



**Dampier Port Authority
Statement of Corporate Intent
2014-2015
SHEQ-SYS-N-029**

Statement of Corporate Intent 2014-2015

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Creating Value Now and for the Future

The Dampier Port Authority (DPA) continues to play a strategically important and increasing role in planning, facilitating trade and striving to add value at every opportunity, in a region vital to the Nation, State and regional community development.

As custodian of the Dampier, Ashburton, and soon to be Cape Preston East and Anketell gateways, the DPA facilitates and supports significant economic and community growth through the development of ports. The DPA is focused on creating value from its unique port perspective, and strives for sustainability by creating and growing intergenerational assets.

This requires a very customer-centric focus, an intimate knowledge of the whole supply chain (to put the port solutions in context), and a fast design method to implement solutions which facilitate trade and create value in the shortest time practical.

It is this knowledge, as well as the relationship to the State and other departments, that enables the DPA to encourage the private sector to invest in and expand infrastructure and service provision opportunities.

To this end, the DPA actively encourages proponents to pursue common user infrastructures, aligning with the State's directive toward multi-user ports and highly accessible facilities for development and investment.

In this arrangement the DPA retains ownership of the basic common user infrastructure, allowing for easy access to current and future trades through the port, and potential for diversification of activities at the region's ports.

This approach provides certainty to industry stakeholders in what they can and cannot own in a port, while still allowing them full opportunity to operate those assets as needed to support their value-generating activities.

This plan incorporates the latest gateway thinking and actions surrounding value creation that is essential to modern port management.

All actions proposed in the Plan are designed to support the DPA continuing toward the next stage in its development, and are consistent with the actions required to further expand responsibilities into additional areas along the West Pilbara coastline.

When reading the plan, the following exceptions should be noted:

During the life of this plan, under the Government's current initiative, the DPA with the Port Hedland Port Authority will merge to create the Pilbara Ports Authority (PPA). This new entity will also provide port governance to surrounding regional terminal locations currently under the Shipping and Pilotage Act. The impacts of this change are not included in this plan, which remains focused upon the DPA only. A separate Statement of Corporate Intent will be prepared for the Pilbara Ports Authority in 2014.



Statement of Corporate Intent 2014-2015

1. INTRODUCTION

The Dampier Port Authority (DPA) has been operating the Port of Dampier since 1 March 1989 and continues to be Australia's second largest tonnage port, recording another record tonnage of 180,365,873 tonnes in 2013, and one of the largest bulk export ports in the world. The DPA continues to apply 'Ports as Gateways' thinking to create and grow intergenerational value, drive investment and expansion whilst facilitating trade and economic growth.

This Statement of Corporate Intent outlines the continuing role the DPA will play as a gateway to trade, regional development, and creating enduring community assets in the West Pilbara.

The Board and management are focused on creating value for the State and the community from the trade and activities of the DPA. This focus sits against a backdrop of continued iron ore and oil and gas exports well beyond 2060.

While the port will achieve incremental increases in tonnage over the period of this plan, Rio Tinto will be moving to utilise the substantial additional capacity it is building at Cape Lambert and this will limit overall trade growth of iron ore commodity in Dampier. In contrast, the oil and gas sector is expected to undertake more and more exploration and development in the area, and DPA is fulfilling its prime role to support those activities.

The DPA is responsible for the efficient, safe, and effective operation of the Port of Dampier and the Port of Ashburton (and soon to include the Port of Cape Preston East and the Port of Anketell), including planning for the future, the provision and maintenance of facilities and primary care of the physical environment of the DPA Ports.

In 2013 the DPA focussed on constraints and inefficiency in the logistics and supply chain into the Pilbara. The solutions identified involve the Dampier Floating Deck which creates two crucial new berths to facilitate quick access from the proximity Dampier has to the oil and gas fields, optimising the high cycle supply chain to offshore platforms. The Floating

Deck Trans-shipment System innovates inwards industrial supply chain and re-export operations with the facilitation of first liner shipping services to the Pilbara, further optimising the efficiencies of, and connections to, global networks.

The DPA has continued to support the Wheatstone project, with construction of the Port of Ashburton being well underway which will create new intergenerational assets to sustain investment and opportunity in the Pilbara, and continue to develop the State and Nation.

The DPA will strive to capitalise on the tremendous prospects which are present in the Pilbara Region. The Port of Dampier will continue to be a central hub for many customers in the region and the DPA will provide the leadership necessary to play its part in securing trade and development for the West Pilbara. Our philosophy is directed toward translating the vast opportunity of the Pilbara into value that lasts generations, as well as the economic, social and environmental benefits for Australia.

This plan incorporates all the requirements necessary for the DPA to fulfil its obligations under Part 5, Division 2, of the *Port Authorities Act 1999*.



Statement of Corporate Intent 2014-2015

2. STRATEGIC FRAMEWORK

The DPA's Vision and Purpose clearly state our aspirations for our port and region over a 50 year horizon, and our part in achieving that Vision. We will lead, and collaborate with others, to ensure that we deliver on our aspirations.

Vision *(what we would like to see our port and region become)*

“To be Australia’s premier energy and industrial hub and gateway to Asia”

The Vision recognises the key role and potential of the Pilbara, the strategic importance of its geographic closeness to Asian markets, and efficiency of linking global logistic chains to resource sectors. All of our planning, operations, decision making, and influence, are directed toward sustainable trade and regional development.

Purpose *(why we exist)*

“To facilitate trade AND help optimise the West Pilbara coast for the benefit of all”

The Purpose outlines why the DPA exists, and reflects its key function under the *Port Authorities Act 1999*. It recognises the central obligation upon the DPA to operate our port in a professional manner which brings growth and prosperity to the region (and the State and Nation).

Our values continue to define how the Board, management and staff will conduct its activities:

Values *(how we conduct ourselves)*

Integrity.....in our dealings

Professionalism.....in our work

Value for Money.....to our customers

Care.....for our environment

Teamwork.....for shared success



3. STATUTORY OBLIGATIONS

3.1. Port Authorities Act 1999

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

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

These statutory obligations underpin the thrust and outcomes of this Statement of Corporate Intent.

Note: In 2013/14 legislative amendments are being considered by Parliament to the Port Authorities Act 1999, the Shipping and Pilotage Act 1967 and the Marine and Harbours Act 1981. The primary purpose of the legislation amendments is to amalgamate seven of the State's eight port authorities into four new regional port authorities. This will see the Dampier Port Authority and the Port Hedland Port Authority amalgamating to form the Pilbara Ports Authority.

The Pilbara Ports Authority will fulfil any changed or additional statutory obligations as a result of the legislative changes, maintaining efficient operational management and good port governance.

3.2. Compliance with other Legislation

The DPA will comply with all relevant legislation, including the *Environmental Protection Act 1996* in going about its business. The DPA is committed to continuing to improve its compliance and assurance systems, and being seen as a model for similar agencies.

As a corporatised entity under the *Port Authority Act 1999* the DPA assumes financial reporting provisions equivalent to those of the *Corporations Act 2001* and therefore is not specifically required to comply with legislation such as the *Financial Administration and Audit Act 1985*, with the exception of audit provisions, which means that the Auditor General continues to conduct annual audits. The DPA is not obligated under the *Public Sector Management Act 1994*, however is committed to the principles of such legislation and models its internal policies to reflect prudent management practices.



