



**KIMBERLEY  
PORTS**  
AUTHORITY



**2021** ANNUAL  
REPORT







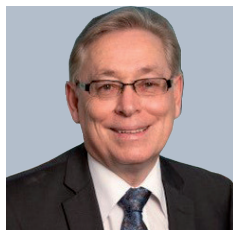
# CONTENTS

<b>01. CHAIR AND CEO REPORT 2020/21</b>	<b>2</b>		
<b>02. AGENCY OVERVIEW</b>	<b>5</b>		
2.1. AGENCY PERFORMANCE	6	4.4 DIRECTORS MEETINGS	26
2.2 MINISTERIAL DIRECTIONS	7	4.5 PLANNED ACHIEVEMENTS	27
2.3 GOVERNANCE	7	4.6 OPERATING RESULTS	32
2.4 ENVIRONMENTAL MANAGEMENT	11	4.7 DIVIDENDS	33
2.5 ORGANISATIONAL STRUCTURE	12	4.8 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS	33
<b>03. OPERATIONAL PERFORMANCE</b>	<b>14</b>	4.9 EVENTS SUBSEQUENT TO REPORTING	33
3.1 OCCUPATIONAL HEALTH AND SAFETY	15	4.10 LIKELY DEVELOPMENTS	33
3.2 OPERATIONAL PERFORMANCE	17	4.11 REMUNERATION REPORT	34
3.3 TRADE STATISTICS	19	4.12 ROUNDING OFF	36
3.4 INFRASTRUCTURE IMPROVEMENT AND MAINTENANCE	21	<b>FINANCIAL STATEMENTS</b>	<b>42</b>
<b>04. DIRECTORS' REPORT</b>	<b>22</b>	STATEMENT OF COMPREHENSIVE INCOME	43
4.1 ROLE OF THE BOARD	23	STATEMENT OF FINANCIAL POSITION	44
4.2 DIRECTORS' RIGHTS	23	STATEMENT OF CHANGES IN EQUITY	45
4.3 DIRECTORS' DETAILS	23	STATEMENT OF CASH FLOWS	46
		<b>NOTES TO THE FINANCIAL STATEMENTS</b>	<b>47</b>

# CHAIR AND CEO REPORT 2020/21



**Craig Faulkner**  
CEO



**Reece Waldock, AM**  
Chair

On 1st July 2021, Kimberley Ports Authority assumed responsibility for the remaining commercial trading ports in the Kimberley from the Department of Transport.

The ports of Derby, Yampi Sound and Wyndham now are administered under the *Port Authorities Act 1999* (WA) along with the Port of Broome. This will see KPA's focus turn to the broader region, with an emphasis on facilitating trade for the region's benefit. It is a culmination of over seven years of work by both Kimberley Ports Authority's (KPA) Board and Management, as well as the operators of those ports, Cambridge Gulf Limited in Wyndham and the Shire of Derby/West Kimberley in Derby and our colleagues in the Departments of Transport and Treasury. This has ensured a smooth transition, with no immediate change apparent to the customers and stakeholders of those ports.

Over time with considered planning and consultation KPA will deliver professional port management across all four ports it manages with a focus not only commercial operations, but also safe and efficient movement of vessels and cargo.

The Port of Broome continued to facilitate trade for a range of industries including oil and gas logistics, cruise shipping, live cattle exports, pearling and fishing, and fuel imports and exports throughout the year. In September 2020 KPA received and commissioned a new 80t Mobile Harbour Crane valued at \$5.9M for Port of Broome.



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The resumption of drilling for gas products by INPEX in the Browse Basin in October 2020, following the postponement earlier in 2020, essentially returned the Port's trade throughput to normal levels.

The new crane increased heavy lift capacity and is equipped with modern technology and systems which provide enhanced reliability, operating efficiency and safety features.

The resumption of drilling for gas products by INPEX in the Browse Basin in October 2020, following the postponement earlier in 2020, essentially returned the Port's trade throughput to normal levels. The exception being the continued absence of International cruise vessels due to the COVID – 19 pandemic.

KPA's Board and Management hold safety as its highest priority. During the year one Lost Time Injury was recorded, ending a period of 23 consecutive months without an LTI. The Port's Health, Safety and Environment Committee plays an active role in ensuring continued improvement in the Port's safe work environment. A focus during the year has been on the individual health of KPA employees both within and outside the work environment with influenza vaccinations, skin checks and health checks available to all employees. Also the Employee Assistance Program conducted onsite mental health toolbox talks. An RU OK? Breakfast was held to promote mental health awareness. The Cancer Council also ran health awareness sessions including quitting smoking, breast cancer awareness and finding cancer early.

With the ongoing COVID -19 pandemic, KPA has been involved with many sections of Government in ensuring the ongoing safety of our employees and all users of the Port of Broome, and most importantly doing our part to protect the community.

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, Roebuck Bay Working Group, Broome Chamber of Commerce and Industry and the Shinju Matsuri Festival.

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. To date KMSB have received Heritage approval as well as all Environmental approvals, with KPA being intimately involved with the facilities Design and Commissioning Plan. Whilst the project has been delayed due in no small part to the COVID-19 pandemic, KPA continues to work closely with KMSB to ensure the success of this important undertaking.



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There was an overall 18% increase in total vessel calls compared to those during 2019/20. Oil and Gas vessel activity increased by 23% as Browse Basin projects returned to planned operations.

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 Basin 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 2021, with the project expected to commence construction during 2022. This project will fulfil the future requirements identified in the Port Master Plan for wharf expansion to meet trade demand.

KPA incurred a loss of \$3.8M, for the 2020/21 year, an improvement of \$3M compared to 2019/20. Removing the one-off items, WA Recovery Plan projects and the loss on the sale of assets, the result was a loss of \$4M, which was \$1.5M below forecast, due entirely to ongoing cost control measures. KPA's owner the WA Government supported the business during the year with an equity injection of \$4M, as well as the provision of \$2.4M for WA Recovery Plan projects at Broome wharf, for pile protection and an upgrade of the underdeck trolley system. These projects which will continue into 2021/22 and are supporting local employment.

There was an overall 18% increase in total vessel calls compared to those during 2019/20. Oil and Gas vessel activity increased by 23% as Browse Basin projects returned to planned operations.

The livestock season started slowly with vessel calls increasing in May and June 2021. While the number of vessel calls increased by 30% from 2019/20 the vessels were smaller resulting in a total of 83,530 head of cattle being exported in 2020/21 - a reduction of 15% when compared to 2019/20.

Cruise shipping has been adversely affected by the Federal Government's ban on International and large cruise vessels operating in Australia, however small cruise and tourism charter vessels (when combined) have increased on levels experienced in 2019/20.

Comparison with 2019/20 vessel calls:

- Oil and gas **up 23%**;
- Cruise **up 37%**;
- Livestock **up 30%**, and
- Government, Navy, Customs, Fisheries, and private **down 21%**.

During the year one of KPA's longer term Directors, Anna Dartnell retired after serving over six years, and was replaced by Magued Moftah. Anna's service to the Board and efforts in improving KPA's business is appreciated and recognised.

All of KPA's staff and employees can be proud of their combined achievements over the year, with their dedication to the organisation very much a key to its continued success.

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 region and the State, returning the business to profit as well as transitioning the amalgamation of all of the Kimberley's commercial ports under KPA's control over the coming years.



# 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 2020/21 Statement of Corporate Intent.

### 2.1.1 FINANCIAL TARGETS

FINANCIAL TARGETS 2020/21	Target \$000's / %	Actual \$000's / %	Variation \$000's / %
Gross revenue	13,875	15,927	2,052
Total services costs	19,402	19,684	(282)
Net Tax Equivalent paid to Treasury	0	0	0
Profit/Loss after tax	(5,528)	(3,757)	1,770
Expected Dividend to be paid to Treasury	0	0	0
Net increase/(decrease) in cash (from Statement of Cash Flows)	(923)	(2,492)	(1,569)
Rate of Return on Assets	(8.30)%	(5.20)%	3.10%
Capital Expenditure	6,778	6,419	(359)
<b>Total Assets</b>	<b>66,987</b>	<b>72,628</b>	<b>5,641</b>

**Table 1** Financial Targets 2020/21

Variations in revenue from budget for financial year 2020/21 were primarily due to receiving funding from the West Australian Government, for the COVID-19 WA Recovery Plan projects totalling \$2.4M.

### 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.

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 which informed 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 previous reporting period.

KPA continues to ensure that it has 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 commenced a restructure in 2019/20 that continued into the 2020/21 reporting period resulting in an organisation structure of 16 Management/Administration, and 47 Stevedoring/Maintenance employees (inclusive of full-time, part-time and casual employees). The 2020/21 restructure included four Administration/Management redundancies, four Stevedore/Maintenance redundancies, and the recruitment of an Accountant in Broome, due to the Perth office closure. Additional casual stevedores have been recruited to ensure there is a pool of trained employees to meet fluctuating trade demands.

One employee has taken advantage of KPA's Education Assistance Procedure and is studying for a Graduate Certificate in Asset Management and workplace training continues on a needs basis. Several employees are undertaking the Certificate IV Training and Assessment course to ensure training standards are met when providing in-house training.

Agreement was reached, between KPA and employees, on a two-year Stevedoring and Maintenance Enterprise Agreement expiring in August 2022.

#### 2.3.3 THE STATE RECORDS ACT 2000

KPA has a registered Recordkeeping Plan – RKP 202005, which includes underpinning internal Recordkeeping Procedures for KPA. ELO Digital, a fully functional Electronic Document Recording Management System, was upgraded to include the ability to identify and back up vital records as part of KPA's records disaster recovery. Recordkeeping Awareness training is provided for all employees. 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 is updated annually in June 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 were no Fol applications received during the financial year 2020/21.

## 2.3 GOVERNANCE (CONTINUED)

### 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
Gerard Daniels Australia Pty Ltd	Media Advertising Organisation	\$ 345.00
Gogo Media	Media Advertising Organisation	\$ 501.82
Minq Design Studio	Media Advertising Organisation	\$ 5,602.06
Seek	Media Advertising Organisation	\$ 695.00
The West Australian Newspapers Ltd	Media Advertising Organisation	\$ 6,688.90
<b>Total</b>		<b>\$ 13,832.78</b>

*Table 2 Advertising 2020/21*

### 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 an Audit and Risk sub-Committee that regularly reviews and monitors the risk profile.

In 2020/21 KPA continued to implement its five year implementation roadmap as part of its Risk Management Framework. KPA reviewed and updated its strategic risks in preparation for the ports amalgamation and to align with the current trade, commercial and social environment across the Kimberley.

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

- 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
- planning and preparing for the risks and opportunities associated with the Kimberley ports amalgamation.



2.3.7 COMPLIANCE WITH LEGISLATION

KPA engages professional legal consultants to provide legal advice on a range of matters, and to ensure documentation and agreements meet best practice and comply with 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.

2.3.8 INSURANCE OF DIRECTORS AND OFFICERS

KPA's Directors and Officers are insured against liability 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, such as wilful breach of duty in relation to their employment by KPA.



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

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

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 provides updated copies of the 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 has a Delegated Authority Procedure setting out clear lines of authority for Board members through to purchasing by employees. Separately 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 notifications during 2020/21.



