



# 2020

ANNUAL  
REPORT



Fuel Tanker Port of Broome Terminal

# CONTENTS

<b>CHAIR AND CEO REPORT 2019/20</b>	<b>2</b>	4.4 DIRECTORS MEETINGS	30
<b>02. AGENCY OVERVIEW</b>	<b>6</b>	4.5 PLANNED ACHIEVEMENTS	31
2.1 AGENCY PERFORMANCE	7	4.6 OPERATING RESULTS	37
2.2 MINISTERIAL DIRECTIONS	8	4.7 DIVIDENDS	38
2.3 GOVERNANCE	8	4.8 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS	38
2.4 ENVIRONMENTAL MANAGEMENT	12	4.9 EVENTS SUBSEQUENT TO REPORTING	38
2.5 ORGANISATIONAL STRUCTURE	14	4.10 LIKELY DEVELOPMENTS	38
<b>03. OPERATIONAL PERFORMANCE</b>	<b>16</b>	4.11 REMUNERATION REPORT	39
3.1 OCCUPATIONAL HEALTH AND SAFETY	17	4.12 ROUNDING OFF	41
3.2 OPERATIONAL PERFORMANCE	20	<b>FINANCIAL STATEMENTS</b>	<b>42</b>
3.3 TRADE STATISTICS	22	STATEMENT OF COMPREHENSIVE INCOME	43
3.4 INFRASTRUCTURE IMPROVEMENT AND MAINTENANCE	24	STATEMENT OF FINANCIAL POSITION	44
<b>04. DIRECTORS' REPORT</b>	<b>26</b>	STATEMENT OF CHANGES IN EQUITY	45
4.1 ROLE OF THE BOARD	27	STATEMENT OF CASH FLOWS	46
4.2 DIRECTORS' RIGHTS	27	<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>47</b>
4.3 DIRECTORS' DETAILS	27		

# CHAIR AND CEO REPORT 2019/20



**Craig Faulkner**  
CEO



**Reece Waldock, AM**  
Chair

The Port of Broome facilitates trade for a range of industries including oil and gas logistics, cruise shipping, live cattle exports, pearling and fishing, and fuel imports and exports.

The Port's reliance on the offshore oil and gas sector was more than apparent during the year, and especially from March 2020 with a downturn in shipping due to delays in planned exploration in the Browse Basin by KPA's major customers INPEX and Shell Australia as a direct result of the COVID-19 Pandemic.

KPA's Board and Management hold safety as its highest priority. During the year no Lost Time Injuries were recorded; and the involvement of the Port's Health, Safety and Environment Committee has seen continuing improvement not only in systems, but also in physical changes to the workplace to ensure a safer work environment.

KPA is actively involved in Broome supporting community and volunteer groups during the year through direct sponsorship and indirect support. These groups include: Broome Volunteer Sea Rescue, Broome Senior High School, Broome Fishing Club, Broome Regional Volunteer Bush Fire Brigade, Roebuck Bay Marine Park Working Group, Agunya Ltd, West Kimberley Combined

*Dredge Niccolo Machiavelli*



*General Cargo Vessel*

Emergency Services, Broome Chamber of Commerce and the Shinju Matsuri Festival. KPA worked closely with the Shire of Broome and the Department of Transport on the proposed Broome Boating Facility to be utilised by recreational vessels, which will be located on KPA land at Entrance Point, as well as supporting the Shire of Broome in successfully obtaining funding to construct the long-awaited Town Beach Jetty which is expected to operational during 2021.

The Channel Optimisation Project was completed during September 2019, over a two week period. This project was completed on time and under the forecast cost of \$15M. International dredging firm, Jan de Nul carried out the dredging for the Port of Broome's approach channel, which has made safe passage easier for large vessels manoeuvring through the channel at all tides.

The cruise ship industry and local tourism sector will be the beneficiaries of this project facilitating greater time ashore for passengers to experience Broome and surrounds. Allied with this the new passenger gangway was completed and commissioned for use in early 2020 enabling safer and faster cruise passenger transfers. Special recognition goes to KPA's Engineering Manager, Scott Baker and his team for overseeing and delivering both of these projects.

Kimberley Marine Support Base Pty Ltd (**KMSB**) and KPA entered into an agreement in October 2019 to establish the Kimberley Marine Material Offloading Facility to the South of the existing Port of Broome wharf. Subject to all approvals being obtained, it is expected that construction of the facility will commence in the first quarter of 2021, and be fully operational two years later.



*Seismic Survey Vessel – Skandi Darwin*

The facility will have a floating deck and the ability to transfer heavy loads across the wharf to meet the needs of the expanding Browse Oil and Gas market as well as provide access on all tides for vessels entering the Port.

KMSB are expected to announce the appointment of an operator for the facility as well as the successful tenderer for the marine construction before the end of 2020. This project will fulfil the future requirements identified in the Port Master Plan for wharf expansion to meet trade demand.

The Ports Legislation Amendment Act 2019 was passed by Parliament in late February 2019. Since that time the Department of Transport and KPA have formed a Ports Amalgamation Working Group to prioritise the timely transfer to KPA of the Ports of Wyndham, Derby and Yampi Sound. The ports transfer is on track to occur on 1st July 2021.

KPA incurred a loss of \$6.7M, for the 2019/20 year compared to a forecast loss of \$0.7M. Total revenue was \$8.3M below forecast whilst expenditure was \$2.3M below forecast. Due to the downturn in trade and to more efficiently structure KPA for the future the difficult decision was made to restructure the workforce which resulted in the reduction of 15 positions to the full time workforce, as well as the pending closure of the Perth office later in 2020. KPA's owner the WA Government supported the business during the year with an equity injection of \$3M.

Overall vessel visit numbers were down by 20% against forecast with oil and gas vessel visitations down by 20% and cruise ship visits down by 27%. This decline is directly attributable to the economic effects of the COVID-19 Pandemic.



*Docking the Andesborg*

Craig Faulkner was appointed CEO in October 2019 and David Duncan Harbour Master in January 2020.

KPA expects to return to profitability in 2022/23, with losses expected in the next two financial years. This improvement is dependent upon realising the cost savings that have been instituted, which will be possible with continued support of all employees, along with the planned exploration and drilling programmes of our major Oil and Gas customers proceeding.

During the year a number of changes occurred at both Board and Senior Management level, with two long-serving Directors retiring, Deputy Chair David Mofflin and Martin Pierson-Jones along with Susan Bergersen and Rochelle Smith. Their combined service is appreciated and recognised. Kylie Bartle and Jodie Ransom joined the Board as Directors.

Following the retirement of the CEO and Harbour Master, Kevin Schellack and Lindsay Copeman respectively,

Craig Faulkner was appointed CEO in October 2019 and David Duncan Harbour Master in January 2020. Craig comes to KPA with over 25 years senior management experience in both public and private sector port businesses, while David is a highly experienced Master Mariner joining from the Port of Nelson in New Zealand where he was Harbour Master. Thanks to Luke Westlake who acted as CEO for a period and has recently been promoted to Chief Operating Officer.

The Board and Management remain focussed on maintaining a safe work environment for our employees and customers alike, continuing to undertake KPA's primary objective of facilitating trade for the benefit of the State, returning the business to profit as well as delivering the amalgamation of all of the Kimberley's commercial ports under the KPA umbrella in the coming year.



## 02 AGENCY OVERVIEW

## 2.1 AGENCY PERFORMANCE

The following information provides a measurement of agency performance against the Kimberley Ports Authority's forecast in the 2019/20 Statement of Corporate Intent.

### 2.1.1 FINANCIAL TARGETS

Financial Targets 2019/20	Target \$000's / %	Actual \$000's / %	Variation \$000's / %
Gross revenue	21,736	13,374	(8,362)
Total services costs	22,460	20,168	(2,292)
Net Tax Equivalent paid to Treasury	0	0	0
Profit/Loss after tax	(724)	(6,794)	(6,070)
Expected Dividend to be paid to Treasury	0	0	0
Net increase/(decrease) in cash (from Statement of Cash Flows)	70	(9,822)	(9,752)
Rate of Return	(0.9%)	(9.3%)	(8.4%)
Capital Expenditure	8,775	16,103	7,328
<b>Total Assets</b>	<b>79,722</b>	<b>72,772</b>	<b>(6,950)</b>

*Table 1 Financial targets 2019/20*

Variations in revenue from budget for financial year 2019/20 were primarily due to the effects of COVID-19 and the related economic impacts on KPA clients. This resulted in a reduction of 39% in revenue against budget. As a result of decreased shipping movements servicing costs were less than budget.

### 2.1.2 CUSTOMER SATISFACTION

KPA uses a range of methods to monitor customer satisfaction including regular face to face operational meetings, and hosting meetings to respond to enquiries. The CEO meets a range of customers to ensure services

meet industry requirements and to plan for future port utilisation. Customer meetings were curtailed during 2020 due to COVID-19 restrictions.

KPA has a Customer Service Charter that outlines expected service levels and provides information on how to communicate customer feedback. A customer feedback form is available on the KPA website. KPA publishes and distributes a range of customer and stakeholder information updates. A local stakeholder survey was conducted in late 2019 informing the amendments to KPA's Communications Plan.

### 2.2 MINISTERIAL DIRECTIONS

---

No Ministerial directions were received during the period.

### 2.3 GOVERNANCE

---

#### 2.3.1 EQUAL OPPORTUNITY

KPA has an Equal Employment Opportunity Procedure that is updated every two years to ensure ongoing relevance to workplace dynamics and legislation. The last update was undertaken in November 2019 and a third party consultant delivered training to KPA employees covering practices that could constitute discrimination. The Equal Employment Opportunity Management Plan was also reviewed during the reporting period. KPA reports to a Board sub-Committee on the achievement of objectives within the Diversity Procedures.

KPA continues to ensure that it is a workplace that fosters fairness, equity and diversity by providing equal opportunity employment based on merit, regardless of: sex, age, race, pregnancy, marital status, sexual orientation, family responsibility, religious or political conviction or impairment.

#### 2.3.2 HUMAN RESOURCES

KPA had a workforce of 77 including full-time, part-time and casual employees during 2019/20. During the reporting period KPA's CEO, Kevin Schellack, retired and Craig Faulkner was appointed CEO commencing in late October 2019. A new Harbourmaster and Commercial Manager were appointed, and a Procurement Superintendent engaged to oversee procurement inclusive of tendering management. Given the downturn in

trade during 2019/20, a restructuring of management and administrative staff was undertaken with seven employees being made redundant late in the financial year.

KPA has an Education Assistance Procedure that provides financial support and study leave to encourage employees to gain higher skills and qualifications. During the past year one employee completed their Diploma in Global Logistics and Maritime Management course. One employee completed their Certificate IV in Training and Assessment and three Operations employees commenced working towards completing this certification. A wide range of training has been provided throughout the year in the use of the new software applications.



*Operations employees viewing charts*

## 2.3.3 THE STATE RECORDS ACT 2000

KPA has a registered Recordkeeping Plan – RKP 202005, which was recently revised and updated including the underpinning internal recordkeeping procedures for KPA. ELO Digital, a fully functional Electronic Document Recording Management System, was upgraded inclusive of the ability to identify and back up vital records as part of KPA's records disaster recovery. Recordkeeping Awareness training was delivered to three of the four new personnel during the year. KPA provides Recordkeeping Procedures to new office personnel who are also trained, in-house, in using ELO Digital.

## 2.3.4 FREEDOM OF INFORMATION

The Information Statement was updated in June 2020 to maintain currency of KPA's information. The Information Statement explains how to lodge a Freedom of Information request, lists associated charges, and a copy of the document is available either from the Port Authority office or via the website – [www.kimberleyports.wa.gov.au](http://www.kimberleyports.wa.gov.au)

There was one Fol application received and processed, in compliance with the *Freedom of Information Act 1992*, during the financial year 2019/20.

## 2.3.5 ELECTORAL ACT 1907 – SECTION 175ZE

In accordance with Section 175Ze of the Electoral Act 1907, the following expenses were incurred by KPA in media advertising and market research:

Expenditure Agency	Class	Amount
West Australian Newspapers Ltd	Media Advertising Organisation	\$9,272.80
GoGo On Hold Pty Ltd	Media Advertising Organisation	\$828.00
Minq Design Studio	Media Advertising Organisation	\$11,025.97
<b>Total</b>		<b>\$21,126.77</b>

*Table 2 Advertising 2019/20*



### 2.3 GOVERNANCE (CONTINUED)

#### 2.3.6 RISK MANAGEMENT

Risk management plays an important role within KPA's decision making functions, from wharf operations through to contractual arrangements and Board strategic decisions. The Leadership team regularly reviews the port's risks to ensure changes and new risks are considered and assessed. KPA's Board also has a sub-Committee that reviews and monitors the risk profile.

In 2019 a Risk Management Framework was implemented which includes a risk policy, risk appetite statement, updated risk and opportunity assessment criteria tables and a five year implementation roadmap. As part of the risk roadmap KPA reviewed and updated its strategic and operational risks. KPA also introduced a new risk management software to assist in managing risks and associated actions.

The key areas of focus for risk over the last 12 months included:

- assessing the risks associated with the Channel Optimisation Project;
- planning for, preparing and managing the risks associated with COVID-19 with the aim of minimising the risk of transmission in the workplace, while also maintaining the provision of port essential services where possible;
- assessing the risks associated with the design and construction of the new offshore facility proposed by Kimberley Marine Support Base Pty Ltd; and
- assessing the risks associated with the procurement, commissioning and operation of the new mobile harbour crane that is due to arrive at the Port of Broome in August 2020.

## 2.3.7 COMPLIANCE WITH LEGISLATION

KPA uses professional legal advisers to ensure that KPA's documentation and agreements meet best practice and comply with all relevant legislation. KPA receives newsletters and circulars to stay informed of significant changes to key legislation, particularly in the area of safety and the environment. A new software system has been introduced that lists key legislation and provides reminders to nominated employees to ensure that legislative obligations are being checked. KPA engages consultants to provide legal advice on a range of matters.

## 2.3.8 INSURANCE OF DIRECTORS AND OFFICERS

KPA's Directors and Officers are insured against liabilities for costs and expenses incurred by them in defending any civil or criminal proceedings arising out of the lawful performance of their duties. Coverage excludes conduct involving a number of matters, including a wilful breach of duty in relation to their employment or appointment to the KPA Board.



Cruise passenger gangway toolbox

## 2.3.9 THE PUBLIC SECTOR MANAGEMENT ACT 1994 – SECTION 31 (1) FRAMEWORK

<b>Compliance issues:</b>	In order to achieve best practice in compliance, KPA has a range of behavioural procedures in place.
<b>Public Sector Standards (PSS) Breach claims:</b>	Nil returns
<b>WA Code of Ethics Reports of non-compliance with WA Code of Ethics:</b>	Nil returns
<b>Agency Code of Conduct:</b>	One breach

Table 3 Public Sector Management Act 1994 Activities

## 2.3 GOVERNANCE (CONTINUED)

### 2.3.10 CORRUPTION PREVENTION

KPA has a comprehensive system of codes, policy statements and procedures that form the basis of its corruption prevention system. The Code of Conduct and Policy Statements are approved by the KPA Board and each staff member is required to read and acknowledge receipt of the relevant documents and agree to abide by its terms.

In accordance with Section 23 of the *Port Authorities Act 1999*, KPA provided a copy of the updated Code of Conduct to the Public Sector Commission. KPA's Code of Conduct addresses:

- Customer Service;
- Conflicts of Interest;
- Offer and Acceptance of Gifts and other Incentives;
- Personal behaviour with customers and work colleagues;
- Professional Integrity;
- Corruption;
- Release and use of Port Authority Information; and
- Use of Port Authority Resources.

KPA's Code of Conduct was updated in December 2019 and training was provided by a third party consultant on matters including conflict of interest, acceptable behaviour in the workplace, defining what constitutes bullying and harassment and conducting difficult conversations.

KPA has introduced a Delegated Authority Procedure

setting out clear lines of authority for Board members through to purchasing for employees. KPA's procedures also address approved expenditure on entertainment, plus expenditure limits for credit cards to ensure correct expenditure protocols are followed.

The Procurement Procedure sets clear guidelines regarding the process to be followed when services and products are procured. Staff members authorised to purchase goods and services, on behalf of KPA, are assigned limits on the value of goods and services they can purchase.

