

Port of Townsville

ANNUAL REPORT 2022-23



ACKNOWLEDGEMENT OF COUNTRY

Port of Townsville Limited acknowledges the Wulgurukaba people as the traditional Custodians of Gurambilbarra, the Country on which the Port of Townsville operates.

'Wulgurukaba' means 'canoe people', a name that underscores their connection to the sea, rivers and waterways of our region. It is a connection that we share and hope to strengthen in generations to come.

Likewise, we acknowledge the Bindal people, traditional custodians of the western banks of Ross River, which form our Port limits, and the Nywaigi people, traditional custodians of the area where the Port of Lucinda is located.

Finally, we acknowledge the Traditional Owners of the lands from which products come to our Ports and the waterways that connect us. Our natural resources are drawn from lands and waterways long cared for by First Nations people and we thank them for their contribution to our nation.

We pay our respects to Elders past, present and emerging and to all First Nations people across our hinterland areas.

THIS REPORT

This Annual Report presents Port of Townsville Limited's (the Port) performance results for 2022-23 as well as details about strategic initiatives that we are pursuing to ensure we continue to deliver world class port facilities and services, and seamless maritime connections for Northern Australia.

PUBLIC AVAILABILITY

An online version of this Annual Report, and our past Annual Reports, can be found on our website at www.townsvilleport.com.au

INTERPRETER SERVICE ANNOUNCEMENT

We are 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 us on +61 7 4781 1500 or by email to community@townsvilleport.com.au

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MESSAGE FROM THE CHAIR

On behalf of the Board, I am pleased to present Port of Townsville Limited's Annual Report for the year ended 30 June 2023, highlighting our progress against our strategic objectives and reflecting on the challenges and opportunities that lie ahead.

For 159 years we have delivered more than just port infrastructure and services. Our operations and investments drive economic prosperity for Northern Queensland. We connect the region's abundant resources and agricultural commodities with global markets, import essential goods for our communities and industries, enable strategic defence capability and cultivate tourism opportunities.

Our financial performance remained strong in 2022-2023 with a net profit after tax of \$16.94 million. Over the past 12 months we continued to deliver a significant investment program to improve efficiencies and create capacity for growth.

Our \$251 million Townsville Port Channel Upgrade project is well advanced and on track for completion in 2024. This will enable access for larger container ships, complementing our recent \$70 million investment into new container handling capabilities, including a post-panamax ship-to-shore crane and cargo handling terminal. Townsville is the freight hub for Northern Australia, and these investments ensure Townsville can offer a competitive and resilient freight gateway for Northern Australia.

Widening of our channels will also catalyse growth in cruise ship visits, bringing increased passenger numbers and boosting economic and tourist activity for the city. We were thrilled to welcome the return of cruise in November after a hiatus for the industry due to Covid-19. Our forward bookings are our strongest yet, including larger cruise ships arriving from the summer 2024 season. The region has an incredible opportunity to carve out a niche in this rapidly growing market.

The world's energy transition presents North Queensland's rich hinterlands with unprecedented opportunities. The minerals and metals exported through the Port of Townsville support the global ambition to decarbonise, and unrivalled wind and solar precincts along the north-western corridor can power a new generation of renewable energy exports for the region.

Strategic foresight in planning for and obtaining approvals for future port developments mean we are well positioned to rapidly respond to these opportunities and embark upon an exciting new chapter in the Port's history. Our Townsville Port Expansion will ultimately see the creation of six new berths, a further 90 hectares of new land and channel deepening to facilitate strong forecast trade growth over the next 30 years. Over the next 12 months we will accelerate our plans to facilitate the first of these new trades and services of the future.

As a modern city-port, it is important to effectively plan the redevelopment of waterfront lands to ensure port operations are protected in the long-term while creating active and distinctive experiences to connect and engage the community and visitors with the waterfront. We have worked closely with Townsville City Council and key stakeholders to ensure integrated planning outcomes, and over the coming year will see the first stages of development get underway.

Central to our purpose and place is our commitment to ensuring that our operations and developments are sustainable and responsible. Port Vision 2050 is our 30-year strategic plan which sets out our sustainability objectives (including environmental, social and governance) and initiatives across four priority areas: Prosperity, Planet, Community and People.

I would like to thank our shareholding Ministers, their teams and departments for their ongoing support for our strategy and future development plans.

I take this opportunity to convey my appreciation to my fellow Board members for their knowledge, dedication and diverse perspectives which have enriched our deliberations and decision-making processes. We welcomed new Director, Vanessa Sullivan, who joined the Board in October 2022, bringing valuable experience particularly in the fields of climate and energy. We farewelled Director Tess Bishop this year to pursue other opportunities, and I thank her for the insights that she has brought to the Board.

On behalf of the Board, thank you to the Executive Leadership Team and employees for delivering another year of strong results, and for your resolute focus and perseverance to prepare our ports for the opportunities and growth ahead.



Ann Sherry AO
Chairperson

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

We are pleased to deliver another strong operating result for the year of \$17.55 million, a slight increase on the previous year (2022: \$17.50 million).

Overall trade throughput of 6.8 million tonnes is down slightly compared to last year, as customers continue to be challenged by shipping industry delays, global geopolitical pressures and market changes. This has impacted mineral concentrate import and export volumes, with domestic refineries sourcing product from mines in the region for processing.

There were a number of trade highlights for the year, including record food and grain exports, an 80 per cent increase in cattle exports, 27 percent growth in general cargo, and petroleum product and motor vehicle imports were up 5 per cent and 4 per cent respectively. We also saw the emergence of new commodities including domestic imports of aquaculture feed, and Australia's first bulk shipment of phosphate rock, which stands to become a major new commodity for the Port of Townsville.

After almost a decade in planning, it is wonderful to see the widening of our channels in full swing. More than 2 million cubic metres of material – just over 60 per cent of the total volume to be dredged – has now been removed and placed within the 60-hectare reclamation area. Dredging is anticipated to be finished in April 2024, with the overall project to be completed late 2024. The ability to receive larger ships opens significant opportunities for North Queensland as an attractive gateway for containerised freight and hub for cruise tourism and defence capabilities.

We commenced a program of works to improve berth improvements, create additional laydown areas and upgrade our road network to provide greater capacity, efficiencies and reliability for our customers, and these will continue over the course of the next 12 months.

The return of cruising to our shores following the pandemic brought a tourism boost, with Townsville welcoming 12 vessels bringing almost 12,000 passengers and crew. In anticipation of the completion of the Channel Upgrade project, we have received strong interest from many shipping lines, with a record future line-up, including larger liners, expected from January 2025.

Our sustainability objectives, including environmental, social and governance, will continue to be advanced through Port Vision 2050, ensuring these reflect the expectations of shareholders, stakeholders and align with regulatory requirements and government policy objectives.

This year we have advanced our Safety Refresh rollout, with further initiatives to be implemented in the coming year as we strive towards our goal of Zero Harm at all our workplaces. We believe every injury is preventable and have more work to do to ensure everyone goes home healthy, safe and well every day.

We are also continuing to invest in technology, systems and processes to enhance productivity of our operations and improve the way we plan for and perform work in the future.

The future growth potential for the region in base and critical minerals, renewable energy, advanced manufacturing, defence and cruise cannot be underestimated. We enter the next year focused on driving our next phase of port development that will position Northern Queensland to capitalise on the rapid transformation of the global economy and the abundance of opportunities this presents.

Thank you to the Board for your leadership and guidance, and to our shareholding Ministers and departments for supporting our direction.

Our customers are the cornerstone of any of our achievements, and we are most appreciative of your engagement and support and look forward to continuing to partner with you to ensure our infrastructure and services enable your growth and success.

We take pride in our purpose of delivering prosperity for our communities and value for our customers and shareholders through world-leading sustainable operations.

I am deeply grateful to our incredibly dedicated and talented people who go above and beyond to create solutions and drive forward our ambitious agenda to be *Australia's Port for the Future*.



Ranee Crosby
Chief Executive Officer

KEY PERFORMANCE RESULTS

Performance Indicators	2021-22 Actual	2022-23 Budget	2022-23 Actual	Movement (from 2021-22)
Operating Revenue (\$M)	84.4	88.41	89.47	5.07
Operating Expenditure (\$M)	56.09	61.37	60.95	4.86
Trade Income (\$M)	65.95	73.21	66.88	0.93
Property & Facilities Income (\$M)	15.93	13.51	14.30	-1.63
EBIT (\$M)	28.31	27.05	28.52	0.21
NPAT (\$M)	17.5	15.88	17.55	0.05
Dividend (\$M)	0	15.32	15.68	15.68
Return on Assets EBIT (%)	3.27%	3.08%	3.18%	-0.09
Return on Equity (%)	2.71%	2.40%	2.62%	-0.24
Current Ratio	2.48	0.98	1.43	-1.05
Interest Cover Ratio (EBIT)	6.68	6.2	7.19	0.51
Debt to Debt + Equity Ratio	0.14	0.13	0.14	-
Capital Investments (\$M)	40.39	83.65	65.17	24.78
Non-financial measures				
Trade Throughput (million tonnes)	7.24	8.08	6.81	-0.43
Vessels to Port	519	618	549	30
Reportable Security Incidents	-	-	-	-
Reportable Environmental Incidents	8	0	19	11
Lost Time Injury Frequency Rate	6.32	-	9.8	3.5
Customer Satisfaction Rating	91%	>85%	86%	-5
Community Satisfaction Rating	90%	>85%	86.5%	-3.5
Employee Engagement Rating	85%	>85%	83%	-2
Full-Time Equivalents	140.50	145.73	145.75	5.25

ABOUT US

Port of Townsville Limited (the Port) owns and operates the ports of Townsville and Lucinda in North Queensland.

The Port has been actively shaping the future of Townsville and North Queensland for almost 160 years.

The goods that flow through our ports are grown, mined, manufactured and used to better the lives of more than 800,000 people across a vast catchment area, spanning from Hinchinbrook to the Burdekin and west to Mount Isa.

More than \$10 billion worth of goods cross our wharves each year.

Our footprint expands from Townsville (Bindal and Gurambilbarra Country) – the largest urban catchment on the Great Barrier Reef – to Mount Isa (Kalkadoon) in the West, Hinchinbrook (Bandjin, Nywaigi and Warrgamay) in the North and south to the Burdekin (Bindal and Juru) and Bowen (Birri, Jangga, Juru, Gia and Ngaro).

Townsville Port

The Port of Townsville is Australia's largest port for zinc, lead, copper, sugar and fertiliser. Additionally, we handle more motor vehicles and containerised goods than any other port in Northern Australia. Townsville is one of the country's most diverse ports, linking more than 30 different commodities to 130 ports in over 40 countries.

The Port of Townsville is linked by existing road and rail connections to the North-West Minerals Province, one of the world's largest base-metals provinces and home to vast deposits of rare earth minerals critical to manufacturing renewable technologies powering our future.

It is also an increasingly strategic forward mounting location in Australia's Defence capabilities, as well as an important tourism enabler due to its modern dedicated cruise ship terminal.

The Port of Townsville is a key element in the growth and development of Northern Australia and is a designated "Priority Port" in Queensland under the *Sustainable Ports Development Act 2015* (Qld).

Lucinda Port

The 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 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 core business functions as set out in our constitution and the *Transport Infrastructure Act 1994* (Qld) are to:

- Establish, manage and operate effective and efficient port facilities and services;
- Make land available for the establishment, management and operation of effective and efficient port facilities and port services by other persons, or other purposes consistent with the operation of our ports;
- Provide for ancillary services or works necessary or convenient for the effective and efficient operation of our ports;
- Keep appropriate levels of safety and security in the provision and operation of our port facilities and port services;
- Provide other services incidental to the performance of our other functions, or likely to enhance the usage of our ports;
- Perform any other functions and exercise any other powers conferred on us under the *Transport Infrastructure Act 1994* (Qld) (TI Act), the *Government Owned Corporations Act 1993* (Qld) (GOC Act) and Regulations or another Act or under our Statement of Corporate Intent (SCI) or Corporate Plan;
- Provide port services and ancillary services whether in or outside our ports, 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 objects set out above.

PORT OF TOWNSVILLE

Australia's leading exporter of copper, zinc, lead, fertiliser, sugar, molasses and the largest container and automotive port in Northern Australia



8
berths

6
cargo cranes

>30
commodities

4
dry bulk
shiploaders

360ha
of land or
storage area

400m²
of adjacent
waterways

130+ Port connections to >40 countries

>7 million tonnes of trade

80%
of Northern Australia's
population serviced

8,000
jobs in the region
supported by port activities

\$10 billion AUD
value of trade
each year

\$1 million
community support
over the last decade

Strategic Defence port for
Australian and allied navies

Cruise berth and
Quayside Terminal

Channel Upgrade

(stage 1 of PEP)

channel widened to accommodate vessels up to 300m long and 60 hectares of land reclaimed from the dredge material

PORT OF LUCINDA

5.7km
single trestle jetty
and conveyor to an offshore berth
and shiploader

60ha
of land or storage area

onshore fully enclosed sugar
handling and storage facilities

OUR STRATEGIC DIRECTION

Vision
Australia's Port for the Future

Mission
Creating prosperity for our communities and value for our customers and shareholders through world-leading sustainable operations

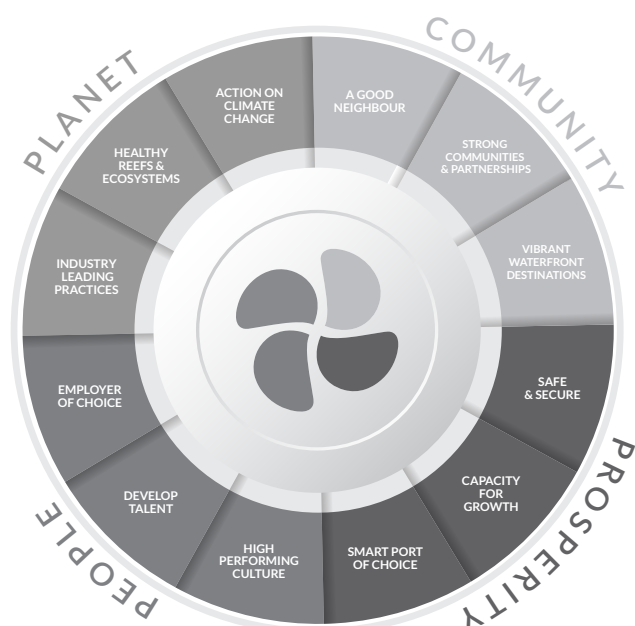
<i>Values</i>	
Partnerships	We build meaningful and lasting relationships
Opportunities	We continuously innovate
Respect	We respect each other
Trust	We do the right thing

Port of Townsville released Port Vision 2050 in December 2020. In Port Vision 2050, we identified 12 strategic objectives across our four priority areas of Prosperity, Planet, Community and People which provide the foundations and balanced approach for our strategic direction. We are focussed on a sustainable future, including:

- Generating prosperity for our region and value for our customers and shareholders through our growth and diversification of trade and business opportunities and ensuring that infrastructure and services across the supply chain are efficient, safe and secure, reliable and cost competitive.
- Protecting and improving our natural environment by taking action on climate change, showcasing industry leading practices, and partnering to support healthy reefs and ecosystems.
- Creating positive outcomes for our communities, creating vibrant waterfront destinations, giving back, building strong partnerships and being a valued neighbour improving connectivity and liveability.
- Providing a great place to work, developing the capability of our people and a high performing culture to ensure we are well positioned to achieve our long-term strategic objectives and continue to attract, retain and develop our top talent.

SUSTAINABILITY

- The development of Port Vision 2050 was informed by the United Nations' Sustainable Development Goals (SDGs) and a stakeholder materiality assessment, which consolidated insights from staff, stakeholders and the community.
- In December 2022, the Queensland Government released the 2022 Queensland Sustainability Report (2022 QSR) which established its priorities for managing sustainability risks and opportunities and provides information on the key policies being implemented to develop a resilient and sustainable future. The 2022 Queensland Sustainability Report reflects emerging best practice reporting on sustainability both within Australia and internationally, including consideration of the International Sustainability Standards Board (ISSB) proposed standards.
- The priorities included in the 2022 QSR include Environment (climate change transition and physical, natural capital), Social (good jobs, better services, and great lifestyle) and Governance (economic and fiscal performance).
- The Port's priority areas in Port Vision 2050 will help the Port contribute to Queensland targets and policies, as well as a broader global agenda. By focusing on what is important to its stakeholders, the Port can ensure it continues to deliver sustainable prosperity for the region.
- Consistent with Port Vision 2050, this annual report is separated into four sections: Prosperity, Planet, Community, and People. All sections should be read collectively to understand how the Port addressed sustainability in 2022-23.
- The Port will continue to advance sustainability objectives (including Environmental, Social and Governance) through Port Vision 2050, and will continue to engage with the Queensland Government on a consistent reporting approach in line with national and international standards.



PROSPERITY

TRADE HIGHLIGHTS

Total trade through our ports for 2022-23 was 6,811,635 tonnes, comprising 6,323,576 tonnes through the Port of Townsville and 488,059 tonnes through the Port of Lucinda.

The reduction in volume of 426,848 tonnes (5.9%) compared to the previous year was due to a range of challenges including geopolitical pressure on international markets, changes in mineral concentrate markets and seasonal factors that reduced fertiliser and sugar exports.

Despite this, there were a number of highlights in other commodities compared to last year:

- Motor vehicle unit imports grew 4 per cent;
- General cargo imports rose 8.5 per cent and exports increased 51.2 per cent;
- Petroleum product imports increased 5.6 per cent;
- Refined metals imports were up 623 per cent; and
- Live cattle exports grew 80 per cent.

IMPORTS

In 2022-23, the Port of Townsville’s imports totalled 2,130,440 tonnes. This figure is 430,047 tonnes (16.8%) below the annual budget of 2,560,487 tonnes.

The Port of Lucinda is export only.

Refined metal imports were up 623 per cent on last year to total 5,812 tonnes. This spike was due mainly to Glencore and Sun Metals’ increased imports of copper anode and zinc anode – a combined 5,772 tonnes – for their refineries.

Overall petroleum imports increased 57,574 tonnes (5.6%) compared with the previous year, with diesel recording the second highest yearly volume in history, just after the highest volume in 2013-14 year. Aviation gas imports were the highest seen through the Port within the last five years, increasing 19.7 per cent compared to the previous year.

General Cargo imports increased 14,275 tonnes (8.5%) compared with the previous year. A three-fold rise in livestock feeds (cattle feeds and new aquafeeds) and a 6.1 per cent increase in manufactured goods contributed to the growth. Additionally, new mines and capacity expansions and steel pipes imported for stage

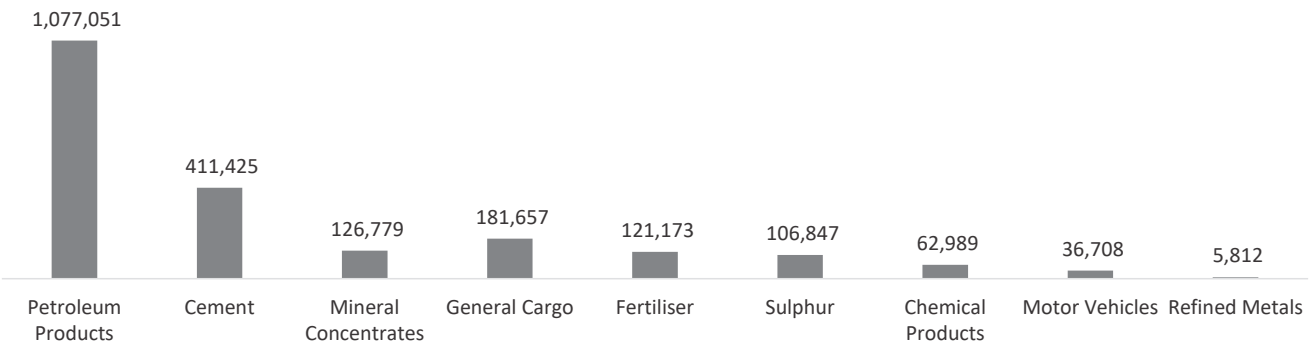
two of the Houghton Pipeline Project led to increased imports of manufactured goods.

A total of 18,203 motor vehicle units were imported up 4 per cent from last year. Vehicle numbers continued to recover nationally, despite prolonged congestion and part shortages hampering international vehicle supply. Truck and heavy vehicle imports are included in this number, raising the average weight per vehicle from 1.85 tonnes per vehicle last financial year to 1.93 tonnes per vehicle in 2022-23.

Imports of sulphur surpassed budget by 6.8 per cent. New import of gran-ammonia passed through Townsville port following the closure of Brisbane-based Gibson Island fertiliser manufacturing site in December 2022.

Mineral concentrate imports were down 199,182 tonnes from the previous year due to high international freight costs for copper concentrate spurring domestic sourcing, and a delay of expected zinc concentrate imports in line with schedule delays in the expansion of Sun Metals zinc refinery.

