

One Authority • Three Ports



ANNUAL REPORT

2016

Bunbury

Esperance

Albany

ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2016



Hon Dean Nalder MLA

To the Hon Dean Nalder MLA

Minister for Transport

In accordance with the provisions of the *Port Authorities Act 1999* (Act) and other relevant legislation, the 2016 Annual Report is provided to the Minister for Transport, the Hon Dean Nalder MLA and is tabled in the Parliament of Western Australia.

The Annual Report is produced to inform the Southern Ports Authority's (Authority) Stakeholders, Customers and general public about the activities, performance, milestones and financial statements of the Authority during the 2015/16 financial year.

Consistent with the Authority's objectives of sustainability and responsible environmental management, only a limited number of hard copies of this Annual Report have been printed. An online version is available for download on our website at www.southernports.com.au

Robert Cole

Chairman

COVER

Left: Port of Albany

Middle: Port of Bunbury

Right: Port of Esperance

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SIGNIFICANT HIGHLIGHTS



BUSINESS EXCELLENCE

- Reduction of Lost Time Injury Frequency Rate from 22.6 in July 2015 to **0 in June 2016.***
- IT architecture and chart of accounts harmonised across all locations.
- ISO 14001:2004 recertification for Port of Bunbury.
- Four Enterprise Agreements concluded without operational disruptions.
- Over the past 3 years, Port of Esperance **loading rate increased by up to 20%.**



PROJECT COMPLETION

- Port of Albany
Toe line dredging.
- Port of Bunbury
Berth 3 anchor repairs.
- Port of Esperance
Completed stage 1 of its access road upgrade.
- Port of Esperance
Completed the enclosure of the last transfer tower.



NEW TRADE

- Port of Bunbury conducted **a trial export of 22,075 tonnes of leucoxene.**
- Port of Esperance **exported 15,185 tonnes of woodchips.**
- Port of Esperance **imported 12,604 tonnes of nickel.**

OVERVIEW Executive Summary



Robert Cole

Management have also continued to work towards increased regional trade development and to bring about greater alignment between port planning, State and regional transport and freight and infrastructure development.

CHAIRMAN'S REPORT 2016

I am pleased to be providing this report having been appointed Chairman of the Board of the Southern Ports Authority (Authority) on 1 July this year.

The primary objective of the Authority is to facilitate trade at all our ports in an efficient and effective manner for the benefit of our customers and Shareholder.

Following on from its strong results in FY15, the Authority has again had a successful year and has returned a solid profit result, despite a challenging economic environment. Total trade has remained largely in line with FY15, with a decline in revenue offset by a greater decline in operating costs, resulting in a modest improvement in profit on a full financial year comparative basis.

In the past year, the Authority has continued to make strong progress on all aspects of the integration of its three Ports including improved commercial arrangements with customers, developing new trade and business opportunities and planning for future facilities and infrastructure.

The Board and the Management team have achieved good progress in transitioning the three Ports into one entity sharing skills and experiences across the sites and in turn providing a better and more efficient service to our port users.

The Authority places strong emphasis on providing a safe working environment and the appropriate training and vigilance required to ensure this outcome. The Authority significantly improved its overall safety record this year and had no incidents resulting in lost time injury.

The Authority is committed to maintaining a strong working relationship with its local port communities and stakeholders. In doing so, it conducts frequent community consultation meetings, sponsors many local activities, and involves itself in community planning processes.

Management have also continued to work towards increased regional trade development and to bring about greater alignment between port planning, State and regional transport and freight and infrastructure development.

The Authority is now well positioned to complete its transition to a highly efficient and fully operational ports services organisation, based on strong regional operations.

OVERVIEW Executive Summary

As the newly appointed Chairman of the Southern Ports Authority, I wish to acknowledge the inaugural Chairman Mr Roger Hussey, who retired from the Authority Board on 30 June 2016. I thank Mr Hussey for the valuable contribution he has made leading the Authority since its formation on 1 October 2014, which is reflected in the excellent progress made during his tenure in integrating the Authority into a single aligned organisation. On behalf of Mr Hussey and myself, I thank all the Directors and all staff for their significant commitment and contribution in the past year and to the continued success of the Authority in the years ahead.

Robert Cole
Chairman



Port of Esperance

OVERVIEW Executive Summary



Nicolas Fertin

Zero lost time injuries. Total revenue and cost per ton decreased while trade volume were unchanged.

CEO REPORT

During its second financial year the Authority has achieved several milestones. The most important achievement has been the reduction of our Lost Time Injuries to zero on 30 June 2016 from eight on 30 June 2015. This major achievement is a first step of the Authority's commitment to preventing all injuries and avoiding all incidents.

Our primary role is to facilitate trade across our three Ports for the benefit of the Southern regions while delivering a dividend to our shareholder. During the year, the Authority's mining customers responded differently to a changing economic environment. To preserve their financial viability, mining customers put projects on hold, changed their forecast, and explored supply chain alternatives. In FY16, mineral trade volumes were unchanged and grain exports were 7% lower than FY15. However, forestry exports had a record year; 10% above FY15 volumes. Three new trades of a small volume took place during the year.

Overall the FY16 trade of 36.1 million tonnes (Mt) was 0.2% lower than FY15. In this uncertain economic context, the Authority optimised the funding of its activities whilst continuing to pursue its effort to improve its business practices. As a result, financial results are strong with total revenue per ton reduced by 3.9% and total cost per ton reduced by 6.9% on a full financial year comparative basis. Profit before income tax was \$38 million.

During the year, natural attrition allowed the Authority to increase skills with the appointment of new staff members. The Authority is committed to regional employment with more than 95% of its employees based in the regions.

During the year, the Authority achieved several strategic transformation projects including a new Chart of Accounts to allow automatic consolidation, an enhanced IT architecture to support seamless communication, and an enhanced employment framework to build equity among employment conditions. The Authority continued its journey to reduce its overall costs and investing its capital to increase asset availability and reliability, improved safety and security, and enhance the overall supply chain for its customers.

The Authority is strongly connected to its three regions and its diverse customer base. A new community sponsorship governance was established to ensure funding aligns with the Authority's values and goals. Relationships with local stakeholders continue to be developed and maintained. Our proactive media strategy allows the Authority to engage the communities on local interests and issues.

In conclusion, I thank the Board for their guidance and counsel during the second year of the Authority. I would like to also thank all employees who have contributed to the Authority's transformation journey and, in particular, their commitment to their own safety and the safety of others.

OVERVIEW Executive Summary



Port of Albany



Port of Bunbury



Port of Esperance

CORPORATE OVERVIEW

Southern Ports Authority (Authority) is a Government Trading Enterprise whose sole shareholder is the Western Australian State Government. The Authority's principal role is to facilitate trade through the commercial management of efficient, sustainable, safe and customer-focused Ports and to return a dividend to the Government of Western Australia.

The Authority is trading a diverse range of commodities through the Ports of Albany, Bunbury and Esperance along the southern and south-west coast of Western Australia.

The Authority has four offices in Albany, Bunbury, Esperance and Perth.

Both the Port of Albany and Port of Bunbury operate under a landlord model by leasing land to port related industries and by providing access to port infrastructure and facilities. Port services such as towage and stevedoring are outsourced to the private sector. The Port of Esperance operates under a model with a blend of landlord and in-house stevedoring where most of the product handling equipment is owned and operated by SPA.

The Port of Albany has four berths. Berths 1 and 2 provide facilities for general and bulk cargo and Berth 3 services the grain exports through bulk loading facilities. Berth 6 is a dolphin berth for the export of woodchips. The Port of Albany does not own nor operate any product handling equipment.

The Port of Bunbury has seven berths divided between the Outer and Inner Harbours. Berths 1 and 2 are located at the Outer Harbour servicing methanol imports and general cargo. The Inner Harbour comprises Berth 3 which provides for the export of woodchips and grain, and the multi-user

OVERVIEW Executive Summary

Berths 5 and 8 which are both utilised for multiple products including mineral sands, woodchips and copper concentrate amongst other products. Berths 4 and 6, which are privately owned and operated, provide for the export of alumina and import of caustic soda. The Port of Bunbury owns product handling equipment only on Berth 8 and has outsourced stevedoring operation on the berth.

The Port of Esperance has three berths: Berth 1 is used for the export of grain; Berth 2 is utilised for general cargo including fertiliser, sulphur, fuel and nickel; and Berth 3 is a dolphin berth that services iron ore ships.

The Perth office helps facilitate meetings and workshops for staff travelling from the three Ports and accommodates staff whose role requires frequent contact with Perth based stakeholders and customers.

The Authority provides and maintains the shipping channels, navigation aids, security systems, seawalls and road infrastructure. Each Port maintains different operational models that may see other common services provided such as: emergency response, property management, waste management, ship scheduling, berth allocation, security services and marine pilotage.

MISSION STATEMENT

The Board of Directors, as the governing body of the Authority, has adopted the following corporate governance principles as the framework by which the Board carries out its duties and obligations on behalf of the Government shareholder to enable the Authority to fulfil its mission, being:

“To provide efficient, sustainable and commercial trade facilitation through Southern Ports for the benefits of regional communities, customers and shareholder.”

Objectives:

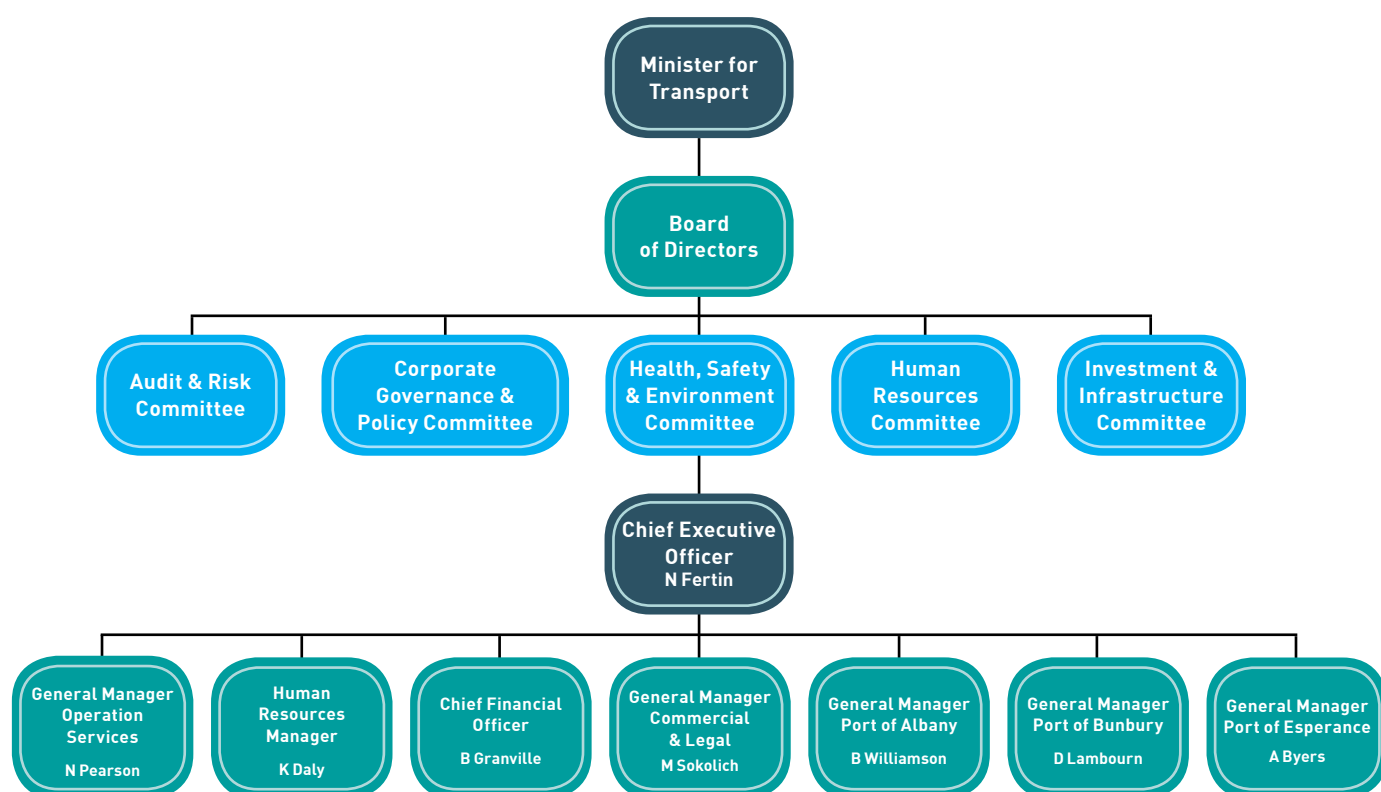
- Financial Viability
- Right People
- Right Systems
- Satisfied Customers and Communities

Core values:

- Accountability
- Teamwork
- Future Focus
- Integrity

OVERVIEW Executive Summary

CORPORATE STRUCTURE



OVERVIEW Executive Summary

DIRECTORS



Robert Cole (Chairman)

BSc, LLB (Hons) (ANU)

Appointed: 1 July 2016

Expiry of present term: 30 June 2018

Robert Cole was appointed Chairman of the Southern Ports Authority on 1 July 2016. Rob has over 30 years experience in the energy and resources industry. Over the past decade, he has held senior executive roles in listed public companies in the oil and gas industry, including Executive Director, Corporate and Commercial at Woodside Energy Ltd, where he was a member of the Board of Directors, and Managing Director of Beach Energy Limited. Prior to his move into executive management, Rob had a 20-year legal career with the law firm Mallesons acting for a wide array of clients involved in major projects, energy and resources.

Through these diverse roles, Rob has gained extensive experience in leadership, strategy and planning, commercial, marketing, human resources, public and community affairs, audit, risk management, economic evaluation, legal affairs and corporate governance. Rob's experience also extends to various industry associations. He is a former Chairman of the Australian Petroleum Production and Exploration Association and a former member of the Management Committee of the WA Chamber of Minerals and Energy. Rob has also held various directorships in the not for profit sector, including a current role on the Board of St Bartholomew's House Inc.

Rob holds degrees in law and science from the Australian National University and completed the Advanced Management Program at Harvard University in 2010.

Special responsibilities: Chair of Corporate Governance & Policy Committee.

OVERVIEW Executive Summary



Roger Hussey

Appointed Chairman: 1 September 2014

Resigned effective: 30 June 2016

Roger Hussey was appointed Chairman of the Board of Southern Ports Authority in September 2014. He has degrees in Law (UWA), Master of Economics (Oxford) and International Business (Stanford). Roger's career has focussed on business management and commercial activities. He was Chairman and Chief Executive of Century Holdings Group which he founded, and was also Chairman of a number of related ASX listed companies. Roger has also held positions as a senior Project Consultant with international consulting firms, leading projects for Government and private sector companies, involving business strategy, corporate development and major feasibility studies. Roger has also been appointed Board Member and Chairman of various government and community bodies, such as Princess Margaret Children's Hospital, PMH Child Health Research Institute (now Telethon Kids Institute), and Bali Eye Foundation.

Special Responsibilities: Chair of the Corporate Governance and Policy Committee; member of the Investment and Infrastructure Committee.



Neema Premji

B.E. (Civil), Grad. Dip., MBA, FAICD, MIE (Aust)

Appointed Deputy Chair: 1 September 2014

Expiry of present term: 30 June 2018

Ms Premji commenced her Directorship with Port Authority Boards in 2002 and is currently Deputy Chair of Southern Ports Authority. She administers her own Board consultancy business providing advice on matters related to boardroom strategy, corporate governance, asset and risk management and is a facilitator for the Australian Institute of Company Directors (AICD). Ms Premji has previously served as a member on the South West Regional Planning Committee, Edith Cowan University Board, Busselton Water Board and Bunbury Regional Art Gallery Collections Committee and is actively interested in community concerns. Ms Premji is currently a member of AICD South West Regional Committee and Federal Director of the Australia-India Council Board.

Special responsibilities: Chair of Audit and Risk Committee; member of the Corporate Governance and Policy Committee.

OVERVIEW Executive Summary



Dr Phillip Chalmer

B.Sc (Hons.), Ph D

Appointed: 1 September 2014

Expiry of present term: 31 December 2017

Dr Phillip (Phil) Chalmer commenced his contribution with Port Authority Boards in November 2007.

Phil Chalmer completed his Honours and Doctor of Philosophy at the University of WA in 1975 and 1979 respectively. Following completion of his doctoral thesis on the ecology of marine fouling at the Stirling Naval Base in Cockburn Sound, Phil Chalmer has gained considerable experience in the environmental industry as a marine environmental consultant and was director of a consulting company for ten years.

During his marine environment consulting career, Phil Chalmer worked on many of the major projects along the Western Australian coast from Albany to the Timor Sea as well as in Indonesia and Oman. These projects have included port developments, dredging programs, marine outfalls, submarine pipelines, offshore oil platforms and marina developments.

Special responsibilities: Chair of Health, Safety and Environment Committee.



Peter Iancov

MEng (Electrical), FIEAust, FAIM, FAIB, SMIEEE, MAICD

Appointed: 1 September 2014

Expiry of present term: 30 September 2016

Mr. Iancov is a professional engineer and a Fellow of the Institution of Engineers of Australia, with over 25 years expertise gained in the infrastructure industry, including gas and electricity transmission and distribution, mining infrastructure, commercial construction, contracting and defence sectors as a CEO, Director and Advisor with business partnerships forged across Australian and multinational organisations.

In his previous executive roles, he has been instrumental in securing and delivering major multi-billion dollar projects in Western Australia and nationally. He has a strong background in the successful delivery of strategic multidisciplinary programs, commercial and contractual risk, governance, systems development, financial and risk management.

OVERVIEW Executive Summary

Mr. Lancov is currently a Board Director of a number of organisations that operate in Defence, Energy, Oil & Gas, Critical Infrastructure, Engineering, Property and Aboriginal community sectors.

Special responsibilities: Chair of the Investment and Infrastructure Committee.



