



BROOME PORT AUTHORITY

Annual Report 2001/02



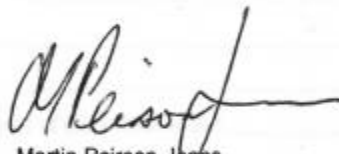
Statement of Compliance

To the Hon Alannah MacTiernan MLC
Minister for Planning and Infrastructure

In accordance with Section 68 of the Port Authorities Act 1999, we hereby submit for your information and presentation to Parliament the Report of the Broome Port Authority for the year ending 30 June 2002.



Allan Griffiths
Chairman



Martin Peirson-Jones
Deputy Chairman

Broome

Established as a pearling port in the 1880s, Broome has a romantic and often flamboyant history. It was populated by hearty people of many nationalities - mainly Europeans, Malays, Chinese and Japanese, as well as Australia's Indigenous People - who flocked to the shores of Roebuck Bay in the hope of making their fortune from the pearling industry.

The influence of the pearling industry, with its cultural melting pot, has helped to create the distinctive character and charm of Broome. Pearling remains one of the town's major industries due to the cultured pearl, which revived the industry after its near demise in the late 1950s. South Sea Pearls are recognised as the best in the world and the retail pearl outlets in town are a showcase to the quality of Broome pearls.



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Chairman's Report



While the Broome Port Authority is only 30 months old, the port itself has been serving Broome and the West Kimberley since 1889. The Department of Transport and its predecessors administered the port for 110 years before the Broome Port Authority was established on 1 January 2000.

The port is vital to the Kimberley regional economy, especially since much of the business activity in this part of the world is maritime-dependent. This includes mining, pearling, fishing, cattle export, offshore oil and gas exploration and a flourishing charter boat industry. It is also the line of supply for the fuel required to generate power in much of the West Kimberley and other essential items in seasonal flooding circumstances.

Broome is a vibrant and fast growing town with a diverse regional economy that has supported strong growth over the past 15 years that on average would equal any regional town in Australia. The return of the offshore oil and gas industry to Broome for the exploration and development of the Browse Basin has the potential to become yet another major economic driver for the region.

The biggest challenge facing the young port authority is the ability to expand services to meet rapidly growing demand. The major handicap faced by the port in this regard is the shortage of berthage space at the Broome jetty. The jetty, unchanged since construction in 1966, has limited berthing space and will soon be inadequate in terms of

strength to service larger tankers and modern trading vessels.

The rapid growth of trade at the port in the past five years has put a severe strain on the ability of the port to meet demand and has inevitably led to delays in vessels getting access to a berth and cramped working conditions on the wharf. Since the port affords priority to larger vessels – tankships, cruise ships, livestock carriers, coastal trading vessels, offshore supply vessels and navy and customs vessels – it is the pearling, fishing and charter boat fleets that are being disadvantaged. Broome, unlike towns such as Exmouth, Jurien Bay, Geraldton, Bunbury, Mandurah, Busselton, Albany and Esperance has no “safe haven” for its extensive pearling, fishing, charter and recreational fleet, whilst existing in a cyclone prone area. We trust it does not take a loss of life situation to cause us to act in terms of rectifying this inequity in the provision of essential facilities.

To service the growing trade at the port it is essential that the jetty be extended to allow our customers to operate efficiently and competitively. The port's engineers have prepared plans to extend the wharf head by 148m, increasing berthing space by 80%. The Board's top priority again for the next financial year will be to secure the funds necessary for the project.

The opportunity presented by the offshore oil and gas industry's exploration of the waters to the north of Broome has enabled the port to diversify into a new industry. This is creating business for existing service providers and will open up a wide range of employment and training opportunities, providing the port can expand to cater for the industry's needs.

The second full financial year as a port authority in 2001/02 has at times been difficult. The September 2001 demise of Ansett, which provided 70% of the seats into Broome, was a set-back to the regional economy, as has been a contraction in the pearling industry. Despite these constraints the port recorded its second highest trade throughput.

I wish to make special note of the contribution of Director Reece Waldock to the Port of Broome. Mr Waldock as head of the Maritime Division of the Department of Transport was responsible for the port's renaissance when he established the Port Advisory Board in 1995. He chaired the Board and guided the transformation of the loss-making port to the point where it was established as a port authority four years later. After establishment of the port authority Mr Waldock remained on the Board to help the organisation through its first couple of years as a statutory authority. Broome and its port owes him a great deal.

Allan Griffiths, Chairman

Chief Executive Officer's Review

The 2001/02 financial year was a testing time for the Kimberley, the town of Broome and the Broome Port Authority. The demise of Ansett was a severe blow for the region with that airline providing 70% of the seats into Broome and 80% into the Kimberley.

The effects on tourism, a \$300m per annum business for the Kimberley, flowed through to many other sectors of the economy. Although Qantas was quicker in picking up the business to and from the Kimberley than many other parts of regional Australia, it took 11 months before capacity was restored between Perth and Broome. Capacity between Darwin and Broome is still well below what it was prior to the loss of Ansett.

Trade

Trade through the port was down on the record set in the previous year, the downturn attributable to the temporary setback to the local economy caused by the loss of most of the air services into the Kimberley, a further contraction of the pearling industry, and a temporary lull in offshore exploration in the region. Cattle exports were affected by a late start to the 2002 exporting season while the industry concentrated on exports from drought stricken properties in Queensland and NSW. Despite these difficulties, the Port of Broome still recorded its second highest trade throughput ever.

With the recovery of the local economy evident by the last quarter of 2001/02, the outlook for trade in 2002/03 is much better, especially in respect of the service of offshore exploration.

The port is also expecting to at last see growth in the coastal shipping trade through Broome. To facilitate this trade the port will be providing land for the development of a container park. The container park will provide a focus for the development of coastal shipping and will improve customer service and the efficiency of container handling.

Jetty Extension

The port is still actively seeking funding for the proposed \$14 million, 148m southerly extension along the existing axis of the wharf that will increase berthage space by 80%.

During the year the port applied for capital funding for the jetty extension from the State Government's *Regional Investment Funding Program* as well as the Federal Government's *Sustainable Regions Program*. We believe there is a good chance these programs may deliver the assistance the port needs to extend the jetty.

Financial Performance

The port reported a loss of \$123,233 during the year, the loss being attributable to the downturn in trade as well as unforeseen legal expenses.

The port is unlikely to provide a return on capital to its shareholder the State Government for some time yet. While the port traffic in recent years has already approached full capacity, the port's trade remains too low to offset the high overheads associated with maintaining a 900m long open pile jetty where only a fraction of the asset can be devoted to income generating berthage space.

The rapidly growing regional economy will need increased port capacity to service it. This increased capacity will in turn assist the port in achieving the critical mass required for sustainability.

Infrastructure

The port's \$4.5m deferred maintenance program was completed during the year, some two years ahead of schedule.

At the end of the financial year the port commissioned the replacement of the fender system on its main berth. The \$1m new steel fender system will be of double the 28,000 tonne capacity of the 1966 vintage timber system it is replacing. The new fender system will be in place by the end of November 2002.

Shortfalls in expected trading revenue this year combined with unplanned legal expenses meant that the port had to defer some other capital works during the year, including the construction of a crane shed. Important works which were completed included widening Port Drive as it approaches the jetty and the installation of speed bumps on the road to improve access and safety, the repair of sections of the jetty deck and the replacement of the timber multi-stage landing on the inner berth.

Community Services

The Port of Broome continues to strive to provide access to the community to the famous Broome jetty and surrounds. The 640m boardwalk completed last year has greatly improved access and safety for visitors and the public has responded well to our efforts to educate them about the need for visitors to stay on the boardwalk and keep away from port operations on the head of the jetty.

The landscaping of public areas and the completion of public toilets have also been well received by the public.

Stefan Frodsham, Chief Executive Officer

Vision, Mission, Value and Goals

Our Vision

“To have the Port of Broome recognised by its customers as an outstanding regional port.”

Our Mission

“To facilitate trade and to maximise the competitive advantage available to customers using the Port of Broome.”

Our Goals

Our goals are:

- to provide cost effective products and services that meet the needs of customers and in so doing facilitate trade and economic development in the region;
- to increase trade through the port and in so doing improve our efficiency through economies of scale;
- to maintain and upgrade port facilities and infrastructure as required to provide services;

Climate of the Kimberley and Broome

The Kimberley region of northwest Australia has a tropical monsoon climate characterised by two dominant seasons. The warm, dry "winter" prevails from April to September, opposite to northern hemisphere seasons. This season has temperatures of 15-30C (59-86F) and little rainfall. Conditions are quite stable, providing warm sunny days and cool nights.

The Tropical Summer from October to March typically has temperatures of 25-38C (77-100F) with increased rainfall and humidity. In fact, 90% of the region's rainfall occurs from December to March, often in heavy downpours, and is heavily influenced by tropical cyclone activity. Spectacular thunderstorms can provide dramatic light shows at night, often with lightning flashing non-stop for hours.

Due to its coastal location, Broome's climate is more moderate, without the extremes of inland regions. During the dry winter, it has warm, sunny days averaging about 28C (82F) with cool nights. The summer months average about 33C (91F) during the day, with beautiful balmy nights. Coastal breezes are the norm year round.

For visitors to the Kimberley, these seasonal variations offer special opportunities. In the clear dry winter months, it is the perfect time for exploring the Kimberley gorges by 4WD or scenic tours. In the summer season the lush vegetation, colourful sunsets, raging rivers and waterfalls of the Kimberley are spectacular.

- to minimise the effect of the port's activities on the environment;
- to minimise the effect of the port's activities on the environment;
- to ensure that the port operates in a commercially and financially sustainable manner; and
- to ensure a safe working environment for the port's workforce and customers.

Our Values

Our People

Respect, honesty and openness with one another.

Teamwork

Supporting each other in the achievement of common goals.

Our Work Ethic

Commitment to achieving high work standards.

Our Customers

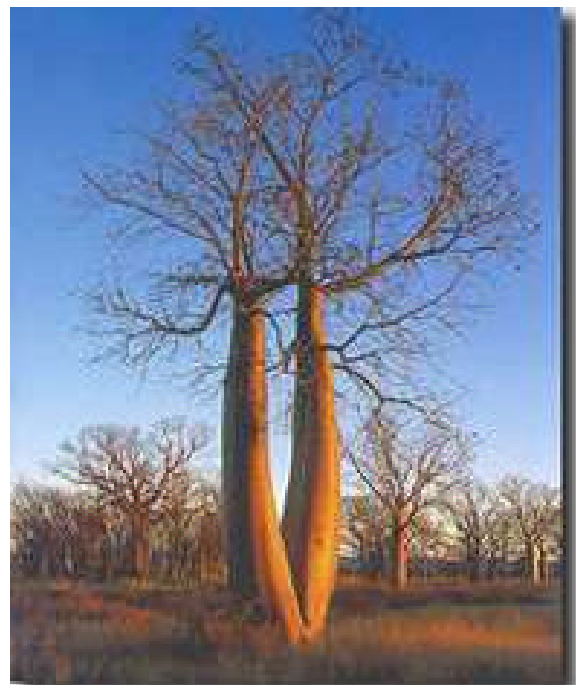
A dedication to customer service.

