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Snapshot

770,000 People in catchment
14,715 Motor vehicles imported
51,637 TEU containers
>20,000 social media following

2017 Trade Highlights:

Lucinda: 0.6 million tonnes
Townsville: 6.9 million tonnes

0.37 million tonnes molasses
2.25 million tonnes minerals
0.19 million head cattle
0.92 million tonnes fuel & bitumen
2 million tonnes sugar
1 million tonnes fertiliser
About us

Vision
Northern Australia’s Transport Link to the World

Purpose
We facilitate prosperity for the region now and for generations to come by advancing trade and commerce, strengthening global connections and stimulating investment in economic infrastructure and industries.

Values
<table>
<thead>
<tr>
<th>Committed</th>
<th>We are driven to achieve our vision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Innovative</td>
<td>We think outside the box</td>
</tr>
<tr>
<td>Respectful</td>
<td>We value each other</td>
</tr>
<tr>
<td>Integrity</td>
<td>We do the right thing, and do what we say</td>
</tr>
</tbody>
</table>

Our ports

Port of Townsville
Is northern Australia’s largest container, automotive and general cargo port, supporting over 70% of Northern Australia’s population. It is Australia’s largest sugar, copper, zinc, lead and fertiliser port, servicing the North West Minerals Province, the significant Burdekin sugar-growing district, major cattle and other agriculture precincts and the copper and zinc refineries located in Townsville.

It is one of four designated Priority Ports in Queensland under the Sustainable Ports Development Act 2015 (Qld). It also is providing an increasingly strategic role in cruise shipping operations, and Australia’s Defence capabilities, particularly with the Navy’s two new flagship vessels, HMAS Canberra and HMAS Adelaide. The city is a key defence site with the RAAF base and Lavarack Barracks which is home to the 2nd Battalion with more than 4,500 soldiers and civilian employees.

Port of Lucinda
Is situated approximately 100 kilometres north of Townsville and is primarily dedicated to the export of raw sugar from the Herbert River sugar-growing district. As one of Queensland’s six bulk sugar terminals, the Port of Lucinda’s main role in the bulk sugar industry network is to receive, store and export raw sugar to domestic and international markets. It also services nearby islands with regular general cargo barge services.

Our business

Port of Townsville Limited (POTL) is a company Government Owned Corporation established pursuant to the Corporations Act 2011 (Cwlth) and the Government Owned Corporations Act 1993 (Qld). POTL has two shareholding Ministers, the Honourable Curtis Pitt MP (Treasurer, Minister for Employment and Industrial Relations, Minister for Aboriginal and Torres Strait Islander Partnerships), and the Honourable Mark Bailey MP (Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply). POTL operates from a head office located in Townsville and manages the ports of Townsville and Lucinda.

Public availability
Consistent with POTL’s commitment to sustainability and responsible environmental management, only a limited number of hard copies of this Annual Report have been printed. An on-line version of this Annual Report, and POTL’s past Annual Reports, can be found at POTL’s website at www.townsvilleport.com.au.

If you wish to receive a hardcopy of this Annual Report, please contact POTL by phone on +61 7 4781 1500 or email community@townsvilleport.com.au.

Interpreter service announcement
POTL is committed to providing accessible services to stakeholders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding this Annual Report, you can contact POTL on +61 7 4781 1500 or by email to community@townsvilleport.com.au.

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ABN 44 411 774 236

This report
This Annual Report presents the final performance results for 2016-17 as well as details about strategic initiatives that are being pursued by POTL to ensure it continues to deliver world class port facilities and services, and seamless transport connections for Northern Australia.
strongly, in particular, sugar exports through Townsville and to 7.5 million tonnes, several trade sectors performed our position as one of the most diverse ports in Australia economy, our financial performance remained strong and Despite another challenging year for the North Queensland importance of our ports to our economy is something that bilion of cargo moving through our ports each year, the importance of our ports to our economy is something that we are very proud to be part of. Despite another challenging year for the North Queensland economy, our financial performance remained strong and our position as one of the most diverse ports in Australia was maintained. While overall trade volume decreased to 7.5 million tonnes, several trade sectors performed strongly, in particular, sugar exports through Townsville and Lucinda Ports increased 5% to almost two million tonnes, molasses exports increased 22% to 376,000 tonnes, fertiliser trade remained strong at almost one million tonnes. Almost one million tonnes of fuel and bitumen was imported for the region, mineral exports totalled more than 1.26 million tonnes, and over 600,000 tonnes of refined zinc, copper and lead was exported. Townsville Port remains Australia’s largest sugar, zinc, copper, lead and fertiliser port, and Northern Australia’s largest container, automotive and general cargo port. A number of new projects and expanded shipping services will see the Port of Townsville positioned well for future trade growth, including expanded international shipping services to Papua New Guinea, Malaysia, Singapore and Indonesia, the announcement of the Port of Townsville as the primary import hub for project cargo, fuel and general cargo for the Adani Carmichael mine, rail and port project, the export hub for MMG’s Dugald River mine, and import hub for a number of the region’s solar projects.

Cruise shipping increased significantly with 11 ships to be welcomed in 2017 and 19 cruise ship booking for 2018. P&O Australia also made the significant announcement of a trial partial ship turnaround in Townsville in September 2018 meaning people in Townsville will be able to board a cruise in their home city for the first time. We are continuing to invest into infrastructure for the future and focussing on the services and supply chain efficiencies that allow our customers to get their products to markets as quickly and cost effectively as possible. The $1.64 billion Townsville Port Expansion Project reached a major milestone this year with the submission of the Additional Environmental Impact Statement having been in the planning phase for more than 10 years. The AEIS is currently being assessed by State and Federal Regulators. The $193 million Channel Capacity Upgrade - by far our most significant investment in the future of Townsville and North Queensland to date - will see the start of the first stage of the Port Expansion. The Channel Capacity Upgrade involves widening of the channel to give us capacity to host next generation commercial, cruise and defence ships. The project took a major step forward this year with the completion of the Business Case, delivering on the first commitment under the Port City initiative of the historic Townsville City Deal, and the State Government’s $75 million commitment toward the project which is subject to environmental approvals. We expect to complete funding and approvals by the end of 2017, enabling this vital project to get underway.

Our $40.5 million investment to upgrade Berth 4 for container terminal expansion and general cargo handling is in its final stages with construction on track to be completed by December 2017. On completion there will be further investment into state-of-the-art cranes and terminal areas. The overall project will see a doubling of our capacity for container and general cargo handling.

The Townsville Eastern Access Rail Corridor (TEARC) project took a significant step forward with the Business Case being led by Building Queensland to be completed late in 2017. This rail link will enable Townsville Port to meet future freight demand and improve efficiencies on the Mount Isa Rail Line. Being a port city located in the heart of Townsville, the largest city in Northern Australia, our focus on sustainability, leading environmental practices and community engagement is a core part of who we are and what we do. Our Harbour City Waterfront plans will support activation of the city centre and the reconnection of the community with the waterfront. Planning for several catalyst projects advanced during the year which are expected to commence development in 2018.

Our Townsville Port Community Liaison Group meets monthly to review port operations, trade, developments, environmental management and community engagement matters, and is leading the development of a new performance dashboard for the marine environment of our harbour city. This will complement the work by the Port Stakeholder Working Group on the Townsville Port Operations & Air Quality Dashboard. Community interactions have grown considerably with increasing numbers of port tours, community and industry partnerships, and our social media following growing from 6,000 to more than 20,000.

All these efforts were rewarded this year when we retained our position as Australia’s Port or Terminal of the Year at the Lloyds List Australian Maritime and Shipping Awards. Winning this award for the second year in a row reflects the exceptional talent and innovation of our people, and we are extremely proud of their efforts and commitment. We would like to thank our employees for their dedication and hard work throughout the year, our customers for their business and support, and our shareholding Ministers, Board of Directors and executive team for their strategic leadership.

The Port of Townsville is proud to facilitate more than 8,000 jobs in the region. By continuing to invest in port infrastructure for the future and working in partnership with our customers and stakeholders, we will continue to support economic growth and job creation in our role as Northern Australia’s Transport Link to the World.
Key Performance Results

Our Strategic Priorities

This Annual Report provides an overview of POTL’s performance against its strategic objectives outlined in its Statement of Corporate Intent for 2016-17. Our key actions and initiatives during the period were focussed on three key strategic objectives, further facilitating our Vision to be Northern Australia’s Transport Link to the World.

### Performance Indicators

<table>
<thead>
<tr>
<th>Performance Indicators</th>
<th>2015-16 Actual</th>
<th>2016-17 Budget</th>
<th>2016-17 Actual</th>
<th>Movement (from 2015-16)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Revenue ($M)</td>
<td>75.07</td>
<td>75.94</td>
<td>69.26</td>
<td>(5.81)</td>
</tr>
<tr>
<td>Operating Expenditure ($M)</td>
<td>45.17</td>
<td>45.70</td>
<td>43.27</td>
<td>(1.95)</td>
</tr>
<tr>
<td>Trade Income ($M)</td>
<td>63.13</td>
<td>62.92</td>
<td>57.55</td>
<td>(5.58)</td>
</tr>
<tr>
<td>Property &amp; Facilities Income ($M)</td>
<td>10.73</td>
<td>11.58</td>
<td>10.57</td>
<td>(0.16)</td>
</tr>
<tr>
<td>EBIT ($M)*</td>
<td>29.90</td>
<td>30.23</td>
<td>26.05</td>
<td>(3.85)</td>
</tr>
<tr>
<td>NPAT ($M)*</td>
<td>17.72</td>
<td>16.60</td>
<td>15.18</td>
<td>(2.54)</td>
</tr>
<tr>
<td>Dividend ($M)</td>
<td>17.72</td>
<td>16.60</td>
<td>-</td>
<td>(17.72)</td>
</tr>
<tr>
<td>Accounting Return on Assets EBIT (%)</td>
<td>4.65</td>
<td>5.17</td>
<td>4.27</td>
<td>(0.38)</td>
</tr>
<tr>
<td>Accounting Return on Assets NPAT (%)</td>
<td>2.83</td>
<td>2.82</td>
<td>2.55</td>
<td>(0.28)</td>
</tr>
<tr>
<td>Return on Equity (%)</td>
<td>3.8</td>
<td>4.03</td>
<td>3.41</td>
<td>(0.39)</td>
</tr>
<tr>
<td>Current Ratio</td>
<td>1.01</td>
<td>0.73</td>
<td>2.41</td>
<td>1.43</td>
</tr>
<tr>
<td>Interest Cover Ratio (EBIT)</td>
<td>6.07</td>
<td>4.97</td>
<td>5.33</td>
<td>(0.74)</td>
</tr>
<tr>
<td>Debt to Equity Ratio</td>
<td>0.17</td>
<td>0.23</td>
<td>0.22</td>
<td>0.05</td>
</tr>
<tr>
<td>Capital Investments ($M)</td>
<td>19.55</td>
<td>36.34</td>
<td>30.42</td>
<td>10.47</td>
</tr>
<tr>
<td><strong>NON-FINANCIAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade Throughput (Million Tonnes)</td>
<td>9.78</td>
<td>8.14</td>
<td>7.52</td>
<td>(2.26)</td>
</tr>
<tr>
<td>Vessels to Port</td>
<td>667</td>
<td>674</td>
<td>588</td>
<td>(79)</td>
</tr>
<tr>
<td>Reportable Security Incidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reportable Environmental Incidents</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lost Time Injury Frequency Rate</td>
<td>8.5</td>
<td>-</td>
<td>8.22</td>
<td>(0.28)</td>
</tr>
<tr>
<td>Full-time Equivalent Employees</td>
<td>111.45</td>
<td>113.25</td>
<td>121.11</td>
<td>9.68</td>
</tr>
<tr>
<td>Community Satisfaction:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stakeholder Sentiment Rating</td>
<td>97%</td>
<td>&gt;85%</td>
<td>91%</td>
<td>(6%)</td>
</tr>
<tr>
<td>Community Engagement Reporting</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>* Port Stakeholder Working Group Meetings</td>
<td>3</td>
<td>11</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>* Community Information Sessions</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>* Social media followers (Facebook, Twitter, LinkedIn, Instagram)</td>
<td>5,564</td>
<td>5,000</td>
<td>18,799</td>
<td>15,475</td>
</tr>
<tr>
<td>* Post Engagement</td>
<td>8,522</td>
<td>7,000</td>
<td>21,417</td>
<td>14,884</td>
</tr>
</tbody>
</table>

* Financial performance results for the year affected by decreased user charges, which has been offset by continued focus on reducing discretionary spending and non-core operations.

### Northern Australia’s Premier Trade and Business Hub

Growing and diversifying trade and business opportunities to deliver long term financial returns and to support investments into existing and new infrastructure, environmental, security and community projects and initiatives.

### Stewardship and Sustainability

Ensuring that infrastructure and services across the supply chain are efficient, integrated, safe and secure, reliable and cost effective for our customers and the viability of their operations.

### Our Capability

Playing a critical role in local job creation and regional economic development whilst ensuring our ports operate in a socially responsible manner for the long term to ensure sustainable economic growth of our ports and the region.

### Trade & Shipping

Trade throughput totalled 7.5 million tonnes for the year of export trade with Asia

76% of export trade with Asia

This included 6.3 million tonnes of trade through the Port of Townsville and 615,000 tonnes through Port of Lucinda. A total of 590 vessels visited Townsville and Lucinda.

### Mining

Mining cargo accounted for 33% of Port of Townsville trade in 2016-17. Several new mining projects are expected to commence in 2017-18 with exports of copper, lead and zinc expected to flow through the Townsville Port from January 2018.

### Metal Concentrates

The bulk of POTL mining exports were metal concentrates, with approximately 1.5 million tonnes shipped. Combined exports of refined metals, including copper, zinc and lead totalled 608,000 tonnes. Zinc concentrate, zinc ferrite, copper, silver and lead concentrates accounted more than 1.26 million tonnes in the financial year.
Australia’s number one sugar export port

Sugar
2016-17 was a strong year for sugar exports - nearly two million tonnes of the North Queensland grown product was exported. The Port of Townsville maintained its status as Australia’s number one sugar export port at 1.37 million tonnes: 606,000 tonnes were exported from Port of Lucinda. These figures represent a 2% increase from the previous year for Townsville Port and a 11% increase for Lucinda Port.

Townsville Port has an efficient supply chain for sugar, equipped with excellent rail infrastructure connecting it to the four Burdekin sugar processing mills and a ship loader that can load bulk vessels at more than a thousand tonnes per hour. Korea, Indonesia, Japan and China are POTL’s top export destinations for sugar.

Cattle
189,000 head of live cattle were exported to ASEAN countries. Our largest export trading countries for live cattle are Indonesia 63% and Vietnam 35%. Remaining exports include meat and meat by-products, as well as containerised legumes.

Molasses
Molasses performed strongly during 2016-17, recording exports of 376,000 tonnes, a 22% increase from the previous year.

Fertiliser
Fertiliser trade was almost on par with 2015-16, recording 872,000 tonnes of exports and 122,000 tonnes of imports.
POTL attended and participated in a number of forums and events during 2016-17 to develop trade opportunities.