4. PORT CHARACTERISTICS

4.1. Port of Dampier Operating Environment

4.1.1. DPA Owned Port Facilities

The DPA strategic assets include a range of multi-user facilities to support the safe and efficient movement of cargo. These include both seaward and landside facilities. The DPA aims to provide on-time infrastructure to support port operations whilst looking forward and identifying opportunities. Key infrastructure includes:

- Dampier Cargo Wharf (DCW)
- Heavy Load Out Facility (HLO)
- Alternate Load Out Facility (ALF)
- Quarry Laydown Area
- Floating Deck Trans-shipment System (FDTs) Land-backed site (construction completion January 2014) containing a small vessel landing ramp and a barge dock for large floating decks.
- Dampier Bulk Liquids Berth (DBLB)
- King Bay Industrial Estate (KBIE)

The DPA operates the Dampier Cargo Wharf (DCW); an essential piece of infrastructure that facilitates project developments within the Pilbara Region requiring the import/export of general cargo trade. The facility provides up to seven berths, which also have the capacity to supply water and fuel to the vessels servicing the marine industry and offshore oil and gas facilities.

The temporary Heavy Load Out Facility (HLO) and Alternate Load Out Facility (ALF) have been constructed by industry and are used to facilitate major projects requiring oversized cargoes. The HLO, ALF, and the Quarry Laydown Area are being used to full capacity until 2015, and demand for these facilities continues.

In an effort to improve efficiencies at the Port and better facilitate trade, consultation with customers and examination of the critical paths, or supply chains that operate over the infrastructure that the Port owns or controls occurred. This consultation identified two broad supply chains:

- Critical Supply Chain 1 (CS1) – high cycle supply to offshore platforms; and
- Critical Supply Chain 2 (CS2) – inwards industrial supply chain and re-export

These two supply chains cover the great majority of the activities that occur over the facilities that DPA owns or controls. CS1 and CS2 are major logistics aggregations and their interrelationship results in constraints over and around sites and facilities that DPA owns or controls.

CS1 and CS2 are being significantly facilitated by two new projects developed by the Port with the private sector. These projects are:

- Dampier Floating Deck (DFD) Cargo Facility for the oil and gas sector (facilitating CS1); and
- Floating Deck Trans-shipment System (FDTs) (facilitating CS2).

The DFD will commence installation in February 2014, and will be commissioned mid-2014. The FDTs is under construction and will be commissioned in January 2014. Both of these projects are privately funded and operated facilities but also third party accessible facilities.



The Dampier Bulk Liquids Berth (DBLB) was constructed in 2005 to support the Burrup Peninsula's downstream gas processing industry and is currently used for the export of Anhydrous Ammonia (Liquid Ammonia), and the import of marine grade diesel. The DBLB has a berthing basin depth of 13m and can accommodate vessels from 20,000 up to 55,000 tonnes displacement. The DBLB facility is designed to handle other bulk liquids (import and export) that future industry may require, including but not limited to, ammonia, dimethyl ether, diesel and methanol. The facility can also be converted to a Bulk Solids Berth if required in the future.



The capacity of the DBLB to manage existing and forecast demand was assessed in detail whilst preparing the Port of Dampier Development Plan and provision has been made for a staged expansion of the facility to accommodate an additional two berths, with the dredging for the second facility already completed. It is desirable that all ammonia products be located on these future berths in the long term.

The King Bay Industrial Estate sits on land adjacent the port and is a key strategic asset which the DPA manages with leases to key companies who provide essential supplies and services to the oil and gas industry. The major leaseholders include Mermaid Marine, Woodside Energy, Toll Energy and SGS. The DPA works with leaseholders to develop the lease sites to optimise landside support to Port customers.

4.1.2. *Privately Owned Port Facilities*

The Port of Dampier also consists of separate terminals which are privately owned, however come under the DPA's responsibilities with regard to safety, environment and marine traffic matters.

Under existing State Agreements, Hamersley Iron (Rio Tinto Iron Ore) and Dampier Salt (Rio Tinto Minerals) operate to the western side of the Port from private facilities at Parker Point, East Intercourse Island and Mistaken Island. Five berths are used to export iron ore and a separate berth exports salt. These six berths account for over 84 per cent of the tonnage throughput of the Port.

The North-West Shelf Venture (NWSV), under a State Agreement, operates from private facilities located on the eastern side of the Port at Withnell Bay. The facilities consist of two LNG/LPG berths and a separate berth for condensate. Trade from these facilities account for over 12 per cent of the throughput of the Port and is growing.

Woodside Burrup Limited (WBL) has constructed its Pluto LNG processing plant adjacent to the Northern most portion of DPA's land area, and has constructed an LNG berth at Holden Point. Officially commissioned in April 2012, first gas was exported through the Port of Dampier on board *Woodside Donaldson*, in May 2012.

Pluto Gas Plant is expected to export a total of 4.2 Mt/a of LNG. Woodside have completed a number of feasibility studies into the potential for two additional gas processing units (trains), subject to further gas discoveries.

Within the King Bay Industrial Estate, on land leased from the DPA, Mermaid Marine Australia (MMA) has a number of established facilities to service the off-shore oil and gas industry, specialised onshore logistics support services to the oil, gas and mining sectors, as well as other marine service requirements, including a slipway, heavy load out facility, and laydown area. MMA Dampier Supply Base is experiencing high utilisation and has secured a major long term contract with Chevron supporting its drilling and production operations, and development/construction of its Western Australian projects.

4.1.3. Provision of Services

The DPA maintains a 24 hour, 7 days per week Port Communications Tower to monitor vessel movements at the Port of Dampier and to oversee the safety and security of the Port (i.e. Maritime Security Identification Card, Regional Response Group). The DPA has commissioned a project for the development of an enhanced vessel traffic service (VTS) that will incorporate the latest available technology, new facilities at Dampier, and with the capability of monitoring other remote port sites that come under DPA jurisdiction. The VTS enhancement project is currently underway with key infrastructure elements to be completed by mid-2014. The VTS project will consist of a central control building located at Dampier with remote monitors at Onslow, Mt Wongama, and Mt Anketell.

Located on the Burrup Peninsula with direct access to port waters, the King Bay Industrial Estate (KBIE) is a crucial element within the landside support component of the port. The DPA holds and manages 69.4 hectares of the KBIE and works with a total of nine leaseholders to ensure development opportunities within the estate are sustainably managed. The majority of these leaseholders provide vital support to the port and/or the offshore oil and gas industry.

In addition to the services provided directly by the DPA, the following services are provided by the private sector under licence arrangements with the DPA:

- Stevedoring
- Pilotage
- Towage
- Bunkering

Diesel fuel is imported into the Port of Dampier primarily using oil tankers that carry the product from South East Asian ports. There are a number of shore based facilities that are used to hold the imported diesel oil prior to distribution. Oil tankers are also used as temporary storage and distribution

points offshore. The activity of transferring fuel from either onshore or offshore based infrastructure is licenced by the Dampier Port Authority.

The FDTS land-side facility, to be commissioned in January 2014, will include a customs licensed area and an AQIS approved wash-down facility for the facilitation of international cargo.

4.2. Port of Ashburton Operating Environment

4.2.1. Port Facilities

The main activities within the Port of Ashburton over the next year will be the construction and establishment of a Port. Vessel traffic will consist of construction traffic via the MOF and the first shipment of LNG is not anticipated until 2017 at the earliest.

The primary port facility user at the Port of Ashburton until 2017 will be Chevron Australia Pty Ltd (CAPL) and its associated joint venture partners.

