



PORT OF TOWNSVILLE LIMITED

STATEMENT OF CORPORATE INTENT 2024-2025

Prepared by the Directors and management of Port of Townsville Limited for shareholding Ministers

The Honourable Cameron Dick MP
Deputy Premier
Treasurer
Minister for Trade and Investment

The Honourable Bart Mellish MP
Minister for Transport and Main Roads and Minister for Digital Services

Commercial-in-Confidence

This document contains highly confidential material relating to the business affairs of Port of Townsville Limited. Release of its contents is subject to the provisions of the Right to Information Act 2009 (Qld). Any unauthorised disclosure of material contained in this document may diminish the commercial value of that information and would have an adverse effect on the business, commercial and financial affairs of Port of Townsville Limited.

PERFORMANCE AGREEMENT

This Statement of Corporate Intent and all attachments are presented in accordance with Chapter 3, Part 8 of the *Government Owned Corporations Act 1993* (GOC Act).



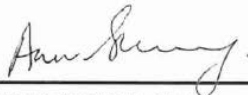
In accordance with Chapter 1, Part 3, Section 7 of the GOC Act, this Statement of Corporate Intent represents a formal performance agreement between the Board of Port of Townsville Limited and its shareholding Ministers with respect to the financial and non-financial performance targets specified for the financial year. This Statement of Corporate Intent represents agreement to the major activities, objectives, policies, investments and borrowings of the Port for 2024-2025.

This Statement of Corporate Intent is consistent with the Port’s 2024–2029 Corporate Plan, submitted to shareholding Ministers and agreed in accordance with Chapter 3, Part 7 of the GOC Act.

In signing this document, the Board of the Port undertakes to achieve the targets proposed in this Statement of Corporate Intent for 2024-2025.

Major changes to key assumptions that underpin the performance outcomes detailed in this Statement of Corporate Intent, and which come to the Board’s attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this Statement of Corporate Intent will be dealt with in accordance with the GOC Act.

This Statement of Corporate Intent is signed by the Chairperson on behalf of all the directors in accordance with a unanimous decision of the Board of Port of Townsville Limited.

 THE HON CAMERON DICK MP Deputy Premier, Treasurer and Minister for Trade and Investment	<u>20 September, 2024</u> Date
 THE HON BART MELLISH MP Minister for Transport and Main Roads and Minister for Digital Services	<u>30/9/24</u> Date
 ANN SHERRY AO Chairperson, Port of Townsville	<u>31/05/2024</u> Date

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ACKNOWLEDGEMENT OF COUNTRY

Port of Townsville acknowledges the Gurambilbarra Wulgurukaba and Bindal people as the custodians of the Townsville area where Townsville Port is located, and the Warrgamay and Nywaigi people where Lucinda Port is located. We respect the spiritual relationship the people of the world's oldest continuous living culture hold with the Country and we acknowledge their Elders past, present and emerging.

1. OUR VISION, MISSION & VALUES

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

Values	
PARTNERSHIPS	We build meaningful and lasting relationships
OPPORTUNITY	We continuously innovate
RESPECT	We respect each other
TRUST	We do the right thing