The *Public Interest Disclosure Act 2003* enables persons to make disclosures about wrongdoing within the WA public sector, local government and public universities without fear of reprisal. KPA's Public Interest Disclosure Officer is obligated to investigate, assess and where appropriate, refer misconduct allegations to the relevant authorities.

KPA's website sets out the process to be followed if an individual wishes to make a Public Interest Disclosure. KPA received no Public Interest Disclosure applications during 2019/20.

## 2.4 ENVIRONMENTAL MANAGEMENT

KPA recognises the importance of environmental protection and is committed to acting in an environmentally responsible and sustainable manner. KPA has an environmental management system which assists in integrating environmental management requirements into business objectives, continuously improve environmental performance and minimise environmental impacts across operations, both land and marine.



*Isolating a water pump*

There were no significant environmental incidents during the reporting period.

The dredging works for the Channel Optimisation Project were completed in accordance with KPA's environmental approvals and Sea Dumping permit without non-compliances. Trained Nyamba Buru Yawuru (Yawuru) Country Managers and KPA employees undertook Marine Fauna Observer duties during dredging and dumping activities.

KPA worked closely with the Department of Biodiversity, Conservation and Attractions and Yawuru to discuss trans-boundary issues relating to Port waters and the Yawuru Nagulagun Roebuck Bay Marine Park. The three organisations have a Memorandum of Agreement for the marine park and meet on a regular basis to share relevant information, provide updates on new projects and ensure lines of communication are maintained.

KPA continued to undertake marine monitoring including water quality, benthic habitat and sediment sampling and the results continue to indicate a healthy marine environment. KPA also continued its groundwater monitoring program with bi-annual sampling occurring at the end of the wet season and the end of the dry season.

During the reporting period KPA monitored for the presence of invasive marine pests through the State Wide Array Surveillance Program (**SWASP**), a collaborative marine biosecurity surveillance network with the WA Department of Primary Industries and Regional Development. The SWASP involves the deployment of arrays under the wharf and shoreline searches to identify potential invasive marine species.

KPA worked with its tenants to ensure environmental compliance through development approval processes, tenant inspections and KPA's tenant environmental management requirements.

Over the past 12 months KPA has continued to contribute to the Broome Community Seagrass Monitoring Project which monitors sea grass within Roebuck Bay. KPA also continued its involvement in the Roebuck Bay Working Group Committee.

## 2.5 ORGANISATIONAL STRUCTURE

<b>Minister</b>	Hon Alannah MacTiernan, MLC Minister for Ports	<b>Engineer</b>	Scott Baker BE (Hons) MIEAust
<b>Board Members</b>	Reece Waldock AM (Chair) David Mofflin (Deputy Chair) Martin Peirson-Jones (to December 2019) Paul Larsen Anna Dartnell Rochelle Smith (to December 2019) Susan Bergersen Kylie Bartle (from January 2020) Jodie Ransom (from January 2020)	<b>Operations Manager / COO from May 2020</b>	Luke Westlake
<b>Chief Executive Officer</b>	Craig Faulkner BBus (Accounting), Grad. Cert. Management, CPA, GAICD (from October 2019)	<b>HSE Manager</b>	Veronica Mair BEc (Hons) MScTech (OHS) MEnvMgt
<b>Chief Executive Officer</b>	Kevin Schellack (July to August 2019)	<b>Governance Manager</b>	Rosemary Braybrook BBus (Public Relations)
<b>Harbour Master</b>	Captain Lindsay Copeman (July 2019 to Jan 2020)	<b>Postal Address</b>	PO Box 46 Broome, Western Australia 6725
<b>Harbour Master</b>	Captain David Duncan (from January 2020)	<b>Office Address</b>	549 Port Drive Broome, Western Australia 6725
<b>CFO</b>	Charles Kleiman BBus (Accounting) CPA	<b>Telephone</b>	08 9194 3100
		<b>Facsimile</b>	Administration 08 9192 1778 Operations 08 9194 3188
		<b>Email</b>	info@kimberleyports.wa.gov.au
		<b>Website</b>	www.kimberleyports.wa.gov.au

*Table 4 Organisational Structure*

## 2.5.1 ORGANISATIONAL CHART

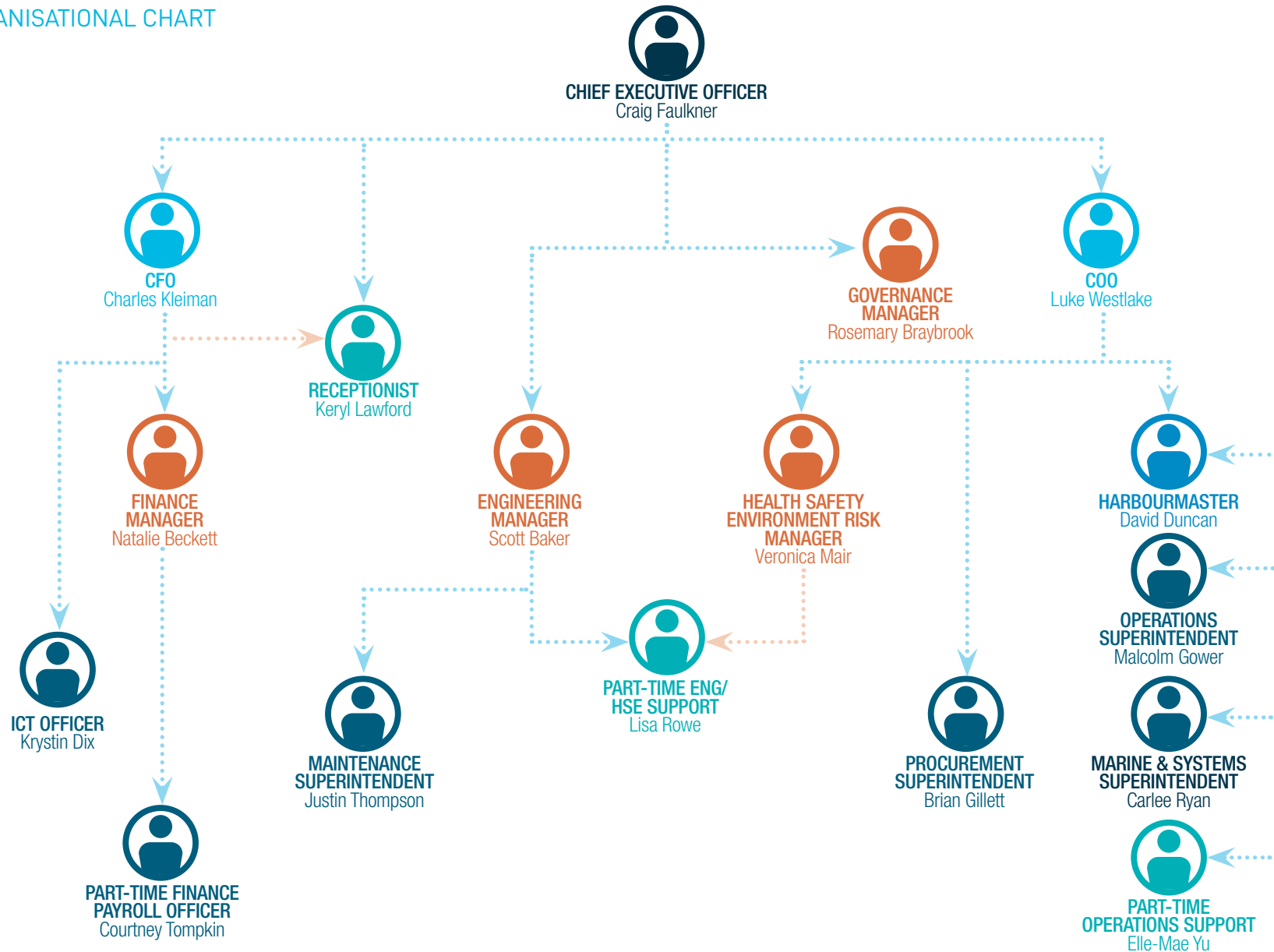


Figure 1 Organisational Chart



**03** OPERATIONAL  
PERFORMANCE



Working from heights handrail being put in place

## 3.1 OCCUPATIONAL HEALTH AND SAFETY

Kimberley Ports Authority is committed to providing a safe and healthy work environment. KPA's Board and Leadership team place a high priority on safety and ensure that safety considerations are integrated into all areas of its operation.

KPA reported a lost time injury frequency rate of zero during 2019/20.

Significant capital expenditure was undertaken to address safety critical elements at the Port of Broome, with key projects including:

- completion of the new underdeck trolleys for the southern end of the wharf;
- completion of the Cruise ship gangway which provides safe passenger access and egress from cruise vessels; and
- introduction of a new forklift mounted mobile capstan to assist in mooring operations.

- An employee safety survey was completed in December 2019 and the majority of responses were positive with employees reporting that:
  - safety was treated as a core organisational value at the port;
  - employees would stop the job if they observed a serious safety issue; and
  - high risk activities were appropriately controlled at the Port.

KPA has a Health Safety and Environment (**HSE**) Committee with seven elected and trained employee safety representatives and four management representatives. The HSE Committee meets monthly and provides a forum for safety representatives to table safety issues and review safety statistics and data. During the reporting period the HSE Committee was involved in the review and update of KPA's Fatal Five Safety Rules.

Employees completed a range of internal and external safety training courses in 2019/20 including working at heights, first aid, mental health first aid, fire warden and new stevedore inductions.

## 3.1 OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

Flu vaccinations were made available to all employees as part of KPA's health and wellbeing program. KPA maintained an Employee Assistance Program during the reporting period. As part of KPA's Fitness for Work Policy alcohol and other drug screening was undertaken on employees and contractors.

KPA has an occupational health and safety management system (**OHSMS**) which identifies, assesses and controls health and safety hazards and risks. An internal audit was completed on the OHSMS using the WorkSafe Plan, as an audit tool, and no major or minor non-conformities were found. KPA also received a Platinum award in the IFAP Safe Way Achiever program in 2019 which involved a desktop review of KPA's OHSMS.

Safety information including notices and monthly statistics are communicated to employees through team meetings, toolbox talks and workplace notice boards. The Port Induction also provides employees and port users with important safety and environment information.

KPA is committed to assisting employees who have become injured or ill due to work, to return to their pre-existing duties, as soon as medically appropriate in accordance with the *Workers Compensation and Injury Management Act 1981*. KPA's Workplace Injury Management Procedure is distributed to all employees and information on injury management is included in new employee inductions. As part of the injury management process KPA develops return to work plans with the injured worker, their supervisor, and the return to work coordinator.



Fatal Five Safety Rules



Safe Work Values



Tugs Yarra and Drysdale

## ANNUAL SAFETY PERFORMANCE FOR KPA EMPLOYEES

Annual Safety Performance for KPA employees	2017/18	2018/19	2019/20	Targets	Comments
Number of fatalities	0	0	0	0	Target met
Lost time injury and/or disease incident rate*	0	1.64%	0	0 or 10% reduction in incidence rate	Target met
Lost time injury and/or disease severity rate	0	0	0	0 or 10% reduction in severity rate	Target met
Percentage of injured workers returned to work within: i) 13 weeks ii) 26 weeks	NA	i) 100% ii) 100%	NA	Greater than or equal to 80%	Target met
Percentage of managers and supervisors trained in OSH and injury management responsibilities	83%	90%	90%	Greater than or equal to 80%	Target met

**Table 5** Annual Safety Performance for KPA employees

\*The LTI/Disease incidence rate was calculated using the public sector commission formula

## 3.2 OPERATIONAL PERFORMANCE

### 3.2.1 VESSEL VISITS

There was an overall 20% reduction in total vessel calls compared with the budget for the year. There was a 16% reduction in Oil and Gas vessel activity as Browse Basin projects maintained a reduced capacity. Oil and Gas visits have declined since March with INPEX halting operations due to COVID-19, however they are planning to commence a delayed drilling campaign in October.

The livestock season was busy in the second half of 2019, with a slower start from April 2020, hence a total of 98,803 head of cattle was exported for 2019/20.

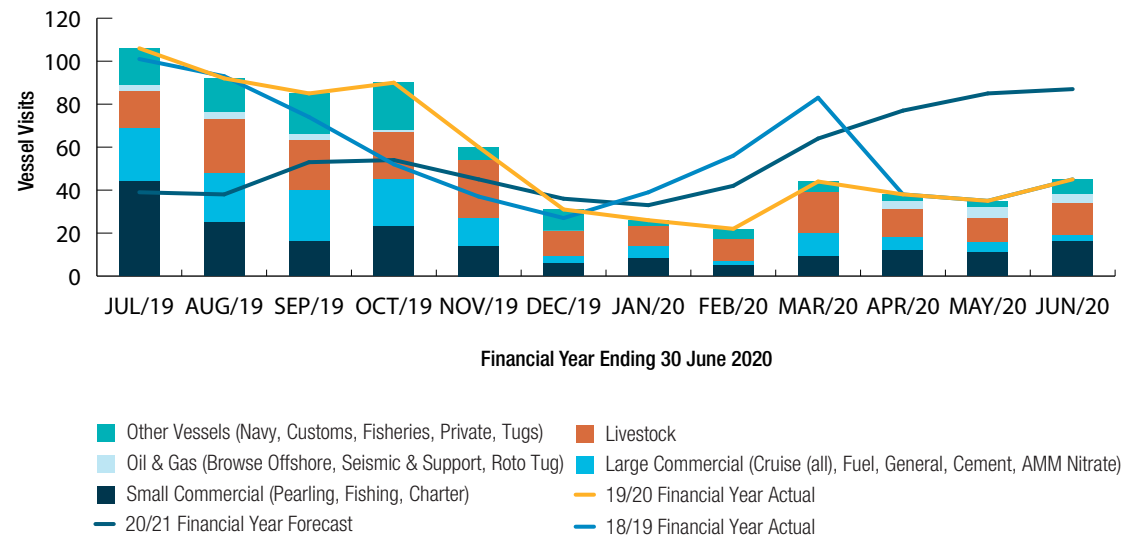
Cruise shipping has also been adversely affected by COVID-19 which is reflected in Port activity.

Comparison with 2018/19 vessel calls:

- Oil and gas **down 20%**;
- Cruise **down 27%**;
- Livestock **down 19%**, and
- Government, Navy, Customs, Fisheries, and private **down 12%**.

In the year ahead it is anticipated that drilling activity will increase as will the number of support vessels calling at the Port of Broome, with continued growth predicted in the following years.

Figure 2 Total Monthly Vessel Visits by Vessel Type



### Vessel Distribution 2019/20

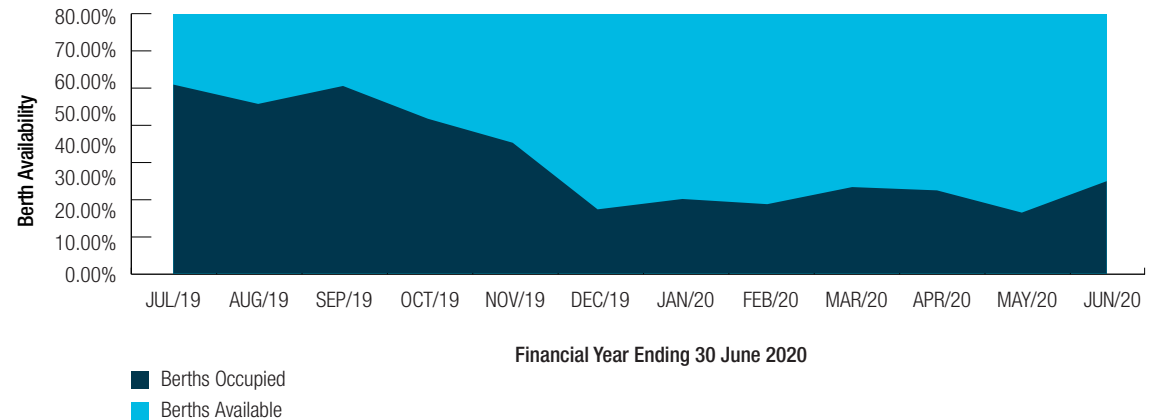
Small Commercial (pearling, fishing, charter)	189
Large Commercial (Cruise, Petroleum, General)	143
Oil & Gas	203
Livestock	23
Other Vessels (Navy, Customs, Fisheries, Private)	116
<b>Total</b>	<b>674</b>

Table 6 Vessel Distribution

## 3.2.2 BERTH AVAILABILITY

Figure 3 shows the monthly berth availability for all berths during the period 2019/20. The highest monthly average occupancy/unavailability was 68% during September 2019 while the lowest was recorded in May 2020, as a result of the COVID-19 pandemic.