Our Workplace

A safe and satisfying place to work.

Our Community and Environment

Care for the community and the environment.



Broome's History

By the late 1870's there was a growing pearling industry in the waters off north-western Australia with the largest base of operations being located in Cossack, about 700 kilometres from what was to become Broome. Alex McRae found rich beds of pearl shell in Roebuck Bay in 1882 on his ship the 'Dawn'. This find would guarantee increased activity at the sheltered harbour site and lead to a base of operations for the pearling industry.

In 1879, Charles Harper suggested to the Legislative Council for government offices that Roebuck Bay be set up as a port with facilities for the pearling industry. Thus, in 1883, John Forrest selected a town site on Roebuck Bay just east of Dampier Creek where three native wells existed and predicted this site would become the 'Capital of the Kimberley'. Later that year, the townsite of Broome was proclaimed and named after the colony's Governor, Frederick N. Broome.

Before Forrest's arrival at the bay, an English businessman by the name of E. W. Streeter had recognized the potential of this outback location and had a passage cleared through the mangroves. He had a rough jetty built near a well-worn path which led to the wells. There was no form of a permanent settlement at that time, but soon a motley collection of bush camps, tents and corrugated iron sheds were erected near the jetty and the beginnings of the town were born.

The first sale of town lots took place in October 1886 and three years later Broome was gazetted as a port. Streeter bought up a large tract of town land and employed George Roe to erect a store and his residence. Next, he contracted to build the Roebuck Arms Hotel. Later, realizing that the demand for fresh meat and dairy products was also a financial opportunity, he took up a pastoral lease and opened a butcher shop in town. In 1890, he also opened a dairy and milk run for the residents of Broome.

About this time, two brothers who had been working in the colony's goldfields made their way to the port of Broome. Arthur and Archie Male were hired as clerks in Streeter's store and by 1899 had become managers in Streeter's various concerns and in later years partners in the firm. Even today, visitors to Broome can visit the Streeter and Male store and the Male family name is well known in Broome history.

In 1889, a new telegraph cable was established at Roebuck Bay, linking the isolated colony direct with England, via Singapore, India, Aden, Egypt, Malta and Gibraltar. The structure the Eastern Extension and China Telegraph Company erected in Broome was by far the most elegant building in the town and was called Cable House. Today it serves as Broome's Court House and is located on the corner of Frederick and Hamersley Streets. The grounds host the popular Saturday Court House Markets.

By 1891, the port of Broome consisted of a butcher's shop, a building of twelve sheets of iron, the Telegraph Office and Cable Station, a Post Office and Streeter's store. No jetty was available for travelers and other than at high tide, passengers had to endure the gruesome experience of trudging for over half a mile, wading in pools and mud carrying their belongings. The town was lawless and following constant complaints M.S. Warton, son of C.N.

Warton, the Attorney General, was appointed officer-in-charge and became the port's genial Resident Magistrate.



Broome Courthouse, originally Cable House constructed by the Eastern Extension & China Telegraph Co.-1890's.

The 'Fat Years' of 1889 to 1891 saw the price of mother of pearl (m.o.p.) shell escalate to new highs and it established Broome as a port. Often called the 'Queen City of the North', Broome developed into a town different from any other pearling centre and different from any other Australian city. By 1898, Broome was the principal cargo port for north western Australia and by the first world war, the Port of Broome was second only to Fremantle. Broome was becoming a cosmopolitan centre fuelled by visiting pearl buyers and businessmen from the major city centres around



the world.

When World War I was declared in 1914, Broome harboured about 300 pearl luggers and had a population of over 3,000. Within a few months, the fleet numbers were halved as men enlisted in the forces and economic events in Europe severely depressed the pearling industry.

When the war ended in 1918, a different pearling industry emerged with new challenges and new rules to rebuild itself in the years to come. The English influence and affluence of "Old Broome" disappeared forever. Many returning soldiers could not find work in the economically stricken town and many of the socially prominent families chose not to return after the war. Additionally, Broome had suffered extensive damage from the cyclones of 1908, 1910 and especially 1912 and much of the town needed to be rebuilt.

Slowly, Broome would rebuild itself once again into an exciting and economically viable port. The 1920's would see Broome once again a vibrant, bustling, international melting pot with the pearling industry thriving and the price of pearl shell at its highest ever.



Australia joined America in declaring war on the Japanese after the attack on Pearl Harbour and almost immediately all pearling activity ceased in Broome. Men rushed to enlist and the industry's labour pool vanished over night as Japanese residents were interned in camps.

Since Broome's livelihood relied heavily on the skill and experience of Japanese divers this spelt ruin for the pearling industry and the town. The residents of Broome were suddenly faced with rounding up and interning friends and employees simply because they were Japanese. Unlike other towns in Australia, Broome's Japanese population made up a good portion of the town's inhabitants and had resided in the community for over a half a century. Many had been born and raised in Australia and had no ties to Japan. Consequently, it was extremely difficult for Broome residents to suddenly treat these long term Broome inhabitants as "the enemy". Although they complied with the internment policy, Broome residents tried to make life as easy as possible for the Japanese, bringing food and presents to the camp and allowing regular visits to town to go shopping.



Broome's population was now vastly decreased. Most of the white men had rushed to enlist in the war effort, a number of white families decided to evacuate to safer areas further south and many of the indigenous people were sent to Beagle Bay under the charge of the Sisters at the St John of God Convent.

On March 3, 1942 Japanese Zeros raided Broome and destroyed sixteen flying boat planes on Roebuck Bay which were crammed with Dutch refugees from Java. Most Broome residents left town and the town fell into decay. By the time the war ended, Broome was badly deteriorated and a mere shell of its former self. Buildings stood empty and neglected with looters having taken most items of value. Residents who did return found little to salvage and were forced to start over from scratch.

By 1951, the few master pearlmen in Broome were trying to get the town back on its feet. The labour problem was critical and by February 1952 the government decided to again permit the entry of Japanese pearling workers.

Pearl production in 1957 was reputedly reaching pre-war levels, and the town was slowly recovering. Rebuilding had begun in earnest but within two years another downturn in

the pearling industry economy caused concern. Plastic was cheaper and readily available and m.o.p. was no longer needed for the making of buttons and fasteners. Since Broome's economy was based on pearling, this was devastating. By 1962 the pearling industry, as it had previously existed, was virtually abandoned due to its lack of profitability. Broome needed new economic drivers and they were to become tourism and cultured pearl farming.

Cultured pearl farms had been in the experimental stages since the mid-50's and the technology of seeding and growing cultured pearls was just beginning to be perfected. Slowly, this new version of the pearling industry grew and prospered. Today Broome is once again the world's major producer of South Sea Pearls and m.o.p. shell. Harvesting techniques may have changed and modern diving equipment may lessen the perils of the divers but the demand for pearls and the mystique that surrounds them is as evident today as it was in the past.

Tourism began to emerge as an important business for the town. Since the early 1900's, Broome had been a destination for visitors attracted by its warm winter climate, diverse cultural history and white sandy beaches. A concentrated effort led by Lord Alistair McAlpine to resurrect the historical charm of the town led to restoration of many of the town's old buildings and a sound plan for Broome's future.

Developers discovered that Broome had a wealth of available opportunities and were eager to invest in the town. With the exception of a down turn in its economy caused by the Australia-wide airline's pilots' strike in 1989, Broome continues to grow. Tourism is now recognised as a major industry for Broome.

The Port of Broome

The Port of Broome has been servicing Broome and the Kimberley region since 1889, originally from a spring tide jetty at Mangrove Point. The new deepwater jetty was established at Entrance Point in 1966, initially providing facilities to service large trading vessels across a narrow client base. Over the years pearling, fishing, charter boats and the Royal Australian Navy have increased their use of the port, joined more recently by cruise shipping and offshore oil and gas service vessels.

Location

Broome is located 2,200 km north of the Western Australian State capital, Perth. The Port of Broome is situated at Entrance Point, on the tip of the Broome peninsula, nine kilometres south of the town.

Broome's location provides a competitive advantage to shippers accessing markets in the Middle East and South East Asia as well as to the offshore oil and gas industry's exploration and development of the hydrocarbon rich areas to Broome's north and west.

Port History

The Port of Broome was proclaimed on 10 August 1889, just five years after the town of Broome was established. In the first years of the port it did not even have a jetty to operate from. Vessels would enter the port on the tide and sit on the bottom once the waters receded. Cargo for the young town was lowered over the sides of ships and carried to shore. In 1896 the State Government awarded a contract to J Wishart and Sons for the construction of a 2,953 feet (about 900 metres) jetty at Mangrove Point (Town Beach) which was completed the following year.

The port was essential to life in Broome. Roads were primitive and everyone relied on the West Australian Steam Navigation Company's fortnightly mail steamer service to travel to Perth or Darwin. Ships of the Blue Funnel Line travelling between Perth and Singapore called at Broome en route. The jetty was the headquarters of the pearling fleet, a tradition that has continued into modern times. The port was also essential to the cattle industry as evidenced by early photographs showing a cattle race the length of the jetty.

The Port was a 'spring tide port' with trading vessels only able to enter and leave the port on spring high tides. At low tide the flat-bottomed ships would rest on the muddy sand. A favourite past-time of passengers was to walk around the hull of their steamer at low tide. The lack of access at neap tides was a constant source of frustration for the townsfolk. When the first State Premier to visit Broome, Hon Sir Newton J Moore, arrived on board the 'Koombana' in April 1909 he was met with a demand from the Mayor, Mr Archie Male, that the

Broome jetty be extended "*to enable captains to come alongside at all times*". Sir Newton retorted "*if you make the jetty much longer you will be obstructing the Indian Ocean*". Broome would have to wait until 1966 before it had an all-tides port.

Interestingly, Sir Newton Moore on the same visit was asked by Mr Hugh Norman, representing the Pearler's Association, for a new crane on the jetty. Mr Norman's wish was finally met 90 years later in February 1999 when the Port of Broome took



delivery of its first ever new crane.

Ships which made regular calls in the 1920's included the 'Gorgon' and 'Centaur' of the Blue Funnel Line and the 'Kangaroo' and 'Bambra' of the State Shipping Line. The Broome meatworks, established by Farrell Brothers in 1940, was an important customer of the port for over 50 years



Broome aerial - 1940's

(M. Prime)

until it finally closed in 1993.

The Indonesian Confrontation of the early 1960's prompted the Menzies Government to invest in infrastructure in the North West of the State. A flurry of building activity resulted in new port facilities at Wyndham, Derby and Broome. Construction on the new deepwater jetty at Entrance Point began in February 1964 and the facility was officially opened July 1966. The old jetty, which had served Broome so well through 70 years, was burnt down by the Public Works Department in 1967, ending an era.

The new deepwater port was established to provide an all-tides big ship service for the frozen and chilled meat processing industry, the pastoral industry in the West Kimberley region and to meet the supply needs of the Broome community. The port was also vital to the needs of the regional pearling and fishing industries based in Broome. Historically, the port had a narrow client base and thin trade which inhibited financial viability. Port

berthing and handling capacity was under-utilised for many years. In its early years of operations, the port had only 15 vessels of all types calling per month.

