

Darwin Port Corporation

EXPENSE AND REVENUE SUMMARY

Business Line	2003-04 Estimate	2004-05 Budget
	\$000	\$000
Operating Revenue	18 237	16 053
Commercial Wharves	10 814	10 088
Pilotage	1 285	1 263
Navigation and Safety	999	799
Small Craft Services	1 439	1 094
Cruise and Defence Facilities	1 057	1 939
Tourism Real Estate Development	1 277	870
Corporate Support and Marketing	1 366	
Operating Expenses	26 974	21 575
Commercial Wharves	19 661	14 886
Pilotage	1 180	1 385
Navigation and Safety	1 285	711
Small Craft Services	1 483	1 226
Cruise and Defence Facilities	962	2 109
Tourism Real Estate Development	977	1 258
Corporate Support and Marketing	1 426	
Operating Result	- 8 737	- 5 522
Commercial Wharves	- 8 847	- 4 798
Pilotage	105	- 122
Navigation and Safety	- 286	88
Small Craft Services	- 44	- 132
Cruise and Defence Facilities	95	- 170
Tourism Real Estate Development	300	- 388
Corporate Support and Marketing	- 60	

Total 2004-05 Staffing: 52

Profile

Overview

The Darwin Port Corporation facilitates the movement of goods and people into and out of northern Australia by sea, provides a safe haven for the local fishing fleet and provides infrastructure to assist the development of offshore oil and gas exploration and production activities. The Corporation manages land within the Port of Darwin at East Arm, Frances Bay and tourism and recreational facilities on, and adjacent to, Stokes Hill Wharf.

The Corporation has a key role in the Government's vision for the further development of Darwin as a transport hub and regional supply and service centre for the defence, mining, and oil and gas sectors. A Board of Directors was established in 1999 in accordance with the *Darwin Port Corporation Act*.

The Corporation provides essential infrastructure for dry bulk, bulk liquids, livestock and general cargo, and for activities associated with Timor Sea oil and gas development. The Corporation is responsible for ongoing asset condition monitoring and maintenance of port infrastructure.

The Corporation aims to promote tourism and recreational use of the Wharf Precinct as well as maintain use for port operations. Both reception facilities and fuel bunkering facilities are provided, to encourage increased visits by cruise ships, naval and other vessels.

The Corporation supports the marine industry by providing a safe haven for vessels to dock and product handling facilities.

Strategic Issues

- Development and promotion of port activities, in particular Australia's Asian gateway and land bridging capability.
- Relocation of port operations to East Arm Wharf.
- Trade development and promotion of the Port of Darwin as infrastructure for the oil and gas industries.
- Increasing maintenance activity through specific significant maintenance projects associated with the cruise shipping and fishing industries.
- Promotion of Darwin as a port of call or home base for cruise vessels.

Budget Highlights

- Completion of East Arm Wharf stage 2 capital works including the construction of pipelines associated with establishing the joint user terminal.
- A 110 metre extension of East Arm Wharf.
- Design of port office complex.
- Completion of the bulk liquids berth.
- Establishment of a port security system to meet International Ship and Port Facility Security Code requirements.
- The following table shows the approved major capital projects for 2004-05. Amounts shown are the total project costs and are not necessarily the cash commitments for 2004-05. For further details of these and other projects, see *Budget Paper No. 4*.

2004-05 Major Capital Works Projects	\$M
East Arm Port – stage 2, oil pipelines providing the necessary infrastructure to transfer fuel from the new bulk liquids berth to the proposed joint user terminal	10.3
East Arm Port – bulk loading facility	7.0
East Arm Port – incinerator to manage quarantine and hazardous waste	2.0

Performance

The Darwin Port Corporation is currently experiencing a new era of development with the completion of the East Arm Wharf facilities in 2004-05, including intermodal facilities for the Alice Springs to Darwin railway project. Opportunities exist with Timor Sea gas being piped ashore, thus increasing shipping activity.