2022-23 Imports (Tonnes)



EXPORTS

Exports totalled 4,681,195 tonnes across Townsville and Lucinda ports. This figure is 842,972 tonnes (15.3%) below the budget.

Molasses exports recovered to historical levels as domestic feedstock demand decreased and new and growing international market demand increased. Major markets for molasses are New Zealand, United States and South Korea. Overall, 262,352 tonnes were exported representing an 11.5 per cent increase on last year's figure or 22 per cent above budget.

The Port of Townsville saw significant growth in the export of agricultural products. Sorghum had the best year on record with 27,005 tonnes (+563.1%) exported mainly to China and the Philippines.

Fertiliser exports were 23,380 tonnes (-2.8%) behind last financial year, with the shortfall attributed to rail delays that resulted in stockpiling of product and a shift to domestic supply.

Refined minerals and metals exports were slightly down 3,938 tonnes (0.9%) from the previous year due to a delay in the Sun Metals refinery expansion, and the increased domestic demand for a mix of concentrates.

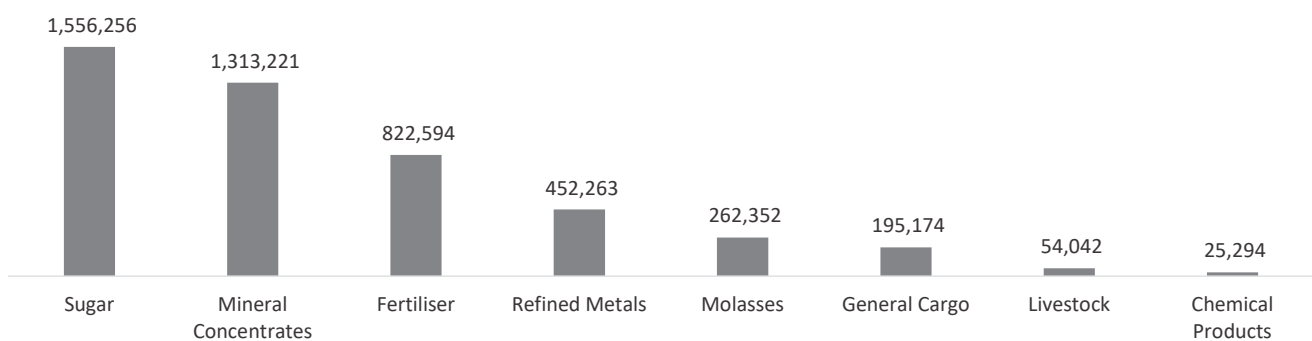
Copper, zinc, and lead concentrate exports were impacted by rain events and changes in demand from existing markets. Miners have instead been feeding domestic demand while exploring new international markets. Gold concentrate exports in break bulk are gradually increasing year-on-year with China, Philippines and Taiwan emerging as major markets.

Sugar exports were 91.5 per cent of budget, falling short by 143,744 tonnes, as the industry produced a smaller crop than expected and an overhaul of sugar storage sheds interrupted shipping activity.

Live cattle exports rose to 109,867 head or 84 per cent from last year.

While some commodities recovered to pre-pandemic levels and positive shoots of new markets emerged in 2022-23, overall trade finished 15.3 per cent lower than budget. Given the uncertainties that were expected to continue with geopolitical tensions, the result is typically in line with the challenges faced by global markets and shipping.

2022-23 Exports (Tonnes)



CONTAINERISED

Being the largest container port in Northern Australia, Port of Townsville handles an increasingly diverse range of containerised cargo. Container shipping is a fast, cost-effective, flexible and secure mode of shipping transportation. Containerised cargo at the Port of Townsville comprises:

- refined metals including zinc ingots and copper cathode;
- mining consumable products, for example chemicals and machinery parts;
- project cargo including solar panels, iron and steel materials/ parts and small equipment;
- bagged products such as fertiliser, animal feed and mineral concentrates; and
- refrigerated and food grade containers which contain meat, grains and horticultural products.

Renewable energy projects such as solar and wind showed some signs of recovery.

Container numbers were 15 per cent below 2021-22 volumes, with 44,731 20-foot Equivalent Units (TEUs) throughput in 2022-23.

Imports and exports of containers decreased by 19.8 per cent and 10.6 per cent, respectively. The decrease in imported TEUs was mainly due to a decline in import of manufactured goods (steel articles, steel pipes, furniture) and plant, machinery and equipment (solar panels, trailers and parts).

The decrease in exported TEUs was primarily due to gold concentrates, refined copper, and refined zinc being exported in break bulk rather than containers. It is worth noting that there were more full containers imported and less empties exported than last financial year.

Containerised cargo made up 507,688 tonnes of trade in 2022-23, which represented 7.5 per cent of the total tonnage at the Port, compared to 8.9 per cent last financial year.

DRY BULK

Dry bulk commodities include cement, sugar, fertiliser and mineral concentrates and ores. The Port of Townsville is Australia's largest exporter of sugar, copper, lead, zinc and fertiliser.

In 2022-23, the dry bulk sector accounted for 4,503,220 tonnes or 66.1 per cent of the Port's total trade, compared to 68 per cent the previous financial year.

Dry bulk imports decreased 27.6 per cent and exports decreased 3.3 per cent compared with the previous year.

While sulphur import finished above expected volumes, the marginal gains could not offset the reduction in fertiliser, mineral concentrate, refined minerals and metals, and sugar exports in 2022-23.

Cement was below 2021-22 volumes by 31,742 tonnes as heavy rains in March 2023 forced the temporary closure of mining operations in the North-West Mineral Province.

Fertiliser imports and exports were 51,420 tonnes (29.8%) and 23,380 tonnes (2.8%) less than the previous financial

year, respectively. This is mainly due to gas supply issues for Incitec Pivot's Phosphate Hill. Incitec Pivot has been sourcing replacement gas from a mix of third-party sources to make up the shortfall and to ensure the ongoing operation of the plant. In addition, the operation at Phosphate Hill fertiliser plant was impacted by several isolated equipment issues, which have now been rectified.

Mineral concentrate imports and exports were 61.1 per cent and 13.8 per cent down compared to 2021-22, respectively. The shortfall can be attributed to a combination of delays in the Sun Metals' zinc refinery expansion, poor smelter performance, mining disruptions caused by heavy rainfall and flooding in the North-West Minerals Province and high international freight costs leading to domestic sourcing.

Sugar exports from the Lucinda port reached 97.6 per cent of budget for 2022-23, while exports from the Townsville port were 84.7 per cent of budget. These results were impacted by timing of sugar sales and shipping and are slightly lower than historical levels.

LIQUID BULK

Liquid bulk comprises petroleum-based products including fuels (petrol, diesel, aviation), bitumen, sulphuric acid, caustic soda, tallow and molasses.

Petroleum-based products fell 8.1 per cent below budget but were 57,574 tonnes (5.6%) above 2021-22 volumes. Jet fuel and diesel finished 19.7 per cent and 5.3 per cent above the previous financial year, respectively. The figures indicate that domestic travel from Townsville is on the rise and that new mines in the Bowen Basin and North-West Minerals Province are feeding demand for diesel. Unleaded petrol closed the year 1.4 per cent higher while bitumen was in line with the previous financial year.

Molasses exports recovered to historical levels as Australian herd numbers remain low decreasing demand for molasses as feed, and new and growing international market demand increased. Overall, 262,352 tonnes were exported compared with 235,320 tonnes last financial year, an 11.5 per cent increase.

Liquid bulk cargo contributed 1,370,682 tonnes to the total Port of Townsville trade in 2022-23, 20.1 per cent of total tonnage, compared to 18.2 per cent the previous financial year.

Chemical exports decreased by 51.6 per cent due to much less bulk sulphuric acid export as producers supplied domestic markets.

BREAK BULK

Break bulk cargo varies in size, shape and weight and includes predominantly:

- motor vehicles;
- live cattle;
- oversized mining vehicle tyres;
- refined metals such as heavy copper cathode plates and ingots that were not containerised; and
- project cargo including large pieces of equipment, machinery, and infrastructure such as pipes, plants and steel structures.

In 2022-23, break bulk trade through the Port of Townsville totalled 430,046 tonnes, up 19.7 per cent from the previous year.

Imports increased 71.8 per cent from the previous year to 83,393 tonnes and exports rose 11.5 per cent to 346,653 tonnes.

In 2022-23, break bulk cargo accounted for 430,046 tonnes of trade throughput, 6.3 per cent of the total tonnage, compared to 4.9 per cent the previous financial year.

Continuing demand for new cars drove motor vehicle imports to finish the year at 18,203 units - a 4 per cent above 2021-22. April 2023 was the busiest month for car imports since 1996-97, with 2,381 units arriving.

New break bulk import of steel pipes (10,947 tonnes) for Houghton Pipeline Project Stage 2, and significant increase in imports of industrial tyres (14,037 tonnes) are highlights for manufactured goods through the port in 2022-23. New import of bulk bagged fish feeds (7,140 tonnes) for local prawn and barramundi farms is also notable.

Live cattle exports surged 80 per cent above 2021-22 figure with the lower price of Australian cattle, and strong recovery of the Indonesian market from Lumpy Skin Disease and Foot and Mouth Disease, making the live cattle trade a remarkable bounce-back.

Exports of refined lead, copper, and zinc in bulk saw 240,216 tonnes through the berth, a slight increase (0.3%) compared to the previous year.

SHIPPING INFORMATION

In 2022-23, our marine pilots attended to 1,167 vessels in Townsville and 26 vessels in Lucinda, equating to 1,193 pilotage movements.

2022-23 Arrivals to Port

Cargo Vessels	503
Navy Vessels	17
Cruise Vessels	11 + 1 to anchorage
Other Vessels	5
<u>Lucinda</u>	<u>13</u>
Total	549

The Port also provides pilotage services to the Port of Abbot Point on behalf of Maritime Safety Queensland, where 733 vessel movements were conducted during the 2022-23 financial year.

Pilotage Safety Management Systems have been revised with Maritime Safety Queensland to support continuity in standard operating procedures across the state. The Port has been training two new pilots this financial year as part of succession planning arrangements.

MAJOR PROJECTS

CHANNEL UPGRADE PROJECT

Progress on \$251 million Channel Upgrade project at the Port of Townsville continued steadily throughout 2022-23.

Hall Contracting's mechanical backhoe dredge, *Woomera*, the largest dredge of its kind in Australia, is working to widen the 14.9 kilometre shipping channels, from 92 metres to 180 metres at the inshore (Port) end, tapering to 120 metres at the seaward end. Upon project completion, larger ships up to 300 metres in length will be able to safely access the port, instead of bypassing Townsville. All dredged material is being brought back to land for beneficial reuse in the 62 hectare reclamation area.

In total, about 3.4 million cubic metres of dredge material will be removed to widen the channel. To the end of June 2023, 2,157,270 cubic metres of material had been removed from the channel since dredging commenced on 15 March 2022, accounting for 63 per cent of the total dredge volume. To date, all dredging has been undertaken in the Platypus Channel (Port end) with work yet to commence in the Sea Channel (seaward end). *Woomera* is operating 24/7 (weather permitting) and dredging is on track for completion toward the end of the 2023-24 financial year.

Since design works began in 2018, the project has supported 1,820 jobs as of 30 June 2023, including 6 per cent First Nations people and 10 per cent trainees and apprentices. The dredging contract supports more than 70 full-time employees. In line with Queensland Government procurement policies, the Channel Upgrade project applies weighting for local business benefit.

The project has a number of management plans relating to dredging and associated construction activities, which have been approved by the Federal Department of Climate Change, Energy, the Environment and Water. These are reviewed and updated as required and are available on the Port's website.

An Independent Technical Advisory Committee (ITAC), with experts from across Australia, was established in 2018. The ITAC provides technical and scientific advice and provided input on the development of monitoring programs, management plans

and other mitigation strategies. The ITAC is comprised of an Independent Chair and technical/scientific specialists covering the following fields:

- Marine water quality
- Coral ecosystems
- Seagrass ecosystems
- Marine megafauna
- Coastal hydrodynamics and sediment transportation
- Dredging operations

The ITAC continues to hold quarterly formal meetings and public information sessions.

The Port has committed \$17 million for environmental monitoring and management programs throughout the Channel Upgrade project including those covering water quality, dolphins, turtles, corals, seagrass and shorebirds.

The Port has conducted extensive community consultation and stakeholder engagement activities to ensure the public is informed about activities associated with the Channel Upgrade project. Throughout 2022-23 the Port continued to update the public via our Community Liaison Group (CLG), public ITAC sessions, newspaper advertising, direct emails, port tours and presentations, and social media. In September 2022 the Port developed a public water quality monitoring dashboard, which displays real-time water quality data from six sites of interest around Cleveland Bay. The dashboard, and other environmental monitoring plans and reports, are available on the Port's website.

The project is a key initiative of the Townsville City Deal and is funded by the State Government (\$105 million), Federal Government (\$75 million) and the Port of Townsville (\$71 million).

GREATER TOWNSVILLE PORT EXPANSION PROJECT

The multi-billion Townsville Port Expansion Project is the largest infrastructure project in the Townsville port’s history. It is a 30-year development plan that will include six additional berths and associated infrastructure to cater for the growth and expansion of the port.

The Townsville Port Expansion Project has been through rigorous environment impact assessments by both the Queensland and Federal Governments before the Environmental Impact Statement was approved in 2017 (State) and 2018 (Commonwealth).

The Channel Upgrade project forms significant contribution to the greater Townsville Port Expansion Project. The Business Case for an outer harbour berth, extended quay line, inner harbour wharf and outer rock wall is currently under development.

CARGO LAYDOWN AREA

Construction of a new \$3.6 million cargo laydown area commenced during the year, involving the infilling of a previous dredge pond, drainage, lighting, upgrade of road connections and road base and sealing of the 20,000 square metre area. The creation of additional laydown area will ensure that adequately serviced port land is available to facilitate growth in motor vehicle imports and project cargo, in particular renewable energy projects in the region.

Construction works commenced in June 2022 and will be completed in the second half of 2023.

PORT DEVELOPMENT PLAN

With a rapidly evolving economy, the need to plan for the future development of the port is now more critical than ever. Emerging new industries including renewable energy and sustainable fuels, new minerals projects, and an increased defence presence in the region, require the Port to adopt a flexible approach to future development.

The Port Development Plan is dynamic and adaptive and is used in conjunction with the Port’s Geographic Information System (GIS) database. The Plan will provide the guidance to facilitate the design, scheduling, and delivery of port infrastructure necessary to achieve the commitments set out in Port Vision 2050.

ENGINEERING AND MAINTENANCE WORKS

A number of engineering and maintenance projects were completed during the year, ensuring the operational availability of port assets to service customers. Projects included:

- \$2.7 million maintenance dredging
- \$3.6 million new motor vehicle and project cargo laydown area
- \$690,000 preventative maintenance and inspections
- \$490,000 grounds, gardens and visual amenity upgrades
- \$215,000 fire services maintenance
- \$238,000 lighting
- \$463,000 for end-of-life asset demolition
- \$408,000 building maintenance and cleaning

HEALTH AND SAFETY

The Port’s leadership team is committed to protecting the health, safety and wellbeing of all employees, contractors and visitors to our sites.

Throughout this period, we have achieved recertification of our Safety Management System to the ISO 45001 accreditation standard and continue to identify improvement opportunities in our Integrated Management System. We maintained a focus on meaningful workforce engagement, increasing in-field safety interactions, rolled out a safety Take 5 refresh initiative, completed the implementation of a new system (Propel) to enable one source of truth for health and safety reporting, and continued to implement safety initiatives under Port Vision 2050.

While the Covid-19 pandemic is no longer a public health emergency, Covid-19 cases are still ever present in the community and the Port remains committed to ensuring we comply with the Queensland Government guidelines.

COMPLIANCE WITH INJURY MANAGEMENT REQUIREMENTS

In accordance with the *Workers’ Compensation and Rehabilitation Act 2003* (Qld), the Port has developed return to work programs for all employees who have sustained a workplace injury. The programs are designed to assist employees achieve a positive and timely return to work outcome. This framework is extended to employees returning from non-work-related injuries to ensure that they can safely engage in their roles. The programs are regularly monitored and updated on a case-by-case basis.

The number of events and lost time injuries has increased slightly compared to last year.

Health and Safety Statistics	2021-22	2022-23
Total number of events reported (includes incidents & near miss)	65	73
Number of Lost Time Injuries	2	3
Number of Recordable Injuries (includes Lost Time Injuries)	2	5
Lost Time Injury Frequency Rate (LTIFR)	6.3	9.8
Total Recordable Injury Frequency Rate (TRIFR)	9	16.5
Random Drug and Alcohol tests completed	87	100

SECURING OUR OPERATING ENVIRONMENT

Being Security Regulated Ports, both the ports of Townsville and Lucinda operations are subject to the provisions of the *Maritime Transport and Offshore Facilities Security Act 2003* (Cth) (MTOFSA) and the *Maritime Transport and Offshore Facilities Security Regulations 2003* (Cth) (MTOFSR).

Security measures include:

- Background checks;
- CCTV;
- Controlled access to the port;
- Controlled access to berths;
- Identification and establishment of Restricted Zones; and
- Application of Penalties for Security Breaches and Reporting of Security Incidents.

The Port's Maritime Security Plans (MSPs) establish robust controls for Waterside Restricted Zones (WRZs) and Landside Restricted Zones (LRZs) for the ports of Townsville and Lucinda. Through the MSPs there are legislatively directed positions such as Port Security Officer (PSO), Port Facility Security Officer (PFSO) and the designation of deputies. These positions are listed in each MSP and have been accepted by the Department of Home Affairs.

Following the establishment and further amendments of the *Security of Critical Infrastructure Act 2018* (Cth) (SOCI) appropriate amendments have been made to the Port of Townsville's MSP to meet the requirements for this Act, particularly regarding cyber security.

The Port is required to hold a Port Security Committee meeting annually and this was held in October 2022. The meeting for the 2023-24 year is currently being planned and a date has been set for 6 October 2023. The security committee is made up of the Port's key personnel, port users and relevant government agencies and entities.

Engagement with port users, government agencies and entities has been increased and strengthened over the past year and this helps ensure that the Port remains current with all government security requirements and best practices.

A key component of the Port's stakeholder engagement is ongoing security messaging reminding staff, users, customers, contractors and all other people coming into our ports that security is everyone's responsibility and that ensuring security of the port helps to ensure the security and safety of us all.

In addition to its obligations under MTOFSA and MTOFSR, the Port is subject to a number of other legislative requirements including, but not limited to, the *Security Providers Act 1993* (Qld), *Transport Infrastructure Act 1994* (Qld) and *Transport Infrastructure (Public Marine Facilities) Regulations 2011* (Qld).

The Port maintains all registers and required licences to ensure compliance with the Acts and Regulations that it is subject to, and regularly undergoes audits relating to these requirements. We continuously assess the port security standards to meet the ongoing requirements and changes to ensure compliance.

With increasing cyber security risks and compliance requirements, the Port ensures strong collaboration across all areas of its operations to deliver synergies through an integrated approach to physical and cyber management.

PLANET

ENVIRONMENT

PERFORMANCE AND COMPLIANCE

The Townsville and Lucinda ports both sit within the Great Barrier Reef World Heritage Area (GBRWHA). Our mission is to create prosperity for the community, customers and shareholders through world-leading sustainable operations. The Port operates within this sensitive environment under an Environmental Management System that is certified to ISO 14001:2015.

During 2022-23, the Port of Townsville operated under a Trade Waste Agreement with Townsville City Council that covers the whole port and its tenants. During this period, there were eight notifiable incidents where requirements of the agreement were not met. These events were reported to the relevant authority and a detailed investigation is ongoing with support from a specialist consultant.

During 2022-23 there were nine notifiable incidents associated with the Channel Upgrade project. All involved a spill to water, and generally involved a minor release of hydrocarbons. All incidents were promptly reported to relevant authorities. The Port has worked collaboratively with the contractor to investigate the root cause of the incidents and implementation of actions.

One minor notifiable incident and one voluntarily notified incident were reported during routine annual maintenance dredging. The Port has worked collaboratively with the contractor to investigate the root cause and implement preventive measures.

MAINTENANCE DREDGING

In 2022-23, the Port continued an investigation into an alternative Dredge Material Placement Area for sea placement. The Port commissioned a multi-factor analysis of a range of operational, navigational safety and environmental considerations. Consultation with stakeholders was also undertaken as part of the investigation. This investigation will continue into FY24, including finalising the options analysis to determine whether there is a net environmental benefit of any of the proposed alternative placement sites.

In 2022-23 the Port supplied approximately 10,000 cubic meters of dredged sand to Townsville City Council for beach renourishment at Rowes Bay to address coastal erosion. This is the second consecutive year, under a five-year sand supply agreement, that the Port has supported Council with sand for beach renourishment. This is a good example of beneficial reuse of good quality maintenance dredge material.