These included:

• The Noosa Mining and Exploration Conference
• Export in Focus Pacific Trade Roundtable Event
• Australian Bureau of Agricultural and Resource Economics and Sciences Conference (ABARES) Conference
• Charters Towers Annual Rodeo and Sale Yard Event
• Pitching for International Success Trade Event at the Port of Townsville
• Trade Commissioners Annual General Meeting hosted at the Port of Townsville
• Rotary Far North Queensland Field Day in Mareeba
• North Queensland Mining and Resources Forum

Over 30 delegations visited the Port of Townsville to explore trade opportunities including:

• Energy Australia
• Ministry of Agriculture, Forestry and Fisheries hosting a Japanese delegation
• Austrade General Manager
• Vietnam Delegation
• IMDO Tiandi Ecosystems Technology Delegation Group
• Chinese Delegation Group Visit
• China Migration Agent Visit
• Townsville Enterprise Emerging Leaders Port visit

Cruise ship visits to Townsville:

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16</th>
<th>2016-17</th>
<th>2017-18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>04</td>
<td>08</td>
<td>16</td>
</tr>
</tbody>
</table>

Cruise & Defence Shipping

Increasing cruise ship visitation numbers to Townsville is a key strategic focus for POTL.

White and Grey Ship-Attraction Committee

POTL Chairs the Townsville White and Grey Ship Attraction Committee (WGSAC) which formed in late 2015 with a clear objective of increasing white (cruise) ship visits to boost tourism, and grey (Defence) ship visitation to Townsville for rest and recreation activities.

During the reporting period, P&O Cruises Australia announced the trial of a partial ship turnaround at the Port of Townsville in September 2018, meaning that passengers, for the first time, can board a cruise in Townsville.

Navy vessel visits to Townsville:

<table>
<thead>
<tr>
<th>Year</th>
<th>2015-16</th>
<th>2016-17</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>16</td>
<td>16</td>
</tr>
</tbody>
</table>

Image: Adani announces Carmichael Mine project cargo to be imported through the Port of Townsville
Property

POTL manages a property portfolio of around 250 hectares, with around 140 tenancy arrangements that support port operations and services.

Current Leasing

A number of new leases and permits were entered into over the last 12 months to support new trades and port-related industries, and extensions of several existing leases were granted. Activities primarily driving growth inland take-up at the Port include laydown areas for project cargo for solar farms and mine development, container handling, car imports and storage facilities for industrial uses.

Future Leasing

POTL is developing a long-term Property Development Strategy to identify and prepare lands required to facilitate trade growth into the future. This strategy incorporates development opportunities for existing Port lands, the Townsville State Development Area as well as lands created through the Townsville Port Expansion Project.

Quayside Terminal

Quayside Terminal facilitated passengers from eight cruise ships, and hosted 29 events including weddings, music festivals and corporate events during 2016-17.

Port Developments

We are continuing to invest into infrastructure to meet the needs of our customers, improve supply chain efficiencies and to provide capacity required for future growth.
Townsville Port Expansion Project

Trade volumes through the Port of Townsville are forecast to treble over the next 30 years, driven by global demand for base minerals such as zinc and copper and for agricultural products including fertilisers, sugar, rice, grains and pulses, as well as containerised cargo, fuel and motor vehicle imports to support North Queensland’s growing population.

The $1.64 billion Townsville Port Expansion Project involves the staged construction of six new berths in the Outer Harbour, creation of port land through reclamation works and channel widening and deepening. The Project reached a major milestone this year with the submission of the Final Additional Environmental Impact Statement (AEIS), which has been in the planning phase for more than 10 years. Decisions on the AEIS by Federal and State regulators are anticipated by the end of 2017.

The $193 million Channel Capacity Upgrade is part of Stage 1 of the Townsville Port Expansion, and will be the Port’s largest infrastructure investment to date.

The project involves widening of the Platypus and Sea channels to allow access for larger commercial, cruise and defence ships which are currently constrained due to the narrow channel width. The project took a major step forward this year with the completion of the Business Case, delivering on the first commitment under the Port City initiative of the historic Townsville City Deal, and the State Government’s $75 million commitment toward the project, subject to environmental approvals. We expect to complete funding and approvals by the end of 2017, enabling this vital project to get underway.

The Environmental Impact Statement for the project includes comprehensive scientific assessments and consultation processes to address key issues, as well as controls to ensure the health of Cleveland Bay is safeguarded. All capital dredge material will be beneficially re-used through placement in a fully contained area at the Port.

The project will create 120 local FTE jobs during construction and return over $580 million of value to Queensland.

The project will see freight directly imported and exported through Townsville Port that otherwise is trucked or railed to capital centres, as well as enabling significant growth in cruise shipping with the accommodation of larger vessels.
Berth 4 Upgrade

Construction of the $40.5 million upgrade of Berth 4 for container and general cargo progressed well during the year, with local contractor CivilPlus Constructions delivering the primary wharf works. The works include construction of a new deck and quayline, upgrades to cargo handling pipelines, extension of quay crane lines, berth pocket deepening and the clearing of land behind the berth to provide flexibility and capacity for cargo handling.

The upgrade works will extend the life of the asset by approximately 50 years. The project will see a doubling of the capacity of Berth 4, which is essential for accommodating growth in containerised and general cargo handling. The upgrade project is on track to be completed by December 2017.

During the year a competitive market process was undertaken to identify options for investment into state-of-the-art cranes and terminal areas to support growth in containerised and general cargo. Three parties were shortlisted to enter into negotiations, with the outcome to be announced in the second half of 2017.

Harbour City Gateway

Townsville, the largest city in Northern Australia, presents a unique opportunity for revitalisation of around 10 hectares of port land located along Ross Creek in the Townsville Waterfront Priority Development Area to support activation of the city centre and the reconnection of the community with the waterfront. The overall project will see waterfront walkways and public realm linking the Quayside Cruise Terminal to Palmer Street, and linking Flinders Street East with key tourism precincts including Reef HQ, a new Strand Ferry Terminal through to the Breakwater Precinct.

The Harbour City Gateway projects will be undertaken over a 10-20 year development. During the year, Townsville City Council released the Pure Projects Master Plan, which supported plans for redevelopments of key port precincts located in the city. Based on master planning undertaken, several catalyst projects, underway during the year which are expected to commence development in 2018.

Construction of the $40.5 million upgrade of Berth 4 for container and general cargo progressed well during the year, with local contractor CivilPlus Constructions delivering the primary wharf works. The works include construction of a new deck and quayline, upgrades to cargo handling pipelines, extension of quay crane lines, berth pocket deepening and the clearing of land behind the berth to provide flexibility and capacity for cargo handling.

The upgrade works will extend the life of the asset by approximately 50 years. The project will see a doubling of the capacity of Berth 4, which is essential for accommodating growth in containerised and general cargo handling. The upgrade project is on track to be completed by December 2017.

During the year a competitive market process was undertaken to identify options for investment into state-of-the-art cranes and terminal areas to support growth in containerised and general cargo. Three parties were shortlisted to enter into negotiations, with the outcome to be announced in the second half of 2017.

Harbour City Gateway

Townsville, the largest city in Northern Australia, presents a unique opportunity for revitalisation of around 10 hectares of port land located along Ross Creek in the Townsville Waterfront Priority Development Area to support activation of the city centre and the reconnection of the community with the waterfront. The overall project will see waterfront walkways and public realm linking the Quayside Cruise Terminal to Palmer Street, and linking Flinders Street East with key tourism precincts including Reef HQ, a new Strand Ferry Terminal through to the Breakwater Precinct.

The Harbour City Gateway projects will be undertaken over a 10-20 year development. During the year, Townsville City Council released the Pure Projects Master Plan, which supported plans for redevelopments of key port precincts located in the city. Based on master planning undertaken, several catalyst projects, underway during the year which are expected to commence development in 2018.
Townsville Eastern Access Rail Corridor

The Townsville Eastern Access Rail Corridor (TEARC) project is a proposed new eight kilometre rail freight link which would connect the North Coast Line and Mount Isa Rail Line directly into the Port of Townsville through the Townsville State Development Area. The proposed corridor will branch off from the North Coast Line at Cluden (south of Townsville) and run parallel to the Port Access Road into the Port.

The project took a significant step forward with the Business Case being led by Building Queensland to be completed late 2017, and a $150 million funding commitment for the project by the Federal Government.

Engineering & Maintenance Works

A number of engineering and maintenance projects were completed during the year to ensure our assets are well maintained and deliver levels of reliability, efficiency and services to our customers including:

- $2.1 million to undertake maintenance dredging of the channels and harbour areas
- $2.6 million for the purchase of a new pilot vessel to replace the existing vessel which has been in operation for more than 30 years. Delivery of the new vessel is scheduled for October 2017 and will ensure reliable, efficient and safe transfer of pilots to vessels and back to the harbour at the Port of Townsville
- $1 million upgrades to the port road network to improve the efficiency of truck movements around the Port, in particular to facilitate triple road train movements completed by Mendi Construction
- $1.7 million pile encapsulation works at Berth 8/9 by Bluewater Processing
- Fender refurbishment works at Berth 9 as part of a four year replacement program
- $755,000 to remove the breakwater stub at the harbour entrance by WILCO Logistics, widening the entrance to the harbour and improving ship accessibility and navigational safety.

Safety

POTL’s Safety Management System (SMS) provides the framework to ensure that all operational activities are undertaken in a safe and healthy manner. The SMS also tracks continual improvement for the organisation and has been accredited to AS/NZS 4801 and OHSAS 18001. During 2016-17 the SMS was audited by an external third party auditor and granted recertification with zero non-conformances reported.

Three injuries to POTL employees in 2016-17 resulted in time off work and a further three incidents required medical attention. These were all short-term injuries.

A comprehensive Drug and Alcohol program was undertaken during 2016-17. Approximately 178 tests were conducted during the reporting period. The program includes education sessions and random testing for all staff and POTL Contractors.

POTL continues to implement a strong safety culture, details of which are included in POTL’s five-year safety strategy.
Security
POTL maintains strict security standards and procedures at the Port as per the legislative requirements of the Australian Border Force (Department of Immigration and Border Protection) and the Office of Transport Security (Department of Infrastructure and Regional Development). To achieve these obligations POTL Security Services operates within the Port and employs up to 18 staff (full time and casual). In 2016-17 numerous external audits and reviews of the port were undertaken by Australian Border Force (ABF) and the Office of Transport Security (OTS) with zero non-compliance issues reported.

POTL continues to have a strong focus on Security Services improvement to ensure all legislative obligations are met while minimising the impact to port operations and customers. To achieve this, POTL strives to develop strong relationships with the regulators and other Australian ports by being an active participant in numerous industry forums and establishing direct dialog with several capital city and regional ports. During 2016-17 POTL has been a member of the Maritime Industry Security Consultative Forum, OTS Organised Crime Working Group, Attorney Generals Criticality Project Workshops, as well as the Ports Australia Security Group.

POTL continues to engage with key stakeholders to develop a sustainable long term security strategy for the Port of Townsville which ensures legislative obligations are met and provides a safe workplace for all while minimising operational / customer impacts.

Camera upgrades and additional cameras
POTL upgraded the capability of its security cameras at the Port during 2016-17. SAPE Industries was awarded the works which delivered the replacement of 44 cameras with higher power and resolution cameras, as well as 12 new cameras and hardware. The cameras are critical for POTL operational activities.

Environment & Sustainability
Our focus on sustainability, leading environmental practices and community engagement is a core part of who we are and what we do.

Performance and Compliance
POTL is fully compliant with all permits and approvals. In 2016-17, POTL moved to electronic capture and reporting, with 85 site inspections and observations undertaken.

In 2016-17, nine internal audits and an external third party recertification and transition audit were undertaken. POTL’s Environmental Management System was certified to the revised ISO 14001:2015, ensuring environmentally sound operational activities and tracking continual improvement.

Monitoring
POTL has comprehensive integrated monitoring programs in place to ensure that the environments surrounding the Port of Townsville are safeguarded. This includes an extensive network of air quality monitors and water quality monitors as well as programs for sediment, seagrass, noise and stormwater monitoring.

Results for 2016-17 for air quality show that all relevant guidelines are being met, with trends showing decreases in metals over the past 12 months. During the year a new real-time air quality monitoring station was commissioned, and the Port commenced publication of monthly air quality performance dashboards to provide increased transparency for the community.

2016-17 marine water quality results confirmed no detectable hydrocarbon presence in Inner Harbour.

POTL, in conjunction with AIMS (Australian Institute of Marine Science) and the Marine Monitoring Program (GBRMPA), continuously monitor turbidity and Photosynthetically Active Radiation (PAR) [referring to light penetration through the water to corals and seagrasses].

Results from 2016-17 sediment grab samples indicate that trends for metals in sediments remain consistent with the previous 12 months of monitoring. Sediments in dredging areas were tested in accordance with National Assessment Guidelines for Dredging (NAGD 2009) which is undertaken every five years. These results also remain similar to the last Sampling and Analysis Plan with some areas showing an improved result.
Cleveland Bay Seagrass Monitoring

POTL continued its long-standing partnership with James Cook University / tropWATER to conduct annual seagrass surveys in Cleveland Bay in 2016. The latest survey shows that seagrasses in Cleveland Bay are in good condition overall and have increased in total area for the fifth consecutive year, reaching the second largest spatial distribution since monitoring began. The seagrass were ranked “good” or “very good” for biomass and species composition indicators in all monitoring meadows.

National Environmental Science Programme

POTL has partnered with Australian Institute of Marine Science (AIMS) and James Cook University (JCU) in collaboration with the Australian Government’s National Environmental Science Programme to utilise novel analytical techniques and instrumentation to quantify key stressor activity data (such as sedimentation, light quantity and suspended sediment concentrations) in relation to dredging activity and how these vary with increasing distances from dredging. This work will assist in continuing to build the science and knowledge around dredging.

Reef 2050 Commitments

POTL works proactively with the Queensland Ports Association and State and Federal governments to implement the actions from Reef 2050.

Maintenance Dredging Strategy

In 2016-17 the Queensland Government released the Maintenance Dredging Strategy for Great Barrier Reef World Heritage Ports. POTL’s maintenance dredging in 2016-17 has been conducted in compliance with this strategy and other relevant State and Federal regulations.

Magnetic Island Reef Recovery Project

POTL is a partner on the Magnetic Island Reef Recovery Project. The project vision is “Community, researchers, industry and government working together by sharing knowledge, monitoring and taking action to restore coral reefs to a healthy state around Magnetic Island by 2025”.

Macroalgae (seaweed) is being removed from nearshore habitat and key tourism sites, including the snorkel trail, as a pilot project to assist in coral growth and recovery. While in its early stages, the project aims to provide a positive example whereby individuals and groups can make a constructive on ground contribution at a local, reef and global scale.

Port of Townsville Master Plan

Townsville Port is one of four Priority Ports in Queensland. The Department of State Development, in conjunction with POTL, is progressing with the Port of Townsville Master Plan, as outlined in the Sustainable Ports Development Act 2015. The first draft is due by the end of 2017.