Carolyn Porter

B.Ed (Honours)

Appointed: 1 September 2014

Expiry of present term: 30 June 2017

Ms Porter commenced her Port Authority Directorship contribution in October 2007 and prior to the Board appointment was a founding Director/Partner of a Perth based Industrial Relations Consultancy.

Prior to establishing the consultancy, Ms Porter spent most of her career working in the oil, gas and maritime industries. She worked in both management and advisory roles in the areas of human resources, employee relations and industrial relations. She represented major employers and employer associations in these fields in negotiations, advocacy and strategic planning. Since retiring from full time corporate involvement, Ms Porter is an active working partner in a beef cattle enterprise in the South West of the state.

Special responsibilities: Member of Human Resources Committee; Member of Health Safety and Environment Committee.



Anthony Willinge

LL.B (Honours), LL.M (Distinction)

Appointed: 1 September 2014

Expiry of present term: 30 September 2016

Mr Willinge's Port Authority Board experience commenced in January 2013. He holds a Bachelor of Laws degree with honours from the University of WA and a Masters of Law with distinction from London University.

He gained extensive experience in risk management and dispute resolution at the Crown (now State) Solicitor's Office where he acted exclusively for the WA Government. He then joined Blake Dawson Waldron, where he was a Partner and head of the firm's commercial litigation division in Perth. As a Partner of Blake Dawson Waldron he continued to act for Government and a range of commercial clients.

OVERVIEW Executive Summary

Mr Willinge's skills and experience include advising government and commercial parties on a range of risk management and corporate governance issues and acting for government and commercial parties in a range of contract and other disputes on major construction, mining and infrastructure projects.

Mr Willinge is a barrister at the Independent Bar at Francis Burt Chambers, and an honorary fellow at the University of WA.

Special responsibilities: Member of Audit and Risk Committee.



Gary Wood

Appointed: 1 September 2014

Expiry of present term: 31 December 2017

Mr Wood has nearly 10 years Director experience with Port Authority Boards along with extensive experience in Industrial Relations and the *Fair Work Act 2009*. He holds the long term position of Secretary to the CFMEU Mining and Energy Division WA District and has a lengthy history of widespread involvement in the mining industry, with a particular focus on workplace safety.

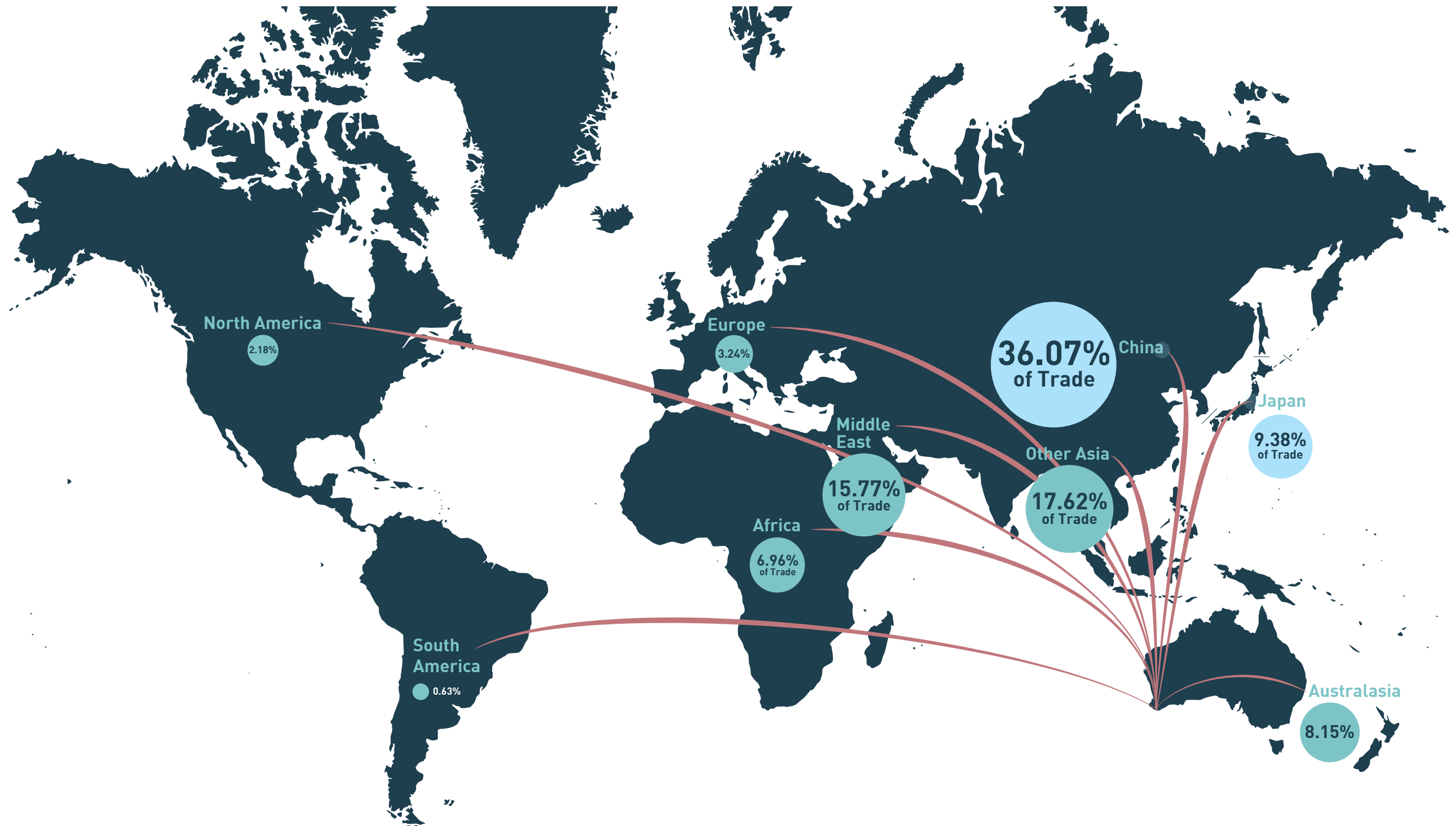
Mr Wood is currently a member of AICD and the Mining Industry Advisory Committee which is charged with the responsibility of implementing the National Occupational Health and Safety Regime for the Western Australian Resource Sector based on practical risk management. Mr Wood's interest in occupational health and safety in industry is supported by being a member of the Commission of Occupational Safety and Health and a member of the Occupational Health and Safety Working Party. The Working Party has extensive involvement in the introduction of guidelines and codes of practice in the mining industry since 1996.

Special responsibilities: Chair of the Human Resources Committee.

OVERVIEW Executive Summary

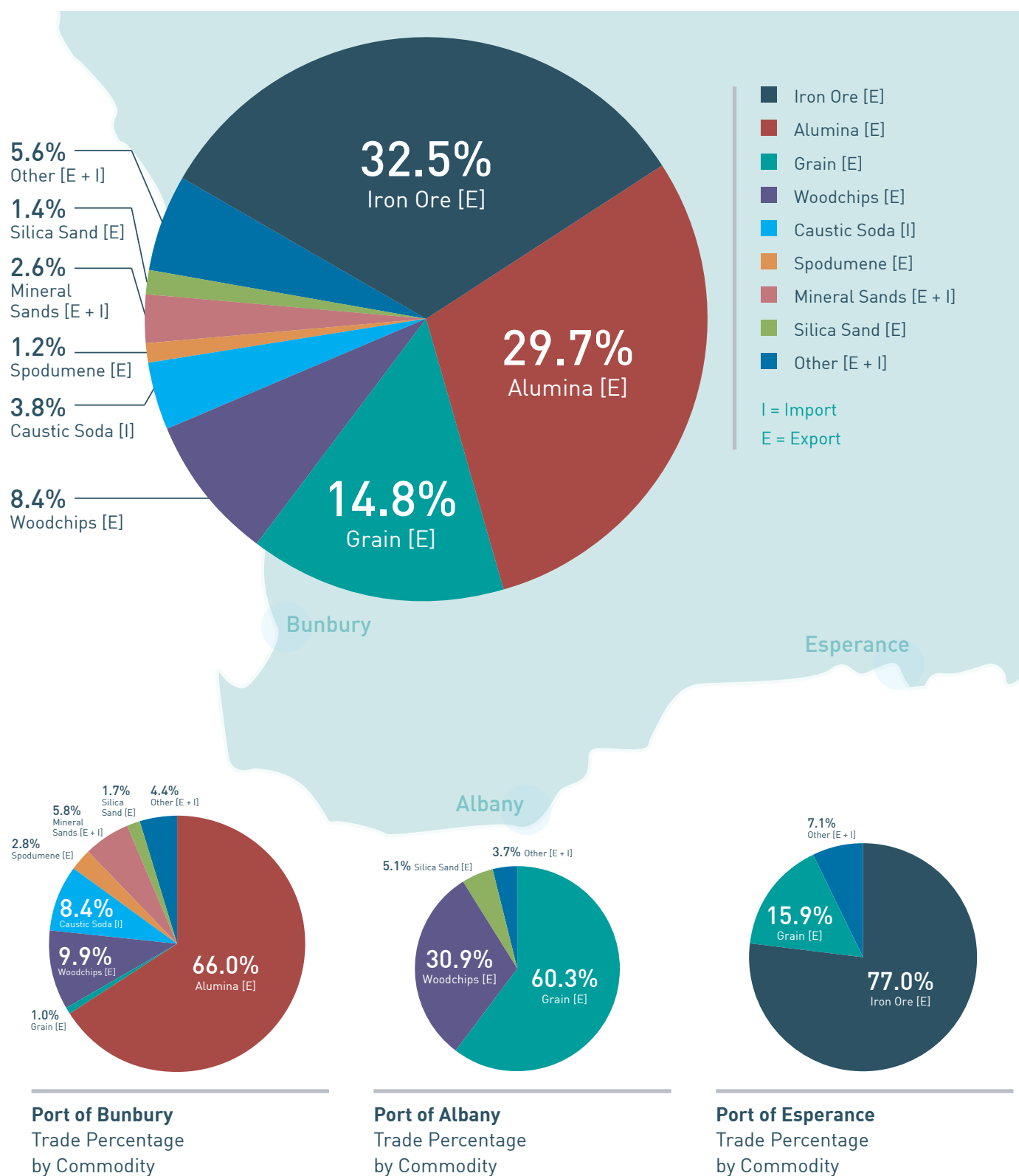
CONTINENT/COUNTRY	TONNES	% OF TRADE
AFRICA	2,511,870	6.96%
MOROCCO	8,611	0.02%
MOZAMBIQUE	876,008	2.43%
SOUTH AFRICA	1,627,251	4.51%
ASIA	22,774,138	63.07%
CHINA	13,024,554	36.07%
HONG KONG	32,606	0.09%
INDONESIA	1,246,366	3.45%
INDIA	397,622	1.10%
JAPAN	3,385,549	9.38%
NORTH KOREA	31,500	0.09%
SOUTH KOREA	2,070,913	5.74%
SRI LANKA	142,014	0.39%
MALAYSIA	511,107	1.42%
PHILLIPPINES	472,722	1.31%
SINGAPORE	1,160,918	3.21%
THAILAND	73,416	0.20%
TAIWAN	104,181	0.29%
VIETNAM	120,670	0.33%
EUROPE	1,171,835	3.24%
ICELAND	272,063	0.75%
RUSSIA	129,197	0.36%
BELGIUM	217,811	0.60%
GERMANY	143,867	0.40%
SPAIN	91,418	0.25%
UNITED KINGDOM	77,449	0.21%
NETHERLANDS	240,030	0.67%
MIDDLE EAST	5,693,982	15.77%
UNITED ARAB EMIRATES	3,088,946	8.55%
BAHRAIN	1,554,852	4.31%
ISRAEL	4,526	0.01%
KUWAIT	87,967	0.24%
QATAR	335,731	0.93%
SAUDI ARABIA	459,110	1.27%
YEMEN	162,850	0.45%
NORTH AMERICA	787,936	2.18%
CANADA	273,260	0.76%
UNITED STATES	514,676	1.43%
AUSTRALASIA	2,942,871	8.15%
AUSTRALIA	2,629,726	7.28%
NEW ZEALAND	313,145	0.87%
SOUTH AMERICA	226,800	0.63%
ARGENTINA	226,800	0.63%
TOTAL TONNES	36,109,432	

OVERVIEW Executive Summary



OVERVIEW Executive Summary

Southern Ports Authority
Trade Percentage by Commodity



PERFORMANCE Performance Management Framework

The Western Australian Government has five strategic goals. These broad, high-level Government goals are supported at agency level by more specific desired outcomes. These outcomes contribute to the achievement of the high-level Government goals.

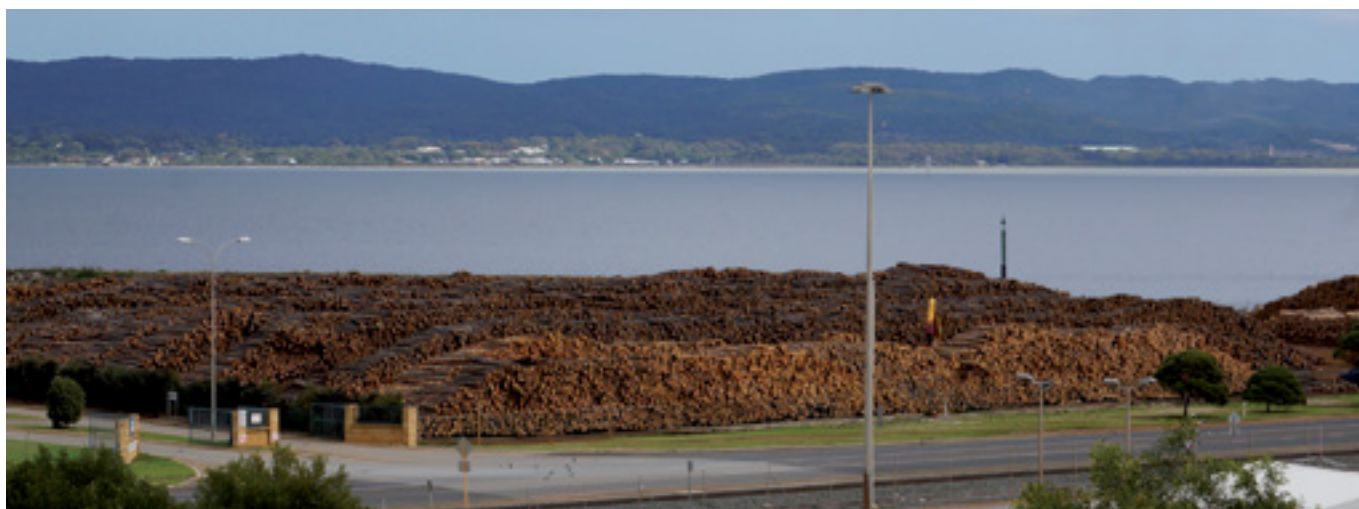
The current whole of Government goals are:

1. **State Building – Major Projects:** Building strategic infrastructure that will create jobs and underpin Western Australia's long-term economic development.
2. **Financial and Economic Responsibility:** Responsibly managing the State's finances through the efficient and effective delivery of services, encouraging economic activity and reducing regulatory burdens on the private sector.
3. **Outcomes Based Service Delivery:** Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians.
4. **Stronger Focus on the Regions:** Greater focus on service delivery, infrastructure investment and economic development to improve the overall quality of life in remote and regional areas.
5. **Social and Environmental Responsibility:** Ensuring that economic activity is managed in a socially and environmentally responsible manner for the long-term benefit of the State.

The Authority's Strategic Themes are aligned to the State Government goals.

	Financial Viability	Right People	Right Systems	Satisfied customers & communities
State Building Major Projects	✓		✓	✓
Financial and Economic Responsibility	✓		✓	
Outcome Based Service Delivery	✓		✓	✓
Stronger Focus on Regions	✓	✓		✓
Social and Environmental Responsibility		✓	✓	✓

PERFORMANCE Trade Results



Port of Albany – Log Export Yard

PORT OF ALBANY TRADE RESULTS FOR THE YEAR ENDED 30 JUNE 2016

This year saw a total of 142 cargo ship visits, up 1.4% from the previous year. Approximately 97% of the Port of Albany tonnage consisted of woodchips, grain (wheat, canola, barley and oats) and silica sand exports, while the import of petroleum products and fertiliser accounted for the remaining 3%.

In FY16, trade through the Port of Albany (4.6 Mt) was 5.6% below the port record set in FY15 (4.9 Mt) due to 18% decrease in grain trade partially offset by a 22% increase in woodchip trade and 40% increase in silica sand exports.

Port of Albany Key Performance Indicators	Actual FY16	Budget FY16
Total Berth Utilisation ALL BERTHS	27.3%	24.8%
Total Commercial Vessels	142	123
Total Tonnes ('000s)	4,602	3,991
Average Vessel Turn-around time (hours)	61.4	60.0
Total Port Cargo Tonnes per Total Vessel Hours (Average all berths)	527	541

PERFORMANCE Trade Results

PORT OF ALBANY

IMPORTS	2016	2015	2014	2013	2012
COMMODITY					
FERTILISER	102,016	99,324	53,179	83,760	45,863
FISH	0	76	654	0	0
GENERAL CARGO	0	0	0	230	0
PETROLEUM PRODUCTS	48,793	51,111	53,359	37,422	54,957
POTASH	0	0	0	0	6,515
TOTAL IMPORTS	150,810	150,511	107,192	121,412	107,335
EXPORTS	2016	2015	2014	2013	2012
COMMODITY					
BARLEY	989,396	963,654	1,077,848	665,190	535,690
BIOMASS PELLETS	0	0	0	0	43,138
CANOLA	358,879	411,479	517,150	369,491	300,736
LUPINS	0	3,300	0	0	0
LOGS	18,958	0	0	0	0
OATS	27,500	115,672	19,146	48,622	44,650
SILICA SAND	235,246	167,227	141,158	206,569	169,599
WHEAT	1,401,222	1,891,020	1,300,827	1,598,463	881,473
WOODCHIPS	1,420,465	1,165,087	1,398,051	1,090,886	1,373,491
TOTAL EXPORTS	4,451,665	4,717,439	4,454,180	3,979,221	3,348,777
FUEL OIL (BUNKERS)	0	7,968	814	0	0
TOTAL TRADE	4,602,475	4,875,918	4,562,186	4,100,633	3,456,112
SHIPPING					
GROSS REGISTERED TONNAGE	5,253,548	5,349,906	4,821,257	4,249,580	3,780,034
NUMBER OF VESSELS					
TRADE VESSELS	142	140	133	130	115
OTHER VESSELS	16	32	11	14	13
NUMBER OF VESSELS	158	172	144	144	128

PERFORMANCE Trade Results



Port of Bunbury - MV Barvang berthing alongside Alcoa's Berth 4

PORT OF BUNBURY TRADE RESULTS FOR THE YEAR ENDED 30 JUNE 2016

Approximately 89% of the Port of Bunbury's trade is via exports of products such as alumina, woodchips, mineral sands, and grain with the import of products such as caustic soda, petroleum products, mineral sands and fertilisers accounting for the remaining 11%.