Commercial Wharves

Functions associated with East Arm Wharf, Fort Hill Wharf and the Iron Ore Wharf, including facilitation of cargo and bulk liquids handling and controlling berthage arrangements. In time, all these operations will be transferred to the East Arm Port as the new wharf development proceeds, creating a modern intermodal cargo handling facility.

Performance Measures ¹	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Trading vessel visits	900	900
Container vessel visits	86	97
Trade volume (MTPA) ²	1.09	1.3
Accident frequency	0	0
Incident frequency	0	0
Revenue growth		-7%
<i>Cost</i>		
Cost recovery ³		67.7%
Cost/total revenue		92.7%
Level of training ⁴		1.42%

¹ A number of these performance measures are being incorporated for the first time from 2004-05.

² MTPA – million tonnes per annum.

³ Calculated as revenue divided by expenses.

⁴ Percentage of total wages.

Pilotage

Provision of pilotage services to commercial and non-commercial vessels.

Performance Measures ¹	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Vessels provided with pilotage services	1 315	1 400
Accident frequency	0	0
Incident frequency	0	0
Revenue growth		-2%
<i>Timeliness</i>		
Vessels berthed/unberthed within 20 minutes of nominated time	100%	100%
<i>Cost</i>		
Cost recovery ²		91%
Cost/total revenue		9%
Level of training ³		4.7%

¹ A number of these performance measures are being incorporated for the first time from 2004-05.

² Calculated as revenue divided by expenses.

³ Percentage of total wages.

Navigation and Safety

Provision of moorings and anchorages, navigational aids, safe channels and incineration services to commercial and non-commercial vessels.

Performance Measures ¹	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Vessels using services ²	10 300	4 500
Accident frequency	0	0
Incident frequency (safe vessel passage)	0	0
Revenue growth		-20%
<i>Cost</i>		
Cost recovery ³		113%
Cost/total revenue		4%
Level of training ⁴		1%

¹ A number of these performance measures are being incorporated for the first time from 2004-05.

² Numbers adjusted significantly from last year due to correction of a software error.

³ Calculated as revenue divided by expenses.

⁴ Percentage of total wages.

Small Craft Services

Management and operations of the Mooring Basin, Fisherman's Wharf and Hornibrooks Wharf, including maintenance of a tidal-free facility that provides a safe haven for the fishing fleet of northern Australia, and services to the seafood industry and small pleasure craft vessels.

Performance Measures ¹	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Small craft visits ²	3 439	3 700
Accident frequency	0	0
Incident frequency		0
Revenue growth		-24%
<i>Cost</i>		
Cost recovery ³		89%
Cost/total revenue		8%
Level of training ⁴		6.9%

¹ A number of these performance measures are being incorporated for the first time from 2004-05.

² Numbers adjusted significantly from last year due to correction of a software error.

³ Calculated as revenue divided by expenses.

⁴ Percentage of total wages.

Cruise and Defence Facilities

Activities that support the provision of a cruise shipping and naval presence in the Northern Territory. These include the facilities of Stokes Hill Wharf, the roll on/roll off facility and the Cruise Ship Terminal.

Performance Measures ¹	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Market share of cruise visits		2.8%
Cruise vessel visits	20	24
Defence vessel visits	110	80
Cruise Ship Terminal facility patronage ²	60	60
Accident frequency	0	0
Incident frequency	0	0
Revenue growth		83%
<i>Cost</i>		
Cost recovery ³		92%
Cost/total revenue		13%
Level of training ⁴		0.4%

¹ A number of these performance measures are being incorporated for the first time from 2004-05.

² Measured as the number of functions.

³ Calculated as revenue divided by expenses.

⁴ Percentage of total wages.

Tourism Real Estate Development

Manages the Wharf Precinct which provides retail outlets and associated facilities, entertainment, infrastructure and services on Stokes Hill Wharf, in support of general tourism activities.