Under current contractual agreements relating to the Wheatstone Project, the following port infrastructure will be constructed by Chevron:

- Materials offloading facility – Ashburton Cargo Wharf (ACF);
- Product Loading Facility (PLF) (Private facility);
- Navigation Channels;
- Breakwater; and
- Navigational Aids.

Other Port related infrastructure will also be provided by Chevron required to make the Port of Ashburton a safe and efficient operational area upon completion of the Wheatstone foundation project.

DPA has negotiated with Department of Transport (DoT) to become, with time, port operators of the whole Port of Onslow. This will require minor changes to the *Onslow Salt State Agreement Act 1992* and the *Port*

Authorities Act 1999 (PAA). Beadon Creek will remain under the operational control of DoT.

The transfer to DPA of the responsibility to oversee the safety, security, environment and all marine matters in the Port, will be in accordance with our role under the PAA and supporting State and Commonwealth legislation. Ultimately, the DPA will be responsible for managing the following functions:

- Port parameters (setting of standards and auditing);
- Marine accidents (collisions, personnel safety etc.);
- Marine safety (channel management, maintenance, conservancy);
- Environmental risks (seabed disturbance, oil spill, water quality, flora and fauna protection);
- Community accountability (expectations, complaints, standards, protection);
- Approvals (who is approving what and to what standard);
- Safety and security (standards, reporting, auditing, protection); and
- Planning and development.

4.2.2. Provision of Services

The DPA will have full time resources in Onslow to manage operations at the Port as necessary. Vessel traffic management will ultimately be run out of Dampier.

In addition to the services provided directly by the DPA the following will be provided by the private sector under license arrangements with the DPA:

- Stevedoring
- Pilotage
- Towage
- Bunkering

4.3. Port of Anketell Operating Environment

4.3.1. Port Facilities

The development of port facilities within the Port of Anketell, in the immediate future, is dependent on demand from industry. The DPA have planned for the development of a 350Mt/a bulk commodity export port comprising up to eight berths along a connected jetty structure, a common user dredged access shipping channel to each of the berths, and a breakwater. The land and waters within the proposed Port of Anketell port boundaries are currently being vested in the DPA, and will be by the commencement of this plan.

Provision has also been made for a MOF, liquids berth and future supply base. The alignment of roads, rail, stockyard and associated infrastructure has also been planned within the port facility.

4.3.2. Provision of Services

The responsibility for the delivery of services in the port precinct and access corridor is yet to be determined. There are various options available to the DPA, ranging from DPA being the owner/operator to outsourcing and provision of various services by the private sector. Services required for port operations include:

- Rail handling and logistics
- Stockpile logistics and ship loading of bulk ore
- Utility provision (power, water and communications)
- Road maintenance
- Fuel in-load and distribution
- Customs and Quarantine
- Stevedoring
- Pilotage

4.4. Port of Cape Preston East Operating Environment

4.4.1. Port Facilities

The DPA is in the process of planning for a 40Mt/a bulk export facility, on land surrendered from the Iron Ore Processing (Mineralogy Pty. Ltd.) Agreement Act 2002, at the Port of Cape Preston East. The land and jetty footings tenure are currently being vested in the DPA, and will be by the commencement of this plan. It is intended that the tenure of the waters of the Port of Cape Preston East are to be vested in the DPA in phase two of the Port Reform, when there will be transfer of control of non-port authority ports to the new Pilbara Port Authority.

Port facilities will include a haul road, stockpiles, maintenance facilities and accommodation, jetty and trans-shipping equipment.

The actual infrastructure that will be constructed by proponents is yet to be determined and will form part of the commercial negotiations currently underway. The transfer of the Port of Cape Preston East will result in DPA's responsibility to oversee the safety, security, environment and all marine matters in the Port in accordance with our role under the PAA and supporting State and Commonwealth legislation.

4.4.2. Provision of Services

The responsibility for the delivery of services in the port precinct and access corridor is yet to be determined. There are various options available to the DPA, ranging from DPA being the owner/operator to outsourcing and provision of various services by the private sector. Services required for port operations include:

- Rail handling and logistics
- Stockpile logistics and ship loading of bulk ore
- Utility provision (power, water and communications)
- Road maintenance
- Fuel in-load and distribution

- Customs and Quarantine
- Stevedoring
- Pilotage

4.5. Existing and Potential Customers

4.5.1. Port of Dampier

Major exporters using the Port of Dampier are Rio Tinto (Hamersley Iron and Dampier Salt), the North West Shelf Venture (with Woodside Energy Limited as operator), Woodside Burrup Ltd (WBL), Chevron Australia Pty Ltd (Gorgon), and Yara Pilbara Fertilisers Pty Ltd (formerly Burrup Fertilisers Pty Ltd).

In addition to these companies the Port of Dampier is a key hub for the support of the oil and gas exploration and production industry. Energy resource exploration and production companies such as Apache Energy, and key suppliers such as Toll Energy, Schlumberger, and Mermaid Marine Australia also make very significant use of the Port facilities and leased areas.

Marine service operators such as Bhagwan Marine provide a high level of vessel activity in the Port servicing both visiting vessels and offshore platforms. Mermaid Marine Australia also has, at its King Bay Industrial Estate premises, a slip way and small ship repair facility.

In addition to these customer categories there are many other companies involved in regional business, supply and maintenance of major industrial projects, construction projects, transport, and components supply that all directly use the Port or are otherwise reliant on its operation.

The DPA continues to plan for the development of the potential gas-to-liquids industries on the Burrup Peninsula and are promoting to government the original intent of this land to attract industries that are required to be located adjacent to a Port. Yara Pilbara Fertilisers Pty Ltd currently exports from the Dampier Bulk Liquids Berth and it is possible that an additional ammonia/urea producer will use the facility.

The DPA is positioning the Port well for current and future growth in demand particularly from exploration and drilling activities in the energy sector but also by enabling much more efficient supply chains from overseas for industrial and project cargo. The DFD will provide additional berths and a forward supply base function for the oil and gas industry, reducing bottlenecks that occur over the DCW. The FDTS will enable direct calls by international liner vessels to the Port providing current and future operators and developers of projects in the Pilbara region with a whole new opportunity for redesigning key inwards industrial supply chains.

4.5.2. Port of Ashburton

The foundation proponent for this development is Chevron Australia Pty Ltd (with its partners Apache and KUFPEC) who will construct an initial export capacity of 8.9 Mt/a of LNG and an ultimate export capacity of 25 Mt/a. A parcel of land adjoining the Wheatstone Project site in the Ashburton North Strategic Industrial Area (ANSIA) has been provisionally set aside for a second LNG proponent, ExxonMobil, to provide for the processing and export of up to 25 Mt/a of LNG from the Scarborough Project.

Chevron has control of the Port during the construction phase of the Wheatstone Project, until the date that the first cargo of LNG is exported, which is expected to be in 2017. The DPA will then assume full responsibility for the Port, and other users will be able to take advantage of the Port's facilities and its location on the West Pilbara coast. The MOF constructed by Chevron will become a general cargo facility that will also accommodate the importation of pre-assembled modules for the following:

- expansions of the Wheatstone Project;
- a second LNG plant;
- any future gas-processing plant (such as ammonia, methanol and dimethyl ether) in the nearby ANSIA; and
- mining projects in the West Pilbara region.

In addition, companies such as BP, Caltex and Shell will be able to import diesel fuel in bulk.

The DPA has set aside an area of land close to the future general cargo facility for two marine supply base operators (similar to Mermaid Marine Australia and Bhagwan Marine, Dampier operations) to become established.