Alumina exports remained stable with a total throughput of 10.7Mt, representing 66% of total port trade. Other export commodities also performed well such as woodchips (1.60Mt), mineral sands (0.59Mt) and spodumene (0.45Mt).

Caustic soda imports (1.37Mt) were down by 2% on last year's trade, whilst mineral sand imports (0.36Mt) increased by 23.8% from FY15 (0.28Mt).

Overall trade for FY16 (16.25Mt) was 0.1% lower than FY15 results (16.26Mt).

Port of Bunbury Key Performance Indicators	Actual FY16	Budget FY16
Total Berth Utilisation ALL BERTHS	39.4%	47.6%
Total Commercial Vessels	414	468
Total Tonnes ('000s)	16,247	17,377
Average Vessel Turn-around time (hours)	56.9	62.4
Total Port Cargo Tonnes per Total Vessel Hours (Average all berths)	673	595

PERFORMANCE Trade Results

PORT OF BUNBURY

IMPORTS	2016	2015	2014	2013	2012
COMMODITY					
CAUSTIC SODA	1,370,164	1,397,784	1,306,665	1,287,545	1,187,668
CHEMICAL FERTILISERS	22,507	30,088	23,333	35,033	17,488
COAL	20,382	56,164	31,776	14,210	22,585
GENERAL	0	4,184	420	109	3,515
METHANOL	9,999	11,776	10,497	11,174	7,893
MINERAL SANDS	356,649	288,166	325,864	326,348	317,985
PETROLEUM COKE	40,612	48,064	62,071	21,082	77,396
PETROLEUM PRODUCTS	12,017	0	0	0	0
POTASH	0	0	4,983	0	0
TIMBER	6,131	20,799	21,755	20,546	7,304
VEGETABLE OIL	0	0	0	0	1,972
TOTAL IMPORTS	1,838,460	1,857,025	1,787,364	1,716,047	1,643,806

EXPORTS	2016	2015	2014	2013	2012
COMMODITY					
ALUMINA	10,721,303	10,696,295	10,658,408	10,589,634	9,496,531
COPPER CONCENTRATE	245,755	256,430	189,236	228,362	215,846
GENERAL	27,927	26,122	27,821	20,051	33,972
GRAIN	154,640	244,889	0	0	0
IRON CONCENTRATE	248,722	182,110	318,550	254,168	193,654
MINERAL SANDS	592,175	515,705	423,246	461,353	486,812
PETROLEUM PRODUCTS	0	0	0	2,794	3,921
RECYCLED OIL	25,601	26,718	27,388	23,670	19,365
SILICA SAND	273,586	303,369	255,864	235,657	350,220
SPODUMENE	449,299	482,755	344,200	420,925	396,928
LOGS	67,765	64,558	67,154	8,597	42,567
WOODCHIPS	1,602,058	1,606,760	1,506,607	1,370,648	1,389,988
TOTAL EXPORTS	14,408,831	14,405,711	13,818,474	13,615,859	12,629,804

FUEL OIL (BUNKERS)	0	60	0	69	60
TOTAL TRADE	16,247,291	16,262,796	15,605,838	15,331,975	14,273,670

SHIPPING					
GROSS REGISTERED TONNAGE	12,776,619	12,785,597	12,002,708	11,790,036	11,342,151
NUMBER OF VESSELS					
TRADE VESSELS	414	414	410	414	411
OTHER VESSELS	3	5	4	0	5
NUMBER OF VESSELS	417	419	414	414	416

PERFORMANCE Trade Results



Port of Esperance - MV Kalliopi – largest container vessel to berth at Port of Esperance

PORT OF ESPERANCE TRADE RESULTS FOR THE YEAR ENDED 30 JUNE 2016

Approximately 94% of the Port of Esperance's tonnage consisted of iron ore, grain and nickel exports while the import of sulphur, petroleum products and fertiliser accounted for the remaining 6%.

The nickel related trade (sulphur import, nickel hydroxide export, nickel export and nickel import) decreased by 15%. Container trade has decreased in TEU by 14%. The overall decrease in mining related trade has been absorbed by a 12% increase in agriculture related trade (grain and fertiliser).

In FY16, the Port of Esperance achieved another record tonnage of 15.3Mt, an increase of 1.3% from the previous year of 15.0Mt.

Port of Esperance Key Performance Indicators	Actual FY16	Budget FY16
Total Berth Utilisation ALL BERTHS	45.0%	49.0%
Total Commercial Vessels	195	195
Total Tonnes ('000s)	15,260	13,880
Average Vessel Turn-around time (hours)	60.6	64.0
Total Port Cargo Tonnes per Total Vessel Hours (Average all berths)	1,291	1,150

PERFORMANCE Trade Results

PORT OF ESPERANCE

IMPORTS	2016	2015	2014	2013	2012
COMMODITY					
CONTAINER TONNES EMPTY	19,201	26,618	25,483	35,851	33,233
FERTILISERS	129,640	113,663	86,571	94,090	71,927
MAGNESIA OXIDE	17,254	21,560	34,353	26,998	17,604
NICKEL	12,604	0	0	0	0
PETROLEUM	272,522	277,972	292,135	308,559	350,814
SULPHUR	315,952	374,206	381,761	367,591	294,494
SUNDRY	27,126	15,707	8,721	7,982	239
TOTAL IMPORTS	794,299	829,726	829,024	841,071	768,311

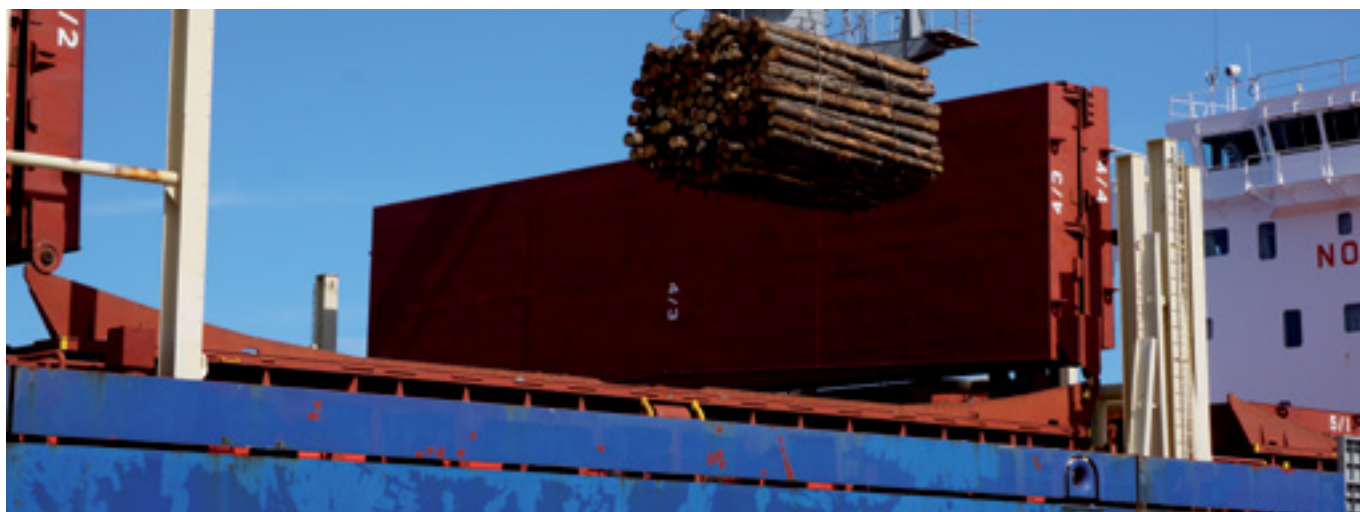
EXPORTS	2016	2015	2014	2013	2012
COMMODITY					
BARLEY	730,560	787,323	854,045	485,115	640,211
CANOLA	398,303	313,804	374,577	363,828	220,486
CONTAINER TONNES EMPTY	2,998	3,947	7,727	2,092	3,353
GOLD PYRITE	90,083	58,683	22,824	0	0
IRON ORE	11,749,316	11,774,000	11,288,529	11,045,649	8,904,585
LUPINS	0	4,793	4,950	9,216	0
NICKEL	104,041	101,437	92,653	216,422	299,987
NICKEL HYDROXIDE	72,516	118,250	152,602	168,597	82,409
PEAS	8,400	0	0	14,161	32,817
SCRAP METAL	6,623	0	10,147	0	0
SUNDRY	291	218	462	680	128
WHEAT	1,287,051	1,064,943	1,301,415	728,213	798,880
WOODCHIPS	15,185	0	0	0	0
TOTAL EXPORTS	14,465,367	14,227,398	14,109,931	13,033,973	10,982,856

TOTAL TRADE	15,259,666	15,057,124	14,938,955	13,875,044	11,751,167
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TEUs IN	10,787	12,897	12,502	16,290	14,210
TEUs OUT	10,973	12,531	13,684	16,432	12,944
TOTAL TEUs	21,760	25,428	26,186	32,722	27,154

SHIPPING					
GROSS REGISTERED TONNAGE	10,400,019	9,540,827	9,835,814	9,106,096	8,138,887
NUMBER OF VESSELS					
TRADE VESSELS	195	186	197	192	204
OTHER VESSELS	14	10	6	4	6
NUMBER OF VESSELS	209	196	203	196	210

PERFORMANCE Trade Results



Port of Albany - Log export MV Perserverence

SOUTHERN PORTS TRADE RESULTS FOR THE YEAR ENDED 30 JUNE 2016

The Authority FY16 total trade of 36.1 Mt was 0.2% lower than FY15 at 36.2 Mt. The 6% decrease of Port of Albany trade (13% of the Authority trade) was offset by a 1% increase in Port of Esperance trade (42% of the Authority trade) while Port of Bunbury trade (45% of the Authority trade) remained flat.

Mining related trade (75% of the Authority trade) remained flat with mineral sand export through Bunbury offsetting the decrease in nickel related trade via Esperance.

Agriculture related trade (16% of the Authority trade) decreased by 7% with lower volumes via Bunbury and Albany offset by record grain trade via Esperance.

Forestry trade (9% of the Authority trade) grew by 10% with record trade via all the Ports.

PERFORMANCE Trade Results

SOUTHERN PORTS AUTHORITY

IMPORTS	2016	2015	2014	2013	2012
COMMODITY					
CAUSTIC SODA	1,370,164	1,397,784	1,306,665	1,287,545	1,187,668
FERTILISER	254,163	243,075	163,083	212,883	135,278
MINERAL SANDS	356,649	288,166	325,864	326,348	317,985
OTHER	153,308	204,948	200,713	138,182	178,256
PETROLEUM	333,332	329,083	345,494	345,981	405,771
SULPHUR	315,952	374,206	381,761	367,591	294,494
TOTAL IMPORTS	2,783,569	2,837,262	2,723,580	2,678,530	2,519,452
EXPORTS	2016	2015	2014	2013	2012
COMMODITY					
ALUMINA	10,721,303	10,696,295	10,658,408	10,589,634	9,496,531
GRAIN	5,355,950	5,800,877	5,449,958	4,282,299	3,454,943
IRON ORE	11,749,316	11,774,000	11,288,529	11,045,649	8,904,585
MINERAL SANDS	592,175	515,705	423,246	461,353	486,812
OTHER	911,280	838,473	916,564	925,433	938,340
SILICA SAND	508,832	470,596	397,022	442,226	519,819
SPODUMENE	449,299	482,755	344,200	420,925	396,928
WOODCHIPS	3,037,708	2,771,847	2,904,658	2,461,534	2,763,479
TOTAL EXPORTS	33,325,863	33,350,548	32,382,585	30,629,053	26,961,437
FUEL OIL (BUNKERS)	0	8,028	814	69	60
TOTAL TRADE	36,109,432	36,195,838	35,106,979	33,307,652	29,480,949
SHIPPING					
GROSS REGISTERED TONNAGE	28,430,186	27,676,330	26,659,779	25,145,712	23,261,072
NUMBER OF VESSELS					
TRADE VESSELS	751	740	740	736	730
OTHER VESSELS	33	47	21	18	24
NUMBER OF VESSELS	784	787	761	754	754

PERFORMANCE Key Performance Indicators

	Actual FY16	Budget FY16
Performance Target		
Ensure main stakeholder consultation in port planning and development (invite government, community and port user input into project planning process, comments noted in minutes)	Yes	Yes
Business cases submitted and funding approval received for capital construction works	Yes	Yes
Stronger Focus on the Regions		
Actively communicate that the SPA serves the regional communities of the Great Southern, South West and Esperance-Goldfields and Yilgarn (communicate planned activities through local and regional media formats)	Yes	Yes
Social and Environmental		
Maintain dust levels below statutory requirements	Yes	Yes
Maintain noise below prescribed acceptable levels (port noise levels maintained)	Yes	Yes
Achieve Year on Year reduction in substantiated community complaints	No*	Yes
The harbour dredging sediments remain suitable for unconfined sea dumping as defined in 'National Assessment guidelines for dredging' (NAGD2009)	Yes	Yes
Target zero Lost Time injuries for ALL PORTS	0	0
Annual review of Business Continuity Plans	Yes	Yes
Hold Port community consultation committee meetings and ensure minutes are made available on web sites or in a prescribed manner.	Yes	Yes

* Refer complaints management [page 35](#)

PERFORMANCE Stakeholder Relations



Port of Bunbury – WA Plantation Resources Woodchip Site

STAKEHOLDERS

The Authority's role of trade facilitation includes aiding communication and interactions between the multiple organisations involved in the supply chain across our three Ports.

The Authority interacts with close to 300 organisations such as freight owners, shipping companies and agents, logistic and transport providers, government agencies, and community organisations and their representatives.

COMMUNITY SUPPORT

The Authority has supported a number of regional not-for-profit organisations through the Community Sponsorship Program. Sponsored support of local events and projects has increased by 6% in FY16.

A budget is allocated during the year to support local projects with a focus on marine activities, community events or infrastructure, environment, indigenous relations and education.

The Authority will continue to fund and support activities across the regions. On the following page is an extract of organisations supported by the Authority in FY16.

PERFORMANCE Stakeholder Relations

Albany

City of Albany	Public Art in the Great Southern
Swimming WA	Open Water Series Round 7 Albany
City of Albany	Clipper Around the World Yacht Race
NewArts Inc	Sculpture in the Harbour 2017 - Vessel
University of WA	Effects of recreational boat anchors on seagrass meadows

Bunbury

Murdoch University	South West Marine Research program
Multiple Sclerosis Society of WA	Swim for MS - Bunbury
Chefs Long Table Lunch	Chefs Long Table Lunch
Stirling St Arts Centre	ReDiscover Bunbury Project
Woolkabunning Kiaka	Indigenous Football Carnival 2015

Esperance

Escare Incorporated	The Esperance Kids Fun Day Out
Rotary Club of Esperance Bay	New Years Eve Fireworks and Festival Event
Esperance Music Festival Inc	2016 Esperance Music Festival - Main Sponsor
Esperance Chamber of Commerce And Industry	Over the Horizon Conference 2016
Esperance Primary & Senior High School	2015 Australasian Pacific Tournament of the Minds Competition held in Sydney



Port of Bunbury – Christmas in the City 2015 Parade

PERFORMANCE Stakeholder Relations

In Albany, the Authority along with the Department of Fisheries Community Education Officers co-hosted a stall at the Great Southern Great Science: Science Rocks Forum. The event showcased a range of different science careers and opportunities that are available and active in the region. The event focused on the Port of Albany Early Warning Monitoring System for introduced marine species.



The Authority and the Department of Fisheries education staff at the Science Rocks Forum

In Bunbury, the Authority has continued its support of the South West Marine Research Program. FY16 saw the transition into Stage 3, a continuation of the dolphin population monitoring and health research, and introduces new research focused on assessing potential population-level consequences of human activity on the dolphins in the Bunbury area.

In Esperance, the Authority made a significant contribution in December 2015 to the Lord Mayor's Appeal Fund for the 2015 Bushfire Appeal. Esperance staff spontaneously combined the 50TH anniversary of the Port's first landbacked berth opening and the annual Christmas celebrations into a low key event so that the savings could be donated to the Bushfire Appeal.

As part of the upgrade of the heavy vehicle entrance to the Port of Esperance, the workforce had an opportunity to work with the local indigenous community in identifying any potential areas of significance plus understand many of the cultural diversities that are important to the local community.

In addition, the Authority sponsors its communities by leasing properties within its boundaries that cannot be used for trade facilitation.

PERFORMANCE Stakeholder Relations

Community	Tenant/Asset
Albany	Mission to Seafarers
Albany	Discovery Bay Tourism Experience
Albany	Princess Royal Sailing Club
Albany	Stella Maris
Albany	Albany Light Opera
Albany	City of Albany (Perth Dive Wreck)
Albany	City of Albany (Emu Point)
Albany	City of Albany (Shark Barrier)
Bunbury	Western Tourist Radio
Bunbury	Maritime Cadets
Bunbury	Department of Water
Bunbury	Sea Rescue
Bunbury	City of Bunbury Fishing Platform
Esperance	Esperance Bay Yacht Club
Esperance	Adventureland Park

During FY16, 23 cruise vessels visited the Ports of Albany, Bunbury and Esperance. The cruise vessels and their passengers provide significant economic input into the local community and surrounding tourist regions during their visits.



