australia. The other parties involved in supporting the joint submission were the South West



Development Commission, Bunbury Wellington Economic Alliance and the Chamber of Minerals & Energy WA. The submission provides a compelling case for investment to improve local transport infrastructure that in the long term will benefit the region as a whole as well as provide efficient transport links to the port for the projected growth in bulk exports through the port.

#### **4.4 Dividend**

Competitive neutrality principles require that the Authority operate on the same basis as any private organisation which includes payment of dividends and other rates, taxes and charges.

Dividend payments to government will be based on the long term needs of the port after considering the following;

- Dividend policy
- Projected capital requirements.
- Trade facilitator role and the maintenance of prices as low as commercially practicable.
- Government as the Shareholder requirement for a return.

Currently, the policy is for dividend payments of 65% of after tax profits.

Taxes and other charges are paid in accordance with relevant legislation or as otherwise agreed.



## **5. 2011/2012 PLANNED ACHIEVEMENTS**

In accordance with the 2011/12 Strategic Planning Session, the long term vision and plans for the Port, the following outcomes are planned for the year under review.

### **5.1 Key Performance Target 1 - Trade**

- Facilitate the future export of urea through Berth 5 by continuing to liaise with Perdaman to enable provision on a commercial basis of required infrastructure.
- Facilitate the future export of coal through liaising with potential exporters to enable provision on a commercial basis of required infrastructure.
- Facilitate the future export of grain over Berth 3 through liaising with potential exporters to enable provision on a commercial basis of required infrastructure.
- Complete engineering design and estimated construction costs to develop a sound business case for the realignment of infrastructure including the Preston River Channel.
- Commence design of the proposed new waste water management system for Berth 5 in liaison with Perdaman who will be the major user of the facility.
- Continue to promote Bunbury as an alternative container handling service to a hub port such as Singapore or as part of a coastal shipping service.

### **5.2 Key Performance Target 2 – Management**

- Manage the Inner Harbour Structure Plan and any future land developments in consultation with relevant government agencies, as and when required.
- Implement, manage and monitor service contracts to ensure that they meet customer needs and are efficient and competitive.
- Review existing Port environmental monitoring programs and develop a range of baseline studies for efficient environmental and community impact assessment.
- Continue to operate security requirements to comply with Federal and International requirements, in particular the Maritime Security Identification Card (MSIC).
- Provide administrative support to the Port Users and Security Committee and Port Community Liaison Committee.
- Implement occupational health and safety audits and risk management reviews to manage risk and controls in accordance with legislation to provide the safest working environment.



- Commence the development of the Inner Harbour Buffer Policy by taking the lead role in the Buffer Definition Study.

### **5.3 Key Performance Target 3 – Infrastructure/Operations**

- Continue to use the BPA Developed Berth Utilisation Model for Common User Berths to see effects of trade growth and other Port changes on the demand for common user berths and predict requirements for new infrastructure.
- The total proposed capital investment plan for 2011/2012 is budgeted to be \$40.0 million. Funding for the program is budgeted to be provided from internal funds and balances and from borrowings. Details of the program are provided in the Capital Investment Plan in Section 7.
- If financially viable and/or required. The project must provide a positive net present value cashflow over the estimated life of the project at an 8% weighted average cost of capital and be part of the capital investment plan.
- Continue to work with Worsley and Alcoa to facilitate growth in Alumina exports.
- Work with potential coal producers to assist with the development of an industry supported export facility for coal from the Port.
- Work with an exporter to assist with the export of iron oxide from the Port over Berth 1.
- Continue to work with Government in the development of Berth 3 for the potential new multi user berth that will be required if the Perdaman project proceeds following financial closure.

### **5.4 Key Performance Target 4 – Financial**

- Achieve a net profit before tax of \$4.813 million.
- Achieve a rate of return on the deprival asset valuation methodology, of approximately 5.8%.
- Apply an overall increase in Port Infrastructure charges of 4.5% based on recovering an increase in overall port operations administration and maintenance costs of 4.5%. In addition apply a 170% increase in the Berth Hire charges for Berths 1 and 2, an increase of 9.4% for Berth 3 and an increase of 35% for Berth 5 and 8 to recover significant increases budgeted for maintenance of berth structures especially at Berths 3 and 5 as well as a step change to recover 100% of berth costs over a period of time.
- Apply an increase of 3.2% for Navigational Services charges to recover the increase in cost of maintenance dredging.
- Apply an increase of 5.9% for the Pilotage charges to recover the budgeted increases in marine pilot salaries and pilot boat operations.



- Make dividend payments based on 65% of after tax profit.
- Comply with financial reporting requirements.