2. RESPONSES TO SHAREHOLDER EXPECTATIONS

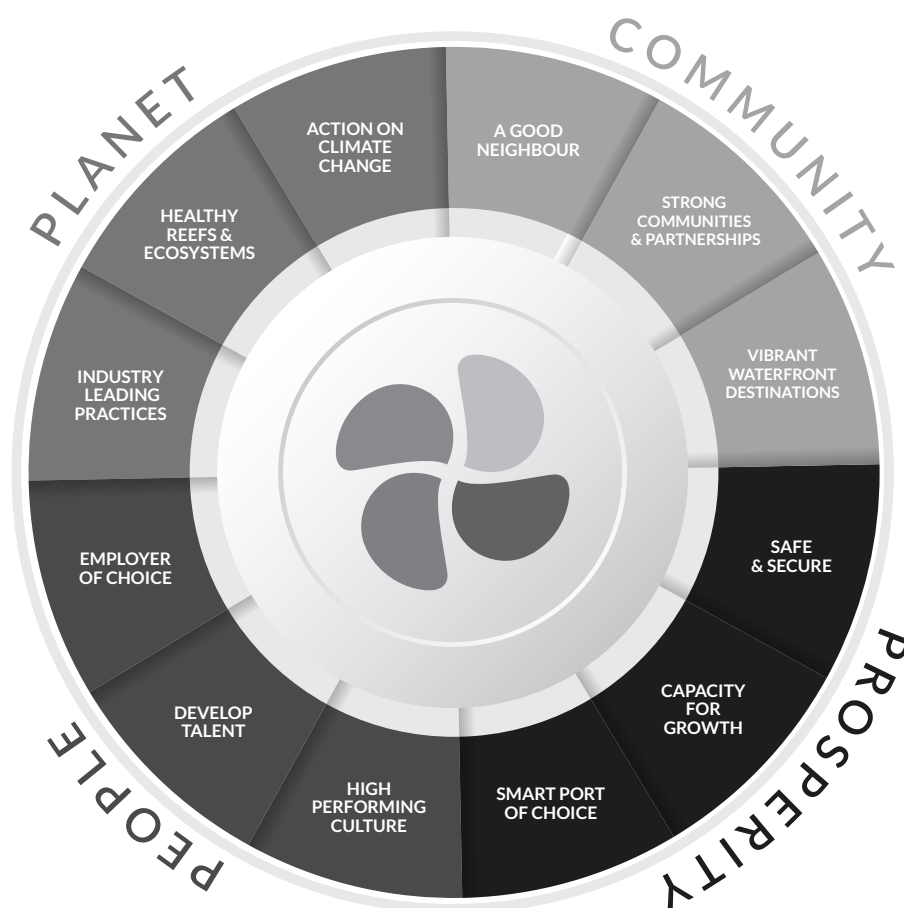
During the term of this Statement of Corporate Intent (SCI), the Port's key strategic objectives and performance indicators have been aligned to meet shareholding Ministers' Strategic Expectations and Objectives as follows:

FINANCIAL PERFORMANCE	<ul style="list-style-type: none"> ▪ Development and implementation of strategies to deliver sustainable growth in financial returns. ▪ Reductions in discretionary expenditure whilst maintaining reliable and efficient core delivery and service standards. ▪ Commitment to Government's Debt Action Plan and dividend policy. ▪ Development of robust business cases for investments which achieve an appropriate rate of return. ▪ Accountability in performance by providing clear linkages between the achievement of strategic objectives, key performance targets and performance payments. ▪ Commitment to the Government's GOC Savings and Efficiency Program through implementation of initiatives to pursue opportunities of improving revenue and earnings in combination with appropriate cost savings measures.
BUSINESS DEVELOPMENT	<ul style="list-style-type: none"> ▪ Development of commercial strategies aimed at expanding and diversifying trade. ▪ Continued work with Government and industry to implement policy and regulatory settings that will facilitate efficient and cost-effective coastal shipping for Townsville. ▪ Investigation and pursuit of opportunities that improve supply chain efficiencies. ▪ Long Term Planning for the Queensland Freight Strategy. ▪ Long Term Planning for the Townsville Eastern Access Rail Corridor. ▪ Long Term Planning for the Queensland Energy and Jobs Plan.
CAPITAL PROJECTS	<ul style="list-style-type: none"> ▪ Commissioning of the new wider shipping channel to allow access for larger ships following completion of the \$251M Port of Townsville Channel Upgrade Project. ▪ Completion of the business case for the Port Expansion Project – Stage 2. ▪ Redevelopment of the Port's lands within the Townsville Priority Development Area. ▪ Investigation into funding or financing opportunities for progressing the Townsville Port Expansion Project.
JOB CREATION	<ul style="list-style-type: none"> ▪ Commitment to being a Local Port Employing Locals. ▪ Continued support of Northern Queensland in all procurement activities. ▪ Compliance with the Queensland Procurement Policy and its Best Practice Principles. ▪ Commitment to First Nation Employment on Major Projects.
ENVIRONMENTAL SUSTAINABILITY	<ul style="list-style-type: none"> ▪ Developments undertaken consistent with the Priority Port Master Plan for Townsville. ▪ Implementation of Queensland Maintenance Dredging Strategy and Long-Term Maintenance Dredging Management Plan. ▪ Compliance with the Sustainable Ports Development Act 2015 ▪ Alignment with Natural capital priority area of the Queensland Sustainability Report 2023 and Reef 2050 Long-Term Sustainability Plan. ▪ Compliance with environmental regulators conditions for projects and operational works. ▪ Continued implementation of the Port's Community Engagement Plans.