### 2.4 ENVIRONMENTAL MANAGEMENT

KPA recognises the importance of environmental protection and is committed to acting in an environmentally responsible and sustainable manner. KPA aims to continuously improve environmental performance and minimise environmental impacts across operations, both land and marine. KPA has an environmental management system and maintains an Environmental Management Plan.

There were no significant environmental incidents during the reporting period.

KPA worked with the Department of Biodiversity, Conservation and Attractions and Yawuru to discuss trans-boundary issues relating to Port of Broome 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 and dry seasons.

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. In December 2020 WA Ports and the Department of Primary Industries and Regional Development were recognised for the collaborative implementation of the SWASP at the Institute of Public Administration Australia WA Achievement Awards.

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 Rita Saffioti, MLA Minister for Ports
<b>Board Members</b>	Reece Waldock AM (Chair)  Jodie Ransom Deputy Chair  Anna Dartnell (to 31 December 2020)  Paul Larsen  Kylie Bartle  Magued Moftah (from 25 January 2021)
<b>Chief Executive Officer</b>	Craig Faulkner BBus (Accounting), Grad. Cert. Management, CPA, MAICD
<b>Harbour Master</b>	Captain David Duncan
<b>CFO</b>	Charles Kleiman BBus (Accounting) CPA (July to September 2020)
<b>GM Finance</b>	Carlee Ryan BComm (Acc/Hrm) CPA (from September 2020)
<b>Engineer</b>	Scott Baker BE (Hons) MIEAust
<b>Chief Operating Officer</b>	Luke Westlake
<b>HSER Manager</b>	Veronica Mair BEc (Hons) MScTech (OHS) MEnvMgt
<b>Governance Manager</b>	Rosemary Braybrook BBus (PR)

<b>Postal Address</b>	PO Box 46 Broome, Western Australia 6725
<b>Office Address</b>	549 Port Drive Broome, Western Australia 6725
<b>Telephone</b>	08 9194 3100
<b>Facsimile</b>	Operations 08 9194 3188
<b>Email</b>	info@kimberleyports.wa.gov.au
<b>Website</b>	www.kimberleyports.wa.gov.au

*Table 4 Organisational Structure*





ORGANISATIONAL CHART – MANAGEMENT / ADMINISTRATION

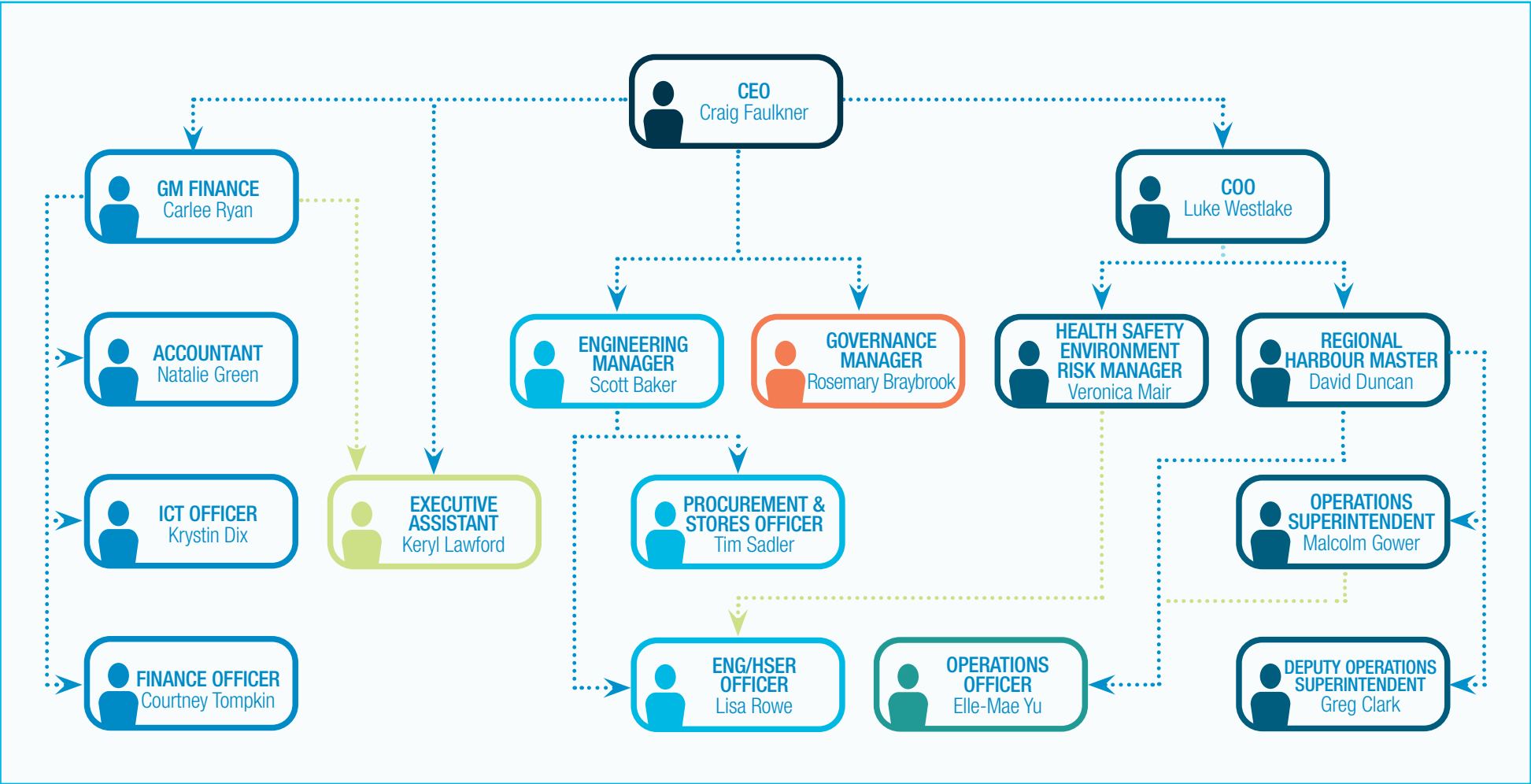


Figure 1 Organisational Chart



03.

# OPERATIONAL PERFORMANCE



### 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 has a Health Safety and Environment (HSE) Committee with six elected and trained employee safety representatives and four management representatives. The HSE Committee meets monthly and provides a forum to table safety issues and review safety data. During the reporting period the HSE Committee has focussed on ensuring appropriate COVID-19 information is provided to the workforce and raising awareness of mental health.

Employees completed a range of internal and external safety training courses in 2020/21 including working at heights, first aid, fire warden and new stevedore inductions.

Flu vaccinations, skin checks and health checks 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 and conducted onsite mental health toolbox talks for employees. An RU OK? Breakfast for employees was held to promote mental health awareness. The Cancer Council also ran health awareness sessions for employees including quitting smoking, breast cancer awareness and finding cancer early.



### 3.1 OCCUPATIONAL HEALTH AND SAFETY (CONTINUED)

KPA has an occupational health and safety management system (OHSMS) which identifies, assesses and controls health and safety hazards and risks. KPA's OHSMS is aligned to AS4801 and an internal audit was completed in June 2021 to assess compliance.

There were no major non-conformances and seven minor non-conformances; three of which have been closed out and four that are currently being addressed. The internal audit also provided a gap analysis to transition and align KPA's OHSMS to ISO45001 which KPA is currently working towards.

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.

#### ANNUAL SAFETY PERFORMANCE FOR KPA EMPLOYEES

Annual Safety Performance for KPA employees	2018/19	2019/20	2020/21	Targets	Comments
Number of fatalities	0	0	0	0	Target met
Lost time injury and/or disease incident rate*	1.64%	0	2.20%	0 or 10% reduction in incidence rate	Target not 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 (i) within 13 weeks	100%	0	100%	Greater than or equal to 80%	Target met
Percentage of injured workers returned to work ii) within 26 weeks	NA	0	NA	Greater than or equal to 80%	Target met
Percentage of managers and supervisors trained in OSH and injury management responsibilities within 3 years	90%	90%	43%	Greater than or equal to 80%	Target not met Training calendar impacted by COVID-19 WHS training planned for employees, supervisors and leaders in 2021/22

\*The LTI/Disease incidence rate was calculated using the Public Sector Commission formula

Table 5 Annual Safety Performance for KPA Employees



## 3.2 OPERATIONAL PERFORMANCE

### 3.2.1 VESSEL VISITS

There was an overall 18% increase in total vessel calls compared to those during 2019/20, which was more heavily impacted by COVID-19 related issues. Oil and Gas vessel activity increased by 23% as Browse Basin projects returned to planned operations.

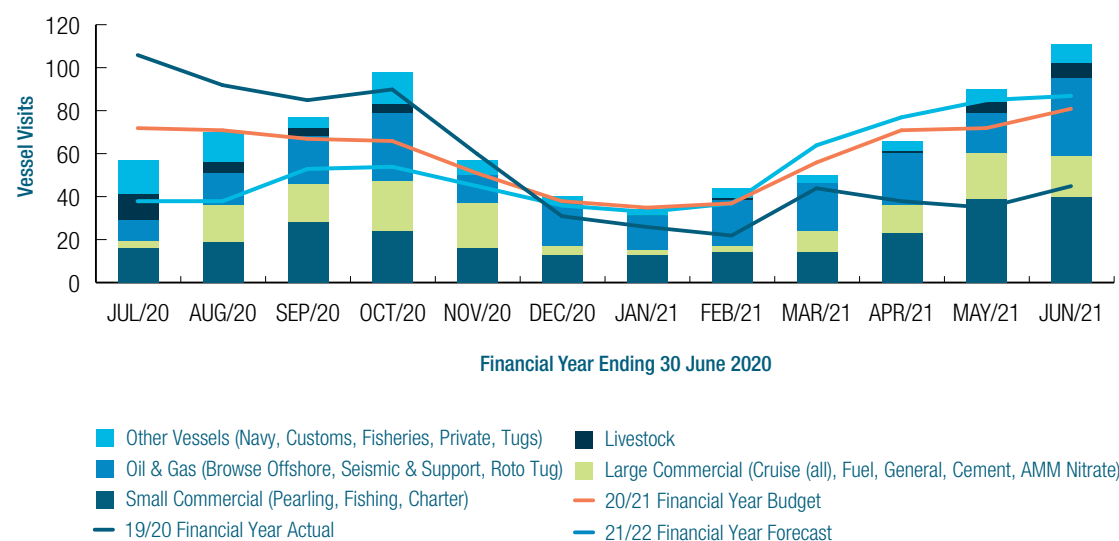
The livestock season started slowly with vessel calls increasing in May and June 2021. While the number of vessel calls increased by 30% from 2019/20 the vessels were smaller resulting in a total of 83,530 head of cattle being exported in 2020/21 - a reduction of 15% when compared to 2019/20.

Cruise shipping has been adversely affected by the Federal Government's ban on International and large cruise vessels operating in Australia, as part of COVID-19 protections put in place, however small cruise and tourism charter vessels (when combined) have increased on levels experienced in 2019/20.

Comparison with 2019/20 vessel calls:

- Oil and gas **up 23%**;
- Cruise **up 37%**;
- Livestock **up 30%**, and
- Government, Navy, Customs, Fisheries, and private **down 21%**.

