

Darwin Port Corporation

Business Line	2008-09 Estimate	2009-10 Budget
	\$000	\$000
Income	26 825	34 088
East Arm Wharf	17 168	22 264
Navigation and Pilotage	4 829	6 264
City Wharves	4 828	5 560
Expenses	29 247	34 921
East Arm Wharf	16 378	20 196
Navigation and Pilotage	5 265	6 477
City Wharves	7 604	8 248
SURPLUS/DEFICIT BEFORE INCOME TAX	- 2 422	- 833
East Arm Wharf	790	2 068
Navigation and Pilotage	- 436	- 213
City Wharves	- 2 776	- 2 688

2009-10 Staffing: 93

Profile

The Darwin Port Corporation provides port infrastructure and facilitates trade into and out of northern Australia through the Port of Darwin.

The corporation has a key role in trade facilitation through the Port of Darwin and the port's strategic geographical location and proximity to South East Asia, along with the rail connection to Adelaide, is establishing Darwin as a significant transport and logistics centre in the region.

The Darwin Port Corporation's East Arm and City wharves facilities principally serve the following shipping and cargo market segments:

- livestock exports;
- offshore oil and gas rig services;
- dry bulk imports and exports;
- petroleum and other bulk liquids;
- container and general cargo;
- commercial fishing industry; and
- cruise and naval vessels.

With the planning for new infrastructure, land reclamation and the East Arm Wharf Facilities Masterplan 2030, the corporation will be strategically positioned to meet significant expansion in trade through the Port of Darwin.

Strategic issues facing the corporation in 2009-10 include:

- improving the safety and efficiency of the Port of Darwin by mitigating possible medium-term bottlenecks in accordance with Government's strategic objective to develop Darwin as the port of choice for bulk mineral exports and achieving environmental outcomes;

- conducting technical and feasibility studies to assess the future infrastructure needs of the port, including dredging feasibility projects to determine the channel depths needed to service larger vessels;
- continuing to develop the East Arm Wharf Facilities Masterplan 2030, covering all assets and resources to accommodate future business requirements;
- implementing the recommendations of the Review of Harbour Management and Pilotage Operations to ensure effective service delivery;
- managing the impact of the global economic downturn to maximise trade across the Port of Darwin by providing a competitive option for cargo transportation to existing and potential port customers; and
- implementing the port tariff reform and pricing methodology to ensure the long-term viability of the Port of Darwin.

Budget Highlights

- Continued expansion of bulk materials handling infrastructure to facilitate mineral exports, including a 2.5 kilometre overland conveyor to link bulk commodity ore stockpiles to the wharf, and land reclamation.
- Continued upgrade of port security to meet international ship and port security code requirements.
- Improvements to city wharf facilities including the Frances Bay Mooring Basin, Fort Hill and Stokes Hill wharves.

	\$M
2009-10 New Capital Works	
Hornibrooks Wharf rehabilitation	1.5
Unic crane – replacement	0.4
Vessel traffic system and operation centre	0.5

Performance

Darwin Port Corporation anticipates an improvement to its 2009-10 performance in line with the corporation's tariff restructure and price increase to be implemented in July 2009.

Business Line: East Arm Wharf

Provision of services and infrastructure for the operation of East Arm wharf facilities including facilitation of dry bulk and liquid bulk handling, livestock exports, container and general cargo and offshore oil and gas rig services.

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Total trade throughput (million tonnes)	3.2	3.8
	Berth occupancy rate ¹	60%	60%
	Total trade growth ²	18%	18%
<i>Quality</i>	Customer satisfaction ³		85%
<i>Cost</i>	Revenue growth ⁴	26%	30%

1 Industry standard considers 65% berth occupancy to be at full capacity.

2 Measured as the percentage increase in trade volume compared to previous financial year.

3 New performance measure for 2009-10. No comparative information available as the customer satisfaction survey was not conducted in 2008-09.

4 Measured as the percentage growth in total trade revenue compared to previous financial year. The 26% growth in 2008-09 is representative of the first full year of bulk trade. The 30% growth for 2009-10 anticipates additional revenue generated from port pricing reform and growth in bulk trade.

Business Line: Navigation and Pilotage

Provision of navigational aids, safe channels and berthage arrangements, moorings and anchorages in the Darwin Harbour. Provision of pilotage services to all commercial and non-commercial vessels.

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Acts of pilotage ¹	1 560	1 600
	Total number of vessels using the port ²	1 803	1 890
<i>Timeliness</i>	Pilot on board within 30 minutes of nominated time	95%	95%
	Navigational aid reinstated within 24 hours	100%	100%
	Safety broadcast issued within 30 minutes	100%	100%
<i>Cost</i>	Revenue growth ³	12%	30%

1 An act of pilotage is where a pilot boards a vessel, manoeuvres and navigates it to its destination and then disembarks on completion.