The Port has also continued with a partnership with Atlas Soils, James Cook University and Townsville City Council to complete a small trial of saline dredge material to see if it is possible to reduce the salinity and create a soil that is suitable for non-marine applications. Initial results from the trial have found material may be suitable for land applications, which would create a potential new opportunity for beneficial reuse of dredge material and help create a local circular economy.

MONITORING

The Port undertakes comprehensive monitoring programs within and surrounding the port of Townsville. The programs include extensive real-time air and water quality monitoring and sampling of groundwater, stormwater, marine water and sediment.

The three port-boundary air monitoring stations located at the Coast Guard, Lennon Drive and Environmental Park sites, record air quality data which is publicly available on the Department of Environment and Science website. The stations are home to a range of sophisticated instruments to detect and analyse air quality parameters. The data allows port customers to obtain real-time information and assists with continual improvement undertaken on their sites and during vessel loading and unloading of cargo. Monthly Air Quality dashboards and the Boundary Air Monitoring Plan are publicly available on the website.

The Port has also committed \$17 million for environmental monitoring and management programs as part of the Channel Upgrade project, including those covering dolphins, turtles, seagrass, corals, and shorebirds.

CLEVELAND BAY SEAGRASS MONITORING

Seagrasses are key species in indicating changes to water quality, making them ideal to monitor and understand the overall health of the marine environment in Townsville. The Port and James Cook University's TropWATER team have partnered to annually survey seagrass in Cleveland Bay since 2007. As part of the Channel Upgrade project, the surveys were increased to twice yearly from 2019. The surveys assess the condition and species of more than 25,000 hectares of seagrass meadows in the Townsville region and track changes over time.

The 2022 seagrass survey, published March 2023, results for Townsville and Cleveland Bay showed:

- Overall, seagrass condition was good for the Long Term Seagrass Monitoring Program meadows;
- Unfavourable growing conditions for seagrass including a heatwave, above average out of season rainfall, sustained periods of high wind and multiple periods of low light conditions across many sites likely contributed to declines in seagrass condition in most meadows; and
- Green sea turtles, dugongs and their feeding trails in seagrass meadows were observed during field surveys indicating a high use of the area by herbivorous marine megafauna.

The seagrass report is available on the Port's website and data from this program continues to inform the Dry Tropics Partnership for Healthy Waters report card.

PLANET INITIATIVES

TREE PLANTING

Over 4,600 plants (trees, shrubs, grasses) were planted in 2022-23 as part of the Port's one million tree program. Tree planting events were conducted with the local South Townsville community, Port staff, and school children from the Lucinda and Halifax school districts. The Community Tree Planting Program was also launched in 2022-23 with four applicants from Townsville, Magnetic Island, Burdekin and McKinlay receiving funding to plant 2,600 stems.

LITTER

The Port's litter baskets, which were installed in 2021, have captured a total of 4,900 pieces of litter in 2022-23, preventing it from entering stormwater drains and the ocean. Port staff have also been completing regular walk arounds of port lands and have collected 9,100 pieces of litter, and a Seabin trial in Ross Creek collected 70 pieces of litter from the waterway. In total, the Port has collected 14,000 pieces of litter during the year.

REEF 2050

The Port partnered with the Australian Seaweed Institute to initiate an innovative trial for the removal of dissolved inorganic nitrogen from waters by installing pods to grow local species of seaweed at the port of Lucinda. Two local species of seaweed were selected to grow on the pods with the expectation that the more they grew the more dissolved inorganic nitrogen would be absorbed by the seaweed, and therefore kept from reaching the reef. While the trial at Lucinda has seen biofouling issues and movement of the pods due to the high-water currents (resulting in the pods being removed from the water), this trial is being replicated at Orpheus Island with more favourable environmental conditions.

DRY TROPICS PARTNERSHIP FOR HEALTHY WATERS

The Port continues to host the Dry Tropics Partnership for Healthy Waters (the Partnership). The Partnership brings together more than 20 businesses and organisations to produce an annual Townsville Dry Tropics Waterways Report Card, a snapshot of the state of our local water environment based on the accumulation of available environmental monitoring data in the region. The Port has been involved in the Partnership since its inception and values the opportunity to combine the targeted knowledge of individual groups to understand the whole catchment and collaborate on meaningful initiatives.

In early 2023, the Partnership facilitated an Urban Water Stewardship Framework workshop with the local council. The Framework is a tool designed to assess current urban water management practices – identifying areas of improvement and resulting recommendations. The 2023 Waterways Report Card is due to be publicly released in July 2023. To mark the release of the 2023 Waterways Report Card, the Partnership held an event along The Strand in Townsville, with opportunities for the community to meet Townsville's leading waterway organisations, connect with local water-sports clubs, learn about waterway health, and participate in games with prizes for kids after school.

PORT LAND USE AND DEVELOPMENT PLANNING

The Port's Land Use Plan ensures effective and efficient development on Strategic Port Land within the ports of Townsville and Lucinda.

The Port released the draft Lucinda Land Use Plan from Statement of Proposal from 4 May 2022 to 29 June 2022 for public consultation. The Lucinda Land Use Plan will be finalised and gazetted in 2023-24.

The Townsville Statement of Proposal was released 14 July 2021 to 9 September 2021. The Port is developing the draft Land Use Plan which includes formally incorporating the Master Plan into the statutory plan. The draft Townsville Land Use Plan will be released for consultation in 2023-24.

BIOSECURITY

In 2022-23, the Port continued to participate in a state-wide marine biosecurity program managed by the Department of Agriculture and Fisheries together with the ports of Cairns, Mackay, Gladstone and Brisbane. The Queensland Seaport eDNA Surveillance (QSEAS) program uses DNA analysis to detect invasive marine pest species. In November 2021, the Q-SEAS program won the Industry Award at the Australian Biosecurity Awards.

In May 2023, the Port joined forces with Biosecurity Queensland and the Purple Hive Project, an initiative by Vimana Tech, supported by Bega Group in a Queensland first to monitor for the pest Varroa mite. The port of Townsville was identified as a critical partner for the Purple Hive Project as ports are a high-risk pathway for bee pests to enter Queensland. The Purple Hive utilises artificial intelligence to detect varroa mites on bees in real time, and complements existing biosecurity approaches in the port, as a First Point of Entry Port.

In 2022-23 the Port conducted treatment for tulip weed and leucaena at the port of Lucinda with the assistance of Hinchinbrook Shire Council. In May and June of 2023, the Port undertook feral cat and mosquito management programs at the port of Townsville using specialist contractors.

The Port works closely with the Queensland and Federal government departments to minimise the potential impact from pest species and raise awareness within the port community.

COMMUNITY

The Port of Townsville has been a cornerstone of the North Queensland community since its inception and is committed to upholding the region's wonderful way of life by contributing proactively to its economic and social wellbeing.

Our communities are diverse and widespread, comprising port users and touchpoints across the entire supply chain, neighbouring residents and businesses operating near our ports and the broader communities that feel the ripple effects of our trade, operations and initiatives.

COMMUNITY INITIATIVES

MARITIME MUSEUM OF TOWNSVILLE

The Port is a major sponsor of the Maritime Museum of Townsville. In addition to the normal annual sponsorship of \$25,000, in 2022-23 an additional \$25,000 was contributed to mitigate the ongoing effects of Covid-19 on the availability of volunteers. The Museum features an exhibition dedicated to the port's significant contribution to the rise of the city of Townsville, which was launched in August 2021. The *Rise of our Port City* exhibition uses immersive technologies including virtual reality, an interactive table and ship simulator. A total 4,425 people visited the Museum during the 2022-23 financial year, consistent with last year's 4,427 visitors.

PORT TOURS

The Port hosted 21 tours for schools, community groups, business organisations and stakeholder groups.

COMMUNITY LIAISON GROUP (CLG)

The CLG provides a valuable interface between the Port and a range of stakeholders including members with interests in marine tourism and recreation, conservation, town planning and representatives of South Townsville, Magnetic Island and indigenous communities. The Port hosted four CLG meetings throughout the financial year.

SUMMER BREAKFAST BARBECUE

The Port held its second annual, free breakfast barbecue exclusively for residents in neighbouring South Townsville. The event included tree-planting, face-painting, a barbecue breakfast by Townsville South State School P&C, virtual reality experiences, a coffee van and a chance for neighbouring residents to take a drive-through tour of the port of Townsville.

NAVAL VESSELS WELCOME

The Port welcomed the arrival of Indonesian Navy tall ship *KRI Bima Suci* to the port of Townsville in September. Townsville City Council worked with the Australian Defence Force to facilitate the R&R visit, holding a small Mayoral reception to welcome the crew. The Port facilitated a media visit to the tall ship the day after its arrival. A crowd of about 1,200 locals assembled to wave off the vessel from the breakwater wall. Port staff attended to hand out merchandise and chat about the vessel with the excited crowd.

In April, *FS Dixmude* became the first French naval vessel to ever call in Townsville. The crew disembarked to conduct training with Townsville's 3rd Brigade and attend a series of community engagements. The Port supported the *FS Dixmude's* activities by helping to facilitate a media call, vessel tours for Port staff and invited dignitaries and several on-board events.

EXERCISE BLUE STRIKE

The Port hosted the 1st Battalion Royal Australian Regiment as it conducted Exercise Blue Strike on 19-21 May 2023. The Exercise simulated a port take-over and included the firing of blank ammunition overnight. The Port coordinated significant stakeholder engagement with the neighbouring community and general public to allay any concerns and mitigate noise complaints. Communications activities, conducted in partnership with the Australian Defence Force, included a letterbox drop, direct email campaign, social media activity, and traditional media engagement.

RECONCILIATION

RECONCILIATION ACTION PLAN (RAP)

The Port completed and submitted the first and second drafts of its RAP to Reconciliation Australia during the year.

The Port conducted a media campaign across its catchment area seeking expressions of interest from First Nations artists who would like to be considered for future commissioned art projects including the RAP artwork and small and large-scale projects. Eight artists completed the application process and a selection of these will be approached as the Port progresses with art purchasing and commissioning.

NATIONAL RECONCILIATION WEEK

The Port held its annual All Staff Lunch to mark Reconciliation Week on 1 June 2023. This year's special guests were the students from Townsville State High School's First Nations Arts Project, who showcased the dance skills they had learned through the initiative, which was supported by the Port's 2022 Community Fund.

NAIDOC WEEK

The Port hosted a NAIDOC Week breakfast for staff in July 2022. Port Engineer Robert Henaway spoke to attendees about being born on Thursday Island, his family's history in the region and how career support and opportunities like those he has received are vital to reconciliation. Staff were also gifted official NAIDOC 2022 lanyards, bearing artwork by a First Nations woman who had grown up in Townsville.

CRUISE AND QUAYSIDE TERMINAL

2022-23 CRUISE SEASON

The year saw the return of cruise ships to Townsville following the Australian Cruise Ship Ban induced by the pandemic in 2020. Townsville was proud to welcome 12 vessels over 13 days (one coming in for an overnight stay due to a cyclone making its planned stop in Airlie Beach too dangerous), carrying a combined 7,281 passengers and 4,392 crew. The visits injected approximately \$2.3 million into business across Townsville and surrounding regions. The Port of Townsville is proud to host one of the warmest welcomes of any cruise destination in Australia, activating Quayside Terminal with market stalls, live music, a pop-up café, free WIFI and wildlife encounters.

CRUISE ATTRACTION

As work progresses on the Channel Upgrade project, the Port has begun engaging cruise lines and shipping agents about its readiness to warmly welcome mega liners up to 300 metres long from December 2024. A soft announcement was issued to cruise lines and agents via email in March and bookings for larger ships began to flow. On 1 April 2023, Carnival Australia announced the addition of Townsville to its cruise itineraries from January 2025 as part of its 90th birthday celebrations. The announcement garnered strong media coverage across Queensland and in trade media.

Enthusiasm for Townsville as a cruise destination was also stoked when Townsville hosted the Australian Cruise Association's Cruise Conference in September 2022. A record 150 delegates attended the three-day conference, with many people reporting they were pleasantly surprised by Townsville's natural beauty and everything the region has to offer.

As of June 2023, the Port has recorded cruise ship bookings for each season until 2026, including a total of seven mega liners booked in 2025 and 2026.

QUAYSIDE TERMINAL

The Port's Quayside Terminal is one of Townsville's larger event venues. Quayside Terminal was well utilised as an events venue throughout the financial year, playing host to 27 Port-run events such as media events, training, meeting and staff engagement activities, and 35 external events such as weddings, formals, galas and expos.

INDUSTRY INVESTMENT

As a major driver of economic growth in the region, the Port maintained its commitment to industry bodies and organisations that promote the advancement of North Queensland, including:

- Ports Australia (\$38,000)
- Townsville Enterprise (\$37,635)
- Dry Tropics Healthy Waterways Partnership (\$2,915)
- Mount Isa to Townsville Economic Development Zone (MITEZ) (\$15,000)
- Queensland Ports Association (\$9,000)
- Australian Cruise Association (\$4,000)
- Townsville Chamber of Commerce (\$1,500)
- PIANC Australia Inc (\$1,427)
- Security Providers Association (\$1,181)

PARTNERSHIPS, SPONSORSHIPS AND DONATIONS

- Maritime Museum of Townsville (\$50,000)
- Pimlico State High School Youth Response 2023 (\$6,450)
- Townsville Enterprise Limited's Mining and Resources Forum (\$4,000)
- Jersey sponsorship for two teams in the All Indigenous Vern Daisy Football Carnival (\$3,410)
- Pricey's Northern Lights Tour (\$3,000)
- Mount Isa to Townsville Economic Development Zone's (MITEZ) Vanadium Forum (\$2,500)
- Australian Cruise Association 2023 Conference, Morning Tea (\$2,500)
- Palliative Care Queensland's 2023 Gala Dinner (\$2,273)
- James Cook University Academic Prizes (\$1,800)

COMMUNITY FUND

The Port's \$50,000 Annual Community Fund supports eligible not-for-profit organisations and community groups to complete projects and initiatives that align with the Port's four key sustainability pillars: Planet, Community, People and Prosperity.

COMMUNITY FUND 2022

In 2022, 36 applications were received from across Townsville, Magnetic Island, Charters Towers, the Burdekin and Hinchinbrook. Reconciliation, conservation and community health and wellbeing were the presiding themes among successful applicants in 2022.

Recipients of the 2022 Community Fund paid in the 2022-23 financial year are:

- Coastal Dry Tropics Landcare (\$521)
- Townsville Outrigger Canoe Club (\$2,727)
- The Willows Primary School P&C (\$3,182)
- Survivors of Suicide Bereavement Association (\$2,068)
- Magnetic Island Network for Turtles (\$6,000)
- Dad's Group Townsville (\$2,727)
- Estates Soccer Club Inc (\$3,272)
- Mercy Community Services (\$4,600)
- ABIS Community Cooperation (\$3,272)
- Burdekin Trailer Yacht Club (\$749)
- Townsville Toy Library (\$3,000)
- 27th Lighthorse Regiment (\$2,500)

COMMUNITY FUND 2023

In 2023, 39 applications were received. The successful recipients tended to have projects that contribute towards creating more diverse and inclusive communities.

Recipients of the 2023 Community Fund paid in the 2022-23 financial year are:

- Umbrella Studio contemporary art (\$4,500)
- Story Dogs (\$3,574)
- Lucinda Progress Association (\$800)
- Lions Club of Cleveland Bay (\$1,352)

Other successful recipients will be paid in the 2023-24 financial year.

FORUMS & EVENTS

The Port attends and participates in forums and events each year, promoting and developing opportunities across trade and operations, environmental sustainability and community benefit. These included:

- Port Advisory Body
- Cargo Facilitation Working Group
- Planning and Environment Working Group
- Townsville Industry breakfasts
- Hydrogen forums
- Independent Technical Advisory Committee meetings
- Community Liaison Group
- Technical Advisory Consultative Committee Meeting for Maintenance Dredging
- Connect Townsville
- Australian Cruise Association Conference
- Local Marine Advisory Committee
- Queensland Ports Association
- Ports Australia meetings
- Dry Tropics Partnership for Healthy Waters Management Committee and Technical Working Group
- Dry Tropics NRM Regional Pest Management Group
- Lower Burdekin Wetland sub-committee meeting
- Herbert River Catchment Landcare Group meeting
- Townsville Enterprise Mining Forum
- AgGrow Emerald
- Rotary FNQ Field Days Mareeba
- Department of State Development Industry Breakfasts
- World Mining Congress
- MITEZ General Meetings
- North West MPX Mining Conference and Expo

The Port held one corporate event that cost more than \$5,000.

EVENT	DATE	TOTAL COST
Employee End of Year Function	3 December 2022	\$24,671

Participation in the End of Year Function increased by 54 per cent from the previous year and this is reflected in the catering spend. Participation growth can be attributed to a range of factors including return of confidence in attending social events following the pandemic, the on-boarding of a large number of new staff in the second half of the calendar year, moving the event from the Port's Quayside Terminal to an external venue due to shipping activity and increases to food and beverage costs as suppliers sought to recover losses incurred during the pandemic and from rising overheads.

COMMUNITY SERVICE OBLIGATIONS

No Community Service Obligation payments were received from the Government this financial year.

PEOPLE

Around the world, ports, governments, communities, and individuals are re-imagining the way we live, work and play.

2022-23 WORKFORCE OVERVIEW

The Port currently employs 162 people (145.75 full time equivalents as at 30 June 2023) across a wide range of disciplines (over 80 defined roles) including pilotage, engineering, planning, maintenance, marine services, governance and legal, customer relations, trade and property, strategy and sustainability and corporate and commercial services.

Male Employees (%)	62%
Female Employees (%)	38%
Average Age of Employees	51
Over 50 years (%)	57%
Women Grade 5 or above	29 (18%)
Women Working in Senior and Middle Management	28.5%
Female Representation on Board (%)	83%
Average length of service	7 years
% employees <5yrs	57%

In 2022-23, average employee turnover was 19 per cent. Each employee exit is reviewed and the three main reasons for leaving the Port were:

- Further career opportunity;
- Relocation with family; and
- Retirement.

Note - turnover percentage relates to employee-instigated terminations and does not include those employees whose termination occurred through performance management processes, end of fixed term contract engagements or casual employees.

The Port promotes attraction, retention, employee commitment and job satisfaction through the provision of an appropriate and stable organisational structure. This is supplemented by initiatives such as flexible work practices; generous leave offerings including above-award parental leave entitlements, Australian Defence Force Reservist leave and flexible annual leave provisions (ability to purchase and cash out leave); wellbeing initiatives such as corporate health memberships, employee assistance programs and Fitness Passport offerings; opportunities for professional development, including a calendar of short course and wellness offerings; and a supportive reward and recognition program.

EMPLOYEE RELATIONS FRAMEWORK

The Port's employee relations framework includes but is not limited to:

- an Employment and Industrial Relations Plan;
- Enterprise agreements;
- a formal employee induction program;
- succession planning for key executive positions; and
- an employee Performance Appraisal and Development Planning cycle and Professional Development Procedure.

REMUNERATION

In lieu of a remuneration policy, the Port adopts the various remuneration directives issued by the Queensland Government. These directives include the *Queensland Government Policy for GOC Chief and Senior Executive Employment Arrangements*, *GOC Wages and Industrial Relations Policy* and the *Queensland Government Remuneration Procedures for Part-Time Chairs and Members of Queensland Government Bodies*. The Port has adopted this approach due to the complex nature in which Directors, senior executives, contract employees and enterprise agreement employees are remunerated and the close involvement of shareholding Ministers in matters relating to remuneration.

REMUNERATION ARRANGEMENTS FOR DIRECTORS

Remuneration for Directors is determined by the Queensland Government. All remuneration of Directors including Director's fees and Board Committee fees is determined by Governor in Council. Details of the remuneration paid to Directors are contained in the Notes to the Financial Statements on page 68. Directors do not receive performance-related payments.

APPOINTMENTS AND REMUNERATION OF CHIEF EXECUTIVE OFFICER AND SENIOR EXECUTIVES

The Chief Executive Officer and Senior Executives are appointed by the Board in accordance with the *Government Owned Corporations Act 1993*. The appointment of Senior Executive positions must follow the processes set out in the relevant Queensland Government policies and advice provided to shareholding Ministers of the details of the appointments.

Remuneration arrangements for the Chief Executive Officer and Senior Executives are made in accordance with the *Queensland Government Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements*. Pursuant to this policy, remuneration for the Chief Executive Officer and Senior Executives is determined by the Board, and advised to shareholding Ministers within one month of any variation that is made to remuneration arrangements. The fixed remuneration on appointment and future increases in Chief Executive Officer and Senior Executive remuneration are within a remuneration range made and approved by the Board.

The Chief Executive Officer and Senior Executives are eligible for a performance payment based on achievement of specific corporate, business unit and individual performance objectives, standards, and achievements. The performance payment is contingent upon Board assessment of the Port's performance and is in line with Government requirements. The maximum performance payment is 15% of the total fixed remuneration.