Figure 2 Total Monthly Vessel Visits by Vessel Type



#### Vessel Distribution 2020/21

Small Commercial (pearling, fishing, charter)	259
Large Commercial (Cruise, Petroleum, General)	163
Oil and Gas	250
Livestock	30
Other Vessels (Navy, Customs, Fisheries, Private)	92
<b>Total</b>	<b>794</b>

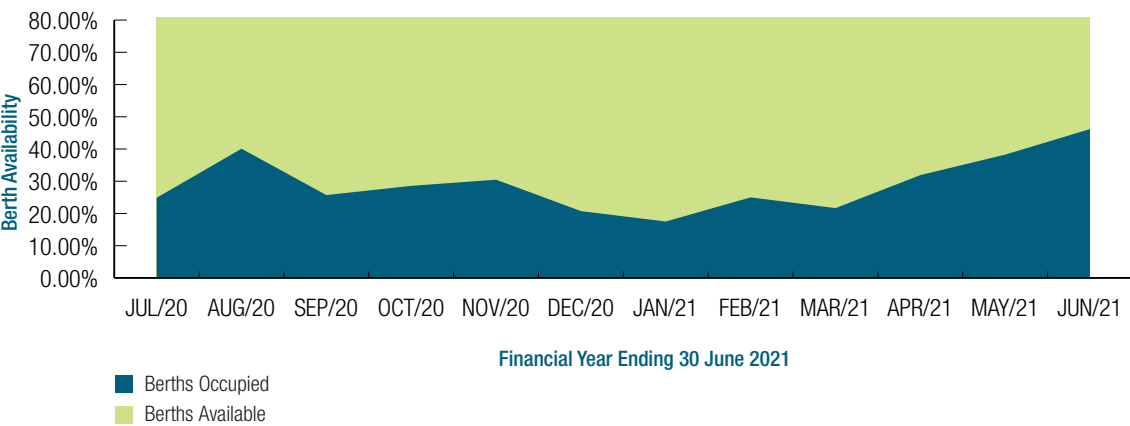
Table 6 Vessel Distribution

3.2 OPERATIONAL PERFORMANCE (CONTINUED)

3.2.2 BERTH AVAILABILITY

Figure 3 shows the monthly berth availability for all berths during 2020/21. The highest monthly average occupancy/unavailability was 46% during June 2021 while the lowest was recorded in January 2021, as a result of seasonal vessel call reductions and the impact of the COVID-19 pandemic.

Figure 3 Monthly Berth Availability





3.3 TRADE STATISTICS

3.3.1 TOTAL TRADE



Figure 4 Total trade throughput in tonnes since 2016/17

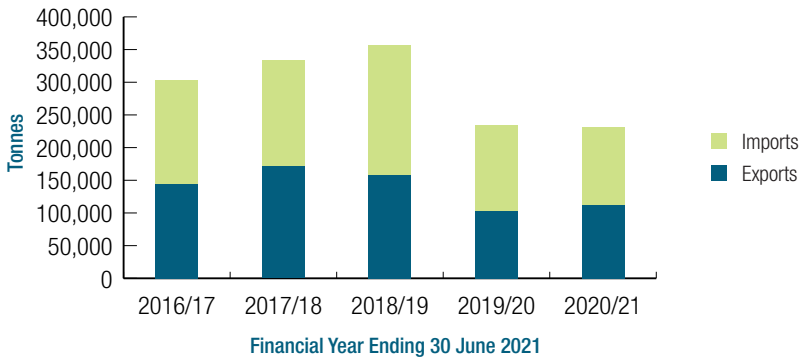
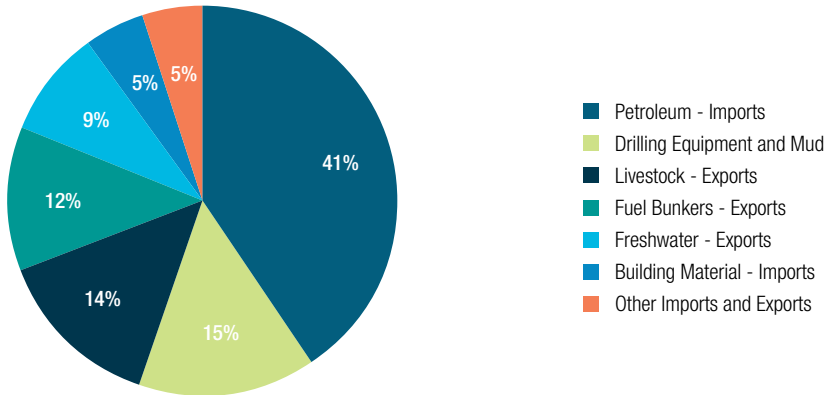


Figure 5 Throughput by Commodity



### 3.3.2 IMPORT TRADE

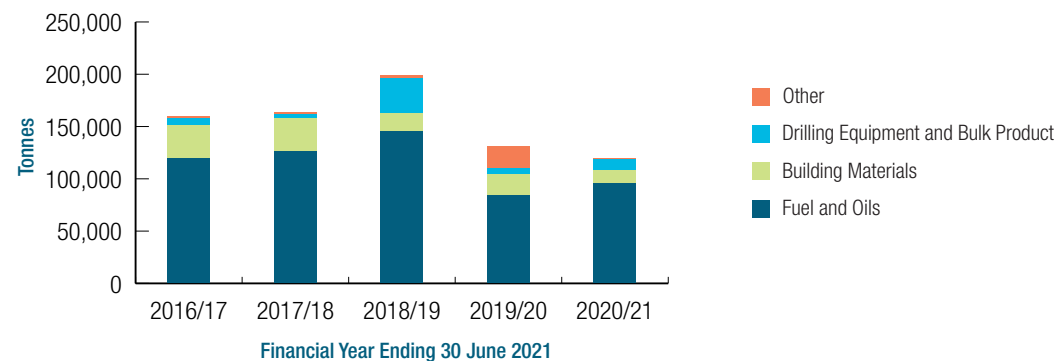
Figure 6 provides a breakdown of import trade which decreased by 8.9% from the previous year.

### 3.3.3 EXPORT TRADE

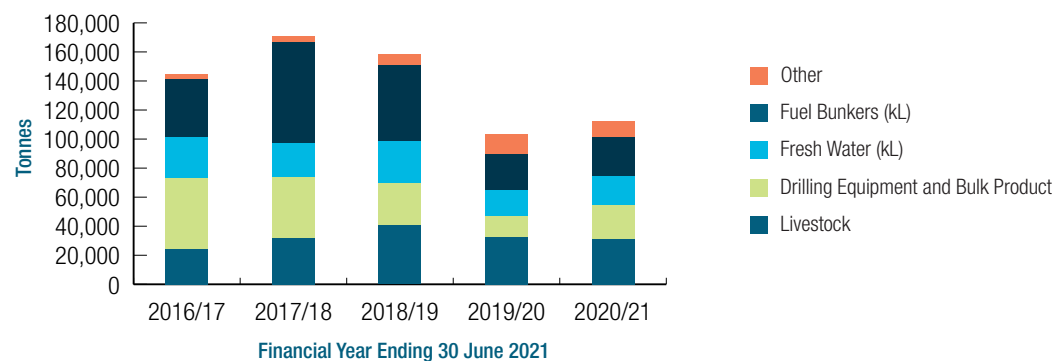
Figure 7 provides a breakdown of export trade which shows an increase from the previous year by 8.4%.



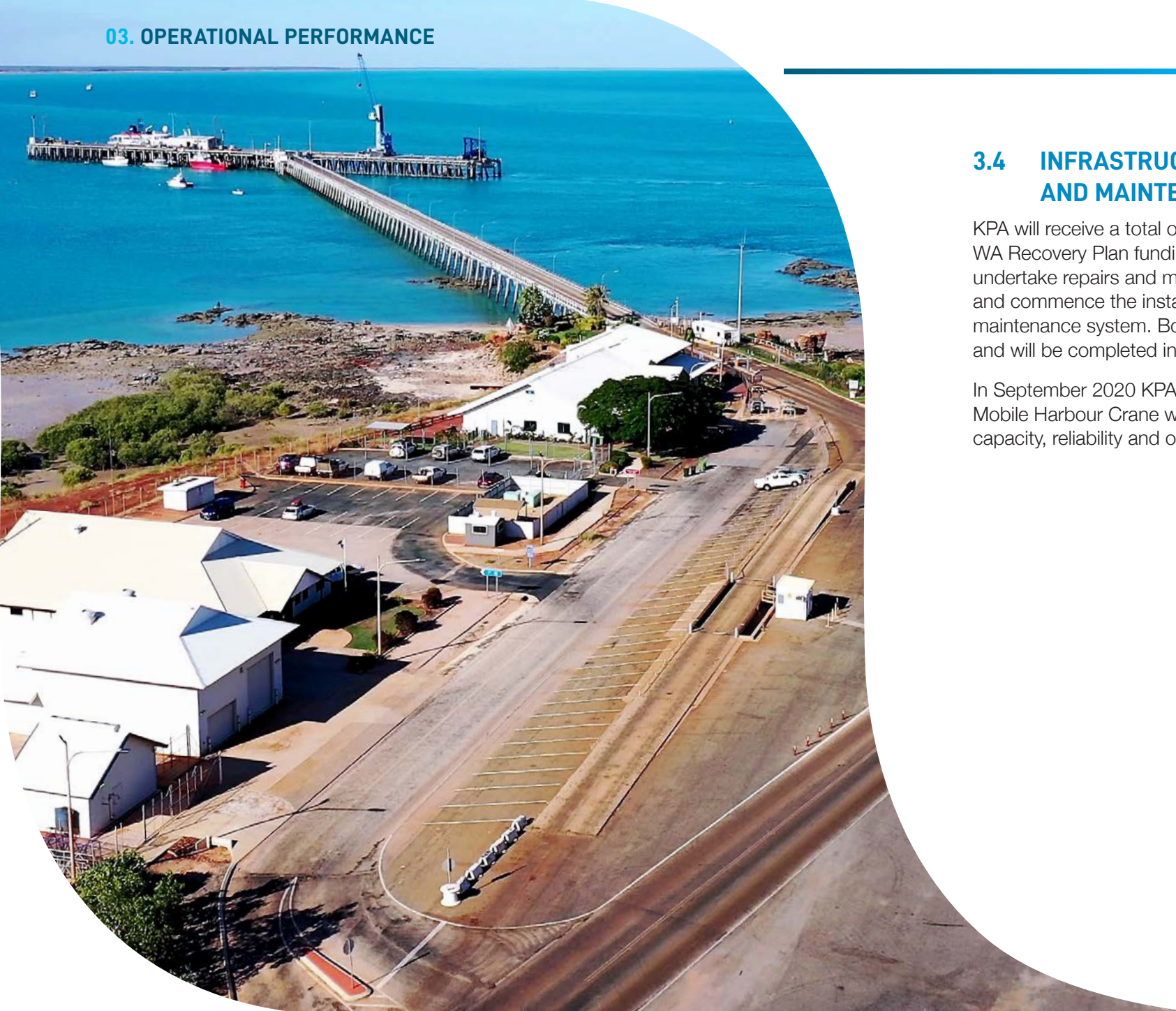
**Figure 6 Imports since 2016/17**



**Figure 7 Exports since 2016/17**







### 3.4 INFRASTRUCTURE IMPROVEMENT AND MAINTENANCE

KPA will receive a total of \$3M in funding as part of the WA Recovery Plan funding. The funding allowed KPA to undertake repairs and maintenance work to the wharf and commence the installation of a new underdeck maintenance system. Both works commenced in 2020/21 and will be completed in 2021/22.