Following a review of the future of the Kimberley ports in 1995, a Port Advisory Board was established by the then Minister for Transport Eric Charlton and a resident General Manager was appointed. The port's financial performance began to improve with an emphasis on containing costs and attracting more trade through the port to build on the revenue base. The state of the port's infrastructure received a substantial boost in 1996 when the Government approved a \$3.9m deferred maintenance program.

In 1997/98 the port recorded its first ever profit, albeit being helped by not having to make any expenditure on long term maintenance work due to the deferred maintenance program. The next year profit improved establishing the port as a financially viable operation and ready to become Western Australia's eighth port authority.

The Broome Port Authority came into being on 1 January 2000.

Port Services and Facilities

Sea Access

The port is the largest deep-water access serving the Kimberley region and is open to shipping on a 24-hour basis. The port's new entrance channel (commissioned in 1999) has a depth of 13 metres at low water datum. The outer berth has a 10 metre depth at chart datum and a length of 183 metres. The inner berth is 170 metres with 9 metres of water at chart datum.

Pilotage is compulsory for all vessels of 500 gross tonnes or more, other than for Masters of Australian vessels having valid pilotage exemptions certification. Tugs are not required or used.

Berthing facilities

The main wharf provides berth facilities for general cargo ships, passenger ships, and petroleum vessels on the 183m outer berth and berthing facilities for smaller commercial vessels and naval patrol boats on the 170m inner berth. No tugs are required.

The berthing space at the wharf is unchanged since the jetty was completed in 1966 even though the number of vessels of all types being serviced at the port has increased from 15 to 190 a month in peak periods in recent times.

The port suffers an additional restriction resulting from a lack of berthage space in having to close to all other traffic whenever a tankship is discharging or loading. This is due to a 25m exclusion zone around the fuel tankships encompassing the entire wharf. The port has to be closed on this account around eight times a year, for periods of between 24 hours and four

days.

Wharf Extension

A 148m southerly extension along the existing axis of the wharf head is planned. This extension represents the minimum that will allow ships to berth and be serviced at a time when a tankship is loading or discharging. The \$14m extension will increase the working area on the wharf and the berthing space by 80%.

Port Services

Stevedoring

The port conducts its own stevedoring using a flexible multi-skilled port workforce who also conduct day-to-day maintenance. Stevedoring services are available 24 hours a day, seven days a week.

Land

The port has an extensive land holding which is used for port related industry development purposes.

Cattleyards

Modern cattleyards with a feedlot capable of holding 4,500 head are located on the Port Reserve one kilometre from the jetty. The port specialises in cattle export and maintains a full complement of loading equipment.

Machinery and Plant

The port operates three mobile cranes of 31, 35 and 100 tonne capacity. The port owns spreader bars including multi-bag spreaders, meaning the port's stevedores can undertake just about any job. Containers are loaded and unloaded directly via road transport. A 14m 50 tonne public weighbridge is also available.

Water and fuel

The port is able to supply water and diesel fuel at rates of up to 120 tonnes an hour.

Kimberley Region Economic Profile

The Kimberley

The Kimberley region of Western Australia is the northern-most region of the State, covering an area of 421,451 square kilometres. The region has experienced population growth of nearly 40% over the last decade stimulated by developments in tourism, mining, agriculture, horticulture, aquaculture and the fishing industries.

It is one of the fastest growing regions in Western Australia and has an estimated population of nearly 25,000 people. Growth estimates indicate that this figure will nearly double by the year 2026 under a medium growth scenario.

The Kimberley has a diverse economy with tourism, agriculture, mining, pearling, community services and retail trade as the major contributors to economic output.



The mining sector contributes significantly to the size of the Kimberley economy in terms of value but makes a small contribution to the region's labour force, providing around 247 jobs for people residing in the region. The largest employing sector is the Health and Community Services sector.

The Kimberley is likely to become a major agricultural producer in the future with its economy diversified through growth in tourism and the emergence of a major aquaculture industry.

Mining and Petroleum

Value of production in this sector was valued at \$631 million in 1997/98. The Argyle Diamond Mine is the world's largest by volume and produced diamonds worth \$538 million, or approximately 42.5 million carats in 1997/98.

The Kimberley also is home to one of Australia's most efficient lead-zinc mining operations operated by Western Metals Ltd. Other mineral and petroleum commodity reserves include gold, bauxite, oil and gas.

Irrigated Agriculture

Irrigated agriculture has grown rapidly in recent years capitalising on out of season markets in southern Australia and emerging international markets. Gross production from the Ord Irrigation Area is estimated at around \$59 million per annum in 1997/98.

The scheme is based on the abundant water resources of the Ord System at Lake Argyle and Lake Kununurra. In addition to sugar, the area produces a wide range of higher value crops. Irrigated agriculture and horticultural development has also resulted in production activities north-east of Broome near Derby.

Pastoral

The pastoral industry is based on rangeland production of beef cattle on 98 pastoral leases covering around 23 million hectares. The Kimberley herd comprises around 500,000 head, representing 38% of the state's total with production currently valued at around \$50 million.

Restructuring of the industry has seen a move into new market options for both live cattle into Asia, Europe and the Middle East and processed beef into a range of markets.

Pearling and Aquaculture

The fishing and aquaculture industries are dominated by pearling but also include finfish, prawning operations and small-scale aquaculture ventures.

The cultured pearl industry is serviced primarily from Broome and produces approximately \$200 million worth of pearls and pearl shell in 1998/99, most of which is exported.

Conditions in the region are suited to the development of a major aquaculture industry in the future and a number of important prospects have been identified.



Tourism

The Kimberley region has a unique and spectacular natural environment which is attracting increasing numbers of visitors each year. Tourism is a rapidly expanding industry with estimated expenditure of around \$140 million in 1996 which by 1998 had reached \$360m.

The industry is likely to continue to grow rapidly, building on the region's impressive natural features and its proximity to the associated Asian and Northern Territory markets and destinations.

Sources: Kimberley Development Commission and Kimberley Tourism Association



A busy day servicing pearling, fishing and charter vessels on the inner berth

Port Operations Report

The trade throughput at the Port of Broome for the 12 months ending 30 June 2002 was 167,000 tonnes, representing an 11.8% decrease on the record of 189,000 tonnes set in 2000/01. The result was still the second highest on record for the port. The reduction in trade reflected the downturn in the regional economy and a temporary lull in offshore oil & gas work in the region.

- fuel imports were up 8.9% to a record 108,744 tonnes;
- bunkers decreased by 32.6% to 18,484 tonnes;
- livestock exports were down 18.3% to 23,626 tonnes;
- drilling equipment handled was down 65.8% to 4,086 tonnes; and
- coastal trade was down by 3.6% to 10,756 tonnes.

The number of trading vessels calling at the port decreased from 174 to 122 in the financial year, a reduction of 41%. Nearly all of the reduction was due to fewer offshore supply vessels calling at the port.

The trading position at Broome is never adequately addressed by tonnage throughput alone as a substantial component of the port's activity is taken up in servicing the region's pearling, fishing and charter boat fleets. The cargo handled for these customers is not included in the trade statistics for the port.

In the 2001/02 year the number of small boats serviced decreased by 16.9% to 959 vessels. Pearling vessels serviced were down by 20.5% to 475 and fishing vessels down 16.4% from 369 to 209. The reduction in fishing vessels serviced continue the downward trend since 1996/97 when 527 vessels were serviced at the port.

Offshore Oil and Gas

The Port of Broome's 1998 Strategic Plan identified that significant potential existed for Broome to become an important supply base for servicing offshore oil and gas exploration activity. This conclusion was backed by the results of a Kimberley Development Commission and Department of Resources Development report by BHP Engineering into the potential of the Kimberley ports to service the industry.

In 1999/00 the port mounted a successful campaign with the close support of the Kimberley Development Commission, the Broome Chamber of Commerce and the Shire of Broome to demonstrate to the offshore exploration companies that Broome was more than capable of servicing their needs. The Western Australian Government assisted with a \$2m equity injection to assist in the acquisition and construction of essential port infrastructure.

This investment was backed up by the private sector with Mermaid Marine Australia Pty Ltd establishing a supply base on land adjacent to the jetty and Broome Pipelines Ltd installing a new bunkering line to supply fuel to the supply vessels at rates of 120 tonnes per hour.

Inpex Corporation was the first offshore explorer to drill out of the port, soon joined by BHP Petroleum, Woodside Energy and later RTB Petroleum.

In 2001/02, exploration in the region was relatively subdued, with a number of programs deferred due to a shortage of available drilling rigs and supply vessels. During the year the port serviced two offshore drilling operations by BHP Petroleum and Santos. Revenue from this work totalled \$199,578 or 6% of port income, a substantial decrease from 2000/01 when \$572,201 in revenue (16% of income) was generated from servicing offshore exploration.

Cattle Exports

The severe downturn in Australian cattle exports to Asia as a result of the Asian financial crisis in 1997/98 did no harm to this trade through the Port of Broome. The industry was successful in developing new and expanded markets in North Africa which Broome, of all Australian ports, is best placed to serve. The Port of Broome enjoyed record cattle exports with 57,000 head shipped in 1998 increasing to 85,000 head by 2000. Annual shipments have since stabilised at around this level and are not expected to increase significantly until the size of the herd in the region expands.

The increase in live cattle exports has been instrumental in the port's newly won financial viability. The port's success in expanding its cattle export catchment area can mostly be attributed to the port's efforts to increase its efficiency in handling this trade including:

- the provision of land for extensive new cattle yards;
- the design and construction of a hydraulically operated cattle loading box to allow loading across a greater tidal range;
- installation of a new 14m, 50 tonne weighbridge designed to accommodate the full length of a cattle trailer;
- construction of a full complement of cattle races and ramps to cater for the needs of all exporters; and
- a flexible and efficient workforce.

In 2001/02 the livestock trade provided revenues of \$656,987, making up 20% of port income.

Petroleum

The main cargo handled at the port is petroleum supplies for the whole of the West Kimberley. In

tonnage terms, petroleum comprised 64% of the port's throughput in 1998/99, 58% in 1999/00, 52% in 2000/01 and 65% in 2001/02. The trade provided \$1,095,823 in revenue representing 33% of the port's income in 2001/02, as compared to \$897,212 (25% of income) the previous year.

The great majority of shipments come direct by tankship from BP's Kwinana Refinery. The fuel is discharged at the jetty via a 30-cm pipeline to the Broome Oil Tank Farm. Approximately once every eighteen months crude oil from the Blina onshore field is backloaded onto the tanker from its storage tank at the tank farm.

Petroleum products currently handled are diesel and unleaded fuel. The West Kimberley's aviation fuel (Jet A1) totalling about 16 million litres a year comes up on the same tankship carrying the region's diesel and unleaded fuel but is offloaded at Port Hedland and then road trained to Broome airport on a 1,200 km round journey three times a week.