3. STRATEGIC OBJECTIVES

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.



4. KEY PRIORITIES AND ACTIONS

Our objectives and the initiatives that we will focus on during 2024-2025 are set out below. Our progress towards these strategic outcomes is monitored and measured by the Board, with quarterly and annual reporting of performance to shareholding Ministers.

The Port will continue to advance Sustainability objectives (including Environmental, Social and Governance), and will continue to engage with the Queensland Government on a consistent reporting approach in line with national and international standards.

PRIORITY AREA	STRATEGIC OBJECTIVE	ACTIONS
		2023 - 2024
PROSPERITY	Smart Port of Choice	<ul style="list-style-type: none"> Develop initiatives to improve efficiencies existing infrastructure Implementation of the new Berth 3 & 4 Operating Model and capacity improvements Drive port expansion feasibility studies to secure trade growth in new sectors including hydrogen and renewable energy, minerals, defence and other growth sectors Develop a new Port precinct for renewable energy projects Progress Asset Management Improvement Plan Complete the Channel Upgrade Project and continue to deliver Port improvement projects to cater for the arrival of larger ships Progress the new ERP system implementation to enable digital operations Continue to drive implementation of Safety Strategy initiatives
	Capacity for Growth	
	Safe & Secure	
PLANET	Industry Leading Practices	<ul style="list-style-type: none"> Where feasible drive beneficial reuse of dredge material through the long-term maintenance dredging plan Partner on initiatives and innovations to reduce impacts from land and water-based activities Identify catchment improvement projects to reduce sediment loss, engage contractor(s) and progress planning stage Implement Quayside solar and battery project (on-site renewable energy) Become a certified carbon literate organisation Continue assessment of risks of climate impacts on physical and natural assets in preparation for development of an adaptation plan
	Healthy Reefs & Ecosystems	
	Action on Climate Change	
COMMUNITY	Be a Good Neighbour	<ul style="list-style-type: none"> Continue to improve the amenity of port interface lands Continue the Port Community Fund and other programs to support local communities Continue school and community tours and port public education initiatives Complete the Reflect Reconciliation Action Plan and implement actions Implement Cruise Attraction Plan initiatives and planning for growth Complete the Waterfront Masterplan and undertake investigations in partnership with customers and stakeholders to facilitate the development and integration of waterfront precincts Undertake a program of initiatives to showcase the Port's history and future plans celebrating 160 years since the Port of Townsville was founded
	Strong Communities & Partnerships	
	Vibrant Waterfront Destinations	
PEOPLE	Employer of Choice	<ul style="list-style-type: none"> Continue to implement year two actions in accordance with the Port's Diversity, Equity and Inclusion Plan Develop and implement a People Data Reporting Model Employee Value Proposition Model defined in partnership with external groups Implement a Leadership Framework and expand foundational leadership development programs to lift frontline leadership Develop and implement the Port's Workforce Plan Complete the People strategy development, audit and remediation action plan Continue to implement improvements to systems and technology to enhance productivity and efficiencies —including the expansion of real-time communication channels Continue to implement the Smart Port Framework and initiatives (Digital Port 4.0) Build a centre of excellence for innovation through the continue roll out of our innovation and business excellence framework
	Develop Talent	
	High Performing Culture	

5. KEY BUSINESS PERFORMANCE INDICATORS

The Port undertakes to provide sustainable growth and value to shareholders by capitalising on our strengths and appropriately managing key threats and weaknesses.