### **5.5 Key Performance Target 5 - Environmental**

- Develop infrastructure taking into consideration the Port's Inner Harbour Structure Plan.
- Review the Port's environmental monitoring practices to ensure that adequate information is available to assess potential adverse environmental or community impacts from port operations and development.
- Continue to monitor environmental parameters and act to minimise dust and noise impact on the community, targeting PM10 dust levels below 50mg/m<sup>3</sup> and year on year reduction in noise related community contact events.
- Ensure that operations are in accordance with environmental licences and permits.
- Liaise with the Community and other key stakeholders regarding port operations and port development through regular meetings of the Port Users Group and the Port Community Liaison Committee.
- Develop a Long Term Dredge Management Plan.
- Establish the Authority's "Carbon Footprint" and work towards reducing it.

### **5.6 Trade Facilitation**

Trade will be facilitated through a variety of means and will include;

- Maintain ship and cargo price increases as low as reasonably achievable ensuring a commercial return.
- Apply sustainability practices in port operations and port development.
- Work with stakeholders to promote and develop the Kemerton and other Regional Industrial Parks.
- Ensure appropriate water depths and DUKC systems are maintained to allow optimum cargo movement.
- Retain sufficient after tax profits to provide funds for future port growth.
- Ensure infrastructure, facilities and services are available in a timely and reliable manner but without compromising the safety of employees.
- Market and promote the Port locally, nationally and internationally.



## 5.7 Community Service Obligations

The Bunbury Port Authority currently undertakes community support programmes in the form of providing various community organisations with access to premises and port land at reduced rates. As a result the CSO is provided through foregone revenue rather than as an expenditure item.

The current CSO's values (10/11) are as follows:

Naval Cadets Site	\$	12,100.00
Bunbury Lifeboat Foundation	\$	1,115.00
Department of Waters & Rivers (DEC) Nursery Site	\$	23,650.00
Western Tourist Radio	\$	4 045.45
<b>Total</b>	<b>\$</b>	<b>45,860.45</b>

The retention of the Outer Harbour wharf for cruise ships following redevelopment for residential/recreation/tourism would be a significant CSO. Whilst cruise ships provide significant economic benefit to Bunbury and surrounds, the cost of maintaining the berth and adequate draft for what will only amount to a few visits a year will far outweigh the charges that can be levied. If this CSO in terms of dredging (draft maintenance) is not undertaken there will need to be consideration given to the impact of sand migration into the marina area and the impact on draft for recreational use and who will ultimately fund the ongoing maintenance dredging costs. The average annual cost of the CSO to keep the Outer Harbour draft operational is estimated to be \$0.266 million.

## 5.8 Prices

The Port will implement increased charges in 2011/2012 by the greater of actual cost increases or CPI.. In addition the Authority is budgeting to increase Berth Hire charges by between 9.4% and 170% to recover significant increases in berth maintenance costs that have been identified during the budget process. The berth maintenance that is required to be recovered by the increase in berth hire charges include the repairs to the Berth 3 mooring dolphin anchors at a total estimated cost of \$3 million and the repairs to the Berth 5 deck at an estimated cost of \$4 million. The significant increases in Berth Hire charges are also justified in order to ensure expenditure to maintain the berths in the forward years is adequately recovered rather than be under recovered.

When major infrastructure developments are undertaken these will be funded on the basis of charges associated with the users of the facility and will be evidenced as additional "step changes" in the charging regime.

In 2011/12 Pilotage will increase by 5.9%, Navigational Services by 3.2% for deep draft vessels 11.6m or greater and for all other vessels, berth hire by between 9.4% and 170.0%, water by 6.25% and port infrastructure by 4.5% for all Berths..

Port Users will be consulted at least three months prior to the introduction of the increased port charges.



The total additional revenue resulting from the above increases in charges is \$2.340 million of which \$0.819 million is from Navigational Services required to recover the increase in annual maintenance dredging costs, Port Infrastructure \$0.799 million which includes allowance for improvements and increased maintenance for shiploaders and conveyors and other civil work. The increased cost of providing the pilotage service plus the projected increase in the number of vessel movements required to handle the increase in trade results in pilotage revenue increasing \$0.131 million and berth hire revenue increase of \$0.568 million for the planned increase in the maintenance of the berths and increase in utilisation. Another \$1.853 million in revenue has been generated from the projected growth in trade activity and other income such as land rental.

A forecast increase in power consumption by port users sees \$0.179 million additional revenue generated. Leases and rentals are budgeted to increase by \$0.158 million.