The port has requested the fuel industry to review the situation in view of:

- the vessel carrying the fuel (usually the Australian Pride) is en route to Broome anyway;
- the additional \$0.03 per litre cost of trucking;
- the threat to the security of supply posed by trucking over a long distance using a highway subject to closure due to heavy rain or the passage of a cyclone; and
- Broome's rapid growth – Broome airport is already the busiest regional airport in Western Australia and construction of a new international airport will commence soon.

The environment is also a clear winner with the marginal pollution load resulting from leaving the fuel on the tankship a fraction of that generated by running three road trains a week on the 1,600 km round trip from Dampier to Broome. Clearly there are also savings to be made in road maintenance with 4,800 less road train kilometres a week between Dampier and Broome.

While the petroleum trade has grown strongly in recent years in line with the growth of the West Kimberley, the outcome of the West Kimberley Power project may reduce this trade significantly. If tidal power is selected or gas-fired power stations decided upon and the LNG brought up by road on the 1,600 km round trip from Dampier, the port will suffer a major setback. If gas is selected, the port believes a case can be made to have the fuel brought up by sea. To facilitate sea transport, the port is willing to provide land for the Broome Power station within the port reserve.

Should the LNG be trucked into the Kimberley the port will look to other trade to take its place. The port will principally be looking to achieve this by:

- increased services to the offshore oil and gas industry; and
- handling Broome's jet fuel.

Coastal Shipping

The port at one time handled much of the supplies for the town of Broome brought up by the State Shipping Service, and because of the very poor state of the roads, sea freight enjoyed a virtual monopoly. Over time, as the roads and trucking service improved most of the port's coastal shipping trade was lost to road transport.

Other factors contributing to the loss of the trade were:

- the speed at which road transport could deliver;
- inefficiency at the port and of the shipping service; and
- poor customer service.

While efficiency, effectiveness and customer service at the port have improved greatly in the past five years, it will take a big effort for Norwest Shipping to win back this lost trade, despite the fact that sea freight is substantially cheaper than road transport.

The port intends to play its part in the task by:

- providing land for a container park at the port;
- continuing to provide volume based discounts for containers;
- working closely with Norwest Shipping to further improve vessel discharge and loading; and
- assisting in the promotion of the service in Broome and the West Kimberley.

Cruise Shipping and Tourism

Broome is coming to notice as a new and exotic destination for the world's cruise shipping companies. In the past four years the port has played host to visits by the following luxury cruise liners:

- *'Royal Viking Sun'* 37,845 GRT;
- *'Nieuw Amsterdam'* 33,930 GRT;
- *'Norwegian Star'* 28,518 GRT;
- *'Europa'* 28,437 GRT;
- *'Crystal Symphony'* 51,044 GRT; and
- *'Delphin'* 16,214 GRT; and
- *'Silver Cloud'* 16,927 GRT.

The port also hosts Broome's charter boat fleet that thrives on the great game fishing, reef fishing, diving and sightseeing available in this remote part of the world. The *'Coral Princess'* which tours the fabulous gorge country of the Kimberley coastline, calls at the port nine times a year with 50 passengers. Other regular callers are the luxurious *'True North'* and *'Kimberley Quest'* while a host of smaller vessels offer day charters and reef fishing excursions.

Planning & Infrastructure

Strategic Development of Port Land

Land at the Port of Broome is developed in accord with the Port of Broome Land Use Plan, which is being updated to take into account the development of service to the offshore oil and gas industry and an ethnographic and archeological survey of the port reserve.

A number of strategic developments within the port area have been commenced. To meet the port's growing demands, a new office complex "The Port of Pearls House" was completed last year, with the Broome Port Authority as a minor tenant. A new Customs House to accommodate the Kimberley HQ of the Australian Customs Service will be built on the same lease area in 2002/03.



Port of Pearls House – the new administration complex at the Port of Broome

Other planned developments include making leased land available for the development of Broome's new power station, a fully integrated marine service facility and a container park to handle the growing general cargo trade through the port.

Strategic Development Plan and Statement of Corporate Intent

In March 2002 the port, as required by the *Port Authorities Act 1999*, submitted its five year Strategic Development Plan (2002 – 2007) and Statement of Corporate Intent for the 2002-03 financial year to the Minister for Planning and Infrastructure for approval.

Planned Wharf Extension

Trade through the port has escalated rapidly and berthage space, unchanged since the port's construction in 1966, is now inadequate. Rapidly growing offshore oil and gas work at the port is making the situation even more urgent.

The port completed a study to determine the best means of increasing berthage space in 1999/2000. A \$14 million extension 148m south along the axis of the existing jetty, which would

increase berthing space by 80%, was identified as the best option.

In the absence of a major contract from a long-term customer, the port has not yet reached the critical mass to allow it to fund the extension without an equity contribution from its sole government shareholder.

Funding sources for this extension are still being pursued and the earliest construction could be expected to commence in 2003/2004.

Infrastructure Development

The port has seen more infrastructural development in the past four years than it had in the previous thirty years. Developments and acquisitions include:

- a Terex A400 35 tonne rough terrain mobile crane was purchased in February 1999 at a cost of \$380,000 for service of the pearling, fishing and cattle export industries;
- a Terex 1354 100 tonne all terrain mobile crane was purchased in February 2000 at a cost of \$1,100,000 for the service of offshore oil and gas supply vessels calling at the port;
- a \$300,000 upgrade of the port's entire electrical distribution network which was completed in 2000/01;
- a \$650,000 upgrade of the jetty water supply system was completed in 2000/01, the upgrade including the installation of a new 150mm pipeline, a new electric booster pump with diesel powered backup, and a new 1,000m³ water tank which more than tripled the port's storage capacity;
- Broome Pipelines, a consortium of fuel suppliers West Kimberley Fuels and Fremantle Oil Distributors, installed a new 200mm bunkering line and three state-of-the-art fuel cabinets at a cost of \$900,000. The new system triples the bunkering rate at the port to 120 tonnes an hour;
- a \$640,000 recreational boardwalk was completed in May 2001. The 640m boardwalk allows pedestrians and anglers to enjoy the amenity of the famous Broome jetty in safety during the increasingly frequent periods that the jetty is otherwise closed to recreational use;
- a new 14m 50 tonne weighbridge was installed in April 2000 for the service of the livestock export industry. The weighbridge replaced the old one which was too short to weigh the full length of a trailer; and
- the program of replacing the port's ageing fleet of forklifts continued; in the past three years three forklifts each over twenty years old have been replaced with new 3.0 and 3.5 tonne machines.

- a new outer berth fender system has been ordered. The new \$1m system will replace the Port's 1966-vintage timber spring fendering which is no longer capable of handling vessels of the size now calling at the Port. The new system will be in place by November 2002.



'Roebuck Belle' - Terex 1354 purchased for service of the offshore oil and gas industry

Deferred Maintenance Program

In March 1995 Cabinet approved a range of new measures for the future operation of the Ports of Broome and Wyndham. As part of this approval Government agreed to provide funding to make good the accumulated deferred maintenance at both ports in the interests of future operational safety.

In 1996 Consultants were appointed to assess the extent of outstanding maintenance at the ports of Broome and Wyndham, prepare recommendations and cost estimates together with a possible work program. The report was completed in April 1997 and as a result of the report an allocation of \$3.977 million was made to the Department of Transport to implement the deferred maintenance program at the Port of Broome over a period of 8 years.

In 1997 Egis Consulting Australia was appointed to project manage the Deferred Maintenance Program. This involves prioritising the works, preparation of the necessary tender documents and administering the contracts.

The bulk of the funds was allocated to structural repairs and corrosion protection of the jetty, fender repairs and upgrading and deck repairs. Other projects included navigational aid maintenance, road and hardstanding repairs, electrical and water supply maintenance.

Works completed under the program include:

- refurbishment of the protective coatings on the jetty piles and beams;
- refurbishment of the cathodic protection system;
- resealing of the hardstand and sealing of the oil tank farm road;
- refurbishment of the existing navigational

- aids and provision of new leads to mark the new entrance channel to the Port;
- upgrading of 50% of the inner berth fender system;
- design of a new fender system for the outer berth;
- provision of a new electronic security gate; and
- rehabilitation of the protective coatings on approximately 11,000 m² of steel soffit and jetty edge beams.

Expenditure to the end of June 2001 totalled \$4.514 million which means that the original government funding has been more than exhausted. Outstanding works on deck repairs will now have to be funded by the port.

During the year considerable work was undertaken to repair assets damaged by Cyclone Rosita which hit Broome in April 2000. Work undertaken included:

- repairs to damaged kerbing on the jetty;
- repairs to eroded embankments;
- location and salvage of a lost navigational aid;
- re-roofing of the transit shed on the jetty;
- replacement of the security fencing around a transformer; and
- replacement of lost timber walkway sections on the jetty approach.

During the year a major achievement was the completion of the 640m long boardwalk and fishing platform which has improved safety and proved popular with anglers and tourists alike.

Throughout this period the port has also completed an upgrading program to water supply services and weighbridge facilities. Works undertaken include the upgrade of the water supply to facilitate vessel bunkering at the rate of 100 tonnes per hour, including the construction of a 1,000 kl storage tank and provision of a new 50 tonne weighbridge.

Safety and Environment

The port has continued to implement its Health Safety and Environmental (HSE) Management System. Of the 26 procedures in the HSE manual 14 have been fully implemented. One of the new procedures we added this year was for the pilot boat which involve purchasing 4 new life jackets and a safety harness. The owners of the pilot vessel, J&T Fishing, spent over \$100,000 on a new fit-out which included new safety railing and anti slip on the deck areas.



Over \$100,000 has been spent on refurbishing the multi-stage landings at berths 0, 1 and 2. The work was commissioned after safety concerns had been raised regarding the condition of the landings. The refurbished landings have drawn favourable comments from all of the landings users. At all other berths the ladders have been renewed or refurbished.

The port has also invested in a new mancage as the old one did not meet the Australian Standard. A gatewatch shelter and cargo shed lunch room have also been built to provide better working conditions for port employees.

A parking policy on the jetty has been enforced and more informative signage has been provided for the public's safety.

All full-time staff have been inducted and casuals are being inducted as they gain employment with the port.

As noted in the safety KPI table below we have had an increase in most of the categories. This is owing to the focus on OHS rather than more safety issues in the work place. One of the major increases has been in the number of hazards rectified. This is a credit to all employees as not only have they noted the hazard they have been pro-active in resolving the issue.

	2001	2002
No Lost Time Injuries (Doctor/Medical Treatments)	2	4
Lost Time Injuries	0	3
Total Injuries	2	9
No. of First Aid Treatments	6	12
Number of Working Days Lost	0	22
Near-Miss Incidents (Not resulting in injury)	6	12
No. of Procedures Implemented	0	14
No of Toolbox Talks Completed	47	29
No. of Incidents Investigated.	2	10
Number of Hazards Rectified.	29	61



Garry Eaton
Safety Coordinator

Administration

Proclamation of the Broome Port Authority

In June 1999 State Parliament passed the *Port Authorities Act* requiring ports to be more accountable and to adopt a commercial approach to business. The Broome Port Authority was proclaimed as Western Australia's eighth port authority on 1 January 2000, bringing to a close over 110 years of administration of the port by the Department of Transport and its predecessors.