The DAWN PRINCESS departing Albany at sunset

PERFORMANCE Stakeholder Relations

PORT USERS

Users of each Port include freight owners, shipping lines and agents, logistic and transport providers, government agencies and their contractors. The Authority facilitates Port User meetings at each Port on a regular basis where shared topics are discussed such as regulations, organisational or infrastructure matters. One-on-one meetings are typically dedicated to commercial-in-confidence topics and occur at the respective Ports, at the Perth office or via video conference.

COMMUNITY CONSULTATIVE COMMITTEES

The Authority holds regular Port Community Consultative Committee meetings in Albany, Bunbury and Esperance. The Committees provide the Authority with a stronger focus in the regional communities through feedback from the members. Regular liaison with the Committees ensures the Authority is managing its operations in a socially and environmentally responsible manner for the benefit of the local community and the State.



Port of Albany – Port Community Consultative Committee port tour

PERFORMANCE Stakeholder Relations

An overview of each Committees activities for FY16 is provided below from each Committee's independent Chair.

ALBANY:

"The 12 community member Port of Albany Community Consultative Committee aims to meet quarterly. In line with this, the Committee met four times in FY16. Meetings were well attended with an average 85% (approx.) attendance rate. The Committee is strongly supported by regular in-person briefings, reports and updates from relevant Authority staff, including both the General Manager and Harbour Master, in respect of their various areas of responsibility. The Authority Director Cass Porter represents the Authority Board and the Authority CEO Nicolas Fertin attends the Committee, either in person or by video conference. It should be noted that each Committee member was provided with the opportunity to raise pertinent issues at each meeting, without restriction on any discussion within the Committee's Charter. The Committee was and is highly appreciative of the opportunity to interact regularly with staff and senior management and provided and received valuable feedback across a range of community issues and interests over the course of the past year."

Chair of the Port of Albany Community Consultative Committee
- Bruce Manning

ESPERANCE:

"The Port of Esperance Consultative Committee continues to have strong representation from the community and the Shire of Esperance and met several times throughout this year to discuss Port operations. The Authority Director Phil Chalmer, along with the Authority CEO Nicolas Fertin, attended all meetings held during FY16. We also met with several companies who propose new trade through the Port of Esperance. The Consultative Committee has been able to provide these businesses with useful information on the expectations and issues that the community of Esperance consider important to the health and wellbeing of the town.

Myself along with the Environmental Officer and Authority staff visited facilities in South Australia and Western Australia to view first-hand the use of Rotating Container Technology used in these Ports to load bulk mineral concentrates and the observations were reported back to the full committee. This technology was utilised very successfully in the Ports visited and has the potential to be used at the Port of Esperance.

PERFORMANCE Stakeholder Relations

Work was also done on the Charter of the PCC to ensure that all members of the PCC have a clear understanding of their roles and responsibilities and set clear terms of reference for the committee.”

Chair of Port of Esperance Consultative Committee
– Brett Thorp

BUNBURY:

“The Port of Bunbury Community Liaison Committee (PCLC) provides community advice and feedback to the Authority. The Committee meets 6 times a year and the agenda includes reports from the Authority CEO, Port of Bunbury General Manager, Port Superintendent and Health Safety and Environment Manager. Authority Directors Neema Premji and Gary Wood attended the PCLC on behalf of the Board. It also receives presentations from existing and potential port users. The Committee has a maximum number of 15 elected members for 2 year terms. Members are free to ask questions and to provide feedback and advice to the Port. The benefits of having the PCLC means that the Port is more aware of the community’s perspective and opinions enabling the port to fine tune its operations to deliver better economic, environmental and social outcomes.”

Chair of Port of Bunbury Community Liaison Committee
– John Saunders

COMPLAINTS MANAGEMENT

Feedback from the Community, including Port Users, allows the Authority to review its operations and how potential impacts can be better managed or systems maintained to minimise future recurrences.

There were 15 complaints relating to the Authority’s operations during the reporting year, six of which were as a result of noise and dust from port operations. The complaints were resolved through liaison with the complainant or relevant Port User to efficiently resolve the matter and mitigate potential future impacts on the local community.

PERFORMANCE People



Port of Bunbury - Stop & Think and Observation Booklet in use

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

The Authority is committed to maintaining a high standard of occupational safety, health and injury management throughout all of its working sites. The Health and Safety Policy has been revised and approved by the Authority Board to better reflect the legislative requirements and aspirations of the Board.

During the year, the Authority reduced all injuries from 50 to 17 and Lost Time Injuries (LTI) reduced from 8 to 0. The Authority believes all injuries are preventable and all incidents are avoidable. During the year, the Authority initiated the creation of a Fair and Just safety culture focused on incident management across land and water at all Ports.

The Authority is committed to assisting employees who are injured at work or who suffer a work related illness to return to work as soon as appropriate, consistent with the Authority's Injury Management Policy and Management Plan and in accordance with the *Workers Compensation and Injury Management Act 1981*.

Each Port has a consultative approach to managing Occupational Health and Safety and employees have the ability to contribute to the safety improvement process through toolbox meetings, their Health and Safety Representatives and a variety of reporting and inspection methods.

PERFORMANCE People

The Port of Bunbury maintained its LTI and Medical Treatment Injuries (MTI) free status during the year. However, the overall number of reported incidents and other injuries reported was of concern. To improve safety performance and reduce incidents, the Port of Bunbury implemented an “Observation” program to encourage employees to record actual and potential workplace hazards and opportunities and processes for improvement. In addition, the Observation program is supported by a “Stop and Think” process that provides employees with a mechanism to assess the potential risks of the work task and the surrounding environment so that the appropriate controls can be implemented.

As a landholder with a large number of potential mosquito breeding sites, the Port of Bunbury has a legislative obligation under the *Western Australian Health Act 1911* and the *City of Bunbury Health Local Laws 2001* to ensure premises are kept as free as possible from mosquito breeding sites. The monitoring and control program continued throughout the year.

Although the Port of Albany recorded one MTI and several incidents, its LTI free period stands at 3559 days as at 30 June 2016.

A compliance review of the Port of Esperance’s Asbestos Management Plan was completed during the year. A number of the recommended actions have been completed or are in the final stages of being implemented.



Port of Esperance - Emergency Response Team training

The Emergency Response Team (ERT) of the Port of Esperance achieved competencies in Open Circuit Breathing Apparatus, Confined Space & Vertical Rescue and Road Crash Rescue methods. During the year, the Authority purchased high pressure lifting airbags, hydraulic vehicle extraction equipment and a custom built rescue trailer to house the ERT rescue equipment, for the purposes of assisting in rapid response.

Several audits and reviews took place at the Port of Esperance notably by the Department of Mines and Petroleum. An improvement program with most actions applicable to the three Ports has been initiated to ensure the Authority has a continuous improvement across all aspects of Health and Safety.

An Employee Assistance Program is provided to assist employees to confidentially resolve work and personal issues that may affect their wellbeing, safety, performance and productivity.

PERFORMANCE People

LOST TIME INJURY/DISEASE INCIDENCE RATE STATISTICS*

Measure	Result FY15	Result FY16	WA State Government Target	Comment On FY16 Year
Number of fatalities	0	0	0	Achieved
Lost time injury or disease incidence rate	3.7 %	0	0 or 10% improvement on the previous three years	Achieved
Lost time injury severity rate	0	0	0 or 10% improvement on the previous three years	Achieved
Percentage of injured workers returned to work				
- within 13 weeks	Not applicable	Not applicable	Greater than or equal to 80% return to work within 26 weeks	Achieved
- within 26 weeks	Not applicable	Not applicable		
Percentage of managers and supervisors trained in occupational safety, health and injury management	58.7 %	80.8 %	Greater than or equal to 80%	Achieved

* As required by PSC Annual Reporting Guidelines

RETENTION AND RECRUITMENT

Employee retention rates have remained high during the reporting period with minimal resignations. Recruitment of employees is in line with the organisation's structure and is guided by the Public Sector Commission standards.

The Authority is an inclusive and non-discriminatory employer which embraces diversity irrespective of race, age, sex, marital status, pregnancy, religious or political conviction, impairment, family responsibility or family status, gender history or orientation.

Enterprise Agreements successfully negotiated during the year include:

- The Southern Ports Authority, Port of Albany Agreement 2015
- The Southern Ports Authority, Port of Albany Marine Pilot Agreement 2015
- The Southern Ports Authority, Port of Esperance Administration Enterprise Agreement 2015
- The Southern Ports Authority, Port of Esperance Terminal Supervisors Enterprise Agreement 2015.

PERFORMANCE People

PEOPLE AND CULTURE

The Authority continued to facilitate the exchange of skills and provide opportunities for career progression with more roles and responsibilities and involvement across the three Ports. New policies and procedures were developed, including the Code of Conduct, and the deployment of a new employment framework to create more equity while recognising terms and conditions inherited from the three Port Authorities prior to amalgamation.

TRAINING

The Authority is proactive in encouraging and assisting employees in undertaking professional development, training and further education. During the FY16 employees participated in training across all functional areas as provided in the table below.

	Participants
Health & Safety	176
Land-based	298
Marine	15
Environment	170
Commercial	4
Human resources	21
Finance	21

PERFORMANCE People



Port of Bunbury – Trial Mineral Sands Exports Berth 8

COMMERCIAL

During the year, the Authority was able to reduce commercial and legal costs while increasing its in-house capability with legal, commercial and contract negotiation skills.

The Commercial Team engages with key customers, potential new customers and major port service providers and licensees.

The proponents of the new grain export trade for Berth 6 at the Port of Albany completed their in-loading and storage infrastructure upgrades. The Port of Albany continues to support the export of logs with one shipment facilitated in FY16. The Authority continued the work required to secure the renewal of environmental approvals for the SouthDown Joint Venture Magnetite Project with the development of a new Commonwealth Sea Dumping Permit Application.

Port of Bunbury Port Users trading via the Outer Harbour have been engaged in the development of the Outer Harbour Relocation Plan while several conceptual discussions have taken place to consider the trading of containers through the Port of Bunbury Inner Harbour.

PERFORMANCE People



Port of Esperance - Export of woodchips

Two shipments of woodchips occurred at the Port of Esperance during FY16. The Authority continues to work with customers to facilitate the long term export of blue gum plantation trees in Esperance.

A long term agreement to export both nickel and copper concentrates through the Port of Esperance was entered into late 2015. Exports are expected to commence during the first quarter of 2017.

The Authority's objective is to be more efficient and proactive in commercial interactions. A trade development process and guideline is under development to provide customers with a detailed understanding and greater transparency of the steps necessary to implement new trade by engaging with the Authority and other Government agencies as is necessary.

A suite of harmonised commercial agreements, leases and licences is being developed. A new contract and lease register is being implemented across the Authority. The register will allow for improved efficiencies in the management of the numerous agreements and leases and ensure the timely coordination of renewals, extensions, and annual rate adjustments while providing a transparent view of the pipeline of upcoming commercial activity.

The tender for combined contracted towage services for two Ports was released in FY16 and will be implemented during FY17.

FINANCIAL

A Chart of Accounts alignment between the three Ports was achieved during FY16 and will operate from 1 July 2016. The alignment will provide for improved efficiencies in the consolidation and analysis of financial data organisation wide. The significant project was planned and rolled out internally with input from all locations.

The integration of a business intelligence application tool with the existing finance system will provide for timely analysis of financial data on a consolidated level.

In addition to the Chart of Accounts alignment project, improved financial processes were further progressed during FY16, which will return benefits during FY17. The accounts alignment is the enabler of a number of efficiency related initiatives.

PERFORMANCE People

A major asset register alignment process was also completed during the year, which in addition to an asset revaluation process, will provide for more useful asset information organisation-wide.

The Finance Team is committed to achieving efficiencies in the provision and analysis of financial information for the Authority

INFORMATION AND COMMUNICATION TECHNOLOGY

During FY16 a number of significant Information and Communication Technology (ICT) projects were completed. The most significant project was the active directory migration which was completed in June 2016. The active directory creates the structure to enable organisation wide applications to commence roll out in FY17.



Port of Albany – CCTV monitoring in operation

In addition to the major active directory project, the following ICT projects were also completed:

- Improved ICT security;
- CCTV camera upgrades at two Ports;
- Integration of a business intelligence applications tool; and
- Rationalisation of email servers.

PERFORMANCE Operations

ENGINEERING, ASSET MAINTENANCE AND PORT DEVELOPMENT

To maintain the Authority's asset investments and provide ongoing access to Port infrastructure for our customers, the following operational projects and maintenance were undertaken during the reporting period.

Port of Albany:

- 330m of the 390m timber fendering replaced on Berths 1 and 2.
- Berth 4b, Berth 5 and tug marina seawall reinforced.
- Closed Circuit Television network investment.
- Navigational beacon tops life extended.



Port of Albany – Timber Fender Replacement Berths 1 and 2



Port of Albany – Repairs to Sea Wall

Port of Bunbury:

- Asset Management Plan completed for Berth 8 Shiploader.
- Investment and capacity improvement for Berth 8 conveyor circuit.
- Completion of Berth 3 repairs.
- Extension by 100m of the screen wall along Koombana Drive boundary.
- Completion of 230m of Rock Revetment Wall construction at Point Busaco neighbouring the Dolphin Discovery Centre.
- Stage 1 of Inner Harbour Road improvement along Berth 3 and 5 completed.
- The draft Strategic Public Environmental Review related to the 2009 Inner Harbour Structure Plan was submitted to Environmental Protection Authority.

PERFORMANCE Operations

- Preston River Relocation Design was partially completed.
- Maintenance dredging removing 85,800 cubic metres of material preserving channel depth of 12.2 m.



Port of Bunbury - Rock Revetment Wall construction at Point Busaco



Port of Bunbury – Annual Maintenance Dredging

Port of Esperance:

- Upgrade of the first 245m of the western end of Hughes Road.
- Replacement of 200m of corroded fire hydrant supply lines and six fire hydrants along the seaward edge of Berth 1.
- Installation of new higher capacity cone fenders with wider frontal plates at two positions on the Berth 1.
- Enclosure of iron ore transfer tower (TT02).
- Major structural repair and surface protection to Berth 3 ship loader connecting conveyor.
- Relocation of substation at Berth 1 to facilitate trade development.
- Installation of spill capturing equipment on Berth 2 container crane.
- Replacement of CV32 conveyor belt (longest in Port).



Port of Esperance - Hughes Road upgrade

PERFORMANCE Operations

ENVIRONMENT

The three Ports have continual air quality monitoring practices in place with automated condition monitoring systems located within and outside Port boundaries. Particulate level for matter 10 micron and smaller have been often impacted by ambient conditions or activities not linked to the Ports such as bush fires and forest fuel reduction burns. There has been no exceedance from the three Port activities above the National Environmental Protection Measure or above our Environmental License prescribed limits.

The Monitoring of the Early Warning System for the detection of introduced marine species continued under the collaborative Department of Fisheries biosecurity arrangements at the Port of Albany.

Port of Albany continued to monitor one hectare of seagrass transplanted as a condition of the Southdown Joint Venture. Monitoring was undertaken in March 2016, with results indicating the average survival rate of 78% has been maintained.



Port of Bunbury – Nesting Fairy Terns

ISO 14001:2004 Certification for Port of Bunbury Environmental Management System was audited in March 2016. Continued compliance with the Standard was confirmed and Port of Bunbury certification was renewed until September 2018.

The Port of Bunbury's Part V Environmental Licence for Berths 5 and 8 was rolled over for the FY16. The Licence included assessment by the Department of Environment Regulation (DER) for products not previously captured under licence at Berth 5. Annual Audit Compliance Reports were submitted to the DER during FY16. No licence condition breaches occurred.

PERFORMANCE Operations



Port of Esperance
– New Noise Logger

The Port of Esperance has been working with their lessees to model noise across the Port precinct. The Authority believes a whole of Port precinct would better serve the community's expectations. A noise logger has been commissioned to provide noise data and to assist with any investigations and trialling of new trade and handling practices.

The Port of Esperance saved 10,000 cubic metres of scheme water during FY16 through water saving initiatives. These include a new system to treat sulphur wash waters, installation of a fogging system on the Berth 3 iron ore shiploader and the installation of several 25 kilolitre rainwater tanks.

MARINE SERVICES

The capability of the Marine Services Delivery was expanded with a Port of Esperance qualified Pilot obtaining Port of Albany endorsements in order to provide support to Albany's pilotage services.

For the first time in the history of the Port of Esperance, a 295m container ship, MV Kalliopi was berthed across both Berths 1 and 2 on 23 December 2015. The pilotage was assessed at the Fremantle Simulation Centre prior to the arrival of the vessel and the standard Passage Plan was adjusted based on the learnings from the simulation.

STEVEDORING



Port of Bunbury
– Berth 5 heavy lift operations

The Authority facilitated initiatives between Port Users and the Port of Bunbury's licenced stevedore which resulted in an increase in the loading rate by more than 50% for certain products over Berth 8.

The Port of Esperance Operations Team delivers stevedoring and operational support services to our clients through a team of 60 multi-skilled employees. With support staff including planning, management and supervision, the Port of Esperance Operations Team are able to offer a comprehensive range of services focused on safe and efficient performance tailored to our customers needs.

Over the past three years iron ore loading rates at Esperance improved by an average of 5% per annum, sulphur unloading rates improved by an average of 20% per annum and container handling rates improved by an average of 10% per annum.

PERFORMANCE Operations

SECURITY

The Authority continues to provide Maritime Security Identification Cards (MSIC) to Port users in line with the requirements of the Authority Issuing Body Plan and Federal Government requirements. A successful annual audit of the MSIC plan was completed.



Port of Bunbury – Berth 5 Gates

With the addition of the new Port of Albany and enhancement of the Port of Bunbury Closed-Circuit Television (CCTV), CCTV systems now cover all three Port's entry and exit points, shipping berths, cargo laydown areas and administration centre. During the year, CCTV systems provided increased security, information for incident investigation and staff safety at each Port.