Port Land Management

POTL’s Land Use Plan, in accordance with the Sustainable Planning Act 2009 and the Integrated Development Assessment System, ensures effective and efficient development on Strategic Port Land within the Ports of Townsville and Lucinda.
During 2016-17 POTL continued to expand its communication and engagement activities to ensure that the key stakeholders understand how the port operates, why it is important, and how it contributes to the economic future and sustainability of the region. These activities included:

- POTL substantially increased its following on social media during 2016-17 from 6,000 to more than 20,000 followers on its four chosen platforms - Facebook, Instagram, Twitter and LinkedIn. This was achieved by posting regular content about what the port does, and how it relates to the everyday lives of our community. POTL’s goal is to become “the most social port in the world.”
- POTL introduced the monthly What’s Happening series of notices in printed media and on radio to keep our community and stakeholders informed about trade performance, projects, environmental monitoring and community initiatives.
- Development and publication of the Townsville Port Operations & Air Quality Dashboard. The monthly Dashboard provides updates to our community on shipping movements and cargo carried, as well as air quality monitoring results around the port.
- Establishment of the Townsville Port Community Liaison Group (CLG) in March 2016. The CLG consists of 24 members of the community, organisations and business that have a strong interest in the operations of the port, port sustainability and future development plans, and work with the POTL team by providing feedback, opinions and input into our operations, stakeholder engagement and future plans.
- The Annual Community Information Session (CIS) was held at Quayside Terminal in October 2016. The CIS provides community members with presentations on trade, major projects, environmental monitoring, Harbour City and the activity of the Port Stakeholder Working Group.
- 29 port tours were conducted for school and tertiary students, aged-care home residents and general community groups during 2016-17.

Our Community

POTL places great importance and emphasis on communication and engagement with its community.

Sponsorships, Donations & Corporate Events

- POTL continued its financial support of the Townsville Maritime Museum during 2016-17.
- POTL provided $1,800 for prize money to JCU student awards in several fields of study relating to marine sciences.
- A total of $15,000 was raised for the Pyjama Foundation in Townsville at POTL’s annual charity golf day. The Foundation provides volunteers called “Pyjama Angels” to children in foster care to help them with learning, life skills and confidence building.

Industry Investment

POTL maintained its commitment to several industry bodies and organisations that promote the advancement of North Queensland.

- POTL continued its support of Townsville Enterprise, North Queensland’s peak economic development and regional tourism organisation.
- POTL also continued its membership of the economic group, Mount Isa Townsville Economic Zone (MITEZ) is a peak industry body that develops initiatives aimed at diversifying new industries, expanding new markets and promoting existing investment opportunities in northwest and North Queensland.
- POTL holds annual memberships with (the Townsville) Chamber of Commerce, Queensland Ports Association, Ports Australia and Australian Cruise Association.
- POTL participates in the Townsville City Council Sister Cities Program.
Our People

The strength of our organisation arises from our valued people

Average employee turnover in 2016-17
12%*

Employees over 50 years of age
47%

Average years of service
8

Percentage of employees with service under five years
48%

Average age of employees (years)
47.5

POTL employs 126 people (121.11 full time equivalents) across a wide range of disciplines including pilotage, engineering, planning, maintenance, marine services, security, governance and legal, customer relations, trade and property and business and commercial services.

* Turnover percentage relates to those employee instigated terminations and does not include those employees whose termination occurred through performance management processes.
Employee Relations Framework
POTL’s employee relations framework includes but is not limited to:
- Workforce Plan;
- Employment and Industrial Relations Plan;
- Enterprise Agreements;
- Formal Employee Induction Program;
- Succession Planning for Key Executive Positions; and
- Employee Performance and Development Evaluation Procedure.

Workforce Planning
POTL’s Workforce Plan identifies the employment challenges facing the organisation and details strategies to be implemented to ensure that POTL’s employment profile will be capable of meeting future corporate objectives. POTL’s Workforce Planning process involves:
- Identifying future business directions and workforce needs;
- Analysing and understanding the make-up of the current workforce;
- Determining the necessary skills, capabilities and competencies required to achieve strategic operational goals in the future; and
- Developing and implementing policies and strategies that will assist in achieving these goals.

Succession Planning
POTL has a robust succession planning system that prepares people to meet the Port’s talent and skill requirements over time. It identifies necessary competencies to assess, develop, and retain a talent pool of employees to ensure a continuity of leadership in all critical positions and reflects the conscious decision by POTL to foster and promote the continual development of employees therefore allowing POTL to continue achieve business objectives.

Training and Professional Development
POTL is proactive in encouraging and assisting employees to undertake professional development.

- POTL, in conjunction with TAFE N.Q, has instigated an accredited Developing Managers and Leaders Program which has six participants. Two further employees accessed individual study units of the Program. Program units are recognised against the completion of a Diploma in Management and Leadership.
- POTL regularly runs professional development workshops covering a range of topics including emotional intelligence, conflict management and communication skills.
- There are nine employees who are currently undertaking study courses supported by POTL. Work experience opportunities were provided to several high school and college students during the financial year, as well as a placement for a university student.

Equal Employment Opportunity
POTL has an Equity Policy which aims to promote equality of opportunity by prohibiting unfair discrimination, sexual harassment and associated objectionable conduct. The Policy contains information relating to equal employment opportunity, anti-discrimination, sexual harassment and prevention of harassment and bullying. New employees are trained in this Policy during induction and all employees are required to undertake annual training in relation to this Policy.

- POTL has ten trained Equity Contact Officers who receive the requisite training and are provided with refresher courses to remain current.
- Any reported breaches of POTL’s Equity Policy are investigated promptly and any person found to be in breach of the policy may be subject to disciplinary action in accordance with POTL’s Disciplinary Procedure.

Implementation of Enterprise Content Management
Port of Townsville implemented TechnologyOne’s industry-leading ECM solution, leveraging the simplicity, improved compliance, and efficiency of TechnologyOne’s enterprise solution.

- TechnologyOne’s ECM solution alleviates issues of duplication, streamlining information into a centralised, easy-to-use search capability.

Looking Forward – 2017-18 Strategies
Over the next twelve months POTL will continue to implement strategies aligned to Government requirements to improve workplace relations, encourage employee development and satisfaction while maintaining core activities and maximising utilisation of existing resources.
Governance

Shareholding Ministers
Treasurer and Minister for Trade and Investment
The Hon. Curtis Pitt MP
Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply
The Hon. Mark Bailey MP

Company Secretaries
Ms Esther Slocombe
Mr David Sibley

Audit & Risk Management Committee
Ms Renita Garard (Chair)
Mr Bradley Webb
The Hon. Mike Reynolds AM

Human Resources & Work Health and Safety Committee
Ms Megan Heywood (Chair)
Ms Renita Garard
Mr Shayne Hanran

Board of Directors
Ms Renita Garard (Chair)
Mr Bradley Webb
Mr Shayne Hanran
Ms Megan Heywood
The Hon. Mike Reynolds AM

Chief Executive Officer
Ms Ranee Crosby

GM Operations & Logistics
Mr Jacob Kalma
- Marine Pilotage
- Shipping & Marine Services
- Security & Safety
- VTS Liaison
- Towage
- Launch and Lines
- Supply Chain Coordination
- Operational Management

GM Infrastructure
Mr Kim Gebers
- Infrastructure Delivery
- Master Planning
- Dredging
- Land Use Planning
- Environment
- Development Approvals
- Asset Management
- Engineering
- Maintenance
- Hydrographic Survey

GM Business Development
Ms Claudia Brumme-Smith
- Trade
- Customer Service
- Marketing
- Leasing
- Property Developments
- Communications
- Media
- Community & Stakeholder Engagement

Chief Financial Officer
Mr David Sibley
- Treasury Management
- Accounting
- Pricing
- Accounts Payable / Receivable
- Debt Collection
- Statistics
- Procurement
- Human Resources
- Governance & Legal
- Administration
Structure of the Board

POTL’s Board of Directors comprises five non-executive Directors who have been appointed by the Governor in Council in accordance with the GOC Act. Directors’ name and tenure details as at 30 June 2017 are shown below:

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Initial appointment</th>
<th>Last re-appointed</th>
<th>Appointment expiry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ms Renita Garard</td>
<td>Chairperson</td>
<td>1 October 2015</td>
<td>Not Applicable</td>
<td>30 September 2018</td>
</tr>
<tr>
<td>Mr Bradley Webb</td>
<td>Director</td>
<td>1 October 2011</td>
<td>2 October 2014</td>
<td>30 September 2017</td>
</tr>
<tr>
<td>Ms Megan Heywood</td>
<td>Director</td>
<td>3 December 2015</td>
<td>Not Applicable</td>
<td>30 September 2018</td>
</tr>
<tr>
<td>Mr Shayne Hanran</td>
<td>Director</td>
<td>3 December 2015</td>
<td>Not Applicable</td>
<td>30 September 2018</td>
</tr>
<tr>
<td>Mr Mike Reynolds AM</td>
<td>Director</td>
<td>16 December 2016</td>
<td>Not Applicable</td>
<td>30 September 2019</td>
</tr>
<tr>
<td>Mr Allan Pidgeon</td>
<td>Director</td>
<td>12 December 2013</td>
<td>Not Applicable</td>
<td>30 September 2016</td>
</tr>
</tbody>
</table>

POTL’s Directors are paid fees for their services. The amount of the fees is determined by shareholding Ministers. Remuneration arrangements for the Chief Executive Officer and senior executives are determined by the Board in accordance with guidelines issued by shareholding Ministers. In accordance with the disclosure requirements for GOCs, details of Directors’ remuneration are included in the financial report.

The Board has adopted a Disclosure of Interests Policy to ensure the independence of Directors is appropriately assessed and any potential conflicts are identified, disclosed, and managed. It is considered by the Board that none of the Directors’ interests disclosed during the reporting period interfered with the ability of those Directors to act in POTL’s best interests. Disclosure of interests is further dealt with in POTL’s Disclosure of Interests Policy found on POTL’s website at www.townsville-port.com.au/about-us/governance/.

Board Evaluations

The Board carries out regular formal and informal reviews of its performance to evaluate the effectiveness of the Board in meeting its objectives, discharging its functions and responsibilities, and to identify self-improvement or process improvement opportunities that can be pursued to enhance the overall performance of the Board.

The Chairman continuously monitors the performance of individual Directors, the Board and Board Committees on an informal basis. The Directors also conduct a formal assessment of their own and the Board’s collective performance annually. The Board may seek an independent appraisal of its performance if it is deemed that an independent review would facilitate a more effective evaluation process.

The results of the formal evaluations are communicated to the Board and shareholding Ministers. The results are analysed for trends and areas for improvement so that the Board is able to decide on the actions necessary to enhance overall performance. Strategies formulated by the Board to improve Board effectiveness are then implemented.

Board Committees

POTL has two Board Committees that report to the Board, namely:

1. Audit and Risk Management Committee

   Chair – Ms Renita Garard
   Members – Mr Bradley Webb, Mr Mike Reynolds AM (and formerly Mr Allan Pidgeon)

   The primary objective of the Audit and Risk Management Committee is to assist the Board of Directors in fulfilling its responsibilities prescribed in the Financial Accountability Act 2009 (Qld), Corporations Act 2001 (Cth) and other relevant legislation and prescribed requirements by providing independent comment, advice and counsel to the Board of Directors on matters considered by the Committee at its regular meetings.

2. Human Resources and Work Health and Safety Committee

   Chair – Ms Megan Heywood
   Members – Ms Renita Garard, Mr Shayne Hanran

   The primary objective of the HR&WHS Committee is to assist the Board of Directors in fulfilling its corporate governance responsibilities by reviewing recommendations, monitoring and establishing HR&WHS policy frameworks. Such frameworks shall be consistent with POTL’s business needs and objectives, commercial profile and relevant legislation.

   The qualifications and attendance records of Directors on each Board Committee are detailed in the Directors report. Board Committee Charters can be viewed on POTL’s website at www.townsville-port.com.au/about-us/governance/.

Shareholders

In 2016-17 the Board was responsible to POTL’s two shareholding Ministers, the Honourable Curtis Pitt MP (Treasurer and Minister for Trade and Investment), and the Honourable Mark Bailey MP (Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply).

POTL is required by the GOC Act to develop a five-year Corporate Plan and an annual Statement of Corporate Intent (SCI) (including an annual Employment and Industrial Relations Plan), which are submitted to shareholding Ministers for approval prior to the commencement of each financial year.

Business performance reports are provided to the Board and shareholding Ministers on a quarterly, half-yearly and annual basis so POTL’s performance against agreed targets can be monitored. Moreover, the annual reports are published so POTL’s performance can be communicated to other stakeholders. This annual report provides an overview of POTL’s performance against its SCI for the 2016-17 reporting period.

Dividend Policy

The GOC Act requires the Board to recommend the payment of a dividend. POTL’s dividend policy takes into account the return its shareholders expect on their investment. Shareholding Ministers have directed POTL not to pay a dividend to shareholders for the 2016-17 financial year to facilitate investment in POTL’s Channel Capacity Upgrade Project.

Risk Management

POTL has an integrated Risk Management Framework consistent with ISO31000:2009. The framework has been communicated to all employees and is displayed on POTL’s intranet for easy accessibility.

A Risk Management Committee, consisting of employees from each business unit, is responsible for the implementation of the framework. The Committee meets on a quarterly basis to identify, assess, and manage risks that may impact on POTL delivering its core statutory functions. Where necessary, risk mitigation strategies are developed and implemented by the Committee to prevent and/or reduce the occurrence of risks, including strategic, operational, project and fraud control plans. The status of implementation is reported to the Audit and Risk Management committee on a quarterly basis. Any significant risks are escalated to the Board for their input and oversight.

Audits

POTL’s financial statements and reports are prepared in accordance with the provisions of the Financial Accountability Act 2009 (Qld), and prescribed accounting standards. POTL’s Audit and Risk Management Committee oversees, assesses, and enhances the systems of internal control and the internal audit function.

Internal auditors are contracted to carry out POTL’s internal audit function. During the reporting period, audits were conducted by POTL’s internal auditors in respect to POTL’s payroll, procurement, asset management and maintenance and risk management. There were no significant issues raised during these audits, with all recommendations for improvement implemented by POTL.

The external audit function is carried out by the Queensland Audit Office. The Auditor-General reports to Parliament as the State’s independent external auditor of GOCs.
Business Management Systems


Public Interest Disclosures

POTL has a Public Interest Disclosure (Whistleblowers) Policy, which sets out mechanisms for reporting, investigating, and providing protection in regards to public interest disclosures. This policy is available on POTL’s website at www.townsville-port.com.au/about-us/governance/. POTL did not receive any actual or purported public interest disclosures during the reporting period.

Privacy

POTL has implemented a Privacy Plan consistent with the eleven Information Privacy Principles contained in the Information Privacy Act 2009 (Qld) that were adapted from the Privacy Act 1988 (Cth). The Plan is communicated and accessible to all employees of POTL. A copy of the Plan is also available on POTL’s website at www.townsville-port.com.au/privacy-policy/. POTL did not receive or process any Information Privacy applications during the reporting period.