4.5.3. Port of Anketell

Potential customers for the Port of Anketell include:

- Iron ore - FMG, API, MCC, Flinders Mines, Iron Ore Holdings, Atlas and Apollo Minerals.
- Logistics – QR National (as an infrastructure provided to the iron ore juniors).
- Bulk fuel – BP, Shell, Caltex and Trafigura.
- Supply base –Chevron, Mermaid Marine and ExxonMobil.
- Other – Australian Custom Service, AQIS and the Department of Defence.

4.5.4. Port of Cape Preston East

The Port of Cape Preston East will provide facilities for potential junior miner customers.



4.6. Potential Trade Growth

The strategy at DPA for creating value is from the unique perspective of the Port and its ability to create and grow intergenerational assets, which drive investment and expansion to facilitate trade growth. The approach is designed to ensure that the benefit of any port activity always exceeds the input costs involved, and State liability is minimised.

This has led to a very customer-centric focus, with an intimate knowledge of the marine and land logistics networks (to put the port solutions in context), and a fast design method to implement solutions which optimise trade and create value in the shortest time practical.

Undertaking a whole of value chain analysis and associated planning that encompasses the entire region (Regional Development Plan), will bring a systematic perspective of long-term planning to the entire Pilbara region.

The broader view of value is intrinsic in the Key Strategic Areas outlined in section 5 and will include:

- Accessing and developing customer intelligence to inform planning.
- Taking a wider view of potential customers and other stakeholders within logistics networks.
- Focus on alleviating the key constraints to produce effective outcomes, whether this is land, infrastructure or other elements.

This approach aims to deliver sustainable outcomes to ultimately drive State, Regional and National development.

Below is summary of port trade growth forecast across the ports within DPA responsibility.



4.6.1. Port of Dampier

The Port of Dampier's principal export is iron ore from Rio Tinto (Rio), which is close to its current maximum production capacity of 160Mt/a. Rio has given priority to its development of an additional 100Mt/a capacity at Cape Lambert (outside of the Port of Dampier) within a five year horizon, leaving growth in Dampier to the existing 151Mt/a in the short term.

The next largest contributor to port trade is the gas products of the North West Shelf JV (NWSV), and Woodside Burrup Limited. Additional trains are planned for both entities, and timing will depend on market demand and financial viability.

Salt exports are projected to remain steady throughout the life of this plan, at around 3.8Mt/a.

Together with petroleum and general cargo, the total projected port tonnage in 2018-19 is currently expected to be approximately 198 Mt/a – almost 10 per cent more trade than recorded in 2012-13.

General cargo trade will be greatly facilitated by the construction of the FDTS and the reduction of berth constraints on the DCW due to both the DFD and the FDTS facilities providing additional berth space.

The FDTS is expected to significantly challenge the current practice of large oversize freight being brought by road into the Pilbara.

Furthermore, the proposed DMSF project is intended to provide necessary further berth space (up to 240 metres of land-backed berth, and 600 metres of added jetty berth space), requiring proposed dredging works when it is financed to proceed, will be an important addition to the capacity of this vital area of trade.

In addition, Yara Pty Ltd will contribute 0.700-0.770Mt/a of anhydrous ammonia exports through the port. The current Yara Pty Ltd TAN plant expansion project for construction through 2014 will be facilitated by the FDTS. The FDTS will also provide opportunities for a new export from the Port as it is expected to introduce competitive new shipping services.

The KBIE is currently at full capacity however, an expiring lease of 7 hectares will become available in 2014 for which DPA is seeking expressions of interest.

4.6.2. Port of Ashburton

The nearby ANSIA has been designated as a hydrocarbons processing precinct, so any growth in the Port's exports of liquid hydrocarbons will be linked to the establishment of new gas-processing facilities in the ANSIA, and this is likely to be sporadic.

Discovery of new mineral resources inland from the Port can be expected to continue, but not all discoveries will result in the development of new mining operations. However, for any new mining development that does occur, the

Port will offer an opportunity for offload of modules within the West Pilbara, providing an attractive alternative to existing road transport for the importation of mining plant and equipment.

It can be expected that the two proposed marine supply base operators will experience a steady increase in business after they become established. In the event that the land areas within the Port become inadequate to cater for the increasing volumes of their business, the DPA has reached an understanding with LandCorp for an area of land in the ANSIA to be made available as secondary laydown area for the marine supply base operators. In addition, if the berths at the future general cargo facility prove inadequate for the supply base operators, water frontage will be available for additional wharves to be constructed.

4.6.3. Port of Anketell

The planned development of the Port of Anketell is to accommodate port trade of 350Mt/a of iron ore once fully commissioned. In addition there is potential to develop a liquids berth for fuel imports.

4.6.4. Port of Cape Preston East

The planned development of the Port of Cape Preston East is to accommodate port trade of 40Mt/a and above of iron ore once fully commissioned.

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5. KEY STRATEGIC AREAS

The DPA is responsible for ensuring that all elements of the port gateway are in place to optimise trade for the region now and into the future. The DPA is striving to create lasting value. Smart port operations and comprehensive planning are central to providing this value.

Decisions affecting all areas of Port activity are targeted at the Key Strategic Areas to qualify as sound strategic moves for the DPA.

The following table outlines the Key Strategic Areas that, together with the Strategic Actions, direct planning and decision making toward realisation of the DPA vision and achievement within key result areas.

Item No.	Key Strategic Area	Reasons
KSA1401	Business Excellence	Best practice in our business performance is the springboard from which all other strategies develop. The DPA accepts the challenge of maintaining business excellence over a wider geographic area.
KSA1402	Proponent Support	Increased demand for additional port facilities requires the continued work with proponents at Dampier, Ashburton, Anketell, Cape Preston East and other sites along the West Pilbara coast to successfully develop trade related industry.
KSA1403	Provide additional berth capacity (Port of Dampier)	Industry needs within the Port of Dampier are growing and demand for permanent berth space for rig tenders, general cargo and vital equipment will continue to rise.
KSA1404	Provision of port services	Good customer service is a key element of reputation and is a key strategic deliverable. Pilotage, stevedoring, towage and fuel supply are all provided by contract to the DPA and its users. The DPA needs to continue to improve standards and competition among suppliers, where this can be achieved in the interest of users.

Item No.	Key Strategic Area	Reasons
KSA1405	Continuous improvement of King Bay Industrial Estate	To attract and accommodate industry that supports the logistics and supply chains facilitated through the port.
KSA1406	Diversifying the revenue base at the Port of Dampier	As a world class port in terms of size, throughput and revenue, the Port of Dampier is strategically vital to Australia's trade interests, it is critical that the DPA can fund its significant capital works program over the next 20 years, and provide a high level of service to port users.
KSA1407	Facilitation of major resource developments	The DPA is central to a number of major projects which will unfold over the next decade, particularly in the oil and gas, and iron ore industries. It is of critical importance that respective ports have the necessary land, infrastructure, and skills to facilitate ongoing major projects.
KSA1408	Expanding the Boundaries	To fulfil a greater role in the development of Greenfields and other marine facilities along the West Pilbara Coast, and bring a regional focus to all DPA functions.
KSA1409	Preparing for further trade growth	Resource development and current world demand for Pilbara resources over the next decade and beyond will require all DPA ports to continue to develop their capability and capacity to meet forecasted growth.
KSA1410	Emergency response capability	The large volume of shipping in the port and the nearby areas, together with the changing of personnel among port users means that the DPA must take a leadership role in this key area of port operations.