2 Each vessel visit or rotation is measured as one vessel.

3 Measured as the percentage growth in navigation and pilotage revenue compared to the previous financial year. The 12% growth in 2008-09 is representative of the first full year of bulk trade, resulting in increased vessel activity in the Port of Darwin. The 30% growth for 2009-10 anticipates additional revenue generated from port pricing reform and growth in vessel numbers.

Business Line: City Wharves

Incorporation of all three community service obligations undertaken by the corporation at Fort Hill, Stokes Hill and the Frances Bay Mooring Basin. The services provided under these community service obligations include the operation of facilities that support cruise shipping and naval presence in Darwin, the management of retail outlets and associated facilities at the Wharf Precinct and the management and operation of a tidal free facility for safe berthing of local fishing vessels.

Performance Measures		2008-09 Estimate	2009-10 Estimate
<i>Quantity</i>	Cruise vessel calls	44	45
	Defence vessel calls	36	10
	Visiting number of cruise passengers and crew	44 500	46 000
	Visiting number of personnel on naval vessels	7 200	2 000
	Berth occupancy rate – Fort Hill Wharf	30%	30%
<i>Quality</i>	Customer satisfaction ¹		90%
<i>Cost</i>	Cost recovery ²	95%	95%
	Return on investment ³	-7%	-7%

1 New performance measure for 2009-10. No comparative information available as the customer satisfaction survey was not conducted in 2008-09.

2 Calculated as revenue divided by expenses and is indicative of ability to recoup costs rather than profitability as these are non-commercial CSO activities.

3 Net profit over written down value of CSO assets as at 30 June each year.

Operating Statement

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		3 200
Capital		
Community service obligations	3 606	2 306
Sales of goods and services	20 549	25 695
Interest revenue	70	100
Rent and dividends	1 750	1 750
Gain(+)/loss(-) on disposal of assets		
Other revenue	850	1 037
TOTAL INCOME	26 825	34 088
EXPENSES		
Employee expenses	9 390	10 639
Administrative expenses		
Purchases of goods and services	7 225	11 118
Repairs and maintenance	3 308	3 184
Depreciation and amortisation	6 500	6 500
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Interest expense	2 824	3 480
TOTAL EXPENSES	29 247	34 921
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	- 2 422	- 833
Income tax expense		
NET SURPLUS(+)/DEFICIT(-)	- 2 422	- 833

Balance Sheet

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
ASSETS		
Cash and deposits	1 194	3 379
Receivables	2 628	2 628
Prepayments	661	661
Inventories		
Advances and investments		
Property, plant and equipment	202 622	213 002
Other assets	1 386	1 386
TOTAL ASSETS	208 491	221 056
LIABILITIES		
Deposits held		
Creditors and accruals	2 462	2 505
Borrowings and advances	40 120	53 489
Provisions	2 459	2 459
Other liabilities	243	229
TOTAL LIABILITIES	45 284	58 682
NET ASSETS	163 207	162 374
EQUITY		
Capital		
Opening balance	159 573	164 573
Equity injections/withdrawals	5 000	
Reserves	20 177	20 177
Accumulated funds		
Opening balance	- 19 121	- 21 543
Current year surplus(+)/deficit(-)	- 2 422	- 833
Dividends paid/payable		
Accounting policy changes and corrections		
TOTAL EQUITY	163 207	162 374

Cash Flow Statement

	2008-09 Estimate	2009-10 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		3 200
Capital		
Community service obligations	3 606	2 306
Receipts from sales of goods and services	23 135	28 468
Interest received	70	100
Total operating receipts	26 811	34 074
Operating payments		
Payments to employees	9 390	10 639
Payments for goods and services	10 501	14 267
Grants and subsidies paid		
Current		
Capital		
Interest paid	2 848	3 472
Income tax paid		
Total operating payments	22 739	28 378
NET CASH FROM OPERATING ACTIVITIES	4 072	5 696
CASH FLOWS FROM INVESTING ACTIVITIES		
Investing receipts		
Proceeds from asset sales		
Repayment of advances		
Sales of investments		
Total investing receipts		
Investing payments		
Purchases of assets	7 929	16 880
Advances and investing payments		
Total investing payments	7 929	16 880
NET CASH FROM INVESTING ACTIVITIES	- 7 929	- 16 880
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	3 537	14 500
Deposits received		
Equity injections		
Total financing receipts	3 537	14 500
Financing payments		
Repayment of borrowings	1 048	1 131
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments	1 048	1 131
NET CASH FROM FINANCING ACTIVITIES	2 489	13 369
Net increase(+)/decrease(-) in cash held	- 1 368	2 185
Cash at beginning of financial year	2 562	1 194
CASH AT END OF FINANCIAL YEAR	1 194	3 379