The budget reflects changes to internal and external operating environments that may impact our operations in the current planning period.

FINANCIAL KPIS

2022-2023 Actual	2023-2024 Budget	2023-2024 Est. Actual	Measures	2024-2025 Full Year	Q1	Q2	Q3	Q4
28.58	28.84	27.21	EBIT (\$M)	25.42	8.84	5.56	0.90	10.12
17.62	17.40	16.17	NPAT (\$M)	15.05	6.06	1.97	0.58	6.44
15.74	16.82	15.52	Dividend (\$M)	14.34	0.00	0.00	0.00	14.34
3.14	3.19	2.79	Return on Assets EBIT (%)	2.40	3.43	2.15	0.34	3.83
2.43	2.63	2.28	Return on Equity (%)	2.05	3.36	1.09	0.32	3.51
2.18	1.43	0.93	Current Ratio	0.95	1.63	1.72	1.90	0.95
5.18	7.20	6.62	Interest Cover Ratio (EBIT)	6.47	9.04	5.63	0.92	10.24
0.13	0.12	0.17	Debt to Debt + Equity Ratio	0.22	0.21	0.22	0.22	0.22
65.17	88.27	78.93	Capital Investments (\$M)	99.28	32.79	32.21	20.56	13.71

NON-FINANCIAL KPIS

2022-2023 Actual	2023-2024 Budget	2023-2024 Est. Actual	Measures	2024-2025 Full Year	Q1	Q2	Q3	Q4
6.81	7.75	7.37	Trade Throughput (Million tonnes)	7.91	2.26	2.21	1.67	1.77
11	18	16	Cruise Ship Visits	25	0	6	13	6
91%	>85%	94%	Customer Satisfaction	>85%	>85%	>85%	>85%	>85%
0	0	0	Reportable Security Incidents	0	0	0	0	0
19	0	16	Reportable Environmental Breaches	0	0	0	0	0
13	0	10.1	Lost Time Injury Frequency Rate	0	0	0	0	0
Certified	Certified	Certified	SMS, EMS, QA & ISMS Certifications	Certified	Certified	Certified	Certified	Certified
88%	>85%	86.5%	Community Satisfaction	>85%	>85%	>85%	>85%	>85%
84.5%	>85%	83.5%	Employee Satisfaction	>85%	>85%	>85%	>85%	>85%
146.28	156.2	171.31	Full Time Equivalentents	205.54	181.82	205.54	205.54	205.54