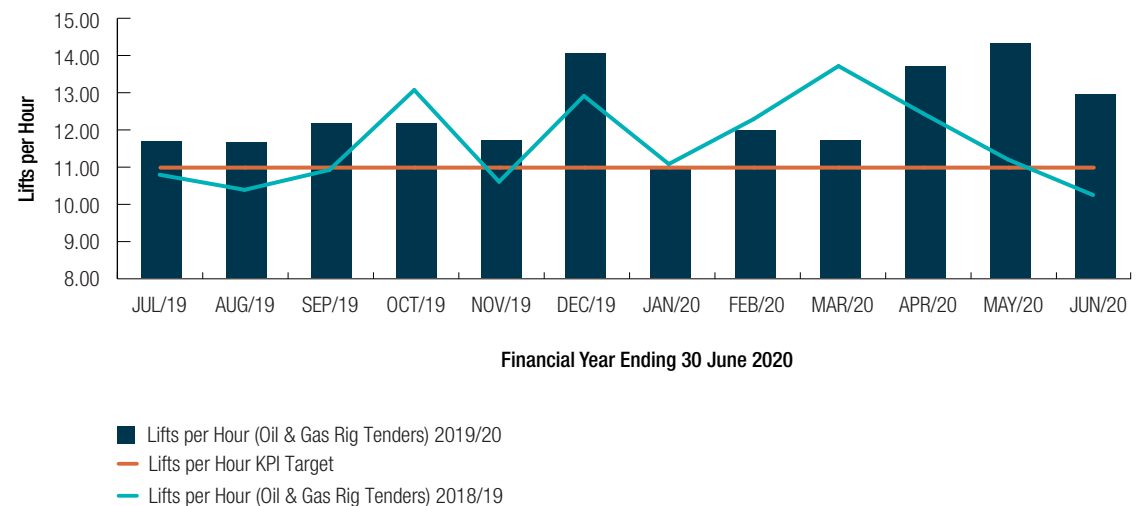
**Figure 3** Monthly Berth Availability



## 3.2.3 CRANE RATES (OIL AND GAS)

Figure 4 shows that the monthly average crane lifting rates, for oil and gas supply vessels. The crane lifting rates are influenced by external factors such as weather conditions, types of cargo, heavy lifts, number of trucks deployed and the ability to forklift cargo on and off trucks at the wharf interface.

**Figure 4** Lifts per Hour (Oil & Gas Rig Tenders)



## 3.3 TRADE STATISTICS

### 3.3.1 TOTAL TRADE

Figure 5 shows the total trade throughput in tonnes since 2014/15.

Figure 5 Total Trade

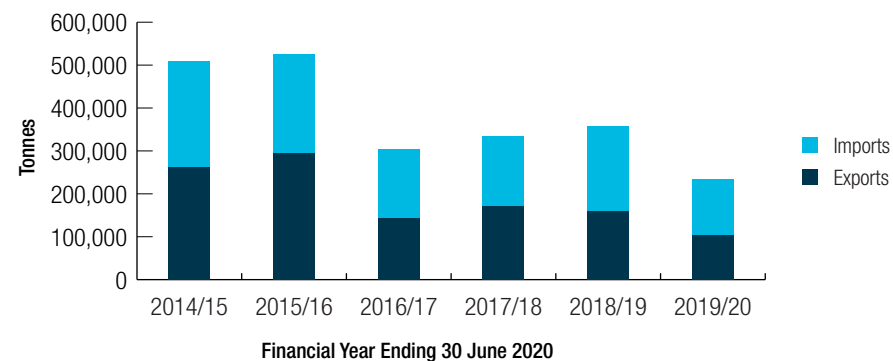
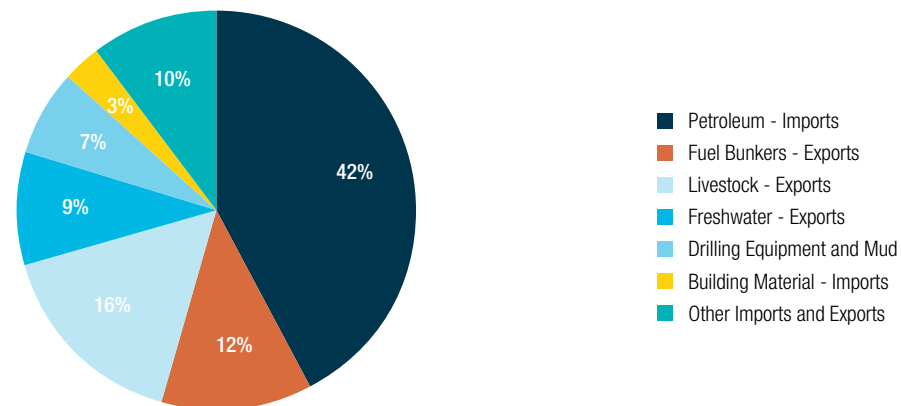


Figure 6 Throughput by Commodity



## 3.3 TRADE STATISTICS (CONTINUED)

### 3.3.2 IMPORT TRADE

Figure 7 provides a breakdown of import trade which decreased by 21.7% from the previous year.

### 3.3.3 EXPORT TRADE

Figure 8 provides a breakdown of export trade which shows a decrease from the previous year by 7.2%. Livestock increased by 27.8% from the previous year and fuel bunkers decreased by 24.8%.

Figure 7 Imports since 2014/15

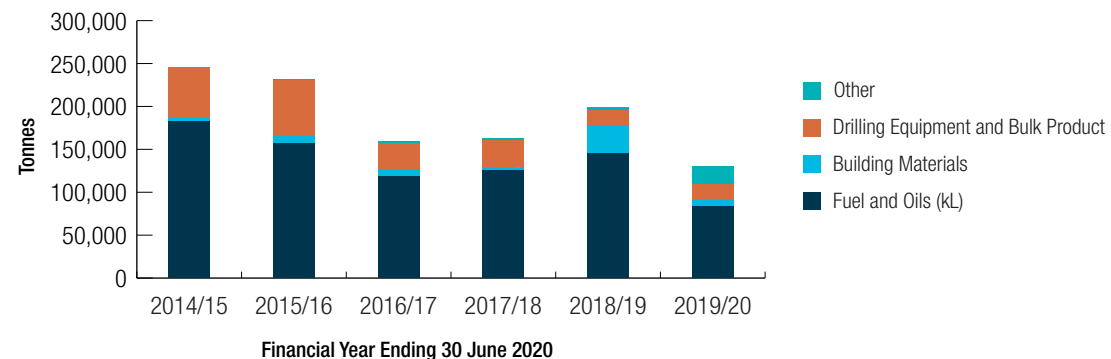
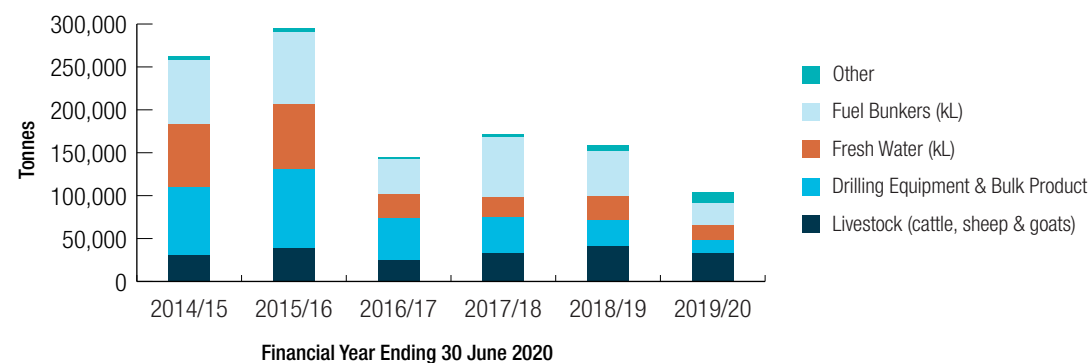


Figure 8 Exports from 2014/15



Fuel Tanker



*Niccolo Machiavelli dredging at Port of Broome*

### 3.4 INFRASTRUCTURE IMPROVEMENT AND MAINTENANCE

#### 3.4.1 CHANNEL OPTIMISATION PROJECT

The Channel Optimisation Project was an initiative to remove high spots in the Port of Broome shipping channel allowing cruise ships to access the wharf at all tides, improving vessel scheduling and visitor experience.

In September 2019 the cutter suction dredge the

*Niccolo Machiavelli* mobilised to Broome and over a two-week period removed approximately 150,000m<sup>3</sup> of sandstone material to construct the wider and deeper port access channel.

Following this new Aids to Navigation were installed to mark the channel.

The works were completed in accordance with all conditions of the approved Environmental Management Plan including in-situ water turbidity monitoring and marine fauna monitoring.

### 3.4.2 CRUISE SHIP BOARDING SYSTEM

During 2019/20 KPA constructed and commissioned a bespoke cruise ship boarding system to cater for the 10m+ tides that the Port of Broome experiences. The boarding system allows passenger access from wharf deck level to approximately 9.5m above deck level alleviating time consuming gangway re-positioning. The new boarding system also has in-built gangway support redundancy to improve the safety for passengers in the event the gangway inadvertently separates from the vessel.

The boarding system is operated by a combination of hydraulics and electric drive systems and is controlled through a PLC system.

### 3.4.3 MOBILE HARBOUR CRANE

KPA has purchased a new 80t Mobile Harbour Crane with delivery scheduled in August 2020. The new Mobile Harbour Crane will provide improved lift capacity, reliability and operational efficiency to Port users when compared to the All Terrain cranes currently used at the Port of Broome.

### 3.4.4 OTHER INFRASTRUCTURE PROJECTS

In addition to the above, other significant works undertaken over the reporting period include:

- A new underdeck trolley maintenance system was installed under the wharf to facilitate future repair and maintenance programs in a more cost effective manner;
- An Australian Standard compliant foam fire fighting system suitable for hydrocarbon discharges, was constructed and commissioned, and
- Approximately 55 wharf piles went through a blast, assess, repair and paint program.

*KPA Mobile Harbour Crane being loaded in Germany*





# 04 DIRECTORS' REPORT

## 4.1 ROLE OF THE BOARD

---

In accordance with the *Port Authorities Act 1999* (WA) the Board of Kimberley Ports Authority is its governing body, and the Board, in the name of the Port Authority, is to perform the functions, determine the policies and control the affairs of the Port Authority.

## 4.2 DIRECTORS' RIGHTS

---

If required, Directors are provided with access to independent legal or financial advice as an approved KPA expense and are entitled to access KPA records for a period of seven years following retirement from the Board.

## 4.3 DIRECTORS' DETAILS

---

The names and details of the Directors of the Kimberley Ports Authority during the financial year ending 30 June 2020 were:

### 4.3.1 MR REECE WALDOCK AM - CHAIR

Mr Waldock has more than 35 years' experience in strategic management with expertise in organisational reform. His appointment as Director General of Transport followed a 20 year career with various State Government transport agencies with 15 years as CEO. He was appointed the inaugural head of three Transport agencies in May 2010, Director General Transport, Commissioner Main Roads WA and Chief Executive Officer of the Public Transport Authority. Prior to his public sector career Reece held a number senior management roles with BHP.

Mr Waldock is currently Chair of SAPTA Advisory Board, Chair of the Planning and Research Centre (PATREC), a Director of Infrastructure Australia and a Commissioner of NTC.

Reece has a Master of Business and a Bachelor of Science (Metallurgy with distinction), is a Fellow of the Australian Institute of Company Directors and the Chartered Institute of Logistics and Transport.

Mr Waldock was appointed to the Board on 1 January 2019 and his current term expires on 31 December 2021.

### 4.3.2 DR DAVID MOFFLIN - DEPUTY CHAIR

*PhD(Cantab), BE Hons, FIEAust*

David has broad experience in the engineering sector, including overall business management, strategic planning, business acquisition, project advisory, project due diligence, technology commercialisation, and project management. David is a civil engineer, and holds a PhD from the University of Cambridge. He has, in the past, been a non-executive director of Engineering Education Australia, and a Chair of the WA Centre for Engineering Leadership and Management. For over 20 years he held various roles at Worley, including Executive Director, Director, and General Manager.

David was appointed to the Board on 21 October 2013 and retired in June 2020.

## 4.3 DIRECTORS' DETAILS (CONTINUED)

### 4.3.3 MR MARTIN PEIRSON-JONES

Martin is a resident of Broome who first came to the Kimberley some 50 years ago to work on cattle stations. He now heads the family owned Kimberley Accommodation group of companies which operate a number of hospitality businesses in both the East and West Kimberley.

He was a founding member of the original Port of Broome advisory board and sits on the Executive of the W.A. Branch of the Australian Hotels Association.

Martin was appointed to the Board on 21 October 2013, and retired in December 2019.

### 4.3.4 MS ANNA DARTNELL

Anna is a seasoned executive with over 20 years' experience developed in Supply Chain, Logistics, Operational Excellence and Workplace Transformation across global resources, manufacturing, transport and consulting businesses.

As a KPA Director, she draws on a strong foundation of transport industry experience and a proven ability to understand the voice of the customer.

In addition to her role with KPA, Anna is General Manager of the Aurizon (ASX:AZJ) Iron Ore and Central Bulk Freight business in Western Australia, a Non-Executive Director with Brightwater Care Group and serves on the Board of the National Association of Women in Operations.

Anna is a passionate advocate for workplace diversity, with a demonstrated commitment to developing future

operational leaders with strong commercial capability and diverse industry experience.

Anna was appointed to the inaugural KPA Board from 1 July 2014, with her term expiring on 31 December 2020.

### 4.3.5 MS ROCHELLE SMITH

Rochelle is an environmental scientist who has worked in the resources industry for over 20 years. Rochelle has worked with multinational oil and gas companies, as well as with the Western Australian and Commonwealth governments. Rochelle has a Bachelor of Science with Honours in Biological Sciences and a Masters in Environmental Science.

Rochelle was appointed to the KPA Board on 1 February 2018, and retired in December 2019.

### 4.3.6 MS SUSAN BERGERSEN MAICD

Ms Bergersen is a corporate executive from both commercial and not-for-profit sectors having worked in state, national and international roles in Perth, Sydney and Japan. Susan is a resident of Broome.

Ms Bergersen has held various directorships including eight years as Australian subsidiary director for the Transhex Group, South Africa, five years as Australian director for a NZ based (private) resources industry service company, five years as chair of the Ear Science Institute Australia executive board and five years as member of their council of governors. Susan is currently on the board of the Broome Chamber of Commerce.

Ms Bergersen was appointed to the Board on 1 July 2018 and retired in June 2020.

## 4.3.7 MR PAUL LARSEN

Mr Larsen has experience as a senior executive in the transport and infrastructure industries.

For the past 12 years until December 31 of 2019, Paul held the role of CEO of Arc Infrastructure (5,500kms of rail network) and remains on the board of this business.

Paul sits on the board of Youth Focus, an independent West Australian not-for-profit working to reduce youth suicide. In 2017, 2018, 2019 and 2020 Paul took part in the Hawaiian Ride for Youth spending five days riding 700 kilometres from Albany to Perth to raise money for the important work Youth Focus undertakes in preventing youth suicide.

Paul was appointed to the Board on 1 July 2019 with his current term expiring on 30 June 2022.

## 4.3.8 MS KYLIE BARTLE

Ms Bartle is a resident of Broome and arrived in the Kimberley 23 years ago, chasing adventure, and pioneering marine tourism in the region. Kylie now leads two family owned remote marine tourism ventures and is a proactive supporter of tourism in the region. Kylie is a passionate advocate of Indigenous collaboration and is committed to improving opportunities and showcasing the Kimberley as a world-class tourism destination.

Kylie was appointed to the KPA Board on 1 January 2020, with her current term expiring 31 December 2021.

## 4.3.9 MS JODIE RANSOM

Ms Ransom started her career with BHP as a cadet, serving on a number of BHP owned vessels before moving into a variety of management roles, both operational and commercial, including with Alcoa, CBH Group and MUR Shipping Australia. Jodie started with Svitzer Australia in October 2019 as General Manager - West.

Prior to joining the KPA board, Jodie was a director with Pilbara Ports Authority.

Jodie was appointed to the KPA Board on 1 January 2020, with her current term expiring 30 June 2022.