Release of Information

The Right to Information regime requires GOCs to provide greater proactive and routine disclosure of information to the public and gives individuals the right to apply for access to information held by GOCs. Consistent with the spirit of the legislation, POTL has a publication scheme on its website which makes a number of POTL’s internal policies and procedures publicly available. This information is located on POTL’s website at www.townsville-port.com.au/about-us/release-of-information/. POTL did not receive or process any Right to Information applications during the reporting period.

Summary of Directions and Notifications Given Under the GOC Act

In accordance with section 114 of the GOC Act, POTL was not notified by its shareholding Ministers during the reporting period of the application or revocation of any government policies applying to Government Owned Corporations.

However POTL was notified on 26 October 2016 of approved changes to the Queensland Government Charter for Local Content which aims to strengthen local content to ensure that local businesses are given a full, fair and reasonable opportunity to tender for Queensland Government contracts. Following notification of the changes, POTL revised its policy on local content which can be viewed on POTL’s website.

POTL was also notified on 22 March 2017 that the Queensland Minister for Employment and Industrial Relations rescinded the Implementation Guidelines to the Queensland Code of Practice for the Building and Construction Industry effective from 20 February 2017 and compliance with the Guidelines was not required under existing contracts. The Code of Practice for the Building and Construction Industry continues to apply to provide Queensland Government agencies with overarching guidance on ethical and appropriate practices in Queensland’s building and construction industry.

In accordance with the GOC Act, POTL was directed not to pay dividend for 2016-17.

Overseas Travel

Board Director, Hon. Mike Reynolds AM travelled to Port Morseby, to participate in a Papua New Guinea Business Delegation led by the Mayor of Townsville, Cr. Jenny Hill, from 16 to 19 May 2017.
Directors Report

The Directors present their report together with the financial statements of Port of Townsville Limited (POTL) for the year ended 30 June 2017 and the auditor’s report thereon.

Directors

Directors of POTL in office during the financial year and up to the date of this report are as follows:

Ms Renita Garard (Chair)
Mr Bradley Webb
Ms Megan Heywood
Hon. Mike Reynolds AM
Mr Shayne Hannan
Mr Allan Pidgeon - Term of office expired 30 September 2016

Principal activities

POTL’s primary role is to facilitate trade growth through the provision and commercial management of efficient and effective port services.

POTL’s core business functions are to:

• act commercially and optimise the value of the business whilst endeavouring to achieve sustained long-term business growth;
• establish, manage and operate effective and efficient port facilities and services at its ports;
• make land available for:
  • the establishment, management and operation of effective and efficient port facilities and port services at its ports by other persons; or
  • other purposes consistent with the operation of its ports;
• provide or arrange for the provision of ancillary services or works necessary or convenient for the effective and efficient operation of its ports;
• keep appropriate levels of safety and security in the provision and operation of the port facilities and port services;
• provide other services incidental to the performance of POTL’s other functions, or likely to enhance the usage of its ports; perform any other functions and exercise any other powers conferred on POTL under the Transport Infrastructure Act 1994 (Qld), the Government Owned Corporations Act 1993 (Qld) and Regulations or another Act or under POTL’s Statement of Corporate Intent or Corporate Plan;
• provide port services and ancillary services:
  • whether in or outside its ports; and
  • whether in or outside Australia; and
  • whether for another port or for other parties; and
• carry out any activity that is incidental to the attainment of the functions set out above.

Review of operations

Profit from continuing operations before income tax expense remained strong at $21.16 million (2016: $24.98 million) with a continued focus on expenditure constraints given the challenging economic climate. POTL’s operating result for the year after income tax of $15.18 million (2016: $17.72 million), with the decrease from the previous year primarily due to lower trade volumes relating to the Yabulu nickel refinery closure and reduced mining activity in the region. Total trade throughput for the year was 7.52 million tonnes (2016: 9.79 million tonnes).

Future trade and shipping outlook remains positive, with a number of new mines expecting to commence export operations in 2017-18. Increases in containerised cargo are forecast with Townsville Port providing a freight hub for a number of solar farms in the region, as well as an import base for major mines in the North West Minerals Province and the Galilee Basin. During the year, a number of new shipping services from Townsville Port were announced to provide...
fast and direct services to key international markets including Papua New Guinea, Singapore, Indonesia and Malaysia. Cruise shipping is experiencing significant growth with 19 bookings for 2018 and a trial ship turnaround announced for Townsville in 2018, enabling passengers to board the vessel in Townsville.

During the year POTL continued its program of investments and strategic approvals to cater for anticipated trade growth, in particular containerised freight, agriculture, fuel, cars and cruise shipping. POTL completed $30.4 million of capital works during the year, including $19.5 million towards the Berth 4 Upgrade. The $40.5 million Berth 4 Upgrade project will double the capacity of the berth to cater for growth in containerised and general cargo. Construction started in April 2016 and is scheduled to be completed in December 2017. An operator for Berth 4, who will invest into state-of-the-art cranes and terminal areas, will be announced in the second half of 2017.

The staging and construction methodology for the $1.64 billion Townsville Port Expansion Project was reviewed to ensure beneficial reuse of all capital dredge material for the project as required by the Sustainable Ports Development Act 2015 (Qld). POTL completed the Additional Environmental Impact Statement (AEIS) for the project which was submitted to State and Federal regulators for assessment.

In June 2017, the Queensland Government committed $75 million towards the Townsville Channel Capacity Upgrade Project. The $193 million project, which forms part of the first stage of the Port Expansion, involves widening of the channels to cater for larger ships, ensuring North Queensland remains a competitive trade gateway for imports and exports. It will also enable Townsville to attract larger cruise ships to support growth of the local tourism industry, and improve strategic capability for Defence. Works could commence in 2018, subject to finalising environmental approvals and final funding, with access for larger ships within two years and full project completion expected in 2023.

As one of four Priority Ports in Queensland, a Master Plan is required to be developed for the Port of Townsville under the Sustainable Ports Development Act 2015. The Department of State Development is leading the development of the Master Plan in conjunction with POTL. Engagement with stakeholders has been an integral part of this process, and public consultation will be undertaken prior to the finalisation of the Master Plan. It is anticipated the Master Plan will be completed and approved during the 2017–18 financial year.

During the year, POTL continued work with Townsville City Council and Economic Development Queensland on planned developments in the Townsville Waterfront Priority Development Area (PDA). POTL owns 10 hectares of waterfront land in the PDA which are of strategic importance and will be redeveloped to link the Port to the City Centre, creating vibrant mixed uses and public realm whilst ensuring port operations are appropriately protected.


Below is a summary of POTL’s underlying ratios over the past two years:

<table>
<thead>
<tr>
<th>Ratio</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Assets</td>
<td>2.55%</td>
<td>2.83%</td>
</tr>
<tr>
<td>Return on Equity</td>
<td>3.49%</td>
<td>3.90%</td>
</tr>
<tr>
<td>Interest Cover Ratio</td>
<td>5.33</td>
<td>6.07</td>
</tr>
<tr>
<td>Debt to Equity</td>
<td>0.22</td>
<td>0.17</td>
</tr>
</tbody>
</table>

Dividends

Directors recommended payment of a final dividend of 100% (2016: 100%) of net profit after tax, however shareholding Ministers have approved retention of current year dividend to contribute to the cost of the Channel Capacity Upgrade Project. Therefore, the final dividend amounts to $0 (2016: $17,720,082).

Significant changes in the state of affairs

In the opinion of the directors there were no significant changes in the state of affairs of POTL that occurred during the financial year.

Matters subsequent to the end of the financial year

There has not been any matter or circumstance that has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

- POTL’s operations in future financial years, or
- the results of those operations in future financial years, or
- POTL’s state of affairs in future financial years.

Likely developments and expected results of operations

Further information on likely developments in the operations of POTL, and the expected results of operations, has been included in POTL’s Annual Report.

Environmental regulation

POTL’s operations are subject to significant environmental regulations under both Commonwealth and State legislation in relation to its port management activities. There are significant environmental regulations under legislation, including licence requirements relating to dredging, potential water and air, noise and land pollution; and waste management in relation to POTL’s operations.

Legislation and regulations that POTL is subject to are as follows:

<table>
<thead>
<tr>
<th>Act</th>
<th>(Qld)</th>
<th>(Cth)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coastal Protection and Management Act 1995</td>
<td>Great Barrier Reef Marine Park Act 1993</td>
<td></td>
</tr>
<tr>
<td>Environmental Protection Act 1984 (Qld)</td>
<td>Environment Protection Act 1981 (Cth)</td>
<td></td>
</tr>
<tr>
<td>Fisheries Act 1994 (Qld)</td>
<td>Environment Protection and Biodiversity Conservation Act 1999 (Cth)</td>
<td></td>
</tr>
<tr>
<td>Marine Parks Act 2004 (Qld)</td>
<td>National Greenhouse and Energy Reporting Act 2007 (Cth)</td>
<td></td>
</tr>
<tr>
<td>Biosecurity Act 2014 (Qld)</td>
<td>Biosecurity Act 2015 (Cth)</td>
<td></td>
</tr>
<tr>
<td>State Development and Public Works Organisation Act 1971</td>
<td>Sustainable Ports Development Act 2015 (Qld)</td>
<td></td>
</tr>
</tbody>
</table>

All environmental performance obligations are reviewed as part of the certified Environmental Management System (EMS) and under POTL’s risk and compliance framework are reported to the Audit and Risk Management (ARM) Committee. These processes and management practices are subject to government agency, internal and external professional agency audit, as well as ongoing review to ensure compliance.

POTL is not aware of any matter that requires disclosure regarding any significant environmental regulation in respect to its operating activities in the past year.
Ms Renita Garard (OAM)  
Non-Executive Chair  
Appointed 1 October 2015  
Renita is a chartered accountant with more than 16 years’ experience in the provision of financial and taxation advice through roles within leading professional services firms. In particular, she has significant experience in the provision of advisory services regarding large commercial transactions and reorganisations for corporate entities, private family groups, superannuation funds and investment funds.  
Renita is a Director of Queensland Rugby Football League Limited and is also a Director of Lifetec Australia Ltd.  
A dual Olympic gold medallist as a former hockey player with the Australian Women’s Hockey Team (1996 & 2000), Renita was a Director of Hockey Australia from 2001 to 2012. In addition, Renita was a member of the Executive of the international body, the International Hockey Federation (FIH) for seven years during this period.  
Special responsibilities:  
• Chair of the Board  
• Chair of the Audit and Risk Management (ARM) Committee  
• Member of the Human Resources and Work Health and Safety (HR&WHS) Committee

Mr Bradley Webb  
Non-executive Director  
Appointed 1 October 2011  
Mr Webb is Managing Director of BM Webb Group, which was founded in 1979. The company has grown from an interstate truck haulage business into an award-winning construction and property development company.  
BM Webb Group’s first industrial warehouse was built 1986. In 1999, Mr Webb purchased 240 hectares of land at the Bohle, which is now known as Webb Drive Industrial Estate. The estate is now home to over 80 businesses, many of which are accommodated in buildings designed and constructed to suit customer requirements.  
Mr Webb has achieved numerous construction, corporate, environmental, humanitarian and personal awards, including most recently Townsville Citizen of the Year in 2003 and special recognition from General Peter John Cosgrove AC MC, for providing food to the community as part of the Cyclone Larry Recovery Taskforce in 2006.  
Mr Webb’s port and rail experience encompasses such projects as the $40 million Tol/QRX Rail Terminal in Townsville, Port of Townsville Marine Precinct Alliance Project and Forestry Plantation Queensland’s log yard.  
Mr Webb is currently Director of Queensland Country Credit Union and founding Chairman of Food Relief QN.

Ms Megan Heywood  
Non-executive Director  
Appointed 4 December 2015  
Megan has more than 18 years’ experience in the legal profession and has spent the majority of her professional years as a Senior Crown Prosecutor with the Office of the Department of Public Prosecutions. Megan also has significant private practice experience in law, having worked at Ebswirth and Ebswirth Lawyers; subsequently opening her own firm in Townsville (Fredericks Heywood), with a strong focus on employment law.  
Megan is well known in the Townsville community for co-founding the Sky Foundation, a registered charity committed to raising funds and awareness for victims of domestic violence. Megan has held Board positions with Protect All Children Today and is a Nationally Accredited Mediator.

Mr Shayne Hanran  
Non-executive Director  
Appointed 4 December 2015  
Shayne Hanran is a Registered Professional Engineer of Queensland with over 25 years’ experience in the industry. A Townsville local; he completed his studies at James Cook University and has extensive experience in the project management, design and construction phases of a diverse range of civil and structural projects.  
Shayne has fulfilled the Project Director role on a number of large multidisciplinary mining infrastructure and materials handling related projects and possesses a comprehensive understanding of the communication and technical skills required to successfully deliver major projects.  
Shayne is the Area Director of North Queensland and Northern Territory for AECOM Australia Pty Ltd; he also holds a position on the Advisory Board for Engineering at James Cook University.

Hon Mike Reynolds AM  
Non-executive Director  
Appointed 16 December 2016  
Mike has extensive experience as a Chairman, Deputy Chairman and Director of the Boards of Corporations, Statutory Authorities and not-for-profit companies.  
Mike was a Councillor with the Townsville City Council from 1973 to 1989, serving as Mayor of Townsville (1980-1989) and Deputy Mayor (1976-1980). He was the State Member for Townsville (1998-2009), serving as Parliamentary Secretary to the Premier (1998-2001), Minister for Emergency Services and Minister Assisting the Premier in North Queensland (2001-2004), Minister for Child Safety (2004-2006) and Speaker of Queensland Parliament (2006-2009).  
He is also the former Chairman of professional dance company Dancenorth (2010-2013), Chairman of Townsville Port Authority (1990-1996), Chairman of ACT Vocational Training Authority (1992-1995) and Deputy Chairman of North Queensland Electricity Board (1979-1988).  
Mike was an Adjunct Professor at the Public Policy Institute at the Canberra Campus of the Australian Catholic University (2012-2013) and is the Australian Patron of Youth With a Mission Medical Ships Australia (2009-2017).  
Mike is a non-executive Director with North and West Remote Health (2012 to 2017).
Company secretary

POTL has appointed two company secretaries - Ms Esther Slocombe and Mr David Sibley.

Ms Esther Slocombe

Esther commenced employment with POTL in October 2007 and is currently POTL’s Company Secretary and Legal Counsel. Esther oversees POTL’s governance, legal, regulatory, government stakeholder liaison, strategic/corporate planning, contractual review, right to information, information privacy, records management, risk management, audit and administration functions.

Prior to joining POTL she held a position of legal practitioner in a private legal practice in Townsville for three years. Esther was admitted as a Legal Practitioner of the Supreme Court of Queensland on 23 February 2007. She is a member of the Queensland Law Society, Graduate of the Australian Institute of Company Directors (GAICD), a trustee on the Townsville Traditional Owners Charitable Trust and Managing Director of the Townsville Maritime Museum.

Esther has also completed a Diploma of Management.