In September 2020 KPA received delivery of a new 80t Mobile Harbour Crane which provides increased lift capacity, reliability and operational efficiency.



# 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 2021 were:

#### 4.3.1 MR REECE WALDOCK AM - CHAIR

Mr Waldock was previously Director General of Transport following 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 the Planning and Research Centre (PATREC), Chair of the South Australian Public Transport Advisory Board (SAPTA), a Board Member 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 MS JODIE RANSOM – DEPUTY CHAIR

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 and has gained a GAICD qualification.

Ms Ransom was appointed to the KPA Board on 1 January 2020 and her current term expires on 30 June 2022

#### 4.3.3 MS ANNA DARTNELL

Ms Dartnell 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, Anna draws on a strong foundation of transport industry experience and a proven ability to understand the voice of the customer.

### 4.3 DIRECTORS' DETAILS (CONTINUED)

In addition to her role with KPA, she is the General Manager of 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.

Ms Dartnell was appointed to the inaugural KPA Board from 1 July 2014, and her term expired on 31 December 2020.

#### 4.3.4 MR PAUL LARSEN

Mr Larsen has experience as a senior executive in the transport and infrastructure industries having been the CEO and a Director of Arc Infrastructure for 12 years between 2007 and 2019.

Paul is on the board of Centurion Transport, Perron Group and Youth Focus, an independent West Australian not-for-profit working to reduce youth suicide. For the last five years Paul has taken 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.

Mr Larsen was appointed to the Board on 1 July 2019 and his current term expires on 30 June 2022.

#### 4.3.5 MS KYLIE BARTLE

Ms Bartle is a resident of Broome who first 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.

Ms Bartle was appointed to the Board on 1 January 2020 and her current term expires on 31 December 2021.

#### 4.3.6 MR MAGUED MOFTAH

Mr Mofteh brings a unique blend of business leadership, governance competencies and board experience that have been acquired in Australian and International civil engineering and multidisciplinary construction. With a proven track record in complex asset development spanning 40 years, managing delivery performance in major social and economic infrastructures, including ports, marine and mining infrastructure.

In these roles, Magued has contributed to the building of a positive, performance focused, one business culture.

Having operated in highly competitive engineering, mining, infrastructure environment, Magued has accumulated acute commercial and transactional experience, across all aspects of governance, finance, strategy, and risk.

Mr Mofteh was appointed to the Board on 28 January 2021 and his current term expires on 27 January 2023.





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

Director Anna Dartnell retired on 31 December 2020 serving over six years on the Board, providing insight into industrial relations negotiations and communication strategies. Director Magued Mofteh was appointed to the Board on 28 January 2021 and his engineering expertise will be valuable when progressing future KPA projects.

Director Jodie Ransom was appointed Deputy Chair in recognition to her maritime experience and knowledge.

## 4.4 DIRECTORS MEETINGS

During the financial year 2020/21 the Directors held six ordinary and one Special Board meeting.

Members Name	Six Ordinary Board meetings	One Special Board meeting
Reece Waldock (Chair)	6	1
Jodie Ransom (Deputy Chair)	6	1
Anna Dartnell*	3	0
Paul Larsen	6	0
Kylie Bartle	6	1
Magued Mofteh*	3	1

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

Table 7 Meetings attended by Directors

KPA has two Board sub-Committees that conducted meetings during the reporting period being:

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

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

Members Name	Audit and Risk – three meetings conducted	Governance and Human Resources – three meetings conducted
Reece Waldock	3	3
Jodie Ransom	0	3
Paul Larsen	3	0
Kylie Bartle	2	0
Anna Dartnell*	2	0
Magued Mofteh*	1	0

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

Table 8 Sub-Committee meetings attended by Directors



## 4.5 PLANNED ACHIEVEMENTS

Outcomes arising from the 2020/21 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 suitable cranes to best enable and attract new trade.</li> </ul>	<ul style="list-style-type: none"> <li>Ensure delivery of first crane.</li> <li>Second and third cranes to be procured, subject to business case approval.</li> </ul>	<ul style="list-style-type: none"> <li>The new mobile harbour crane has been delivered and commissioned.</li> <li>An agreement has been executed, with a Broome based crane hire company, to provide extra cranes as required.</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>Proactively facilitate infrastructure, subject to review and a business case, for a container park.</li> </ul>	<ul style="list-style-type: none"> <li>The project is to be included in the First Point of Entry business case assessment.</li> </ul>
<ul style="list-style-type: none"> <li>Identify alternative infrastructure requirements.</li> </ul>	<ul style="list-style-type: none"> <li>Sign off Contingency Plan for alternative infrastructure for growing trade.</li> </ul>	<ul style="list-style-type: none"> <li>High level wharf extension drawings developed with a design selected for further investigation, as required.</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>Commence implementation of wharf shed removal, subject to business case sign off.</li> </ul>	<ul style="list-style-type: none"> <li>Preliminary work has commenced on a feasibility study and it will be incorporated into the First Point of Entry business case.</li> </ul>
<ul style="list-style-type: none"> <li>Facilitating alternative infrastructure to support industry requirements through the Kimberley Marine Support Base project.</li> </ul>	<ul style="list-style-type: none"> <li>Complete design and location suitability review.</li> <li>Undertake a feasibility study on the location of berthing dolphins and conduct simulation modelling to test the proposed location.</li> <li>Validate the dolphin structure and the capability to withstand cyclones.</li> <li>Formulate maritime safety and response plans that encompass the new infrastructure.</li> <li>Ensure compliance with legal obligations contained in lease agreements.</li> </ul>	<ul style="list-style-type: none"> <li>The selection of the successful proponent for the design and construct tender by KMSB will enable the final design parameters to be analysed by KPA.</li> <li>The location of the facility has been finalised and simulations have taken place to ensure operational effectiveness.</li> <li>Tank testing will need to occur with a model of the wharf to test cyclone capacity.</li> <li>Maritime safety is assured in managing ships within the Port of Broome, and safety and response plans will be updated when required.</li> <li>KPA's new Rapid Spill Response equipment will improve incident response capability.</li> <li>Final compliance to the Commitment Precedent Conditions is pending KMSB's completion of obligations.</li> </ul>



## 4.5 PLANNED ACHIEVEMENTS (CONTINUED)

Strategic Measures	Targets	Management Outcomes
<ul style="list-style-type: none"> <li>Ensure KPA is development ready in line with the Master Plan and to ensure facilitation of the economic benefits to the region.</li> </ul>	<ul style="list-style-type: none"> <li>Prepare a business case to become First Point of Entry accredited.</li> <li>Develop a plan to address the walkway, relocation of the Security Gatehouse and traffic management.</li> </ul>	<ul style="list-style-type: none"> <li>An initial temporary facility has been procured for adhoc cruise vessel passenger luggage inspections on a visit by visit approval basis with Biosecurity.</li> <li>A business case is being prepared (by October 2021) for a cruise passenger luggage and container inspection facilities to achieve FPoE status.</li> <li>This plan will progressed as the port infrastructure projects are confirmed and commencement dates are known.</li> </ul>
<ul style="list-style-type: none"> <li>KPA Business Model Planning.</li> </ul>	<ul style="list-style-type: none"> <li>Assess business model options and develop a contingency plan.</li> </ul>	<ul style="list-style-type: none"> <li>To be assessed as the need arises.</li> </ul>
<ul style="list-style-type: none"> <li>Slipway Development.</li> </ul>	<ul style="list-style-type: none"> <li>Assess the feasibility of developing the Slipway.</li> </ul>	<ul style="list-style-type: none"> <li>Expressions of Interest were sought and the project has been placed on hold due to COVID-19 business impacts.</li> </ul>
<ul style="list-style-type: none"> <li>Ensure sufficient office space beyond the current office lease.</li> </ul>	<ul style="list-style-type: none"> <li>Complete a business case of options including extending the current lease, buying the existing or another building, or building a new premises.</li> </ul>	<ul style="list-style-type: none"> <li>KPA has been negotiating to redevelop and extend the 401 Port Drive office, however agreement on redevelopment funding has not been agreed to date.</li> </ul>
<ul style="list-style-type: none"> <li>Successful amalgamation of Kimberley Ports.</li> </ul>	<ul style="list-style-type: none"> <li>Complete transition planning for Kimberley ports.</li> <li>Release an Expression of Interest to operate/ manage Wyndham port and select preferred model against criteria.</li> <li>Implement chosen model for Port of Wyndham.</li> </ul>	<ul style="list-style-type: none"> <li>Transition planning is completed for Yampi Sound, Wyndham and Derby ports.</li> <li>An Eol process has been completed and a full lease and management model selected.</li> <li>A Request for Proposals was advertised and the preferred proponent selected was Cambridge Gulf Ltd. Lease and management agreements have been negotiated and are being approved by the Minister.</li> </ul>

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

Strategic Measures	Targets	Management Outcomes
<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>Future pricing roadmap and strategy in place.</li> </ul>	<ul style="list-style-type: none"> <li>Deferred until December 2022.</li> </ul>
<ul style="list-style-type: none"> <li>Attract and facilitate logistics support services.</li> </ul>	<ul style="list-style-type: none"> <li>Assess, develop or refine the value proposition required by clients.</li> <li>Integrate with the pricing review and develop strategic marketing plan and supporting collateral for implementation.</li> </ul>	<ul style="list-style-type: none"> <li>This work is carried out on an ongoing basis.</li> </ul>
<ul style="list-style-type: none"> <li>Facilitation of KMSB project.</li> </ul>	<ul style="list-style-type: none"> <li>Finalisation of the necessary environmental and cultural/heritage approvals by KMSB.</li> <li>KMSB to attract finance and appoint a facility operator.</li> </ul>	<ul style="list-style-type: none"> <li>KMSB has received heritage approval from Nyamba Buru Yawuru and both State and Federal environmental approvals for the project's construction.</li> <li>The preferred Operator has been selected, negotiations are proceeding, and final financial arrangements are pending.</li> </ul>

## 4.5 PLANNED ACHIEVEMENTS (CONTINUED)

**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>Review HR capability to ensure that KPA is able to attract, retain and develop its people.</li> <li>Specify capabilities and competencies to deliver strategy taking into account the range of scenarios KPA is facing.</li> <li>Assess current state versus 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>A review of KPA's human resources capability has been finalised.</li> <li>A leadership team skills matrix has been developed and professional development opportunities identified.</li> <li>KPA's human resource capability is continually assessed against work demands.</li> </ul>
<ul style="list-style-type: none"> <li>Implementation of safety culture program.</li> </ul>	<ul style="list-style-type: none"> <li>Launch safety program and communications.</li> <li>Complete an audit to assess progress.</li> </ul>	<ul style="list-style-type: none"> <li>The Safety Culture program has been implemented including regular communication with the workforce.</li> <li>A second KPA employee Safety Culture survey is to be progressed before the end 2021.</li> </ul>



Objective: Enhance processes and technology.		
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>Review new software usage to ensure benefits are realised.</li> <li>Integration of new modules.</li> <li>Transition project steering team to embedding and stabilising and explore new opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Octopi and HumanForce have been deployed, and training is ongoing.</li> <li>The following software has been introduced:               <ul style="list-style-type: none"> <li>Octopi in September 2020,</li> <li>HumanForce in March 2021, and</li> <li>PayFocus from July 2021.</li> </ul> </li> <li>Embedding the systems and procedures is ongoing.</li> </ul>
<ul style="list-style-type: none"> <li>Implement improved risk review and management processes.</li> </ul>	<ul style="list-style-type: none"> <li>Integrate safety risk management with overall risk management.</li> <li>Audit following implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Completed.</li> <li>An audit has been completed and KPA awaits the delivery of the report from an independent third party.</li> </ul>

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>Complete annual survey with local stakeholders</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>A local stakeholder survey was previously conducted, and is scheduled to be conducted every two years and KPA's Communications Plan will be refreshed as required.</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 5.2 percent. This rate of return is calculated on profit before borrowing and taxation costs, divided by the written down value of total assets.