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Item No.	Key Strategic Area	Reasons
KSA1411	Regional planning	The DPA needs to play an increasing role in ensuring that regional planning recognises the needs of DPA ports and the communities it serves.
KSA1412	Heritage recognition and management	The DPA needs to take a greater role in understanding and protecting heritage values in its land areas while also ensuring that necessary land developments occur. At the same time, liaise with indigenous groups and seek opportunities to contribute to the development of these communities.
KSA1413	Land development	Further work needs to be done to continue the supply of land and to identify land use requirements and support industrial development.
KSA1414	Environmental management	To better assist industry and port development in the protection of the port environment by encouraging consistent and practical State and Federal conditions be applied to port operations, and that a mandatory compliance and beyond approach is applied to those organisations which have operational control of the activity.
KSA1415	Influencing the Future	Creating the future will require DPA to use its influence as a world class port with a proven track record of achievement, to provide leadership, resources, support and strategic thinking to the opportunities and potential of the West Pilbara.
KSA1416	Value Creation	'Value creation' is a decision making criteria, using avenues such as understanding the supply chain and customer intelligence to drive value creation in the organisation.

Item No.	Key Strategic Area	Reasons
KSA1417	Innovation	To ensure that innovative approaches to achieving better efficiency and value for money are introduced, including becoming a "Smart Port" with greater use of information technology, and challenging current conditions and practices to explore new ideas for value creation.

6. KEY STRATEGIC THRUSTS

The overall strategy of the DPA, as custodian of the Dampier gateway, is to connect Australia to the world through marine and land networks, creating new and additional value along the West Pilbara coast.

The DPA recognises the central importance of maintaining and increasing *business excellence* as the practice from which all other strategic opportunities arise. No other initiatives can be progressed without a clear and unwavering commitment to excel in how we run our business.

Based on the Key Strategic Areas of Section 5, there are a number of emergent themes which can be identified as key strategic thrusts to target development throughout this plan.

Key Strategic Thrust	Strategic Aim
1. Business Excellence	To achieve excellence in the provision of an efficient, safe, secure, professional port and services, underpinned by solid business systems and processes, which support the current and future needs of our customers.
2. Trade Facilitation	To be supportive and creative in assisting our customers to grow and develop their activities within or around a DPA port.
3. Financial Management	To ensure that all DPA ports remain financially viable and meet the commercial expectations of its shareholder and stakeholders.
4. Stakeholder Relations	To exceed the expectations of stakeholders through the creation of real value for the State and the community we serve.
5. Expand the Boundaries	To be ready to apply the expertise and experience of the DPA, when called upon by the Government, to other developing marine facilities along the West Pilbara coast.
6. Maritime Activities	To be involved in the creation, development, and management of maritime activities along the West Pilbara coast.

Key Strategic Thrust	Strategic Aim
7. Strategic Land Planning and Management	To be a catalyst for effective development of the West Pilbara, including sound environmental and heritage management.
8. Influencing the Future	To use the ports reputation, expertise, thinking, capacity, and resourcefulness, to lead, shape, and influence the future development and success of the West Pilbara,

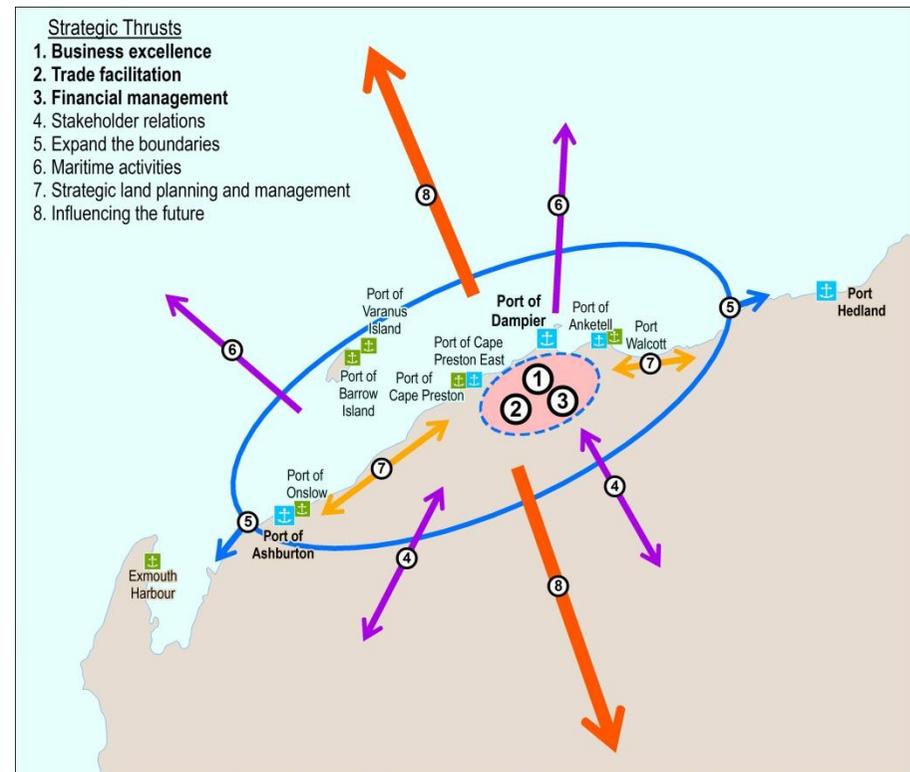


Figure 1: Underlying strategy and interrelationships of key thrusts

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7. STRATEGIC ACTIONS

The following sections integrate the strategic elements outlined above into a focussed plan of action for the continued high performance of DPA in achieving its strategic vision, and obligations under the *Port Authorities Act 1999*.

The strategic actions are aligned to the Key Strategic Thrusts, and together with associated strategic aims, critical success factors, measures and targets, form the Key Result Areas. The DPA will be assessing its progress and performance against each Key Result Area over the life of this Statement of Corporate Intent.

The actions in the supporting areas of Human Resource Management, Information Systems Management, and Asset Management are listed in Section 8 (Supporting Actions).

The actions in this Statement of Corporate Intent together with the land use and project activity outlined in the relevant Port Development Plans (available on the DPA website) reflect the commitment and focus of the DPA in the next year and going forward.



7.1. BUSINESS EXCELLENCE (Key Result Area 1)

Strategic Aim

To achieve excellence in the provision of efficient, safe, secure, and professional port services underpinned by solid business systems and processes, which support the current and future needs of our customers.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ Improve cost efficiency ▪ High customer satisfaction
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Item No.	Strategies/Actions	Timing
BE1401	Continue to improve the capabilities, professionalism, and reputation of the DPA through the development and implementation of the SMART Port Principals, so that future opportunities to expand services beyond the existing port boundaries can be supported, should they arise. <i>'Excellence is not an exception, it is a prevailing attitude' – Colin Powell</i>	Monthly reviews of progress
BE1402	Develop and implement customer relationship management program. Visit all port customers to discuss improvements and developments in the operations of the port, and how the DPA can assist with trade development.	Ongoing annual forum
BE1403	Undertake customer satisfaction survey.	(biennial) next due 2014
BE1404	Undertake a program of auditing marine operations, safety and environmental compliance within the Port of Dampier, the Port of Ashburton and the Port of Anketell.	Ongoing
BE1405	Develop an expanded MSIC issuing body function in Perth to facilitate the Wheatstone Project and other customers in the Pilbara.	2014