Our People

In accord with the Broome Port Authority's Values Statement, the port aims to provide a satisfying, challenging and safe workplace encouraging commitment, enthusiasm and team work.



Port employees Mal Gower & Craig Gamble

The port conducts its own stevedoring with an integrated and flexible team which also carries out most of the day to day maintenance of the port.

Customer Service

The Broome Port Authority is committed to providing reliable, efficient and commercially viable port services and facilities for our customers.

Our customers are the cattle export industry, pearling and fishing industries, the bulk fuel industry, coastal shipping and general cargo services, the Royal Australian Navy, the offshore oil and gas industry and cruising and charter boat industries. We deal regularly with shipping lines, shipping agents, stevedores, importers, exporters, Australian Customs and Quarantine Services and the wider community.

As part of its commitment to customer service the Broome Port Authority has:

- produced and published its first Customer Service Charter outlining our service standards;
- established a Port User Group to consult with principal customers and stakeholders and address day to day operational issues raised; and
-

- ensured that all staff wear name badges and uniforms so as to be easily identifiable to customers.

During the year the Port entered the Australian Institute of Transport's customer services awards for the first time. The awards are judged from the results of performance measured by a customer survey conducted by the Institute. The Port's results while not yet high enough to win an award were of high standard in all categories assessed, a very pleasing result for everyone at the port.

Disability Services

The Port has prepared a Disability Services Plan in accordance with Section 29 of the Disability Services Act (1993).

The new 640m long recreational boardwalk has greatly improved safety and access for people with disabilities. The boardwalk incorporates ramps to allow wheelchair access.

Equal Employment Opportunity

The Broome Port Authority is committed to ensure;

- no job applicant or employee will receive less favourable treatment on the grounds of sex, marital status, pregnancy, race, religion, political conviction or impairment or is disadvantaged by conditions or requirements which cannot be shown to be relevant to performance;
- the talents and resources of employees are utilised to the full; and
- the promotion of equal employment opportunities for all of its employees and recognises its legal obligations under the Equal Opportunity Act, 1984.

Public Sector Standards

The Broome Port Authority is required to comply with Public Sector Standards in Human Resource Management, the Western Australian Public Sector Code of Ethics and an established Code of Conduct.

The Authority has formally adopted a Code of Conduct prepared in consultation with the Office of the Commissioner of Public Sector Standards.

Recruitment and Selection Guidelines have been prepared in accordance with Public Sector Standards.

Industrial Agreements

During the year the port concluded a three year Enterprise Bargaining Agreement and participated in the process leading to the establishment of the Broome Port Authority Award 2002.

The new Award was struck as part of the Award Simplification process under Workplace Relations and Other legislation Amendment Act 1996.

Section 175ZE of the Electoral Act 1907

In accordance with section 175ZE of the *Electoral Act 1907* we advise details of the Port's expenditure during the 2002 financial year as follows;

- media advertising organisations \$5,801

This amount was paid to the following entities;

- WA Newspapers \$2,449
- Seek Communications Ltd \$ 99
- Baird Publications \$1,045
- Broome Advertiser \$2,208

AFS Scholarship

The Board of Directors of the Broome Port Authority sponsor from their own Director's fees an AFS overseas cultural exchange scholarship for a Broome high school student.

The Broome Port Authority AFS Scholarship winner for 2002 is Ms Kylie Jones. Kylie's scholarship has taken her to Chile where she is living with a family in the town of Victoria. Kylie is attending the local high school and learning to speak Spanish. Apart from learning a great deal about life and culture in Chile, Kylie is able to mingle with AFS students from all over the world at special AFS camps held during the year. We are sure Kylie's experience will benefit her and her community for many years to come.

The Broome Port Authority AFS Scholarship winner for 2003 is Ms Kiri McGrath of Broome Senior High School. Kiri's scholarship will take her to Switzerland for a year where she will learn either French or German or Italian, depending on the part of the country she lives in.



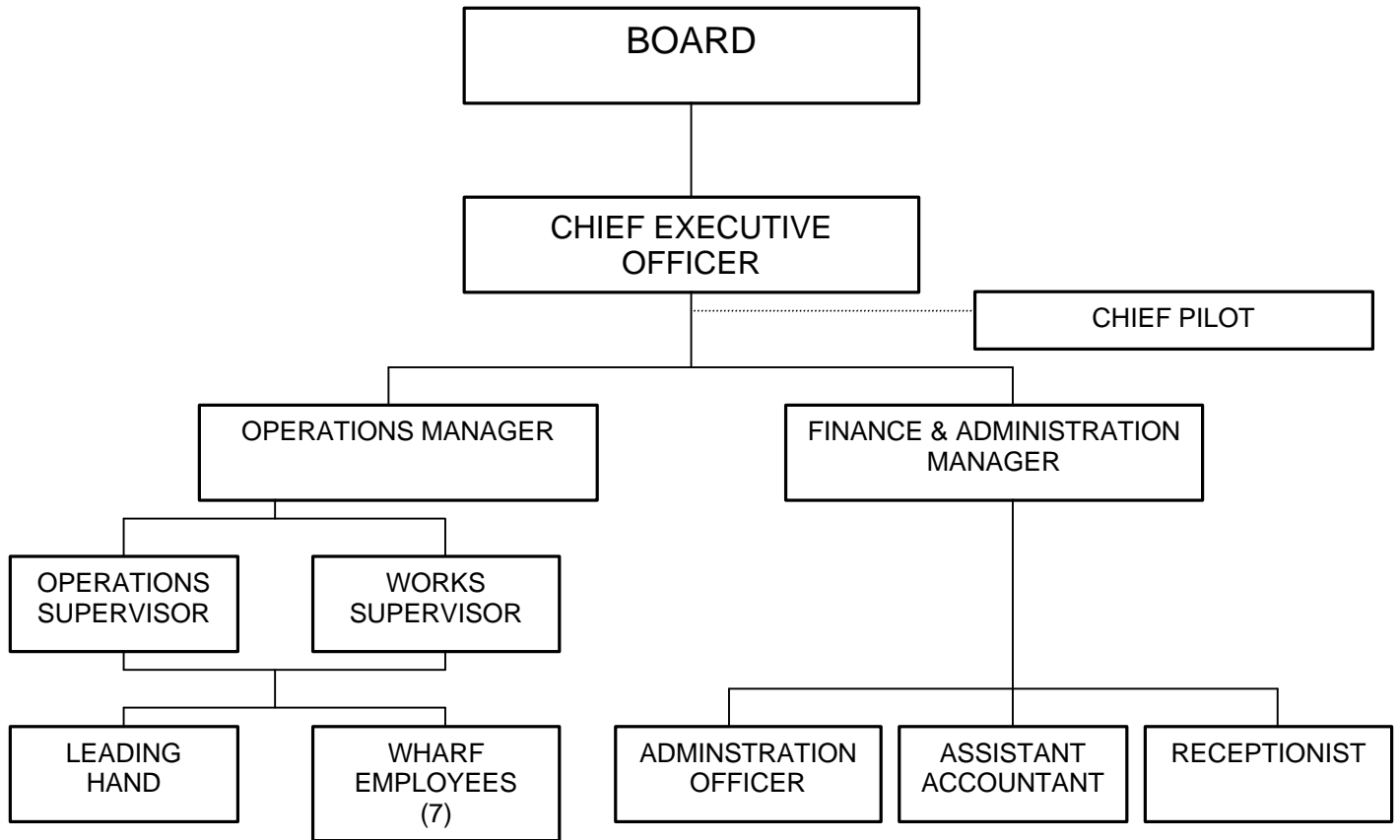
*Ms Kylie Jones
Broome Port Authority AFS scholarship
winner 2002*



*Suzanne Rigney - receptionist, public relations officer,
font of bright ideas and sometimes stevedore*

Personnel

Organisational Chart



Financial Review 2001/02

The financial year ended 30 June 2002 was the second full financial reporting period for the Broome Port Authority during which it recorded an operating loss of \$188,368 before tax. This figure compares unfavourably with a budgeted loss for the period of \$115,228.

The adverse nature of this result can largely be attributed to a downturn in Port activity over the financial year as discussed in the operational report.

The revenue from services to vessels decreased by 16.7% from that generated in 2001.

The Port's activities grew significantly in the four financial years up to and including 30th June 2001 such that revenues doubled during this period. This rapid growth was halted by a number of factors including the restricted operational capacity of the Port. Legal costs relating to industrial relations matters also negatively affected the 2002 result.

As a result of necessary investment in infrastructure over recent years, a significant portion of the Port's fixed expenses are made up of depreciation. Normal earnings before interest, tax, depreciation and amortisation (EBITDA) for the year were \$587,539.

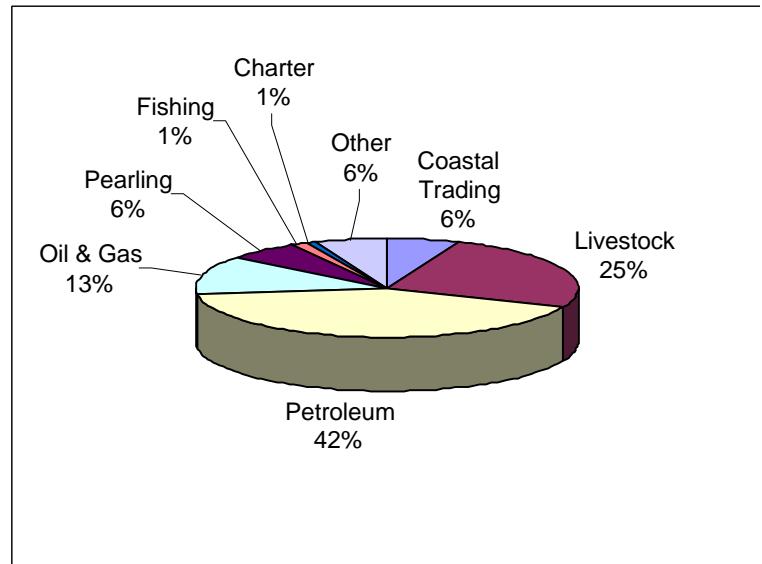
The Port generated a net operational cash inflow of \$557,231 for the year and invested \$523,478 back into the Port by way of capital expenditure on property, plant and equipment.

The year's capital expenditure was spread across a range of projects including, completion of the jetty boardwalk, fencing for the workshop, upgrade of the jetty deck, new accounting software, replacement motor vehicles, new low level landings, road widening and an upgrade to the weighbridge.

The Port's statement of financial position as at 30 June 2002 reflects a continued sound position for an organisation of its size, with net assets of \$13.3 million (including cash reserves of \$1.15million).

Although the Port's trade has grown significantly over the past five years, it has reached a point that, without an extension of the berthing facilities, future growth at the Port and sea trade in the Kimberley will be constrained. The financing of such an extension of the Port's facilities continues to be a priority in the forthcoming year.