There were two minor security events at the Port of Albany related to unauthorised access to the Port area which were reported to the Federal Department of Infrastructure and Regional Development.

In November 2015 a three year contract was awarded to Nightguard Security Services at the Port of Bunbury for the provision of security services.

PERFORMANCE Land Use Planning

FUTURE LAND USE

The Port of Albany Land Use Plan (June 2010) and the Port of Bunbury Inner Harbour Structure Plan (September 2009) (IHSP) were not amended during the reporting period.

During FY16, the Authority worked closely with government and community stakeholders on the planning for the State Government Transforming Bunbury Waterfront project. This project focuses on the revitalisation of Bunbury's waterfront from the Dolphin Discovery Centre to the Authority's Outer Harbour. The Authority and Bunbury local stakeholders have agreed that the relocation of the Outer Harbour trade would include the negotiation of new boundaries at the entrance of the Outer Harbour.

The Authority also progressed to the final stages of the Preston River Re-engineering Design Study. Based on the IHSP 2009, once completed this study will provide the Authority an understanding to the requirements needed to unlock the Port of Bunbury's Inner Harbour land holding for future commercial port development.

Other discussions regarding new projects, new trade and property development were consistent with the approved land use strategy documents.

HERITAGE

The Authority removed the grain cleaning infrastructure from Lot 46A at the Port of Albany leaving the heritage listed Pilot Cottages on Lot 46B available for strategic consideration. The Authority is working collaboratively with the City of Albany and Great Southern Development Commission to consider appropriate community opportunities for this unique site and buildings.



Port of Albany - Heritage listed Pilot's Cottages

PERFORMANCE Land Use Planning

Following submission of a consent application to the Department of Aboriginal Affairs in July 2015, the Authority received consent under section 18(3) of the *Aboriginal Heritage Act 1972* in March 2016 relating to Port of Bunbury land that would be impacted by the potential future realignment of the Preston River to the south and east boundary of the Port Reserve land and the filling of the existing river channel.

Maintenance of the Authority owned Heritage listed Leschenault Homestead in Bunbury continued throughout the year. Occupancy of the Homestead by Authority staff progressively reduced during the year as employees were relocated back to the main administration office following renovation and upgrade works to that building. The future use of the Homestead is under review by the Authority.

In February 2016, the Authority commenced an upgrade of Port of Esperance heavy vehicle entrance, Hughes Road. The Authority engaged with the Esperance Tjaltjraak Native Title Aboriginal Corporation to carry out a Ground Penetrating Radar survey of the area as well as ongoing monitoring during the project.



Port of Esperance – Ground Penetrating Radar Survey, Hughes Road

OTHER ISSUES

- The Authority continues to respond to market conditions and demands from industries. During FY16, the downturn in trade commodities has resulted in several export initiatives across the three Ports be put on hold or terminated by industry proponents.
- Since the creation of Port of Bunbury Inner Harbour in 1970, the Port of Bunbury Outer Harbour land areas were re-vested by the Authority to the Crown and progressively converted for residential, recreational or commercial land use. The Authority continues to work collaboratively with local stakeholders and Port Users to facilitate the relocation of trade from the Outer Harbour to the Inner Harbour without materially impacting the local economy.

DISCLOSURE AND LEGAL COMPLIANCE

Directors' Report for the year ended 30 June 2016

DIRECTOR MEETINGS

During the financial year, Directors attended the following Board and Committee meetings. The graph below denotes the number of meetings held during the financial year and the number of attendances by Directors at the respective meetings.

MEETINGS HELD JULY 2015 TO JUNE 2016

	Board	Audit and Risk Committee	Corporate Governance Committee	Investment and Infrastructure Committee	Human Relations Committee	Health Safety and Environment Committee	Port of Bunbury CCC	Port of Albany CCC	Port of Esperance CCC
Total Meetings Held	10	6	3	5	6	4	6	3	4
ROGER HUSSEY	10		3	4					
NEEMA PREMJI	9	6	3				3		
ANTHONY WILLINGE	9	6							
CASS PORTER	9				6	4		2	
GARY WOOD	9				6		1		
PETER IANCOV	10			5					
PHIL CHALMER	9					4			4

DISCLOSURE AND LEGAL COMPLIANCE

Directors' Report for the year ended 30 June 2016

PRINCIPAL ACTIVITIES

There were no significant changes in the nature of the activities undertaken by the Authority during the reporting period.

The principal activities of the Authority are to:

- Foster and facilitate trade in a safe and efficient manner;
- Provide port facilities and services as required;
- Undertake operations in an environmentally conscious manner; and
- Provide for the needs of current and potential new customers through the planning and co-ordination of future port developments.

REVIEW OF OPERATIONS

The Authority's consolidated trade performance for the financial year was a total of 36.109 million tonnes. Major imports were caustic soda and mineral sands, with iron ore, alumina and woodchips being the major export products.

REVIEW OF FINANCIAL RESULTS FY16

The profit for FY16 before income tax was \$38.068 million.
The income tax expense attributable to the profit for the financial year was \$11.497 million.

DIVIDENDS

Dividends paid or declared by the Authority and approved by the Shareholder since the end of the previous financial year were, \$4,694,673 paid on 22 December 2015 as the FY15 final dividend and \$10,966,000 paid on 21 June 2016 as an interim dividend for the FY16 financial year.

STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Authority during the financial year under review. The Authority operates in Western Australia under the provisions of the *Port Authorities Act 1999*.

DISCLOSURE AND LEGAL COMPLIANCE

Directors' Report for the year ended 30 June 2016

EVENTS SUBSEQUENT TO REPORTING DATE

There has not been any matter or circumstance that has arisen since 30 June 2016 and the date of this report that, in the opinion of the Directors, has significantly affected, or may significantly affect the Authority's operations, the results of those operations, or the state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Authority will continue to work closely with customers and stakeholders to fulfil its trade facilitation role and meet the needs of our current and future customers.

EMOLUMENTS

The Minister establishes the remuneration paid to Directors and with the approval of the Minister and subject to the *Salaries and Allowances Act 1975*, Directors determine the remuneration package of the Chief Executive Officer.

The Chief Executive Officer, together with the Board, determines the terms and conditions of employment, including remuneration packages, of the senior executives. The performance of the Chief Executive Officer and senior executives is monitored against agreed criteria.

The remuneration and terms and conditions of employment for other staff are delegated to the Human Resources Committee and Chief Executive Officer, who ensures such terms and conditions are not less than the National Employment Standards contained in the *Fair Work Act 2009* (Cth) and the *Minimum Conditions of Employment Act 1993* (WA).

In accordance with clause 13(c)(ii) of Schedule 5 of the *Port Authorities Act 1999*, the nature and amount of each major element of remuneration of each Director of the Authority and each of the three named officers who received the highest remuneration are reported below.

DISCLOSURE AND LEGAL COMPLIANCE

Directors' Report for the year ended 30 June 2016

DIRECTOR EMOLUMENTS

Details of emoluments provided to Southern Ports Authority Directors during FY16. All Directors were members of the Board for the entire reporting period.

Director	Board & Committee Sitting Fee	Superannuation	Total
P Chalmer	\$ 34,650	\$ 3,292	\$ 37,942
R Hussey	\$ 66,771	\$ 6,343	\$ 73,114
P Iancov	\$ 34,650	\$ 3,292	\$ 37,942
C Porter	\$ 34,650	\$ 3,292	\$ 37,942
N Premji	\$ 40,467	\$ 3,844	\$ 44,311
A Willinge	\$ 32,121	\$ 3,051	\$ 35,172
G Wood	\$ 34,650	\$ 3,292	\$ 37,942

DIRECTOR'S BENEFITS

No Director of the Authority has received benefits or became entitled to receive any benefit (other than a benefit included in the total amount of emoluments received or due and receivable by Directors) by reason of a contract made with the Director, or with a firm of which the Director is a member, or with an entity in which the Director has a substantial interest.

EXECUTIVE EMOLUMENTS

Details of emoluments provided to the Authority's three highest remunerated officers during FY16.

Executive	Salary	Super and other benefits	Total*
N Fertin <i>Chief Executive Officer</i>	\$329,412	\$53,412	\$382,824
S Bolt <i>Harbour Master Port of Albany</i>	\$275,921	\$42,347	\$318,268
R Liley <i>Marine Manager/ Harbour Master Port of Bunbury</i>	\$270,538	\$31,828	\$302,366

* The total remuneration includes salaries, superannuation and non-monetary benefits.

DISCLOSURE AND LEGAL COMPLIANCE

Directors' Report for the year ended 30 June 2016

ENVIRONMENTAL REGULATION

Under the *Ports Authorities Act 1999*, the Authority is also required to “protect the environment of the port and minimise the impact of port activities on that environment”. The Authority’s operations are subject to regulation under both Commonwealth and State environmental legislation applicable to any Australian commercial entity.

ENVIRONMENTAL MANAGEMENT

The Authority is committed to managing an environmentally responsible organisation. This commitment is reflected in the values and corporate priorities of the Authority by undertaking a number of environmental programs to meet Ministerial conditions associated with recent major projects. Reports detailing findings and recommendations on these monitoring programs are submitted for review and approval by the Department of Environment. Further details on the Authority’s Environmental Management System are available within this annual report.

ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS

Amounts have been rounded off to the nearest thousand dollars in the Directors’ Report and Financial Statements.

This report is made with a resolution of Directors on 26 August 2016.



Robert Cole
Chair
West Perth, Western Australia



Neema Premji
Deputy Chair
West Perth, Western Australia

DISCLOSURE AND LEGAL COMPLIANCE

Financial Performance Indicators

	Actual FY16	Budget FY16
Vessel Revenue per vessel (total vessel revenue divided by total commercial vessels)	\$56,805	\$52,660
Cost per vessel (total expenses excluding depreciation and interest divided by total commercial vessels)	\$136,192	\$141,302
Cargo Revenue per tonne (total cargo revenue divided by total cargo tonnes)	\$1.25	\$1.12
Aggregated Operating Cost per Tonne (total operating costs excluding depreciation and finance costs divided by total cargo tonnes)	\$2.40	\$2.73
Achieve long term hurdle Rate of Return	10.3%	9.7%
Operating profit margin (net profit divided by total revenue)	27.1%	20.5%

DISCLOSURE AND LEGAL COMPLIANCE

Governance

LEGISLATIVE FRAMEWORK

Responsible Minister:	Hon. Dean Nalder MLA, Minister for Agriculture and Food; Transport
Enabling Legislation	<i>Port Authorities Act 1999</i>
Legislation Administered	<i>Port Authorities Act 1999</i>

The Port Authorities of Western Australia function as corporatised entities with a Board of Management which reports to the Minister for Transport and are administered under the *Port Authorities Act 1999* (Act). The Act provides the role for Port Authorities in facilitating trade in a commercially responsible manner and establishes clear lines of accountability with the State Government

The Authority, as per the Act, has a duty to act on commercial principles. Under the Act the Authority has the powers to perform specific functions, as well as the power to hold and dispose of assets and enter into commercial arrangements. The Act exempts the Authority from the *Public Sector Management Act 1994*, however the Authority is required to put in place minimum standards that reflect the principles of the *Public Sector Management Act 1994* and to report annually to the Commissioner for Public Standards.

The Act adopts financial reporting provisions equivalent to those of Corporations Law and exempts the Authority from the *Financial Management Act 2006*, with the exception of audit provisions, which means that the Auditor General continues to conduct annual audits.

The following list, which is not absolute, represents other key compliance legislation.

- *Commonwealth Marine Security Act*
- *Corruption Crime and Misconduct Act 2003*
- *Disability Services Act 1993*
- *Electoral Act 1907*
- *Environmental Protection Act 1986*
- *Equal Opportunity Act 1984*
- *Fairwork Act 2009*
- *Financial Management Act 2006*
- *Freedom of Information Act 1992*

DISCLOSURE AND LEGAL COMPLIANCE

Governance

- *Industrial Relations Act 1979*
- *Maritime Transport and Offshore Facilities Security Act 2003*
- *Minimum Conditions of Employment Act 1993*
- *Mines Safety and Inspection Act 1994*
- *Occupational Safety and Health Act 1984*
- *Public Interest Disclosure Act 2003*
- *Public Sector Management Act 1994*
- *Salaries and Allowances Act 1975*
- *State Records Act 2000*

BOARD OF DIRECTORS

The Board consists of seven non-executive Directors, who are appointed by the Minister for Transport for terms of up to three years and Directors are eligible for reappointment. The Minister also appoints the Chair and the Deputy Chair positions. The Board reports to the Minister regularly against the Authority's Strategic Development Plan and key operational items.

The responsibilities and powers of the Board and the responsibilities and powers of the Chief Executive Officer, (who is appointed by the Board with the Ministers approval) is responsible for day-to-day management of the Authority, are set out in the Act.

Information on Directors experience and skills are included on [pages 11 - 15](#).

ROLE AND ACTIVITIES OF THE BOARD

The role of the Board is to perform the functions and control the affairs of the Authority and includes policy formulation and compliance and ensures the Authority proactively addresses internal controls and risk management issues.

Directors set the strategic goals for Management and monitor the execution of those goals. The Board endorses the objectives of the five-year Strategic Development Plan and an annual Statement of Corporate Intent which requires approval by the Minister.

The Board performs these functions by offering leadership, corporate governance and providing strategic direction to the Authority's staff.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

Board meetings are held on a monthly basis and as required during the year, when extraordinary or special meetings may be called. No extraordinary meetings were called during the reporting period. Directors held two regional Board meetings during the 2016 financial year: one in Bunbury, the other in Esperance and in September 2016 Directors will hold their Board meeting in Albany.

Directors take the opportunity while at regional ports to meet with the local stakeholders in the regional area. The Minister for Transport also met with regional stakeholders when the Board visited Esperance in May 2016.



Regional Stakeholder Meeting with the Minister of Transport

Community Consultative Committees have been established at each Port and are administered by the Board through the means of a Charter, with an independent Chair overseeing the meeting process. Directors attend meetings when available.

The role of the Community Consultative Committee is to promote the flow of information and communication with the general public and to provide an environment in which comments from the Community can be received by the Authority. The Board encourages the Community to liaise with their regional Community Consultative Committee Chair regarding concerns or comments they may wish to bring to the Boards' attention. Contact details are located on the Authorities website contact page.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

INDEPENDENT PROFESSIONAL ADVICE

The Chair may approve Directors to seek external professional advice when required to perform their duties as a Director, at the expense of the Authority.

DIRECTOR'S CODE

The Corporate Governance Manual identifies the minimum standards of conduct required of all Directors of the Authority in carrying out their duties and responsibilities and covers professional and personal behaviour, communication and official information. The Manual includes the Authority's Code of Conduct, the ASX Corporate Governance Principles and Recommendations 3rd edition and the Western Australian Public Sector Commission guidelines.

COMPLIANCE WITH PUBLIC SECTOR STANDARDS AND ETHICAL CODES

The Act requires the Board to prepare and issue a Code of Conduct aligned with the guidelines issued by the Public Sector Commissioner. The Board reviewed and approved a revised Code of Conduct in May 2016. The Code applies to Directors and Employees of the Authority, Contractors and their Employees and representatives and visitors engaging in any Authority-related activity.

All Directors and Employees are provided with a copy of the Code of Conduct and the document is provided at the induction process of new Employees.

The Code of Conduct is promoted via the Authority's intranet service and at all Authority office locations.

There were no incidents involving reportable misconduct or breaches of the Authority's Code of Conduct during the FY16 period.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

Audit Systems and Processes

AUDIT AND RISK COMMITTEE

The Audit and Risk Committee operates under a formal Charter that was last reviewed and approved by the Board on 21 May 2015. Two Directors are appointed to the Committee, with one being appointed as the Committee Chair. Management is also represented with the Chief Executive Officer and Chief Financial Officer attending regular meetings.

The Committees primary function is to ensure:

- the internal audit function is operating effectively, independently and in accordance with the Standards for the Professional Practice of Internal Auditing with appropriate internal controls in place and recommendations and concerns of the external Auditor are implemented in a timely manner
- the Authority's risk appetite is defined and clearly articulated and systems are in place to ensure the full range of actual or potential risk exposures which are material to the Authority are identified and are considered by Management, the Board and relevant Board Committees as appropriate
- the Authority develops, implements and monitors effective risk management systems and mitigation strategies and extreme and high level risks are assessed and overseen by the Board.

INTERNAL AUDIT

The Authority engages an independent Consultant to undertake internal audits and provide an appraisal on the effectiveness of operations and control systems. The outcomes of an audit provide guidance to the Board on the effectiveness of the Authority's risk management, control and governance processes.

During the current reporting period, the Committee requested an internal audit be undertaken on the areas of debtor management, payroll, the Board governance framework and the procurement framework.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

EXTERNAL AUDIT

In compliance with the *Port Authorities Act 1999*, Southern Ports Authority's financial reports for the financial year have been audited by the Auditor General. The external audit is outsourced to KPMG as appointed by the Office of the Auditor General.

RISK MANAGEMENT

The Authority recognises that effective Risk Management at all levels of the organisation is a core element of corporate governance, is necessary for the achievement of organisational objectives and opportunities to be realised. A Risk Management Framework that ensures the organisation-wide systematic identification, assessment and management of key risks that could prevent the organisation from achieving its Vision and Mission has been established.

FINANCIAL MANAGEMENT ACT 2006

Section 91 of the Act gives effect to Schedule 5 of the Act which contains provisions substantially based upon Corporations Law in relation to financial administration and audit. The provisions of the *Financial Management Act 2006* are limited to the application of the audit process only.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

DISCLOSURE AND LEGAL COMPLIANCE

The following are the disclosures required in accordance with legislation and government policies.

PUBLIC INTEREST DISCLOSURE

The Authority is a 'notifying authority' for the purposes of the *Corruption Crime and Misconduct Act 2003* and the *Public Interest Disclosure Act 2003*.

There were no incidents requiring disclosure reports under the respective legislation during the reporting period ending 30 June 2016.