Mr David Sibley

David was appointed as Company Secretary in January 2016 after being employed with POTL for more than nine years. Over the last 30 years David has worked across financial and corporate management within government, profit and not-for-profit entities. He has been responsible for formulating and implementing long term strategic, operational, and financial plans; commercialising government service units, and improving bottom line results in both non-profit and for-profit entities.

He has extensive experience in change management and currently holds the position of Chief Financial Officer at POTL. David holds a Bachelor of Commerce from James Cook University and is a Certified Practicing Accountant with Fellow Status.

Meetings of directors

The number of meetings of POTL’s Board of Directors and of each board committee held during the year ended 30 June 2017, and the number of meetings attended by each Director were:

<table>
<thead>
<tr>
<th>Director</th>
<th>Board Meetings</th>
<th>Audit &amp; Risk Management Committee</th>
<th>HR &amp; WHS Committee</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Eligible to attend</td>
<td>Attended</td>
<td>Eligible to attend</td>
</tr>
<tr>
<td>Ms Renita Garard</td>
<td>11</td>
<td>11</td>
<td>4</td>
</tr>
<tr>
<td>Mr Brad Webb</td>
<td>11</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>Mr Shayne Hanran</td>
<td>11</td>
<td>11</td>
<td>N/A</td>
</tr>
<tr>
<td>Ms Megan Heywood</td>
<td>11</td>
<td>10</td>
<td>N/A</td>
</tr>
<tr>
<td>Hon. Mike Reynolds AM</td>
<td>6</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Mr Allan Pidgeon</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
</tbody>
</table>

Remuneration of key management personnel

Note 4(E) of the financial statements provides detailed disclosures relating to the remuneration of key management personnel. The term key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of POTL, directly or indirectly, including any director (whether executive or otherwise) of POTL.

Indemnification and insurance of directors and officers

During the year, a policy was utilised to insure all directors and officers of POTL against liabilities incurred in their capacity as director or officer. The provisions of this policy prohibit the disclosure of the nature of the liabilities insured. The Corporations Act 2001 (Cth) does not require disclosure of this information in these circumstances.

Directors’ shareholding

No Directors held any beneficial interest in the shares of POTL. All issued shares are held by the shareholding Ministers on behalf of the Queensland Government.

Proceedings on behalf of the company

No person has applied to the Court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of POTL, or to intervene in any proceedings to which POTL is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings. No proceedings have been brought or intervened in on behalf of POTL with leave of the Court under section 237 of the Corporations Act 2001 (Cth).

Auditor’s independence declaration

The auditor’s independence declaration as required under section 307C of the Corporations Act 2001 (Cth) is contained within the report.

Rounding of amounts

POTL is of a kind referred to in Legislative Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the financial statements and Directors’ Report. Amounts in the financial statements and Directors’ Report have been rounded off to the nearest dollar in accordance with that Legislative Instrument.

This report is made in accordance with a resolution of directors on 22 August 2017.

Ms Renita Garard
Chair
22 August 2017

Hon. Mike Reynolds AM
Director
22 August 2017
Auditor’s Independence Declaration

To the Directors of Port of Townsville Limited

This auditor’s independence declaration has been provided pursuant to s307C of the Corporations Act 2001.

INDEPENDENCE DECLARATION

As lead auditor for the audit of Port of Townsville Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been -

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 (Cth) in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Mr David Adams
Queensland Audit Office
as Delegate of the Auditor-General of Queensland

As lead auditor for the audit of Port of Townsville Limited for the year ended 30 June 2017, I declare that, to the best of my knowledge and belief, there have been -

(a) no contraventions of the auditor independence requirements of the Corporations Act 2001 (Cth) in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

Mr David Adams
Queensland Audit Office
as Delegate of the Auditor-General of Queensland

Annual Financial Statements

PURPOSE AND SCOPE

Port of Townsville Limited (POTL) is a company limited by shares, incorporated and domiciled in Australia and is a Government-Owned Corporation (GOC) reporting under the Government Owned Corporations Act 1993 (Qld). Its registered office and place of business is:

Port of Townsville Limited
Benwell Road
Townsville QLD 4810.

POTL is required to comply with the requirements of the Corporations Act 2001 (Cth). Under the terms of Section 118 of the Government Owned Corporations Act 1993 (Qld), specified sections of the Financial Accountability Act 2009 (Qld) apply as if POTL were a statutory body. POTL is responsible as a port authority under the Transport Infrastructure Act 1994 (Qld) for the management and control of the Port of Townsville and Port of Lucinda.

These Statements have been prepared -

• to satisfy the provisions of the Corporations Act 2001 (Cth), the Financial Accountability Act 2009 (Qld) and other prescribed requirements; and

• to communicate information concerning POTL’s financial performance for the year and its financial position at year end to a variety of information users including -

> its shareholding Ministers - Treasurer and Minister for Trade and Investment, and Minister for Main Roads, Road Safety and Ports and Minister for Energy, Biofuels and Water Supply;
> users and potential users of the Port of Townsville and Port of Lucinda;
> the community in general; and
> other interested parties.

A description of the nature of POTL’s operations and its principal activities is included in the Directors Report on pages 3 to 7 which is not part of these financial statements.

The Statements are general purpose in nature and provide a full presentation of all of the financial activities of POTL. Amounts shown in the financial statements may not add to the correct subtotal or totals due to rounding.
## Statement of Comprehensive Income

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017 $</th>
<th>2016 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>User Charges</td>
<td>2(A)</td>
<td>68,115,583</td>
</tr>
<tr>
<td>Interest Received</td>
<td></td>
<td>454,893</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>2(A)</td>
<td>680,795</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td></td>
<td>89,279,170</td>
</tr>
<tr>
<td><strong>EXPENSES FROM CONTINUING OPERATIONS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Related Expenses</td>
<td>2(B)</td>
<td>15,397,302</td>
</tr>
<tr>
<td>Supplies and Services</td>
<td>2(B)</td>
<td>13,613,224</td>
</tr>
<tr>
<td>Depreciation and Amortisation Expense</td>
<td>3(F)</td>
<td>12,125,817</td>
</tr>
<tr>
<td>Finance Costs</td>
<td>2(B)</td>
<td>4,885,142</td>
</tr>
<tr>
<td>Other Expenses</td>
<td>3(G)</td>
<td>2,070,167</td>
</tr>
<tr>
<td><strong>Total Expenses</strong></td>
<td></td>
<td>48,099,798</td>
</tr>
<tr>
<td><strong>OPERATING RESULT FROM CONTINUING OPERATIONS BEFORE INCOME TAX EXPENSE</strong></td>
<td></td>
<td>21,182,244</td>
</tr>
<tr>
<td>Income Tax Expense</td>
<td>2(C)</td>
<td>(5,979,936)</td>
</tr>
<tr>
<td><strong>OPERATING RESULT FROM CONTINUING OPERATIONS AFTER INCOME TAX EXPENSE</strong></td>
<td></td>
<td>15,202,308</td>
</tr>
<tr>
<td><strong>OPERATING RESULT FOR THE YEAR</strong></td>
<td></td>
<td>15,182,846</td>
</tr>
<tr>
<td><strong>OTHER COMPREHENSIVE INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Items that will not be reclassified subsequently to operating result: Increase in Revaluation Surplus: (net of tax effect)</td>
<td>3(M)</td>
<td>(33,897,219)</td>
</tr>
<tr>
<td><strong>TOTAL COMPREHENSIVE INCOME</strong></td>
<td></td>
<td>(18,714,677)</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.

## Statement of Financial Position

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017 $</th>
<th>2016 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>3(A)</td>
<td>20,050,419</td>
</tr>
<tr>
<td>Trade and Other Receivables</td>
<td>3(B)</td>
<td>12,322,946</td>
</tr>
<tr>
<td>Current Tax Receivable</td>
<td></td>
<td>1,099,800</td>
</tr>
<tr>
<td>Other Assets</td>
<td></td>
<td>493,874</td>
</tr>
<tr>
<td>Inventories</td>
<td></td>
<td>63,770</td>
</tr>
<tr>
<td>Non-Current Assets Held for Sale</td>
<td>3(C)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Current Assets</strong></td>
<td></td>
<td>34,215,931</td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>3(E)</td>
<td>515,531,015</td>
</tr>
<tr>
<td>Intangibles</td>
<td>3(F)</td>
<td>549,025</td>
</tr>
<tr>
<td>Investment Properties</td>
<td>3(G)</td>
<td>45,245,282</td>
</tr>
<tr>
<td><strong>Total Non-Current Assets</strong></td>
<td></td>
<td>567,302,322</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td></td>
<td>599,518,263</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and Other Payables</td>
<td>3(H)</td>
<td>7,911,881</td>
</tr>
<tr>
<td>Financial Liabilities</td>
<td>3(I)</td>
<td>111,107,802</td>
</tr>
<tr>
<td>Current Tax Liabilities</td>
<td></td>
<td>2,016,157</td>
</tr>
<tr>
<td>Provisions</td>
<td>3(J)</td>
<td>3,189,627</td>
</tr>
<tr>
<td>Other Liabilities</td>
<td>3(K)</td>
<td>25,604,167</td>
</tr>
<tr>
<td><strong>Total Current Liabilities</strong></td>
<td></td>
<td>36,623,469</td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Long-Term Borrowings</td>
<td>3(L)</td>
<td>70,000,000</td>
</tr>
<tr>
<td><strong>Total Non-Current Liabilities</strong></td>
<td></td>
<td>70,000,000</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td></td>
<td>436,623,469</td>
</tr>
<tr>
<td><strong>NET ASSETS</strong></td>
<td></td>
<td>462,894,794</td>
</tr>
<tr>
<td><strong>EQUITY</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contributed Equity</td>
<td>3(M)</td>
<td>103,062,706</td>
</tr>
<tr>
<td>Accumulated Surplus</td>
<td></td>
<td>134,149,979</td>
</tr>
<tr>
<td>Asset Revaluation Surplus</td>
<td>2(M)</td>
<td>151,214,324</td>
</tr>
<tr>
<td><strong>Total Equity</strong></td>
<td></td>
<td>436,594,644</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.
Statement of Changes in Equity

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONTRIBUTED EQUITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the year</td>
<td>103,062,706</td>
<td>103,062,706</td>
</tr>
<tr>
<td>Balance at the end of the year</td>
<td>103,062,706</td>
<td>103,062,706</td>
</tr>
</tbody>
</table>

| ACCUMULATED SURPLUS | | |
| Balance at beginning of the year | 136,063,671 | 136,051,922 |
| Operating result for the year | 15,182,646 | 17,720,082 |
| Transfer from reserves on disposal / derecognition of property, plant and equipment | - | 16,785 |
| Dividends paid for 3(N) | - | - |
| Balance at the end of the year | 141,289,718 | 128,069,671 |

| ASSET REVALUATION SURPLUS | | |
| Balance at beginning of the year | 225,171,338 | 249,316,306 |
| Property, plant and equipment revaluation increment (decrement) - gross | 14,027,379 | 10,347,844 |
| Deferral adjustment for disposals of property, plant and equipment | - | 10,782 |
| Balance at the end of the year | 191,278,119 | 255,171,338 |

Statement of Cash Flows

<table>
<thead>
<tr>
<th>Notes</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>CASH FLOWS FROM OPERATING ACTIVITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from Customers</td>
<td>66,992,290</td>
<td>74,297,766</td>
</tr>
<tr>
<td>Payments to Suppliers and Employees</td>
<td>(29,496,610)</td>
<td>(32,058,130)</td>
</tr>
<tr>
<td>GST collected from Customers</td>
<td>6,688,134</td>
<td>6,866,966</td>
</tr>
<tr>
<td>GST paid to Suppliers</td>
<td>(3,803,013)</td>
<td>(3,167,900)</td>
</tr>
<tr>
<td>GST received from the Australian Taxation Office</td>
<td>151,329</td>
<td>-</td>
</tr>
<tr>
<td>GST paid to the Australian Taxation Office</td>
<td>(3,036,449)</td>
<td>(3,818,887)</td>
</tr>
<tr>
<td>Interest Received</td>
<td>454,580</td>
<td>727,523</td>
</tr>
<tr>
<td>Interest Paid/Competitive Neutrality Fee</td>
<td>(4,325,793)</td>
<td>(4,803,848)</td>
</tr>
<tr>
<td>Income Tax Equivalents Paid</td>
<td>(1,399,175)</td>
<td>(7,664,103)</td>
</tr>
<tr>
<td>Net Cash Inflow from Operating Activities</td>
<td>25,714,735</td>
<td>30,689,208</td>
</tr>
</tbody>
</table>

| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from Sale of Property, Plant and Equipment | 20,417,747 | 19,049,517 |
| Proceeds from Sale of Property, Plant and Equipment | 323,771 | 56,581 |

| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Borrowings | 30,000,000 | - |
| Repayment of Borrowings | (16,371,238) | (4,065,415) |
| Dividends Paid | (17,730,662) | (13,065,181) |
| Net Cash Inflow (outflow) from Financing Activities | 1,508,660 | (17,160,596) |

| Net (Decrease) / Increase in Cash and Cash Equivalents | 2,463,561 | (6,442,213) |
| Cash and Cash Equivalents at Beginning of the Financial Year | 22,527,010 | 28,969,223 |
| Net Cash Inflow (outflow) from Operating Activities | 20,064,449 | 32,037,010 |

Reconciliation of Operating Result to Net Cash Inflow from Operating Activities

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating result for the Year</td>
<td>15,182,646</td>
<td>17,720,082</td>
</tr>
<tr>
<td>Depreciation</td>
<td>12,155,617</td>
<td>11,288,407</td>
</tr>
<tr>
<td>(Profit) Loss on Disposal of Non-Current Assets</td>
<td>-</td>
<td>(254,938)</td>
</tr>
<tr>
<td>Net Revaluation Increments - Non-Current Assets</td>
<td>-</td>
<td>(19,145)</td>
</tr>
<tr>
<td>Increase in Payables</td>
<td>1,515,672</td>
<td>1,319,319</td>
</tr>
<tr>
<td>Increase in Provisions for Taxation and Deferred Tax balances</td>
<td>1,117,680</td>
<td>(452,819)</td>
</tr>
<tr>
<td>Increase (Decrease) in Provisions</td>
<td>(146,016)</td>
<td>478,527</td>
</tr>
<tr>
<td>Increase (Decrease) in Trade and Other Receivables</td>
<td>-</td>
<td>(2,010,157)</td>
</tr>
<tr>
<td>Increase (Decrease) in Trade and Other Payables</td>
<td>-</td>
<td>(263,579)</td>
</tr>
<tr>
<td>Net Cash Inflow from Operating Activities</td>
<td>25,714,735</td>
<td>30,689,208</td>
</tr>
</tbody>
</table>

The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.
Notes to the Financial Statements

NOTE 1. BASIS OF FINANCIAL STATEMENT PRESENTATION

(A) GENERAL

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. These financial statements are of Port of Townsville Limited as an individual entity.

The financial statements were authorised for issue by the Directors on 23 August 2017. The Directors have the power to amend and release the financial statement.