Don Langdon
Finance & Administration Manager



**Port of Broome 2001/02 –
Share of Income from services to vessels by industry**

BROOME PORT AUTHORITY

Directors' Report

In accordance with Schedule 5 of the *Port Authorities Act 1999*, the directors submit their report for the year ended 30th June 2002.

Directors

The following persons were directors of the Broome Port Authority during the financial year and up to the date of this report:

Mr. Allan Griffiths (Chairman)

Mr Griffiths is a local businessman with diverse experience in property development and commerce. As well as involvement in varied businesses, Mr Griffiths has been a Broome Shire Councilor, President of the Broome Chamber of Commerce, President of the Kimberley Tourism Association and had influence at various levels in many other community organisations. Mr Griffiths' present term expires on 31st December 2002.

Ms Theresa Howe (appointed 7th June 2002)

Ms Howe was appointed to the Board on 7th June 2002 for a term expiring on 30th June 2003. Ms Howe has a Diploma of Education and Bachelor of Economics degree and is currently the Secretary of the Independent Schools Association Salaried Officers Association. Ms Howe has been a teacher and business proprietor and is very experienced in various aspects of industrial and workplace relations.

Mr. Graeme Hutton

Mr Hutton is a geologist and businessman. Mr Hutton brings considerable experience to the Board as a director of a number of public companies and operator of a pearling business. Mr Hutton's present term expires on 31st December 2003.

Mr. Kim Male

Mr Male's family has been closely involved with the development of Broome and the pearling industry for a hundred years. Mr Male is a local businessman and has been a member of the Broome Shire Council for 29 years. Mr Male is also a member of the Kimberley Development Commission, his present term as a director of the Port Authority expires on 31st December 2003.

Mr. Martin Peirson-Jones (Deputy Chairman)

Mr Peirson-Jones is a proprietor of a number of successful tourism ventures in the Kimberley and has been involved in a range of Kimberley businesses whilst a long-time resident. Mr Peirson-Jones is a member of the Kimberly Development Commission and the Kimberley Tourism Association, his present term as a director of the Port Authority expires on 31st December 2002.

Mr. Reece Waldock (resigned 7th June 2002)

Mr Waldock has been Executive Director of the Metropolitan and Maritime Divisions of the former Department of Transport and has a wealth of experience and expertise in public sector and maritime policy. Mr Waldock chaired the Port Advisory Board from inauguration in 1995 until its job was completed in December 1999. Mr Waldock resigned on 7th June 2002.

Principal activities

Broome Port Authority:

- Provides, administers and maintains essential facilities including the jetty, navigation aids, berths, storage areas and utilities.
- Provides pilotage, stevedoring and mooring services.
- Controls the activities of others in the port precinct including the planning and construction of facilities.
- Leases industrial land.
- Plans for the future growth and development of the port.

There has been no significant change in the nature of these principal activities during the financial year.

Trading results

The operating loss for the year after providing for income tax was \$123,233

Dividends

The Directors recommend that no dividends be declared for the year. Since the end of the previous year, no dividends have been paid.

Review of operations

During the year the authority continued to undertake its principal activities. A review of these operations is contained in the Chairman's Report, the Chief Executive Officer's Review and the Port Operations Report.

Significant changes in the state of affairs

There have been no significant changes in the state of affairs of the port authority during the financial year.

Significant events after the balance date

No matter or circumstances have arisen since the end of the financial year that have significantly affected, or may significantly affect the operations, results of operations or state of affairs of the port authority in subsequent financial years.

Likely developments

In the opinion of the Directors, no developments have occurred since the end of the financial year that are likely to affect the operations of the authority at the date of this report.

Directors meetings

During the financial year 8 Directors' meetings were held. The number of meetings in which the Directors were in attendance is shown in the table below.

Attendance at Directors Meetings	Directors Meetings	
	No of meetings eligible to attend	Meetings attended
Allan Griffiths	8	8
Theresa Howe	1	1
Graeme Hutton	8	5
Kim Male	8	8
Martin Peirson-Jones	8	8
Reece Waldock	7	3

Directors' interests in contracts

During or since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of emoluments received, or due and receivable in the financial statements or the fixed salary of a full time employee) by reason of a contract made by the Port Authority with the director or with a firm of which the director is a member or an entity in which the director has a substantial financial interest other than those disclosed at note 19 to the financial statements.

Insurance of directors and officers

The Authority has not paid any premiums in respect of insurance of directors and officers against liabilities incurred in their role as directors or officers of the Port Authority.

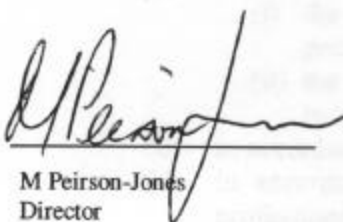
Environmental regulation and performance

The Port's policy is to comply with applicable environmental regulations. There have been no material known breaches of any environmental license conditions.

Signed in accordance with a resolution of the Directors.



A Griffiths
Chairman



M Peirson-Jones
Director

Broome
24th September, 2002



AUDITOR GENERAL

INDEPENDENT AUDIT REPORT ON BROOME PORT AUTHORITY

To the Parliament of Western Australia

Matters Relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements of Broome Port Authority for the year ended June 30, 2002 included on Broome Port Authority's web site. The Authority's directors are responsible for the integrity of Broome Port Authority's web site. I have not been engaged to report on the integrity of this web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial statements to confirm the information included in the audited financial statements presented on this web site.

Scope

I have audited the financial statements of Broome Port Authority for the year ended June 30, 2002 comprising the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, accompanying Notes and Directors' Declaration. The Authority's directors are responsible for the financial statements. I have conducted an independent audit of the financial statements in order to express an opinion on them as required by the Port Authorities Act 1999.

My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial statements are presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Authority's financial position, and performance as represented by the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial statements of Broome Port Authority are properly drawn up:

- (a) so as to give a true and fair view of:
 - (i) the Authority's financial position at June 30, 2002 and of its performance for the financial year ended on that date; and
 - (ii) the other matters required by schedule 5 of the Port Authorities Act 1999 to be dealt with in the financial statements;
- (b) in accordance with the provisions of the Port Authorities Act 1999; and
- (c) in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia.

D D R PEARSON
AUDITOR GENERAL
September 27, 2002

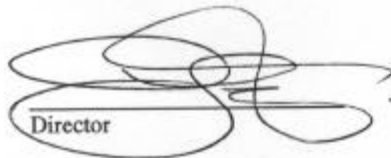
BROOME PORT AUTHORITY

Directors' Declaration

In accordance with a resolution of the Directors of the Broome Port Authority we declare that -
in the opinion of the Directors:

- (a) the financial statements and associated notes comply with the applicable accounting standards and Urgent Issues Group Consensus Views and the Port Authorities Act 1999;
- (b) the statement of financial performance gives a true and fair view of the profit of the Authority for the year ended 30 June 2002;
- (c) the statement of financial position gives a true and fair view of the state of affairs of the Authority as at 30 June 2002; and
- (d) at the date of this statement there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

For and on behalf of the Board,



Director



Director

Broome
24th September, 2002

BROOME PORT AUTHORITY
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2002

	Note	2002 \$'000	2001 \$'000
Revenue from Ordinary Activities	2	3,376	3,567
Port Operational Expenses	3	2,487	2,700
Management and Administration Expenses	3	1,077	845
Profit/(Loss) from Ordinary Activities Before Income Tax		<u>(188)</u>	<u>22</u>
Income Tax (Expense)/Benefit	4	65	(14)
Net Profit/(Loss)		<u>(123)</u>	<u>8</u>

The above Statement of Financial Performance should be read in conjunction with the accompanying notes.

**BROOME PORT AUTHORITY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2002**

	Note	2002 \$'000	2001 \$'000
CURRENT ASSETS			
Cash Assets	5.1	1,149	1,115
Receivables	5.2	834	635
Other	5.3	39	84
Total Current Assets		<u>2,022</u>	<u>1,834</u>
NON-CURRENT ASSETS			
Property, Plant and Equipment	6.1	11,678	12,101
Deferred Tax Assets	6.2	233	56
Total Non-Current Assets		<u>11,911</u>	<u>12,157</u>
TOTAL ASSETS		<u>13,933</u>	<u>13,991</u>
CURRENT LIABILITIES			
Payables	7.1	467	502
Current Tax Liabilities	8	-	1
Provisions	9	144	160
Other	10	8	4
Total Current Liabilities		<u>619</u>	<u>667</u>
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities	8	125	12
Total Non-Current Liabilities		<u>125</u>	<u>12</u>
TOTAL LIABILITIES		<u>744</u>	<u>679</u>
NET ASSETS		<u>13,189</u>	<u>13,312</u>
EQUITY			
Contributed Equity	11	13,253	13,253
Retained Profits/(accumulated losses)	12	(64)	59
TOTAL EQUITY		<u>13,189</u>	<u>13,312</u>

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

**BROOME PORT AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2002**

	Note	2002	2001
		\$'000	\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		3,430	3,364
Payments to suppliers and employees		(2,923)	(2,446)
Interest received		51	60
Income tax paid		(1)	(47)
Net cash Inflow from operating activities	13.1	<u>557</u>	<u>931</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of property, plant and equipment		57	-
Payments for purchase of property, plant and equipment		(580)	(2,368)
Net cash (outflow) from investing activities		<u>(523)</u>	<u>(2,368)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Equity contribution	11	<u>-</u>	<u>1,387</u>
Net Cash Inflow from Financing Activities		<u>-</u>	<u>1,387</u>
NET INCREASE / (DECREASE) IN CASH HELD		34	(50)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		1,115	1,165
CASH AT THE END OF THE FINANCIAL YEAR	5.1	<u><u>1,149</u></u>	<u><u>1,115</u></u>

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following significant accounting policies have been adopted in the preparation of the financial statements for the year ended 30 June 2002. Unless otherwise stated these policies are consistent with those adopted in the preceding year.

1.1 Basis of Accounting

These financial statements have been prepared as a general purpose financial report in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and Urgent Issues Group Consensus Views and the financial reporting provisions of the Port Authorities Act 1999, which generally reflects the relevant sections of the Corporations Act 2001.

The financial report has been prepared on an accrual accounting basis and in accordance with the historical cost convention.

1.2 Revenue Recognition

Revenue from ordinary activities is net of returns and taxes, for services to entities outside the authority and is recognised when the goods or services have been provided. Revenue from rentals and leases is recognised when accrued. Interest revenue includes interest on short-term investments and is recognised when accrued.

1.3 Income Tax

The Authority adopts the liability method of tax-effect accounting whereby the income tax attributable to profit shown in the Statement of Financial Performance is based on the profit from ordinary activities before income tax adjusted for any permanent differences. The provisions for deferred income tax and the future income tax benefit represent the tax effect of timing differences calculated at the rate of income tax applicable when those timing differences are expected to reverse. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of the realisation of the benefit. The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income tax legislation, and the anticipation that the Authority will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

From 1 July 2001 the Authority was subject to taxation under the National Tax Equivalent Regime ("NTER"). Under NTER the Authority is required to pay to the State Government the equivalent tax that would be paid to the Federal Government under Federal Tax Legislation.