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Item No.	Strategies/Actions	Timing
BE1406	Expand the Port of Dampier safety and security team to effectively manage additional sites such as Port of Ashburton.	As required
BE1407	Promote safety and security awareness among staff, port facility users and the community.	Ongoing
BE1408	Facilitate training and exercises to improve security and emergency response capability.	Ongoing annual exercises; bigger exercise every 2 years; major exercise every 4 years.
BE1409	Review the logistics chain to determine bottlenecks and future development to improve port efficiency and berth utilisation	2014
BE1410	Increase the understanding of the areas environmental and heritage values through monitoring, research and collaborative sharing of information and resources.	Ongoing
BE1411	Advancing our systems thinking to improve our environmental management – beyond compliance.	Ongoing
BE1412	Enhance the SHEQ system to coordinate safety, health and environment elements of management (with a view to seek quality certification in due course).	Ongoing 2014

The measures and targets for assessing success in this Key Result Area are:

Strategic Measures	Targets
<ul style="list-style-type: none"> ▪ Number of safety inductions ▪ Lost time injury frequency rate ▪ Number of security incidents ▪ Customer satisfaction ▪ Number of vessel movements ▪ Berth availability 	<ul style="list-style-type: none"> ▪ Zero lost time accidents. ▪ Zero security incidents. ▪ Biennial improvement in customer satisfaction levels. ▪ Annual increase in number of vessel movements. ▪ 65% berth occupancy

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7.2. TRADE FACILITATION (Key Result Area 2)

Strategic Aim

To be supportive and creative in assisting our customers to grow and develop their activities within or around a port under DPA's jurisdiction.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ Increase in trade volume ▪ Increase in customers ▪ New products traded through the Port
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Item No.	Strategies/Actions	Timing
TR1401	Provide logistics support to the Chevron Gorgon project.	July 2013 to end 2016
TR1402	Facilitate the Port management of development projects by new and existing customers of the Port of Dampier.	Ongoing
TR1403	Work with the major customers in the Port of Dampier, the Port of Ashburton and the Port of Anketell to look for opportunities to promote trade, enhance efficiency, improve safety and provide operational support.	Ongoing action
TR1404	Construct of the Dampier Marine Services Facility (subject to funding).	Construction 2016-2017
TR1405	Work in consultation with Landcorp to develop a more effective model for managing service corridors which relate to accessing port facilities.	Ongoing
TR1406	Promote DPA Ports to potential customers as an attractive port from which to trade.	Ongoing
TR1407	Develop Land use and Infrastructure plans for all West Pilbara marine facilities under management of the DPA and ensure the Port is an open access Port and that no	2014

Item No.	Strategies/Actions	Timing
	compatible industries are excluded in the future.	
TR1408	Ensure market demand for export infrastructure and land is met in a timely manner.	Ongoing

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

The measures and targets for assessing success in this Key Result Area are:

Strategic Measures		Targets
▪ Tonnage by category.	▪ Number of new customers using the Port.	▪ Comparison of trade forecast to actual trade.
▪ Number of new products using the Port.		▪ Increase trade volumes in line with customer forecasts.
		▪ Secure three major new long-term customers by 2015-16.

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7.3. FINANCIAL MANAGEMENT (Key Result Area 3)

Strategic Aim

To ensure that all DPA ports remain financially viable and meet the commercial expectations of shareholders and stakeholders.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ Sound financial management ▪ Value for money
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The measures and targets for assessing success in this Key Result Area are:

Item No.	Strategies/Actions	Timing
FM1401	Determine other revenue and financing mechanisms which can underpin major capital investment in a DPA Port.	Ongoing
FM1402	Evaluate private sector funding for key infrastructure projects.	Ongoing
FM1403	Develop cost recovery mechanisms for Greenfield port locations which allow third party access to port facilities and appropriately compensates a first mover developer.	Annual review
FM1404	Renew stevedoring licenses (based on competitive tendering process).	Review and renew in late 2014
FM1405	Enhance the contract management capability of the DPA through enhanced systems, skills training, and appropriate resourcing.	Annual review of progress, ongoing
FM1406	Evaluate the taxation impact on gifted assets for the greenfield ports.	2014
FM1407	Improve systems, controls and processes to enhance cost efficiency.	Ongoing

Strategic Measures	Targets
<ul style="list-style-type: none"> ▪ Return on assets ▪ Profitability ▪ Dividends ▪ Cost per tonne ▪ Cost per vessel movement ▪ Real price index ▪ Compliance 	<ul style="list-style-type: none"> ▪ Return on assets of 8% or better. ▪ Improve profitability and dividends each year, while reducing user costs (relative to other options) so as to enhance the attractiveness of the Port for trade.

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7.4. STAKEHOLDER RELATIONS (Key Result Area 4)

Strategic Aim

To exceed the expectations of stakeholders through the creation of real value for customers, community and the State.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ Value creation around targeted stakeholders ▪ High level of targeted stakeholder engagement ▪ High level of community awareness ▪ Social capital and stakeholder support for DPA activities ▪ Protect and promote DPA's reputation in the community ▪ Alignment on purpose and direction
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Item No.	Strategies/Actions	Timing
SR1401	Develop a communication strategy which supports the key result areas of the strategic plan, and achieves the following outcomes: <ol style="list-style-type: none"> 1 Improves stakeholder understanding of the value creation role of ports. 2 Increase knowledge and awareness of the DPA and its roles. 3 Improve confidence, cooperation and collaboration among stakeholders. 4 Promote a distinctive and positive image of the DPA. 5 Strengthen internal communications. 	Ongoing
SR1402	Continuously improve, refine and actively participate in an indigenous engagement program with traditional owners of the region, but specifically those linked to port lands.	Ongoing
SR1403	Support our local communities and the ongoing prosperity of the West Pilbara region, by actively participating in and/or contributing to community initiatives.	Ongoing

Item No.	Strategies/Actions	Timing
SR1404	Ensure extensive stakeholder engagement to reinforce port safety and security protocols, policies and objectives.	Ongoing
SR1405	Continue the evolution of a logistics focus in port operations including consideration of end to end supply chains for key customers.	Ongoing

The measures and targets for assessing success in this Key Result Area are:

Strategic Measures	Targets
<ul style="list-style-type: none"> ▪ Value created in the community. ▪ Community awareness of role of DPA and value it creates. 	<ul style="list-style-type: none"> ▪ Appropriate targets are set to quantify the success of individual programs/activities run under each strategic measure.

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7.5. EXPAND THE BOUNDARIES (Key Result Area 5)

Strategic Aim

To be ready to apply the expertise and experience of the DPA, when called upon by the Government, to other developing marine facilities along the West Pilbara coast.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ DPA given expanded responsibilities ▪ Community supports DPA involvement
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Item No.	Strategies/Actions	Timing
EB1401	Continue to develop and promote the concept of custodianship and ultimately the development of a Regional Port Development Strategy.	2014
EB1402	Seek opportunities to increase trade through diversification, new commodities and new locations.	Ongoing
EB1403	Promote academic research in regional WA and collaboration with universities and other research institutions.	Ongoing
EB1404	Accommodate expandability of existing users and development of new and emerging support industries in the future.	Ongoing
EB1405	Assume operational responsibility for the Port of Onslow.	2015
EB1406	Assume operational responsibility at Anketell	2014

The measures and targets for assessing success in this Key Result Area are:

Strategic Measures	Targets
<ul style="list-style-type: none"> ▪ Greenfield sites under DPA management. ▪ Proponent activity at each Greenfield site. 	<ul style="list-style-type: none"> ▪ Land and sea area vested in the DPA. ▪ Number of proponents involved at Greenfield sites.