MINISTERIAL DIRECTIVES

The Minister may give directions in writing to the Board of Directors with respect to the performance of the functions prescribed by legislation. There were no Ministerial directives during the year.

DISABILITY ACCESS

The Authority provides the following disability access:

- physical access is provided to all administration buildings in Albany, Bunbury, Esperance and Perth; and
- provision of amenities in the administration buildings for people with disabilities in accordance with Australian Standards at the time of the respective building's construction.

People with disabilities can obtain information regarding the Authority's publications and services including the Annual Report on the Authority's web site at www.southernports.com.au.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

SUBSTANTIVE EQUALITY

The Authority acknowledges the importance to support Employees balancing work and family responsibilities by providing, where possible, flexible hours, availability of purchased leave and parental leave.

The Authority's Employee Assistance Program continues to provide confidential external support to staff and their families.

Employee Equity Representation	Representation
Women	18.0%
People from Culturally diverse backgrounds	3.8%
Aboriginal Australians	2.0%
People with Disabilities	0.04%
Youth (under 25)	4.0%
Mature (over 45)	50.5%
Women in Tier 2 Management	14.0%
Women in Tier 3 Management	15.0%

RECORDKEEPING

In accordance with Section 19 of the *State Records Act 2000*, the Authority is required to have a Recordkeeping Plan.

In August 2015, the State Records Commission approved for a period of five years, the inaugural Southern Ports Authority Recordkeeping Plan. The Recordkeeping Plan applies to all employees, contractors and organisations performing outsourced services on behalf of the Authority.

The Authority has in place three record keeping systems and has now commenced the process to implement a solitary Electronic Document Records Management System. The implementation will include a move towards a more digitised operating environment and enhanced recordkeeping practices within the business.

In line with the approved Recordkeeping Plan the Authority continues to develop and implement formal recordkeeping policies, processes and training programs to assist staff meet their recordkeeping responsibilities.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

Staff are provided an electronic copy of the Authority's Recordkeeping Plan, Records Management Policy and other information to ensure all are aware of their role and responsibilities in terms of recordkeeping within the Authority and periodically receive training to ensure a full understanding of their legal responsibility to comply with the Recordkeeping Plan.

Performance indicators will be developed by the Chief Financial Officer to measure the efficiency and effectiveness of the recordkeeping systems following the implementation of the single management system.

EXPENDITURE ON ADVERTISING, MARKET RESEARCH, POLLING AND DIRECT MAIL

Expenditure Category and Company Name	FY16 Amount \$
Advertising Agencies	
Albany Chamber of Commerce and Industry	\$62
Reynolds Graphics	\$8,385
Market Research Organisations	
Nil	
Polling Organisations	
Nil	
Direct Mail Organisations	
Tenderlink	\$5,000
Media Advertising Organisations	
Albany & Great Southern Weekender	\$2,904
Fairfax Media	\$256
Tourism Esperance Association	\$2,950
Esperance Holdings	\$355
Rotary Club of Esperance	\$400
Rural Press	\$673
West Australian Newspapers	\$4,691
Seek	\$1,877
TOTAL	\$27,553

DISCLOSURE AND LEGAL COMPLIANCE

Governance

FREEDOM OF INFORMATION

The Authority is required to publish annual information statements either as stand-alone documents or in its annual reports. The Authority has chosen to incorporate its Freedom of Information Statement in this Annual Report. Where possible, information the Authority holds will be made available on an informal basis and at no charge. Publications released during the reporting period were:

- The 2015 Annual Report

Other information is available via the Authority's web site at www.southernports.com.au.

Under the *Freedom of Information Act 1992* the Authority is required to respond to applications for information within 45 days of receipt, unless an extension of time is granted. A formal application for information must be:

- in writing;
- give enough information to enable the requested documents to be identified;
- give an Australian address to which notices can be sent;
- accompanied by a \$30 application fee, unless the information relates to a personal matter which is free of charge. An additional charge may apply for the processing of non-personal information. The fee is reduced by 25 percent for pensioners and financially disadvantaged persons; and addressed to the Authority's Freedom of Information Act (FOI) Coordinator as follows:

FOI Coordinator
Southern Ports Authority
PO Box 1049
WEST PERTH WA 6872

The Authority's FOI Coordinator received one FOI access application during the reporting period.

DISCLOSURE AND LEGAL COMPLIANCE

Governance

OCCUPATIONAL SAFETY, HEALTH AND INJURY MANAGEMENT

The Board is committed to providing a safe and healthy work environment for all people involved with Port related activities within the Authority's controlled areas on land and water.

The Authority is committed to:

- safety taking uncompromised priority when we work and ensuring individuals and teams are accountable and responsible for their personal safety and the safety of others;
- promoting a fair and just culture that encourages everyone to report and facilitates investigations of unsafe acts and incidents with honesty and integrity and identifying hazards and managing health and safety risks to prevent injury and damage – all injuries are preventable;
- providing resources, training and support to meet safety objectives and setting and reviewing health and safety performance indicators and targets;
- continuously improving our safety systems to exceed our targets while being guided by AS/NZS 4801 Occupational Health and Safety Management Systems and complying with all applicable safety legislation;
- ensuring the safety and health principles are communicated effectively to all employees and ensuring the Health and Safety Policy is available to interested third parties.

The Health and Safety Policy was reviewed and endorsed by the Board in June 2016. The Policy sets the strategies the Authority will follow to achieve its health and safety commitments.

A detailed report on health and safety is provided under Human Resources.

FINANCIALS Financial Statements

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2016

	Note	2016 \$'000	2015* \$'000
Income			
Revenue	4	132,647	110,863
Other income	5	7,702	11,292
Expenditure			
Depreciation expense	6	(10,085)	(9,720)
Impairment expense	15	(2,396)	-
Marine expenses		(5,173)	(4,039)
Port operations expenses		(26,633)	(20,938)
General administration		(17,829)	(15,905)
Asset maintenance		(22,334)	(23,121)
Environmental expenses		(2,043)	(1,999)
Port utilities		(10,110)	(8,434)
Security and safety		(2,330)	(1,911)
Finance costs	8	(3,139)	(3,293)
Other expenses	9	(209)	(140)
Profit before income tax		38,068	32,655
Income tax expense	10	(11,497)	(9,324)
Profit for the year		26,571	23,331
Other comprehensive income:		-	-
Items that will not be reclassified to profit and loss		-	-
Items that may be reclassified subsequently to profit and loss		(59)	-
Defined benefit plan actuarial gain/(losses)		18	106
Tax on items that will never be reclassified to profit or loss			(32)
Total comprehensive income for the year		26,530	23,405

The accompanying notes form part of these financial statements.

*Please note 2015 comparatives are not for a full financial year. Refer to note 1(a) for more information.

FINANCIALS Financial Statements

STATEMENT OF FINANCIAL POSITION As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
ASSETS			
Current Assets			
Cash and cash equivalents	12(i)	83,524	47,119
Other financial assets	12(ii)	2,326	24,685
Trade and other receivables	13	20,284	22,413
Inventories	14	2,822	2,713
Total Current Assets		108,956	96,930
Non-Current Assets			
Deferred tax assets	10	310	493
Property, plant and equipment	15	141,539	144,540
Trade and other receivables	13	15,202	20,495
Inventories	14	2,850	2,531
Total Non-Current Assets		159,901	168,059
TOTAL ASSETS		268,857	264,989
LIABILITIES			
Current Liabilities			
Trade and other payables	16	8,159	8,266
Interest bearing borrowings	17	7,880	7,892
Current tax liabilities	10	1,953	4,333
Provisions	18	7,873	6,626
Total Current Liabilities		25,865	27,117
Non-Current Liabilities			
Interest bearing borrowings	17	33,727	41,607
Provisions	18	1,637	1,587
Total Non-Current Liabilities		35,364	43,194
TOTAL LIABILITIES		61,229	70,311
NET ASSETS		207,628	194,678
EQUITY			
Reserves	19	14,815	14,815
Contributed equity		86,781	84,700
Retained earnings		106,032	95,163
TOTAL EQUITY		207,628	194,678

The accompanying notes form part of these financial statements.

FINANCIALS Financial Statements

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2016

	Note	Reserves \$'000	Contributed Equity \$'000	Retained Earnings \$'000	Total \$'000
Balance at 1 July 2014		14,815	1,300	96,750	112,865
Profit for the period		-	-	23,331	23,331
Total other comprehensive income		-	-	74	74
Transactions with owners in their capacity					
Amalgamation – Albany Port Authority	24	-	45,113	-	45,113
Amalgamation – Esperance Port Authority	24	-	36,806	-	36,806
Equity Injection		-	1,481	-	1,481
Dividends paid	11	-	-	(24,992)	(24,992)
Balance at 30 June 2015		14,815	84,700	95,163	194,678
Balance at 1 July 2015		14,815	84,700	95,163	194,678
Profit for the period		-	-	26,571	26,571
Other comprehensive income		-	-	(41)	(41)
Equity injection		-	2,081	-	2,081
Dividends paid	11	-	-	(15,661)	(15,661)
Balance at 30 June 2016		14,815	86,781	106,032	207,628

The accompanying notes form part of these financial statements.

FINANCIALS Financial Statements

STATEMENT OF CASH FLOWS For the year ended 30 June 2016

	Note	2016 \$'000	2015* \$'000
Cash flows from operating activities			
Cash receipts from customers		144,230	123,849
Cash paid to suppliers and employees		(90,878)	(81,088)
Cash generated from operations		53,552	42,761
Interest paid		(3,143)	(3,290)
Income tax (paid)/refunded		(13,678)	(6,354)
Net cash provided by operating activities	20	36,531	33,117
Cash flows from investing activities			
Interest received		2,450	2,759
Proceeds from sale of property, plant and equipment		267	152
Payment received from finance lease		5,838	4,137
Acquisition of property, plant and equipment		(9,568)	(4,902)
Fixed deposits		22,359	12,615
Net cash used in investing activities		21,346	14,761
Cash flows from financing activities			
Repayment of borrowings		(7,892)	(16,058)
Dividends paid		(15,661)	(24,992)
Cash contribution from Government		2,081	1,481
Net cash used in financing activities		(21,472)	(39,569)
Net increase in cash and cash equivalents		36,405	8,309
Cash transferred in	24	-	24,084
Cash and cash equivalents at 1 July		47,119	14,726
Cash and cash equivalents 30 June	20	83,524	47,119

The accompanying notes form part of these financial statements.

*Please note 2015 comparatives are not for a full financial year. Refer to note 1(a) for more information.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 1

Basis of Preparation

(a) Statement of compliance

The Southern Ports Authority ("The Authority") was formed on 1 October 2014 in accordance with the *Ports Legislation Amendments Act 2013*, after the Bunbury Port Authority was renamed as the Southern Ports Authority, and the Albany Port Authority and Esperance Port Authority (being the 'merging Authorities') merged into the Southern Ports Authority.

Comparative balances reported relating to Southern Ports Authority for the year ended 30 June 2015 relate to the balances formerly known as Bunbury Port Authority for the full 12 months ended 30 June 2015, in addition to Esperance Port Authority and Albany Port Authority balances for the 9 months ended 30 June 2015.

Southern Ports Authority ("The Authority") is a not-for-profit entity that prepares general purpose financial statements in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the financial reporting provisions of the *Port Authorities Act 1999*, except as disclosed in note 1(b).

The financial statements were authorised for issue on 26 August 2016 by the Board of Directors of the Authority.

(b) Presentation of the statement of comprehensive income

Expenses have been classified by nature and this is considered to provide more relevant and reliable information than classification by function due to the nature of the Authority's operations.

According to AASB 101 *Presentation of Financial Statements*, expenses classified by nature are not reallocated among various functions within the entity. However, the Authority has allocated employee benefit expense to various line items on the statement of comprehensive income including marine expenses, port operations expenses, general administration, environmental expenses, safety and security expenses and asset maintenance. This allocation reflects the internal reporting structure of the Authority, which allocates labour expenses to significant expense items in the statement of comprehensive income based on the nature of the expenses incurred.

The Authority believes that the allocation is more relevant to the understanding of the financial performance of the Authority.

The directors have concluded that the financial statements present fairly the Authority's financial position, financial performance and cash flows and that it has complied with applicable standards.

(c) Basis of measurement

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

(d) Functional and presentation currency

These financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

(e) Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainty that have a significant risk of resulting in a material adjustment within the next financial year are included within the following note:

Note 18 (d) – Defined benefit plan

Various actuarial assumptions are required when determining the Authority's superannuation obligations. These assumptions and the related carrying amounts are discussed in note 18(d).

Operating lease commitments – as lessor

The Authority has entered into commercial property leases on some of its buildings and land and has determined that it retains all the significant risks and rewards of ownership of these buildings and land and has thus classified the leases as operating leases.

Provision for remediation

Various assumptions are required in determining the Authority's remediation obligations, including the extent of remediation to be undertaken in relation to dismantling and removing assets no longer deemed fit for use.

NOTE 2

Summary of significant accounting policies

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

The accounting policies adopted are consistent with those of the previous financial year unless otherwise stated in Note 2(r).

(a) Revenue recognition

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

(i) Rendering of services

Revenue from services rendered is recognised in proportion to the stage of completion of the transaction at the reporting date. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

(ii) Interest

Interest income is recognised as it accrues.

(iii) Rental income

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

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

(iv) Royalties for Regions Grant income

Royalties for Regions funds are recognised as revenue at fair value in the period in which the Authority obtains control over the funds. The Authority obtains control of the funds at the time the funds are deposited into the Authority's bank account.

(b) Finance income and expenses

Finance income comprises interest income on funds. Interest income is recognised as it accrues.

Finance expenses include interest expenses on borrowings and finance charges payable under finance leases.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of comprehensive income.

(c) Income Tax

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

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

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

(i) Current Tax

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

(ii) Deferred Tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Authority expects, at the end of the reporting period, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity.

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

(d) Trade and lease receivables

Trade debtors are recognised and carried at the original invoice amounts less an allowance for any uncollectable amounts. Debtors are generally settled within 30 days except for property rentals, which are governed by individual lease agreements.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

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

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

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

(e) Inventories

Inventories consist of stores which are measured at the lower of cost and net realisable value.

Spare parts

The Authority holds a variety of spare parts to ensure business continuity should plant or equipment require servicing or repairs. The size, nature and value of these items vary. Additionally, some of the contracts held with entities shipping out of the port require the authority to hold critical spares for these purposes. This policy refers to those spares accounted for as inventory as "operating spares" and those accounted for as Property, Plant and Equipment ("PPE") as "capital spares".

Capital spares

Capital spares are spare parts, servicing equipment and stand-by equipment with an expected useful life, once put into use, of greater than one year. Where the expected useful life of the asset, once put into use, is less than one year such items should be accounted for as inventory and are not capital spares regardless of value or whether they can only be used in connection with a specific piece of PPE.

Capital spares are to be classified as either a separate component asset or attributed to an existing asset. A component is an identifiable part of an item of PPE with a cost that is significant in relation to the total cost of the asset.

The Authority considers an asset to be significant, and therefore a component, if it is greater than 5% of the value of the larger asset to which it relates. A component asset is to be depreciated over the shorter of its useful life and the life of any larger asset to which it relates.

Non-component assets classified as capital spares are to be allocated to and depreciated over the life of the asset to which they relate. Spares held for maintenance contract to service assets that are not under the control of the Authority are not considered as capital spares even though expected useful life, once put into use, is more than a year. Spares not considered as capital spares are accounted for as operating spares.

Operating spares

Operating spares are generally smaller in value and have an expected useful economic life that is less than capital spares. They are often consumed in the production process, or in support activities such as maintenance. If a spare does not meet the definition of a capital spare it shall be accounted for as an operating spare and therefore as inventory.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

(f) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment costing more than \$5,000 are measured at cost less accumulated depreciation and accumulated impairment losses. Items of property, plant and equipment costing \$5,000 or less are immediately expensed to the Statement of Comprehensive Income. Refer to Note 2(r) for information regarding change in accounting policy in 2016.

Cost includes expenditure that is directly attributable to the acquisition of the assets. The cost of self constructed assets includes the following:

- Cost of materials and direct labour;
- Any other costs directly attributable to bringing the asset to a working condition for its intended use;
- When the Authority has an obligation to remove an asset or restore the site, an estimate of the costs of dismantling and removing the item and restoring the site on which it was located; and
- Capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as a part of that equipment.

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

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised within "other income" in the statement of comprehensive income.

(ii) Subsequent costs

Subsequent expenditure is capitalised on when it is probable that the future economic benefits associated with the expenditure will flow to the Authority and its cost can be measured reliably. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

Depreciation is calculated to write off the cost of property, plant and equipment less the estimated residual value using the straight-line basis over the estimated useful life. Depreciation is generally recognised in the statement of comprehensive income, unless the amount is included in the carrying amount of another asset. Leased assets are depreciated over the shorter of the lease term and the useful life unless it is reasonably certain that the Authority will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of each class of depreciable asset are as follows:

Buildings and improvements	4 – 50 years
Breakwaters	22 – 50 years
Inner and outer harbour channels and basins	20 – 100 years
Navigational aids	10 years
Berths and jetties	10 – 40 years

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

Port infrastructure, plant and equipment	3 – 40 years
Minor plant and equipment	2 – 20 years
Office furniture and equipment	2 – 15 years
Motor vehicles	4 – 10 years

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

(iv) Impairment

Property, plant and equipment and infrastructure are tested for any indication of impairment at each reporting date. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not for profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated or where the replacement cost is falling. Each relevant class of asset is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of the asset's future economic benefit and to evaluate any impairment risk from falling replacement costs.

Intangible assets not yet available for use are tested for impairment at each balance date irrespective of whether there is any indication of impairment.

All impairment losses are recognised in the statement of comprehensive income. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(g) Leases

(i) Leased assets

Assets held by the Authority under leases which transfer to the Authority substantially all the risks and rewards of ownership are classified as finance leases.

On initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases are classified as operating leases and are not recognised in the statement of financial position.

(ii) Lease payments

Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

(iii) Determining whether an arrangement contains a lease

At the inception of an arrangement, the Authority determines whether such an arrangement contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- The arrangement contains a right to use the asset or assets.