## 4.3.10 RETIREMENTS, APPOINTMENTS AND CONTINUATION IN OFFICE OF DIRECTORS

Director Martin Peirson-Jones retired in December 2019 after serving six years on the Board, during which time he provided commercial insights into operating the port. Rochelle Smith also retired in December 2019 significantly contributing to risk and safety management.

Deputy Chair David Mofflin retired on 30 June 2020. David's engineering and project management experience assisted KPA through some of the largest projects in recent years including the Wharf Extension of Life and Channel Optimisation Project. Susan Bergersen also retired on 30 June 2020 providing insight into governance matters throughout her tenure.

Directors Jodie Ransom and Kylie Bartle joined the KPA Board from 1 January 2020.

## 4.4 DIRECTORS MEETINGS

During the financial year 2019/20 the Directors held six Board meetings.

Members Name	Six Ordinary Board meetings
Reece Waldock (Chair)	6
David Mofflin (Deputy Chair)	6
Martin Peirson-Jones*	3
Anna Dartnell	6
Rochelle Smith*	3
Susan Bergersen	6
Paul Larsen	5
Kylie Bartle*	3
Jodie Ransom*	3

\* Denotes Directors who served six out of the 12 months.

**Table 7** Meetings attended by Directors

KPA's three Board sub-Committees continued meeting during the reporting period being:

- Audit, Human Resources and Remuneration;
- Risk; and
- Governance.

The following table outlines the membership and number of meetings held and attended.

Members Name	Audit, Human Resources & Remuneration 3	Governance 3	Risk 4
Reece Waldock <sup>1, 2, 3</sup>	1	3	4
David Mofflin <sup>2, 3</sup>	0	3	4
Martin Peirson-Jones <sup>1, 3</sup>	1	0	3
Anna Dartnell <sup>1, 2</sup>	2	3	0
Rochelle Smith <sup>2, 3</sup>	0	2	3
Susan Bergersen <sup>1, 2</sup>	2	2	0
Paul Larsen <sup>1, 3</sup>	3	0	1
Jodie Ransom <sup>2, 3</sup>	0	1	1
Kylie Bartle <sup>1, 3</sup>	1	0	1

1. Audit, Human Resources and Remuneration members

2. Governance members and

3. Risk members

**Table 8** Board sub-committee meetings attendance.

## 4.5 PLANNED ACHIEVEMENTS

Outcomes arising from the 2019/20 objectives within the Statement of Corporate Intent are recorded in the table below.

**Objective:** Maintain assets and plan for infrastructure that will meet trade demand.

Strategic Measures	Targets	Management Outcomes
<ul style="list-style-type: none"> <li>Secure an additional crane to best enable and attract new trade.</li> </ul>	<ul style="list-style-type: none"> <li>Procure and commission a new mobile harbour crane by August 2020.</li> <li>Second and third cranes to be procured and delivered by August 2021.</li> </ul>	<ul style="list-style-type: none"> <li>The new mobile harbour crane expected delivery is mid-August 2020, with commissioning and training by Tehmar to follow.</li> <li>Due to financial constraints a further crane business case has been delayed, until 2021.</li> </ul>
<ul style="list-style-type: none"> <li>Facilitate a container park including reefer facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Review the report of the West Kimberley Cold Storage study.</li> <li>Work with industry to identify how KPA can assist and facilitate such a facility.</li> <li>Facilitate infrastructure, subject to review, and the business case.</li> </ul>	<ul style="list-style-type: none"> <li>Completed.</li> <li>KPA has engaged with current and prospective customers and shipping companies in regard to possible future cargo movements and future shipping routes linking the Kimberley to other areas. The Department of Transport (<b>DoT</b>) are undertaking a Kimberley Freight Task study which should provide useful data for infrastructure planning.</li> <li>First Point of Entry guidelines for container receivals are being investigated with a view to facilitating the required infrastructure.</li> </ul>
<ul style="list-style-type: none"> <li>Successfully implementing the Channel Optimisation Project.</li> </ul>	<ul style="list-style-type: none"> <li>Provide general management and oversight to execute the Channel Optimisation Project.</li> <li>Train pilots to use the channel.</li> </ul>	<ul style="list-style-type: none"> <li>The Channel Optimisation Project was delivered on time, under the revised budget, and completed successfully.</li> <li>The current pilots have been trained in the new channel approach parameters.</li> </ul>
<ul style="list-style-type: none"> <li>Identify alternative infrastructure requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Complete scope of alternative infrastructure for growing trade.</li> <li>Complete feasibility / business case.</li> </ul>	<ul style="list-style-type: none"> <li>A First Point of Entry passenger baggage inspection facility procured for cruise passengers exiting specified vessels in Broome.</li> </ul>
<ul style="list-style-type: none"> <li>Remove the wharf shed to provide greater space and operational flexibility.</li> </ul>	<ul style="list-style-type: none"> <li>Complete a feasibility study and business case for removing the wharf shed.</li> <li>Commence implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary work has commenced on a feasibility study.</li> </ul>

## 4.5 PLANNED ACHIEVEMENTS (CONTINUED)

- |   |   |  |
|---|---|--|
| <ul style="list-style-type: none"> <li>Facilitating alternative infrastructure to support industry requirements – Kimberley Marine Support Base.</li> </ul> | <ul style="list-style-type: none"> <li>Initial due diligence and stakeholder testing completed for KMSB proposal.</li> <li>Engineering proven and simulation of proposal.</li> <li>Investigate KMSB operating model.</li> <li>Seek approval of KMSB land and seabed lease.</li> <li>Facilitate construction commencement.</li> </ul>  | <ul style="list-style-type: none"> <li>The KMSB Business Plan was received and State Government stakeholders consulted on the project proposal.</li> <li>The location of the facility has been finalised and simulations are taking place to ensure operational effectiveness, inclusive of berth and dolphin structure locations. A design and construct tender was released by KMSB in July 2020.</li> <li>KPA will review KMSB and KPA's operating models during 2021/22.</li> <li>Ministerial approval granted for KMSB leases.</li> <li>The final investment decision is due either in October 2020 or April 2021.</li> </ul> |
| <ul style="list-style-type: none"> <li>Development of a flexible operating model.</li> </ul>  | <ul style="list-style-type: none"> <li>Identify the legal and business operating model options.</li> <li>Assess business model options and development of contingency plan.</li> <li>Sign off contingency plan.</li> </ul>  | <ul style="list-style-type: none"> <li>KPA and KMSB have signed a five year agreement for KPA to provide stevedoring services to KMSB's facility Operator.</li> </ul>  |
| <ul style="list-style-type: none"> <li>Successful amalgamation of Kimberley Ports.</li> </ul>   | <ul style="list-style-type: none"> <li>Develop detailed project and transition plan.</li> <li>Complete and implement overarching amalgamation plan: <ul style="list-style-type: none"> <li>Create integrated KPA business plan;</li> <li>Amalgamation master plan;</li> <li>Develop strategic asset plans with each port;</li> <li>Complete operating model review, and</li> <li>Assess development readiness (Heritage, Native title, Approvals).</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>DoT and KPA are attending regular Working Group meetings and KPA is aiming to facilitate the transfer of the Kimberley Ports in July 2021.</li> <li>The Engineering and Environmental due diligence reports have been updated for Port of Wyndham.</li> <li>The Port of Wyndham RfP to be released in early July 2020 and a proponent tour was undertaken in early August 2020.</li> </ul>  |

**Objective:** Attract and facilitate growth in trade.

Strategic Measures	Targets	Management Outcomes
<ul style="list-style-type: none"> <li>Attract and facilitate logistics support services.</li> </ul>	<ul style="list-style-type: none"> <li>Investigate a formal customer relationship system that provides single point of information.</li> <li>Prioritise customers in terms of alignment of strategic benefit (revenue and trade facilitation).</li> <li>Clarify and refine the value proposition/ capability statement by customer.</li> <li>Develop structured marketing/communications plan and supporting marketing collateral.</li> </ul>	<ul style="list-style-type: none"> <li>A software system, Darzin has been deployed to track business development opportunities and customer communications.</li> <li>The oil and gas sector provide up to 43% of KPA's revenue and a capability statement has been developed for this sector.</li> <li>Cruise shipping has been a growing trade sector with the State Government and KPA has investing in the Port of Broome's capability through the Channel Optimisation Project, construction of a new gangway and First Point of Entry inspection facilities.</li> <li>This will be developed during 2021.</li> </ul>
<ul style="list-style-type: none"> <li>Develop a fit for purpose pricing strategy and simplified fee structure.</li> </ul>	<ul style="list-style-type: none"> <li>Simplifying and optimising the fee structure.</li> <li>Future pricing roadmap and strategy in place.</li> </ul>	<ul style="list-style-type: none"> <li>West Australian Treasury Corporation have finalised a Broome Port Pricing Review, which is being considered.</li> <li>Incremental fee simplification occurs at each annual pricing review.</li> </ul>

**Objective:** Ensure KPA has the capability to deliver on strategy and mandate.

Strategic Measures	Targets	Management Outcomes
<ul style="list-style-type: none"> <li>Ensure KPA has the capability to deliver on the strategy and mandate.</li> </ul>	<ul style="list-style-type: none"> <li>Specify the capabilities and competencies required to deliver the strategy; taking into account the range of scenarios that KPA is facing.</li> <li>Assess current state versus the requirement and identify any gaps.</li> <li>Develop a plan to close the gap considering personal development, outsourcing, retention, workforce relations and recruitment.</li> <li>Implement monitor and review.</li> </ul>	<ul style="list-style-type: none"> <li>The CEO leads the project management for the amalgamation.</li> <li>It has been determined that the Port Engineer will project manage the design and construct aspect of the KMSB project with internal KPA assistance.</li> <li>The CEO has completed a restructure of KPA removing the mid-management level and appointing a Chief Operating Officer.</li> <li>Monitoring is ongoing.</li> </ul>

## 4.5 PLANNED ACHIEVEMENTS (CONTINUED)

<ul style="list-style-type: none"> <li>• Embedding and validating HSE critical risk improvement program covering health, wellbeing and environment.</li> </ul>	<ul style="list-style-type: none"> <li>• Identify, review and rate HSE critical risks; allocate champions for each risk.</li> <li>• Champions to work with the team to identify scope and mitigating strategies.</li> <li>• Rollout and embed</li> </ul>	<ul style="list-style-type: none"> <li>• HSE critical risk improvement plans have been identified and are in progress.</li> <li>• Each improvement plan has a champion and supporting short, medium and long term actions.</li> <li>• In progress and ongoing.</li> </ul>
<ul style="list-style-type: none"> <li>• Implementation of internal engagement and communication program to achieve desired culture.</li> </ul>	<ul style="list-style-type: none"> <li>• Review Board charter and clarify the role of management and Board.</li> <li>• Complete staff survey to set the baseline for culture program.</li> <li>• Complete workshop and planning with the leadership team to develop a more proactive communication plan.</li> <li>• Implement monitor and review.</li> </ul>	<ul style="list-style-type: none"> <li>• The Board and sub-committee charters have been reviewed and updated. The sub-Committees have been restructured to two for 2020/21 being Audit and Risk, and Governance and Human Resources.</li> <li>• The Darzin survey function has been developed and questions have been identified. The KPA Employee Cultural survey is to be undertaken in Q2 2021.</li> <li>• Pending results of survey in 2021.</li> </ul>
<ul style="list-style-type: none"> <li>• Implementation of safety culture program.</li> </ul>	<ul style="list-style-type: none"> <li>• Complete safety survey and maturity review.</li> <li>• Establish goal for safety culture program.</li> <li>• Set strategies rollout and deliver.</li> <li>• Launch of safety program and communications.</li> <li>• Complete audit to assess progress.</li> </ul>	<ul style="list-style-type: none"> <li>• The KPA Employee Safety Survey was completed in December 2019.</li> <li>• The focus areas for KPA's safety culture program in 2020 are: <ul style="list-style-type: none"> <li>– to review and promote the employee safety key performance indicator (KPI) program; and</li> <li>– increase near miss reports.</li> </ul> </li> <li>• Review of the KPI program is in progress and promotion of near miss reporting commenced.</li> <li>• The Safety KPI program launched in July 2020.</li> <li>• A follow up safety survey will be conducted to assess progress.</li> </ul>

**Objective:** Enhance operational efficiencies and processes.

Strategic Measures	Targets	Management Outcomes
<ul style="list-style-type: none"> <li>Enhance operational efficiency through ERP and implementation of software.</li> </ul>	<ul style="list-style-type: none"> <li>Operations and finance system up and running with processes and training completed.</li> <li>Reporting dashboards for each manager.</li> <li>Embed and stabilise; and integrate new modules.</li> <li>Monitor and review usage to ensure benefits are realised.</li> <li>Further integration of new modules.</li> <li>Transition project steering team to embed and stabilise, and explore new opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>The Business Central finance program was introduced in July 1, 2019. Operations and Maintenance are being issued monthly reports and the other departments will start receiving reports from July 2020, when the new budget is introduced.</li> <li>The internal Auditors have undertaken a review of Business Central and no medium to high risks were raised.</li> <li>Use of PayFocus commenced in July 2020 along with TimeTarget, and will be deployed throughout KPA over the next months. The Operations software Octopi will also be introduced prior to the end of 2020 and will integrate with the other software.</li> </ul>
<ul style="list-style-type: none"> <li>Implementing improved risk review and management processes.</li> </ul>	<ul style="list-style-type: none"> <li>Review HSE risk program and decide on appropriate software program.</li> <li>Transition software with appropriate change management and training.</li> <li>Integrate safety risk management with overall risk management.</li> <li>Audit following implementation.</li> </ul>	<ul style="list-style-type: none"> <li>The risk section of the Integrum software has been completed and is in use.</li> <li>Strategic and Operational risks have been identified in Integrum and project risks are added on an ongoing basis.</li> <li>The KPA Board approved Risk Management Framework which is being implemented over a five year period.</li> <li>The audit process has been delayed until 2021 to allow for the new software and risk management framework to be imbedded.</li> </ul>

## 4.5 PLANNED ACHIEVEMENTS (CONTINUED)

**Objective:** Improve stakeholder engagement.

Strategic Measures	Targets	Management Outcomes
<ul style="list-style-type: none"> <li>Review stakeholder engagement and develop a refreshed plan.</li> </ul>	<ul style="list-style-type: none"> <li>Survey local stakeholders to establish a baseline.</li> <li>Develop a refreshed communications strategy utilising communications across range of channels.</li> <li>Rollout and deliver program.</li> </ul>	<ul style="list-style-type: none"> <li>KPA has deployed Darzin a stakeholder management system. A local stakeholder survey was completed in November 2019.</li> <li>Consultation has been conducted with the leadership team and the Communications Plan has been refreshed.</li> <li>Partial delivery occurring due to expenditure limits and COVID-19 restrictions.</li> </ul>
<ul style="list-style-type: none"> <li>Develop integrated Entrance Point access and recreational facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Complete stakeholder engagement (KMSB, Shire of Broome, Yawuru and DoT) to develop a united approach for development of a recreational zone and access at Entrance Point.</li> <li>Development of implementation plan.</li> </ul>	<ul style="list-style-type: none"> <li>A Technical Working Group involving KPA, the Shire of Broome (<b>SoB</b>), Yawuru and DoT has been established and meets on a regular basis to discuss the technical details of the Broome boating facility project.</li> <li>Following DoT and SoB engagement with Yawuru a new facility location has been determined. A master plan for Entrance Point has been prepared and agreed by all parties. The Shire of Broome has finalised a community survey with 74% of residents approving the plan.</li> <li>The road alignment to access Entrance Point is still under planning and negotiation as it is preferred to have this aligned outside of the Port road system to separate recreational and working traffic.</li> <li>DoT are currently costing the project.</li> </ul>

**Table 9** Strategic Planning Objectives

## 4.6 OPERATING RESULTS

KPA's economic objectives are to employ sound financial management and to enhance trade. KPA aims to achieve its set rate of return on assets, while providing the most cost-effective service to port users. The rate of return for the period was a negative 9.3 percent. This rate of return is calculated on profit before borrowing and taxation costs, divided by the written down deprival cost of total assets, less gifted assets.

The final result for 2019/20 was a loss of \$6.794 million against a budgeted loss of \$0.724 million.

### 4.6.1 SHIPPING REVENUE

Shipping activity reduced significantly in the second half of the year due to the effects of COVID-19, with no visits from medium to large cruise vessels and Oil and Gas vessels reduced to a minimum for care and maintenance of the rigs. Figure 9 shows revenue realised from each shipping industry, with the oil and gas sector remaining the major revenue generator.