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7.6. MARITIME ACTIVITIES (Key Result Area 6)

Strategic Aim

To be involved in the creation, development, and management of maritime activities along the West Pilbara coast.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ Increased shipping entering the port ▪ Management of all types of vessel traffic, including recreational ▪ High reputation for supporting maritime business opportunities
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Item No.	Strategies/Actions	Timing
MA1401	Continue development of the vessel traffic service system, including extending operational coverage of new port areas, in support of port governance and the safety of navigation.	2014
MA1402	Introduce and develop port operations management system software, complementary with the vessel traffic system, to improve the efficiency of information processing.	Mid-2014
MA1403	Undertake seabed hydrographic surveys, to assist all users with accurate navigation charts and to facilitate various development activities by user of the Port of Dampier (this action will gradually build up a total picture of the port's seabed area).	Annual surveys
MA1404	Develop a coordinated approach to maintenance dredging approvals in the port through the Technical Advisory Consultative Committee (TACC) facilitated by the DPA.	Ongoing
MA1405	Continue the development of the bathymetry information database for new and existing	Ongoing

Item No.	Strategies/Actions	Timing
	port operating areas.	
MA1406	Allow industry the opportunity to develop the capability for container trade operation should it so choose to.	Ongoing
MA1407	Explore the potential for stronger links between the West Pilbara coastline and the Australian Navy.	Ongoing
MA1408	Continue the DPA commitment to oil spill response training, for staff and customers.	Annual training schedule implemented, and ongoing

The measures and targets for assessing success in this Key Result Area are:

Strategic Measures		Targets
<ul style="list-style-type: none"> ▪ Recreational boat accidents. ▪ Shipping arrivals – new business. 	<ul style="list-style-type: none"> ▪ Number of recreational boat incidents. ▪ Number of berthing of new shipping. 	

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7.7. STRATEGIC LAND PLANNING & MANAGEMENT (Key Result Area 7)

Strategic Aim

To be a catalyst for effective and sustained development of the West Pilbara region, whilst recognising the significance of its environmental and heritage values.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ Consideration of environmental and heritage values within port related development opportunities. ▪ Planning and facilitating for the allocation of suitable infrastructure for appropriate port development which adds value to the region and State. ▪ Long term vision of opportunities for new and existing port developments within the Region. ▪ Clear understanding of customer needs in developing short, medium and long term port development opportunities. ▪ Strong relationships with regional Councils and communities in delivering integrated planning and land use solutions ▪ Pro-active and a beyond compliance approach to environmental monitoring within the port as part of responsible environmental stewardship.
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Item No.	Strategies/Actions	Timing
LP1401	Implement best practice land use planning and management through the assessment and approvals process for Development Applications.	Ongoing
LP1402	Ensure environment and heritage matters are considered during the earliest stages of proposed development works so as to minimise any adverse impact.	Ongoing
LP1403	Develop a 30 year Port of Anketell	2015

Item No.	Strategies/Actions	Timing
	Development Strategy	
LP1404	Develop a Regional Port Development Plan for 2060 which incorporates all known port facilities along the West Pilbara Coast.	2014
LP1405	Identify customer needs and opportunities where “beyond port boundary” lands could support port related activities and ensure such areas are considered as part of port land use planning strategies (all Port locations).	Ongoing
LP1406	Develop policies and management plans to plan for more effective utilisation of dredge spoil disposal material, which supports the creation of new land for industrial and/or Port purposes.	2014-15
LP1407	Consider future Port trade and trade volumes in Port planning and development.	Ongoing annual review
LP1408	Lead planning and development of Greenfield Port sites required by industry.	Ongoing
LP1409	Continue to develop concept designs for alternative infrastructure and methodology that rapidly address supply chain constraints and facilitate trade including new services to the Port.	Ongoing

The measures and targets for assessing success in this Key Result Area are:

Strategic Measures	Targets
<ul style="list-style-type: none"> ▪ Environmental incidents ▪ Compliance with environment and heritage management plans ▪ Berth availability 	<ul style="list-style-type: none"> ▪ Annual reduction in number of environmental incidents. ▪ Increase in environmental and heritage awareness. ▪ Integrated planning outcomes resulting in best use land management practice outcomes.

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7.8. INFLUENCING THE FUTURE (Key Result Area 8)

Strategic Aim

To use the ports reputation, expertise, thinking, capacity, and resourcefulness, to lead, shape, and influence the future development and success of the West Pilbara.

<i>Critical Success Factors</i>	<ul style="list-style-type: none"> ▪ Opinion being sought on future developments ▪ Funding secured by DPA for development ▪ Community awareness of proactive DPA ▪ Industry support for DPA leadership
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Item No.	Strategies/Actions	Timing
IF1401	Support the Pilbara Cities initiative.	Ongoing
IF1402	Continue to identify opportunities and partnerships to offset any adverse impact associated with port operations, which add in perpetuity value to the environment.	Ongoing
IF1403	Share internal expertise and resources with other regional agencies and ports, including Ports Australia and Ports WA bodies for knowledge management.	Ongoing
IF1404	Take a leadership role for development of port locations along the West Pilbara coastline.	Ongoing

The measures and targets for assessing success in this Key Result Area are not easily quantifiable and are under consideration for development.

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8. SUPPORTING ACTIONS

In support of the strategic plans for the Key Result Areas, the following additional strategies and actions will be undertaken:

8.1. HUMAN RESOURCE MANAGEMENT

Item No.	Strategies/Actions	Timing
HR1401	Supporting professional development and training of staff	Review progress annually
HR1402	Monitor the levels of excellence program and develop job enhancement opportunities	Ongoing
HR1403	Ensure key initiatives for safe and attractive workplace are continued and improved	Annual review, and ongoing

8.1.1. Staff Forecast

The table below shows staffing levels for the next five years.

	2014-15	2015-16	2016-17	2017-18	2018-19
Management	17	17	17	17	17
Administration	37	37	37	37	37
Operations	32	34	41	42	42
Trainees	1	1	1	1	1
Total Staff	87	89	96	97	97

8.2. INFORMATION SYSTEMS MANAGEMENT

Item No.	Strategies/Actions	Timing
IS1401	Further develop the information systems ensure that the software and hardware requirements support the business growth.	Annual review of progress, ongoing
IS1402	Evaluate E business opportunities in order to make the business process efficient	Ongoing
IS1403	Continue software training program to maximise the application of software in port operations and administration.	Ongoing
IS1404	Review IT Business Continuity procedures.	2015

8.3. ASSET MANAGEMENT

Item No.	Strategies/Actions	Timing
AP1401	Continue the housing redevelopment and renewal program to ensure that the high cost of housing does not inhibit the attraction and retention of key staff in both Dampier and Onslow.	Ongoing program. Dependent upon annual funding to 2016.
AP1402	Manage the capital expenditure program to ensure timely delivery and minimum costs to port users in line with the Strategic Asset Management Plan	Annual review
AP1403	Continue the established program of maintenance, in line with the Strategic Asset Management Plan for all DPA-owned port Assets.	Ongoing
AP1404	Deliver on five-year rolling program of maintenance on the Dampier Cargo Wharf, to ensure that this vital piece of infrastructure is fully capable of supporting the oil and gas industry, and the growth in trade and development in the Port of Dampier.	2014/15 – 2018/19
AP1405	Undertake an upgrade of the King Bay Industrial Estate, including roads, drainage, lighting, and signage, to be funded by leaseholders and major project proponents.	Continue program (depending upon funding)
AP1406	Deliver on Port of Ashburton foundation works - a filled pad area in the CUCA; a Port Administration Building; a Gate House amongst various other elements of services and infrastructure – water / power / sewer etc.	2018

9. POLICY STATEMENTS

9.1. Pricing Policy

The DPA has fully established “user pays” principles which ensure that there is no unintended cross-subsidisation of fees and charges amongst users. Even Greenfield developments are initially funded from lease revenue, and then moved across to user pays principles as each proponent or activity is identified. The port’s approach has ensured a much clearer rationale for any increase in charges and port users have shown that they appreciate the certainty of application that comes from this clear “user pays” principle.