At inception or upon reassessment of the arrangement, the Authority separates the payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Authority concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset.

(h) Non derivative financial instruments

In addition to cash, the Authority has three categories of non derivative finance instruments:

- Loans and receivables;
- Held to maturity investments; and
- Financial liabilities measured at amortised cost.

Refer to note 21 for further information on the classification of financial instruments.

Initial recognition and measurement is at fair value. The transaction cost or face value is equivalent to the fair value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

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

Trade and other receivables are stated at cost less impairment losses.

(i) Payables

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

(ii) Borrowings

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

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the amortisation process.

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

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

(i) Employee benefits

The liability for annual and long service leave expected to be settled within 12 months after the balance date is recognised and measured at the undiscounted amounts expected to be paid when the liabilities are settled. Annual and long service leave expected to be settled 12 months after the balance date is measured at the present value of amounts expected to be paid when the liabilities are settled. Leave liabilities are in respect of services provided by employees up to the balance date.

When assessing expected future payments consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions. In addition, the long service leave liability also considers the history of employee departures and periods of service.

The expected future payments are discounted to present value using market yields at the balance date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

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

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

(j) Employee superannuation

The Gold State Superannuation Scheme (GSSS), a defined benefit lump sum scheme, and the Superannuation and Family Benefits Act Scheme, a defined benefits pension scheme, are now closed to new members. The Authority is liable for superannuation benefits for past years' service for members for the Superannuation and Family Benefits Act Scheme who elected to transfer to the GSS Scheme. The Authority also accrues for superannuation benefits to the pension scheme for those members who elected not to transfer from that scheme. Monthly contributions are also made to SERF to satisfy existing workforce requirements for waterside employees who transferred to the Authority during 1992 and for casual staff.

The superannuation liability for existing employees with the pre-transfer service incurred under the Superannuation and Family Benefits Act Scheme who transferred to the GSS Scheme is provided for at reporting date. The Authority's total superannuation liability has been actuarially assessed as at 30 June 2016.

Employees who are not members of either the Pension or the GSS Schemes became non contributory members of the West State Superannuation Scheme (WSS), an accumulation fund until 15 April 2007. From 16 April 2007, employees who are not members of the Pension, GSS or WSS Schemes become non-contributory members of the GESB Superannuation Scheme (GESB Super), a taxed accumulation fund. The Authority makes concurrent contributions to the Government Employee Superannuation Board (GESB) on behalf of employees in compliance with the Commonwealth Government's Superannuation *Guarantee (Administration) Act 1992*. These contributions extinguish the liability for superannuation charges in respect of the WSS and GESB Super Schemes.

Defined benefit plan

The Authority's net obligation in respect of the defined benefit pension plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. These benefits are unfunded.

The discount rate used is the market yield rate at the balance date on national government bonds that have maturity date approximating to the terms of the Authority's obligations. The calculation is performed by a qualified actuary using the actuarial cost method.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

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

- Current service cost;
- Interest cost (unwinding of the discount);
- Actuarial gains and losses; and
- Past service cost.

Actuarial gains and losses of the defined benefit plan are recognised immediately in other comprehensive income in the statement of other comprehensive income.

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

(k) Dividends

Dividends are recognised as a liability in the period in which they are declared.

(l) Provisions

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

Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(m) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash on hand, cash at bank and at call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of change in their fair value, and are used by the Authority in the management of its short term commitments.

For the purpose of the statement of cash flows, cash equivalents consist of cash and cash equivalents as defined above.

(n) Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of the acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

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

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

(o) Comparative figures

Comparative figures as at year ended 30 June 2016 relate to the former Bunbury Port Authority 12 months to 30 June 2015 and Albany Port Authority and Esperance Port Authority balances for the 9 months ended 30 June 2015 as noted at Note 1(a). When required by Accounting Standards, comparative figures have been adjusted to confirm to changes in presentation for the current financial year.

When the Authority has retrospectively applied an accounting policy, made a retrospective restatement or reclassified items in its financial statements, an additional statement of financial position at the beginning of the earliest comparative period will be disclosed.

(p) Rounding

Amounts in the financial statements have been rounded to the nearest thousand dollars (\$000).

(q) Future impact of Australian Accounting Standards not yet operative

The Authority has not applied early in any of the following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Accounting Standards from their application date.

AASB 9 Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

These standards will be applicable retrospectively and include revised requirements for the classification and measurement of financial instruments and revised recognition and derecognition requirements for financial instruments.

The key changes made to accounting requirements include:

- Simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- Simplifying the requirements for embedded derivatives;
- Removing the tainting rules associated with held-to-maturity assets;
- Removing the requirements to separate and fair value embedded derivatives for financial assets carried at cost;
- Allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these instruments that are a return on investments can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- Requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on; (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- Requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except then that would create an accounting mismatch. If such a mismatch would be created or enlarged the entity is required to present all changes in fair value (including the effects of changes in credit risk of the liability) in profit or loss.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2018)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with a customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Authority's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this standard will introduce a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. These changes will also impact on the statement of comprehensive income, where lease expenses will be replaced by depreciation and interest charges.

AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor will continue to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

The Port is yet to undertake a detailed assessment of the impact of AASB 16. However the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

AASB 124: Related Party Disclosures (applicable to annual reporting periods commencing 1 July 2016).

When effective, this standard will extend the scope to include not-for-profit public sector entities.

AASB 136: Impairment of Assets (applicable to annual reporting periods commencing on or after 1 January 2017)

When effective, this standard will remove references to using depreciated replacement cost as a measure of value in use for not-for-profit entities. In addition, the standard clarifies that assets that are not held primarily for their ability to generate net cash inflows are typically specialised assets held for their service capacity and their recoverable amount is expected to be materially the same as fair value as determined by current replacement cost valuation under AASB 13 *Fair Value Measurement*.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

(r) Changes in accounting policy

The Authority voluntarily changed its accounting policy relating to the asset capitalisation threshold from 1 July 2015 in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors.

Previously assets with a cost of less than \$1,000 were expensed through the Profit and Loss; assets with a cost of greater than \$1,000 were capitalised and depreciated over their useful life.

As of 1 July 2015 the threshold for asset capitalisation has been increased from \$1,000 to \$5,000, with all assets costing in excess of \$5,000 being capitalised and depreciated over their useful life. From 1 July 2015 assets costing less than \$5,000 are expensed through profit and loss at the time of purchase.

The financial effect of this change in accounting policy is not material with respect to prior comparative periods and balance dates.

NOTE 3

Expenses by nature

Operating expenses are presented on the face of the income statement using a classification based on the nature of expenses (see note 1(b)). Marine expenses include those expenses derived from water-based activities, port operations expenses include those expenses related to land-based support activities, whilst general administration expenses include expenditure of an administrative nature.

NOTE 4:

	2016 \$'000	2015* \$'000
Revenue		
Revenue consists of the following items:		
Rendering of services		
Charges on ships	37,140	32,988
Charges on cargo	44,960	34,134
Shipping services	5,521	4,651
Port services	31,241	26,753
Interest revenue	2,371	2,352
Rentals and leases	11,414	9,985
Total revenue	132,647	110,863

NOTE 5:

	2016 \$'000	2015* \$'000
Other income		
Other income consists of the following items:		
Net gain/(loss) on sale of property, plant and equipment	(69)	(33)
Sale of electricity and water	4,927	6,421
Other	2,844	3,559
Grant funding	-	1,345
Total other income	7,702	11,292

*Please note 2015 comparatives are not for a full financial year. Refer to note 1(a) for more information.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 6:	2016 \$'000	2015* \$'000
Depreciation		
Channels, dredging, breakwaters and navigation aids	2,125	1,827
Buildings and improvements	1,870	3,365
Plant and equipment	3,034	2,021
Berths, jetties and infrastructure	3,056	2,507
Total depreciation	10,085	9,720

NOTE 7:	2016 \$'000	2015* \$'000
Employee benefits expense		
Employee benefits		
Wages and salaries	26,452	19,632
Superannuation	2,585	1,877
Increase/(decrease) in:		
Accrued wages	673	434
Accumulated days off	6	36
Annual leave	433	104
Long service leave	777	590
Personal leave	88	212
Total employee benefits	31,014	22,885

NOTE 8:	2016 \$'000	2015* \$'000
Finance costs		
Interest paid	3,139	3,293
Finance costs	3,139	3,293

NOTE 9:	2016 \$'000	2015* \$'000
Other expenses		
Employee on-costs movement	209	140
Total other expenses	209	140

*Please note 2015 comparatives are not for a full financial year. Refer to note 1(a) for more information.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 10:	2016 \$'000	2015* \$'000
Income tax expense		
Recognised in the income statement		
Current tax expense		
Current income tax charge	11,061	10,296
Adjustment for prior periods	255	(150)
	11,316	10,146
Deferred tax (income)		
Origination and reversal of temporary differences	368	(877)
Adjustment for prior periods	(187)	55
	181	(822)
Total income tax expense	11,497	9,324
Income tax expense recognised in other comprehensive income		
Deferred tax expenses recognised in other comprehensive income	(18)	32
Numerical reconciliation between tax expense and pre-tax net profit		
Profit for the period	26,571	23,331
Total income tax expense	11,497	9,324
Profit excluding income tax	38,068	32,655
Income tax using the statutory tax rate of 30% (2015: 30%)	11,420	9,797
Non-deductible expenses	9	(378)
	11,429	9,419
Under (over) provision in prior years	68	(95)
Income tax expense	11,497	9,324

*Please note 2015 comparatives are not for a full financial year. Refer to note 1(a) for more information.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

DEFERRED INCOME TAX EXPENSE	Statement of financial position		Statement of comprehensive income	
	2016 \$'000	2015* \$'000	2016 \$'000	2015* \$'000
Deferred tax liabilities				
Accelerated depreciation for tax purposes	(3,593)	(4,104)	511	(36)
Current finance lease receivable	(6,148)	(7,900)	1,753	1,241
Future dredging	(643)	(663)	20	15
Others	(827)	(1,010)	184	(131)
	(11,211)	(13,677)		
Deferred tax assets				
Employee benefits	2,915	2,450	465	224
Accelerated depreciation for accounting purposes	7,843	8,297	(454)	(365)
Project pool expenditure	-	2,640	(2,640)	113
Other	763	783	(20)	(239)
Gross deferred tax assets	11,521	14,170		
Set-off of deferred tax liabilities Pursuant to set-off provisions	(11,211)	(13,677)		
Net deferred tax assets	310	493		
Deferred tax income			(181)	822

Current tax liabilities

The current tax liability of \$1.953 million (2015: \$4.333 million) represents the amount of income taxes payable in respect of current and prior financial periods.

*Please note 2015 comparatives are not for a full financial year. Refer to note 1(a) for more information.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 11:

	2016 \$'000	2015 \$'000
Dividends		
Final dividends in respect of the previous financial year (i)	4,695	12,901
Interim dividends in respect of the current financial year (ii)	10,966	12,091
	15,661	24,992

In accordance with the Government Financial Policy, WA Ports are required to pay dividends of 65% (2015: 65%) of after tax profits.

- (i) A final dividend of \$4.695 million (2015: \$12.901 million) was declared in respect of the financial results for the year ended 30 June 2015 and an interim dividend of \$10.966 million (2015: \$12.091 million) for the year ended 30 June 2016.
- (ii) In accordance with Government Financial Policy, WA Ports are required to pay a dividend of 65% of after tax profits. This is to be paid in two tranches, 75% via an interim dividend prior to year-end, and the remaining 25% final dividend after year end. In accordance with Australian Accounting Standards, the final dividend relating to the financial results for the year ended 30 June 2016 has not been provided as it is expected to be declared by the Board and approved by Government after the reporting date. A final dividend based on the audited financial statements for the year ended 30 June 2016 is to be paid by 31 December 2016.

NOTE 12:

	2016 \$'000	2015 \$'000
(i) Cash and cash equivalents		
Bank balances	71,939	35,378
Cash deposits	11,585	11,741
Cash and cash equivalents in the statements of cash flows	83,524	47,119
(ii) Other financial assets		
Fixed deposits	2,326	24,685
	2,326	24,685

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 13:	2016 \$'000	2015 \$'000
Trade and other receivables		
Current		
Receivables	14,538	15,551
Less: allowance for impairment of receivables	(207)	-
	14,331	15,551
Other debtors		
Accrued revenue	519	631
Finance lease receivable	5,293	5,838
Prepayments	141	393
	20,284	22,413
Non current		
Finance lease receivable	15,202	20,495
	15,202	20,495
Reconciliation of changes in the allowance for impairment of receivables:		
Balance at start of the year	-	419
Impairment recognised in the income statement	207	401
Bad debts written off against provision	-	(820)
Balance at the end of the year	207	-

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

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

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

	Gross 2016	Gross 2015
Not more than three months	1,081	2,786
More than three months but less than 6 months	5	17
More than 6 months but less than 1 year	-	118
More than 1 year	-	-
	1,086	2,921

As at 30 June 2016, trade receivables were impaired by \$0.207 million (2015: \$0.401 million) as Management decided that the debt was irrecoverable.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 14:

	2016 \$'000	2015 \$'000
Inventories		
Current		
Material stores, spares for maintenance - at cost	2,822	2,713
	2,822	2,713
Non current		
Material stores, spares for maintenance - at cost	2,850	2,531
	2,850	2,531
	5,672	5,244

NOTE 15: PROPERTY, PLANT AND EQUIPMENT

	Channels, Breakwaters, dredging and navigation aids		Land		Buildings and improvements		Plant and equipment		Berths, jetties and infrastructure		Works in Progress		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
At cost	112,258	55,475	23,160	18,412	39,876	16,686	26,673	3,748	119,813	49,547	2,904	1,181	324,684	145,049
Accumulated depreciation	(60,264)	(40,887)	-	-	(23,825)	(10,192)	(13,802)	(2,087)	(82,029)	(23,438)	-	-	(179,920)	(76,604)
	51,994	14,588	23,160	18,412	16,051	6,494	12,871	1,661	37,784	26,109	2,904	1,181	144,764	68,445
Additions	-	6	-	1,130	2,745	275	2,022	2,082	-	89	4,878	2,395	9,645	5,977
Write off	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from work in progress	22	-	-	-	70	438	976	217	1,906	570	(2,974)	(1,225)	-	-
Transfers from Amalgamation- At Cost	-	56,777	-	3,833	-	22,701	-	21,705	-	69,607	-	753	-	175,376
Transfers from Amalgamation- Acc depreciation	-	(17,550)	-	-	-	(10,492)	-	(10,714)	-	(56,084)	-	-	-	(94,840)
Depreciation for the year	(2,125)	(1,827)	-	-	(1,870)	(3,365)	(3,034)	(2,021)	(3,056)	(2,507)	-	-	(10,085)	(9,720)
Impairment (b)	(11)	-	-	-	(646)	-	(144)	-	(976)	-	(619)	-	(2,396)	-
Disposals	-	-	-	(215)	(354)	(225)	(1,105)	(1,079)	(42)	-	-	-	(1,501)	(1,519)
Acc depreciation on disposals	-	-	-	-	201	225	921	1,020	42	-	-	-	1,164	1,245
Expensed to P&L	-	-	-	-	-	-	-	-	-	-	(52)	(424)	(52)	(424)
Carrying amount at 30 June	49,880	51,994	23,160	23,160	16,197	16,051	12,507	12,871	35,658	37,784	4,137	2,680	141,539	144,540
Closing balance 30 June														
At cost	112,280	112,258	23,160	23,160	42,336	39,876	28,566	26,673	121,677	119,813	4,756	2,680	332,775	324,460
Accumulated depreciation	(62,389)	(60,264)	-	-	(25,493)	(23,825)	(15,915)	(13,802)	(85,043)	(82,029)	-	-	(188,840)	(179,920)
Impairment (b)	(11)	-	-	-	(646)	-	(144)	-	(976)	-	(619)	-	(2,396)	-
	49,880	51,994	23,160	23,160	16,197	16,051	12,507	12,871	35,658	37,784	4,137	2,680	141,539	144,540

Disclosure of freehold land

(a) Lot 973 and Lot 839 were vested under the control of Port of Bunbury as a result of past contributions and gifts provided by the government. During the course of the 2015 financial year the government retook control of Lot 973. Lot 973 had a carrying value of \$0.160 million in the Authority's accounts. As compensation for the excision of Lot 973, the Department of Lands reclassified Lot 839 as Freehold. Lot 839 was brought into account as fair value (\$1.030 million based on an independent fair value report), with the credit entry to revenue.

Impairment

(b) An impairment loss of \$2.396 million (2015: \$Nil) has been recognised in the Statement of Comprehensive Income for certain property, plant and equipment whose carrying value was considered to exceed its recoverable amount, primarily resulting from the assessment of depreciated replacement cost by an independent valuer.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 16:

	2016 \$'000	2015 \$'000
Trade and other payables		
Trade payables	3,648	4,933
Other payables	2,533	958
GST payable	298	431
Accrued wages	859	1,322
Unexpired income	821	622
	8,159	8,266

NOTE 17:

Interest bearing borrowings

This note provides information about the contractual terms of the Authority's interest bearing borrowings, which are measured at amortised cost. For more information about the Authority's exposure to interest rate risk, see note 21(i).

	2016 \$'000	2015 \$'000
Current liabilities		
Special borrowings	7,880	7,892
	7,880	7,892
Non-current liabilities		
Special borrowings	33,727	41,607
	33,727	41,607
Financing arrangements		
The Authority has access to the following lines of credit:		
Total facilities available		
Special borrowings	41,607	69,199
	41,607	69,199
Facilities utilised at reporting date:		
Special borrowings	41,607	49,499
	41,607	49,499
Facilities not utilised at reporting date:		
Special borrowings	-	19,700
	-	19,700

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

Significant terms and conditions

Special borrowings of \$41.607 million (2015: \$49.499 million) relate to the former Esperance Port Authority, from the WA Treasury Corporation's Portfolio Lending Arrangements (PLA) and are financed at fixed rates of interest; therefore changes in interest rates will have no impact on the profitability of the Authority.