6. TRADE PERFORMANCE

2022-2023 Actual	2023-2024 Budget	2023-2024 Est. Actual	Commodity	2024-2025 Budget	Quarter 2024-2025			
					Q1	Q2	Q3	Q4
Imports								
411,425	482,820	420,000	Cement	482,820	128,865	132,051	100,716	121,188
62,989	83,240	83,223	Chemical Products	83,612	19,841	16,789	25,560	21,421
121,173	178,171	178,171	Fertiliser	180,262	69,437	55,160	15,070	40,595
187,477	193,697	175,017	General Cargo	260,597	71,167	71,512	55,593	62,324
126,768	300,000	325,000	Mineral Ores & Concentrates	500,000	185,735	151,935	85,570	76,760
36,708	29,674	38,000	Motor Vehicles	34,567	8,044	8,659	8,296	9,568
1,077,052	1,173,597	1,173,597	Petroleum Products	1,166,905	335,368	306,313	247,734	277,490
106,847	100,000	100,000	Sulphur	120,000	33,804	31,416	31,188	23,592
2,130,439	2,541,200	2,493,008	Total Imports	2,828,763	852,261	773,835	569,727	632,938
Exports								
25,294	84,617	50,000	Chemical Products	33,590	5,203	8,561	10,426	9,399
822,594	950,000	600,000	Fertiliser	619,200	191,209	161,178	146,255	120,558
195,174	282,761	282,761	General Cargo	446,265	42,951	133,869	154,656	114,791
54,042	44,378	74,999	Livestock	83,470	22,504	21,869	18,347	20,751
1,313,221	1,352,693	1,352,693	Mineral Ores & Concentrates	1,413,113	328,201	399,525	311,516	373,871
262,352	250,000	250,000	Molasses	250,000	126,900	69,075	27,500	26,525
452,263	580,000	520,000	Refined Minerals & Metals	580,000	155,671	150,627	134,106	139,596
1,068,197	1,135,000	1,200,000	Sugar	1,160,000	409,364	367,140	173,768	209,728
488,059	525,000	550,000	Sugar - Lucinda	500,000	125,000	125,000	125,000	125,000
4,681,196	5,204,450	4,880,454	Total Exports	5,085,638	1,407,003	1,436,844	1,101,574	1,140,219
6,811,635	7,745,649	7,373,462	Total Throughput	7,914,401	2,259,264	2,210,679	1,671,301	1,773,157

Amounts shown may not add to the correct subtotal or totals due to rounding

Trade forecasts for 2024-2025 have been based on information available as of March 2024 in view of existing contracts, advice from customers, market conditions for commodities and long-term historical trade patterns. Total estimated actual trade throughput in 2023-2024 is estimated to be 7,373,461 tonnes, against a budget of 7,745,649. tonnes. The estimated actual volume for 2023-2024 is 561,826 tonnes higher than the previous years' actual total tonnage, and 372,188 tonnes below the 2023-2024 budget.

MAJOR VARIANCES – 2023-2024 ESTIMATED ACTUAL AND 2024-2025 BUDGET

The 2024-2025 budget is ahead of the 2023-2024 actual volumes. The main variances are attributable to:

- Increases in general cargo trade (import) with project cargo growth, namely the Upper Burdekin Windfarm Project, Genex Kidston Windfarm Project and Copperstring 2.0, expected to commence.
- Increase in general cargo trade (export) with expected growth in phosphate rock exports.
- Mineral concentrates imports improving as mines source internationally for refinery feedstock.
- Improvements in mining and cement compared to 2023-2024 period which were impacted by heavy rain causing flooding in the northwest.

IMPORTS

The rise in imports of motorised vehicles in 2023-2024 has been significant, however the Port has taken a conservative approach to budgeting for 2024-2025. Mineral concentrates expected to continue to rise with Zinc Refinery expansion ramping up and Copper Smelter sources additional concentrates.

The Port expects to see an improvement in general cargo in 2024-2025 as various projects move into construction phases, such as the Upper Burdekin Windfarm Project, Genex Kidston Windfarm Project and Copperstring 2.0. It is also expected that cement imports will increase, recovering from a low 2023-2024 due to flooding impacts and growth in projects.

EXPORTS

Sugar exports, from both Townsville and Lucinda, are exceeding the budgeted volumes based on better-than-expected sugar prices and new trade agreements with the United Kingdom. The expectation for 2024-2025 is that sugar will continue will return to historical export levels.

Exports of fertiliser in the current financial year has been revised down due to less than favourable weather events and production issues. The Port has been conservative in maintaining a lower than normal forecast for 2024-2025, giving the Port some upside potential.

Mineral concentrates exports are expected to increase in 2024-2025 as mines recover from operational impacts of wet weather in 2023-2024.

Meanwhile, the commissioning of Sun Metals' zinc refinery expansion is expected to facilitate improved refined minerals exports into the next financial year.

General cargo exports are expected to increase from 2024-25 with new commodities, including phosphate rock, as they expand into new overseas markets.