Performance Measures ¹	2003-04 Estimate	2004-05 Estimate
<i>Quantity</i>		
Shop occupancy	85%	100%
Accident frequency	0	0
Incident frequency	0	0
Revenue growth		-32%
<i>Cost</i>		
Cost recovery ²		69%
Cost/total revenue		8%
Level of training ³		0.8%

¹ A number of these performance measures are being incorporated for the first time from 2004-05.

² Calculated as revenue divided by expenses.

³ Percentage of total wages.

Statement of Financial Performance

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
OPERATING REVENUE		
<i>Grants and Subsidies</i>		
Current		
Capital		
Community Service Obligations	4 640	2 365
Sales of Goods and Services	12 031	12 163
Interest Revenue	568	579
Rent and Dividends		
Miscellaneous Revenue	998	946
Profit/Loss on Disposal of Assets		
TOTAL OPERATING REVENUE	18 237	16 053
OPERATING EXPENSES		
Employee Expenses	4 486	4 893
<i>Administrative Expenses</i>		
Purchases of Goods and Services	5 708	6 542
Repairs and Maintenance	2 020	1 532
Depreciation and Amortisation	986	1 091
Other Administrative Expenses	11 900	5 700
<i>Grants and Subsidies</i>		
Current		
Capital		
Interest Expense	1 874	1 817
TOTAL OPERATING EXPENSES	26 974	21 575
OPERATING SURPLUS BEFORE INCOME TAX	- 8 737	- 5 522
Income Tax Expense	- 330	- 493
NET OPERATING SURPLUS	- 8 407	- 5 029

Statement of Financial Position

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
ASSETS		
Cash and Deposits	14 363	2 412
Receivables	3 000	3 090
Prepayments	3	3
Inventories		
Advances and Investments		
Land and Improvements	41 334	52 532
Plant and Equipment	1 231	1 144
Other Assets	542	542
TOTAL ASSETS	60 473	59 723
LIABILITIES		
Deposits Held		
Creditors and Accruals	1 800	1 854
Borrowings and Advances	32 536	31 552
Provisions	3 969	3 472
Other Liabilities	219	225
TOTAL LIABILITIES	38 524	37 103
NET ASSETS	21 949	22 620
EQUITY		
<i>Capital</i>		
Opening Balance	109 993	122 665
Equity Injections/Withdrawals	12 672	5 700
Reserves	10 635	10 635
<i>Accumulated Funds</i>		
Opening Balance	- 102 944	- 111 351
Current Year Surplus/Deficit	- 8 407	- 5 029
Dividends Paid/Payable		
TOTAL EQUITY	21 949	22 620

Statement of Cash Flows

	2003-04 Estimate	2004-05 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Receipts		
<i>Grants and Subsidies Received</i>		
Current		
Capital		
Community Service Obligations	4 640	2 365
Receipts from Sales of Goods and Services	13 646	13 025
Interest Received	568	579
Total Operating Receipts	18 854	15 969
Operating Payments		
Payments to Employees	4 486	4 897
Payments for Goods and Services	7 409	7 993
<i>Grants and Subsidies Paid</i>		
Current		
Capital		
Interest Paid	1 898	1 844
Income Tax Paid		
Total Operating Payments	13 793	14 734
NET CASH FROM OPERATING ACTIVITIES	5 061	1 235
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	3 074	12 202
Advances and Investing Payments		
Total Investing Payments	3 074	12 202
NET CASH FROM INVESTING ACTIVITIES	- 3 074	- 12 202
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing Receipts		
Proceeds of Borrowings		
Deposits Received		
Equity Injections		
Total Financing Receipts		
Financing Payments		
Repayment of Borrowings	930	984
Finance Lease Payments		
Dividends Paid		
Equity Withdrawals		
Total Financing Payments	930	984
NET CASH FROM FINANCING ACTIVITIES	- 930	- 984
Net Increase in Cash Held	1 056	- 11 951
Cash at Beginning of Financial Year	13 307	14 363
CASH AT END OF FINANCIAL YEAR	14 363	2 412