**6. OPERATING BUDGET & TRADE**

**6.1 Operating Budget 2011/2012**

The Bunbury Port Authority’s operating budget for 2011/2012 shows an operating profit of \$4.81 million (before tax) which is made up as follows:

**Table 1.**

	<b>Forecast Outturn 2010/2011 \$ million</b>	<b>Budget Estimate 1st 6 Months \$ million</b>	<b>Budget Estimate 2nd 6 Months \$ million</b>	<b>2011/2012 Total \$ million</b>
<b><u>Revenue</u></b>				
Revenue from				
Ships	11.83	7.32	7.31	14.63
Cargo	7.52	4.37	4.36	8.73
Revenue from				
utility sales	3.01	1.60	1.60	3.20
Leases	3.37	1.75	1.75	3.50
Other	1.70	1.00	1.00	2.00
Interest offset - DSD	0.09	0.05	0.04	0.09
	<b>27.52</b>	<b>16.09</b>	<b>16.06</b>	<b>32.15</b>
<b><u>Expenditure</u></b>				
Administration	4.45	2.08	2.07	4.15
Port operations	7.50	5.52	5.51	11.03
Marine Expenses (Pilotage)	1.74	1.04	1.03	2.07
Borrowing expenses	0.59	1.55	1.54	3.09
Utility purchases	2.45	1.30	1.30	2.60
Depreciation	5.71	2.01	2.01	4.02
Insurance	0.37	0.19	0.19	0.38
	<b>22.81</b>	<b>13.69</b>	<b>13.65</b>	<b>27.34</b>
Operating profit before tax	4.71			4.81
Tax payable	1.41			1.44
Proposed dividend 65%	2.14			2.19

Note: The interest offset relates to an agreement between the then Department of Resources Development (DRD and now the Department of State Development (DSD)), Ampolex and the Bunbury Port Authority where DSD agreed to make a contribution of \$1.3 million to Ampolex for the casting basin with the Authority being the medium for the transaction.

All investment decisions will be evaluated in accordance with accepted commercial principles and within the financial framework of the SCI. Projects, which are not financially justified or cannot be justified on environmental or security/safety grounds will not be undertaken.

Details of projects in excess of \$2 million including financial evaluation information, cash flows and hurdle rates of return are currently required to be approved by the Minister for Transport prior to the project being committed. The Minister is also notified of projects with expenditure of over \$1 million.

Funding for the Capital Investment Plan for 2011/2012 will be met using internal funds, asset sales and borrowings on the assumption that capital projects proceed as planned.



## 6.2 Trade 2011/2012

### BUNBURY PORT AUTHORITY

<b>Cargo Tonnes By Cargo Type</b>	<b>2011/12</b>
Alumina	10,300,000
Caustic Soda	1,340,000
Coal (Import)	20,000
Containers	30,000
Copper Concentrate	200,000
Fertilizer	20,000
General In (Project Cargo)	100,000
General Out (Timber)	100,000
Iron Oxide	160,000
Methanol	15,000
Mineral Sands (Export)	716,000
Mineral Sands (Import)	253,000
Petroleum Coke	48,000
Recycled Lubricant	50,000
Silica Sand	230,000
Spodumene	240,000
Vegetable Oil	4,000
Woodchips	1,556,000
<b>Total</b>	<b>15,382,000</b>

## 6.3 New Trade Development

The Authority will continue its negotiations with Perdaman Chemicals and Fertilisers for the potential export of up to 2 million tonnes per annum of urea from their proposed plant in Collie which will use Collie coal as feed stock. The expected commencement of this exciting new export trade is in the first half of 2014.

In addition the Authority will work with coal companies in the South West and Government to develop a viable, long term coal export trade through the Port of Bunbury.. Due to the requirement for new dedicated berth facilities to be provided for coal exports in the Inner Harbour, a recently completed feasibility study identified that the Berth 14 area is the most suitable for the project. The estimated timing for completion of the proposed new berth would be in 2015/2016 due to the time taken in dredging and construction as well as the approval process for environment and funding of the project. It is proposed that proponents from the coal industry will fund the new coal export infrastructure required in the port to facilitate the coal export trade. These include rail infrastructure improvements, dredging, berth and shiploader.

The Authority is also having discussions with an exporter in regards to their proposed future export of iron oxide which is anticipated to commence within the next twelve months. There is also the potential that grain may be exported



through the port and the Authority is confident of establishing this trade with one or two exporters from facilities to be developed in the Inner Harbour.

If not already established by 2010/11 the Authority will continue to investigate the future development of a container trade facility in Bunbury to service the export industries of the South West as this is a high priority for the Port. The Authority has had positive discussions with Jepsens to establish a regular container service as part of Jepsens's coastal shipping service. When established, Jepsen would utilise a South East Asian port for the world wide distribution of the containers handled in Bunbury.

The Authority will continue to market the Port as a potential container service provider on the understanding that any initial service will require the use of geared ships to load/unload containers for the service. There is potential that subject to draft constraints the Outer Harbour has capacity which could be used to facilitate an interim stage container service.