These general purpose financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 (Cth), Government Owned Corporations Act 1992 (Qld), Australian Accounting Standards, other authoritative pronouncements and interpretations issued by the Australian Accounting Standards Board. Port of Townsville Limited is a for profit entity for the purpose of preparing the financial statements.

(B) PRESENTATION AND MEASUREMENT MATTERS

Historical cost valuation

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of the available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment and investment property measured at fair value.

Functional and presentation currency

These financial statements are presented in Australian dollars, which is PORTL's functional currency.

(C) STATEMENT OF COMPLIANCE

The financial statements comply with Australian Equivalents to International Financial Reporting Standards (AEIFRS) and Interpretations adopted by the International Accounting Standards Board (IASB). Compliance with AIFRS results in full compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The preparation of financial statements requires the determination and use of certain management judgements, estimates and assumptions that affect the application of policies and resulting reported amounts. The Directors evaluate estimates and associated assumptions incorporated into the financial statements based on historical knowledge, best available current information, and other factors that are considered relevant. Such estimates, judgements and underlying assumptions assume a reasonable expectation of future events and are based on current trends and economic data. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates significant to the financial statements are disclosed in the following notes:

Rounding of Amounts

PORTL is of a kind referred to in Legislative Instrument 2016/91, issued by the Australian Securities and Investments Commission relating to the "rounding off of amounts in the financial statements and Directors' Report. Amounts in the financial statements and Directors' Report have been rounded off to the nearest dollar in accordance with that Legislative Instrument.

(D) CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the determination and use of certain management judgements, estimates and assumptions that affect the application of policies and resulting reported amounts. The Directors evaluate estimates and associated assumptions incorporated into the financial statements based on historical knowledge, best available current information, and other factors that are considered relevant. Such estimates, judgements and underlying assumptions assume a reasonable expectation of future events and are based on current trends and economic data. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates significant to the financial statements are disclosed in the following notes:

| Valuation of property, plant and equipment | Note 3(b) | Provision for long service leave | Note 3(l) |
| Valuation of investments properties | Note 3(g) | Assessment of Useful Lives | Note 3(e) |
| Depreciation | Note 3(f) | Provision for doubtful debts | Note 3(g) |

NOTE 2. OUR FINANCIAL PERFORMANCE

(A) REVENUE

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties.

PORTL recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to PORTL, and specific criteria have been met for each of PORTL's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved.

Revenue is recognised for the major business activities as follows:

<table>
<thead>
<tr>
<th>User Charges</th>
<th>Cargo Charges / Berthage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pilotage Transfer Service Revenue</td>
<td>Pilotage Transfer Service Revenue on completion of the Market Pilot transfer operation to / from each vessel</td>
</tr>
</tbody>
</table>

(B) PROPERTIES AND FACILITIES

Revenue from rendering of services is recognised on delivery of services to the customer. Revenues included are fare or pay arrangements, utilities and consumables income and miscellaneous trade income.

Interest Received

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, PORTL reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues the unwind using the effective interest rate. Interest income on impaired loans is recognised using the original effective interest rate.

(C) OTHER REVENUE

<table>
<thead>
<tr>
<th>Revenue Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Procurement of Plant, Property &amp; Equipment</td>
<td>333,771</td>
<td>97,707</td>
</tr>
<tr>
<td>Gain on Sale of Property, Plant &amp; Equipment</td>
<td>195,894</td>
<td>141,572</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>261,019</td>
<td>442,435</td>
</tr>
<tr>
<td>Total Other Revenue</td>
<td>490,796</td>
<td>482,373</td>
</tr>
</tbody>
</table>

(D) EXPENSES

Employee Related Expenses

Short Term Obligations

Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months of the reporting date are recognised as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised as a provision. All other short term employee benefit obligations are presented as payables.

 Sick leave is not provided for on the grounds that it is non-vesting and, on average, no more than the annual entitlement is taken each year.

Other Long Term Employee Benefit Obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of period in which the employee rendered the related services. They are therefore recognised in provisions and measured as the present value of the expected future payments to be made in respect of services provided by the employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted at rates determined by reference to market yields at the end of the reporting period or high quality corporate bonds that have maturity dates that match, as closely as possible, the estimated future cash flows.

Payroll Tax and Workers Compensation and Superannuation are included in the total. The current portion of long service leave has been calculated on employees with greater than ten years service. Long service leave provision is presented as current if PORTL does not have an unconditional right to defer settlement for at least 12 months, otherwise they are presented as non-current.
NOTE 2. OUR FINANCIAL PERFORMANCE (continued)

Relevant Benefit Obligations

A number of employees of POTL are members of the defined benefit fund managed by QSuper. The defined benefit fund is open to many employees across Queensland State Government departments, agencies and government business enterprises. There is insufficient information for POTL to apply defined benefit accounting. The Treasurer of Queensland, based on advice from the State Actuary, determines employer contributions, and the amount of this contribution is recognised as an expense. No liability is recognised for accrued superannuation benefits, as this liability is held on a whole-of-Government basis and reported in the whole-of-Government financial statements, prepared in terms of AASB 1054 Whole of Government and General Government Sector Financial Reporting.

Sales & Wages 11,678,681 10,499,023
Annual Leave 611,441 503,299
Long Service Leave 325,858 321,174
Superannuation 1,430,039 1,319,981
Payroll Tax 702,539 634,292
Fringe Benefits Tax 167,672 167,672
Workers Compensation 294,245 260,233
Other Employee Related Expenses 206,746 207,223

15,387,322 14,169,627

2017 2016

$ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ $ ...
### Annual Financial Statements 2016-2017

#### Port of Townsville Limited

### NOTE 2. OUR FINANCIAL PERFORMANCE (continued)

#### (6) Deferred Taxes

**Deferred Tax Assets**

The balance comprises temporary differences attributable to:

- Amounts expected to be charged to profit or loss
  - Allowance for doubtful debts 373,554 372,904
  - Accrued payables 20,888 15,179
  - Provision for annual leave 280,117 291,349
  - Provision for long service leave - current 662,749 58,795
  - Provision for long service leave - non current 221,886 762,372
  - Accrued superscription 3,079 4,812
  - Deferred grant revenue 7,560,000 7,560,000

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9,128,526</td>
</tr>
<tr>
<td>2016</td>
<td>9,426,951</td>
</tr>
</tbody>
</table>

Set-off of deferred tax liabilities pursuant to set-off provisions: (9,128,526) (9,426,951)

**Net Deferred Tax Assets**

- -

### Movements:

- Opening balance at 1 July 9,426,951 9,278,632
- Credited/(charged) to the income statement (296,474) 1,467,319

### As at 30 June

9,128,526 9,426,951

**Deferred Tax Liabilities**

The balance comprises temporary differences attributable to:

- Amounts expected to be credited to profit or loss
  - Property, plant and equipment (93,728,850) (9,345,055)
  - Property, plant and equipment (revaluation component) 81,974,622 96,502,002

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>32,245,733</td>
</tr>
<tr>
<td>2016</td>
<td>40,189,697</td>
</tr>
</tbody>
</table>

Set-off of deferred tax liabilities pursuant to set-off provisions: (9,128,526) (9,426,951)

**Net Deferred Tax Liabilities**

32,117,196 35,762,746

### Movements:

- Opening balance at 1 July 45,188,697 54,776,990
- Credited/(charged) to the income statement 1,583,414 705,313
- Credited/(charged) to equity (14,527,379) (10,342,800)

### As at 30 June

32,245,733 40,189,697

**Deferred Tax Liability includes amounts recognised directly in equity as follows:**

- Realisation of Property, Plant and Equipment 81,974,622 96,502,002

### NOTE 3. OUR FINANCIAL POSITION

#### (A) CASH AND CASH EQUIVALENTS

For statement of cash flow and statement of financial position presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within financial liabilities in current liabilities on the statement of financial position.

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>9,296,449</td>
</tr>
<tr>
<td>2016</td>
<td>9,327,049</td>
</tr>
</tbody>
</table>

### Interest Rate Risk Exposure

POTL’s exposure to interest rate risk is discussed in Note 4(D). The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above. POTL’s exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out in Note 4(D).

### Income Tax Equivalents Refunds

POTL is subject to the National Tax Equivalents Regime (NTER) and as an NTER entity, POTL is liable to pay instalments of its expected income tax-equivalent liability for the current income year. POTL pays monthly instalments for the income tax year with the final payment / instalment occurring in the following December after year end.

#### (B) TRADE AND OTHER RECEIVABLES

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. Trade receivables are due for settlement no more than 30 days from the date of recognition for POTL’s debts, and no more than 30 days for other debts. If a contractual arrangement exists, settlement is in accordance with the contractual terms. Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is established when there is objective evidence that POTL will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

**Trade Receivables**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>13,067,990</td>
</tr>
<tr>
<td>2016</td>
<td>12,023,835</td>
</tr>
</tbody>
</table>

Allowance for Impairment

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>(1,455,014)</td>
</tr>
<tr>
<td>2016</td>
<td>(1,455,014)</td>
</tr>
</tbody>
</table>

12,622,946 10,568,821

Due to the short term nature of the current receivables, their carrying value is assumed to be the same as their fair value.

The ageing of trade receivables is as follows:

- 0 - 30 days 10,936,910 9,232,445
- 30 - 60 days 10,649 47,027
- Over 60 days 1,272,380 1,259,019

12,322,946 10,778,821

**Impaired Trade Receivables**

As at 30 June 2017 current trade receivables of POTL with a nominal value of $1,245,014 (2016: $1,245,014) were impaired and fully provided for. The allowance for impairment is due to a number of events including one external customer with administrators appointed.

**Opening Balances**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>1,455,014</td>
</tr>
<tr>
<td>2016</td>
<td>1,455,014</td>
</tr>
</tbody>
</table>

1,455,014 1,455,014

The ageing of these receivables is as follows:

- Up to 3 months - 32,721
- 3 to 6 months 865,383
- Over 6 months 1,455,014 1,455,014

1,455,014 1,455,014

#### (B) TRADE AND OTHER RECEIVABLES

- **Trade Receivables**
  - Amounts expected to be charged to profit or loss 45,188,697 54,776,990
  - Credited/(charged) to the income statement 1,583,414 705,313
  - Credited/(charged) to equity (14,527,379) (10,342,800)

- **As at 30 June**
  - 32,245,733 40,189,697

The deferred tax liability includes amounts recognised directly in equity as follows:

- Realisation of Property, Plant and Equipment 81,974,622 96,502,002

#### FORWARD-LOOKING INFORMATION

- POTL’s exposure to interest rate risk is discussed in Note 4(D).
- The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.
- POTL’s exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out in Note 4(D).
- POTL is subject to the National Tax Equivalents Regime (NTER) and as an NTER entity, POTL is liable to pay instalments of its expected income tax-equivalent liability for the current income year.
- POTL pays monthly instalments for the income tax year with the final payment / instalment occurring in the following December after year end.
- Trade receivables are recognised initially at fair value and subsequently measured at amortised cost.
- Trade receivables are due for settlement no more than 30 days from the date of recognition for POTL’s debts, and no more than 30 days for other debts.
- Debts which are known to be uncollectible are written off by reducing the carrying amount directly.
- A provision for impairment of trade receivables is established when there is objective evidence that POTL will not be able to collect all amounts due according to the original terms of receivables.
- The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate.
- Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial.
- The amount of the impairment loss is recognised in the income statement within other expenses.
- When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.
- Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

#### OUR FINANCIAL POSITION

**Notes to the Financial Statements**

- REPORT 2016-17
- ANNUAL FINANCIAL STATEMENTS 2016-2017
- PORT OF TOWNSVILLE LIMITED

#### Revaluation of Property, Plant and Equipment

- Credited/(charged) to equity
  - Property, plant and equipment 9,128,526 9,426,951

#### Annual Report 2016-17
The current cost of the asset is determined at fair value. Depreciation expense is calculated using the straight-line depreciation method over the useful economic life of the asset. Depreciation is charged against revenue in the financial statements for the period in which the asset is used to generate revenue, or for the period in which a part of the asset is specifically identified as not contributing to revenue. The cost of the asset, less accumulated depreciation, is the amount at which the asset is available for sale.
NOTE 3. OUR FINANCIAL POSITION (continued)

Assessment of Useful Lives
This useful life of an asset is the period in which an asset is expected to be available for use by PTL. The estimation of an asset's useful life requires professional judgment based on the use of similar non-current assets in a similar environment. Changes in these estimates could change significantly as a result of impacts of use or technical innovations or technical and economic obsolescence.

Useful lives and depreciation rates are reviewed at least annually and if necessary adjusted so that they reflect the most recent assessment of the useful life of the depreciable asset, having regard to such factors as asset usage and the rate of technical and economic obsolescence.

### Reconciliation of Carrying Amounts

#### 2016-2017

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying Amount at 1 July 2016</th>
<th>Additions</th>
<th>Disposals &amp; Derecognitions</th>
<th>Transfers</th>
<th>Revaluations</th>
<th>Depreciation / Amortisation Expense</th>
<th>Carrying Amount at 30 June 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Level 1 Assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Channels and Swing Basins</td>
<td>160,256,945</td>
<td>718,548</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(10,291,177)</td>
<td>142,161,162</td>
</tr>
<tr>
<td>Land</td>
<td>80,303,899</td>
<td>-</td>
<td>-</td>
<td>(6,698,329)</td>
<td>-</td>
<td>-</td>
<td>71,605,570</td>
</tr>
<tr>
<td>Wharves</td>
<td>120,355,219</td>
<td>1,698,000</td>
<td>(7,170)</td>
<td>-</td>
<td>(9,338,644)</td>
<td>(4,024,811)</td>
<td>113,008,564</td>
</tr>
<tr>
<td>Breakwaters</td>
<td>54,402,475</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(7,804,671)</td>
<td>(1,101,926)</td>
<td>45,326,868</td>
</tr>
<tr>
<td>Buildings</td>
<td>18,231,590</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1,039,287)</td>
<td>(964,645)</td>
<td>15,167,658</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>69,970,397</td>
<td>1,940,883</td>
<td>-</td>
<td>-</td>
<td>(4,163,113)</td>
<td>(2,062,461)</td>
<td>64,994,406</td>
</tr>
<tr>
<td>Small Boat Harbours</td>
<td>7,577,180</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(221,723)</td>
<td>(177,146)</td>
<td>7,178,312</td>
</tr>
<tr>
<td><strong>Assets at Cost</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>6,222,061</td>
<td>1,852,318</td>
<td>-</td>
<td>(77,132)</td>
<td>-</td>
<td>(1,101,401)</td>
<td>6,987,930</td>
</tr>
<tr>
<td>Intangibles</td>
<td>131,534</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(111,401)</td>
<td>45,133</td>
</tr>
<tr>
<td><strong>Capital Works and Progress</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>24,866,713</td>
<td>22,568,540</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>47,435,253</td>
</tr>
<tr>
<td>Structures</td>
<td>547,380,973</td>
<td>29,324,070</td>
<td>(76,832)</td>
<td>-</td>
<td>(48,406,453)</td>
<td>(12,128,811)</td>
<td>518,074,040</td>
</tr>
</tbody>
</table>