The final result for 2020/21 was a loss of \$3.757 million against a budgeted loss of \$5.528 million, due to cost control measures allied with revenue received for WA Recovery Plan projects.

#### 4.6.1 SHIPPING REVENUE

Shipping activity remained low in the first part 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 until October 2020. The final quarter of the financial year showed encouraging signs of improvement. 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, excluding West Australian Government subsidies, was down 11% against budget. This was due to some leaseholders being eligible to continue to receive COVID-19 rent reductions.

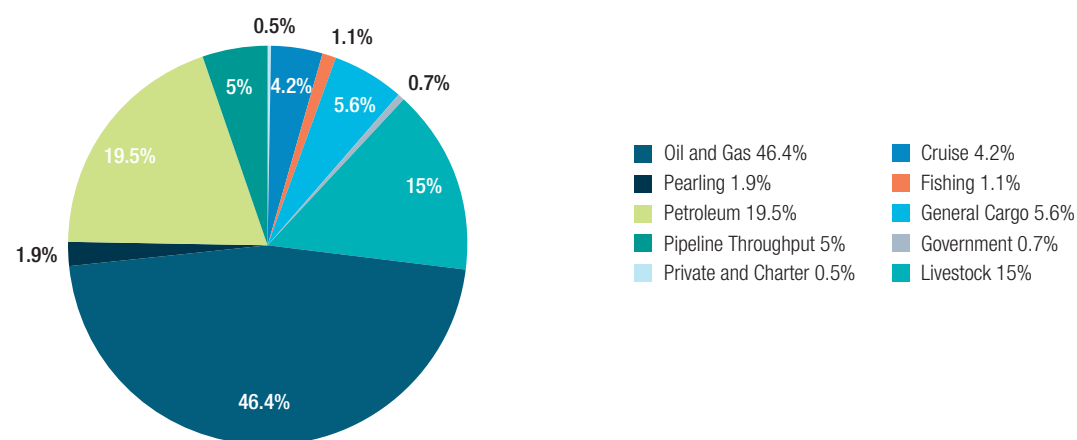
### 4.6.3 EXPENDITURE

Total expenditure was higher than budget, this is mainly due to the loss on disposal of the 250 tonne Terex Crane and additional maintenance completed utilising the funding provided by the WA Recovery Plan.

#### 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 2021 is \$47,000.

**Figure 9 Revenue by industry**



### 4.7 DIVIDENDS

A "Nil" dividend was declared for the 2020/21 financial year.

### 4.8 SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

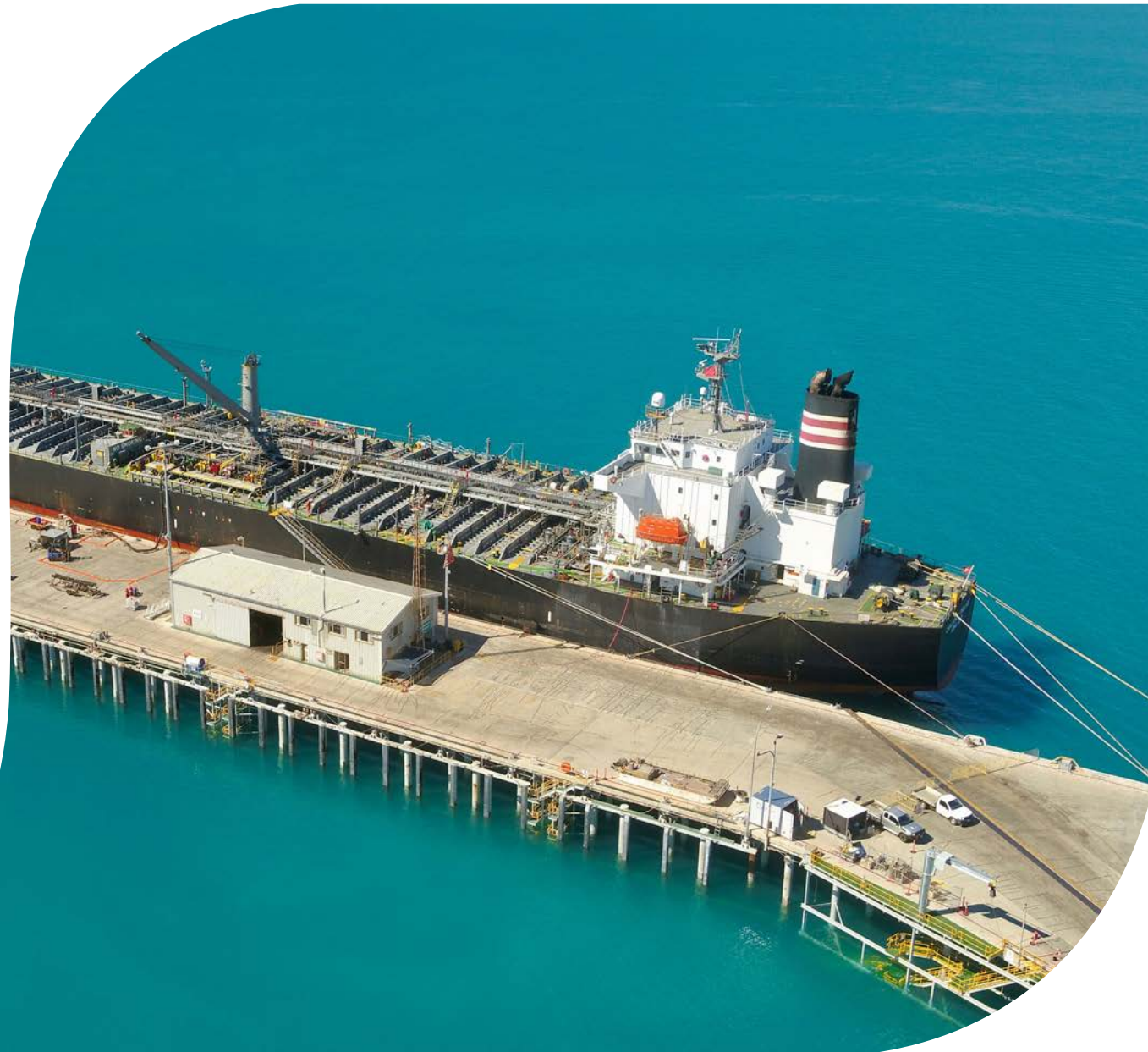
There were no significant changes in the nature of KPA's activities during the year.

### 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 to continue to move towards profitability, with this being achieved during the 2023/24 financial year.





## 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:

### KPA BOARD MEMBERS 2020/21

Surname	Given Name	Position	Period of Membership	Remuneration	Superannuation	Total
Bartle	Kylie	Director	12 Months	\$27,970	\$2,657	\$30,627
Dartnell	Anna	Director	6 Months	\$13,985	\$1,329	\$15,314
Larsen	Paul	Director	12 Months	\$30,512	\$2,899	\$33,411
Moftah	Magued	Director	5 Months	\$12,191	\$1,158	\$13,349
Ransom	Jodie	Deputy Chair	12 Months	\$30,581	\$2,905	\$33,486
Waldock	Reece	Chair	12 Months	\$55,938	\$5,314	\$61,252
				<b>\$171,176</b>	<b>\$16,262</b>	<b>\$187,438</b>

Table 10 Board Director remuneration 2020/21

### KPA BOARD MEMBERS 2019/20

Surname	Given Name	Position	Period of Membership	Remuneration	Superannuation	Total
Bartle	Kylie	Director	6 Months	\$15,257	\$1,449	\$16,706
Bergersen	Susan	Director	12 Months	\$30,513	\$2,899	\$33,412
Dartnell	Anna	Director	12 Months	\$30,513	\$2,899	\$33,412
Larsen	Paul	Director	12 Months	\$33,055	\$3,140	\$36,195
Mofflin	David	Deputy Chair	12 Months	\$35,903	\$3,411	\$39,314
Peirson-Jones	Martin	Director	6 Months	\$15,257	\$1,449	\$16,706
Ransom	Jodie	Director	6 Months	\$15,257	\$1,449	\$16,706
Smith	Rochelle	Director	6 Months	\$15,257	\$1,449	\$16,706
Waldock	Reece	Chair	12 Months	\$61,024	\$5,797	\$66,821
				<b>\$252,036</b>	<b>\$23,942</b>	<b>\$275,978</b>

Table 11 Board Director remuneration 2019/20

## EXECUTIVES 2020/21

Name	Salary	Termination	Superannuation	Total
Faulkner, C	\$348,447	\$ -	\$33,102	\$381,550
Duncan, D	\$277,802	\$ -	\$24,812	\$302,614
Kleiman, C	\$53,034	\$232,896	\$15,214	\$301,145
	<b>\$679,283</b>	<b>\$232,896</b>	<b>\$73,129</b>	<b>\$985,308</b>

Table 12 Executive remuneration 2020/21

## EXECUTIVES 2019/20

Name	Salary	Other	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>\$719,125</b>	<b>\$ -</b>	<b>\$66,707</b>	<b>\$785,832</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.

A handwritten signature in black ink, appearing to read 'R Waldock', with a stylized, cursive script.

**Reece Waldock, AM**  
Chair

7 September 2021

A handwritten signature in blue ink, appearing to read 'Jodie Ransom', with a stylized, cursive script.