**7. CAPITAL INVESTMENT PLAN**

The Bunbury Port Authority's capital investment plan for 2011/2012 is estimated at \$40.000 million and includes the following projects:

<b>CAPITAL WORKS PROGRAM</b>	
<b>Project Description</b>	<b>\$ Million</b>
New Works:	
<b>Funded -</b>	
Minor Works (Asset Replacement 2011/2012)	1.500
<b>Unfunded -</b>	
Berth 3 Land Back (Option 2)	30.000
Waste Water Management System Berth 5	1.000
Berth 3 Shiploader Replacement	1.000
Purchase of Freehold Land Glen Iris	4.000
Berth 5 Harbour Basin Rock Removal	0.500
Container Facilities - hardstand, secure areas	2.000
<b>Total</b>	<b>40.000</b>

Note: Capital investment will only be incurred on the basis that the expenditure is financially justified and there is a commitment to the service.

All investment decisions will be evaluated in accordance with accepted commercial principles and within the financial framework of the SCI. Projects, which are not financially justified or cannot be justified on environmental or security/safety/risk grounds, will not be undertaken.

Details of projects in excess of \$2 million including the business case incorporating financial evaluation information, cash flows, hurdle rates of return and written justification are currently required to be approved by the Minister for Transport prior to the project being committed. Projects over \$1 million are to be reported to the Minister.

Note: Funding for the Capital Investment Plan for 2011/2012 will be met using internal funds, asset sales and borrowings on the assumption that capital projects proceed as planned.



## **8. ACCOUNTING POLICIES**

Financial statements will be prepared on an accrual accounting basis in accordance with Australian Accounting Standards (AASBs), (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB), and the financial reporting provisions of the Port Authorities Act (1999) using the historical cost convention.

Tax Equivalent Payments will be made in accordance with the Treasurer's Directions and rulings recognising the State's tax equivalent regimes and in accordance with the National Taxation Equivalent Regime.

The Rate of Return will be calculated using profit before tax and interest, but after depreciation based on the deprival value of the Authority's assets.

## **9. PERFORMANCE MEASUREMENT**

In conjunction with the Department of Transport, a suite of performance indicators have been developed and adopted by the Bunbury Port as a basis of assessing the Authority's achievement of agreed goals and objectives. For the budget year the Authority has discontinued with the Average Ship Delay Time indicator as it is an indicator that is difficult to reliably measure year on year.

To compensate for the discontinuation of the Average Ship Delay Time indicator the Authority has included an additional effectiveness indicator for Berth Utilisation by separating the indicator into a measure of Outer Harbour berth as well as Inner Harbour berth utilisation. This will provide the Authority with a better understanding of the utilisation factors that will drive the need for the development of additional berth capacity in the future.

These performance indicators are as follows:



## 9.1 KPI's for the Budget Year ending 30 June 2012

### KPI's for the Budget Year ending 30 June 2012

	Forecast 2010/2011	Budget 2011/2012
<b><u>EFFECTIVENESS INDICATORS</u></b>		
1.1 Outer Harbour % - BPA Berths 1 & 2 (2)	4.15%	9.37%
1.2 Inner Harbour % - BPA Berths 3, 5 & 8 (2)	28.45%	48.39%
1.3 Inner Harbour % - Berths 4 & 6	59.30%	61.75%
<b>1.4 Total Combined Berth Utilisation % (1)</b> (Includes Commercial and Naval Vessels).	<b>30.32%</b>	<b>41.06%</b>
2. Average Ship Turn-a-round Time (hours) Bulk	52.7	58.8
<b><u>FINANCIAL INDICATORS</u></b>		
3. Gross Cargo Revenue Per Ship	\$0.50	\$0.57
4. Gross Ship Revenue Per Ship	\$30,537	\$31,554
5. Aggregated Operating Port Authority Cost Per Cargo Tonne	\$1.54	\$1.78
6. Rate of Return (after maintenance dredging)	5.8%	5.8%
<b><u>EFFICIENCY INDICATORS</u></b>		
7 Total Tonnes Throughput Per Berth (million)	2,110,876	2,197,429
8. Cargo Tonnes Per Total Vessel Hour (Average all Berths) (Bulk)	795	611
9. Target zero Lost Time injuries	0%	0%
<b><u>ENVIRONMENTAL &amp; SUSTAINABILITY INDICATORS</u></b>		
10. Maintain PM10 Dust levels below NEPM standard of 50mg/m <sup>3</sup>	<50	<50
11. Achieve ISO 14001 accreditation within 3 years	Work to achieve items identified in GAP analysis.	ISO 14001 Achieved
12. Undertake annual monitoring of marine waters, sediments, surface water and soils for determination of product build up.	Monitoring Programmes Undertaken	Monitoring Programmes Undertaken
13. Develop a carbon neutral operation in regards of the Authority's vehicle and mobile equipment fleet.	Maintain Carbon Neutral Fleet	Maintain Carbon Neutral Fleet
14. Achieve Year on Year reduction in substantiated community complaints	36	20

(1) The utilisation calculation does not include time taken to clean the conveyor systems and change loading chutes and make the facilities and berth ready for use. This applies mainly to Berth 8. Inclusion of these factors would increase berth utilisation at Berth 8 by approximately 9%.