#### 2015-2016

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying Amount at 1 July 2015</th>
<th>Additions</th>
<th>Disposals &amp; Derecognitions</th>
<th>Transfers</th>
<th>Revaluations</th>
<th>Depreciation / Amortisation Expense</th>
<th>Carrying Amount at 30 June 2016</th>
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<tbody>
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<td></td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>(4,163,113)</td>
<td>(2,062,461)</td>
<td>64,994,406</td>
</tr>
<tr>
<td>Small Boat Harbours</td>
<td>7,577,180</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(221,723)</td>
<td>(177,146)</td>
<td>7,178,312</td>
</tr>
<tr>
<td><strong>Assets at Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>6,222,061</td>
<td>-</td>
<td>-</td>
<td>(77,132)</td>
<td>-</td>
<td>(1,101,401)</td>
<td>6,987,930</td>
</tr>
<tr>
<td>Intangibles</td>
<td>131,534</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(111,401)</td>
<td>45,133</td>
</tr>
<tr>
<td><strong>Capital Works and Progress</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant &amp; Equipment</td>
<td>24,866,713</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>24,866,713</td>
</tr>
<tr>
<td>Structures</td>
<td>574,443,800</td>
<td>19,949,916</td>
<td>(73,970)</td>
<td>(307,262)</td>
<td>(54,476,328)</td>
<td>(11,781,477)</td>
<td>547,380,973</td>
</tr>
</tbody>
</table>

### Carrying Amounts that could have been recognised if Property, Plant and Equipment were carried at cost

If items of property, plant and equipment that have been revalued were stated on the historical cost basis, the carrying amounts would be as follows:

<table>
<thead>
<tr>
<th>Category</th>
<th>Carrying Amount</th>
<th>Accumulated Depreciation / Amortisation</th>
<th>Carrying Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channels and Swing Basins</td>
<td>72,725,764</td>
<td>72,335,991</td>
<td>389,773</td>
</tr>
<tr>
<td>Land</td>
<td>25,120,901</td>
<td>25,177,749</td>
<td>-</td>
</tr>
<tr>
<td>Wharves</td>
<td>81,869,972</td>
<td>81,961,114</td>
<td>(972,142)</td>
</tr>
<tr>
<td>Breakwaters</td>
<td>1,113,034</td>
<td>403,584</td>
<td>709,448</td>
</tr>
<tr>
<td>Buildings</td>
<td>15,004,476</td>
<td>16,497,243</td>
<td>(4,492,777)</td>
</tr>
<tr>
<td>Small Boat Harbours</td>
<td>5,471,284</td>
<td>5,933,843</td>
<td>(462,559)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>45,375,127</td>
<td>49,763,888</td>
<td>(4,388,761)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>$</th>
<th>$</th>
<th>$</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>143,161,192</td>
<td>143,161,192</td>
<td>4,396,438</td>
</tr>
<tr>
<td>2016</td>
<td>80,303,899</td>
<td>80,303,899</td>
<td>5,471,284</td>
</tr>
<tr>
<td>Total</td>
<td>223,465,091</td>
<td>223,465,091</td>
<td>9,867,722</td>
</tr>
</tbody>
</table>
**NOTE 3. OUR FINANCIAL POSITION (continued)**

**F) DEPRECIATION / AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES**

The depreciable amount of all fixed assets (including buildings and capitalised lease assets), but excluding intangible land, is depreciated on a straight line basis over their useful lives. POLT commences from the time the asset is held ready for use. The useful life over which assets are depreciated and the level at which assets are recognised are significant estimates and judgements. Complex assets are disaggregated into identifiable components.

Computer hardware is included in plant and equipment and is currently depreciated over its expected useful economic life of three years. Associated communications costs such as cabling and leased lines for POTL's wide area network are fully expensed in the year the costs are incurred. Computer Software is to be classified as an intangible asset unless it is integral to the related hardware then it will be classified as plant and equipment.

Depreciation / Amortisation Rates used for each class of depreciable assets are:

<table>
<thead>
<tr>
<th>Class</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Channels and Swing Basins</td>
<td>1.0%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Wharves</td>
<td>1.1% - 10.30%</td>
<td>2.0% - 10.30%</td>
</tr>
<tr>
<td>Breakwaters</td>
<td>1.0% - 2.0%</td>
<td>1.0% - 2.0%</td>
</tr>
<tr>
<td>Buildings</td>
<td>1.35% - 3.87%</td>
<td>1.35% - 2.50%</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>0.0% - 20.30%</td>
<td>0.0% - 20.00%</td>
</tr>
<tr>
<td>Small Boat Harbours</td>
<td>1.84% - 20.00%</td>
<td>2.10% - 20.00%</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>0.03% - 79.94%</td>
<td>14.43% - 12.40%</td>
</tr>
<tr>
<td>Intangibles</td>
<td>9.19% - 20.50%</td>
<td>16.10% - 20.00%</td>
</tr>
</tbody>
</table>

**investment Properties**

Investment properties, mainly consisting of buildings and vacant land, are held for either long term rental yields or capital accretion and is not occupied by POTL, including property under construction for such purposes. The category does not include property used in the provision of services and supporting infrastructure for Port customers. Investment properties are carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recognised in profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

When the property changes such that it is transferred to investment property, the property is reclassified at fair value and reclassified as an investment property. Any gain or loss on re-measurement is recognised in profit or loss to the extent that the fair value is in excess of the cost of the asset at the date reclassification becomes its deemed cost. Any loss is presented in the capitalisation reserve. The carrying amount is depreciated over the shorter of the estimated remaining useful life of the improvements.

An investment property is demobilised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss on the disposal of an investment property is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Profit held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**Valuation Basis**

Current year valuations have been based on assessments made by Australian Valuation Solutions Pty Ltd, with values being updated using indexing. As mentioned above, fair value measurements are categorised into Levels 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety. Fair value estimates for investment properties are in Level 2. The following explains the judgements and estimates made in determining the fair values.

POLT obtains independent valuations for its investment properties at least every five years with desktop valuations being undertaken every three years. At the end of each reporting period the directors update the valuations of each property, taking into account the most recent independent valuations including desktop valuations. The directors determine a property’s value within a range of reasonable fair value estimates. The best estimate of fair value is current prices in an active market for similar property. Where such information is not available the directors consider information from a variety of sources including:

- current prices in an active market for properties of similar nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

For the current year valuation methodology, property market research was undertaken to assist in the preparation of indices for asset classes where there was evidence of market value and comparisons can be made with transactions in the open market. Qualitative research indicated that investment property prices have remained over the last twelve months.

Limited comparisons can be made between the general industrial land market and POTL's land market. The POTL market is characterised by leasehold land occupied by trade orientated companies. Land values are driven by the rental levels and lease terms, and while there has been a deterioration in the mining industry and broader economy, the limited availability of land for development has helped to support land values.

<table>
<thead>
<tr>
<th>Land</th>
<th>Buildings</th>
</tr>
</thead>
<tbody>
<tr>
<td>29,146,334</td>
<td>27,734,514</td>
</tr>
<tr>
<td>16,047,189</td>
<td>16,047,189</td>
</tr>
<tr>
<td>45,243,202</td>
<td>43,771,603</td>
</tr>
</tbody>
</table>

**NOTE 3. OUR FINANCIAL POSITION (continued)**

**L) TRADE AND OTHER PAYABLES**

These amounts represent liabilities for goods and services provided to POTL prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within the terms set by the supplier. The carrying amount approximates fair value.

<table>
<thead>
<tr>
<th>Year</th>
<th>Current Trade Payables</th>
<th>Competitive Neutrality Fee</th>
<th>Retention</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>6,471,344</td>
<td>492,014</td>
<td>112,156</td>
<td>7,065,513</td>
</tr>
<tr>
<td>2017</td>
<td>5,041,303</td>
<td>221,987</td>
<td>120,839</td>
<td>5,383,129</td>
</tr>
</tbody>
</table>

**Risk Exposure**

Information about POTL's exposure to foreign exchange risk is provided in Note 4(D).

**III. FINANCIAL LIABILITIES**

POLT has borrowings as its financial liabilities. Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless POTL has an unconditional right to defer settlement for the liability for at least 12 months after the year end date.

**Fair value - Non-Current portion of Financial Liabilities**

All borrowings are with Queensland Treasury Corporation - Queensland Treasury Corporation recorded a market value adjustment of $380,144 (2016: $12,783,516) principally as a result of post movements in the market value of liabilities in the Debt Pools giving a market debt outstanding of $125,049,300 (2016: $125,241,670).

None of the classes are readily traded on organised markets in standardised form. No assets have been placed as securities for financial liabilities.

**Loan Covenants**

Under the terms of the borrowing facilities, POTL is required to comply with the following financial covenants:

- The EBIT Interest Coverage of greater than or equal to 0.00 times.
- A Debt to EBITDA ratio of no more than 3.50 times.

POLT has complied with these covenants throughout the reporting period.
### NOTE 3. OUR FINANCIAL POSITION (continued)

#### (A) PROVISIONS

Provisions are recognised when POTL has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Fringe Benefits Tax</td>
<td>43,776</td>
<td>46,321</td>
</tr>
<tr>
<td>Employee Benefits - Long Service Leave</td>
<td>2,209,164</td>
<td>199,315</td>
</tr>
<tr>
<td>Employee Benefits - Annual Leave</td>
<td>933,722</td>
<td>971,652</td>
</tr>
<tr>
<td>Dividend</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- 17,730,082</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,183,662</td>
<td>16,932,711</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits - Long Service Leave</td>
<td>739,627</td>
<td>2,541,040</td>
</tr>
<tr>
<td></td>
<td>739,627</td>
<td>2,541,040</td>
</tr>
</tbody>
</table>

Amounts not expected to be settled within the next 12 months

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service. In the current year, amounts have been transferred from non-current to current due to calculations historically estimating the current portion to be based on the premise that not all employees would take the full amount.

Provisions are recognised when POTL has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the present obligation at reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

#### Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividend</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Fringe Benefits Tax</td>
<td>43,776</td>
<td>46,321</td>
</tr>
<tr>
<td>Employee Benefits - Long Service Leave</td>
<td>2,209,164</td>
<td>199,315</td>
</tr>
<tr>
<td>Employee Benefits - Annual Leave</td>
<td>933,722</td>
<td>971,652</td>
</tr>
<tr>
<td>Dividend</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- 17,730,082</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3,183,662</td>
<td>16,932,711</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Benefits - Long Service Leave</td>
<td>739,627</td>
<td>2,541,040</td>
</tr>
<tr>
<td></td>
<td>739,627</td>
<td>2,541,040</td>
</tr>
</tbody>
</table>

### NOTE 3. OUR FINANCIAL POSITION (continued)

#### (B) OTHER LIABILITIES

The Berth 10 upgrade project provides a dedicated facility for military vessels. In 2010-2011, the Department of Defence contributed $30 million towards future licence fees in respect to the new facility to ensure access over 25 years. The licence fees are to be recognised as revenue on a straight line basis over a period of 25 years. The revenue is recognised from completion of the Berth 10 upgrade, which was October 2013. The balance at reporting date is $25,300,000 ($30,000,000 current: $4,700,000 non-current).

In addition, there is a lease arrangement in place for a staging area to accommodate Defence equipment when vessels are in Port. The payment in advance of $1,822,000 covers the period 2011-2013 for this staging area which is located in POTL’s Nexus Business Park. The balance at reporting date is $1,759,167 ($125,000 current: $1,840,167 non-current).

### NOTE 3. OUR FINANCIAL POSITION (continued)

#### (C) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorised capital - 500,000,000 ordinary shares of $1 each</td>
<td>500,000,000</td>
<td>500,000,000</td>
</tr>
<tr>
<td>Issued capital - ordinary shares</td>
<td>103,062,706</td>
<td>103,062,706</td>
</tr>
</tbody>
</table>

### NOTE 3. OUR FINANCIAL POSITION (continued)

#### (D) RESERVES

Asset Revaluation Surplus

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets, as described in Note 3(E). The balance standing to the credit of the surplus may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of Asset Revaluation Surplus by category are as follows:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Channels and Swing basins</td>
<td>61,973,630</td>
<td>73,377,455</td>
</tr>
<tr>
<td>Land</td>
<td>33,933,882</td>
<td>39,385,486</td>
</tr>
<tr>
<td>Wharves</td>
<td>36,431,914</td>
<td>43,588,366</td>
</tr>
<tr>
<td>Breakwaters</td>
<td>30,729,891</td>
<td>30,279,306</td>
</tr>
<tr>
<td>Buildings</td>
<td>4,766,154</td>
<td>4,933,082</td>
</tr>
<tr>
<td>Plant and Equipment</td>
<td>22,583,096</td>
<td>25,054,199</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>463,360</td>
<td>495,368</td>
</tr>
<tr>
<td>Land and Buildings transferred to Investment Properties</td>
<td>2,114,613</td>
<td>1,593,285</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>591,274,120</td>
<td>238,171,339</td>
<td></td>
</tr>
</tbody>
</table>

### NOTE 3. OUR FINANCIAL POSITION (continued)

#### (E) DIVIDENDS

Dividends are made for the amount of any dividend, being appropriately determined or recommended by Directors, on or before the end of the financial year but not distributed at balance date. Directors recommended payment of a final dividend of 100% (2016: 100%) of net profit after tax, however shareholding Ministers have approved retention of current year dividend to contribute to the cost of the Channel Capacity Upgrade Project. Therefore, the final dividend calculation is $0 (2016: $17,720,082).

Ordinary Shares

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dividends provided for or paid</td>
<td>12,730,082</td>
<td>12,730,082</td>
</tr>
</tbody>
</table>

### NOTE 3. OUR FINANCIAL POSITION (continued)

#### Earnings Per Share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of POTL, excluding adjustments for the effect of revaluations.

<table>
<thead>
<tr>
<th>Classification</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit attributable to equity holders</td>
<td>15,182,624</td>
<td>17,730,082</td>
</tr>
<tr>
<td>Number of Shares</td>
<td>103,062,706</td>
<td>103,062,706</td>
</tr>
<tr>
<td>Earnings per share</td>
<td>1,481,704</td>
<td>1,719,748</td>
</tr>
</tbody>
</table>
NOTE 4. OTHER

(A) GOODS AND SERVICES TAX (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense.

Recoverable and refundable in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other recoverable or refundable in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(B) COMMITMENTS

Capital Expenditure Commitments (non-recoverable GST included):

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Plant and Equipment</td>
<td>9,086,417</td>
<td>20,582,595</td>
</tr>
<tr>
<td>Intangible</td>
<td>9,086,417</td>
<td>20,582,595</td>
</tr>
</tbody>
</table>

Operating Commitments (non-recoverable GST included):

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Expenses contracted</td>
<td>719,407</td>
</tr>
</tbody>
</table>

Future Minimum Lease Commitments Receivable

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future minimum lease amounts receivable under non-cancellable operating leases at balance date</td>
<td>9,086,417</td>
</tr>
</tbody>
</table>

POTL leases significant assets to third parties under operating leases with varying terms. The method of calculation of amounts receivable under these leases also varies depending on the terms and conditions of the lease, with the majority being a fixed amount that is reviewed annually.