**Jodie Ransom**  
Deputy Chair

7 September 2021





## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
<b>Revenue</b>	4	12,944	13,154
<b>Other Income</b>	4	2,983	220
<b>Expenditure</b>			
Port operation expenses	5	(5,110)	(5,931)
Depreciation and amortisation expense	6	(3,783)	(3,423)
General administration expenses	7	(4,611)	(5,350)
Asset maintenance		(3,049)	(2,686)
Environmental expenses		(71)	(60)
Port utilities		(987)	(837)
Safety & security		(467)	(501)
Finance costs	8	(607)	(677)
Other expenses	9	(999)	(703)
<b>Loss before income tax</b>		<b>(3,757)</b>	<b>(6,794)</b>
Income tax benefit / (expense)	10	-	-
<b>Loss for the year</b>		<b>(3,757)</b>	<b>(6,794)</b>

	Notes	2021 \$'000	2020 \$'000
Other comprehensive income		-	-
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<b>(3,757)</b>	<b>(6,794)</b>

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

## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Notes	2021 \$'000	2020 \$'000
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	11	6,241	8,733
Trade and other receivables	12	3,703	1,925
<b>Total Current Assets</b>		<b>9,944</b>	<b>10,658</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	13	61,148	61,082
Right of Use Assets	13(a)	725	416
Intangible assets	14	811	595
<b>Total Non-Current Assets</b>		<b>62,684</b>	<b>62,093</b>
<b>TOTAL ASSETS</b>		<b>72,628</b>	<b>72,751</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	15	1,781	831
Interest bearing borrowings	16	1,649	1,569
Provisions	17	1,734	1,860

	Notes	2021 \$'000	2020 \$'000
Other current liabilities	18	582	507
Lease liabilities	13(b)	711	421
<b>Total Current Liabilities</b>		<b>6,457</b>	<b>5,188</b>
<b>Non-Current Liabilities</b>			
Interest bearing borrowings	16	7,942	9,591
Provisions	17	72	58
<b>Total Non-Current Liabilities</b>		<b>8,014</b>	<b>9,649</b>
<b>TOTAL LIABILITIES</b>		<b>14,471</b>	<b>14,837</b>
<b>NET ASSETS</b>		<b>58,157</b>	<b>57,914</b>
<b>EQUITY</b>			
Contributed equity	19	67,861	63,861
Accumulated Losses	19	(9,704)	(5,947)
<b>TOTAL EQUITY</b>		<b>58,157</b>	<b>57,914</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 2021

	Notes	Contributed Equity \$'000	Accumulated Losses \$'000	Total equity \$'000
<b>Balance at 1 July 2019</b>		54,711	847	55,558
Total comprehensive loss for the year		-	(6,794)	(6,794)
Transactions with owners in their capacity as owners:				
Contributed equity	19	9,150	-	9,150
Dividends paid		-	-	-
<b>Balance at 30 June 2020</b>		<b>63,861</b>	<b>(5,947)</b>	<b>57,914</b>
<b>Balance at 1 July 2020</b>		63,861	(5,947)	57,914
Total comprehensive loss for the year		-	(3,757)	(3,757)
Transactions with owners in their capacity as owners:				
Contributed equity	19	4,000	-	4,000
Dividends paid		-	-	-
<b>Balance at 30 June 2021</b>		<b>67,861</b>	<b>(9,704)</b>	<b>58,157</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 2021

	Notes	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers		12,830	15,055
Cash receipts from COVID 19 relief government assistance		2,706	-
Interest received		12	135
Cash paid to suppliers and employees		(15,526)	(16,515)
Interest paid		(607)	(677)
Income taxes paid		-	-
<b>Net cash used in operating activities</b>	20	<b>(585)</b>	<b>(2,002)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		906	7
Acquisition of property, plant and equipment		(4,790)	(16,103)
<b>Net cash used in investing activities</b>		<b>(3,884)</b>	<b>(16,096)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease liability payment		(454)	(342)
Repayment of borrowings		(1,569)	(537)
<b>Net cash used in financing activities</b>		<b>(2,023)</b>	<b>(879)</b>

	Notes	2021 \$'000	2020 \$'000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Capital appropriation		4,000	9,150
<b>Net cash provided by State Government</b>		<b>4,000</b>	<b>9,150</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(2,492)</b>	<b>(9,827)</b>
Cash and cash equivalents at the beginning of the period		8,733	18,560
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	11	<b>6,241</b>	<b>8,733</b>

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



# NOTES TO THE FINANCIAL STATEMENTS CONTENTS

<b>NOTE 1 - BASIS OF PREPARATION</b>	43	<b>NOTE 14 - INTANGIBLE ASSETS</b>	62
<b>NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>	43	<b>NOTE 15 - TRADE AND OTHER PAYABLES</b>	62
<b>NOTE 3 - EXPENSES BY NATURE</b>	50	<b>NOTE 16 - INTEREST BEARING BORROWINGS</b>	63
<b>NOTE 4 - REVENUE</b>	51	<b>NOTE 17 - PROVISIONS</b>	65
<b>NOTE 5 - PORT OPERATION EXPENSES</b>	51	<b>NOTE 18 - OTHER CURRENT LIABILITIES</b>	66
<b>NOTE 6 - DEPRECIATION AND AMORTISATION EXPENSE</b>	51	<b>NOTE 19 - EQUITY</b>	66
<b>NOTE 7 - GENERAL ADMINISTRATION EXPENSES</b>	52	<b>NOTE 20 - RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES</b>	66
<b>NOTE 8 - FINANCE COSTS</b>	52	<b>NOTE 21 - FINANCIAL INSTRUMENTS</b>	67
<b>NOTE 9 - OTHER EXPENSES</b>	52	<b>NOTE 22 - COMMITMENTS</b>	74
<b>NOTE 10 - INCOME TAX</b>	53	<b>NOTE 23 - REMUNERATION OF AUDITOR</b>	75
<b>NOTE 11 - CASH AND CASH EQUIVALENTS</b>	56	<b>NOTE 24 - RELATED PARTY TRANSACTIONS</b>	75
<b>NOTE 12 - TRADE AND OTHER RECEIVABLES</b>	56	<b>NOTE 25 - CONTINGENT LIABILITIES AND ASSETS</b>	76
<b>NOTE 13 - PROPERTY, PLANT AND EQUIPMENT</b>	57	<b>NOTE 26 - SUBSEQUENT EVENTS</b>	76
<b>NOTE 13(A) - RIGHT OF USE ASSETS</b>	61	<b>DIRECTORS' DECLARATION</b>	77
<b>NOTE 13(B) - LEASE LIABILITIES</b>	61	<b>INDEPENDENT AUDITOR'S REPORT</b>	78



## 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 7 September 2021 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.

### a) Revenue recognition

From 1 July 2019, with adoption of AASB 15 *Revenue from Contracts with Customers*, revenue is recognised at the transaction price as the Authority satisfies a performance obligation by transferring a promised service or goods to a customer.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

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.

### (vi) Performance Obligations

Payment of services rendered is typically due 14 days after the date of issue of the invoice. As the invoices are issued after the entity has

satisfied its performance obligations and services have been rendered there is generally no obligation for returns, refunds, or any other similar obligations.

## 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 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.



## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (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>Infrastructure</b>	15 - 40 years
<b>Electronic</b>	2.5 - 20 years	<b>Low Value Pool</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.

## (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 21 for further information on the classification of financial instruments.

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

(CONTINUED)

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.

**l) 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). 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.

## 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.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(CONTINUED)

### 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 Western Australian Government (see note 19). 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. It has been determined that there is no material impact of any new and revised standards or interpretations on the Authority. Thus, no material change is necessary to the Authority's accounting policies.

The Authority revised its accounting policies as a result of adopting AASB 1059 Service Concessions Arrangements: Grantors. Effective for financial reporting periods after 1 January 2020 and addresses the accounting for service concession arrangements by a grantor that is a public sector entity. The adoption of these new and revised Standards and Interpretations has not resulted in a significant change to the Authority's accounting policies. The new standards did not have a material impact to the Authority or require retrospective adjustments.

## 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

	2021 \$'000	2020 \$'000
Revenue consists of the following items:		
<b>Rendering of services</b>		
Charges on cargo	4,555	4,010
Charges on ships	6,113	6,384
Shipping services	273	308
Interest revenue (a)	12	115
Rentals and leases	1,991	2,337
<b>Total revenue</b>	<b>12,944</b>	<b>13,154</b>
COVID 19 relief government assistance	2,706	-
Other	277	220
<b>Other Income</b>	<b>2,983</b>	<b>220</b>

(a) Interest Revenue is interest received from bank accounts held.

## NOTE 5 – PORT OPERATION EXPENSES

	2021 \$'000	2020 \$'000
Shipping activity	1,201	1,320
Indirect salaries and wages - operations	3,445	4,181
Minor asset purchases and equipment hire costs	464	430
<b>Total port operations expense</b>	<b>5,110</b>	<b>5,931</b>

## NOTE 6 - DEPRECIATION AND AMORTISATION EXPENSE

	2021 \$'000	2020 \$'000
<b>Depreciation</b>		
Improvements	67	117
Buildings	155	97
Infrastructure	310	320
Harbour Facilities	1,685	1,685
Access Channel	388	166
Electronic	92	125
Plant and Equipment	337	316
Furniture and Fittings	10	11
Motor Vehicles	70	71
Low Value Pool	61	70
Right of use assets (AASB16)	454	342
<b>Total depreciation</b>	<b>3,629</b>	<b>3,320</b>
<b>Amortisation</b>		
Intangible Assets (AASB16)	154	103
<b>Total amortisation</b>	<b>154</b>	<b>103</b>
<b>Total depreciation and amortisation</b>	<b>3,783</b>	<b>3,423</b>

## NOTE 7 - GENERAL ADMINISTRATION EXPENSES

	2021 \$'000	2020 \$'000
Administration employee expenses	2,660	3,290
Other administration expenses	1,951	2,060
<b>Total general administration expense</b>	<b>4,611</b>	<b>5,350</b>

## NOTE 8 - FINANCE COSTS

	2021 \$'000	2020 \$'000
Finance charges	82	79
Interest expense	525	598
<b>Finance costs</b>	<b>607</b>	<b>677</b>

## NOTE 9 - OTHER EXPENSES

	2021 \$'000	2020 \$'000
Employee on-costs (a)	494	462
Short Term/Low Value Lease Expenses	9	119
Net loss on disposal of assets	273	-
Other	223	122
	<b>999</b>	<b>703</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 17 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	2021 \$'000	2020 \$'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	2021 \$'000	2020 \$'000
Loss for the year	(3,757)	(6,794)
Total tax benefit / (expense)	-	-
<b>Loss after tax</b>	<b>(3,757)</b>	<b>(6,794)</b>
Tax using the statutory tax rate of 27.5%	976	1,868
Non-deductible expenses	(6)	(4)
<b>Income tax benefit/(expense) pre non recognition of deferred tax asset</b>	970	1,864
Deferred tax asset not recognised	(970)	(1,864)
<b>Income tax benefit/(expense) post derecognition of deferred tax asset</b>	-	-

**NOTE 10 – INCOME TAX** (CONTINUED)

	2021 Statement of Financial Position \$'000	2020 Statement of Financial Position \$'000	2021 Statement of Comprehensive Income \$'000	2020 Statement of Comprehensive Income \$'000
<b>Deferred tax liabilities</b>				
Receivables	-	1	(1)	(17)
FBT Instalment	2	3	(1)	-
ROU Asset	188	116	72	116
Gross Deferred Tax Liabilities	<b>190</b>	<b>120</b>	<b>70</b>	<b>99</b>
<b>Deferred tax assets</b>				
Accrued Income	325	0	325	-
Property, plant and equipment	210	320	(110)	(4)
Lease Liability	185	114	71	114
Payables	23	15	8	(2)
Prepaid rental	151	88	63	(24)
Employee benefits	481	531	(50)	(37)
Business related costs	-	-	-	(22)
Carried forward tax losses	3,297	2,717	580	1,782
Gross Deferred Tax Assets	<b>4,672</b>	<b>3,785</b>	<b>887</b>	<b>1,807</b>

	2021 Statement of Financial Position \$'000	2020 Statement of Financial Position \$'000	2021 Statement of Comprehensive Income \$'000	2020 Statement of Comprehensive Income \$'000
Adjustment in respect of income tax of previous years	152	-	152	-
Unrecognised current year deferred tax asset	(969)	(1,707)	738	(1,198)
Unrecognised prior year deferred tax asset	(3,665)	(1,958)	(1,707)	(510)
Gross Deferred Tax Assets	<b>190</b>	<b>120</b>	<b>70</b>	<b>99</b>
Set-off of deferred tax liabilities pursuant to the set-off provisions	(190)	(120)	(70)	(99)
<b>Net deferred tax assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Prior period adjustments	-	-	-	-
<b>Deferred tax charge</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## (iv) Tax liability

	2021 \$'000	2020 \$'000
Current tax liability (asset)	-	-
<b>Total current tax liability (asset)</b>	<b>-</b>	<b>-</b>

## NOTE 11 – CASH AND CASH EQUIVALENTS

	2021 \$'000	2020 \$'000
Bank balances	6,241	4,418
Term deposits	-	4,315
<b>Cash and cash equivalents in the Statement of Cash Flows</b>	<b>6,241</b>	<b>8,733</b>

The Authority's exposure to interest rate risk and sensitivity analysis for financial assets and liabilities are disclosed in note 21(i).