Pricing of services provided by the DPA, are designed to facilitate trade within the Port while ensuring that costs are recovered and the DPA meets its required annual return on assets target. Pricing is compared annually to prices from the next nearest port, and to commercial rates being levied by the private sector. The Board of the DPA is conscious of the need to keep port dues to the minimum level necessary to effectively provide for current and future services and asset replacement. However, the Board also recognises that revenue must keep pace with the growth and development needs of the port, as well as being able to provide for new capital infrastructure. It is clear that the DPA need to continue to invest to keep pace with export activity and regional development, and hence correct pricing of services is essential.

The Board has determined that there **must be increases in port dues and other charges during the life of this plan**, arising directly from the application of “user pays” in the costing of services and to support the ongoing planning and development of the port to facilitate future trade. In particular, the DPA must continue to increase its revenue base to support provision of additional cargo berths, and the planning and development of other infrastructure and services.

Land lease charges provides supplementary income to the, and enables the port to fund development opportunities without impacting upon charges for

existing port users. The DPA will continue to seek commercial rents for all its properties and to develop further industrial land to support industry.

During 2014-15, the DPA will further build on existing pricing policy in relation to gifted assets, rates of return, long term facilitation of trade, land demand and business value pricing to ensure that industry pays appropriate charges and makes appropriate decisions consistent with port pricing objectives.

The Board will continue to monitor charging annually and will make adjustments to pricing policy as necessary to achieve the strategic and operational objectives of the Dampier Port Authority.

9.2. Investment Policy

The DPA’s investment policy aims to maximise the return on investments whilst minimising the authority’s exposure to risk. The Board of the DPA determines the extent and nature of investment policy.

Funds are invested predominately in commercial bills and term deposits with recognised financial institutions. As far as practicable the DPA targets a minimum cash flow requirement, in order to maximise the amount of retained earnings that can be invested.

Internal funds are placed in approved investments until required to meet new capital initiatives or to provide working capital through periods of heightened development activity in the Port.

9.3. Buy Local Policy

The Board of the DPA has long endorsed a buy local policy for all procurement needs and the DPA continues to look for opportunities to foster local businesses, although it is noted that the large volume of alternative work available in the Pilbara means the DPA must compete for resources, including with local businesses.

More than 75 per cent of DPA supply requirements continue to be sourced from within the Shire of Roebourne area, and this level of support will continue under the current Buy Local policy. DPA will also support local businesses within the Shire of Ashburton as the opportunities arise.

9.4. Financial Policies

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

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

9.5. Dividend Policy

Dividends are paid to Government at the level of 65 per cent of after tax profits. The Board will recommend a level of dividend to the Minister annually, or the Minister may determine in consultation with the Board (under Section 84 of the Act) a different dividend payment.

Special dividends may also be requested by government from time to time and these will be assessed by the Board as they arise.

9.6. Asset Valuation Methodology

The DPA has adopted the Deprival Valuation method, for the purpose of calculating the rate of return on assets. Assets are valued at cost.

9.7. Community Service Obligation – Dampier Bulk Liquids Berth

The DPA completed the construction of the Dampier Bulk Liquids Berth in November 2005. The capital cost involved will be recovered from users. A State Facilitation Deed has been put in place which underwrites the unused portion of the facility with a community service obligation payment, to the extent necessary to enable the DPA to service the debt and cover the operating costs of the facility.

	2014-15
	(\$000)
Revenue	
CSO and state subsidy	7,937
DBLB Tariff	<u>2,068</u>
Total Revenue	10,005
Expenditure	9,196
Operating Profit	809
Income tax equivalent	243
Operating Profit after tax	566
Dividend to declare	368

9.8. Reporting Requirements

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

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

9.9. Diversity Policy

The DPA is an equal opportunity employer that actively promotes diversity in the workplace. The DPA has only a small staff, but already has a significant number (around 65 per cent) of female employees working in operations and administrative areas. The DPA is also a supporter of traineeships. The DPA will continue to target youth employment and cultural diversity (including a substantial commitment to create opportunities for the indigenous community to participate more fully in the development of the region). This is an ongoing commitment.

9.10. Efficiency Dividend

As announced by the Government on 19 May 2011, Dampier 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 from 2014-15 are displayed below.

	2014-15
Discretionary Operating Expenses (\$'000)	18,527
Rate (%)	5
Reduction in expenses ('\$000)	926
Estimated increase in tax equivalent payments (\$'000)	278
Estimated increase in dividends ('\$000)	481

On 16 April 2012 Cabinet approved an additional efficiency dividend. The DPA will meet the efficiency dividends through reduced expenditure and additional revenue generated from increase in trade growth.

Efficiency Dividend for 2014-15

	2014-15
Efficiency dividend (\$000)	853

The financial impacts of the efficiency dividend have been reflected in the 2014-15 plans.

10. ENVIRONMENTAL MANAGEMENT PLAN

The DPA has an environmental management plan (EMP) which is well-established. The contents page of the report is inserted to indicate the scope of the EMP. The EMP is a key element of the DPA's management of the environment.

1. PURPOSE

2. SCOPE

3. ENVIRONMENT AND HERITAGE SETTING

4. PLANNING

4.1. Policy

4.2. Legislation and Non Statutory Guidelines

4.3. Statutory Approvals

4.4. Risk management

4.5. Significant Environmental Aspects

4.6. Objectives and Targets

5. IMPLEMENTATION

5.1. Roles, Responsibilities and Accountabilities

5.2. Training, Competency and Awareness

5.2.1. New Employees

5.2.2. Toolbox Talks

5.2.3. Training

5.3. Communication and Consultation

5.3.1. Project Consultation

5.3.2. Forums

5.3.3. Statutory Reporting

6. INCIDENT MANAGEMENT

6.1. Emergency Preparedness and Response

6.1.1. Marine Oil Pollution

6.1.2. Cyclones

6.1.3. Bushfire

7. MONITORING, MEASUREMENT AND EVALUATION

7.1. Aboriginal Heritage

7.2. Contractor Management

7.3. Leaseholder Management

7.4. Contaminated Lands

7.5. Water Quality

7.5.1. Stormwater

7.5.2. Marine

7.6. Introduced Marine Pests

7.7. FAUNA

7.7.1. Native Fauna Sightings

7.7.2. Invasive Birds

7.7.3. Feral Cats

7.8. Weeds

7.9. Potable Water

7.10. Waste

8. MANAGEMENT REVIEW



Statement of Corporate Intent 2014-2015

11. FINANCIAL MANAGEMENT

Financial information 2014/15

		\$'000
Total Income		77,094
Total Expenditure		55,484
Net Profit		21,610
Tax		6,483
Dividend		9,833
Capital Expenditure		10,000
Minor works Dampier	5,000	
Port of Ashburton works	5,000	

The \$10m capital works is funded by internal cash reserves.

Cash at year end		55,035
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12. CONTACT INFORMATION

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