(2) 65% berth occupancy at Port Authority berths is considered capacity.



## 9.2 Rate of Return

The rate of return is calculated in accordance with the deprival valuation method as required by the Port Authorities Financial Policy. The estimated rate of return for 2011/2012 is 5.8%.

## 10. PERFORMANCE REPORTING TO THE MINISTER FOR TRANSPORT

In accordance with the undertakings agreed to by the Board and the Minister the Bunbury Port Authority will on a six monthly basis report to the Minister on the financial performance of the port. Annual reporting will be in accordance with corporate legislation and include financial, operational and Directors' reports.

### 10.1 Corporate Legislation

Six monthly reports will include:

- Financial statements (Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Capital Investment Expenditure).
- Actual versus target as agreed in the Statement of Corporate Intent.
- Any other information required by legislation or as directed by the Minister for Transport.
- Explanations to major variations.
- Revised end of year forecasts.

Annual Reporting will be in accordance with Clause 69 and Schedule 5 of the Port Authorities Act (1999).

### 10.2 Treasury Information

Relevant annual information will be provided in accordance with the Government Financial Responsibility Act (2000) as it applies to Port Authorities. Such information will include forecasts of dividend and tax equivalent payments plus concise financial information for the budget year and the subsequent three out years.

BPA's commitment to comply with Government's capital investment expenditure approval process:

The financial parameters within this document contain unapproved capital expenditure, net debt and net flows to/from government. Government approval will be obtained prior to any commitments and/or actions being undertaken which will affect approved parameters. Government approval will also be sought prior to commencing new projects not included within the State Government approval financial parameters.



## 11. EFFICIENCY DIVIDEND

As announced by the Government on 19 May 2011, the Bunbury Port Authority will be enacting a series of savings initiatives designed to meet a 5% efficiency dividend between 2011-12 to 2014-15. The savings targeted in each year are displayed below.

<b>EFFICIENCY DIVIDEND</b>				
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>
Discretionary Operating Expenses (\$'0000)	7,962	8,138	9,181	9,181
Rate (%)	5	5	5	5
Reduction in expenses (\$'000)	398	407	459	459
Estimated increase in Tax Equivalent Payments (\$'000)	119	122	138	138
Estimated increase in Dividends (\$'000)	-	181	185	209

An implementation plan detailing where exact savings will be made will be provided to the Minister and Treasurer by 30 June 2011. A progress report will then be provided by 10 October, with this information used for the Government's 2011-12 Mid Year Review (MYR).

The exact tax and dividend implications resulting for the above reductions in expenditure will be modelled between now and the October progress report.



**Bunbury Port Authority**

**REVISED ADDENDUM**

**SCI 2011/2012**

## Appendix 2

**STATEMENT of CAPITAL EXPENDITURE**  
for the years ending 30 June

\$ million (2011 \$'s)