1.4 Payment of Dividend to the State

The port cannot pay a dividend in respect of the 2002 financial year as no profits are available for distribution. There was no dividend paid in respect of the 2001 financial year.

1.5 Investments

Investments are stated at cost and interest revenue is recognised when accrued.

1.6 Receivables

Trade debtors are recognised at the amounts due and are generally settled within 30 days except for property rentals, which are governed by individual lease agreements.

The value of the provision for doubtful debts is assessed using an analysis of historical data to determine the level of risk and subsequent recovery of debts based on the age of those amounts outstanding. Bad debts are written off when formally recognised as being irrecoverable.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.7 Property, Plant and Equipment

Property, Plant and Equipment purchased or constructed for port operations is recorded at deemed cost in accordance with AASB 1041 *Revaluation of Non-Current Assets*.

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 project has been completed.

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

	Depreciation Rates (%)
Buildings	2 –14
Plant & Equipment	10-40
Associated Infrastructure	5-17
Access Channels	7-13
Harbour Facilities	7

1.8 Recoverable Amount of Property, Plant and Equipment

The recoverable amount of an asset is the net amount expected to be recovered through the net cash inflows and outflows arising from its continued use and subsequent disposal.

All property, plant & equipment are reviewed to determine whether their carrying amounts require write down to recoverable amount. Recoverable amount is determined using net cash flows discounted to present values at a rate of 13%. If the carrying amounts of non-current assets exceed the recoverable amount, the assets are written down to the lower amount.

A valuation of the Port Authorities' assets was conducted in January 2001.

1.9 Payables

Payables, including trade creditors, amounts payable and accrued expenses, are recognised when the Authority becomes obliged to make future payments as a result of a purchase for goods or services. Trade creditors are unsecured and are usually paid within 30 days of recognition.

1.10 Net Fair Values of Financial Assets and Liabilities

Monetary financial assets and liabilities not traded in an organised financial market are determined on the cost basis of the carrying amounts of receivables, payables and accruals (which approximate net market value).

1.11 Maintenance and Repairs

Channels, port structures and plant and equipment of the Authority is required to be maintained on a regular basis. This is managed as part of an ongoing major cyclical maintenance program. The costs of this maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated in accordance with note 1.7.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

1.12 Employee Entitlements

Wages and salaries, annual leave, sick leave and other entitlements are recognised, and measured as the amount unpaid at the reporting date at current pay rates in respect of employees' services up to that date.

Employee entitlements expected to be settled within one year together with entitlements arising from salaries and wages, annual leave and sick leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated cash outflows to be made for those entitlements.

Contributions to superannuation funds are charged as expenses when incurred.

1.13 Cash Assets

For the purposes of the Statement of Cash Flows, cash assets include cash at bank and deposits at call.

1.14 Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

1.15 Comparatives

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

1.16 Rounding

Amounts have been rounded to the nearest thousand dollars.

2. REVENUE FROM ORDINARY ACTIVITIES

(i) Revenue from Ordinary Activities consists of the following items:

	2002	2001
	\$'000	\$'000
Revenue from operating activities		
Services to Vessels	2,665	3,201
Rentals and Leases	544	156
	<u>3,209</u>	<u>3,357</u>
Revenue from outside the operating activities		
Interest	51	60
Proceeds from sale of non-current assets	57	-
Other	59	150
	<u>167</u>	<u>210</u>
Total Revenue from Ordinary Activities	<u><u>3,376</u></u>	<u><u>3,567</u></u>

(ii) Individually Significant Item (included above)

Additional rental revenue due to late market rent review of leased property	185	-
---	-----	---

3. PROFIT FROM ORDINARY ACTIVITIES BEFORE INCOME TAX

	2002	2001
	\$'000	\$'000
(a) Net gains and expenses		
Profit from ordinary activities before income tax includes the following specific net gains and expenses:		
Gains		
Net gain on disposal of property, plant and equipment	15	-
Expenses		
Depreciation		
Buildings	54	52
Plant and Equipment	293	258
Associated Infrastructure	145	140
Access Channels	35	35
Harbour Facilities	434	346
Total Depreciation	<u>961</u>	<u>831</u>
Other charges against assets:		
Bad and Doubtful Debts – Trade Debtors	4	5
Provisions - Employee Entitlements	10	2
Auditors Remuneration	15	16

4. INCOME TAX

	2002	2001
	\$'000	\$'000
The income tax attributable to the financial year differs from the amount prima facie payable on the profit from ordinary activities and is reconciled as follows:		
Profit/(loss) from ordinary activities	<u>(188)</u>	<u>22</u>
Prima facie income tax on the operating profit at 30% (2001 – 34%)	(56)	7
Tax effect of permanent differences:		
Non deductible expenses	-	1
Non assessable income	<u>(9)</u>	<u>-</u>
Income tax adjusted for permanent differences	(65)	8
Net adjustment to deferred income tax liabilities and assets to reflect the decrease in company tax rate - nil (2001: from 34% to 30%)	-	6
	<u>(65)</u>	<u>14</u>
Income tax attributable to profit from ordinary activities	<u>(65)</u>	<u>14</u>
Comprising:		
Current income taxation provision	-	2
Deferred income tax provision	113	7
Future income tax benefit	<u>(178)</u>	<u>5</u>
Sub-total	<u>(65)</u>	<u>14</u>

Adjustment to deferred income tax balances

Legislation reducing the company tax rate from 36% to 34% in respect of the 2000-2001 income tax year and then to 30% in the 2001-2002 income tax year was passed during the year ended 30 June 2000. As a consequence, deferred tax balances were measured during the year ended 30 June 2001 using the appropriate new rates, depending on the timing of their reversal.

5. CURRENT ASSETS

5.1 Cash Assets

Cash Assets represent the Cash at Bank and At Call Deposits. Funds surplus to operational requirements has been invested in At Call Deposits to maximise earnings.

	2002 \$'000	2001 \$'000
Cash at Bank	149	115
At Call Deposits	<u>1,000</u>	<u>1,000</u>
Balance as at 30 June	<u><u>1,149</u></u>	<u><u>1,115</u></u>

(i) Significant Terms and Conditions

The cash deposit is on a 24 hours call basis, and pays interest at the rate of 4.75% (2001: 4.75%) per annum.

The cash at bank operating account pays interest at the rate of 3.45% (2001: 3.45%) per annum.

5.2 Receivables

Receivables represent Debtors and Accrued Income. Accrued Income includes accrued interest, charges on ships, cargo and services provided but not invoiced as at reporting date.

	2002 \$'000	2001 \$'000
Trade Debtors	720	561
Less: Provision for Doubtful Debts	<u>-</u>	<u>-</u>
	720	561
Other Debtors	<u>114</u>	<u>74</u>
Balance as at 30 June	<u><u>834</u></u>	<u><u>635</u></u>

(i) Significant Terms and Conditions

Trade debtors are generally settled within 30 days except for property rentals that are governed by individual lease agreements.

(ii) Credit Risk

Trade Debtors

The Authority operates predominantly within the shipping and cargo handling industry and accordingly is exposed to risks affecting that industry. The maximum exposure to this industry risk is the carrying value of the trade debtors.

Other Debtors

No significant risk is believed to be attached to other debtors.

(iii) Net Fair Values

The Authority considers the carrying amounts of receivables approximate their net fair values.

5. CURRENT ASSETS (Continued)

5.3 Other

Other Current Assets represents inventories and prepaid expenses, which comprise the prepayment of services not yet rendered.

	2002 \$'000	2001 \$'000
Prepayments	27	72
Inventory – at cost	12	12
	<u>39</u>	<u>84</u>

6. NON-CURRENT ASSETS

6.1 Property, Plant and Equipment

Property, plant and equipment are carried at cost in accordance with the requirements of AASB 1041 *Revaluation of Non-Current Assets*.

	2002 \$'000	2001 \$'000
(a) Balances		
Land and Buildings:		
Land		
At cost	991	991
	-	-
	<u>991</u>	<u>991</u>
Buildings		
At cost	2,071	2,041
Less: Accumulated Depreciation	(129)	(75)
	<u>1,942</u>	<u>1,966</u>
Associated Infrastructure		
At cost	1,526	1,409
Less: Accumulated Depreciation	(315)	(170)
	<u>1,211</u>	<u>1,239</u>
Harbour Facilities		
At cost	6,200	5,557
Less: Accumulated Depreciation	(895)	(461)
	<u>5,305</u>	<u>5,096</u>

6.1 Property, Plant and Equipment (Continued)

	2002 \$'000	2001 \$'000
Access Channels		
At cost	314	314
Less: Accumulated Depreciation	<u>(87)</u>	<u>(52)</u>
	<u>227</u>	<u>262</u>
Computing Equipment		
At cost	83	62
Less: Accumulated Depreciation	<u>(36)</u>	<u>(18)</u>
	<u>47</u>	<u>44</u>
Plant & Equipment		
At cost	2,118	2,076
Less: Accumulated Depreciation	<u>(524)</u>	<u>(290)</u>
	<u>1,594</u>	<u>1,786</u>
Furniture & Equipment		
At cost	64	56
Less: Accumulated Depreciation	<u>(10)</u>	<u>(3)</u>
	<u>54</u>	<u>53</u>
Motor Vehicles		
At cost	163	137
Less: Accumulated Depreciation	<u>(40)</u>	<u>(38)</u>
	<u>123</u>	<u>99</u>
Total property, plant & equipment at carrying value	11,494	11,536
Add: Work in Progress	<u>184</u>	<u>565</u>
Total property, plant & equipment	<u>11,678</u>	<u>12,101</u>

6.1 Property, Plant and Equipment (Continued)

(b) Reconciliations of carrying amounts

Reconciliations of the carrying amounts of each class of property, plant and equipment are prepared in accordance with the AASB 1041 *Revaluation of Non-Current Assets*.

	2002
	\$'000
Land and Buildings:	
Land	
Carrying amount at 1 July	991
Additions	-
Disposals	-
Carrying amount at 30 June	<u>991</u>
Buildings	
Carrying amount at 1 July	1,966
Additions	30
Disposals	-
Depreciation for the year	<u>(54)</u>
Carrying amount at 30 June	<u>1,942</u>
Associated Infrastructure	
Carrying amount at 1 July	1,239
Additions	117
Disposals	-
Depreciation for the year	<u>(145)</u>
Carrying amount at 30 June	<u>1,211</u>
Harbour Facilities	
Carrying amount at 1 July	5,096
Additions	643
Disposals	-
Depreciation for the year	<u>(434)</u>
Carrying amount at 30 June	<u>5,305</u>
Access Channels	
Carrying amount at 1 July	262
Additions	-
Disposals	-
Depreciation for the year	<u>(35)</u>
Carrying amount at 30 June	<u>227</u>

6. NON-CURRENT ASSETS (Continued)

6.1 Property, Plant and Equipment (Continued)

	2002
	\$'000
Computing Equipment	
Carrying amount at 1 July	44
Additions	21
Disposals	-
Depreciation for the year	(18)
Carrying amount at 30 June	<u>47</u>
Plant & Equipment	
Carrying amount at 1 July	1,786
Additions	49
Disposals	(4)
Depreciation for the year	(237)
Carrying amount at 30 June	<u>1,594</u>
Furniture & Equipment	
Carrying amount at 1 July	53
Additions	7
Disposals	-
Depreciation for the year	(6)
Carrying amount at 30 June	<u>54</u>
Motor Vehicles	
Carrying amount at 1 July	99
Additions	99
Disposals	(43)
Depreciation for the year	(32)
Carrying amount at 30 June	<u>123</u>
Work in progress	
Carrying amount at 1 July	565
Transfers to property, plant and equipment classes	(565)
Additions	184
Carrying amount at 30 June	<u>184</u>
Total property, plant and equipment	<u><u>11,678</u></u>

6. NON-CURRENT ASSETS (Continued)

6.2 Deferred Tax Assets

	2002 \$'000	2001 \$'000
Future income tax benefit	233	56
The future income tax benefit is made up of the following estimated tax benefits:		
- tax losses	143	-
- timing differences	90	56
Future income tax benefit	233	56

Future income tax benefits are not brought to account unless there is virtual certainty of the realisation of the benefit. Refer note 1.3.