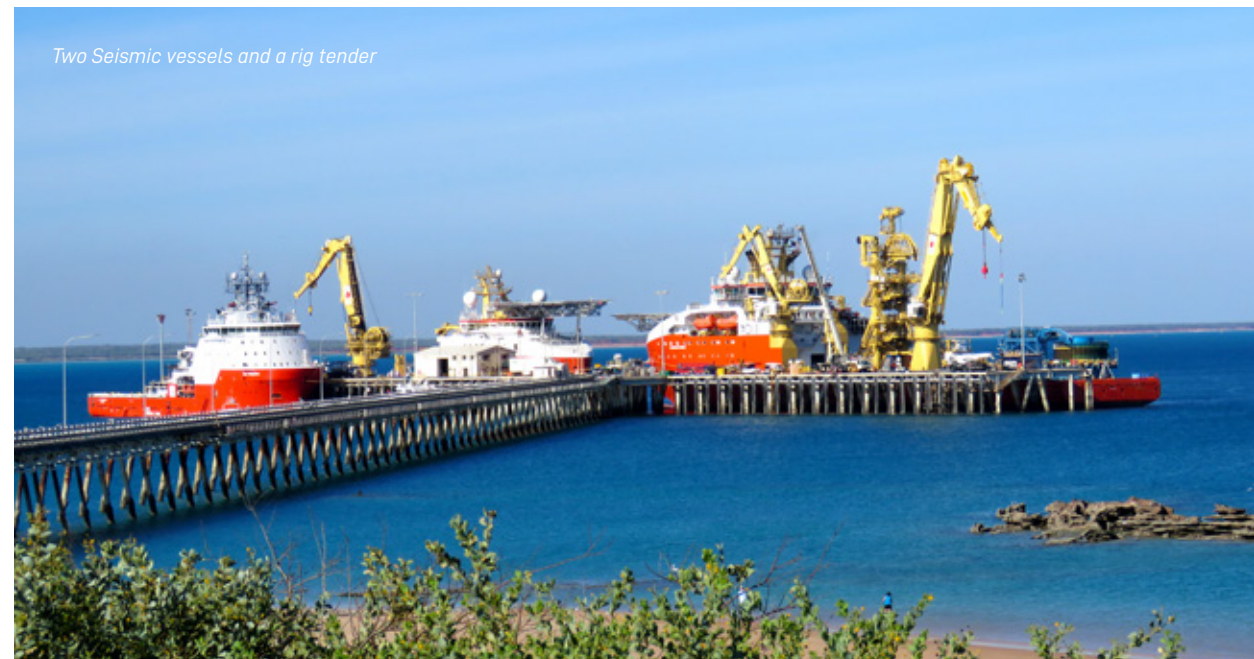
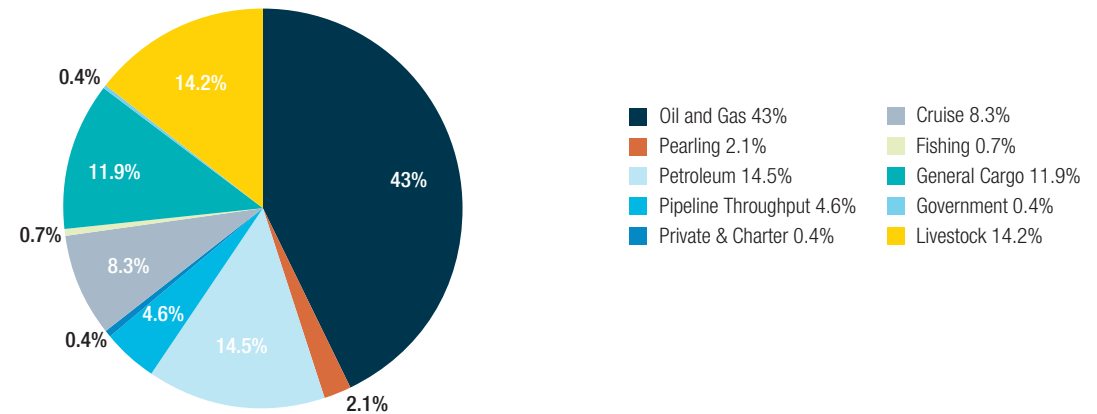
### 4.6.2 NON-SHIPPING REVENUE

The total non-shipping revenue was as budgeted.

### 4.6.3 EXPENDITURE

Total expenditure was contained, due to the reduction in revenue, and was recorded at \$2.3M below the 2019/20 budget.

Figure 9 Revenue by industry





Deploying the port rescue tender

## 4.6 OPERATING RESULTS (CONTINUED)

### 4.6.4 APPOINTMENT OF AUDITORS

The Auditor General's Office has been appointed as KPA's auditor in accordance with Schedule 5 section 37(2) of the *Port Authorities Act 1999*. The total fee payable for the financial year ending 30 June 2020 is \$44,000.

## 4.7 DIVIDENDS

A "Nil" dividend was declared for the 2019/20 financial year.

## 4.8 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the nature of KPA's activities during the year.

## 4.9 EVENTS SUBSEQUENT TO REPORTING

Transactions and events that occurred between end of June and the date of approval of the financial statements were 'non-adjusting' events.

## 4.10 LIKELY DEVELOPMENTS

KPA expects the down turn from the economic effects of COVID-19 to continue for the next financial year at the Port of Broome with a resultant decrease in overall revenue and impact on profits.

## 4.11 REMUNERATION REPORT

The following tabulations are provided in accordance with Schedule 5, Clause 13(c)(ii) of the *Port Authorities Act 1999*. The nature and amount of each major element of remuneration for each Director, plus three key management personnel of the Authority, who received the highest remuneration, are included in the following tables:

### KIMBERLEY PORTS AUTHORITY - BOARD MEMBER LISTING 2019/20

Surname	Given name	Position	Remuneration	Superannuation	Total
Bartle	Kylie	Director	\$15,257	\$1,449	\$16,706
Bergersen	Susan	Director	\$30,513	\$2,899	\$33,412
Dartnell	Anna	Director	\$30,513	\$2,899	\$33,412
Larsen	Paul	Director	\$33,055	\$3,140	\$36,195
Mofflin	David	Deputy Chair	\$35,903	\$3,411	\$39,314
Peirson-Jones	Martin	Director	\$15,257	\$1,449	\$16,706
Ransom	Jodie	Director	\$15,257	\$1,449	\$16,706
Smith	Rochelle	Director	\$15,257	\$1,449	\$16,706
Waldock	Reece	Chair	\$61,024	\$5,797	\$66,821
<b>Total</b>			<b>\$252,036</b>	<b>\$23,942</b>	<b>\$275,978</b>

Table 10 Board member remuneration 2019/20

### KIMBERLEY PORTS AUTHORITY - BOARD MEMBER LISTING 2018/19

Surname	Given name	Position	Remuneration	Superannuation	Total
Bergersen	Susan	Director	\$30,512	\$2,899	\$33,411
Dartnell	Anna	Director	\$30,512	\$2,899	\$33,411
Mofflin	David	Deputy Chair	\$35,903	\$3,411	\$39,314
Peirson-Jones	Martin	Director	\$30,513	\$2,899	\$33,412
Smith	Rochelle	Director	\$15,257	\$1,449	\$16,706
Waldock	Reece	Chair	\$30,512	\$2,899	\$33,411
Shervington	Laurie	Chair	\$30,512	\$2,899	\$33,411
<b>Total</b>			<b>\$203,721</b>	<b>\$19,355</b>	<b>\$223,076</b>

Table 11 Board member remuneration 2018/19

## 4.11 REMUNERATION REPORT (CONTINUED)

### EXECUTIVES 2019/20

Name	Salary	Termination	Superannuation	Total
Westlake, L	\$251,922	\$ -	\$23,415	\$275,337
Baker, S	\$242,295	\$ -	\$21,926	\$264,221
Faulkner, C	\$224,908	\$ -	\$21,366	\$246,274
<b>Total</b>	<b>\$719,125</b>	<b>\$ -</b>	<b>\$66,707</b>	<b>\$785,832</b>

Table 12 Executive remuneration 2019/20

### EXECUTIVES 2018/19

Name	Salary	Other	Superannuation	Total
Schellack, K	\$347,128	\$ -	\$32,940	\$380,068
Mulhall, S	\$191,765	\$130,477	\$18,218	\$340,460
Copeman, L	\$251,185	\$ -	\$23,863	\$275,048
<b>Total</b>	<b>\$790,079</b>	<b>\$130,477</b>	<b>\$75,020</b>	<b>\$995,576</b>

Table 13 Executive remuneration 2019/20

#### **4.12 ROUNDING OFF**

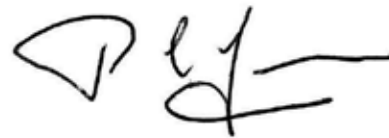
---

Amounts have been rounded off to the nearest thousand dollars in the Director's Report and Financial Statements.



**R. Waldock AM**  
Chairman

31 August 2020



**P. Larsen**  
Director

31 August 2020



## FINANCIAL STATEMENTS

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000		Notes	2020 \$'000	2019 \$'000
<b>Revenue</b>	4	13,374	17,859				
<b>Expenditure</b>				Other comprehensive income		-	-
Port operation expenses	5	(5,931)	(6,166)	<b>Total other comprehensive income</b>		-	-
Depreciation and amortisation expense	6	(3,423)	(2,428)				
General administration expenses	7	(5,350)	(5,137)	<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE YEAR</b>		<b>(6,794)</b>	<b>(1,713)</b>
Asset maintenance		(2,686)	(3,098)				
Environmental expenses		(60)	(65)				
Port utilities		(837)	(967)				
Safety & security		(501)	(493)				
Finance costs	8	(677)	(723)				
Other expenses	9	(703)	(495)				
<b>(Loss) before income tax</b>		<b>(6,794)</b>	<b>(1,713)</b>				
Income tax benefit / (expense)	10	-	-				
<b>Profit / (Loss) for the year</b>		<b>(6,794)</b>	<b>(1,713)</b>				

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

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000		Notes	2020 \$'000	2019 \$'000
<b>ASSETS</b>							
<b>Current Assets</b>							
Cash and cash equivalents	12	8,733	18,560	Other current liabilities	19	507	562
Current tax asset	10	-	-	Lease liability right of use assets	14(b)	421	-
Trade and other receivables	13	1,925	3,831	<b>Total Current Liabilities</b>		<b>5,188</b>	<b>5,085</b>
<b>Total Current Assets</b>		<b>10,658</b>	<b>22,391</b>				
<b>Non-Current Assets</b>				<b>Non-Current Liabilities</b>			
Property, plant and equipment	14	61,082	48,542	Interest bearing borrowings	17	9,591	10,360
Intangible assets	15	595	114	Provisions	18	58	44
Right of Use Assets	14(a)	416	-	<b>Total Non-Current Liabilities</b>		<b>9,649</b>	<b>10,404</b>
<b>Total Non-Current Assets</b>		<b>62,093</b>	<b>48,656</b>				
<b>TOTAL ASSETS</b>		<b>72,751</b>	<b>71,047</b>	<b>TOTAL LIABILITIES</b>		<b>14,837</b>	<b>15,489</b>
<b>LIABILITIES</b>				<b>NET ASSETS</b>		<b>57,914</b>	<b>55,558</b>
<b>Current Liabilities</b>				<b>EQUITY</b>			
Trade and other payables	16	831	1,348	Contributed equity	20	63,861	54,711
Interest bearing borrowings	17	1,569	1,337	Retained earnings	20	(5,947)	847
Provisions	18	1,860	1,838	<b>TOTAL EQUITY</b>		<b>57,914</b>	<b>55,558</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2020

	Notes	Contributed Equity \$'000	Retained earnings \$'000	Total equity \$'000
<b>Balance at 1 July 2018</b>		42,661	2,560	45,221
Total comprehensive loss for the year		-	(1,713)	(1,713)
Transactions with owners in their capacity as owners:				
Contributed equity	20	12,050	-	12,050
Dividends paid	11	-	-	-
<b>Balance at 30 June 2019</b>		<b>54,711</b>	<b>847</b>	<b>55,558</b>
<b>Balance at 1 July 2019</b>		54,711	847	55,558
Total comprehensive profit for the year		-	(6,794)	(6,794)
Transactions with owners in their capacity as owners:				
Contributed equity	20	9,150	-	9,150
Dividends paid	11	-	-	-
<b>Balance at 30 June 2020</b>		<b>63,861</b>	<b>(5,947)</b>	<b>57,914</b>

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

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2020

	Notes	2020 \$'000	2019 \$'000		Notes	2020 \$'000	2019 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Cash receipts from customers		15,055	15,872	Capital appropriation		9,150	2,500
Interest received		135	235	Royalties for Regions Fund		-	9,550
Cash paid to suppliers and employees		(16,515)	(17,065)	<b>Net cash provided by (paid to) State Government</b>		<b>9,150</b>	<b>12,050</b>
Interest paid		(677)	(723)				
Income taxes paid		-	726	<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(9,827)</b>	<b>5,976</b>
<b>Net cash (used in) operating activities</b>	21	<b>(2,002)</b>	<b>(955)</b>				
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				Cash and cash equivalents at the beginning of the period		18,560	12,584
Proceeds from sale of property, plant and equipment		7	-				
Acquisition of property, plant and equipment		(16,103)	(3,853)	<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	12	<b>8,733</b>	<b>18,560</b>
<b>Net cash (used in) investing activities</b>		<b>(16,096)</b>	<b>(3,853)</b>				
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>							
Right of use lease liability payment		(342)	-				
Repayment of borrowings		(537)	(1,266)				
<b>Net cash (used in) financing activities</b>		<b>(879)</b>	<b>(1,266)</b>				

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

# NOTES TO THE FINANCIAL STATEMENTS CONTENTS



Port rescue tender

<b>NOTE 1 - BASIS OF PREPARATION</b>	48	<b>NOTE 15 - INTANGIBLE ASSETS</b>	69
<b>NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	48	<b>NOTE 16 - TRADE AND OTHER PAYABLES</b>	69
<b>NOTE 3 - EXPENSES BY NATURE</b>	57	<b>NOTE 17 - INTEREST BEARING BORROWING</b>	70
<b>NOTE 4 - REVENUE</b>	57	<b>NOTE 18 - PROVISIONS</b>	72
<b>NOTE 5 - PORT OPERATION EXPENSES</b>	58	<b>NOTE 19 - OTHER LIABILITIES</b>	73
<b>NOTE 6 - DEPRECIATION AND AMORTISATION EXPENSE</b>	58	<b>NOTE 20 - EQUITY</b>	73
<b>NOTE 7 - GENERAL ADMINISTRATION EXPENSES</b>	59	<b>NOTE 21 - RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b>	73
<b>NOTE 8 - FINANCE COSTS</b>	59	<b>NOTE 22 - FINANCIAL INSTRUMENTS</b>	74
<b>NOTE 9 - OTHER EXPENSES</b>	59	<b>NOTE 23 - COMMITMENTS</b>	81
<b>NOTE 10 - INCOME TAX</b>	60	<b>NOTE 24 - REMUNERATION OF AUDITOR</b>	82
<b>NOTE 11 - DIVIDENDS</b>	63	<b>NOTE 25 - RELATED PARTIES</b>	82
<b>NOTE 12 - CASH AND CASH EQUIVALENTS</b>	63	<b>NOTE 26 - CONTINGENT LIABILITIES AND ASSETS</b>	83
<b>NOTE 13 - TRADE AND OTHER RECEIVABLES</b>	64	<b>NOTE 27 - SUBSEQUENT EVENTS</b>	83
<b>NOTE 14 - PROPERTY, PLANT AND EQUIPMENT</b>	64	<b>DIRECTORS' DECLARATION</b>	<b>84</b>
<b>NOTE 14(A) - RIGHT OF USE ASSETS</b>	69	<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>85</b>
<b>NOTE 14(B) - LEASE LIABILITIES</b>	69		

## NOTE 1 - BASIS OF PREPARATION

### a) Statement of compliance

Kimberley Ports Authority (“the Authority”) is a not-for-profit reporting entity that prepares general purpose financial statements in accordance with Australian Accounting Standards (AASBs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the financial reporting provisions of the *Port Authorities Act 1999*.

The financial statements were authorised for issue on 31<sup>st</sup> August 2020 by the Board of Directors of the Authority.

