

Darwin Port Corporation

Business Line	2007-08 Estimate	2008-09 Budget
	\$000	\$000
Revenue	20 650	25 575
Commercial Wharves	12 924	16 373
Pilotage	2 536	2 696
Navigation and Safety	1 457	1 859
Small Craft Services	947	1 410
Cruise and Defence Facilities	1 931	2 348
Tourism Real Estate Development	855	889
Expenses	25 022	27 337
Commercial Wharves	13 670	14 925
Pilotage	2 055	2 247
Navigation and Safety	2 507	2 740
Small Craft Services	1 840	2 012
Cruise and Defence Facilities	3 711	4 058
Tourism Real Estate Development	1 239	1 355
SURPLUS/DEFICIT BEFORE INCOME TAX	- 4 372	- 1 762
Commercial Wharves	- 746	1 448
Pilotage	481	449
Navigation and Safety	- 1 050	- 881
Small Craft Services	- 893	- 602
Cruise and Defence Facilities	- 1 780	- 1 710
Tourism Real Estate Development	- 384	- 466

2008-09 Staffing: 76

Profile

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

The corporation manages facilities within the Port of Darwin at East Arm and Frances Bay and tourism and recreational facilities on and adjacent to Stokes Hill and Fort Hill wharves and provides a safe haven for the local fishing fleet and small craft industry.

The corporation plays a key role in Government's priority to develop the AustralAsia Trade Route to strategically position Darwin as a logistics and distribution hub of significance, and to further develop Darwin as a transport hub and regional supply and service centre for the defence, mining, and oil and gas sectors.

Key functional responsibilities are:

- providing essential port infrastructure for dry bulk, bulk liquids, livestock, containers and general cargo, project cargo and offshore oil and gas developments;
- ongoing asset condition monitoring and maintenance of port infrastructure;
- encouraging increased visits by cruise ships, defence and other vessels; and

Operating Statement

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
INCOME		
Taxation revenue		
Grants and subsidies revenue		
Current		
Capital		
Output revenue	6 087	6 024
Sales of goods and services	1 275	1 468
Interest revenue		
Goods and services received free of charge	700	700
Gain(+)/loss(-) on disposal of assets		
Other revenue	2	2
TOTAL INCOME	8 064	8 194
EXPENSES		
Employee expenses	4 209	4 398
Administrative expenses		
Purchases of goods and services	2 687	2 638
Repairs and maintenance	6	6
Depreciation and amortisation	12	12
DCIS services free of charge	700	700
Other administrative expenses		
Grants and subsidies expenses		
Current	476	452
Capital		
Community service obligations		
Interest expense		
TOTAL EXPENSES	8 090	8 206
NET SURPLUS(+)/DEFICIT(-)	- 26	- 12

- supporting small craft marine industry by providing handling facilities and a safe haven for vessels to dock.

Strategic issues facing the corporation in 2008-09 include:

- delivering port infrastructure and services in accordance with Government's strategic objective to develop Darwin as the port of choice for bulk mineral exports;
- maximising trade across the wharves by facilitating and processing applications and proposals to develop trade and operate in the Port of Darwin; and
- promoting Darwin as a port of call or home base for cruise shipping and fishing industries.

Budget Highlights

- Continued establishment of bulk materials handling infrastructure to facilitate mineral ore exports.
- Facilitation of bulk liquid trades.
- Continued upgrade of port security to meet international ship and port security code requirements.
- Maintenance dredging at Fort Hill Wharf to re-establish original berth design.

	\$M
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2008-09 New Capital Works	
East Arm Wharf – construct overland conveyor	35.0
East Arm Wharf – create additional hardstand	9.5
East Arm Wharf – reclamation of land behind the bulk loading facility	15.0
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Performance

The corporation continues to focus on developing key infrastructure to accommodate increasing requirements in bulk materials handling. The improved performance in 2008-09 is a result of increases in bulk tonnages that are expected to realise substantial revenue increases for the corporation over the next few years.