7. CURRENT AND NON-CURRENT LIABILITIES

7.1 Payables

Payables represent Trade Creditors, Amounts Payable and Accrued Expenses. Accrued expenses are comprised of interest and charges for goods and services received but not invoiced as at reporting date.

	2002 \$'000	2001 \$'000
Trade Creditors and Amounts Payable	233	290
Accrued Expenses	234	212
	467	502

(i) Significant Terms and Conditions

Trade creditors payable are settled within 30 days.

(ii) Net Fair Values

The Authority considers the carrying amounts of trade creditors approximate their net fair values.

8. TAX LIABILITIES

Current Tax Liabilities

	2002 \$'000	2001 \$'000
Provision for Income Tax	-	1

Non-Current – Deferred Tax Liabilities

	2002 \$'000	2001 \$'000
Provision for Deferred Income Tax	125	12

9. PROVISIONS

(a) Current

	2002 \$'000	2001 \$'000
Employee Entitlements – Annual leave	74	86
Employee Entitlements – Long service leave	47	47
Employee Entitlements – Other	23	8
Provision – Others	-	19
	<u>144</u>	<u>160</u>

(i) Net Fair Values

The Authority considers the carrying amounts of employee entitlements approximate their net fair value.

10. OTHER LIABILITIES

Other liabilities represent prepaid income, being rentals received in advance applicable to the 2002 year and beyond.

Current	2002 \$'000	2001 \$'000
Prepaid Berthage & rental income	8	4
	<u>8</u>	<u>4</u>

11. CONTRIBUTED EQUITY

	2002 \$'000	2001 \$'000
Opening Balance	13,253	11,866
Add: Equity Contribution	-	1,387
Balance as at 30 June	<u>13,253</u>	<u>13,253</u>

12. RETAINED PROFITS AND ACCUMULATED LOSSES

	2002 \$'000	2001 \$'000
Retained Profits		
Retained profits at the beginning of the financial year	59	51
Net profit/(loss) as at 30 June	(123)	8
	<u> </u>	<u> </u>
Retained profits/(accumulated losses) at the end of the financial year	<u>(64)</u>	<u>59</u>

13. NOTES TO STATEMENT OF CASH FLOWS

13.1 Reconciliation of Net Cash Inflow from Operating Activities to Net Profit After Tax

	2002	2001
	\$'000	\$'000
Profit/(Loss) from ordinary activities after income tax	(123)	8
Depreciation	961	831
Net gain on sale of property, plant and equipment	(15)	-
Changes in assets and liabilities:		
Receivables	(159)	(199)
Other debtors	(40)	(84)
Other current assets	45	-
Future income tax benefit	(177)	5
Payables	(35)	409
Provisions	(16)	7
Provision for income tax payable	(1)	(46)
Provision for deferred income tax	113	7
Other current liabilities	4	(7)
NET CASH INFLOW FROM OPERATING ACTIVITIES	<u>557</u>	<u>931</u>

14. REMUNERATION OF DIRECTORS

	2002	2001
	\$'000	\$'000
The total fees, salaries and other benefits received or due and receivable for the year, by directors of the Authority.	36	19

The number of directors of the Authority whose total fees, salaries and other benefits received or due and receivable for the year, falls within the following bands:-

	2002	2001
\$0 - \$10,000	4	4
\$10,001 - \$20,000	1	-

15. REMUNERATION OF EXECUTIVES

	2002	2001
	\$'000	\$'000
The total fees, salaries and other benefits received or due and receivable for the year, by executives of the Authority.	350	319

The number of executives of the Authority whose total fees, salaries and other benefits received or due and receivable for the year, falls within the following bands:-

	2002	2001
\$70,001 - \$80,000	-	1
\$90,001 - \$100,000	1	-
\$110,001 - \$120,000	1	1
\$120,001 - \$130,000	-	1
\$140,001 - \$150,000	1	-

16. REMUNERATION OF AUDITORS

	2002	2001
	\$'000	\$'000
Remuneration for audit of the financial statements.	15	16

17. CONTINGENT LIABILITY

There are no contingent liabilities as at reporting date.

18. COMMITMENT FOR CAPITAL EXPENDITURE

Subsequent to the end of the financial year the Authority called for tenders to complete an outer berth fender upgrade project.

The contract has been awarded at a price of \$875,000. The Authority plans to complete these works by December 2002. Funding will be made via operational cash flows and utilisation of monies on deposit

19. RELATED PARTIES

The following persons held the position of director during the financial year:

Mr. Allan Griffiths

Ms Theresa Howe (appointed 7th June 2002)

Mr. Graeme Hutton

Mr. Kim Male

Mr. Martin Peirson-Jones

Mr. Reece Waldock (resigned 7th June 2002)

Information on remuneration and retirement benefits received or receivable by directors is disclosed in Note 14.

A director, Mr Allan Griffiths is a director of the travel agent Harvey World Travel. The transactions for the year with Harvey World Travel amount to \$9,814 (2001: \$510). This is one of several travel agents used by The Broome Port Authority, on normal commercial terms and conditions. Mr Griffiths is also a director of Broome Real Estate. Broome Real Estate act as agents for the owner of the Port's office premises. The transactions for the year with Broome Real Estate amount to \$102,751 (2001: \$39,962). This is one of several real estate agents used by The Broome Port Authority, on normal commercial terms and conditions.

A director Mr Martin Peirson-Jones is a director of the Moonlight Bay Apartments. The transactions for the year with Moonlight Bay amounted to \$1,484 (2001: \$3,132). This is one of a number of resort providers used by The Broome Port Authority on normal commercial terms and conditions.

A director Mr Graeme Hutton is a director for the pearling company Maxima Pearls. The transactions for the year with Maxima Pearls amounted to \$4,718 (2001: \$23,028). This is one of several pearling companies serviced by The Broome Port Authority on normal commercial terms and conditions.

A director Mr Kim Male is a proprietor of the retail store Streeter and Male. The transactions for the year with Streeter and Male amounted to \$4,111 (2001:\$3,593). This is one of several retail stores used by The Broome Port Authority on normal commercial terms and conditions.

20. SEGMENT INFORMATION

The mission statement of the Authority is "To facilitate trade and to maximise the competitive advantage available to customers using the Port of Broome".

The Authority's activities are directed towards achieving the mission and in this regard operate in one business segment for the purpose of reporting under this section.

The Authority operates predominantly in the one geographical segment, being Australia.

21. FINANCIAL INSTRUMENTS

(a) Interest Rate Risk Exposure

The following table details the Authority's exposure to interest rate risk as at the reporting date:

2002

	Average Interest Floating Rate %	Floating Interest Rate \$'000	Non Interest Bearing \$'000	\$'000
Financial Assets:				
Cash Assets	3.45	149	-	149
Receivables		-	832	832
Deposits at Call	4.75	1,000	-	1,000
Total Financial Assets		1,149	832	1,981
Financial Liabilities:				
Payables		-	467	467
Other Liabilities		-	8	8
Provisions		-	144	144
Total Financial Liabilities		-	619	619
Net Financial Assets		1,149	213	1,362

2001

	Average Interest Floating Rate %	Floating Interest Rate \$'000	Non Interest Bearing \$'000	\$'000
Financial Assets:				
Cash Assets	4.05	115	-	115
Receivables		-	635	635
Deposits at Call	5.25	1,000	-	1,000
Total Financial Assets		1,115	635	1,750
Financial Liabilities:				
Payables		-	502	502
Prepaid Income		-	4	4
Other		-	160	160
Total Financial Liabilities		-	666	666
Net Financial Assets		1,115	(31)	1,084

(c) Net Fair Values

The carrying amount of financial assets and financial liabilities recorded in the financial statements are not materially different from their net fair values, determined in accordance with the accounting policies disclosed in note 1.10 to the financial statements.

Performance Indicators

PORT OF BROOME

Trade Statistics	January - June 2000	2000 - 2001	2001-2002
	(note : 6 months)		
<i>CARGO TYPE tonnes</i>			
TEUs	4,767.90	12,464.00	7,859.79
General Cargo	10,154.77	14,194.00	7,354.08
Oil	39,546.75	107,879.00	108,744.39
Bitumen	1,299.27	3,454.00	1,738.82
Cattle	6,211.14	27,973.60	23,291.56
Sheep & Goats	93.94	982.40	870.59
Fodder	1,663.65	4,169.00	3,257.52
Bunkers	7,275.72	18,484.00	12,490
total trade throughput	71,013.14	189,600.00	165,606.75
Total Number TEUS	350	833	524
TEU throughput (average)	4.78/hr	5.58/hr	3.95/hr
Total Number of Cattle exported	20,856	87,458	72,662
Trade Vessel Visits	60	174	122
Total Vessel Visits	723	1,328	1,081
Ship Charges per trade vessel (average)	\$3,471.67	\$3,673.32	\$4,012.72
Expenditure per tonne	\$17.61	\$18.78	\$20.87
Average Trade Vessel Time in Port /hr	31.77	25.86	21.91
Tonnes Cargo handled per hour (ex.oil)	52.75	54.82	72.34
Tonnes Oil handled per hour	470.79	465.50	489.84
Cargo Use of Berths tpa	71,432	94,800	82,803
Ships use of Berths - November to April	*	22%	25%
Ships use of Berths - May to October	*	43%	28%
Ships use of Berths	34%	33%	27%
Recovery of Costs	106.700%	100.60%	93.30%
Vessel Visits per employee	60.25 (12)	78.12 (17)	67.56 (16)
Expenditure per employee	\$ 104,840.08 (12)	\$ 209,405.12 (17)	\$ 216,056.75 (16)

Addresses / Contact Details

Broome Port Authority
"Port of Pearls House"
401 Port Drive
Broome
Western Australia 6725

Telephone: 61 8 9192 1304
Facsimile: 61 8 9192 1778
Email: info@broomeport.com
Internet: www.broomeport.com

Postal Address

PO Box 46
Broome
Western Australia 6725