### b) Presentation of the statement of comprehensive income

Statement of Comprehensive Income classification of expenses by nature is considered to provide more relevant and reliable information than classification by function due to the nature of the Authority’s operations.

According to AASB 101 Presentation of Financial Statements, expenses classified by nature are not reallocated among various functions within the entity. However, the Authority has allocated employee benefits expenses to various line items on the Statement of Comprehensive Income including marine expenses, port operations expenses, general administration, and asset maintenance. This allocation reflects the internal reporting structure of the Authority which allocates labour expenses to significant expense items in the Statement of Comprehensive Income based on the nature of the expenses incurred. The Authority believes that the allocation is more relevant to the understanding of the financial performance of the Authority and does not result in a function of expense presentation.

### c) Basis of measurement

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

### d) Functional and presentation currency

These financial statements are presented in Australian dollars which is the Authority’s functional currency. All financial information presented in Australian dollars has been rounded to the nearest thousand dollars (\$’000) unless otherwise stated.

### e) Use of estimates and judgements

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

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

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are:

- (i) **discount rates used in estimating provisions;**
- (ii) **estimating useful life and residual values of key assets;**
- (iii) **long service leave – retention rates and discount rates.**

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Certain comparative amounts have been reclassified to conform with the current year’s presentation [see note 1(b)].

### a) Revenue recognition

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

**(i) Rendering of services**

Revenue from services rendered is recognised to the extent that the performance obligation is provided at the reporting date. Revenue for services includes charges on cargo, charges on ships and shipping services. Revenue from charges on cargo and charges on ship is recognised over time where the customer simultaneously receives and consumes the benefits. Shipping services are generally recognised at the point in time.

**(ii) Interest**

Interest revenue is recognised as it accrues using the effective interest method [see note 2(b)].

**(iii) Rental income**

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease.

**(iv) Contract liabilities**

Contract liabilities represents income received in advance and is released to the Statement of Comprehensive Income as the performance obligations are satisfied over that period to which the income relates.

**(v) Contributed assets**

Contributed assets or services received by the Authority is recognised as income at the fair value of the assets or services where they can be reliably measured.

**b) Finance income and expenses**

Finance income comprises interest income on funds invested and interest receivable from debtors. Interest income is recognised as it accrues in profit or loss using the effective interest method.

Finance costs comprise interest expense on borrowing and finance charges payable under finance leases. All borrowing costs are recognised in profit or loss using the effective interest method. The interest expense component of finance lease payments is also recognised in the Statement of Comprehensive Income using the effective interest method.

Borrowing costs are recognised as expenses in the period in which they are incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset in which case they are capitalised as part of the cost of the asset, in accordance with AASB 123 Borrowing Costs.

In determining the amount of borrowing costs to be capitalised during the financial year, investment revenue earned directly relating to borrowings, is deducted from the borrowing costs incurred.

**c) Income tax**

The Authority operates within the National Tax Equivalent Regime (“NTER”) whereby an equivalent amount in respect of income tax is payable to the State Government. The calculation of the liability in respect of income tax is governed by NTER guidelines and directions approved by Government.

As a consequence of participation in the NTER, the Authority is required to comply with AASB 112 Income Taxes.

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(CONTINUED)

for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit/loss.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**d) Receivables****(i) Trade receivables**

Trade receivables are recognised and carried at the original invoice amounts less an allowance for any uncollectable amounts. Receivables are generally settled within 14 days except for property rentals, which are governed by individual lease agreements.

The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectable are written-off against the allowance account. The allowance for uncollectable amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect a debt.

**(ii) Lease receivables**

A lease receivable is recognised for leases of property which effectively transfers to the lessee substantially all of the risks and benefits incidental to legal ownership of the leased asset. The lease receivable is initially recognised as the amount of the present value of the minimum lease payments receivable at the reporting date plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term.

Finance lease payments are allocated between interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease with interest revenue calculated using the interest rate implicit in the lease recognised directly in the Statement of Comprehensive Income.

**e) Property, plant and equipment****(i) Capitalisation/expensing of assets**

Items of property, plant and equipment purchased or constructed costing more than \$1,000 are recorded at the cost of acquisition less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is calculated as the difference between the net proceeds from disposal and the carrying amount of the item and is recognised in profit or loss.

**(ii) Initial recognition and measurement**

Property, plant and equipment are initially recognised at cost. For items of property, plant and equipment acquired at no cost or for nominal cost, the cost is the fair value at the date of acquisition.

**(iii) Subsequent costs**

Any subsequent cost of replacing/upgrading an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Authority and its cost can be measured reliably.

**(iv) Derecognition**

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

**(v) Depreciation**

Items of property, plant and equipment are depreciated on either a straight-line or diminishing basis in profit or loss over the estimated useful lives of each component. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Authority will obtain ownership by the end of the lease term. Land is not depreciated.

Property, plant and equipment, excluding freehold land, are depreciated at rates based on the expected useful lives using the straight line method. Depreciation on assets under construction commences when the assets are ready for use. Depreciation is charged to the Statement of Comprehensive Income.

The depreciation rates for the various classes of non-current assets are as follows:

<b>Access Channel</b>	5 - 20 years	<b>Improvements</b>	2.5 - 20 years
<b>Buildings</b>	3.75 - 50 years	<b>Low Value Pool</b>	15 - 40 years
<b>Electronic</b>	2.5 - 20 years	<b>Infrastructure</b>	3 years
<b>Furniture &amp; fittings</b>	3 - 17 years	<b>Plant &amp; equipment</b>	3 - 50 years
<b>Harbour facilities</b>	10 - 40 years	<b>Motor vehicles</b>	3 - 8 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**f) Intangible assets****(i) Capitalisation/expensing of assets**

Acquisitions of intangible assets and internally generated intangible assets are capitalised. The cost of using the asset is expensed (amortised) over their useful life. Intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

**(ii) Subsequent expenditure**

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

**(iii) Computer software**

Software that is an integral part of the related hardware is treated as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(CONTINUED)

**(iv) Amortisation**

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

**Computer software** 2 to 5 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**g) Impairment**

Property, plant and equipment and intangible assets are tested for any indication of impairment at each balance sheet date. Where there is any indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's

future economic benefits and to evaluate any impairment risk from falling replacement costs.

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

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

Impairment losses are recognised in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**h) Finance instruments**

In addition to cash and cash equivalents, the Authority has three categories of financial instruments:

- 1. Loans and receivables; and**
- 2. Financial liabilities measured at amortised cost.**

Financial instruments have been disaggregated into the following classes:

**(i) Financial Assets**

Cash & cash equivalents  
Trade and other receivables

**(ii) Financial Liabilities**

Trade payables and accruals  
Borrowings  
Finance lease liabilities

Refer to Note 22 for further information on the classification of financial instruments.

Initial recognition and measurement is at fair value plus directly attributable transaction costs for assets not carried at fair value through profit or loss. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables approximates their carrying amount because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material. Gains or losses are recognised when the financial assets are derecognised or impaired.

**i) Payables**

Payables, including trade payables, amounts payable and accrued expenses, are recognised for amounts to be paid in the future for goods and services received prior to the reporting date. The carrying amount is equivalent to fair value, as they are generally settled within 30 days.

**j) Borrowings**

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

Gains and losses are recognised in the Statement of Comprehensive Income when the liabilities are derecognised, as well as through the amortisation process.

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

**k) Employee benefits**

The liability for annual and long service leave expected to be settled within 12 months after the reporting date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled using the remuneration rates expected to apply at the time of settlement.

Annual and long service leave expected to be settled more than 12 months after the reporting date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the reporting date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted to present value using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

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

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(CONTINUED)

**l) Employee superannuation**

The Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme, and the Superannuation and Family Benefits Act Scheme, a defined benefit pension scheme, are now closed to new members. The Authority is liable for superannuation benefits for past years' service of members of the Superannuation and Family Benefits Act Scheme who elected to transfer to the GSS Scheme. The Authority also accrues for superannuation benefits to the pension scheme for those members who elected not to transfer from that scheme.

The superannuation liability for existing employees with the pre-transfer service incurred under the Superannuation and Family Benefits Act Scheme who transferred to the GSS Scheme is provided for at reporting date.

Employees who are not members of either the Pension or the GSS Schemes became non-contributory members of the West State Superannuation Scheme (WSS), an accumulation fund until 15 April 2007. From 16 April 2007, employees who are not members of the Pension, GSS or WSS Schemes become non-contributory members of the GESB Superannuation Scheme (GESB Super), a taxed accumulation fund.

The Authority makes concurrent contributions to the Government Employee Superannuation Board (GESB) on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESB Super Schemes.

**Defined benefit plan**

The Authority's net obligation in respect of defined benefit pension plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior

periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. These benefits are unfunded.

The discount rate used is the market yield rate at the reporting date on national government bonds that have maturity dates approximating to the terms of the entity's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

The superannuation expense of the defined benefit plan is made up of the following elements:

- (i) Current service cost;**
- (ii) Interest cost (unwinding of the discount);**
- (iii) Actuarial gains and losses; and**
- (iv) Past service cost.**

Actuarial gains and losses of the defined benefit plan are recognised immediately in profit or loss.

The superannuation expense of the defined contribution plan is recognised as and when the contributions fall due.

**m) Dividends**

Dividends are declared and recognised as a liability in the period in which the Minister's approval and the Treasurer's concurrence is received.

**n) Provisions**

A provision is recognised if, as a result of a past event, the Authority has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

The unwinding of the discount is recognised as a finance cost.

#### o) Cash & cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand, cash at bank, at call deposits and term deposits with original maturities of no greater than 90 days.

For the purpose of the Statement of Cash Flows, cash equivalents consist of cash and cash equivalents as defined above.

#### p) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated inclusive of GST. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

#### q) Contributed equity

The Authority receives support from the WA Government (see note 20). The amount received is recognised directly as a credit to contributed equity.

#### r) Current and non-current classification

Assets and liabilities are presented in the Statement of Financial Position on current and non-current classification.

An asset is classified as current when it is either expected to be realised or consumed in the normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting

period; or the asset is cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when it is either expected to be settled in the normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

#### s) Changes in accounting policies, new and amended accounting standards and interpretations

In the current year, the Authority has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period.

The Authority revised its accounting policies as a result of adopting AASB 15 *Revenue from Contracts with Customers* (refer to note 2(a)) and AASB 16 Leases. The adoption of these new and revised Standards and Interpretations has not resulted in a significant change to the Authority's accounting policies. The impact on adoption of the revised accounting policies are described below for AASB 16. The other standards did not have a material impact to the Authority or require retrospective adjustments.

##### AASB 16 Leases

The entity has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs).

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(CONTINUED)

In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

**Impact on application**

The entity has adopted AASB 16 using the modified retrospective approach whereby the consolidated entity has recognised the cumulative effect of initially applying this standard as an adjustment to the opening balance of equity as at 1 July 2019. Accordingly, the consolidated entity has not restated comparative balances in this set of financial statements.

On adoption of AASB 16, the entity recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of AASB 117 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 July 2019. The associated right-of-use assets for these leases were measured on a retrospective basis as if AASB 16 had always been applied, with the incremental borrowing rate applied as at the date of initial application and the assets depreciated on a straight-line basis over the term of the lease. The weighted average incremental borrowing rate applied to lease liabilities was 3.4% and 1.6%.

**Right-of-use assets**

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

**Lease Liabilities**

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the consolidated entity's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties.

When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Total operating lease commitments disclosed at 30 June 2019	\$32,000
Recognition exemption - Leases with remaining lease term of less than 12 months	\$32,000
Total lease liabilities recognised under AASB 16 at 1 July 2019	\$0

#### t) Comparative figures

Comparative figures are, where appropriate, reclassified to be comparable with figures presented in the current financial year.

### NOTE 3 - EXPENSES BY NATURE

Operating expenses are presented on the face of the Statement of Comprehensive Income using a classification based on the nature of expenses (see note 1(b)). Port operations expenses include those expenses related to land based support activities whilst general administration expenses includes expenditure of an administrative nature.

### NOTE 4 – REVENUE

	2020 \$'000	2019 \$'000
Revenue consists of the following items:		
<b>Rendering of services</b>		
Charges on cargo	4,010	5,934
Charges on ships	6,384	8,628
Shipping services	308	384
Interest revenue (a)	115	229
Rentals and leases	2,337	2,341
Other	220	343
<b>Total revenue</b>	<b>13,374</b>	<b>17,859</b>

(a) Interest revenue is interest received from bank accounts

## NOTE 5 – PORT OPERATION EXPENSES

	2020 \$'000	2019 \$'000
Shipping activity	1,320	1,847
Indirect salaries and wages - operations	4,181	3,438
Minor asset purchases and equipment hires costs	430	485
Other	-	396
<b>Total port operations expense</b>	<b>5,931</b>	<b>6,166</b>

## NOTE 6 – DEPRECIATION AND AMORTISATION EXPENSE

	2020 \$'000	2019 \$'000
<b>Depreciation</b>		
Improvements	117	71
Buildings	97	98
Infrastructure	320	159
Harbour Facilities	1,685	1,611
Access Channel	166	7
Electronic	125	129
Plant and Equipment	316	194
Furniture and Fittings	11	8
Motor Vehicles	71	58
Low Value Pool	70	52
Right of use assets (adoption off AASB 16)	342	-
<b>Total depreciation</b>	<b>3,320</b>	<b>2,387</b>
<b>Amortisation</b>		
Intangible Assets	103	41
<b>Total amortisation</b>	<b>103</b>	<b>41</b>
<b>Total depreciation and amortisation</b>	<b>3,423</b>	<b>2,428</b>

**NOTE 7 – GENERAL ADMINISTRATION EXPENSES**

	2020 \$'000	2019 \$'000
Administration employee expenses	3,290	3,265
Other administration expenses	2,060	1,872
<b>Total general administration expense</b>	<b>5,350</b>	<b>5,137</b>

**NOTE 8 – FINANCE COSTS**

	2020 \$'000	2019 \$'000
Finance charges	79	78
Interest expense	598	645
<b>Finance costs expensed</b>	<b>677</b>	<b>723</b>

**NOTE 9 – OTHER EXPENSES**

	2020 \$'000	2019 \$'000
Employee on-costs (a)	462	384
Short term/Low Value Lease Expense	119	-
Net loss on disposal of assets	-	2
Other	122	109
	<b>703</b>	<b>495</b>

(a) Includes workers' compensation insurance, payroll tax and other employment on-costs. The on-costs liability associated with the recognition of annual and long service leave liability is included at Note 18 Provisions. Superannuation contributions accrued as part of the provision for leave are employee benefits and are not included in employee on-costs.

## NOTE 10 – INCOME TAX

(i) Recognised in profit or loss	2020 \$'000	2019 \$'000
<b>Current tax expense</b>		
Current year	-	-
Prior year adjustment	-	-
	-	-
<b>Deferred tax expense</b>		
Current tax expense/benefit	-	-
Prior year adjustment	-	-
	-	-
<b>Total income tax benefit/(expense) pre derecognition of deferred tax asset</b>	-	-
Derecognise current year deferred tax asset	-	-
Derecognise prior year deferred tax asset	-	-
<b>Total income tax benefit/(expense) post recognition of deferred tax asset</b>	-	-

(ii) Reconciliation between tax expense and profit before tax	2020 \$'000	2019 \$'000
(Loss) for the year	(6,794)	(1,713)
Total tax benefit / (expense)	-	-
<b>Profit / (Loss) after tax</b>	<b>(6,794)</b>	<b>(1,713)</b>
Tax using the statutory tax rate of 27.5%	1,868	514
Non-deductible expenses	(4)	(5)
Sundry items	-	-
Adjustments for prior period	-	-
<b>Income tax benefit/(expense) pre derecognition of deferred tax asset</b>	<b>1,864</b>	<b>509</b>
Derecognise current year deferred tax asset	(1,864)	(509)
Derecognise prior year deferred tax asset	-	-
<b>Income tax benefit/(expense) post derecognition of deferred tax asset</b>	<b>-</b>	<b>-</b>

(iii) Deferred tax	2020 Statement of Financial Position \$'000	2019 Statement of Financial Position \$'000	2020 Statement of Comprehensive Income \$'000	2019 Statement of Comprehensive Income \$'000
<b>Deferred tax liabilities</b>				
Receivables	1	18	(17)	6
FBT Instalment	3	3	-	-
Lease Liability	116	-	116	-
Gross Deferred Tax Liabilities	<b>120</b>	<b>21</b>	<b>99</b>	<b>6</b>
<b>Deferred tax assets</b>				
Accelerated depreciation for accounting purposes	320	324	(4)	(98)
ROU Assets	114	-	114	-
Payables	15	17	(2)	(5)
Prepaid rental	88	112	(24)	(1)
Employee benefits	531	568	(37)	72
Borrowing costs	-	-	-	-
Business related costs	-	22	(22)	39
Carried forward tax losses	2,717	935	1,782	(522)
Gross Deferred Tax Assets	<b>3,785</b>	<b>1,978</b>	<b>1,807</b>	<b>(515)</b>

**NOTE 10 – INCOME TAX** (CONTINUED)

	2020 Statement of Financial Position \$'000	2019 Statement of Financial Position \$'000	2020 Statement of Comprehensive Income \$'000	2019 Statement of Comprehensive Income \$'000
Unrecognise current year deferred tax asset	(1,707)	(509)	(1,198)	526
Unrecognise prior year deferred tax asset	(1,958)	(1,448)	(510)	(17)
Gross Deferred Tax Assets	120	21	99	(6)
Set-off of deferred tax liabilities pursuant to the set-off provisions	(120)	(21)	(99)	6
<b>Net deferred tax assets</b>	-	-	-	-
Prior period adjustments	-	-	-	-
<b>Deferred tax charge</b>			-	-
			2020 \$'000	2019 \$'000
<b>(iv) Tax liability</b>				
Current tax liability (asset)			-	-
<b>Total current tax liability (asset)</b>			-	-

The deductible temporary differences and tax losses do not expire under current legislation.