Details of the remuneration paid to the Chief Executive Officer and Senior Executives, including performance payments, are contained in the Notes to the Financial Statements on page 69.

INDIVIDUAL CONTRACT EMPLOYEES

Employees in management positions or senior and/or specialised technical or professional positions may be employed under an individual contract that outlines the terms and conditions of their employment with the Port. In this instance, an individual's remuneration is determined on appropriate market competitiveness and having regard to the accountabilities and responsibilities of the position they hold, which is assessed by an independent third party. There are currently no performance payments available to employees on individual contracts outside the Chief Executive Officer and Senior Executives.

ENTERPRISE AGREEMENT EMPLOYEES

Those employees not covered by the arrangements outlined above are employed under an Enterprise Agreement that outlines the wages and wage related matters, including classification structure, progression and salary increases for each employment covered by a particular Enterprise Agreement. The Port's Enterprise Agreements are made in line with the Queensland Government *GOC Wages and Industrial Relations Policy*. There are currently no performance payments available to employees employed under an Enterprise Agreement.

REMUNERATION REVIEW AND OVERSIGHT

The Port's Sustainability Committee provides monitoring and oversight of chief executive, senior executive and employee remuneration. The Port has adopted this approach as the Sustainability Committee provides monitoring and oversight on employee relations and employee performance more broadly, which also includes remuneration. The Sustainability Committee is comprised of three Directors which may make recommendations to the Board for consideration and approval on remuneration matters. The composition of the Sustainability Committee is outlined on page 28.

TRAINING AND PROFESSIONAL DEVELOPMENT

The Port is proactive in encouraging and assisting employees in undertaking professional development and the Learning and Development Policy and associated procedures are updated to reflect this commitment, providing clear guidelines on the development opportunities available to employees. In addition to individual applications for personal professional development, the Port has established an annual training calendar comprising a range of short courses and wellness initiatives that employees may enrol in. Additionally, the Port continues to offer employees the opportunity to become Mental Health First Aid Accredited Officers, having recently completed a third intake for this program.

The Port has introduced an Entry Pathway Program, with the establishment of two graduate and one traineeship opportunities in the 2022-23 financial year. The Port will continue building on this program with regular intakes in future years. The Port also facilitated three internships and five work experience opportunities for students from local universities and high schools throughout the year.

The Port has a succession plan for senior leadership positions to ensure a continuity of leadership both in the short and long term. It reflects the conscious decision by the Port to foster and promote the continual development of employees. The succession planning process aims to identify employees with the potential for future advancement and the competencies to be developed in readiness for future leadership opportunities within the Port.

The Port is developing its Leadership Framework to support leaders at varying levels within the organisation to further their skills. The Leadership Program will provide a range of training opportunities to employees in areas such as soft skill development, coaching and mentoring, safety leadership and fostering an inclusive culture.

DIVERSITY, EQUITY AND INCLUSION

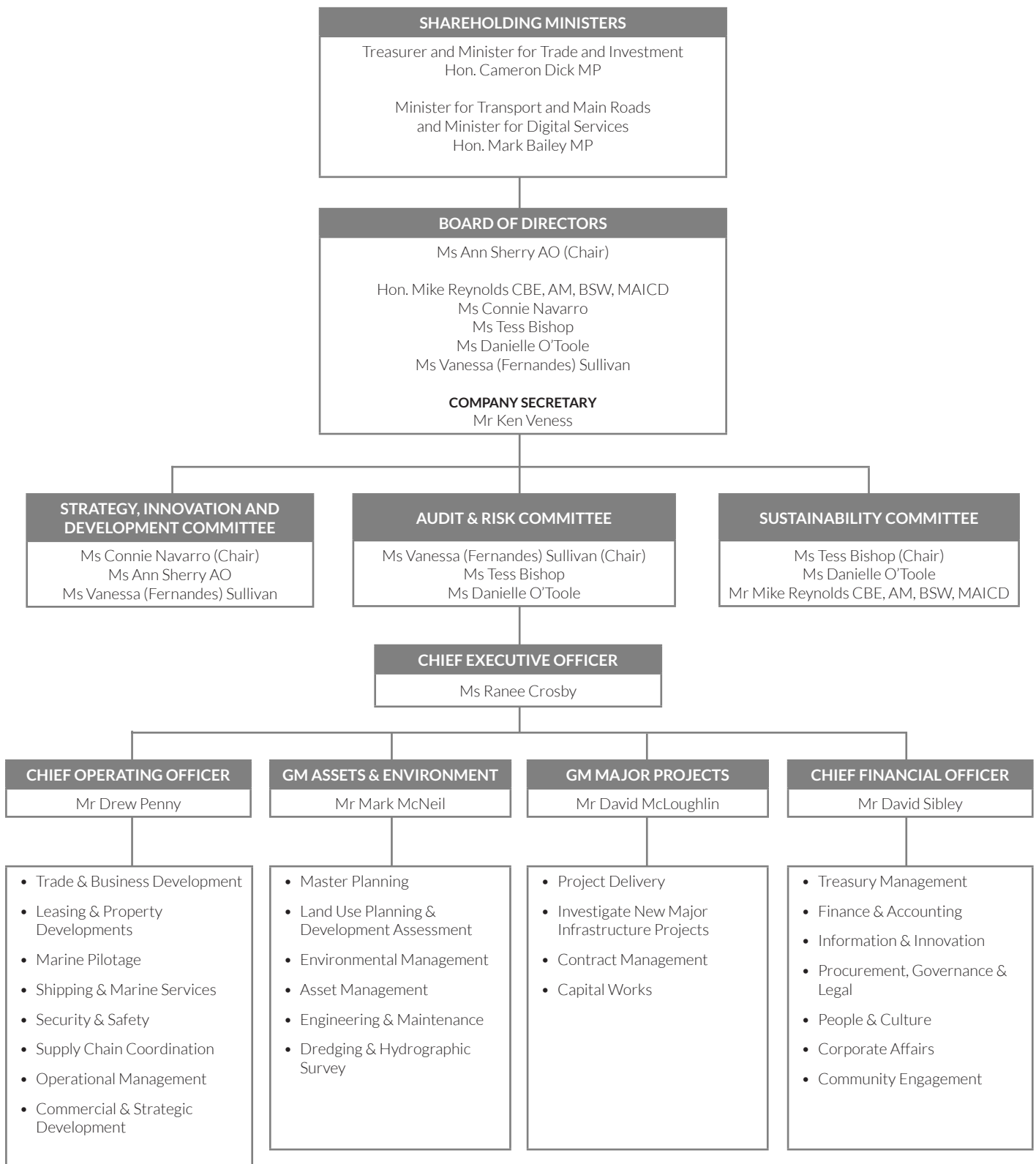
The Port has recently updated its Diversity, Equity and Inclusion Policy and developed a Diversity, Equity and Inclusion Plan, which aims to develop a diverse workforce that represents and reflects the diverse views, experiences and backgrounds of the people of Queensland.

The strategy actively progresses equity and diversity in employment for diversity target groups, demonstrates there are equal conditions of employment and equality in access to employment opportunities and leadership roles, fosters a respectful and inclusive workplace culture in which all employees feel safe, valued, accepted, and supported at work and where employees can participate equally, and creates a workplace free from unlawful discrimination. The Port also has an Anti-discrimination, Bullying and Harassment Standard which prohibits unlawful discrimination, bullying and all types of harassment.

In May 2023, the Port commenced regular mandatory training for all employees on Diversity Awareness, including Cultural Awareness, and all new employees will be trained in this during their corporate induction period. Anti-discrimination, bullying and harassment training is also part of the Port's mandatory training requirements and is conducted annually, as well as being included in our corporate induction training requirements for all new employees. Any reported breaches of the Port's Diversity, Equity and Inclusion Policy or Anti-discrimination, Bullying and Harassment Standard are investigated promptly, and any person found to be in breach of the policy may be subject to disciplinary action in accordance with the Port's Disciplinary Standard. The Port has also trained Contact Officers engaged at the Port.

Under section 148 of the GOC Act, the Port is a relevant agency for the *Public Sector Act 2022* (Qld) (PS Act), Chapter 2. In accordance with Chapter 2, Part 2 of the PS Act, we must develop and annually review an equity and diversity plan and conduct annual audit and reporting against the plan.

GOVERNANCE



BOARD OF DIRECTORS

The Port's Board of Directors is comprised of six non-executive Directors as at 30 June 2023 who were appointed by the Governor in Council in accordance with the GOC Act. Directors' names and tenure details during the 2022-23 financial year are shown below:

Name	Position	Initial appointment	Last re-appointed	Appointment expiry
Ms Ann Sherry AO	Chairperson	1 October 2021		30 September 2025
Hon. Mike Reynolds CBE, AM, BSW, MAICD	Director	16 December 2016	1 October 2019	30 September 2023
Ms Connie Navarro	Director	1 October 2020		30 September 2023
Ms Tess Bishop	Director	1 October 2021		Resigned 30 June 2023
Ms Danielle O'Toole	Director	1 October 2021		31 May 2024
Ms Vanessa (Fernandes) Sullivan	Director	13 October 2022		30 September 2025

The Port'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 for the reporting period are located on page 68 of this 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 the Port's best interests. Disclosure of interests is further dealt with in the Disclosure of Interests Policy found on website at <https://www.townsville-port.com.au/corporate/governance/>

Ms Ann Sherry AO **Chairperson** **Appointed 1 October 2021**

Ann is one of Australia's leading business executives with a career that spans Government, Banking and Cruise Tourism. She is an active philanthropist with a passion for improving opportunities and removing barriers for women in STEM and sport and supporting opportunities for Indigenous Australians.

Ann is the Chair of UNICEF Australia, Eneo Group and Queensland Airports Limited. She is also the Chancellor of Queensland University of Technology and a Non-executive Director of National Australia Bank.

Beginning her working life as a Radiographer, Ann became First Assistant Secretary of the Office of the Status of Women in Canberra before moving to the banking sector initially in HR roles, then in CEO roles with Westpac NZ, the Bank of Melbourne and most recently with Carnival Australia.

The Australian Government awarded Ann the Centenary Medal in 2001 and in 2004 she was awarded an Order of Australia. In 2015 Ann was named as the overall winner of the Australian Financial Review 100 Women of Influence Award.

Hon. Mike Reynolds CBE, AM, BSW, MAICD **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 (2009-2023). Mike is a non-executive Director with North and West Remote Health (2012 to 2023).

In 1985, Mike was awarded Membership of the Order of Australia (AM) for his service to Local Government and the Townsville community. In 2018, Mike was awarded a Commander of the British Empire (CBE) for promoting relations between Queensland and Papua New Guinea, including as Mayor of Townsville and as Patron of YWAM Medical Ships Program.

Ms Connie Navarro
Non-Executive Director
Appointed 1 October 2020

Connie is a legal practitioner with 20 years' experience in the legal industry. Connie is a born and bred North Queenslander and an advocate for rural and regional development.

Connie is the Director of Connie Navarro Legal.

With extensive experience and expertise in the areas of commercial, property and business law, Connie has a particular focus on agribusiness, mining, energy and resources, infrastructure and major projects.

Connie holds a Bachelor of Economics – Bachelor of Laws (Hons) from James Cook University and is admitted in the High Court of Australia, Supreme Court of Queensland and Supreme Court of Northern Territory.

Ms Tess Bishop
Non-Executive Director
Appointed 1 October 2021 (Resigned 30 June 2023)

Tess Bishop has had an extensive senior leadership career within the public service, at both a State and Federal government level. This includes as Deputy Director-General, Strategy and Engagement, in the Department of the Premier and Cabinet Queensland, and Deputy Secretary of the Priorities and Delivery Unit for Prime Minister and Cabinet. She was also Head of the South East Queensland City Deal for the Federal Department of Infrastructure, Transport, Regional Development and Communications.

Her career in government is complemented by practice in the private sector including her work with KPMG Europe, where she forged strategic relationships with business and industry stakeholders, and in her current role as Managing Director of TLB Advisory Pty Ltd.

Tess holds a Master of International Relations, a Graduate Certificate in Business Management and a Bachelor of Arts majoring in political science and public policy. Experienced in community and stakeholder engagement, Tess is a member of IAP2 Australasia and is a graduate of the AICD Company Board of Directors program.

Tess has been a member of the Board of Screen Queensland, the Queensland Chapter of the Australian Institute of International Affairs and is currently on the Board of the Pathways to Resilience Trust.

Ms Danielle O'Toole
Non-Executive Director
Appointed 1 October 2021

Danielle is a civil geotechnical engineer with over 30 years' experience in the development and delivery of a wide range of multi-disciplined civil, mining and environmental infrastructure projects.

Danielle holds a Bachelor of Engineering (Civil) and Master of Science in Engineering from the University of Queensland, is a Fellow of Institute of Engineers Australia and a Registered Professional Engineer of Queensland. She is also a professional member of the Australian Institute of Mining and Metallurgy and is a Technical Director at SLR Consulting – a global environmental and advisory solutions firm.

While Danielle is a proud Queenslander and has called Townsville home with her family since 2013, she has had the opportunity to live and work in multiple locations throughout Africa, as well as closer to home in Western Australia. This international career journey has seen Danielle become a specialist in mine waste engineering, as well as a recognised and respected dam engineer.

Ms Vanessa (Fernandes) Sullivan
BEC(Hons), GradDip(AppFin), GAICD
Non-Executive Director
Appointed 13 October 2022

Vanessa is an experienced Board member for large corporations, driving market based ESG outcomes in energy, emission reduction and new industry developments such as low emission hydrogen and environmental credits.

Vanessa's Board and executive experience demonstrate strong financial, commercial and strategic skills including both corporate and government experience in regulated and competitive markets.

Vanessa currently holds Non-Executive Director roles with ASX-listed AGL Energy and privately owned biodiversity and cultural heritage advisor Niche Environment and Heritage.

Other roles include Non-Executive Director with EcoMarkets Australia, a recently established environmental regulator supporting the commercial framework to Reef Credits, which support a commercial framework to protect the Great Barrier Reef. Vanessa is also the energy transition and water expert for the State Government Hydrogen Taskforce.

Vanessa works in a number of bono roles including Advisory board of Centare, a disability and domestic violence support provider in South-East Queensland and a Griffith University business school advisory board.

BOARD COMMITTEES

The Port has three Board Committees that report to the Board, namely:

1. Audit and Risk Committee

Effective 1 January 2023

Chair – Ms Vanessa (Fernandes) Sullivan

Members – Ms Danielle O'Toole and Ms Tess Bishop

Effective from 1 July 2022 to 31 December 2022

Chair – Ms Connie Navarro

Members – Ms Tess Bishop and Hon. Mike Reynolds CBE, AM, BSW, MAICD

The primary objective of the Audit and Risk Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in respect to the quality and integrity of financial reporting, the performance of the external audit, effectiveness and objectivity of the internal audit plan, and oversight of the internal control system for financial reporting, accounting records, business risks and compliance activities.

2. Sustainability Committee

Effective 1 January 2023

Chair – Ms Tess Bishop

Members – Ms Danielle O'Toole and Hon Mike Reynolds CBE, AM, BSW, MAICD

Effective 1 July 2022 – 31 December 2022

Chair – Hon Mike Reynolds CBE, AM

Members – Ms Danielle O'Toole and Ms Tess Bishop

The primary objective of the Sustainability Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities for sustainability and ensuring frameworks, policies, practices and targets are aligned with the Port's goal of being a sustainable organisation for the long-term. This encompasses governance of board and executive functions, people and culture, safety and security, environment, community engagement and social responsibility.

3. Strategy, Innovation and Development Committee

Effective 1 January 2023

Chair – Ms Connie Navarro

Members – Ms Ann Sherry AO and Ms Vanessa (Fernandes) Sullivan

Effective 1 July 2022 – 31 December 2022

Chair – Mr Brad Webb

Members – Ms Ann Sherry AO and Ms Danielle O'Toole

The primary objective of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities by reviewing and providing advice in respect to the Port's strategy, innovation and development frameworks.

The qualifications of Directors on each Board Committee are detailed on page 28-29 of this report. Board Committee Charters can be viewed on the Port's website at www.townsville-port.com.au/corporate/governance

DIRECTOR ATTENDANCE

Director attendance at Board and Board Committee meetings during the reporting period is outlined in the table below:

Director	Board Meetings		Audit & Risk Committee		Sustainability Committee		Strategy, Innovation & Development Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Ms Ann Sherry AO	11	11	N/A	N/A	N/A	N/A	4	4
Ms Connie Navarro	11	11	2	2	N/A	N/A	3	3
Ms Danielle O'Toole	11	10	2	2	2	2	1	1
Hon. Mike Reynolds CBE, AM, BSW, MAICD	11	8	2	1	2	1	N/A	N/A
Ms Tess Bishop	11	7	4	4	2	2	N/A	N/A
Ms Vanessa (Fernandes) Sullivan (appointed 13/10/22)	8	8	2	2	N/A	N/A	3	3

BOARD EVALUATIONS

A performance evaluation of the Chief Executive Officer and senior executives occurred during the financial year. The performance evaluation was conducted in accordance with the Queensland Government *Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements* and key performance criteria approved by the Board.

The Port has in place a corporate governance framework which provides for regular Board evaluations in accordance with the Port's Performance Review Framework.

This review process enables the Board to review individual and whole-of-board performance against duties and responsibilities with a view of focusing on key performance objectives and identifying areas for improvement.

The Chairperson also continuously monitors the performance of individual Directors, the Board and Board sub-committees. The evaluation process focuses on:

- individual Director and collective Board knowledge, experience, and performance;
- whether governance and compliance obligations are understood and are being met;
- how well the key indicators and reporting processes have helped the Board in its monitoring role;
- the quality and effectiveness of Board and management relationships; and
- Board processes and efficiency.

The Board may from time to time seek an independent appraisal of its performance if it is deemed an independent review would facilitate a more effective evaluation process.

DIRECTOR INDEPENDENCE

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.

The Board has also adopted an Insider Trading Policy which ensures that Directors, senior executives, and employees do not use inside information acquired through their position in the Port to deal in securities or gain a personal benefit. This includes trading through a family member or through a trust or company over which a director, senior executive, or employee has influence and control.

Directors are required to disclose any direct or indirect interest they have at the commencement of their appointment as a director by submitting a Statement of Interests Form to the Chairperson or Chief Executive Officer as appropriate.

In accordance with the requirements of the *Corporations Act 2001* (Cth), if a Director has a direct or indirect interest in a matter being considered, or about to be considered by the Board, the Director is also required to disclose the nature of the interest to the Board as soon as practicable after the relevant facts come to the Director's knowledge.

The Board also regularly assesses the ongoing independence of each Director and the Board generally to ensure they continue to exercise unfettered and independent judgment. This ensures

the interests of the shareholding Ministers, and the public are properly protected and that individual vested interests do not have the opportunity to influence decision-making against the interests of the Corporation as a whole.

The assessment of the independence of a Director, including materiality thresholds, is a matter for the Board to determine on a case-by-case basis from the perspective of both the Port and the relevant Director, having regard to the Director's individual circumstances. The Board has arrangements in place for determining materiality thresholds and for assessing a Director's independence in light of interests disclosed by them.

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 the Corporation's best interests.

On this basis, all members of the Board are considered to be independent.

Disclosure at a meeting of the Board is further dealt with in the Port's Disclosure of Interests Policy found under the Corporate Governance section of the Port's website at www.townsville-port.com.au/corporate/right-to-information

INDEPENDENCE ADVICE

Directors are permitted, after discussion with the Chairperson and Chief Executive Officer, to obtain independent professional advice at the Port's expense should they have concerns in relation to a particular issue being considered by the Board. Such advice, once obtained, is made available to all other Directors.

SHAREHOLDERS

The Board is responsible to the Port's two shareholding Ministers, the Honourable Cameron Dick MP (Treasurer and Minister for Trade and Investment), and the Honourable Mark Bailey MP (Minister for Transport and Main Roads and Minister for Digital Services).

The Port 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 and annual basis so the Port's performance against agreed targets can be monitored. Moreover, the annual reports are published so the Port's performance can be communicated to other stakeholders. This annual report provides an overview of the Port's performance against its SCI for the 2022-23 reporting period.

SHAREHOLDING MINISTERS

The Port's shareholding Ministers are identified as Key Management Personnel (KMP). All Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. 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 are 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.

The Port's shareholding Ministers are identified as part of the Port's key management personnel. For the 2022-23 reporting period, these Ministers are, or were:

- the Honourable Cameron Dick MP, Treasurer and Minister for Trade and Investment
- the Honourable Mark Bailey MP, Minister for Transport and Main Roads and Minister for Digital Services

DIVIDEND POLICY

The GOC Act requires the Board to recommend the payment of a dividend. The Port's dividend policy considers the return its shareholders expect on their investment.

Provision is 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% (2022: 100%) of net profit after tax, excluding the effects of asset revaluations. The final dividend amounts to \$15,678,676 (2022: \$0 - Dividend Retained).