	DTF Project ID	Total Project Cost	Treasury Approved Budget Approved Funds	2009/10 Carryover	Current Year 2010/11	Budget Year 2011/12
<b>Forecast Completed Works:</b>						
Screen Wall Inner Harbour	11483	1.200	1.200	1.200	1.200	0.000
Waste Water Management Berth 8 (H2) (Pending Approval)	15001	4.563	4.563	2.563	2.563	0.000
Minor Works (2010/2011)	14486	1.400	1.400	1.400	1.400	0.000
<b>Works in Progress:</b>						
<b>New Works:</b>						
<b>APPROVED BY DTF</b>						
Minor Works (Asset Replacement 2011/12) (H1)		1.500				1.500
Minor Works (Asset Replacement 2012/13- 2015/2016) (H1)		9.950				
<b>UNAPPROVED BY DTF</b>						
Minor Works (Asset Replacement 2016/2025) (H1)		27.000				
Berth 3 Land Back (Option 2) (H2)		0.000			0.000	0.000
Waste Water Management System Berth 5 (H3)	16000	0.000				0.000
Berth 3 Shiploader Replacement (H4)	16001	0.000				0.000
Wash Water System Berth 5 Shiploader (H5)	16001	0.000				0.000
New Shiploader Berth 5 (Bulk Cargoes) (L1)	15002	0.000	To be funded by Perdaman			0.000
Purchase of Freehold Land - Glen Iris (New Project) (M1)		0.000				0.000
Berth 5 Harbour Basin Rock Removal (Dredging) (H6)	15005	0.000				0.000
New Road System for Berth 5 (H7)	15997	0.000				0.000
Berth 5 Third Party Access Road Hopper (Perdaman) (H8)	15998	0.000				0.000
Container facilities - hardstand, secure areas. (a)(H9)	15999	0.000				0.000
Dredging Berth 14 Basin (Panamax) to 12.2 metres (b) (M1)	15006					
	Coal	122.300				
Berth 14 - Construction (Panamax) (M2)	15007	42.900				
	Coal					
Berth 14 Shiploader/Gantry & Conveyors (Panamax) (M3)	15008	13.800				
	Coal					
Coal Rail Loop & Infrastructure Inner Harbour (L2)	15009	0.000				Assumes to be funded
	Coal					
Dredging for Berth 7 (Square off of Inner Harbour) (M4)	15010	150.000				Depends on whether
Berth 7 - Construction @ 12.2 Metres (M5)	14449	60.000				
Stage 1 Preston River Relocation (M6)	14451	0.000				
Stage 2 Preston River Relocation (M7)	15011	0.000				
Rail Infrastructure for Berth 5 (Perdaman requirement) (H10)		0.000				Assumes to be funded
Berth 8 CV6 Conveyor Extension & Upgrade (L3)	14499	6.900				
New Storage Shed (Min. Sands) (L4)	14496	0.000				
New Administration Office (Outer Harbour) (L5)	15016	0.000				
<b>Total of All Projects 2011/12 to 2024/25</b>		<b>441.513</b>	<b>7.163</b>	<b>2010/11 5.163</b>	<b>5.163</b>	<b>1.500</b>
<b>Total of All Approved Projects 2010/11 to 2015/16</b>		<b>16.613</b>		<b>5.163</b>	<b>5.163</b>	<b>1.500</b>
<b>Total of All Unapproved Projects 2011/12 to 2015/16</b>		<b>0.000</b>			<b>0.000</b>	<b>0.000</b>
<b>Total Proposed Projects 2011/12 - 2015/16</b>		<b>16.613</b>				

Funding to be approved by Department

**Notes:** Detailed financial project evaluations and analysis will be undertaken when project details are firmed and industry has agreed to a commitment to the development.

Private expenditure will be encouraged wherever possible.

**(a) Container expenditure for the hardstand will only be incurred if the project is financially viable.**

**(b) Commencement of project is subject to coal exports commencing.**

Appendix 4

**PERFORMANCE INDICATORS**  
for the years ending 30 June

	<b>2011 Forecast</b>	<b>2012 Budget</b>
<b><u>EFFECTIVENESS INDICATORS</u></b>		
1. 1.1 Berth Utilisation:- (1) Outer Harbour B1&2 (2)	4.15%	9.37%
1.2 Berth Utilisation:- (1) Inner Harbour B3 (2)	19.03%	18.84%
1.3 Berth Utilisation:- (1) Inner Harbour B5 (2)	23.94%	70.82%
1.4 Berth Utilisation:- (1) Inner Harbour B8 (2)	42.39%	55.50%
1.5 Berth Utilisation:- (1) Inner Harbour B4 & 6	59.30%	61.75%
Total Combined Berth Occupancy	30.32%	41.06%
2. Average Ship Turn-a-round Time (3) (Hours) Bulk	52.7	58.8
<b><u>FINANCIAL INDICATORS</u></b>		
3. Gross Cargo Revenue Per Tonne of Cargo	\$0.50	\$0.57
4. Gross Ship Revenue Per Ship	\$30,537	\$31,554
5. Aggregated Operating Port Authority Cost Per Cargo Tonne	\$1.54	\$1.60
6. Rate of Return	5.8%	6.6%
<b><u>EFFICIENCY INDICATORS</u></b>		
7. Total Tonnes Throughput Per Berth	2,110,876	2,197,429
8. Cargo Tonnes Per Total Vessel Hour (Average all Berths) Bulk	795	611
9. Target zero Lost Time Injuries	0.0%	0
<b><u>ENVIRONMENTAL MANAGEMENT INDICATORS</u></b>		
10. Maintain PM10 Dust levels below NEPIM standard of 50mg/m3	<50	<50
11. Achieve ISO14001 accreditation within 3 years	Work to achieve items identified in GAP analysis	ISO 14001 Achieved
12. Undertake annual monitoring of marine waters, sediments, surface water and soils for determination of product build up	Monitoring Programmes undertaken	Monitoring Programmes undertaken
13. Develop a carbon neutral operation in regards of the Authority's vehicle and mobile equipment fleet	Maintain Carbon Neutral Fleet	Maintain Carbon Neutral Fleet
14. Achieve Year on Year reduction in substantiated community complaints	36	20

(1) Utilisation calculation does not include time taken to clean the conveyor systems and change loading spouts to make the facilities and berth ready for use. This applies mainly to Berth 8. Inclusion of these factors would increase berth utilization at berth 8 by approximately 9%.