## NOTE 11 – DIVIDENDS

	2020 \$'000	2019 \$'000
	-	-
<b>Dividends paid in the financial year</b>	<b>-</b>	<b>-</b>

In accordance with Government Financial Policy, WA Ports are required to pay dividends of 75% (2019: 75%) of after tax profits, adjusted for special circumstances as approved by Government. From 1 July 2014, an amendment to Section 84 of the *Port Authorities Act 1999* came into effect which provides for Government to request an interim dividend recommendation be made by the Board.

In respect to the financial year ended 30 June 2019 and 30 June 2020, no interim and final dividend were declared.

## NOTE 12 – CASH AND CASH EQUIVALENTS

	2020 \$'000	2019 \$'000
Bank balances	4,418	2,531
Restricted cash and cash equivalents (a)	-	820
Restricted cash and cash equivalents (b)	-	11,209
Term deposits	4,315	4,000
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<b>8,733</b>	<b>18,560</b>

(a) Unspent funds are committed to the wharf extension of life project.

(b) Unspent funds are committed to the channel optimisation project

The Authority's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 22(i).

**NOTE 13 – TRADE AND OTHER RECEIVABLES**

	2020 \$'000	2019 \$'000
<b>Current</b>		
Trade receivables	1,789	3,652
Less: allowance for impairment of receivables	-	-
	<b>1,789</b>	<b>3,652</b>
Other receivables:		
Accrued revenue	5	25
Prepayments	131	154
<b>Balance at the end of the year</b>	<b>1,925</b>	<b>3,831</b>

The Authority does not hold any collateral as security or other credit enhancements relating to receivables.

The Authority does not hold any financial assets that had to have their terms renegotiated that would have otherwise resulted in them being past due or impaired.

As at 30 June, the ageing analysis of trade debtors past due but not impaired is as follows:

Not more than 3 months	285	386
More than 3 months but less than 6 months	242	20
More than 6 months but less than 1 year	-	-
More than 1 year	-	-
	<b>527</b>	<b>406</b>

**NOTE 14 – PROPERTY, PLANT AND EQUIPMENT**

	2020 \$'000	2019 \$'000
<b>Land</b>		
At cost	1,291	1,291
	<b>1,291</b>	<b>1,291</b>
<b>Improvements</b>		
At cost	2,371	2,351
Less: accumulated depreciation	(498)	(380)
Less: accumulated impairment losses	-	-
	<b>1,873</b>	<b>1,971</b>
<b>Buildings</b>		
At cost	3,983	3,935
Less: accumulated depreciation	(1,444)	(1,345)
Less: accumulated impairment losses	-	-
	<b>2,539</b>	<b>2,590</b>
<b>Infrastructure</b>		
At cost	6,752	6,726
Less: accumulated depreciation	(2,110)	(1,791)
Less: accumulated impairment losses	-	-
	<b>4,642</b>	<b>4,935</b>

	2020 \$'000	2019 \$'000
<b>Harbour Facilities</b>		
At cost	43,246	41,915
Less: accumulated depreciation	(13,623)	(11,937)
Less: accumulated impairment losses	-	-
	<b>29,623</b>	<b>29,978</b>
<b>Access Channel</b>		
At cost	15,258	488
Less: accumulated depreciation	(622)	(456)
Less: accumulated impairment losses	-	-
	<b>14,636</b>	<b>32</b>
<b>Electronic Equipment</b>		
At cost	966	901
Less: accumulated depreciation	(717)	(593)
Less: accumulated impairment losses	-	-
	<b>249</b>	<b>308</b>
<b>Plant and Equipment</b>		
At cost	6,641	5,233
Less: accumulated depreciation	(3,194)	(2,974)
Less: accumulated impairment losses	-	-
	<b>3,447</b>	<b>2,259</b>

	2020 \$'000	2019 \$'000
<b>Furniture and Fittings</b>		
At cost	136	127
Less: accumulated depreciation	(89)	(78)
Less: Accumulated impairment losses	-	-
	<b>47</b>	<b>49</b>
<b>Motor Vehicles</b>		
At cost	603	480
Less: accumulated depreciation	(232)	(162)
Less: accumulated impairment losses	-	-
	<b>371</b>	<b>318</b>
<b>Low Value Pool</b>		
At cost	475	387
Less: accumulated depreciation	(312)	(243)
Less: accumulated impairment losses	-	-
	<b>163</b>	<b>144</b>
<b>Total property, plant and equipment</b>		
At cost	81,721	63,834
Less: accumulated depreciation	(22,839)	(19,959)
Less: accumulated impairment losses	-	-
	<b>58,882</b>	<b>43,875</b>

**NOTE 14 – PROPERTY, PLANT AND EQUIPMENT** (CONTINUED)

	2020 \$'000	2019 \$'000		2020 \$'000	2019 \$'000
<b>Add: Work in progress (at cost)</b>	2,200	4,667	<b>Buildings</b>		
	<b>2,200</b>	<b>4,667</b>	Carrying amount at 1 July	2,590	2,621
			Additions	-	-
<b>Total property, plant and equipment</b>	<b>61,082</b>	<b>48,542</b>	Transfer from work in progress	47	67
			Depreciation for the year	(98)	(98)
			Disposals	-	(144)
			Accumulated depreciation on disposals	-	144
			Impairment losses	-	-
			<b>Carrying amount at 30 June</b>	<b>2,539</b>	<b>2,590</b>
<b>Reconciliation of carrying amounts:</b>					
<b>Land</b>			<b>Infrastructure</b>		
Carrying amount at 1 July	1,291	1,291	Carrying amount at 1 July	4,935	2,651
Additions	-	-	Additions	-	16
Disposals	-	-	Transfer from work in progress	26	2,429
Impairment losses	-	-	Depreciation for the year	(319)	(161)
<b>Carrying amount at 30 June</b>	<b>1,291</b>	<b>1,291</b>	Disposals	-	-
			Accumulated depreciation on disposals	-	-
<b>Improvements</b>			Impairment losses	-	-
Carrying amount at 1 July	1,971	1,902	<b>Carrying amount at 30 June</b>	<b>4,642</b>	<b>4,935</b>
Additions	-	-			
Transfer from work in progress	21	141			
Depreciation for the year	(118)	(72)			
Disposals	-	-			
Accumulated depreciation on disposals	-	-			
Impairment losses	-	-			
<b>Carrying amount at 30 June</b>	<b>1,874</b>	<b>1,971</b>			

	2020 \$'000	2019 \$'000
<b>Harbour Facilities</b>		
Carrying amount at 1 July	29,978	31,588
Additions	-	-
Transfer from work in progress	1,330	-
Depreciation for the year	(1,685)	(1,610)
Disposals	-	-
Accumulated depreciation on disposals	-	-
Impairment losses	-	-
<b>Carrying amount at 30 June</b>	<b>29,623</b>	<b>29,978</b>
<b>Access Channel</b>		
Carrying amount at 1 July	32	39
Additions	-	-
Transfer from work in progress	14,770	-
Depreciation for the year	(166)	(7)
Disposals	-	-
Impairment losses	-	-
<b>Carrying amount at 30 June</b>	<b>14,636</b>	<b>32</b>

	2020 \$'000	2019 \$'000
<b>Electronic Equipment</b>		
Carrying amount at 1 July	308	270
Additions	62	50
Transfer from work in progress	5	118
Depreciation for the year	(124)	(129)
Disposals	(3)	(120)
Accumulated depreciation on disposals	1	119
Impairment losses	-	-
<b>Carrying amount at 30 June</b>	<b>249</b>	<b>308</b>
<b>Plant and Equipment</b>		
Carrying amount at 1 July	2,259	2,081
Additions	145	84
Transfer from work in progress	1,361	300
Depreciation for the year	(317)	(194)
Disposals	(98)	(37)
Accumulated depreciation on disposals	97	25
Impairment losses	-	-
<b>Carrying amount at 30 June</b>	<b>3,447</b>	<b>2,259</b>

**NOTE 14 – PROPERTY, PLANT AND EQUIPMENT** (CONTINUED)

	2020 \$'000	2019 \$'000		2020 \$'000	2019 \$'000
<b>Furniture &amp; Fittings</b>			<b>Low Value pool</b>		
Carrying amount at 1 July	49	33	Carrying amount at 1 July	144	123
Additions	8	3	Additions	63	70
Transfer from work in progress	1	21	Transfer from work in progress	26	5
Depreciation for the year	(11)	(8)	Depreciation for the year	(70)	(52)
Disposals	-	-	Disposals	-	(93)
Accumulated depreciation on disposals	-	-	Accumulated depreciation on disposals	-	91
Impairment losses	-	-	<b>Carrying amount at 30 June</b>	<b>163</b>	<b>144</b>
<b>Carrying amount at 30 June</b>	<b>47</b>	<b>49</b>			
<b>Motor Vehicles</b>			<b>Work in progress:</b>		
Carrying amount at 1 July	318	296	Carrying amount at 1 July	4,667	4,185
Additions	124	94	Additions	17,426	5,387
Depreciation for the year	(71)	(58)	Transfers to expenditure	(1,733)	(1,823)
Disposals	-	(82)	Transfers to property, plant and equipment	(18,160)	(3,082)
Accumulated depreciation on disposals	-	68	Transfers to intangibles	-	-
Impairment losses	-	-	<b>Carrying amount at 30 June</b>	<b>2,200</b>	<b>4,667</b>
<b>Carrying amount at 30 June</b>	<b>371</b>	<b>318</b>			
			<b>Total property, plant and equipment</b>	<b>61,082</b>	<b>48,542</b>

**NOTE 14(A) – RIGHT OF USE ASSETS**

	2020 \$'000	2019 \$'000
<b>Right of use assets – buildings at cost</b>	758	-
Less: accumulated depreciation	(342)	-
	<b>416</b>	-

**NOTE 14(B) – LEASE LIABILITIES**

	2020 \$'000	2019 \$'000
<b>Current</b>	421	-
	<b>421</b>	-

**NOTE 15 – INTANGIBLE ASSETS**

	2020 \$'000	2019 \$'000
<b>Computer software</b>		
At cost	1,014	430
Less: accumulated depreciation	(419)	(316)
	<b>595</b>	<b>114</b>

**Reconciliation of carrying amounts:**

	2020 \$'000	2019 \$'000
<b>Computer software</b>		
Carrying amount at 1 July	114	155
Additions	11	-
Transfer from work in progress	573	-
Depreciation for the year	(103)	(41)
Disposals	-	(19)
Accumulated depreciation on disposals	-	19
<b>Carrying amount at 30 June</b>	<b>595</b>	<b>114</b>

**NOTE 16 – TRADE AND OTHER PAYABLES**

	2019 \$'000	2017 \$'000
<b>Current</b>		
Trade payables	554	1,108
Accrued expenses	277	240
	<b>831</b>	<b>1,348</b>

The Authority's exposure to liquidity risk related to trade and other payables is disclosed in note 22(i).

## NOTE 17 – INTEREST BEARING BORROWING

This note provides information about the contractual terms of the Authority's interest bearing borrowings, which are measured at amortised cost. For more information about the authority's exposure to interest rate and liquidity risk, see note 22(i).

	2020 \$'000	2019 \$'000
<b>Current liabilities</b>		
Direct borrowings	1,559	1,337
	<b>1,559</b>	<b>1,337</b>
<b>Non-current liabilities</b>		
Direct borrowings	9,591	10,360
	<b>9,591</b>	<b>10,360</b>
	2020 \$'000	2019 \$'000
<b>Financing arrangements</b>		
The Authority has access to the following lines of credit:		
Total facilities available:		
Liquid facility and direct borrowings	11,160	11,800
	<b>11,160</b>	<b>11,800</b>
Facilities utilised at the end of the reporting period:		
Liquid facility and direct borrowings	11,160	11,697
	<b>11,160</b>	<b>11,697</b>
Total facilities not utilised at the end of the reporting period:		
Liquid facility and direct borrowings	-	103

At reporting date, the Authority has an approved financing facility from Western Australian Treasury Corporation (WATC) for 30 June 2021 of \$9.645 million (30 June 2019: \$11.160 million).

### (i) Master Lending Agreement (MLA)

For the purposes of accessing more simplified and flexible borrowing arrangements, the Authority entered into a MLA with the WATC on 1 February 2008 which consolidates all of the existing agreements into one facility.

### (ii) Significant terms and conditions

Direct borrowings comprise of six (6) loans at fixed interest rates from WA Treasury Corporation and are repayable in accordance with a fixed repayment schedule;

1. \$11.320m with fixed monthly principal and interest repayments that will result in the loan being fully settled in February 2025. The effective interest rate on the loan is 5.98%.
2. \$2.073m with fixed monthly principal and interest repayments that will result in the loan being fully settled in July 2026. The effective interest rate on the loan is 5.78%.
3. \$1.800m with fixed monthly principal and interest repayments that will result in the loan being fully settled in September 2032. The effective interest rate on the loan is 4.35%.
4. \$3.077m with fixed monthly principal and interest repayments that will result in the loan being fully settled in January 2029. The effective interest rate on the loan is 5.13%.
5. \$1.328m with fixed monthly principal and interest repayments that will result in the loan being fully settled in July 2030. The effective interest rate on the loan is 3.88%.
6. \$0.800m with fixed monthly principal and interest repayments that will result in the loan being fully settled in June 2025. The effective interest rate on the loan is 0.65%.

## Interest rate risk exposure

The Authority's exposure to interest rate risk on the interest bearing borrowings and the effective weighted average interest rate at year end by maturity periods is set out in the following table:

	Fixed interest rate						Total \$'000
	1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000	More than 5 years \$'000	
<b>2020</b>							
<b>Interest bearing borrowings:</b>							
Direct borrowings (WATC)	1,569	1,649	1,734	1,823	1,557	2,828	11,160
	<b>1,569</b>	<b>1,649</b>	<b>1,734</b>	<b>1,823</b>	<b>1,557</b>	<b>2,828</b>	<b>11,160</b>

## Weighted average interest rate:

Direct borrowings 5.00%

	Fixed interest rate						Total \$'000
	1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000	More than 5 years \$'000	
<b>2019</b>							
<b>Interest bearing borrowings:</b>							
Direct borrowings (WATC)	1,337	1,411	1,490	1,574	1,662	4,223	11,697
	<b>1,337</b>	<b>1,411</b>	<b>1,490</b>	<b>1,574</b>	<b>1,662</b>	<b>4,223</b>	<b>11,697</b>

## Weighted average interest rate:

Direct borrowings 5.37%

## NOTE 18 – PROVISIONS

	2020 \$'000	2019 \$'000
<b>Current</b>		
Annual leave (a)	868	758
Personal leave (b)	174	157
Time in lieu (c)	92	86
Long service leave (d)	716	827
Fringe benefits tax	10	10
	<b>1,860</b>	<b>1,838</b>
<b>Non-current</b>		
Long service leave (d)	58	44
	<b>58</b>	<b>44</b>

(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting date. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the reporting date	539	475
More than 12 months after the reporting date	329	283
	<b>868</b>	<b>758</b>

(b) Personal leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting date. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the reporting date	94	88
More than 12 months after the reporting date	80	69
	<b>174</b>	<b>157</b>

(c) Time in lieu leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting date. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the reporting date	92	86
More than 12 months after the reporting date	-	-
	<b>92</b>	<b>86</b>

(d) The settlement of long service leave liabilities gives rise to the payment of employment on-costs including workers compensation premiums and payroll tax. The provision is measured at the present value of expected future payments.