## NOTE 12 – TRADE AND OTHER RECEIVABLES

	2021 \$'000	2020 \$'000
<b>Current</b>		
Trade receivables	3,569	1,789
Less: allowance for expected credit losses	-	-
	<b>3,569</b>	<b>1,789</b>
Other receivables:		
Accrued revenue	-	5
Prepayments	134	131
<b>Balance at the end of the year</b>	<b>3,703</b>	<b>1,925</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	1,028	285
More than 3 months but less than 6 months	68	242
More than 6 months but less than 1 year	-	-
More than 1 year	-	-
	<b>1,096</b>	<b>527</b>



## NOTE 13 - PROPERTY, PLANT AND EQUIPMENT

	2021 \$'000	2020 \$'000
<b>Land</b>		
At cost	1,291	1,291
	<b>1,291</b>	<b>1,291</b>
<b>Improvements</b>		
At cost	2,210	2,371
Less: accumulated depreciation	(511)	(498)
	<b>1,699</b>	<b>1,873</b>
<b>Buildings</b>		
At cost	4,127	3,983
Less: accumulated depreciation	(1,646)	(1,444)
	<b>2,481</b>	<b>2,539</b>
<b>Infrastructure</b>		
At cost	6,759	6,752
Less: accumulated depreciation	(2,421)	(2,110)
	<b>4,338</b>	<b>4,642</b>
<b>Harbour Facilities</b>		
At cost	43,142	43,246
Less: accumulated depreciation	(15,230)	(13,623)
	<b>27,912</b>	<b>29,623</b>

	2021 \$'000	2020 \$'000
<b>Access Channel</b>		
At cost	15,162	15,258
Less: accumulated depreciation	(914)	(622)
	<b>14,248</b>	<b>14,636</b>
<b>Electronic Equipment</b>		
At cost	932	966
Less: accumulated depreciation	(714)	(717)
	<b>218</b>	<b>249</b>
<b>Plant and Equipment</b>		
At cost	9,100	6,641
Less: accumulated depreciation	(1,211)	(3,194)
	<b>7,889</b>	<b>3,447</b>
<b>Furniture and Fittings</b>		
At cost	106	136
Less: accumulated depreciation	(74)	(89)
	<b>32</b>	<b>47</b>
<b>Motor Vehicles</b>		
At cost	603	603
Less: accumulated depreciation	(302)	(232)
	<b>301</b>	<b>371</b>

**NOTE 13 - PROPERTY, PLANT AND EQUIPMENT** (CONTINUED)

	2021 \$'000	2020 \$'000
<b>Low Value Pool</b>		
At cost	540	475
Less: accumulated depreciation	(373)	(312)
	<b>167</b>	<b>163</b>
<b>Total property, plant and equipment</b>		
At cost	83,973	81,721
Less: accumulated depreciation	(23,396)	(22,839)
	<b>60,577</b>	<b>58,882</b>
Add: Work in progress (at cost)	571	2,200
	<b>571</b>	<b>2,200</b>
<b>Total property, plant and equipment</b>	<b>61,148</b>	<b>61,082</b>
<b>Reconciliation of carrying amounts:</b>		
<b>Land</b>		
Carrying amount at 1 July	1,291	1,291
Additions	-	-
Disposals	-	-
Impairment losses	-	-
Carrying amount at 30 June	<b>1,291</b>	<b>1,291</b>

	2021 \$'000	2020 \$'000
<b>Improvements</b>		
Carrying amount at 1 July	1,874	1,971
Additions	-	-
Transfer from work in progress	-	21
Depreciation for the year	(67)	(118)
Disposals	-	-
Accumulated depreciation on disposals	-	-
Impairment losses	-	-
Carrying amount at 30 June	<b>1,807</b>	<b>1,874</b>
<b>Buildings</b>		
Carrying amount at 1 July	2,539	2,590
Additions	-	-
Transfer from work in progress	-	47
Depreciation for the year	(155)	(98)
Disposals	(17)	-
Accumulated depreciation on disposals	5	-
Impairment losses	-	-
Carrying amount at 30 June	<b>2,372</b>	<b>2,539</b>

	2021 \$'000	2020 \$'000
<b>Infrastructure</b>		
Carrying amount at 1 July	4,642	4,935
Additions	-	-
Transfer from work in progress	6	26
Depreciation for the year	(310)	(319)
Disposals	-	-
Accumulated depreciation on disposals	-	-
Impairment losses	-	-
Carrying amount at 30 June	<b>4,338</b>	<b>4,642</b>
<b>Harbour Facilities</b>		
Carrying amount at 1 July	29,623	29,978
Additions	-	-
Transfer from work in progress	39	1,330
Depreciation for the year	(1,685)	(1,685)
Disposals	(142)	-
Accumulated depreciation on disposals	78	-
Impairment losses	-	-
Carrying amount at 30 June	<b>27,913</b>	<b>29,623</b>

	2021 \$'000	2020 \$'000
<b>Access Channel</b>		
Carrying amount at 1 July	14,636	32
Additions	-	-
Transfer from work in progress	-	14,770
Depreciation for the year	(388)	(166)
Disposals	(96)	-
Accumulated depreciation on disposals	96	-
Impairment losses	-	-
Carrying amount at 30 June	<b>14,248</b>	<b>14,636</b>
<b>Electronic Equipment</b>		
Carrying amount at 1 July	249	308
Additions	79	62
Transfer from work in progress	-	5
Depreciation for the year	(92)	(124)
Disposals	(113)	(3)
Accumulated depreciation on disposals	95	1
Impairment losses	-	-
Carrying amount at 30 June	<b>218</b>	<b>249</b>

**NOTE 13 – PROPERTY, PLANT AND EQUIPMENT** (CONTINUED)

	2021 \$'000	2020 \$'000
<b>Plant and Equipment</b>		
Carrying amount at 1 July	3,447	2,259
Additions	30	145
Transfer from work in progress	5,830	1,361
Depreciation for the year	(337)	(317)
Disposals	(3,401)	(98)
Accumulated depreciation on disposals	2,320	97
Impairment losses	-	-
Carrying amount at 30 June	<b>7,889</b>	<b>3,447</b>
<b>Furniture &amp; Fittings</b>		
Carrying amount at 1 July	47	49
Additions	-	8
Transfer from work in progress	-	1
Depreciation for the year	(10)	(11)
Disposals	(30)	-
Accumulated depreciation on disposals	25	-
Impairment losses	-	-
Carrying amount at 30 June	<b>32</b>	<b>47</b>

	2021 \$'000	2020 \$'000
<b>Motor Vehicles</b>		
Carrying amount at 1 July	371	318
Additions	-	124
Depreciation for the year	(70)	(71)
Disposals	-	-
Accumulated depreciation on disposals	-	-
Impairment losses	-	-
Carrying amount at 30 June	<b>301</b>	<b>371</b>
<b>Low Value pool</b>		
Carrying amount at 1 July	163	144
Additions	43	63
Transfer from work in progress	22	26
Depreciation for the year	(61)	(70)
Disposals	-	-
Accumulated depreciation on disposals	-	-
Carrying amount at 30 June	<b>167</b>	<b>163</b>



	2021 \$'000	2020 \$'000
<b>Work in progress:</b>		
Carrying amount at 1 July	2,200	4,667
Additions	6,794	17,426
Transfers to expenditure	(2,156)	(1,733)
Transfers to property, plant and equipment	(6,267)	(18,160)
Transfers to intangibles	-	-
Carrying amount at 30 June	571	2,200
<b>Total property, plant and equipment</b>	<b>61,148</b>	<b>61,082</b>

## NOTE 13(A) – RIGHT OF USE ASSETS

The right of use Assets and Lease Liabilities are a result of applying AASB 16. The Authority leases buildings and equipment that are applicable to this standard as outlined below.

The Authority leases buildings and equipment, comprising a forklift fleet. Building leases consist of Lot 549 Port Drive and Lot 698 Port of Pearls House, the latter which matured on 30/06/2021 and was not renewed. The building lease for 680 Murray Street ended in December 2020.

	2021 \$'000	2020 \$'000
<b>Right of use assets - buildings &amp; equipment at cost</b>	1,179	758
Less: accumulated depreciation	(454)	(342)
	<b>725</b>	<b>416</b>

## NOTE 13(B) – LEASE LIABILITIES

	2021 \$'000	2020 \$'000
<b>Current</b>	711	421
	<b>711</b>	<b>421</b>

## NOTE 14 – INTANGIBLE ASSETS

	2021 \$'000	2020 \$'000
<b>Computer software</b>		
At cost	1,357	1,014
Less: accumulated amortisation	(546)	(419)
	811	595

## Reconciliation of carrying amounts:

<b>Computer software</b>		
Carrying amount at 1 July	595	114
Additions	-	11
Transfer from work in progress	370	573
Amortisation for the year	(154)	(103)
Disposals	(27)	-
Accumulated amortisation on disposals	27	-
Carrying amount at 30 June	811	595

## NOTE 15 - TRADE AND OTHER PAYABLES

	2021 \$'000	2020 \$'000
<b>Current</b>		
Trade payables	1,415	554
Accrued expenses	366	277
	1,781	831

The Authority's exposure to liquidity risk related to trade and other payables is disclosed in note 21(i).

## NOTE 16 – INTEREST BEARING BORROWINGS

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 21(i).