(2) 65% berth occupancy at Port Authority berths is considered capacity.

*Appendix 5*

**STATEMENT OF TRADE POSITION**

for the years ending 30 June

	<b>2011 Forecast</b>	<b>2012 Budget</b>
<b>Vessel Numbers</b>	364	439
<b>GRT (000's tons)</b>	11,196	12,153
<b><u>Trade (000's tonnes)</u></b>		
Bauxite	200	0
Coal	0	0
Grain	0	0
Urea	0	0
Copper Concentrate	200	200
Potash	10	0
Fertilizer	20	20
Petroleum Coke	57	48
General Imports	10	120
Woodchips	1,450	1,556
Methanol	16	15
Mineral Sands Exports	749	716
Mineral Sands Imports	226	253
Recycled Lubricant	0	50
Spodumene	239	240
Silica Sand	225	230
Caustic Soda	1,280	1,340
Alumina	10,081	10,300
Iron Oxide	0	160
Containers	0	30
Other	14	104
<b>Total Trade</b>	<b>14,776</b>	<b>15,382</b>

*Notes:*

\* Trade forecasts are based on known information as provided by port users and estimated growth targets.

\* Movements in the global economy could have an adverse impact on trade forecasts, however any impact is unknown at this stage as trade is dependent on many variables which are outside the Authority's control.

## Appendix 6

**STATEMENT of COMPREHENSIVE INCOME**  
for the years ending 30 June

	2011 Forecast	2012 Budget **
<b>Revenue</b>		
Port Infrastructure & Navigational Services	16.649	18.960
Berth Hire	0.920	2.073
Pilotage	1.855	2.351
Electricity & Water Sales	3.010	3.194
Rents	3.371	3.529
Sundry Receipts	1.081	1.189
Direct Grants & Subsidies - Recurrent	0.000	0.000
Security Card Revenue	0.050	0.090
Profit on Sale of Non-Current Assets	0.010	0.002
Interest Received	0.556	0.666
Interest Offset DSD * (Direct Grants & Subsidies - Recurrent) (Stops in 2012)	0.094	0.094
<b>Total Revenue</b>	<b>27.597</b>	<b>32.149</b>
<b>Expenditure</b>		
Administration	4.453	4.032
General Port Operations	5.706	9.382
Dredging & Nav. Aid Maintenance	1.741	1.571
Electricity & Water	2.450	2.604
Pilotage & Other Services	1.791	2.155
P&O Stevedoring Costs	0.000	0.000
Insurance	0.368	0.375
Depreciation and Amortization (Existing asset base)	4.881	3.781
Interest on Borrowings (Current)	0.590	0.578
<b>Depreciation on New Capital Investments</b>	<b>0.000</b>	<b>0.175</b>
<b>Guarantee Fee on New borrowings</b>	<b>0.000</b>	<b>0.000</b>
<b>Interest on New Borrowings (20 year loan with rollover)</b>	<b>0.000</b>	<b>0.000</b>
<b>Total Expenditure</b>	<b>21.981</b>	<b>24.651</b>
Operating profit/(loss) before income tax equivalent	<b>5.616</b>	<b>7.498</b>
Income tax expense attributable to operating profit ***	1.685	2.249
Operating profit after income tax equivalent	3.931	5.249
Retained profits at the beginning of the reporting period	78.588	80.842
Dividend provided for or paid	1.677	2.555
Retained profits at the end of the reporting period	<b>80.842</b>	<b>83.536</b>

Notes: \* The interest offset relates to an agreement between the Department of State Development (previously DOIR), Ampolex and the Bunbury Port Authority where DOIR agreed to make a contribution of \$1.300 million to Ampolex for the Casting Basin with the Authority being the medium for the transaction. This loan matures in 2012 and is to be paid out in full to WA Treasury Corporation.

\*\* Includes revenue from potential new trades

\*\*\* Based on rate of 30% as per NTER tax calculations.