Within 12 months of the reporting date	283	330
More than 12 months after the reporting date	491	541
	<b>774</b>	<b>871</b>

**NOTE 19 – OTHER LIABILITIES**

	2020 \$'000	2019 \$'000
Prepaid lease and licence income	507	562
<b>Total other liabilities</b>	<b>507</b>	<b>562</b>

**NOTE 20 – EQUITY**

The WA Government holds the equity interest in the Authority on behalf of the community. Equity represents the residual interest in the net assets of the Authority.

	2020 \$'000	2019 \$'000
<b>Contributed equity</b>		
Balance at start of year	54,711	42,661
Equity contributions in the year	9,150	12,050
<b>Balance at end of year</b>	<b>63,861</b>	<b>54,711</b>
<b>Retained earnings</b>		
Balance at start of year	847	2,560
Profit (loss) for the year	(6,794)	(1,713)
Dividends paid	-	-
<b>Balance at end of year</b>	<b>(5,947)</b>	<b>847</b>

**NOTE 21 – RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES**

	2020 \$'000	2019 \$'000
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the period	(6,794)	(1,713)
Adjustments for:		
Depreciation	3,320	2,387
Amortisation of intangible assets	103	41
(Gain) / loss on sale of property, plant and equipment	-	2
<b>Operating profit before changes in working capital and provisions</b>	<b>(3,371)</b>	<b>717</b>
Changes in assets and liabilities		
Change in deferred tax provision	-	-
Change in trade and other receivables	1,863	(1,763)
Change in prepayments	23	5
Change in accrued income	20	6
Change in GST liability	-	183
Change in trade and other payables	(518)	(594)
Change in prepaid income	(55)	6
Change in provisions	36	(240)
Change in income tax	-	726
<b>Net cash from / (used in) operating activities</b>	<b>(2,002)</b>	<b>(955)</b>

## NOTE 22 – FINANCIAL INSTRUMENTS

### (i) Financial risk management objectives and policies

The Authority's principal financial instruments comprise cash and cash equivalents, receivables, payables, interest bearing borrowings and finance leases. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

The fair values and carrying amounts of various financial instruments recognised at reporting date are noted below:

	Note	2020 \$'000		2019 \$'000	
		Carrying Amount	Fair Values	Carrying Amount	Fair Values
Cash & cash equivalents	12	8,733	8,733	18,560	18,560
Trade and other receivables	13	1,925	1,925	3,831	3,831
Trade and other payables	16	(831)	(831)	(1,348)	(1,348)
Interest bearing borrowings	17	(11,160)	(12,755)	(11,697)	(13,375)
		<b>(1,333)</b>	<b>(2,928)</b>	<b>9,346</b>	<b>7,668</b>

The carrying amounts of (1) cash and cash equivalents, (2) trade and other receivables and (3) trade and other payables are a reasonable approximation of their fair values on account of their short maturity cycle.

The fair value of interest bearing borrowings is provided by WATC. The Authority does not expect prepayments of those loans and borrowings.

### Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates that will affect the Authority's income or the value of its holdings of financial instruments. The Authority does not trade in foreign currency and is not materially exposed to other price risks.

The Authority's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations. The Authority's borrowings are all obtained through the WATC and are at fixed rates with varying maturities. The risk is managed by WATC through portfolio diversification and variation in maturity dates. Other than as detailed in the interest rate sensitivity

analysis in the table below, the Authority has limited exposure to interest rate risk because it has no borrowings other than WATC borrowings (fixed interest rate).

### Sensitivity analysis

The Authority's policy is to manage its finance costs using a mix of fixed and variable debt with the objective of achieving optimum returns whilst managing interest rate risk to avoid uncertainty and volatility in the market place.

The Authority constantly analyses its interest rate exposure. Within this analysis consideration is given to potential renewals of existing positions and alternative financing structures.

At the reporting date, if interest rates had moved as illustrated in the table below, with all the other variables held constant, the effect would be as follows:

	Carrying Amount (\$'000)	+0.50% change		(0.50%) change	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
<b>2020</b>					
<b>Financial Assets</b>	8,733	44	44	(44)	(44)
Cash and cash equivalents					
<b>Total Increase / (Decrease)</b>	<b>8,733</b>	<b>44</b>	<b>44</b>	<b>(44)</b>	<b>(44)</b>
	Carrying Amount (\$'000)	+0.50% change		(0.50%) change	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
<b>2019</b>					
<b>Financial Assets</b>					
Cash and cash equivalents	18,560	93	93	(93)	(93)
<b>Total Increase / (Decrease)</b>	<b>18,560</b>	<b>93</b>	<b>93</b>	<b>(93)</b>	<b>(93)</b>

## NOTE 22 – FINANCIAL INSTRUMENTS (continued)

---

### Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis. With respect to credit risk arising from cash and cash equivalents, the Authority's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of the cash and cash equivalents.

The Authority operates predominantly within the shipping and cargo handling industry and accordingly is exposed to risks affecting that industry. The maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at Note 22 (ii).

The Authority follows stringent credit control and management procedures in reviewing and monitoring debtor accounts and outstanding balances as evidenced by the historical aged debtor balances. In addition, management of receivables includes frequent monitoring thereby minimising the Authority's exposure to bad debts. For financial assets that are either past due or impaired, refer to note 13 'Trade and other receivables'.

The Authority's credit risk management is further supported by rental agreements and sections 116 & 117 of the *Port Authorities Act 1999*. Section 116 refers to the liability to pay port charges in respect of vessels and Section 117 refers to the liability to pay port charges in respect of goods. Port charges are defined in Section 115.

### Liquidity risk

Liquidity risk is the risk that the Authority will not be able to meet its financial obligations as they fall due.

The Authority's objective is to maintain a balance between continuity of funding and flexibility through the use of cash reserves and its borrowing facilities. The Authority manages its exposure to liquidity risk by ensuring that appropriate procedures are in place to manage cash flows, including monitoring forecast cash flows to ensure sufficient funds are available to meet its commitments.

The weighted average interest rate for each category of financial instrument is as follows:

	Weighted Average Interest Rate	Fixed Interest Rate (\$'000)	Floating Interest Rate (\$'000)	Non Interest Bearing (\$'000)	Total (\$'000)
<b>2020</b>					
<b>Financial Assets &amp; Liabilities</b>					
Cash & cash equivalents	1.38%	-	8,733	-	8,733
Trade and other receivables	-	-	-	1,925	1,925
Interest bearing borrowings	5.00%	(11,160)	-	-	(11,160)
<b>Trade and other payables</b>	-	-	-	(831)	(831)
<b>Net Financial Assets (Liabilities)</b>		<b>(11,160)</b>	<b>8,733</b>	<b>1,094</b>	<b>(1,333)</b>
<b>2019</b>					
<b>Financial Assets &amp; Liabilities</b>					
Cash & cash equivalents	1.83%	-	18,560	-	18,560
Trade and other receivables	-	-	-	3,831	3,831
Interest bearing borrowings	5.37%	(11,697)	-	-	(11,697)
Trade and other payables	-	-	-	(1,348)	(1,348)
<b>Net Financial Assets (Liabilities)</b>		<b>(11,697)</b>	<b>18,560</b>	<b>2,483</b>	<b>9,346</b>

**NOTE 22 – FINANCIAL INSTRUMENTS** (continued)

The table below reflects the contractual maturity of financial liabilities and financial assets. The table includes both interest and principle cash flows:

	Carrying amount \$'000	6 months or less \$'000	6 - 12 months \$'000	1 - 2 years \$'000	2 - 5 years \$'000	More than 5 years \$'000
<b>2020</b>						
<b>Financial assets</b>						
Cash and cash equivalents	8,733	8,733	-	-	-	-
Trade and other receivables	1,925	1,925	-	-	-	-
	10,658	10,658	-	-	-	-
<b>Financial liabilities</b>						
Trade payables and accruals	(831)	(831)	-	-	-	-
Borrowings	(13,186)	(1,040)	(1,040)	(2,079)	(6,724)	(2,303)
	(14,017)	(1,871)	(1,040)	(2,079)	(6,724)	(2,303)
<b>Net maturity</b>	<b>(3,359)</b>	<b>8,787</b>	<b>(1,040)</b>	<b>(2,079)</b>	<b>(6,724)</b>	<b>(2,303)</b>

2019	Carrying amount \$'000	6 months or less \$'000	6 - 12 months \$'000	1 - 2 years \$'000	2 - 5 years \$'000	More than 5 years \$'000
<b>Financial assets</b>						
Cash and cash equivalents	18,560	18,560	-	-	-	-
Trade and other receivables	3,831	3,831	-	-	-	-
	22,391	22,391	-	-	-	-
<b>Financial liabilities</b>						
Trade payables and accruals	(1,348)	(1,348)	-	-	-	-
Borrowings	(14,289)	(958)	(958)	(1,916)	(7,308)	(3,149)
	(15,637)	(2,306)	(958)	(1,916)	(7,308)	(3,149)
<b>Net maturity</b>	6,754	20,085	(958)	(1,916)	(7,308)	(3,149)

**NOTE 22 – FINANCIAL INSTRUMENTS** (continued)**(ii) Categories of financial instruments**

Set out below are the carrying amounts of the Authority's financial instruments. The directors consider the carrying amounts of the financial instruments represent their net fair value except for special borrowings whose fair value is disclosed at Note 22(i).

	Notes	2020 \$'000	2019 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	12	8,733	18,560
Trade and other receivables	13	1,925	3,831
		<b>10,658</b>	<b>22,391</b>
<b>Financial Liabilities</b>			
Trade and other payables	16	(831)	(1,348)
Interest-bearing borrowings:			
Fixed rate borrowings	17	(11,160)	(11,697)
		<b>(11,991)</b>	<b>(13,045)</b>

The Authority's exposure to interest rate risk on the interest-bearing borrowings is disclosed in note 17.

**(iii) Fair values**

All financial assets and liabilities recognised in the balance sheet, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

## NOTE 23 – COMMITMENTS

### (i) Capital expenditure commitments

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:

	2020 \$'000	2019 \$'000
Within 1 year (a)	3,693	12,347
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	<b>3,693</b>	<b>12,347</b>

(a) Majority of the capital commitments being related to the purchase of Marine Crane.

### (ii) Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

	2020 \$'000	2019 \$'000
Within 1 year	364	32
Later than 1 year and not later than 5 years	72	-
Later than 5 years	-	-
	<b>436</b>	<b>32</b>

### (iii) Other expenditure commitments

	2020 \$'000	2019 \$'000
Remote Area Housing Tenancy Commitments	92	128
	<b>92</b>	<b>128</b>

### (iv) Operating leases receivable

Future minimum rentals receivable for operating leases at reporting date:

	2020 \$'000	2019 \$'000
Within 1 year	1,989	1,962
Later than 1 year and not later than 5 years	5,369	5,940
Later than 5 years	9,599	10,732
	<b>16,957</b>	<b>18,634</b>

Operating leases receivable are in respect of the Authority's property leases. Lease payments are in accordance with the terms of their respective lease agreements. Many leases include an option to renew.

### (v) Other receivables

	2020 \$'000	2019 \$'000
Other receivables		
Remote Area Housing Tenancy Receivables	74	104
	<b>74</b>	<b>104</b>

## NOTE 24 – REMUNERATION OF AUDITOR

Remuneration payable to the Auditor General in respect to the audit for the current financial year is as follows:

	2020 \$'000	2019 \$'000
Auditing the accounts and financial statements	41	41
	<b>41</b>	<b>41</b>

## NOTE 25 – RELATED PARTIES

The Authority is a wholly-owned public sector entity that is controlled by the State of Western Australia.

Related parties of the Authority include:

- all Ministers and their close family members, and their controlled or jointly controlled entities;
- all senior officers and their close family members, and their controlled or jointly controlled entities;
- other department and statutory authorities, including their related bodies, that are included in the whole of government consolidated financial statements;
- associates and joint ventures of an entity that are included in the whole of Government consolidated financial statements; and
- the Government Employees Superannuation Board (GESB).

## Material transactions with related parties

The Authority has been notified that no current WA State Government Minister has declared a related party transaction in the current financial year.

## Parent entity

Kimberley Ports Authority is the parent entity.

## Key Management Personnel Compensation

The Authority has determined that key management personnel include Ministers and senior officers of the Authority. However, the Authority is not obligated to compensate Ministers, and therefore disclosures in relation to Ministers compensation may be found in the Annual Report on State Finances. Total compensation includes the superannuation expense incurred by the Authority in respect of senior officers.

Senior Officers	2020 \$'000	2019 \$'000
Short-term employee benefits	2,020	2,079
Post-employment benefits	188	218
Other long-term benefits	53	48
Termination benefits	36	-
<b>Total compensation of Senior Officers</b>	<b>2,297</b>	<b>2,345</b>

### Transactions with related parties

The following transactions occurred with related parties:

KPA has two leases in operation with the Department of Fisheries for land known as Lot 505-512 & Pump Station for annual lease revenue of \$39,627 (2019: \$39,627).

There were no transactions for goods and services to any other related parties at the current and previous reporting date.

### Significant transactions with Government-related entities

In conducting its activities, the Authority is required to transact with the State and the entities related to the State. These transactions are generally based on the standard terms and conditions that apply to all agencies. Such transactions include:

- income from State Government (Note 4)
- equity contributions (Note 20)
- superannuation payments to GESB (Notes 5 and 7)
- amounts due to the Treasurer (Note 17)
- insurance payments to the Insurance Commission and RiskCover fund (Note 7)
- remuneration for services provided by the Auditor General (Note 24)

### Receivable from and payable to related parties

There were no outstanding balances at the reporting date in relation to transactions with related parties.

### Loans to/from related parties

There were no loans to or from related parties at the current or previous reporting date.

### Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

## NOTE 26 – CONTINGENT LIABILITIES AND ASSETS

---

There are no contingent liabilities and assets at reporting date.

## NOTE 27 – SUBSEQUENT EVENTS

---

As at the date of these financial statements are authorised for issue, Directors of Kimberley Ports considered the financial effect of any potential impacts arising from COVID-19. Subsequent to the reporting year end, cabinet has approved \$4 million of capital injection for the next financial year and a further \$3 Million for 2021-22. This will assist Kimberley Ports to continue its operation as a going concern.

## DIRECTORS' DECLARATION

---

### In the opinion of the directors of Kimberley Ports Authority:

- (a) the financial statements and notes are in accordance with the financial reporting provisions of the *Port Authorities Act 1999*, including:
  - (i) giving a true and fair view of the Authority's financial position as at 30 June 2020 and its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Port Authorities Act 1999*;
- (b) there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



**R. Waldock AM**  
Chairman

31 August 2020



**P. Larsen**  
Director

31 August 2020

## INDEPENDENT AUDITOR'S REPORT



Auditor General

## INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

KIMBERLEY PORTS AUTHORITY

**Opinion**

I have audited the financial report of Kimberley Ports Authority (the Authority) which comprises the Statement of Financial Position as at 30 June 2020, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2020 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

**Basis for Opinion**

I conducted my audit in accordance with the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Kimberley Ports Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

**Responsibility of the Directors for the Financial Report**

The directors of the Authority are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and schedule 5 of the *Port Authorities Act 1999*. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Western Australian Government has made policy or funding decisions affecting the continued existence of the Authority.

**Auditor's Responsibility for the Audit of the Financial Report**

The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at [https://www.aasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.aasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of my auditor's report.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the financial report of Kimberley Ports Authority for the year ended 30 June 2020 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to from the financial report. If users of the financial report are concerned with the inherent risks arising from publication on the website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

DON CUNNINGHAM  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
1 September 2020

This page is intentionally left blank.



**KIMBERLEY  
PORTS**  
AUTHORITY

📍 549 Port Drive Broome WA 6725  
PO Box 46 Broome 6725

☎ (08) 9194 3100

@ info@kimberleyports.wa.gov.au

💻 www.kimberleyports.wa.gov.au