Interest rate risk exposure

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

	1 year or less \$'000	Over 1 to 2 years \$'000	Over 2 to 3 years \$'000	Over 3 to 4 years \$'000	Over 4 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2016							
Interest bearing borrowings:							
Fixed interest rate borrowings	7,880	7,414	7,689	7,090	4,029	7,505	41,607
	7,880	7,414	7,689	7,090	4,029	7,505	41,607
Weighted average interest rate:							
Fixed interest rate borrowings	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%
2015							
Interest bearing borrowings:							
Fixed interest rate borrowings	7,892	7,880	7,414	7,689	7,090	11,534	49,499
	7,892	7,880	7,414	7,689	7,090	11,534	49,499
Weighted average interest rate:							
Fixed interest rate borrowings	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%	6.18%

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 18:

	2016 \$'000	2015 \$'000
Provisions		
Current		
Employee benefits provision		
Accumulated days off	253	248
Annual leave (a)	2,561	2,206
Long service leave (b)	2,743	2,167
Superannuation (d)	595	572
Time in lieu	1	5
Sick leave	1,098	994
Other provisions		
Employment on costs	589	388
Removal of asbestos	33	46
	7,873	6,626
Non-current		
Employee benefits provision		
Long service leave (b)	920	899
Superannuation (d)	210	221
Sick leave	421	389
Employment on-costs	86	78
	1,637	1,587
(a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after balance sheet date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance date	1,622	1,444
More than 12 months after balance sheet date	939	762
	2,561	2,206
(b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after balance date. Assessments indicate that actual settlement of the liabilities will occur as follows:		
Within 12 months of balance date	2,350	1,872
More than 12 months after balance sheet date	1,313	1,194
	3,663	3,066

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
(c) The settlement of annual and long service leave liabilities gives rise to the payment of employee on-costs including workers compensation premiums and payroll tax. The provision is measured at the present value of expected future payments. The associated expense, apart from the unwinding of the discount (finance cost), is included at note 9 "Other expenses".		
Reconciliation of movement in provisions recognised in the Statement of Financial Position are:		
<i>Employee Benefits Provision:</i>		
Opening carrying amount	7,701	6,083
Additional provisions made during the period	3,333	2,862
Amounts used during the period	(2,232)	(1,244)
Closing carrying amount	8,802	7,701
<i>Other Provisions:</i>		
Opening carrying amount	512	1,082
Additional provisions made during the period	209	8
Amounts used during the period	(13)	(578)
Closing carrying amount	708	512
(d) Defined benefit superannuation plans		
The following is a summary of the most recent financial position of the Pension Scheme related to the Authority calculated in accordance with AASB119 <i>Employee Benefits</i> .		
The amounts recognised in the Statement of Comprehensive Income are:		
Current service cost		
Interest cost	21	33
Actuarial loss	59	(106)
	80	(73)
Amounts recognised in the Statement of Financial Position are:		
Present value of unfunded obligations	806	794
	806	794

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
Reconciliation of movement in the present value of the unfunded obligations recognised in the Statement of Financial Position:		
Opening balance	794	937
Current service cost		
Interest cost	21	33
Actuarial losses	59	-
Actuarial gains	-	(106)
Benefits paid	(68)	(70)
	806	794

NOTE 19:

Nature and purpose of reserves

The Asset Revaluation Reserve was used to record historic increments and decrements on the revaluation of non-current assets. The balance relates to valuation of land and plant and equipment. All land and plant and equipment previously revalued are now carried at a deemed cost. This reserve is not available for the effects of decrements in the value of Land and Plant and Equipment.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 20:

Notes to the Statement of Cash Flows

Reconciliation of cash

Cash at the end of the financial year shown in the Statement of Cash Flows is reconciled to the related items in the Statement of Financial Position as follows:

	2016 \$'000	2015* \$'000
Cash and cash equivalents	83,524	47,119
	83,524	47,119
Reconciliation of profit after income tax equivalent to net cash flow provided by/(used in) operating activities		
Profit after income tax equivalents	26,571	23,331
Adjustments for:		
Depreciation expense	10,085	9,720
Impairment expense	2,396	-
Interest income	(2,371)	(2,352)
Interest expense	3,139	3,293
Net (gain)/loss on sale of property, plant and equipment	69	33
WIP written off	52	424
Royalty for Regions funding	-	(1,345)
Land Adjustments	-	(821)
Income tax expense	11,497	9,324
	51,438	41,607
Operating profit before changes in working capital		
(Increase)/decrease in assets:		
Trade and other receivables	1,221	62
Inventories	(425)	181
(Decrease)/increase in liabilities:		
Trade and other payables	175	844
Provisions	1,076	374
GST liability	(133)	(307)
	53,352	42,761
Interest paid	(3,143)	(3,290)
Income taxes paid/received	(13,678)	(6,354)
Net cash from operating activities	36,531	33,117

*Please note 2015 comparatives are not for a full financial year. Refer to note 1(a) for more information.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 21:

Financial Instruments

(i) Financial risk Management Objective and Policies

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

Market Risk

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

The Authority's exposure to market risk for changes in interest rates relates primarily to its long-term debt obligations, cash and cash equivalents and term deposits. The Authority's borrowings are all obtained through the Western Australian Treasury Corporation (WATC) and are at fixed rates with varying maturities or at variable rates.

The risk is managed by WATC through portfolio diversification and variation in maturity dates. The Authority's cash and cash equivalents are mainly deposited in the banks which earned variable interest rates. Term deposits are held with fixed interest rates, typically for a period of three to twelve months.

Other than detailed in the interest rate sensitivity analysis table below, the Authority has limited exposure to interest rate risk because it has no borrowings other than WATC borrowings and cash and cash equivalents.

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

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

Sensitivity Analysis

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

Interest rate risk – Variable instruments

	Carrying Amount \$'000	+0.5% Change Profit \$'000	(0.25%) Change Profit \$'000
2016			
Financial Assets			
Cash and cash equivalents	83,524	418	(209)
	83,524	418	(209)
2015			
Financial Assets			
Cash and cash equivalents	47,119	236	(12)
	47,119	236	(12)

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority. The Authority measures credit risk on a fair value basis and monitors risk on a regular basis. With respect to credit risk arising from cash and cash equivalents and term deposits, the Authority's exposure to credit risk arises from the counter party, with a maximum exposure equal to the carrying amount of these instruments. The cash and cash equivalents and term deposits are held with banks and financial institution counterparties, which are rated AA- to AA+, based on Standard & Poor's ratings.

As at 30 June 2016, one customer represents 22% of outstanding trade receivables, where the balance of debtors is made up of various individual immaterial 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 creditor risk at balance date in relation to each class of recognised financial asset is the gross carrying amount of those assets inclusive of any provisions for impairment, as shown in the table at note 21 (ii).

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

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

Liquidity risk

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

The table below reflects the contractual maturity of financial liabilities. The contractual maturity amounts are representative of the undiscounted amounts at the balance sheet date. The table includes both interest and principal cash flows. An adjustment has been made where material.

Financial liabilities	Carrying amount \$'000	6 months or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	More than 5 years \$'000
2016						
Trade and other payables	8,159	8,159	-	-	-	-
Interest-bearing borrowings	41,607	5,324	4,938	9,317	21,791	8,827
	49,766	13,483	4,938	9,317	21,791	8,827
2015						
Trade and other payables	8,266	8,266	-	-	-	-
Interest-bearing borrowings	49,499	5,335	5,435	10,261	26,508	13,427
	57,765	13,601	5,435	10,261	26,508	13,427

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows. Trade payables, and other financial liabilities mainly originate from the financing of assets used in the ongoing operations such as property, plant and equipment and investments in working capital e.g. inventories and trade receivables. These assets are considered in the Authority's overall liquidity risk.

Risk associated with the liability on borrowings is reduced by the Authority paying a guarantee charge. This charge guarantees payment to the WATC by the Government for outstanding borrowings in case of default.

(ii) Categories of financial instruments

Set out below are the categories and fair values of the Authority's financial instruments:

	2016 \$'000	2015 \$'000
Financial assets		
Cash and cash equivalents	83,524	47,119
Trade and other receivables	35,345	42,962
Other financial assets	2,326	24,685
	121,195	114,766
Financial liabilities		
Trade and other payables	(8,159)	(8,266)
Interest bearing borrowings	(46,679)	(54,977)
	(54,838)	(63,243)
	64,031	51,523

The fair value of the interest bearing borrowings was provided by the WA Treasury Corporation using a lending curve, based on the various maturing dates for each loan, less a margin.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 22:	2016 \$'000	2015 \$'000
Commitments		
(i) Operating leases receivable		
Future minimum rentals receivable for operating leases at reporting date:		
Within 1 year	6,804	6,347
Later than 1 year but not later than 5 years	18,953	20,472
Later than 5 years	73,010	66,077
	98,767	92,896
(ii) Finance leases receivable		
Future minimum rentals receivable for finance leases at reporting date:		
Within 1 year	5,293	5,838
Later than 1 year but not later than 5 years	6,150	10,237
Later than 5 years	9,052	10,258
	20,495	26,333
(iii) Capital expenditure commitments		
Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows:		
Within 1 year	1,655	732
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
	1,655	732

NOTE 23:	2016 \$'000	2015 \$'000
Remuneration of auditors		
Remuneration received, or due and receivable, by the Auditor General for:		
Audit of the financial statements	123	116
	123	116

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 24

AMALGAMATION

The State Government announced on 2 February 2012 that the State's seven regional port authorities would be consolidated into four regional port authorities with Albany and Esperance Port Authorities to amalgamate with Bunbury Port Authority and be renamed 'Southern Ports Authority' effective 1 October 2014.

The legislation enabling the merger of the ports, The Ports Legislation Amendment Act 2014, was given Royal Assent on 20 May 2014. The legislation was a result of a comprehensive review commissioned by the State Government in 2010 to determine whether Western Australia's ports could continue to respond to the demands of the State's rapidly growing economy.

The net assets and liabilities of the former Albany and Esperance Port Authorities were accounted for as a contribution by the State Government of Western Australia in its capacity as owner at their carrying values in equity. This is in accordance with the restructure of administrative arrangements under AASB 1004 Contributions.

Contributions from the owner, the State Government of Western Australia, on 1 October 2014 comprised of the following:

	Albany \$'000	Esperance \$'000	Total \$'000
Cash and cash equivalents	7,786	16,298	24,084
Other financial assets	8,761	-	8,761
Trade and other receivables	974	40,942	41,916
Inventories	328	5,034	5,362
Deferred tax assets	-	5,574	5,574
Property, plant and equipment	32,063	48,474	80,537
Total Assets	42,912	116,322	166,234
Trade and other payables	(1,210)	(5,812)	(7,022)
Interest bearing borrowings	-	(59,161)	(59,161)
Current tax liabilities	(1,029)	-	(1,029)
Provisions	(2,035)	(4,652)	(6,687)
Deferred tax liability	(525)	(9,891)	(10,416)
Total Liabilities	(4,799)	(79,516)	(84,315)
Net Assets at 1 October 2014	45,113	36,806	81,919

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

NOTE 25

RELATED PARTIES

Chairman

R Hussey (to 30 June 2016)

R Cole (from 1 July 2016)

Deputy Chairman

N Premji

Directors

P Chalmer

P Iancov

A Willinge

G N Wood

C Porter

Related party transactions

There are no transactions in the year with the directors or other related parties.

NOTE 26

CONTINGENT LIABILITIES

Contingent considerations

Contaminated sites

Under the *Contaminated Sites Act 2003*, the Authority is required to report known and suspected contaminated sites to the Department of Environment Regulation (DER) Contaminated Sites Branch.

In accordance with the Act, DER classifies these sites on the basis of the risk to human health, the environment and environment values. Where sites are classified as “contaminated – remediation required” or possibly “contaminated – investigation required”, the Authority may have a liability with respect to investigation or remediation expenses if the polluter cannot be identified or does not have the resources to undertake the investigation or remediation work.

Bunbury

Five lots within the Inner Harbour Port Reserve, four of which were previously reported to the DER’s Contaminated Sites Branch, have now been identified as contaminated at the date of this report.

Three of the lots comprise the land previously occupied by a coal fired power station that was operated for approximately 40 years by Western Power. Verve Energy has previously conducted monitoring of the site using ground water bores. A potential development of Berth 14A for coal or other bulk exports would require removal of contaminated soils to an appropriate disposal site. The three lots are suitable for “industrial uses”.

The fourth lot contains an area shared by Alcoa and South 32 (Worsley Alumina) for caustic soda storage and transfer to rail tankers. The lease holders have undertaken monitoring and reporting activities as the caustic contamination has been caused by their combined activities over a number of decades. The fourth lot also contains a ground water monitoring bore that contains hydrocarbon contamination of unknown genesis. The bore is located within an area now leased by solely by South32 which in conjunction with the Authority is investigating monitoring and remediation options for the bore. The DER Contaminated Sites Branch has been kept informed on this matter.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

In addition, the Authority has recently installed additional shallow ground water monitoring bores as part of a port wide monitoring network. The bores adjacent to the above lot in conjunction with other monitoring programs will provide early warning of any potential spread of the contamination.

The site bordering the Cristal lease Lot 962 Koombana Drive has been classified as potentially contaminated – investigation required. A Mine Closure Plan was prepared by Cristal and the plan includes future remediation of the area bordering the lease as the contamination is substantially as a result of decades of mineral sands transport, processing and storage.

Recent construction works at this site along the foreshore area to repair erosion and build a rock armour revetment wall has resulted in the removal from site of a large volume of contaminated material back to a mine-site. Clean fill has been brought to the site to restore ground levels behind the revetment wall and radiation surveys conducted have established that the site is now remediated such that it is suitable for public access.

Future relocation of port operations from the Outer Harbour will require the existing lease holders to remediate contamination on their lease areas caused by their activities so this should not impose any liability onto SPA.

At this stage, any future financial liability that may fall to the Authority to monitor or remediate contamination caused by the activities of the third parties referenced above is uncertain.

Albany

Previously, the Authority was advised by the DER of the identification of one suspected contaminated site. A contract was awarded in May 2012 for preliminary site investigation. A report on the investigation was submitted to DER in May 2013 for review. DER has not yet determined that remediation is required or if any usage limitations will be placed on the land. Evidence has however indicated that the site is an affected site rather than a source site with the contamination migrating from another location. This determination will affect any potential financial effect on the Authority. Uncertainties relating to the amount or timing of any associated outflows remain.

In September 2012, the Authority received a DER notice of another known or suspected contaminated site within the Authority's jurisdiction. The notice identifies that further investigations are required to adequately delineate and characterise the nature and extent of the contamination, which relates to a fuel terminal and grain port facility, both of which are currently tenanted. Investigations have not commenced and therefore any potential financial effect on the Authority, and the amount and timing of any outflows is unknown. Under the Act, investigations are not required to commence until a timeframe has been specified by the DER and the form of the investigation required to be undertaken has been described.

The Authority, being a Government Trading Entity, is not eligible for support from the Contaminated Sites Management Account.

Esperance

In November 2013, the Authority received a DER Notice of Classification for Esperance Harbour and it's seabed. This notice requires further investigations to adequately delineate and characterise the nature and extent of the contamination, which relates to the movement of international vessels and discontinued loading practices. Investigations have commenced costing \$151,000 between February and August 2015. Further investigations are required, but the potential financial effect on the Authority, and the amount and timing of any outflows is unknown. No timeframe has been specified by the DER indicating the issue is low priority, but the Port Authority is expected to continue progressing the recommendations of the 2015 investigation.

FINANCIALS Notes to the Financial Statements

For the Year Ended 30 June 2016

Other contingent liabilities

In addition to the liabilities included in the financial statements, there is the following contingent liability:

The Authority has a contract to load bulk nickel for BHP Billiton Nickel West. BHP Billiton Nickel West currently does not export its bulk nickel from Esperance however this situation may change. The bulk loader is currently not operational and will require funding for repairs to render it operational. The status of the Authority's obligations is not determined and insufficient information is currently available to determine the financial impact, if any, in the event of a claim under the contract arrangements.

NOTE 27

EVENTS AFTER THE REPORTING PERIOD

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

DIRECTOR'S DECLARATION

In the opinion of the Directors of the Southern Ports Authority (the "Authority"):

- (a) the financial statements and notes are in accordance with the financial reporting provisions of the *Port Authorities Act 1999*, including:
 - (i) giving a true and fair view of the financial position of the Southern Ports Authority as at 30 June 2016 and of its performance, as represented by the results of its operations and its cash flows for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the Port Authorities Act 1999; and
- (b) there are reasonable grounds to believe that the Southern Ports Authority will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Directors on 26 August 2016.



R COLE

Chairperson



N PREMJI

Deputy Chair

Bunbury Western Australia 26 August 2016

OAG AUDIT REPORT



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

SOUTHERN PORTS AUTHORITY

I have audited the financial report of the Southern Ports Authority. The financial report comprises the Statement of Financial Position as at 30 June 2016, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, Notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration.

Opinion

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

- (a) giving a true and fair view of the Authority's financial position as at 30 June 2016 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility for the audit of the Financial Report

As required by the Port Authorities Act 1999, my responsibility is to express an opinion on the financial report based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

OAG AUDIT REPORT

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the Southern Ports Authority for the year ended 30 June 2016 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



COLIN MURPHY
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia

29 August 2016

ABOUT THE ANNUAL REPORT

Corporate Directory

Directors

R Cole - Chairman
N Premji - Deputy Chair
P Chalmer
P Iancov
C Porter
A Willinge
G Wood

Chief Executive Officer

Nicolas Fertin

Chief Financial Officer

Brian Granville

Auditors

Office of the Auditor General, Western Australia

Internal Auditors

Protiviti Risk and Business Consulting

Southern Ports Authority - ABN 30 044 341 250

CONTACT DETAILS

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FEEDBACK

Your comments and suggestions on the content and style of the Southern Ports Authority Annual Report are important to ensure the Report continues to meet the requirements of our Stakeholders. Please submit your comments via the contact methods listed above.



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