RISK MANAGEMENT

The Port has an integrated Risk Management Framework consistent with AS ISO 31000:2018. The framework has been communicated to all employees and is displayed on the Port's intranet for easy accessibility.

The Audit and Risk Committee monitors and provides oversight on the integrity and effectiveness of the Port's internal control structure for the management of risk. Management regularly report to the Audit and Risk Committee on risk management, and all material business risks are reviewed and monitored by the Board. The Audit and Risk Committee also provide assurance to the Board on any significant risk areas, as required.

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

Internal auditors are contracted to carry out the Port's internal audit function. During the reporting period, audits were conducted by internal auditors in respect fraud management and prevention, delegations, budgeting, cyber security and the Channel Upgrade project. All opportunities for improvement identified from these audits are currently being addressed to improve operational business and major project delivery practices. The Audit and Risk Committee provide monitoring and oversight on the implementation of all internal audit recommendations and action items.

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

The Port maintained external certification of its integrated management system during the reporting period, which includes Quality (ISO 9001:2015), Information Security (ISO 27001:2013), Occupational Health and Safety (ISO 45001:2018) and Environment (ISO 14001:2015).

PUBLIC INTEREST DISCLOSURES

The Port has a Public Interest Disclosure (Whistleblowers) Policy, which sets out mechanisms for reporting, investigating, and providing protection in regard to public interest disclosures. This policy is available on the website at <https://www.townsville-port.com.au/corporate/governance/>. The Port did not receive any actual or purported public interest disclosures during the reporting period.

PRIVACY

The Port has implemented a Privacy Plan consistent with the 11 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. A copy of the Plan is also available on the website at <https://www.townsville-port.com.au/corporate/governance/>. The Port 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, the Port has a publication scheme on its website which makes a number of the Port's internal policies and procedures publicly available. This information is located on the Port's website at <https://www.townsville-port.com.au/corporate/right-to-information/>.

The Port did not receive or process any Right to Information or Information Privacy applications during the reporting period.

OVERSEAS TRAVEL

No overseas travel was undertaken by Directors, Executives or staff of the Port during the 2022-23 financial year.

SUMMARY OF DIRECTIONS AND NOTIFICATIONS

As per s120 (1) (e) of the *Government Owned Corporations Act*, the GOCs are to: *include particulars of any directions and notifications given to the GOC's board by the shareholding Ministers that relate to the relevant financial year.*

During financial year 2022-23 Port of Townsville were given the following directions and notifications:

Notifications

- DEPW –Expansion of the Ethical Supplier Mandate (ESM) to Government Owned Corporations, Statutory Bodies (including water bodies) and their subsidiaries as detailed in the government gazette on 24 March 2023 taking effect from 31 March 2023

Directions

- No directions were issued to Port of Townsville during the financial year 2022-23.

ANNUAL FINANCIAL STATEMENTS

PORT OF TOWNSVILLE LIMITED

ACN 130 077 673

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2023

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Directors' Report

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

The Directors present their report together with the financial statements of Port of Townsville Limited (the Port) for the year ended 30 June 2023 and the auditor's report thereon.

DIRECTORS

The names and details of the Directors of the Port in office during the financial year and up to the date of this report are as follows:

Ms Ann Sherry AO (Chair)	Hon. Mike Reynolds CBE, AM, BSW, MAICD
Ms Connie Navarro	Ms Tess Bishop (Resigned 30 June 2023)
Ms Danielle O'Toole	Ms Vanessa (Fernandes) Sullivan (Appointed 13 October 2022)

PRINCIPAL ACTIVITIES

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

The Port'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 the Port's other functions, or likely to enhance the usage of its ports;
- perform any other functions and exercise any other powers conferred on the Port under the Transport Infrastructure Act 1994 (Qld), the Government Owned Corporations Act 1993 (Qld) and Regulations or another Act or under the Port'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

A continued focus on revenue diversification and cost management delivered profit from continuing operations before income tax expense at \$24.55 million (2022: \$24.07 million). The Port's operating result for the year after income tax increased slightly at \$17.55 million, increasing by 0.33% on the previous year (2022: \$17.50 million). Total trade throughput for the year decreased by 5.90% on the previous year to 6.81 million tonnes (2022: 7.24 million tonnes). Trade remains down slightly from pre-pandemic levels as the Port and its customers continue to be challenged by shipping industry delays, global geopolitical pressures and market changes.

The \$251 million Townsville Channel Upgrade Project is progressing well with work focused on channel widening and constructing the 62ha reclamation area. To the end of June 2023, more than 2 million cubic metres of dredge material had been removed from the channel since widening began on 15 March, 2022, accounting for 63 per cent of the total dredge volume. Widening of the channels to cater for larger ships will ensure North Queensland remains a competitive trade gateway for imports and exports and will also enable Townsville to attract larger cruise ships to support growth of the local tourism industry. The project is being funded by the Port (\$71 million), the Queensland Government (\$105 million) and the Federal Government (\$75 million). It is expected that access for larger ships can be expected within one year and full project completion by 2024.

The Port maintained external certification of its Integrated Business Management Systems for the Ports of Townsville and Lucinda to international standards (Environment AS/NZS ISO14001:2015, Safety OHSAS 18001:2007 and AS4801:2001, Quality ISO9001:2015 and Information Security ISO/IEC 27001:2013).

Below is a summary of the Port's underlying ratios over the past 2 years:

		2023	2022
Return on Assets	Net Profit After Tax / Total End of Year Assets	1.86%	2.06%
Return on Equity	Net Profit After Tax / Total End of Year Equity	2.50%	2.74%
Interest Cover Ratio	Earnings Before Interest and Tax / Total Finance costs (inclusive of capitalised costs)	7.19	6.68
Debt to Equity	Total Debt / Total Equity	0.14	0.16

DIVIDENDS

Directors recommend payment of a final dividend of 100% of adjusted profits (2022: 100% was recommended by the Board, however shareholding Ministers approved retention to contribute towards major capital projects). The final dividend amounts to \$15,678,676 (2022: \$0, Dividend Retained).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

Directors' Report

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

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

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

ENVIRONMENTAL REGULATION

The Port'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 the Port's operations.

As a priority port in Queensland, Port of Townsville has been master planned to ensure sustainable development while protecting the Great Barrier Reef. The Master Plan overlay (implementation framework) and took effect from 1 February 2021. The port overlay operates alongside existing planning instruments and only regulates development in the master planned area if additional requirements are necessary to implement the Master Plan. The Port has commenced its Land Use Plan updates to formally incorporate the Master Plan into these statutory plans.

All environmental performance obligations are reviewed as part of the certified Environmental Management System (EMS) and under the Port's risk and compliance framework are reported to the Audit & Risk 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.

Following the detection of Per- and Poly-fluoroalkyl Substances (PFAS) in voluntary groundwater monitoring undertaken around the Port of Townsville in April 2018, a preliminary investigation was completed. This was undertaken with the assistance of a specialist consultant (GHD) and Queensland government departments to understand the nature and extent of PFAS both within the port and beyond the port boundary. Results to date indicate a very low risk to local residents or workers at the Port, and results from this investigation were released in July 2018 and are available on the Port's website.

Since the Preliminary Investigation, the Port has undertaken extensive PFAS testing and reengaged GHD to complete a Targeted Site Investigation (TSI). The latest data indicates concentrations have remained largely consistent in that time. PFAS concentrations measured in the wider marine environment of Ross River, Ross Creek and Cleveland Bay sediment have also been low, suggesting low risk to human health and the environment. A summary of the Targeted Site Investigation in 2020 is available on the Port's website.

It is noted that sustainability and ESG reporting frameworks are changing and that the Port is engaging with the Queensland Government on a consistent reporting approach in line with national and international standards for future reporting.

The Port is not aware of any other matter that requires disclosure regarding any significant environmental regulation in respect to its operating activities in the past year.

INFORMATION ON DIRECTORS

The following information is current at the date of this report.

Ms Ann Sherry AO, Non-Executive Chair

Appointment 1 October 2021, Term of Office - to 30 September 2025

EXPERIENCE AND EXPERTISE

Ann is one of Australia's leading business executives with a career that spans Government, Banking and Cruise Tourism. She is an active philanthropist with a passion for improving opportunities and removing barriers for women in STEM and sport, and supporting opportunities for Indigenous Australians.



Ann is the Chair of UNICEF Australia, Eneo Group, the Port of Townsville and Queensland Airports Limited. She is also the Chancellor of Queensland University of Technology and a Non-executive Director of National Australia Bank.

Beginning her working life as a Radiographer, Ann became First Assistant Secretary of the Office of the Status of Women in Canberra before moving to the banking sector initially in HR roles, then in CEO roles with Westpac NZ, the Bank of Melbourne and most recently with Carnival Australia.

The Australian Government awarded Ann the Centenary Medal in 2001 and in 2004 she was awarded an Order of Australia. In 2015 Ann was named as the overall winner of the Australian Financial Review 100 Women of Influence Award.

SPECIAL RESPONSIBILITIES

Chair of the Board

Member of the Strategy, Innovation and Development Committee

Directors' Report

for the year ended 30 June 2023

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Hon. Mike Reynolds CBE, AM, BSW, MAICD Non-executive director

Appointed 16 December 2016, Term of Office - to 30 September 2023

EXPERIENCE AND EXPERTISE

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 (2009-2023). Mike is a non-executive Director with North and West Remote Health (2012 to 2023).

In 1985, Mike was awarded Membership of the Order of Australia (AM) for his service to Local Government and the Townsville community. In 2018, Mike was awarded a Commander of the British Empire (CBE) for promoting relations between Queensland and Papua New Guinea, including as Mayor of Townsville and as Patron of YWAM Medical Ships Program.

SPECIAL RESPONSIBILITIES

Member of the Sustainability Committee

Ms Connie Navarro, Non-executive director

Appointed 1 October 2020, Term of Office - to 30 September 2023

EXPERIENCE AND EXPERTISE

Connie is a legal practitioner with 20 years' experience in the legal industry. Connie is a born and bred North Queenslander and an advocate for rural and regional development.

Connie is the Director of Connie Navarro Legal.

With extensive experience and expertise in the areas of commercial, property and business law, Connie has a particular focus on agribusiness, mining, energy and resources, infrastructure and major projects.

Connie holds a Bachelor of Economics – Bachelor of Laws (Hons) from James Cook University and is admitted in the High Court of Australia, Supreme Court of Queensland and Supreme Court of Northern Territory.

SPECIAL RESPONSIBILITIES

Chair of the Strategy, Innovation and Development Committee

Chair of the Audit and Risk Committee, from 1 July 2022 to 13 October 2022

Ms Tess Bishop, Non-executive director

Appointed 1 October 2021, Resigned - to 30 June 2023

EXPERIENCE AND EXPERTISE

Tess Bishop has had an extensive senior leadership career within the public service, at both a State and Federal government level. This includes as Deputy Director-General, Strategy and Engagement, in the Department of the Premier and Cabinet Queensland, and Deputy Secretary of the Priorities and Delivery Unit for Prime Minister and Cabinet. She was also Head of the South East Queensland City Deal for the Federal Department of Infrastructure, Transport, Regional Development and Communications.

Her career in government is complemented by practice in the private sector including her work with KPMG Europe, where she forged strategic relationships with business and industry stakeholders, and in her current role as Managing Director of TLB Advisory Pty Ltd.

Tess holds a Master of International Relations, a Graduate Certificate in Business Management and a Bachelor of Arts majoring in political science and public policy. Experienced in community and stakeholder engagement, Tess is a member of IAP2 Australasia and is a graduate of the AICD Company Board of Directors program.

Tess has been a member of the Board of Screen Queensland, the Queensland Chapter of the Australian Institute of International Affairs and is currently on the Board of the Pathways to Resilience Trust.

SPECIAL RESPONSIBILITIES

Chair of the Sustainability Committee

Member of the Audit and Risk Committee



Directors' Report

for the year ended 30 June 2023

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Ms Danielle O'Toole, Non-executive director

Appointed 1 October 2021, Term of Office - to 31 May 2024

EXPERIENCE AND EXPERTISE

Danielle is a civil geotechnical engineer with over 30 years' experience in the development and delivery of a wide range of multi-disciplined civil, mining and environmental infrastructure projects.



Danielle holds a Bachelor of Engineering (Civil) and Master of Science in Engineering from the University of Queensland, is a Fellow of Institute of Engineers Australia and a Registered Professional Engineer of Queensland. She is also a professional member of the Australian Institute of Mining and Metallurgy and is a Technical Director at SLR Consulting – a global environmental and advisory solutions firm.

While Danielle is a proud Queenslander, and has called Townsville home with her family since 2013, she has had the opportunity to live and work in multiple locations throughout Africa, as well as closer to home in Western Australia. This international career journey has seen Danielle become a specialist in mine waste engineering, as well as a recognised and respected dams engineer.

SPECIAL RESPONSIBILITIES

Member of the Audit and Risk Committee

Member of the Sustainability Committee

Ms Vanessa (Fernandes) Sullivan, Non-executive director

Appointed 13 October 2022, Term of Office - to 30 September 2025

EXPERIENCE AND EXPERTISE

Vanessa is an experienced Board member for large corporations, driving market based ESG outcomes in energy, emission reduction and new industry developments such as low emission hydrogen and environmental credits.



Vanessa's Board and executive experience demonstrate strong financial, commercial and strategic skills including both corporate and government experience in regulated and competitive markets.

Vanessa currently holds Non-Executive Director roles with ASX-listed AGL Energy and privately owned biodiversity and cultural heritage advisor Niche Environment and Heritage.

Other roles include Non-Executive Director with EcoMarkets Australia, a recently established environmental regulator supporting the commercial framework to Reef Credits, which support a commercial framework to protect the Great Barrier Reef. Vanessa is also the energy transition and water expert for the State Government Hydrogen Taskforce.

Vanessa works in a number of bono roles including Advisory board of Centare, a disability and domestic violence support provider in South East Queensland and a Griffith University business school advisory board.

SPECIAL RESPONSIBILITIES

Chair of the Audit and Risk Committee, from 13 October 2022

Member of the Strategy, Innovation and Development Committee

COMPANY SECRETARY

Mr David Sibley

David was appointed as Company Secretary in January 2016 after being employed with the Port for more than ten 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 is the Chief Financial Officer at the Port.

David holds a Bachelor of Commerce from James Cook University and is a Certified Practicing Accountant with Fellow Status.

Directors' Report

for the year ended 30 June 2023

Port of Townsville Limited
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Mr Ken Veness

Ken was appointed as Company Secretary in October 2021. Ken commenced his local government leadership career after nineteen years working within the metals distribution industry in senior business and operational management roles. Having now been a senior leader in local government in many areas over 12 years, he has recently held senior leadership roles within procurement.

Ken has managed and led operational departments and locations within the metals distribution industry and more recently in local government.

Examples of leadership roles in local government include: leading finance departments, landscaping and management of open space, policy and strategy development and more recently procurement.

Ken has completed a Bachelor of Commerce degree and a number of Diploma's including: Horticulture, Local Government Administration and Procurement.

MEETINGS OF DIRECTORS

The number of meetings of the Port's Board of Directors and of each Board Committee held during the year ended 30 June 2023, and the number of meetings attended by each Director were:

Director	Board Meetings		Audit & Risk Committee		Sustainability		Strategy, Innovation & Development	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Ms Ann Sherry AO	11	11	N/A	N/A	N/A	N/A	2	2
Hon. Mike Reynolds CBE, AM, BSW, MAICD	11	8	2	1	2	1	N/A	N/A
Ms Connie Navaro	11	11	2	2	N/A	N/A	3	3
Ms Tess Bishop	11	7	4	4	2	2	N/A	N/A
Ms Danielle O'Toole	11	10	2	2	2	2	1	1
Ms Vanessa (Fernandes) Sullivan	8	8	2	2	N/A	N/A	3	3

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 the Port, directly or indirectly, including any director (whether executive or otherwise) of the Port.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year, a policy was held to insure all Directors and Officers of the Port 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.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Port has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Port has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

DIRECTORS' SHAREHOLDING

No Directors held any beneficial interest in the shares of the Port. 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 the Port, or to intervene in any proceedings to which the Port 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 the Port with leave of the Court under section 237 of the *Corporations Act 2001* (Cth).

Directors' Report

for the year ended 30 June 2023

Port of Townsville Limited
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AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out over the page.

ROUNDING OF AMOUNTS

The Port 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 Director's Report is signed in accordance with a resolution of the Directors.

This report is made in accordance with a resolution of Directors on 21 August 2023.



Ms Ann Sherry AO
Chair
29 August 2023



Ms Vanessa (Fernandes) Sullivan
Director
29 August 2023

Auditor's Independence Declaration

for the year ended 30 June 2023

Port of Townsville Limited
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To the Directors of Port of Townsville Limited

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001* (Cth).

INDEPENDENCE DECLARATION

As lead auditor for the audit of Port of Townsville Limited for the financial year ended 30 June 2023, 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.



Bhavik Deoji
as delegate of the Auditor-General

29 August 2023
Queensland Audit Office
Brisbane

Annual Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
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PURPOSE AND SCOPE

Port of Townsville Limited (the Port) 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.

The Port 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 the Port were a statutory body. The Port 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 the Port'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 Transport and Main Roads and Minister for Digital Services;
 - 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 the Port's operations and its principal activities is included in the Directors' Report on pages 34 to 39 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 the Port. Amounts shown in the financial statements may not add to the correct subtotal or totals due to rounding.

Statement of Comprehensive Income

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

	Notes	2023 \$	2022 \$
REVENUES			
User Charges	2(A)	81,179,663	81,879,685
Interest Received		884,664	217,780
Other Revenue	2(A)	4,725,960	492,912
Reversal of Prior Year Decrement	2(A)	366,352	-
Fair Value Gains on Investment Properties	3(I)	2,311,545	1,806,770
		89,468,184	84,397,147
EXPENSES			
Employee Related Expenses	2(B)	20,741,560	19,195,428
Supplies and Services	2(B)	21,698,207	16,601,674
Depreciation and Amortisation Expense	2(B)	15,361,599	16,760,338
Finance Costs	2(B)	3,967,081	4,238,040
Other Expenses	2(B)	3,150,799	2,980,682
Asset Revaluation Decrement	3(F)	-	549,906
		64,919,246	60,326,068
OPERATING RESULT BEFORE INCOME TAX EXPENSE		24,548,938	24,071,079
Income Tax Expense	2(C)	(6,995,735)	(6,576,019)
OPERATING RESULT FOR THE YEAR		17,553,203	17,495,060
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO OPERATING RESULT:			
Increase / (Decrease) in Revaluation Surpluses (net of tax effect)	3(F)	30,186,754	(39,460,733)
TOTAL COMPREHENSIVE INCOME		47,739,956	(21,965,673)

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

Statement of Financial Position

as at 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

	Notes	2023 \$	2022 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3(A)	32,540,384	13,324,472
Trade and Other Receivables	3(B)	20,997,287	17,226,362
GOC Advance Facility	3(C)	4,082,853	29,904,740
Current Tax Receivable	2(C)	-	-
Other Current Assets	3(D)	2,177,511	1,629,029
Inventories	3(E)	546,975	509,097
TOTAL CURRENT ASSETS		60,345,010	62,593,700
NON-CURRENT ASSETS			
Property, Plant and Equipment	3(F)	817,090,908	722,924,698
Intangibles	3(G)	1,221,773	1,929,621
Investment Properties	3(I)	59,532,570	57,221,025
Right of Use Assets	3(J)	3,932,253	3,977,016
TOTAL NON-CURRENT ASSETS		881,777,504	786,052,360
TOTAL ASSETS		942,122,515	848,646,060
CURRENT LIABILITIES			
Trade and Other Payables	3(K)	14,452,965	13,547,549
Lease Liabilities	3(J)	380,792	353,553
Current Tax Liabilities	2(C)	2,330,962	2,616,572
Provisions	3(M)	15,743,418	46,447
Employee Benefits	3(N)	4,217,014	4,132,879
Contract and Other Current Liabilities	3(O)	4,950,753	4,509,647
TOTAL CURRENT LIABILITIES		42,075,904	25,206,647
NON-CURRENT LIABILITIES			
Trade and Other Payables	3(K)	2,000,000	-
Financial Liabilities	3(L)	96,137,543	96,137,543
Lease Liabilities	3(J)	3,581,883	3,679,209
Deferred Tax Liabilities	2(C)	77,733,834	63,894,652
Employee Benefits	3(N)	626,434	518,894
Contract and Other Non-Current Liabilities	3(O)	18,250,666	19,575,666
TOTAL NON-CURRENT LIABILITIES		198,330,360	183,805,964
TOTAL LIABILITIES		240,406,265	209,012,611
NET ASSETS		701,716,250	639,633,449
EQUITY			
Contributed Equity	3(P)	247,879,706	217,879,706
Accumulated Surplus		165,878,720	163,982,674
Asset Revaluation Surplus	3(Q)	287,957,824	257,771,070
TOTAL EQUITY		701,716,250	639,633,449