	2021 \$'000	2020 \$'000
<b>Current liabilities</b>		
Direct borrowings	1,649	1,569
	<b>1,649</b>	<b>1,569</b>
<b>Non-current liabilities</b>		
Direct borrowings	7,942	9,591
	<b>7,942</b>	<b>9,591</b>
<b>Financing arrangements</b>	<b>2021</b>	<b>2020</b>
The Authority has access to the following lines of credit:	<b>\$'000</b>	<b>\$'000</b>
Total facilities available:		
Liquid facility and direct borrowings	9,600	11,160
	<b>9,600</b>	<b>11,160</b>
Facilities utilised at the end of the reporting period:		
Liquid facility and direct borrowings	9,591	11,160
	<b>9,591</b>	<b>11,160</b>
Total facilities not utilised at the end of the reporting period:		
Liquid facility and direct borrowings	9	-

At reporting date, the Authority has an approved financing facility from Western Australian Treasury Corporation (WATC) for 30 June 2021 of \$9.600 million (2020: \$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 five (5) loans at fixed interest rates from WA Treasury Corporation and are repayable in accordance with a fixed repayment schedule;

1. \$11.320m entered into in September 2014 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 entered into in September 2014 with fixed monthly principle 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 entered into in September 2014 with fixed monthly principle 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 entered into in September 2014 with fixed monthly principle 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 entered into in June 2015 with fixed monthly principle 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 entered into in June 2020 with fixed monthly principle 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%.

**NOTE 16 – INTEREST BEARING BORROWINGS** (CONTINUED)

## Interest rate risk exposure

	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	
2021							
Interest bearing borrowings:							
Direct borrowings (WATC)	1,649	1,734	1,823	1,557	731	2,097	9,591
	<b>1,649</b>	<b>1,734</b>	<b>1,823</b>	<b>1,557</b>	<b>731</b>	<b>2,097</b>	<b>9,591</b>

## Weighted average interest rate:

Direct borrowings 4.99%

	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	
2020							
Interest bearing borrowings:							
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%



## NOTE 17 - PROVISIONS

	2021 \$'000	2020 \$'000
<b>Current</b>		
Annual leave (a)	805	868
Personal leave (b)	139	174
Time in lieu (c)	104	92
Long service leave (d)	680	716
Fringe benefits tax	6	10
	<b>1,734</b>	<b>1,860</b>
<b>Non-current</b>		
Long service leave (d)	72	58
	<b>72</b>	<b>58</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	398	539
More than 12 months after the reporting date	407	329
	<b>805</b>	<b>868</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	66	94
More than 12 months after the reporting date	74	80
	<b>140</b>	<b>174</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	104	92
	<b>104</b>	<b>92</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	230	283
More than 12 months after the reporting date	522	491
	<b>752</b>	<b>774</b>

## NOTE 18 – OTHER CURRENT LIABILITIES

	2021 \$'000	2020 \$'000
Prepaid lease and licence income	582	507
<b>Total other liabilities</b>	<b>582</b>	<b>507</b>

## NOTE 19 - 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.

	2021 \$'000	2020 \$'000
<b>Contributed equity</b>		
Balance at start of year	63,861	54,711
Equity contributions in the year	4,000	9,150
<b>Balance at end of year</b>	<b>67,861</b>	<b>63,861</b>
<b>Accumulated Losses</b>		
Balance at start of year	(5,947)	847
Loss for the year	(3,757)	(6,794)
<b>Balance at end of year</b>	<b>(9,704)</b>	<b>(5,947)</b>

## NOTE 20 - RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>		
Loss for the period	(3,757)	(6,794)
Adjustments for:		
Depreciation	3,629	3,320
Amortisation of intangible assets	154	103
Loss on sale of property, plant and equipment	273	-
<b>Operating profit before changes in working capital and provisions</b>	<b>299</b>	<b>(3,371)</b>
Changes in assets and liabilities		
Change in trade and other receivables	(1,780)	1,863
Change in prepayments	(3)	23
Change in accrued income	5	20
Change in trade and other payables	931	(518)
Change in prepaid income	75	(55)
Change in provisions	(112)	36
<b>Net cash used in operating activities</b>	<b>(585)</b>	<b>(2,002)</b>

## NOTE 21 - 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	2021 \$'000		2020 \$'000	
		Carrying Amount	Fair Values	Carrying Amount	Fair Values
Cash & cash equivalents	11	6,241	6,241	8,733	8,733
Trade and other receivables	12	3,703	3,703	1,925	1,925
Trade and other payables	15	(1,781)	(1,781)	(831)	(831)
Interest bearing borrowings	16	(9,591)	(10,745)	(11,160)	(12,755)
		<b>(1,428)</b>	<b>(2,582)</b>	<b>(1,333)</b>	<b>(2,928)</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.

**NOTE 21 - FINANCIAL INSTRUMENTS** (CONTINUED)

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:

2021	Carrying Amount (\$'000)	+0.50% change		(0.50%) change	
		Profit (\$'000)	Equity (\$'000)	Profit (\$'000)	Equity (\$'000)
Financial Assets					
Cash and cash equivalents	6,241	31	31	(31)	(31)
Total Increase / (Decrease)		6,241	31	(31)	(31)

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



### 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 21 (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 12 '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.

**NOTE 21 - FINANCIAL INSTRUMENTS** (CONTINUED)

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>2021</b>					
<b>Financial Assets &amp; Liabilities</b>					
Cash & cash equivalents	0.31%	-	6,241	-	<b>6,241</b>
Trade and other receivables	-	-	-	3,703	<b>3,703</b>
Interest bearing borrowings	4.99%	(9,591)	-	-	<b>(9,591)</b>
Trade and other payables	-	-	-	(1,781)	<b>(1,781)</b>
<b>Net Financial Assets (Liabilities)</b>		<b>(9,591)</b>	<b>6,241</b>	<b>1,922</b>	<b>(1,428)</b>
<b>2020</b>					
<b>Financial Assets &amp; Liabilities</b>					
Cash & cash equivalents	1.38%	-	8,733	-	<b>8,733</b>
Trade and other receivables	-	-	-	1,925	<b>1,925</b>
Interest bearing borrowings	5.00%	(11,160)	-	-	<b>(11,160)</b>
Trade and other payables	-	-	-	(831)	<b>(831)</b>
<b>Net Financial Assets (Liabilities)</b>		<b>(11,160)</b>	<b>8,733</b>	<b>1,094</b>	<b>(1,333)</b>

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

2021	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	6,241	6,241	-	-	-	-
Trade and other receivables	3,703	3,703	-	-	-	-
	9,944	9,944	-	-	-	-
<b>Financial liabilities</b>						
Trade payables and accruals	(1,781)	(1,781)	-	-	-	-
Borrowings	(9,591)	(1,040)	(1,040)	(2,079)	(5,271)	(1,678)
	(11,372)	(2,821)	(1,040)	(2,079)	(5,271)	(1,678)
<b>Net maturity</b>	<b>(1,428)</b>	<b>7,123</b>	<b>(1,040)</b>	<b>(2,079)</b>	<b>(5,271)</b>	<b>(1,678)</b>

**NOTE 21 - FINANCIAL INSTRUMENTS** (CONTINUED)

	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
2020						
<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	(11,160)	(1,040)	(1,040)	(2,079)	(6,724)	(2,303)
	(11,991)	(1,871)	(1,040)	(2,079)	(6,724)	(2,303)
<b>Net maturity</b>	(1,333)	8,786	(1,040)	(2,079)	(6,724)	(2,303)

**(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 21(i).

	Notes	2021 \$'000	2020 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	11	6,241	8,733
Trade and other receivables	12	3,703	1,925
		<b>9,944</b>	<b>10,658</b>
<b>Financial Liabilities</b>			
Trade and other payables	15	(1,781)	(831)
Interest-bearing borrowings:			
Fixed rate borrowings	16	(9,591)	(11,160)
		<b>(11,372)</b>	<b>(11,991)</b>

The Authority's exposure to interest rate risk on the interest-bearing borrowings is disclosed in note 16.

**(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 22 - 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:

	2021 \$'000	2020 \$'000
Within 1 year	-	3,693
Later than 1 year and not later than 5 years	-	-
Later than 5 years	-	-
	-	3,693

## (ii) Non-cancellable operating lease commitments

Commitments for minimum lease payments are payable as follows:

	2021 \$'000	2020 \$'000
Within 1 year	364	32
Later than 1 year and not later than 5 years	72	-
Later than 5 years	-	-
	436	32

## (iii) Other expenditure commitments

	2021 \$'000	2020 \$'000
Remote Area Housing Tenancy Commitments	242	92
	242	92

## (iv) Operating leases receivable

Future minimum rentals receivable for operating leases at reporting date:

	2021 \$'000	2020 \$'000
Within 1 year	1,989	1,989
Later than 1 year and not later than 5 years	6,247	5,369
Later than 5 years	8,781	9,599
	17,017	16,957

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

	2021 \$'000	2020 \$'000
Remote Area Housing Tenancy Receivables	100	74
	100	74

## NOTE 23 - REMUNERATION OF AUDITOR

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

	2021 \$'000	2020 \$'000
Auditing the accounts and financial statements	47	41
	<b>47</b>	<b>41</b>

## NOTE 24 - RELATED PARTY TRANSACTIONS

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 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

	2021 \$'000	2020 \$'000
Short-term employee benefits	1,960	2,020
Post-employment benefits	211	188
Other long-term benefits	42	53
Termination benefits	173	36
<b>Total compensation of Senior Officers</b>	<b>2,386</b>	<b>2,297</b>

## NOTE 24 - RELATED PARTY TRANSACTIONS (CONTINUED)

### 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 (2020: \$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 19)
- superannuation payments to GESB (Notes 5 and 7)
- amounts due to the Treasurer (Note 16)
- insurance payments to the Insurance Commission and Riskcover fund (Note 7)
- remuneration for services provided by the Auditor General (Note 23)

### 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 25 - CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities and assets at reporting date.

## NOTE 26 - SUBSEQUENT EVENTS

There has not risen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Authority, to affect significantly the operations of the Authority, the results of those operations, or the state of affairs of the Authority, in future financial years.

## DIRECTORS' DECLARATION

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

- a. The financial statements and notes for the period ending 30 June 2021 comply with Australian Accounting Standards, *Port Authorities Act 1999* and the Corporations Regulations 2001; and
- b. Give a true and fair view of the financial position of the Kimberley Ports Authority as at 30 June 2021 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date; and
- c. There are reasonable grounds to believe that the Kimberley Ports Authority will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the directors on 7 September 2021.



**Reece Waldock, AM**  
Chairman

7 September 2021



**Jodie Ransom**  
Deputy Chair

7 September 2021

# INDEPENDENT AUDITOR'S REPORT



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2021

Kimberley Ports Authority

To the Parliament of Western Australia

#### Opinion

I have audited the financial report of the Kimberley Ports Authority (the Authority), which comprises the Statement of Financial Position as at 30 June 2021, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and explanatory information, and the directors' declaration.

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

- giving a true and fair view of the Authority's financial position as at 30 June 2021 and of its performance for the year then ended; and
- complying with Australian Accounting Standards and the Corporations Regulations 2001.

#### Basis for opinion

I conducted my audit in accordance with 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 Authority in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including independence standards)* (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.

#### Other Information

The directors are responsible for the other information. The other information comprises the information in the Authority's annual report for the year ended 30 June 2021 but does not include the financial report and my auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

#### Responsibilities 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* and for such internal control as the directors determine is necessary to enable the preparation of the 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.

Page 1 of 2

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#### Auditor's responsibilities for the audit of the financial report

My objectives 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. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.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 the Authority for the year ended 30 June 2021 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.

Grant Robinson  
Assistant Auditor General Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
9 September 2021

Page 2 of 2





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PORTS**  
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