Business Line: Commercial Wharves

Functions associated with operating East Arm Wharf, Fort Hill Wharf and the Iron Ore Wharf, including facilitation of container handling, livestock exports, general cargo and dry and liquid bulk handling. All commercial bulk petroleum activities have been transferred to East Arm.

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Trading vessel visits ¹	770	1 257
	Container vessel visits ²	48	55
	Trade volume ³ (million tonnes per annum)	2.54	3.2
	Revenue growth ⁴	59%	27%
<i>Quality</i>	Accident frequency	0	0
	Incident frequency	0	0
<i>Cost</i>	Cost recovery ⁵	94%	116%
	Cost/total revenue ⁶	67%	55%

1 Expected to increase with more LNG vessel calls, barge movements and bulk solids exports.

2 Expected to increase in line with overall commercial wharves activities.

3 Expected to increase substantially with bulk solids exports.

4 Revenue growth not as significant as the increase in trading vessel numbers due to high proportion of barge vessels which contribute less than \$50 000 in total revenue.

5 Calculated as revenue divided by expenses and indicative of business line profitability.

6 Calculated as business line cost divided by total revenue. Indicates relative size of business line.

Business Line: Pilotage

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

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Vessels provided with pilotage services ¹	1 162	1 682
	Revenue growth ²	10%	6%
<i>Quality</i>	Accident frequency	0	0
	Incident frequency	0	0
<i>Timeliness</i>	Vessels berthed/unberthed within 20 minutes of nominated time	100%	100%
<i>Cost</i>	Cost recovery ³	125%	126%
	Cost/total revenue ⁴	10%	8%

1 Expected to increase in line with LNG traffic and bulk solids exports.

2 Revenue growth not as significant as the increase in vessel numbers due to high proportion of barge vessels which generates relatively small amounts of revenue.

3 Calculated as revenue divided by expenses and indicative of business line profitability.

4 Calculated as business line cost divided by total revenue. Indicates relative size of business line.

Business Line: Navigation and Safety

Control of berthage arrangements, provision of moorings and anchorages, navigational aids, safe channels and incineration services to commercial and non-commercial vessels.

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Vessels using services	4 637	5 127
	Revenue growth ¹	- 30%	33%
<i>Quality</i>	Accident frequency	0	0
	Incident frequency (safe vessel passage)	0	0
<i>Cost</i>	Cost recovery ²	56%	71%
	Cost/total revenue ³	12%	10%

1 Increase in revenue in line with increase in vessel numbers using the service.

2 Calculated as revenue divided by expenses and indicative of business line profitability.

3 Calculated as business line cost divided by total revenue. Indicates relative size of business line.

Business Line: Small Craft Services

Management and operation of the Frances Bay Mooring Basin, Fishermans Wharf and Hornibrooks Wharf, including maintenance of a tidal-free facility that provides a safe haven for the fishing fleet of northern Australia. Services are also provided to the seafood industry and small pleasure craft vessels.

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Small craft visits	3 900	3 750
	Revenue growth ¹	- 2%	26%
<i>Quality</i>	Accident frequency	0	0
	Incident frequency	0	0
<i>Cost</i>	Cost recovery ²	49%	74%
	Cost/total revenue ³	9%	7%

1 Revenue growth due to increase in hire revenue and improved cost recovery.

2 Calculated as revenue divided by expenses and is indicative of business line profitability.

3 Calculated as business line cost divided by total revenue. Indicates relative size of business line.

Business Line: 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 Fort Hill Wharf, the roll-on roll-off facility and the Cruise Ship Terminal.