(C) CONTINGENT ASSETS/LIABILITIES

There were no known contingent assets/liabilities of a significant nature at 30 June 2017 (2016: Nil).

(D) FINANCIAL RISK MANAGEMENT

POTL has exposure to credit risk, liquidity risk, market risk and interest rate risk from its use of financial instruments. This note presents information about POTL’s exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

The ARM Committee is responsible for developing and reviewing the risk management policies and systems to reflect changes in market conditions and POTL’s activities. POTL, through its training and management standards and procedures, maintains procedures to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Management (ARM) Committee oversees how management monitors compliance with POTL’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by POTL. The ARM Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the ARM Committee.

Interest Rate Risk

POTL’s exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

(1) CASH AND CASH EQUIVALENTS

The net fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of POTL approximates their carrying value.

POTL is not exposed to any other price or foreign exchange rate risks.

Later than one year but not later than five years

Future minimum lease amounts receivable under non-cancellable operating leases at balance date

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future minimum lease amounts receivable under non-cancellable operating leases at balance date</td>
<td>9,086,417</td>
</tr>
</tbody>
</table>

POTL is not exposed to any other price or foreign exchange rate risks.

Net Fair Values

The net fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of POTL approximates their carrying value.

NOTE 4. OTHER (continued)

The following table sets out the liquidity risk of financial liabilities held by POTL.

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QTC Borrowings</td>
<td>9,086,417</td>
<td>20,582,595</td>
</tr>
</tbody>
</table>

POTL has available a business card facility with a limit of $175,000. Loan facilities as shown in Note (b) to the accounts are provided by Queensland Treasury Corporation. New borrowings are subject to the approved Loan Program with the sanction of the Treasurer of Queensland. POTL has a Working Capital Facility available with Queensland Treasury Corporation. Total available funds are $20 million.

Market Risk

As POTL does not trade in foreign currency, POTL is not materially exposed to changes in commodity prices. POTL’s liquid assets are subject to interest rate risk through its borrowings from Queensland Treasury Corporation and cash deposited in interest bearing accounts. POTL does not undertake any hedging in relation to interest rate risk and manages its risk as per its liquidity risk management strategy.

Sensitivity Analysis

The following interest rate sensitivity analysis depicts the outcome on operating results if interest rates would change by +/- 1% from the year end rates applicable to POTL’s financial assets and liabilities.

= 1 Year 1-5 years > 5 years

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QTC Borrowings</td>
<td>9,086,417</td>
<td>20,582,595</td>
</tr>
</tbody>
</table>

In the above Financial instruments, book values equate to net fair value with the exception of QTC Borrowings. The market rate of QTC Borrowings as at 30 June 2017 was $105,495,900 (30 June 2016: $89,254,676). Borrowings recorded a market value adjustment of $8,801,144 (2016: $12,783,519) principally as a result of past movements in the market value of liabilities in the Debt Pool.

POTL is not exposed to any other price or foreign exchange rate risks.
NOTE 4. OTHER (continued)

6. KEY MANAGEMENT PERSONNEL

POTL’s shareholding Ministers are identified as Key Management Personnel. All Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland’s Members’ Remuneration Handbook. POTL does not have any cost of remuneration of shareholding Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury’s Report on State Finances.

Details of Directors

All remuneration of Directors, including directors’ fees and board committee fees is determined by Governor in Council. In accordance with the disclosure requirements for Government Owned Corporations, details of remuneration provided to Directors during the year are below.

Director Remuneration

The senior executive remuneration strategy and practices of POTL are designed to assist with attracting, retaining and motivating high calibre individuals in senior executive positions.

POTL’s performance payment policy provides for a maximum of executive salaries each year with any adjustments effective 1 July. Details of executive remuneration are included in the Annual Report and Statement of Corporate Intent in accordance with legislative and policy requirements. Increases in Chief Executive Officer and Senior Executive remuneration are made and approved in accordance with the Policy for Government Owned Corporations Chief and Senior Executives Employment Arrangements 2013.

The senior executive remuneration strategy and practices of P O T L are designed to assist with attracting, retaining and motivating high calibre individuals in senior executive positions.

Shareholder guidelines and policies in relation to executive remuneration are followed.

The fixed remuneration on appointment is within a remuneration range approved by the Board, in addition to annual increases, and are in accordance with Governance Arrangements for Chief and Senior Executives.

Chief Executive Officer and Senior Executives are eligible for a performance payment based on achievement of specific corporate, business unit and individual performance standards, objectives and achievements.

The initial standards are set by Directors and are developed from the key objectives contained in the Statement of Corporate Intent. The performance payment is contingent upon Board assessment of POTL’s performance and is in line with Government requirements. The maximum performance payment is 15% of total fixed remuneration. Payments are made in cash, or if appropriate notice has been provided, paid into the employee’s superannuation fund on a salary sacrifice basis. POTL’s policy in relation to performance payments is consistent with Queensland Treasury policy.

NOTE 4. OTHER (continued)

Details of remuneration provided to Specified Executives at 30 June 2017 are as follows:

<table>
<thead>
<tr>
<th>Remuneration of Specified Executives</th>
<th>Year</th>
<th>Short Term Benefits</th>
<th>Supervision</th>
<th>Other Benefits (including Superannuation)</th>
<th>Performance Payments</th>
<th>Termination Payments</th>
<th>Total Remuneration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mr R. Croydon</td>
<td>2016/17</td>
<td>320,756</td>
<td>23,340</td>
<td>$1,194</td>
<td></td>
<td>-</td>
<td>359,290</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>2015/2016</td>
<td>328,378</td>
<td>24,420</td>
<td>9,260</td>
<td>12,817</td>
<td>-</td>
<td>364,618</td>
</tr>
<tr>
<td>Mr D. Sibley</td>
<td>2016/2017</td>
<td>219,579</td>
<td>20,132</td>
<td>3,184</td>
<td></td>
<td>-</td>
<td>243,905</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>2015/2016</td>
<td>211,781</td>
<td>22,761</td>
<td>15,336</td>
<td>15,063</td>
<td>-</td>
<td>256,561</td>
</tr>
<tr>
<td>Mr K. Galbua</td>
<td>2016/2017</td>
<td>224,708</td>
<td>21,874</td>
<td>5,541</td>
<td></td>
<td>-</td>
<td>252,126</td>
</tr>
<tr>
<td>General Manager Infrastructure &amp; Planning</td>
<td>2015/2016</td>
<td>218,347</td>
<td>21,886</td>
<td>-</td>
<td>13,426</td>
<td>-</td>
<td>253,659</td>
</tr>
<tr>
<td>Mr J. Kalma</td>
<td>2016/2017</td>
<td>220,345</td>
<td>22,142</td>
<td>-</td>
<td></td>
<td>-</td>
<td>245,487</td>
</tr>
<tr>
<td>General Manager Marine &amp; Logistics</td>
<td>2015/2016</td>
<td>223,860</td>
<td>22,556</td>
<td>-</td>
<td>13,059</td>
<td>-</td>
<td>259,525</td>
</tr>
<tr>
<td>Ms C. Brumme-Smith</td>
<td>2016/2017</td>
<td>219,918</td>
<td>20,647</td>
<td>-</td>
<td>12,664</td>
<td>-</td>
<td>253,205</td>
</tr>
<tr>
<td>General Manager Trade and Property</td>
<td>2015/2016</td>
<td>210,111</td>
<td>20,435</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>230,546</td>
</tr>
</tbody>
</table>

Total Remuneration Specified Executives | 2015/2016 | 1,110,249            | 102,649     | 21,894                                   | 69,080              | -                    | 1,385,152          |

Loans to Key Management Personnel

There are no loans outstanding to POTL from key management personnel.

Other Transactions with Key Management Personnel

No transactions were entered into by POTL and key management personnel other than compensation paid to key management personnel by POTL.

(6) RELATED PARTY TRANSACTIONS

Annual Financial Statements

Port of Townsville Limited has had arm’s length transactions with other government agencies.

Senior Executives and Directors declare their interest on commercial dealings at Board meetings.

All transactions between POTL and other Government Owned Corporations are on an arm’s length commercial basis. Port of Townsville Limited, as a Government Owned Corporation, in the ordinary course of business conducted under normal terms and conditions, POTL has dealt with:

- 4DCOM, of which Mr S. Hanran is an employee. POTL made payments for a number of engineering works during the year as follows:
  - Structural $1,360,249
  - Land Planning and Design $96,574
  - General administration $76,907

- Line King Pty Limited, of which Mr R. Croydon is related to the owner of the company. POTL made payments in relation to the works within Port limits for $17,117 during the year.

- Townsville Enterprise Limited, of which Mr R. Croydon is a Board Member. POTL made payment for membership fees of $27,933, and contribution for Cruise Ship Sector Development Activities for $4,600.

- Maritime Museum, of which Mr B. Webb is Chairman, Ms C. Brumme-Smith and Mr D. Sibley are Directors. POTL made a donation of $25,930 to the Museum during the year.

Transactions with State of Queensland Controlled Entities

All transactions between POTL and other Government Owned Corporations are on an arms length commercial basis. Port of Townsville Limited, as a Government Owned Corporation, has had arms length transactions with other government agencies.

Revenue

Queensland Treasury Corporation - Interest Revenue $453,741
Department of Transport and Main Roads (Maritime Safety Queensland) - Pilotage transfers 6,260,432

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## NOTE 4. OTHER (continued)

### Expenses

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland Audit Office (QAO) - Audit fees</td>
<td>82,000</td>
<td>77,000</td>
</tr>
<tr>
<td>Qleave - Portable long service leave</td>
<td>30,163</td>
<td>21,804</td>
</tr>
<tr>
<td>QRLimited: Track Maintenance</td>
<td>29,521</td>
<td>29,152</td>
</tr>
<tr>
<td>Queensland Treasury Corporation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Loan interest expense</td>
<td>3,803,895</td>
<td>3,916,491</td>
</tr>
<tr>
<td>- Loan administration charge</td>
<td>90,706</td>
<td>96,917</td>
</tr>
<tr>
<td>- Competitive Neutrality Fee</td>
<td>908,803</td>
<td></td>
</tr>
<tr>
<td>- Financial Advisory Services</td>
<td>641,272</td>
<td></td>
</tr>
<tr>
<td>Office of State Revenue:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Payroll Tax</td>
<td>702,559</td>
<td>634,292</td>
</tr>
<tr>
<td>- Land Tax</td>
<td>1,875,666</td>
<td>1,875,911</td>
</tr>
<tr>
<td>WorkCover Queensland - Workers Compensation</td>
<td>284,245</td>
<td>290,233</td>
</tr>
<tr>
<td>Ergon Energy - Electricity</td>
<td>529,651</td>
<td>734,447</td>
</tr>
<tr>
<td>Contributions to QSuper on behalf of employees</td>
<td>1,243,699</td>
<td>1,150,397</td>
</tr>
</tbody>
</table>

### Assets

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland Treasury Corporation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Short Term Investment</td>
<td>17,335,381</td>
<td>20,476,731</td>
</tr>
</tbody>
</table>

### Liabilities

<table>
<thead>
<tr>
<th>Description</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Queensland Treasury Corporation:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Financial Liabilities</td>
<td>96,248,736</td>
<td>78,471,157</td>
</tr>
<tr>
<td>Provision for Dividend to Queensland Treasury</td>
<td>-</td>
<td>17,703,080</td>
</tr>
</tbody>
</table>

### Outstanding Balances arising from Transactions with Related Parties

No allowances for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due to related parties.

### Guarantees

As at 30 June 2017 there were no guarantees provided by POTL on behalf of a related party.

### (ii) EVENTS OCCURRING AFTER THE YEAR END DATE

There has not been any matter or circumstance that has arisen since 30 June 2017 that has significantly affected, or may significantly affect:

- POTL's operations in future financial years, or
- the results of those operations in future financial years, or
- POTL’s state of affairs in future financial years.

In the Directors’ opinion:

(a) the financial statements and associated notes are in accordance with the Corporations Act 2001 [Cth] including:

(i) complying with Accounting Standards and Interpretations, the Corporations Regulations 2001 [Cth] and other mandatory professional reporting requirements; and

(ii) giving a true and fair view of the financial position of POTL as at 30 June 2017 and of its performance for the financial year ended on that date; and

(b) there are reasonable grounds to believe that POTL will be able to pay its debts as and when they become due and payable.

Note 1(C) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors.

Ms Renita Garard
Chair
22 August 2017

Hon. Mike Reynolds
Director
22 August 2017
Independent Auditor’s Report

To the Members of Port of Townsville Limited


Opinion

I have audited the accompanying financial report of Port of Townsville Limited.

In my opinion, the financial report:

(a) gives a true and fair view of the company’s financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
(b) complies with the Corporations Act 2001, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors’ declaration.

Basis for Opinion

I conducted my audit in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Report section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Boards APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. These apply in addition to any other ethical responsibilities in accordance with the Code and the Auditor-General of Queensland Auditing Standards. I am also independent of the entity in accordance with the auditor independence requirements of the Corporations Act 2001, and confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the company, would be in the same terms if given to the directors at the time of this auditor’s report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the Company for the Financial Report

The company’s directors are responsible for the preparation of the financial report that gives a true and fair view in accordance with the Corporations Act 2001, the Corporations Regulations 2001 and Australian Accounting Standards, and for such internal control as the company’s directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The company’s directors are also responsible for assessing the company’s ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Financial Report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the company.
- Conclude on the appropriateness of the company’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my audit report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. I base my conclusions on the audit evidence obtained up to the date of my auditor’s report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the company’s directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Mr David Adams
as Delegate of the Auditor-General of Queensland

Queensland Audit Office
Brisbane

29 Aug 2017

Acronym | Detail
--- | ---
ACCC | Australian Competition and Consumer Commission
AIMS | Australian Institute of Marine Science
CLG | Community Liaison Group
DEHP | Department of Environment and Heritage Protection
EDQ | Economic Development Queensland
EIS | Environmental Impact Statement
EMS | Environmental Management System
EWG | Environmental Working Group
GOC | Government Owned Corporation
GOC Act | Government Owned Corporations Act 1992 (Qld)
GRIMPA | Great Barrier Reef Marine Park Authority
Hi-vols | High-volume Samplers
JCU | James Cook University
MITEZ | Mount Isa to Townsville Economic Zone
MOU | Memorandum of Understanding
NSS | Northern Stevedoring Services
PDA | Priority Development Area
PEP | Port Expansion Project
Port | Port of Townsville
PORTL | Port of Townsville Limited
PSWG | Port Stakeholder Working Group
QLD | Queensland
SCI | Statement of Corporate Intent
SEIS | Supplementary Environmental Impact Statement
SDP | Strategic Development Plan
TSBH | Townsville Bulk Storage and Handling
TEARC | Townsville Eastern Access Rail Corridor
TCC | Townsville City Council
TEL | Townsville Enterprise Limited
TEU | Twenty Foot Equivalent Unit (Container)
TOBMI | Tourism Operators & Businesses Magnetic Island
WGSAC | White and Grey Ship Attraction Committee

Glossary