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

Statement of Changes in Equity

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

	Notes	2023 \$	2022 \$
CONTRIBUTED EQUITY			
Balance at beginning of the year		217,879,706	207,879,706
Shares Issued		30,000,000	10,000,000
Balance at the end of the year	3(P)	247,879,706	217,879,706
ACCUMULATED SURPLUS			
Balance at beginning of the year		163,982,674	146,631,612
Operating result for the year		17,553,203	17,495,060
Transfer from reserves on disposal / derecognition of property, plant and equipment		30,740	(205,712)
Deferred tax adjustment for disposals of property, plant and equipment		(9,222)	61,714
Dividends provided for	3(R)	(15,678,676)	-
Balance at the end of the year		165,878,720	163,982,674
ASSET REVALUATION SURPLUS			
Balance at beginning of the year		257,771,070	297,231,803
Property, plant and equipment revaluation increment / (decrement) - gross		43,154,674	(56,578,188)
Deferred tax adjustment for assets		(12,937,180)	16,911,743
Transfer to accumulated surplus on disposal/derecognition of property, plant and equipment		(30,740)	205,712
Balance at the end of the year	3(Q)	287,957,824	257,771,070

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

Statement of Cash Flows

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

	Notes	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		91,915,101	89,050,126
Payments to Suppliers and Employees		(53,744,460)	(39,254,716)
GST (paid)/received from the Australian Taxation Office		52,087	(2,714,036)
Interest Received		884,664	217,780
Finance Costs		(3,904,549)	(4,129,512)
Income Tax Equivalents (paid)/received from Queensland Treasury		(6,388,565)	(982,419)
Net Cash Inflow (Outflow) from Operating Activities		28,814,278	42,187,223
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(65,167,046)	(40,391,053)
Proceeds from Sale of Property, Plant and Equipment		-	105,736
Advances to Queensland Treasury		25,821,887	4,383,261
Net Cash Inflow (Outflow) from Investing Activities		(39,345,159)	(35,902,056)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of Lease Liabilities		(253,208)	(215,036)
Capital Issue		30,000,000	10,000,000
Dividends Paid		-	(13,545,152)
Net Cash Inflow (Outflows) from Financing Activities		29,746,792	(3,760,188)
Net (Decrease) / Increase in Cash and Cash Equivalents		19,215,912	2,524,979
Cash and Cash Equivalents at Beginning of the Financial Year		13,324,472	10,799,493
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	3(A)	32,540,384	13,324,472

Notes to the Statement of Cash Flows

Reconciliation of Operating Result from Continuing Operations After Income Tax Expense to Net Cash Inflow from Operating Activities

Operating Result for the Year		17,553,206	17,495,062
Depreciation and Amortisation	2(B)	15,361,599	16,760,338
(Gain) / Loss on Disposal of Non-Current Assets		76,334	(92,511)
Net Revaluation Increments - Non-Current Assets		(2,677,896)	(1,256,864)
Changes in Assets and Liabilities			
(Increase) / Decrease in Trade and Other Receivables		(3,169,343)	(1,212,215)
(Increase) / Decrease in Other Assets		(548,483)	(221,251)
Increase / (Decrease) in Trade and Other Payables		1,401,725	5,014,459
Increase / (Decrease) in Provisions		209,967	106,604
Increase / (Decrease) in Current and Deferred Tax balances		607,170	5,593,601

Net Cash Inflow from Operating Activities		28,814,279	42,187,223
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Reconciliation of Liabilities Arising From Financing Activities

Opening Balance		100,170,304	99,840,986
Cash Flows:			
Repayment of borrowings/payments of leases		(253,208)	(215,036)
Non Cash Changes			
Revaluation Adjustments		163,459	544,354
Other Adjustments		19,663	-

Closing Balance		100,100,218	100,170,304
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The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

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 Corporation has no subsidiaries.

The financial statements were authorised for issue by the Directors on 21 August 2023. The Directors have the power to amend and reissue 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 1993* (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 convention

These financial statements have been prepared under the historical cost convention, except where otherwise stated.

Functional and presentation currency

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

Rounding of Amounts

The Port 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.

Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the statement of financial position and associated notes. Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the department does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

(C) STATEMENT OF COMPLIANCE

The financial statements comply with the requirements of the *Corporations Act 2001* (Cth), *Government Owned Corporations Act 1993* (Qld), Australian Accounting Standards, other authoritative pronouncements and interpretations issued by the Australian Accounting Standards Board.

Standards applied for the first time

No new accounting standards or interpretations that apply to the Port for the first time in 2022-2023 had any material impact on the financial statements.

Standards early adopted

The Port has not adopted any standards early for 2022-2023.

Standards and Interpretations in issue not yet adopted

The Port has not early adopted any other Australian Accounting Standards and Interpretations that have recently been issued or amended and are not yet effective for the annual reporting period ended 30 June 2023. The Port does not expect there to be any significant impact from these amendments.

Title	Effective Date
AASB 2020-1 and AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non Current <i>The Port does not expect there to be any impact from these amendments.</i>	1 January 2023
AASB 2021-2 Disclosure of Accounting Policies and definition of accounting estimates <i>The Port does not expect there to be any impact from these amendments.</i>	1 January 2023
AASB 2021-5 Deferred Tax related to Assets and Liabilities arising from a Single Transaction <i>The Port is currently evaluating the interpretation of AASB 2021-5, and does not foresee significant impacts from these amendments.</i>	1 January 2023
AASB 2022-5 Lease Liability in a Sale and Leaseback Amendments <i>The Port does not expect there to be any impact from these amendments.</i>	1 January 2024
AASB 2022-6 Non-Current Liabilities with Covenants <i>The Port is currently evaluating the interpretation of AASB 2021-5, and does not foresee significant impacts from these amendments.</i>	1 January 2023

Notes to the Financial Statements

for the year ended 30 June 2023

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2023	2022
\$	\$

NOTE 1. BASIS OF FINANCIAL STATEMENT PRESENTATION (continued)

(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(F)	Employee Benefits	Note 3(N)
Valuation of investment properties	Note 3(I)	Loss Allowance	Note 3(B)
Depreciation and Assessment of Useful Lives	Note 2(B), 3(F)	Income Tax Equivalents and Deferred Taxes	Note 2(C)
Lease Liabilities and Right of Use Assets Terms	Note 3(J)	Contract and Other Liabilities	Note 3(O)

NOTE 2. OUR FINANCIAL PERFORMANCE

(A) REVENUE

Revenue arises mainly from the user charges collected from the customers in relation to use of port facilities. User charges and fees are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. Generally, the performance obligation in relation to the customer contracts are satisfied over time and not a specific point in time, since the customer simultaneously receives and consumes the benefits provided by the entity's performance as the services are provided.

Revenue is recognised for the major business activities as follows:

USER CHARGES

Cargo Charges / Berthage / Charges for Services

Cargo charges, berthage revenue and charges for services are recognised over time as and when the port related services are provided to the customers. Customers are typically invoiced after the services are provided for an amount that is calculated on a schedule of rates that is aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms. The transaction price is allocated to each performance obligation based on the stand-alone selling price. Revenue from take or pay arrangements is recognised when the minimum annual obligation can be measured reliably, after year end.

Properties and Facilities

Revenue from property and facilities is recognised when entitlement to payment arises under the rental agreement. Monies received in advance at the end of the financial year are recognised as a liability. Rental revenue from investment property is recognised as income on a periodic straight line basis over the lease term.

Pilotage Transfer Service Revenue

Pilotage Transfer Service revenue is recognised on completion of the Marine Pilot transfer operation to / from each vessel.

INTEREST RECEIVED

Interest income is recognised when it is probable that the economic benefits will flow to the Port and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(i) USER CHARGES

Cargo Charges	34,977,056	35,853,316
Berthage	12,936,205	12,836,524
Properties and Facilities	14,303,240	15,932,861
Charges for Services	11,152,908	9,951,244
Pilot Transfer Service	7,810,255	7,305,740
	<hr/>	<hr/>
	81,179,663	81,879,685

Notes to the Financial Statements

for the year ended 30 June 2023

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	2023 \$	2022 \$
NOTE 2. OUR FINANCIAL PERFORMANCE (continued)		
	2023 \$	2022 \$
(ii) OTHER REVENUE		
Proceeds - Sale of Property, Plant & Equipment & Investment Properties	-	105,469
Carrying Value of Disposed Property, Plant & Equipment	-	(13,225)
Gain on Sale of Property, Plant & Equipment	-	92,244
Works Undertaken on Behalf of Other Parties		17,859
R&D Tax Refunds		1,242,236
Settlement Proceeds		1,932,124
Bad Debts Recovered		659,320
Other Revenue		874,421
	4,725,960	492,912
(iii) REVERSAL OF PRIOR YEAR WRITE-DOWNS ON ASSETS		
Infrastructure		528
Land		365,824
	366,352	-

Additional detail of asset revaluations can be found in Note 3(F) for Property, Plant and Equipment.

(B) EXPENSES

(i) EMPLOYEE RELATED EXPENSES

Employee related expenses include all costs related to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, WorkCover premiums and superannuation.

Salaries & Wages	15,701,524	14,556,311
Annual Leave	986,971	968,673
Long Service Leave	368,792	297,562
Superannuation	2,074,163	1,799,198
Payroll Tax	781,580	724,608
Fringe Benefits Tax	170,900	170,522
Workers Compensation	222,762	292,310
Other Employee Related Expenses	434,868	386,244
	20,741,560	19,195,428

	2023 \$	2022 \$		
(ii) SUPPLIES AND SERVICES				
Payments to Contractors (other than those for Maintenance of Assets or Dredging below)			4,081,900	3,732,020
Payments to Consultants				
Professional/Technical	2,232,007	1,530,117		
Human Resource Management	27,329	24,950		
Finance/Accounting	90,470	65,400		
	2,349,807	1,620,467	2,349,807	1,620,467

Notes to the Financial Statements

for the year ended 30 June 2023

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	2023 \$	2022 \$
NOTE 2. OUR FINANCIAL PERFORMANCE (continued)		
Insurance	4,034,292	3,224,975
Maintenance of Assets	2,841,356	2,514,261
Dredging	2,658,418	190,427
Reclassified Work in Progress	283,356	236,472
Lease Payments	193,497	189,986
Utilities and Services	1,780,500	1,554,537
Other Supplies and Services	3,475,080	3,338,530
	21,698,207	16,601,674

Lease payments include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note 3(J) for breakdown of lease expenses and other lease disclosures.

(iii) DEPRECIATION AND AMORTISATION

Depreciation		
Channels and Swing Basins	1,696,878	1,882,447
Wharves	5,125,678	5,595,296
Breakwaters	1,002,943	1,128,437
Buildings	692,529	764,482
Infrastructure	3,979,406	4,548,389
Small Boat Harbours	189,590	204,981
Plant and Equipment	2,230,493	2,091,821
Amortisation		
Intangibles	235,859	345,156
Leases	208,223	199,330
	15,361,599	16,760,338

(iv) FINANCE COSTS

Finance costs directly attributable to the acquisition, construction or production of qualifying assets that take more than 12 months to prepare for their intended use or sale are added to the cost of those assets. Financing costs that cannot be directly attributable to a qualifying asset are recognised in the statement of comprehensive income in the period they were incurred.

Loan Interest	3,100,409	3,177,372
Interest on Lease Liabilities	127,374	138,517
Competitive Neutrality Fee	739,298	922,151
	3,967,081	4,238,040

(v) OTHER EXPENSES

	2023 \$	2022 \$
Proceeds from Sale of Property, Plant & Equipment	-	-
Carrying Value of Disposed Property, Plant & Equipment	(76,334)	-
Loss on Sale of Property, Plant & Equipment	(76,334)	-
Land Tax	76,334	-
Other Expenses	2,859,653	2,736,510
	214,813	244,172
	3,150,799	2,980,682

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
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2023	2022
\$	\$

NOTE 2. OUR FINANCIAL PERFORMANCE (continued)

(C) TAXATION

As a Government Owned Corporation, the Port is not subject to Commonwealth income tax but as from 1 July 2001 the Port has been required to pay tax equivalents under the National Tax Equivalents Regime.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax equivalent assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on the tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Port has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities in relation to investment properties that are measured at fair value is determined assuming the property will be recovered entirely through sale.

(i) INCOME TAX EQUIVALENTS

Income tax equivalents expense		
Current Tax Expense / (Benefit)	6,102,956	5,990,552
Deferred Tax Expense / (Benefit)	892,779	189,322
Under/(Over) Provision in Prior Years	-	396,145
	6,995,735	6,576,019
Income Tax Equivalents Expense is attributable to:		
Profit from Operations	6,995,735	6,179,874
Under/(Over) Provision in Prior Years	-	396,145
	6,995,735	6,576,019
Deferred Income Tax (Revenue) Expense included in Income Tax Expense comprises:		
Decrease/(Increase) in Deferred Tax Assets	226,382	1,193,040
(Decrease)/Increase in Deferred Tax Liabilities	(1,119,161)	(1,003,718)
	(892,779)	189,322
Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Profit from Operations before Income Tax Expense	24,548,938	24,071,079
Tax at the rate of 30% (2022 - 30%)	7,364,681	7,221,324

Notes to the Financial Statements

for the year ended 30 June 2023

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	2023 \$	2022 \$
NOTE 2. OUR FINANCIAL PERFORMANCE (continued)		
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	(368,946)	9,247
Other	-	-
	6,995,735	7,230,571
Under/(Over) Provision in Prior Years	-	(607,573)
Asset Disposal Adjustment	-	(46,979)
	6,995,735	6,576,019
Income Tax Equivalents Expense		
Amounts Recognised Directly in Equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in the statement of comprehensive income but directly debited or credited to equity.		
Current tax - credited directly to equity	9,222	61,714
Net deferred tax - debited/(credited) direct to equity as a result of net increment in Revaluation Surpluses	(12,946,402)	16,911,743
	(12,937,180)	16,973,456
(ii) DEFERRED TAXES		
Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
<u>Amounts recognised in the statement of comprehensive income</u>		
Allowance for doubtful debts	12,696	278,516
Accrued payables	938,644	120,677
Provision for annual leave	465,566	468,324
Provision for long service leave - current	799,538	771,540
Provision for long service leave - non current	187,930	155,668
Accrued employee benefits	8,104	10,345
Property, Plant and Equipment	-	-
Lease Liabilities	1,188,803	1,209,828
Deferred grant revenue	5,400,000	5,760,000
	9,001,281	8,774,899
Total Deferred Tax Assets	9,001,281	8,774,899
Set-off of deferred tax liabilities pursuant to set-off provisions	(9,001,281)	(8,774,899)
	-	-
Net Deferred Tax Assets	-	-
Movements:		
Opening balance at 1 July	8,774,899	7,930,803
Under/(Over) Provision in Prior Years	226,382	1,003,719
Credited / (charged) to the statement of comprehensive income	-	(159,623)
	9,001,281	8,774,899
As at 30 June	9,001,281	8,774,899
Deferred tax assets expected to be recovered within 12 months	2,698,786	2,009,402
Deferred tax assets expected to be recovered after more than 12 months	6,302,495	6,765,497
	9,001,281	8,774,899

Notes to the Financial Statements

for the year ended 30 June 2023

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	2023 \$	2022 \$
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NOTE 3. OUR FINANCIAL POSITION

Deferred Tax Liabilities

The balance comprises temporary differences attributable to:

Amounts recognised in the statement of comprehensive income

Accrued Trade Receivables

Property, Plant and Equipment

Property, Plant and Equipment (revaluation component)

2,132,306	1,870,302
(25,861,284)	(56,647,522)
110,464,093	127,446,772

Total Deferred Tax Liabilities

86,735,115	72,669,552
------------	------------

Set-off of deferred tax liabilities pursuant to set-off provisions

(9,001,281)	(8,774,899)
-------------	-------------

Net Deferred Tax Liabilities

77,733,834	63,894,653
------------	------------

Movements:

Opening balance at 1 July

72,669,552	88,609,590
------------	------------

Credited/(charged) to the statement of comprehensive income

1,119,161	1,033,419
-----------	-----------

Credited/(charged) to equity

12,946,402	(16,973,456)
------------	--------------

As at 30 June

86,735,115	72,669,552
------------	------------

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

Revaluation of Property, Plant and Equipment

123,410,495	110,473,315
-------------	-------------

Deferred tax liabilities expected to be recovered within 12 months

2,132,306	2,009,402
-----------	-----------

Deferred tax liabilities expected to be recovered after more than 12 months

84,602,809	6,765,497
------------	-----------

86,735,115	8,774,899
------------	-----------

(iii) INCOME TAX EQUIVALENTS REFUNDS

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

(iv) CURRENT TAX ASSETS AND LIABILITIES

Opening balance at 1 July

(2,616,572)	2,787,704
-------------	-----------

Tax paid / (refunded) in respect of prior years

526,518	(2,486,175)
---------	-------------

Over/(Under) provision of tax in prior years

-	(396,143)
---	-----------

Current Tax Provision

(6,102,956)	(5,990,552)
-------------	-------------

Tax paid in respect to current year

5,862,047	3,468,594
-----------	-----------

Tax Receivable / (Tax Liability) Closing balance at 30 June

(2,330,962)	(2,616,572)
-------------	-------------

(A) CASH AND CASH EQUIVALENTS

For cash flow statement 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 an 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.

Cash at Bank and On Hand

32,540,384	13,324,472
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32,540,384	13,324,472
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Notes to the Financial Statements

for the year ended 30 June 2023

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2023	2022
\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

INTEREST RATE RISK EXPOSURE

The Port'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. The Port'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).

(B) TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at amortised cost which approximates their fair value at reporting date. Trade receivables are due for settlement no more than 30 days from the date of recognition for the Port's debtors, and no more than 30 days for other debtors. If a contractual arrangement exists, settlement is in accordance with the contractual terms.

The collectability of trade receivables is reviewed on an ongoing basis. The simplified approach to the impairment of trade receivables has been elected, as receivables do not contain a significant finance component. A provision matrix is used to assess the expected credit losses of trade receivables.

The Port has undergone an analysis of historical credit losses for a period of 36 months prior to 30 June 2023. The historical loss rates have been deemed immaterial.

A specific loss provision is recognised for individual trade receivables when there is objective evidence the amount due will not be able to be collected under the original terms of receivables. When a trade receivable for which a loss allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Trade Receivables	21,039,608	18,154,749
Loss Allowance	(42,321)	(928,387)
	20,997,287	17,226,362

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	17,707,654	15,753,305
30 - 60 days	317,491	39,269
over 60 days	880,203	370,120
over 120 days	2,091,939	1,063,668
	20,997,287	17,226,362

LOSS ALLOWANCE

As at 30 June 2023 current trade receivables of the Port with a nominal value of \$42,321 (2022: \$928,387) were impaired and fully provided for. The loss allowance is due to a number of events including two external customers with administrators appointed.

Opening Balance	928,387	901,266
Additional loss allowance	-	32,286
Reversal of previous provision	(725,252)	(5,165)
Receivables written off as uncollectable	(160,814)	-
	42,321	928,387

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Port does not hold any collateral in relation to these receivables.

(C) GOC ADVANCE FACILITY

In conjunction with the Code of Practice for Government Owned Corporations' Financial Arrangements, 2017, an Advance Facility was established with Queensland Treasury and Queensland Treasury Corporation, which accrues interest on daily balances. The cash pooling arrangement operates as a receivable for the Port and a payable by Queensland Treasury.

Notes to the Financial Statements

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2023	2022
\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

(D) OTHER CURRENT ASSETS

When payment is made before the goods and/or services have been acquired, or before the particular period of time to which the payment relates has elapsed, a prepayment is to be recognised. Prepayments are amounts paid in advance for goods or services to be received or consumed in later periods. For recognition purposes, prepayments for items less than \$5,000 need not normally be recognised as a current asset. Rather, items below this threshold may be recognised as an expense immediately.

The main types of Prepayments made by the Port are part payments, up front payments for goods and services, and insurance premiums.

(E) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on first-in first-out principle. Net realisable value is determined on the basis of the Port's normal selling pattern.

(F) PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION EXPENSE

INITIAL RECOGNITION

The cost model of accounting is used for all acquisitions of assets, being fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisitions. Assets acquired at no cost or for nominal considerations are recognised at their fair value at date of acquisition.

Where assets are constructed by the Port, the cost at which they are recorded includes the cost of materials, direct labour and other costs directly attributable to the assets and where appropriate, finance costs.

Property, plant and equipment items with a cost or value in excess of the thresholds in the following table are recognised as an asset. All other items of property, plant and equipment are expensed on acquisition.

Asset Class	\$	Asset Class	\$
Channels and Swing Basins	10,000	Buildings	10,000
Land	1	Infrastructure	10,000
Wharves	10,000	Small Boat Harbours	10,000
Breakwaters	10,000	Plant and Equipment	5,000

The Port has a comprehensive annual maintenance program for its major plant and equipment and infrastructure assets, and subsequent costs will be included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Port and the cost of the item can be measured reliably. All other repairs and maintenance that merely restores original service potential (arising from ordinary wear and tear etc) are charged to the statement of comprehensive income during the financial period in which they are incurred.