Performance Measures		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Cruise vessel visits	44	44
	Defence vessel visits	80	80
	Cruise Ship Terminal facility patronage ¹	60	60
	Revenue growth ²	- 2%	22%
<i>Quality</i>	Accident frequency	0	0
	Incident frequency	0	0
<i>Cost</i>	Cost recovery ³	53%	61%
	Cost/total revenue ⁴	18%	15%

1 Measured as the number of functions.

2 Increase in 2008-09 due to better cost recovery and larger ships visits.

3 Calculated as revenue divided by expenses and is indicative of business line profitability.

4 Calculated as business line cost divided by total revenue. Indicates relative size of business line.

Business Line: Tourism Real Estate Development

Management of 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		2007-08 Estimate	2008-09 Estimate
<i>Quantity</i>	Shop occupancy	100%	100%
	Revenue growth ¹	- 2%	4%
<i>Quality</i>	Accident frequency	0	0
	Incident frequency	0	0
<i>Cost</i>	Cost recovery ²	70%	69%
	Cost/total revenue ³	6%	5%

1 Slight growth in line with prices growth and market rent reviews.

2 Calculated as revenue divided by expenses and indicative of business line profitability.

3 Calculated as business line cost divided by total revenue. Indicates relative size of business line.

Operating Statement

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
INCOME		
Grants and subsidies revenue		
Current		
Capital		
Community service obligations	2 426	2 306
Sales of goods and services	16 977	22 022
Interest revenue	120	120
Rent and dividends		
Gain(+)/loss(-) on disposal of assets		
Other revenue	1 127	1 127
TOTAL INCOME	20 650	25 575
EXPENSES		
Employee expenses	6 944	7 900
Administrative expenses		
Purchases of goods and services	6 030	6 324
Repairs and maintenance	3 027	3 032
Depreciation and amortisation	6 500	6 500
Other administrative expenses		
Grants and subsidies expenses		
Current		
Capital		
Interest expense	2 521	3 581
TOTAL EXPENSES	25 022	27 337
SURPLUS(+)/DEFICIT(-) BEFORE INCOME TAX	- 4 372	- 1 762
Income tax expense		
NET SURPLUS(+)/DEFICIT(-)	- 4 372	- 1 762

Balance Sheet

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
ASSETS		
Cash and deposits	2 657	1 462
Receivables	1 621	1 621
Prepayments	592	592
Inventories		
Advances and investments		
Property, plant and equipment	197 200	214 629
Other assets	1 224	1 224
TOTAL ASSETS	203 294	219 528
LIABILITIES		
Deposits held		
Creditors and accruals	2 152	2 210
Borrowings and advances	37 735	55 687
Provisions	2 274	2 274
Other liabilities	834	820
TOTAL LIABILITIES	42 995	60 991
NET ASSETS	160 299	158 537
EQUITY		
Capital		
Opening balance	159 545	159 545
Equity injections/withdrawals		
Reserves	20 177	20 177
Accumulated funds		
Opening balance	- 15 051	- 19 423
Current year surplus(+)/deficit(-)	- 4 372	- 1 762
Dividends paid/payable		
Accounting policy changes and corrections		
TOTAL EQUITY	160 299	158 537

Cash Flow Statement

	2007-08 Estimate	2008-09 Budget
	\$000	\$000
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating receipts		
Grants and subsidies received		
Current		
Capital		
Community service obligations	2 426	2 306
Receipts from sales of goods and services	18 365	23 135
Interest received	120	120
Total operating receipts	20 911	25 561
Operating payments		
Payments to employees	6 944	7 900
Payments for goods and services	9 033	9 324
Grants and subsidies paid		
Current		
Capital		
Interest paid	2 242	3 555
Income tax paid		
Total operating payments	18 219	20 779
NET CASH FROM OPERATING ACTIVITIES	2 692	4 782
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	4 034	23 929
Advances and investing payments		
Total investing payments	4 034	23 929
NET CASH FROM INVESTING ACTIVITIES	- 4 034	- 23 929
CASH FLOWS FROM FINANCING ACTIVITIES		
Financing receipts		
Proceeds of borrowings	1 844	19 000
Deposits received		
Equity injections		
Total financing receipts	1 844	19 000
Financing payments		
Repayment of borrowings	1 165	1 048
Finance lease payments		
Dividends paid		
Equity withdrawals		
Total financing payments	1 165	1 048
NET CASH FROM FINANCING ACTIVITIES	679	17 952
Net increase(+)/decrease(-) in cash held	- 663	- 1 195
Cash at beginning of financial year	3 320	2 657
CASH AT END OF FINANCIAL YEAR	2 657	1 462