Appendix 7

<b>STATEMENT of FINANCIAL POSITION</b>		
for the years ending 30 June		
	<b>2011 Forecast</b>	<b>2012 Budget **</b>
<b>Current Assets</b>		
Cash assets (Bank)	3.000	3.000
Trade & other receivables	3.466	3.660
Cash assets (Investments)	24.127	28.656
Inventories	0.356	0.356
Prepayments	0.050	0.050
<b>Total Current Assets</b>	<b>30.999</b>	<b>35.722</b>
<b>Non-Current Assets</b>		
Other financial assets (Sinking Funds)	1.265	1.335
Property, plant & equipment	129.884	131.384
Less - provision for depreciation	-55.824	-59.780
Capitalised dredging	14.062	14.062
Less - depreciation	-14.062	-14.062
Deferred tax assets	2.375	2.375
<b>Total Non-Current Assets</b>	<b>77.699</b>	<b>75.314</b>
<b>Total Assets</b>	<b>108.698</b>	<b>111.035</b>
<b>Current Liabilities</b>		
Trade and other payables	0.700	0.500
Borrowings	0.553	0.566
Current tax liabilities	0.500	0.550
Provisions	0.395	0.410
Dividend provision *	0.000	0.000
GST payable	0.220	0.500
<b>Total Current Liabilities</b>	<b>2.368</b>	<b>2.526</b>
<b>Non-Current Liabilities</b>		
Borrowings other than WATC Guaranteed	0.550	0.538
Borrowings taken over by WATC	0.500	0.500
Borrowings from WATC	9.228	8.674
<b>New borrowings</b>	<b>0.000</b>	<b>0.000</b>
Deferred tax liabilities	0.000	0.000
Provisions	0.396	0.447
<b>Total Non-Current Liabilities</b>	<b>10.674</b>	<b>10.159</b>
<b>Total Liabilities</b>	<b>13.042</b>	<b>12.685</b>
<b>Net Assets</b>	<b>95.656</b>	<b>98.350</b>
<b>Equity</b>		
Reserves:		
Developers contribution	0.000	0.000
Asset revaluation	14.814	14.814
Retained profit/loss	80.842	83.536
<b>Total Equity</b>	<b>95.656</b>	<b>98.350</b>

**STATEMENT of CASH FLOWS**

for the years ending 30 June

apex

	<b>2011 Forecast</b>	<b>2012 Budget **</b>
<b>Cash Inflows</b>		
Balance July 1	25.702	28.391
Capital Borrowings	<b>0.000</b>	<b>0.000</b>
	<b>0.000</b>	<b>0.000</b>
Forecast Receipts from Customers (incl GST)	29.744	34.631
Proceeds From Sale of Assets	0.100	0.100
Interest Received	0.556	0.666
Capital Contributions	0.000	0.000
<b>Total Forecast Cash Availability</b>	<b>56.103</b>	<b>63.789</b>
<b>Cash Outflows</b>		
Capital Expenditure - Borrowings/Govt Grants	0.000	<b>0.000</b>
- Internal Funds	5.163	<b>1.500</b>
Capitalised Dredging Expenditure	0.000	<b>0.000</b>
Operating Expenditure	13.775	<b>18.789</b>
Principal Payments on WATC Borrowings	0.517	<b>0.529</b>
Interest on Borrowings	0.590	<b>0.578</b>
NTER Income Tax Payments	1.428	<b>1.826</b>
Local Govt Rate Equivalent	0.215	<b>0.221</b>
Land Tax	1.154	<b>1.178</b>
Government Dividend	1.677	<b>2.555</b>
GST Payments/(Receipts)	1.452	<b>2.053</b>
Dredging & Navigation Aid Maintenance	1.741	<b>1.571</b>
Estimated Principal Payments on New Borrowings	<b>0.000</b>	<b>0.000</b>
Estimated Interest on New Borrowings	<b>0.000</b>	<b>0.000</b>
Guarantee Fee on New Borrowings	<b>0.000</b>	<b>0.000</b>
<b>Total Forecast Cash Outflows</b>	<b>27.711</b>	<b>30.798</b>
<b>Net Increase/(decrease) in cash held</b>	2.589	4.599
<b>Net Cash Balance</b>	28.391	32.990

**BUNBURY PORT AUTHORITY**  
**APPROVED FINANCIAL PARAMETERS**  
**2011/12**

Income Statement	\$'000
Total Revenue	25,814
Total Expenses	<u>17,754</u>
Profit/(Loss) Before Tax	8,060
Tax	<u>2,418</u>
Profit/(Loss) After Tax	5,642
Dividends	3,667
Asset Investment Program	1,500

***To the extent that the financial parameters within the 2011/12 SCI contain unapproved capital expenditure, net debt and net flows to/from government, Government approval will be obtained prior to any commitments and/or actions being undertaken which will affect approved parameters. Government approval will also be sought prior to commencing new projects not included within the State Government's approved financial parameters.***