SUBSEQUENT RECOGNITION

Subsequently, channels and swing basins, wharves, buildings, infrastructure, small boat harbours and facilities, breakwaters and land are measured at fair value. Fair value is estimated using an income approach based on discounted cash flows. The net present value of the cash flows of the asset group are allocated across the individual assets in the group. Valuations are undertaken annually to ensure that the carrying amount of the assets does not differ materially from that which would be determined using fair value at the end of the reporting period. Key assumptions and inputs made in assessing fair value are discussed below.

Increases in the carrying amounts arising on revaluation of channels and swing basins, freehold land, wharves, buildings, infrastructure, small boat harbours and breakwaters are credited, net of tax, to asset revaluation surplus in shareholders' equity on a pro rata basis. To the extent that the increase reverses a decrease previously recognised in the statement of comprehensive income, the increase is first recognised in the statement of comprehensive income. Decreases that reverse previous increases of the same asset are first charged against revaluation surplus directly in equity to the extent of the remaining surplus attributable to the asset. All other decreases are charged to the statement of comprehensive income.

For assets that are revalued using the income based approach, any accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is referred to as the net method and is utilised as the income based approach does not reflect replacement costs or assessment of remaining useful lives, and the net method of revaluation provides more meaningful reported asset figures.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A revaluation decrement is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash generating units).

Notes to the Financial Statements

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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income. When revalued assets are sold or derecognised, it is the Port's policy to transfer the amounts included in the asset revaluation surplus in respect of those assets to accumulated surplus.

Fair Value

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions (an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Port include, but are not limited to, published sales data for land and buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Port include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Port's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

Fair value measurements are categorised into Level 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, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Port recognises transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There were no transfers during the year.

Channels and swing basins, wharves, buildings, small boat harbours and facilities, infrastructure, breakwaters and land are categorised as Level 3 at 30 June 2023.

The fair value of each asset group has been determined using an income based model. Management reviews and updates estimates of future cash flows in the model annually. The net present value of the cash flows of the asset group are allocated across the individual assets in the group. Changes in the economic environment can cause fluctuations in fair value between periods and as a result, valuations are undertaken annually to ensure that the carrying value of the assets does not differ materially from that which would be determined using fair value at the end of the reporting period.

This section explains the judgements and estimates made in determining the fair values of channels and swing basins, wharves, buildings, small boat harbours and facilities, infrastructure, breakwaters and land assets. The following table summarises the quantitative information about the significant unobservable inputs used in the Level 3 measurements.

Unobservable Input	Input	Relationship of unobservable input to fair value
Discount Rate	8.53%	The higher the discount rate the lower the fair value
CPI/Inflation	2.50%	The higher the CPI rate the higher the fair value
Terminal Value	EBIT multiple (14.8)	The higher the terminal value the higher the fair value
Forecast Trade	Maximum volumes of 20.3 million tonnes	The higher the trade forecast the higher the fair value
Other Revenue	As per Approved Budget, inflation thereafter	The higher the revenues the higher the fair value
Expenses	As per Approved Budget, inflation thereafter	The higher the expenses the lower the fair value
Capital Expenditure	Limited to replacement of existing assets	The higher the capital expenditure the lower the fair value

The income based valuation was undertaken by the Port as at 30 June 2023 using the following key assumptions:

- Detailed cash flow projections are prepared consisting of projections of nominal after tax cash flows up to and including the year ending 30 June 2023. The future cash flows are denominated in Australian dollars and are projected on a nominal, ungeared, post-tax basis over the expected useful lives of the assets (100 years). Mid of period discounting (to discount future cash flows to their net present value) has been adopted.
- The Port has established the cash generating units of Shipping Operations, Property Management, Port of Lucinda and Pilot and Security Services. Direct revenues and costs are apportioned utilising the most appropriate allocation method for that type of expenditure e.g. the written down value of relevant assets or proportional revenue received.

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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

- Forecast revenue assumptions have been based on customer contracts (where applicable), advice from customers, assessment of feasibility of new trades or increases in capacity of supporting infrastructure, global market conditions for commodities and long-term historical trade patterns. However, forecast trade is limited to capacity of existing infrastructure and volumes subsequent to that are assumed to be constant.
- Determined charges for revenues are based on current established rates, budget rates for the first five year period and increased at a rate of inflation of 2.55% thereafter.
- Expenditure cash flows are based on prudent and efficient operating costs which are assumed to be largely fixed in nature due to the underlying nature of maintenance required on port assets remaining constant, irrespective of volumes.
- Net cash flows assume a discount rate equal to the relevant Corporate Weighted Average Cost of Capital (WACC), with a CPI of equivalent to the RBA average inflation target being utilised for cash flow growth rates (2.50%). This is due to the correlating relationship between WACC and CPI.
- An annually reviewed weighted depreciation rate on WDV is used to calculate depreciation by asset category.
- Due to the nature of the Port's long life assets, the period of assessment covers the maximum life of existing assets of 100 years. Terminal value calculations are also calculated over several periods to determine possible variations.
- Future capital expenditure beyond that already approved in the budget has been limited to the replacement of existing assets, noting the \$251 million Channel Capacity Upgrade project is included. No revenue has been included that would necessitate the expansion of port facilities nor would require additional expenditure above what has been included.
- Working capital balances are assumed to increase in line with the general growth of revenues and expenditures.
- Tax calculations in the cash flow projections assume a corporate tax rate of 30%.
- Assets are not valued above their recoverable value.

Overall sensitivity analysis of the inputs:

- A 1% change in the trade projection results in 1.06% change in fair value.
- An independent change in either CPI or WACC of 1% can affect total non-current asset values by up to 20%, but an increase of 1% in both indices has a sensitivity of 23%.
- A 1% change in depreciation impacts fair value by 0.055%.
- An equivalent 30 year terminal fair value calculation varies by 6.39%. Average variance to terminal value calculations from 20 to 90 years is 2.23%.

2022-2023 Carrying Amounts		\$ Gross / Fair Value	\$ Accumulated Depreciation	\$ Carrying Amount
Channels and Swing Basins	At Fair Value 2023	169,728,033	-	169,728,033
	At Fair Value 2022	159,511,233	-	159,511,233
Land	At Fair Value 2023	85,600,435	-	85,600,435
	At Fair Value 2022	78,394,235	-	78,394,235
Wharves	At Fair Value 2023	173,735,483	-	173,735,483
	At Fair Value 2022	166,348,688	-	166,348,688
Breakwaters	At Fair Value 2023	51,499,145	-	51,499,145
	At Fair Value 2022	48,887,221	-	48,887,221
Buildings	At Fair Value 2023	19,515,184	-	19,515,184
	At Fair Value 2022	18,022,246	-	18,022,246
Small Boat Harbours	At Fair Value 2023	8,339,688	-	8,339,688
	At Fair Value 2022	7,943,892	-	7,943,892
Infrastructure	At Fair Value 2023	90,040,131	-	90,040,131
	At Fair Value 2022	86,697,588	-	86,697,588
Plant and Equipment	At Cost 2023	44,918,243	16,718,120	28,200,123
	At Cost 2022	43,339,857	14,496,015	28,843,842
*Capital Works in Progress	At Cost 2023	190,432,685	-	190,432,685
	At Cost 2022	128,275,752	-	128,275,752
Total 2023		833,809,028	16,718,120	817,090,908
Total 2022		737,420,713	14,496,015	722,924,698

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

*Capital Works in Progress

Harbour Works (includes Inner Harbour works, Port Expansion and Channel Upgrade Project)	186,687,241	125,383,071
Port Developments (includes East Port and Harbour City Developments)	2,915,203	2,165,529
Equipment	830,241	727,152
	190,432,685	128,275,752

Assessment of Useful Lives

The useful life of an asset is the period in which an asset is expected to be available for use by the Port. The estimation of an asset's useful life requires professional judgement based on management's experiences with 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.

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:

Channels and Swing Basins	78,976,681	68,381,925
Land	25,672,905	25,672,905
Wharves	91,491,787	100,430,285
Breakwaters	6,004,229	5,687,189
Buildings	12,351,604	13,748,971
Small Boat Harbours	4,701,366	4,797,997
Infrastructure	53,213,119	59,921,918
	272,411,691	278,641,190

RECONCILIATION OF CARRYING AMOUNTS

	\$	\$	\$	\$	\$	\$	\$	\$
2022-2023	Carrying Amount at 1 July 2022	Additions	Disposals & Derecognitions	Transfers	Revaluations Recognised in Statement of Comprehensive Income	Revaluations Recognised in Revaluation Surplus	Depreciation Expense	Carrying Amount at 30 June 2023
Assets at Fair Value								
Channels and Swing Basins	159,511,232	-	-	-	-	11,913,678	(1,696,877)	169,728,033
Land	78,394,236	-	-	-	365,823	6,840,376	-	85,600,435
Wharves	166,348,688	-	(5,275)	17,141	-	12,500,607	(5,125,678)	173,735,483
Breakwaters	48,887,221	-	-	-	-	3,614,867	(1,002,943)	51,499,145
Buildings	18,022,246	-	-	806,874	-	1,378,593	(692,529)	19,515,184
Infrastructure	86,697,585	-	-	1,000,255	529	6,321,167	(3,979,406)	90,040,131
Small Boat Harbours	7,943,892	-	-	-	-	585,386	(189,590)	8,339,688
Assets at Cost								
Plant & Equipment	28,843,842	-	(62,485)	1,125,707	-	-	(2,230,493)	28,200,123
- transfers to / from Intangibles	-	-	-	523,552	-	-	-	-
Capital Works in Progress	128,275,754	65,106,911	-	(2,949,977)	-	-	-	190,432,685
	722,924,698	65,106,911	(67,760)	523,552	366,352	43,154,674	(14,917,515)	817,090,908

Notes to the Financial Statements

for the year ended 30 June 2023

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2023
\$

2022
\$

NOTE 3. OUR FINANCIAL POSITION (continued)

	\$	\$	\$	\$	\$ Revaluations		\$	\$
2021-2022	Carrying Amount at 1 July 2021	Additions	Disposals & Derecognitions	Transfers	Recognised in Statement of Comprehensive Income	Recognised in Revaluation Surplus	Depreciation Expense	Carrying Amount at 30 June 2022
Assets at Fair Value								
Channels and Swing Basins	178,837,614	-	-	-	-	(17,443,935)	(1,882,447)	159,511,232
Land	89,338,950	-	-	-	(365,824)	(10,578,890)	-	78,394,236
Wharves	184,548,808	-	-	1,041,285	(178,681)	(13,467,428)	(5,595,296)	166,348,688
Breakwaters	56,589,886	-	-	-	-	(6,574,227)	(1,128,437)	48,887,221
Buildings	19,766,304	-	-	500,348	(4,873)	(1,475,052)	(764,482)	18,022,246
Infrastructure	78,564,898	-	-	19,115,180	(527)	(6,433,574)	(4,548,392)	86,697,585
Small Boat Harbours	8,753,956	-	-	-	-	(605,083)	(204,981)	7,943,892
Assets at Cost								
Plant & Equipment	13,456,953	-	(13,225)	18,934,696	-	-	(2,221,413)	28,843,842
- transfers to / from Intangibles	-	-	-	(1,313,169)	-	-	-	-
Capital Works in Progress	130,861,957	37,005,306	-	(39,591,510)	-	-	-	128,275,754
	760,719,327	37,005,306	(13,225)	(1,313,169)	(549,906)	(56,578,188)	(16,345,446)	722,924,698

(G) INTANGIBLES

An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets will be measured at cost unless the asset is acquired for no cost or for a nominal amount and then the asset's fair value is deemed to be its cost, and will be subject to amortisation.

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Port intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Opening balance at 1 July	1,929,621	206,268
Acquisitions	60,135	755,339
Transfers to/from property plant and equipment or assets held for sale	(523,552)	1,313,169
Disposals	(8,572)	-
Amortisation	(235,859)	(345,156)
Closing balance at 30 June	1,221,773	1,929,621

(H) DEPRECIATION / AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the port commencing 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 the Port'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.

Notes to the Financial Statements

for the year ended 30 June 2023

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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

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

	Range		Average	
	2023	2022	2023	2022
Channels and Swing Basins	0.94%-0.96%	0.94% - 0.96%	0.94%	0.94%
Wharves	1.19%-8.37%	1.19% - 9.09%	3.05%	3.20%
Breakwaters	1.00%-2.15%	1.0% - 2.14%	1.31%	1.30%
Buildings	1.52%-10.98%	1.52% - 6.67%	3.50%	3.30%
Infrastructure	0.78%-19.98%	0.78% - 20.0%	2.83%	6.19%
Small Boat Harbours	1.90%-2.59%	1.9% - 2.59%	2.24%	2.15%
Plant and Equipment	0.10%-33.33%	0.18% - 34.60%	10.48%	11.27%
Intangibles	8.85%-33.33%	8.85% - 33.33%	15.74%	15.98%

(I) 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 the Port (including property under construction for such purposes). This 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 the statement of comprehensive income.

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 use of a property changes such that it is transferred to investment property, the property is remeasured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognised in the statement of comprehensive income to the extent that the gain reverses a previous loss, with any remaining gain recognised directly in the statement of comprehensive income. Any loss is presented in the revaluation surplus in equity to the extent that an amount had previously been included in the revaluation surplus relating to the specific property, with any remaining loss recognised immediately in the statement of comprehensive income.

An investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising 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 the statement of comprehensive income.

Properties 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

Fair value estimates for investment properties are in Level 2 for Investment Lands having being based on significant professional judgement at the time using the market based approach; and Level 3 for Investment Buildings due to the specialised nature of the assets and significant professional opinion required.

The Port obtains independent valuations for its investment properties at least every five years with desktop valuations between. The last physical valuation was conducted in 2019. At the end of each reporting period the Port updates the assessment of the fair value of each property, taking into account the most recent independent valuations including desktop valuations. The Port determine a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Port considers information from a variety of sources including:

- current prices in an active market for properties of different 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.

Current year revaluations have been based on comprehensive desktop independent assessments made by Marsh Pty Limited at 31 March 2023, with relevant indices applied for the period 1 April 2023 to 30 June 2023. Valuation conclusions were reached after reviewing recent market activity by the Port, town planning schemes and assessment of the overall health of the Australian and Queensland economies taking into account specific industry conditions likely to impact on asset prices. Qualitative research indicated that the Port investment property values increased on average 4.2% over the last twelve months (2022: 3.4%)

Limited comparisons can be made between the general industrial land market and the Port's land market. The Port market is characterised by leasehold land occupied by trade orientated companies. Land values are driven by site 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.

Notes to the Financial Statements

for the year ended 30 June 2023

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	2023 \$	2022 \$
NOTE 3. OUR FINANCIAL POSITION (continued)		
Land		
Opening balance at 1 July	37,522,950	36,787,206
Net gain / (loss) from fair value adjustment	1,549,475	735,744
Closing balance at 30 June	39,072,425	37,522,950
Buildings		
Opening balance at 1 July	16,938,075	15,867,049
Acquisitions	2,760,000	-
Net gain / (loss) from fair value adjustment	762,070	1,071,026
Closing balance at 30 June	20,460,144	16,938,075
Work in Progress		
Opening balance at 1 July	2,760,000	-
Additions	-	2,760,000
Transferred to Investment Buildings	(2,760,000)	-
Closing balance at 30 June	-	2,760,000
Total Investment Properties Closing balance at 30 June	59,532,570	57,221,025
Amounts recognised in the Statement of Comprehensive Income for Investment Properties		
Rental income	2,476,031	1,635,533
Direct operating expenses from property that generate rental income	(36,304)	(5,201)
Direct operating expenses from property that did not generate rental income	(255,021)	(21,757)
Net gain / (loss) from fair value adjustment	2,311,545	1,806,770
Comprehensive Income	4,496,250	3,415,345
(J) LEASES		
AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION FOR LEASES		
Right of Use Assets		
Opening balance at 1 July	3,977,016	3,631,992
Depreciation	(208,223)	(199,330)
Valuation adjustment	163,460	544,354
Closing balance at 30 June	3,932,253	3,977,016
Lease Liabilities		
Current	380,792	353,553
Non-Current	3,581,883	3,679,209
AMOUNTS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME FOR LEASES		
Depreciation charge of right of use assets	208,223	199,330
Interest expenses (included in Finance costs)	127,374	138,517
Expenses relating to leases of low-value and short term assets (included in Supplies and Services)	193,497	189,986
	529,094	527,832

Notes to the Financial Statements

for the year ended 30 June 2023

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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

The Port measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right of use assets at cost subsequent to initial recognition.

The Port has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. Short term leases are those with a lease term of 12 months or less. An asset is considered low value where it is expected to cost less than \$10,000 when new. Lease payments are recognised as expenses on a straight-line basis over the lease term.

Where a contract contains both a lease and non-lease components such as asset maintenance services, the Port allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the Port will elect not to separate lease and non-lease components and instead accounts for them as a single lease component.

When measuring the lease liability, the Port uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the Port's leases. To determine the incremental borrowing rate, the Port uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

The Port has a number of lease agreements with the Department of Resources for use of government land. The leased land includes land under water, which is used by the Port for port and transport related purposes only.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the Port's incremental borrowing rate. When adjustments to lease payments take effect, the lease liability is reassessed and adjusted against the right of use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Given the nature of the leases (held in perpetuity), there is no depreciation charge associated with these assets, with the exception of one parcel which is expected to be converted to freehold in 2024.

(K) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Port prior to the end of 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 due to their short term nature and is therefore measured at amortised cost and not discounted.

CURRENT

Trade Payables	14,259,179	13,262,954
Competitive Neutrality Fee	184,318	229,906
Retention	9,468	54,688
	14,452,965	13,547,549

Non-Current amounts represent security deposit paid by lessee on commencement of a lease, which can be called upon if the lessee defaults on their obligations under the lease. The security deposit is not non-refundable and if it is not called upon during the lease, it is to be returned to the lessee once the lease expires. The current lease term is until 31 December 2027.

NON-CURRENT

Retention	2,000,000	-
	2,000,000	-

(L) 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 statement of comprehensive income over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Port has an unconditional right to defer settlement for the liability for at least 12 months after the year end date.

The Port borrows from Queensland Treasury Corporation using a Portfolio Linked Loan product. A Portfolio Linked Loan is linked to a portfolio largely comprised of fixed funding instruments with various maturities. Portfolio Linked Loans provide a stable interest rate with maturing fixed rate instruments progressively refinanced at prevailing market rates.

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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

LOAN COVENANTS

Under the terms of the borrowing facilities with Queensland Treasury Corporation, the Port is required to comply with the following financial covenants:

- The EBIT Interest Coverage of greater than or equal to 2.00 times.
- A Debt to EBITDA ratio of no more than 3.50 times.

The Port has complied with these covenants throughout the reporting period.

(M) PROVISIONS

Provisions are recognised when there is a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events and it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

CURRENT

Fringe Benefits Tax	64,742	46,447
Dividend	15,678,676	-
	15,743,418	46,447

Movements in Provisions

Movements in each class of provision during the financial year are set out below:

	Dividend	Fringe Benefits Tax
	\$	\$
CURRENT		
Carrying amount at start of year	-	46,447
<u>Charged/(credited) to the statement of comprehensive income</u>		
- additional provisions recognised	15,678,676	170,900
Amounts transferred/reclassified	-	-
Amounts used during the period	-	(152,605)
	15,678,676	64,742

(N) EMPLOYEE BENEFITS

CURRENT

Employee Benefits - Long Service Leave	2,665,126	2,571,801
Employee Benefits - Annual Leave	1,551,888	1,561,079
	4,217,014	4,132,879

NON-CURRENT

Employee Benefits - Long Service Leave	626,434	518,894
	626,434	518,894

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, or are expected to reach this threshold in the next 12 months. The non-current portion represents entitlements of those employees that have not yet reached, or are expected to reach, the required period of service in the next 12 months.

Notes to the Financial Statements

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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

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 trade 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 are those not expected to be settled wholly within 12 months after the end of period in which the employees render the related service. They are 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 and includes related on-costs. Expected future payments are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that match, as closely as possible, the estimated future cash flows.

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 the Port does not have an unconditional right to defer settlement for at least 12 months, otherwise they are presented as non-current.

Retirement Benefit Obligations

A number of employees of the Port are members of the defined benefit fund managed by QSuper. The defined benefit fund was open to many employees across Queensland State Government departments, agencies and government business enterprises. The Port's obligation is limited to its contribution to QSuper. 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 accruing 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 1049 Whole of Government and General Government Sector Financial Reporting.

(O) CONTRACT AND OTHER LIABILITIES

Contract and Other Liabilities include revenue received in advance relating to long term operating leases on investment properties and revenue received in advance for contracts or projects for which the deliverables and obligations have not yet been achieved. The revenue received is recognised as deferred income and is recorded as revenue when the future service or performance to which it relates has been provided.

- 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 \$18,000,000 (\$1,200,000 current, \$16,800,000 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 to 2031 for this staging area which is located in the Port's Nexus Business Park. The balance at reporting date is \$979,167 (\$125,000 current, \$854,167 non-current).

- The Townsville Dry Tropics Partnership for Healthy Waters is a waterways focused initiative made up of stakeholders from industry, scientific research, education, community and all levels of government.

The Partnership produces Report Cards and scientific summaries that provide our community with an independent picture of the ecological, social and economic health of our waterways and reef in the Dry Tropics region. The Report Card will help guide future planning and investment into waterway, marine catchment and reef health.

In 2021-2022, the Port signed on to host the initiative with funding received of \$980,454, to be spent on activities over the next four years. The balance at reporting date is \$719,456 (\$122,956 current, \$596,500 non-current).

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	2023	2022
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

(P) 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.

Authorised capital - 500,000,000 ordinary shares of \$1 each	500,000,000	500,000,000
Issued capital		
Opening balance at 1 July - 217,879,706 (2022: 207,879,706) ordinary shares of \$1 each fully paid	217,879,706	207,879,706
Issue of shares	30,000,000	10,000,000
Amount at the reporting date - 247,879,706 (2022: 217,879,706) ordinary shares of \$1 each fully paid	247,879,706	217,879,706

ISSUED CAPITAL - ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Port in proportion to the number of and amounts paid on the shares held.

CAPITAL RISK MANAGEMENT

The Port's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Port may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(Q) 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(F).

Balances of Asset Revaluation Surplus by category are as follows:

Channels and Swing basins	87,586,775	79,247,200
Land	42,503,837	37,715,574
Wharves	72,485,698	63,601,068
Breakwaters	35,826,516	33,296,109
Buildings	8,693,799	7,728,784
Small Boat Harbours	3,200,103	2,790,333
Plant and Equipment	249,835	254,607
Infrastructure	35,296,646	31,022,780
Land and Buildings transferred to Investment Properties	2,114,615	2,114,615
	287,957,824	257,771,070

(R) DIVIDENDS

Provision is 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% (2022: 100%) of net profit after tax, excluding the effects of asset revaluations. The final dividend amounts to \$15,678,676 (2022: \$0, Dividend Retained).

Dividends provided for or paid	15,678,676	-
Dividends per share	0.063	-

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
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2022-2023

	2023	2022
	\$	\$

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 an item of the expense.

Receivables and payables 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 receivables or payables 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 inclusive)

Capital expenditure contracted for at the reporting date but not recognised as a liability is as follows:

Not later than one year	65,873,011	141,717,877
Later than one year but not later than five years	4,048,692	801,026
	69,921,703	142,518,903

Operating Commitments (Non-recoverable GST inclusive)

Operating Expenses contracted for at the reporting date but not recognised as a liability is as follows:

Not later than one year	4,325,097	6,309,273
Later than one year but not later than five years	153,866	1,202,876
	4,478,963	7,512,149

Future Minimum Lease Commitments Receivable

Future minimum lease amounts receivable under non-cancellable operating leases at balance date. These are the undiscounted lease amounts to be received on an annual basis for the following periods:

Not later than one year	15,477,335	13,028,564
Later than one year but not later than five years	66,054,445	57,233,928
	81,531,780	70,262,492

The Port 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 2023 (2022: Nil).

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

2023
\$

2022
\$

NOTE 4. OTHER (continued)

(D) FINANCIAL RISK MANAGEMENT

The Port has exposure to credit risk, liquidity risk, market risk and interest rate risk from its use of financial instruments. This note presents information about the Port'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.

Risk management policies are established to identify and analyse the risks faced by the Port, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Port's activities. The Port, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Port's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by The Port. The Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, and reports the results to the Audit and Risk Committee.

CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any loss allowance, as disclosed in the statement of financial position and notes to the financial statements. The Port has major customers, of which the top ten contribute 59% of revenue. When necessary, the Port will establish a loss allowance that represents estimates of possible incurred losses of trade and other receivables, and is shown in Note 3(B).

LIQUIDITY RISK

The Port is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation for capital works. The Port manages liquidity risk through the use of a liquidity management strategy which aims to reduce the exposure to risk by ensuring the Port has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring maximum levels of cash are at hand to match the expected duration of various employee and supplier liabilities. Funding arrangements are in place with Queensland Treasury Corporation which will allow sufficient funding to cover planned requirements within the Port's corporate planning period.

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

2023		Payable In		Total Contractual	Carrying
	< 1 year	1-5 years	> 5 years	Cash Flows	Amount
Payables	14,452,965	2,000,000	-	16,452,965	16,452,965
QTC Borrowings	3,143,699	12,632,473	96,137,543	111,913,714	96,137,543

2022		Payable in		Total Contractual	Carrying
	< 1 year	1-5 years	> 5 years	Cash Flows	Amount
Payables	13,547,549	-	-	13,547,549	13,547,549
QTC Borrowings	3,119,663	12,401,743	96,137,543	111,658,949	96,137,543

The Port has available a business card facility with a limit of \$175,000. Loan facilities as shown in Note 3(L) 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. The Port has a Working Capital Facility available with Queensland Treasury Corporation, total available funds are \$30 million.

MARKET RISK

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

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
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	2023 \$	2022 \$
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NOTE 4. OTHER (continued)

INTEREST RATE RISK

The Port'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.

Fixed Rate Maturing In:	0-1 Years		1-5 Years		Over 5 Years	
	2023	2022	2023	2022	2023	2022
Financial Assets						
Cash on Hand	-	-	-	-	-	-
Cash at Bank	32,539,884	13,323,972	-	-	-	-
Receivables	-	-	-	-	-	-
Financial Liabilities						
Payables	-	-	-	-	-	-
QTC Borrowings	3,143,699	3,119,663	12,632,473	12,401,743	96,137,543	96,137,543

	Non Interest Bearing		Carrying Amount as per Balance Sheet		Weighted Average Book Rate	
	2023	2022	2023	2022	2023	2022
Financial Assets						
Cash on Hand	500	500	500	500		
Cash at Bank	-	-	32,539,884	13,323,972	2.55%	0.11%
Receivables	20,997,287	17,226,362	20,997,287	17,226,362		
Financial Liabilities						
Payables	16,452,965	13,547,549	16,452,965	13,547,549		
QTC Borrowings	-	-	96,137,543	96,137,543	3.29%	3.23%

In the above Financial Instruments, book value equates to net fair value, with the exception of QTC Borrowings. The market rate of QTC Borrowings as at 30 June 2023 was \$90,144,369 (30 June 2022: \$91,550,178). Borrowings recorded a market value adjustment of -\$6,759,765 (2022: of -\$4,587,364) principally as a result of past movements in the market value of liabilities in the Debt Pools.

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 the Port's financial assets and liabilities.

	Carrying Amount	Interest Rate Risk			
		- 1%		+ 1%	
		Increase/(Decrease) Profit	Increase/(Decrease) Equity	Increase/(Decrease) Profit	Increase/(Decrease) Equity
Financial Assets					
Cash and Cash Equivalents	32,540,384	(325,404)	(325,404)	325,404	325,404
Receivables	20,997,287	-	-	-	-
Financial Liabilities					
Payables	16,452,965	-	-	-	-
QTC Borrowings	96,137,543	961,375	961,375	(961,375)	(961,375)

The Port 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 the Port approximates their carrying value.

(E) KEY MANAGEMENT PERSONNEL

The Port's shareholding Ministers are identified as Key Management Personnel (KMP). All Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Port does not bear 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 persons who held ministerial office during the financial year can be found in the Governance section of the Annual Report.

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
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2023
\$

2022
\$

NOTE 4. OTHER (continued)

DETAILS OF DIRECTORS

Directors in office at 30 June 2023 are as follows:

Director	Date of Appointment	Appointment End/Resignation Date
Ms A. Sherry AO (Chair)	1 October 2021	30 September 2025
Hon. M. Reynolds CBE, AM, BSW, MAICD	16 December 2016, Last re-appointed 13 October 2022	30 September 2023
Ms C. Navarro	1 October 2020	30 September 2023
Ms T. Bishop	1 October 2021	30 June 2023
Ms D. O'Toole	1 October 2021	31 May 2024
Ms V. (Fernandes) Sullivan	13 October 2022	30 September 2025

DIRECTORS' REMUNERATION

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.

Remuneration of Specified Directors	Year	Director Fees	Committee Fees	Superannuation	Total Remuneration
Ms Ann Sherry AO (Chair)	2022/2023	50,000	4,372	5,709	60,081
	2021/2022	37,500	3,279	4,078	44,857
Hon. Mike Reynolds CBE, AM, BSW, MAICD	2022/2023	23,604	6,692	3,496	33,792
	2021/2022	25,750	10,203	3,595	39,548
Ms Connie Navarro	2022/2023	25,750	5,831	3,316	34,897
	2021/2022	25,750	6,924	3,267	35,941
Ms Tess Bishop - Resigned 30 June 2023	2022/2023	25,750	9,410	3,692	38,852
	2021/2022	19,312	6,558	2,587	28,457
Ms. Danielle O'Toole	2022/2023	25,750	8,744	3,622	38,116
	2021/2022	19,312	6,558	2,587	28,457
Ms Vanessa (Fernandes) Sullivan	2022/2023	19,312	4,656	2,517	26,485
	2021/2022	-	-	-	-
Mr Bradley Webb - Resigned 30 June 2022	2022/2023	2,146	486	276	2,908
	2021/2022	25,750	6,559	3,231	35,540
Ms Renita Garard AM (Chair) - Term of Office expired 30 September 2021	2022/2023	-	-	-	-
	2021/2022	12,500	1,093	1,359	14,952
Mr Shayne Hanran - Term of Office expired 30 September 2021	2022/2023	-	-	-	-
	2021/2022	6,438	2,551	899	9,887
Total Remuneration Specified Directors	2022/2023	172,312	40,191	22,627	235,130
	2021/2022	172,312	43,725	21,604	237,641
Insurance premiums to indemnify liabilities while acting as a Director	2022/2023	-	-	-	159,025
	2021/2022	-	-	-	149,464

EXECUTIVE REMUNERATION

Remuneration for the Chief Executive Officer and Senior Executives is determined by the Board, and advised to shareholding Ministers within one month of any variation that is made to remuneration arrangements.

The Port's remuneration policy provides for a review 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 2021.

The senior executive remuneration strategy and practices of the Port 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.

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
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	2023	2022
	\$	\$

NOTE 4. OTHER (continued)

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 objectives, standards 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 the Port'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. The Port's policy in relation to performance payments is consistent with Queensland Treasury policy. Performance payments are disclosed on a cash basis as and when paid.

In line with Queensland Government policy associated with the response to COVID-19, no performance payments were issued during 2021-22 in relation to performance pay accrued in 2020-21.

Details of remuneration provided to Specified Executives at 30 June 2023 are as follows:

Remuneration of Specified Executives	Year	Short Term Benefits	Superannuation	Other Benefits (Incl motor vehicle)	Performance Payments *	Termination Payments	Total Remuneration
Ms R. Crosby Chief Executive Officer	2022/2023	427,129	45,027	-	36,946	-	509,102
	2021/2022	430,006	39,689	-	-	-	469,695
Mr D. Sibley Chief Financial Officer	2022/2023	311,523	40,320	-	22,561	-	374,404
	2021/2022	297,729	26,645	-	-	-	324,374
Mr D. Penny Chief Operating Officer	2022/2023	317,197	40,424	-	23,762	-	381,383
	2021/2022	298,124	26,873	-	-	-	324,998
Mr M. McNeil (Commenced Oct. 2022) General Manager Infrastructure & Environment	2022/2023	219,614	22,803	-	-	-	242,417
	2021/2022	-	-	-	-	-	-
Mr D. McLoughlin (Commenced Oct. 2022) General Manager Major Projects	2022/2023	221,833	25,239	-	-	-	247,072
	2021/2022	-	-	-	-	-	-
Ms M. Wise (Resigned April 2022) Chief Infrastructure Officer	2022/2023	-	-	-	-	-	-
	2021/2022	218,934	22,876	-	-	68,226	310,035
Mr A. van Staden (Acting April 2022 to Oct. 2022) Chief Infrastructure Officer	2022/2023	122,895	15,276	-	-	-	138,171
	2021/2022	58,639	6,789	-	-	-	65,428
Total Remuneration Specified Executives	2022/2023	1,620,192	189,088	-	83,269	-	1,892,548
	2021/2022	1,303,432	122,872	-	-	68,226	1,494,529

* Performance payments are cash payments made in the relevant financial year based on the achievement of key performance objectives and measure by key management personnel with respect to the preceding financial year (ie. Payments shown in current reporting period will relate to performance achievements for the prior financial year).

Benefits

Short term benefits include salaries, allowances and leave entitlements earned and expensed for the year, including unused leave entitlements paid on termination.

Termination payments include payments made in lieu of notice on termination and other lump sum separation entitlements (excluding unused leave entitlements) payable on termination.

LOANS TO KEY MANAGEMENT PERSONNEL

There are no loans outstanding to the Port from key management personnel.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

For details regarding any other transactions other than compensation paid refer to Related Party Transactions below.

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023

	2023	2022
	\$	\$

NOTE 4. OTHER (continued)

(F) RELATED PARTY TRANSACTIONS

CONTROL

The Port is a Queensland Government Owned Corporation, with all shares held by shareholding Ministers on behalf of the State of Queensland. There was no income received, or due and receivable, by the shareholding Ministers from the Port during the year. No shareholding Minister has received or become entitled to receive any benefit by reason of a contract made by the Port.

KEY MANAGEMENT PERSONNEL

Disclosures relating to key management personnel are set out in Note 4(E).

TRANSACTIONS WITH RELATED PARTIES

From time to time Senior Executives, Directors and related entities may have commercial dealings with the Port. These transactions are conducted on arms length terms and conditions. Senior Executives and Directors declare their interest on commercial dealings at Board meetings.

In the ordinary course of business conducted under normal terms and conditions, the Port has dealt with:

- Queensland Ports Association, of which Ms R. Crosby is the Chair. The Port made payment for membership fees of \$9,900 during the year.
- Townsville Enterprise Limited, of which Ms R. Crosby is a Board Member. The Port made payment for membership fees of \$41,398 and sponsorship for Green Energy initiatives of \$4,400.
- Ports Australia, of which Ms R. Crosby is a Director and Member. The Port made payment for membership fees of \$43,934.
- Maritime Museum, of which Mr D. Penny and Mr D. Sibley are also Directors and Members. The Port made contributions of \$50,000 to the Museum during the year.
- Griffith University, of which Ms V. (Fernandes) Sullivan is an Advisory Member. The Port made payment for Baseline Toxicology and Health Assessments of turtles in Cleveland Bay of \$22,308 to the University during the year.

TRANSACTIONS WITH STATE OF QUEENSLAND CONTROLLED ENTITIES

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

Revenue

Queensland Treasury Corporation:		
- Interest Revenue	502,639	198,957
Department of Transport and Main Roads (Maritime Safety Queensland) - Pilotage transfers	7,810,255	7,305,740

Expenses

Queensland Audit Office (QAO) - Audit fees	132,000	120,000
Qleave - Portable long service leave	53,127	19,299
Queensland Treasury Corporation:		
- Loan interest expense	2,961,014	3,037,973
- Loan administration charge	139,395	139,399
- Competitive Neutrality Fee	739,298	922,151
Office of State Revenue:		
- Payroll Tax	772,364	724,608
- Land Tax	2,859,653	2,736,510
Department of Natural Resources and Mines - Land Rent	409,675	401,298
Department of Environment & Science - Permit Fees & Equipment Hire/Maintenance	51,593	57,069
Department of Transport and Main Roads		
- Beacon extraction	1,220,590	303,795
- Simulation works	119,327	117,054
- Pilot Training	30,206	14,141
- Abbot Point Licence Fees	14,609	-
Queensland Transport - vehicle registrations	52,832	50,241
Ergon Energy - Electricity	702,980	616,445
Townsville City Council		
- Property Charges	1,052,104	902,403
- Land Planning and Design	57,897	31,465
Queensland Fire & Emergency Services - Alarm Management fees	17,822	11,208

Notes to the Financial Statements

for the year ended 30 June 2023

Port of Townsville Limited
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2022-2023

	2023 \$	2022 \$
NOTE 4. OTHER (continued)		
Australian Institute of Marine Science - Channel Upgrade ITAC meetings		
- Channel Upgrade ITAC meetings	41,735	53,164
- Data and Information Management System	43,247	-
Contributions to QSuper on behalf of employees	1,750,781	1,725,948
Assets		
Queensland Treasury		
- Advances Facility	4,082,853	29,904,740
Liabilities		
Queensland Treasury Corporation:		
- Financial Liabilities	96,137,543	96,137,543
Provision for Dividend to Queensland Treasury	15,678,676	-

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 from related parties.

GUARANTEES

As at 30 June 2023 there were no guarantees provided by the Port on behalf on a related party.

(G) EVENTS OCCURRING AFTER THE YEAR END DATE

There has not been any matter or circumstance that has arisen since 30 June 2023 that has significantly affected, or may significantly affect:

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

Climate Risk Disclosure

In the coming year, the Port will be continuing to review the material climate related physical and transition risks where relevant to the Port's financial statements. No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the year as a result of climate related risks. The Port will continue to engage with shareholding Ministers and adopt future regulatory requirements, and engage other stakeholders on reporting and climate risk.

Directors' Declaration

for the year ended 30 June 2023

Port of Townsville Limited
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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 the Port as at 30 June 2023 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Port will be able to pay its debts as and when they become due and payable.

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



Ms Ann Sherry AO
Chair

29 August 2023



Ms Vanessa (Fernandes) Sullivan
Director

29 August 2023

Independent Auditor's Report

for the year ended 30 June 2023

Port of Townsville Limited
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2022-2023

To the Members of Port of Townsville Limited



Report on the Audit of the Financial Report

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 2023, 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 2023, 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 material accounting policies and other explanatory information, and the directors' declaration.

BASIS FOR OPINION

I conducted my audit in accordance with the *Auditor-General 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 Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001*.

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Valuation of Property, Plant and Equipment - Note 3(F)

Key Audit Matter	How my audit addressed the key audit matter
<p>Property, plant and equipment is reported at fair value and where applicable at cost. Approximately 72% of the property, plant and equipment was valued at fair value which was determined using the income-based valuation model.</p> <p>The key assumptions used in the income-based valuation model included:</p> <ul style="list-style-type: none"> forecasting operating revenue estimating future capital and operating costs determining terminal value formulating the discount rate applied to future cashflows 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> Obtaining an understanding of the discounted cash flow model, and assessing its design, integrity and appropriateness with reference to common industry practices. Checking, on a sample basis, the accuracy and relevance of the input data used, including reconciling input data to supporting evidence such as approved budgets. Performing a sensitivity analysis to establish that management's assumptions for fair value including cash flows, terminal values and discount rates are within a reasonable range of audit expectations for fair value and are appropriately disclosed in the financial statements. Assessing the reasonableness of cash flow forecasts and terminal value estimates relative to board approved budgets, historical growth trends and other relevant internal and external evidence. The reasonableness of board approved budgets was assessed with reference to their historical accuracy and the budget preparation process.

Independent Auditor's Report

for the year ended 30 June 2023

Port of Townsville Limited
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- Evaluating whether the discount rate applied was within a reasonable range, with reference to market data and industry research.
- Challenging the reasonableness of key assumptions based on my knowledge of the entity and industry.
- Verifying the mathematical accuracy of net present value calculations.

Useful lives estimated for depreciation expense - Note 3(F) & 3(H)

Key Audit Matter	How my audit addressed the key audit matter
The straight-line depreciation method used requires significant judgements for: <ul style="list-style-type: none">• identifying the significant components of assets that have different useful lives;• estimating the remaining useful lives of those significant parts	My procedures included, but were not limited to: <ul style="list-style-type: none">• Evaluating the design and implementation of management's controls and approach for identifying the components of property, plant and equipment with different useful lives and assessing, on at least an annual basis, whether the useful lives remain reasonable.• Evaluating management's assessment of remaining useful life estimates for reasonableness with reference to the pattern of consumption of the economic benefit/service potential embodied in the assets, historical disposal rates, condition assessments for older assets and long-term asset management plans.

OTHER INFORMATION

Other information comprises financial and non-financial information (other than the audited financial report). At the date of this auditor's report, the available other information in the company's annual report for the year ended 30 June 2023 was the directors' report.

Those charged with governance are responsible for the other information.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

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 auditor's 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.

Independent Auditor's Report

for the year ended 30 June 2023

Port of Townsville Limited
Annual Financial Statements
2022-2023



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 forming an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of material accounting policy information 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 auditor's 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.

From the matters communicated with the company's directors, I determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Bhavik Deoji
as delegate of the Auditor-General

29 August 2023
Queensland Audit Office
Brisbane

Annual Report 2022–23

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