Exports of live cattle remain consistent and are above budgeted figures for 23/24 financial year. It is expected that Live Exports will remain on track to exceed budgeted figures.

7. KEY ASSUMPTIONS AND RISKS

The key assumptions underpinning the Port's strategic planning and financials for 2024-2025 include:

- Trade tonnage throughput forecasts have been based on customer contracts (where applicable), advice from customers, an assessment of the feasibility of new trades or increases in terms of capacity of supporting infrastructure, global market conditions for commodities as advised by QTC and long-term historical trade patterns.
- An allowance has been made for overall increases in Port charges of 5% for 2024-2025.
- Capital expenditure includes \$99.28 million in 2023-2024 and \$207.03 million over the five years to 2028-2029 to complete a number of major projects and upgrades considered essential for continued growth and reliability, safety and efficiency of core assets. Further detail on capital expenditure can be found in this SCI and the 2024-2029 Corporate Plan.
- Operating expenditure includes continued delivery of core services and maintenance with a strong emphasis on achieving efficiency and productivity savings and reducing discretionary spending and non-core operations. Expenditure increases across the forecast period include costs associated with our recent restructuring process which is aimed at aligning our resources more effectively to deliver our organisational objectives; and the planned implementation of a new Enterprise Resource Planning (ERP) initiative which will streamline our operations and enhance overall business processes.
- Enterprise Agreement negotiations will occur for 3 of the Port's Enterprise Agreements with potential wage increases of applicable for Administration and Port Services Officers and senior officer contracts subject to enterprise agreements, and for the Maintenance and Maritime Security Guards employees. The Marine Pilots Enterprise Agreement provides for an increase of 4.5% for marine pilots. Wage increases in the budget period are partially offset by efficiency and productivity improvements savings.
- Inclusion of Government directed increase to superannuation contributions to 12.75% per annum for all employees of the Port, effective from 1 July 2023.
- Interest rate on borrowings has been calculated based on QTC portfolio linked loan of [REDACTED] and Competitive Neutrality Fee of [REDACTED]. Interest on investments has utilised [REDACTED] per annum, consistent with QTC capital guarantee cash fund annual effective rate as at January 2024.

The Port will report to our shareholding Ministers quarterly, half-yearly and annually on our operational performance in accordance with the GOC Act and shareholding Ministers' expectations.

The Port will also keep shareholding Ministers continually informed of any significant operational and financial issues affecting our operational performance, including its ability to meet the key performance results set out in this SCI.

KEY ASSUMPTIONS	Budget 2023-2024	Budget 2024-2025
Economic Indices		
Consumer Price Index %	2.75%	3.5%
Wage Growth%	3%	4.5%
Dividend Payout Ratio	100%	100%
Other		
Port Charges Rate Increases	4.5%	5%
Key Operating Cost Inputs	3.5%	3.5%

* Long Term Forecast and Government Indexation Rate utilised for Supplies and Services expenditure items.

The Key Risks that may impact the Port's ability to achieve its strategic objectives and key performance targets during 2024-2025 include:

BUSINESS DRIVERS	KEY RISKS	MITIGATION MEASURES
Economic Conditions	<ul style="list-style-type: none"> ▪ Fluctuating commodity prices ▪ Geo-political tensions with China, Russia's invasion of Ukraine and the flow on impacts to commodity prices and the economy ▪ Continued escalation of CPI and construction price index above current estimates ▪ Existing coastal shipping regulatory regime ▪ Global shipping constraints and changes in prices for ships and containers 	<ul style="list-style-type: none"> ▪ Trade diversification and input into policies that promote growth of Northern Australia and the region ▪ Ensure robust governance structures for project planning and delivery and appropriate contingencies factored into business cases ▪ Engage with industry to plan for current and future needs at the Port with the aim of supporting efficient and cost effective coastal shipping ▪ Ensure competitive service levels and pricing and promote the commercial advantages of Townsville as the primary logistics hub in Northern Australia
Port and Supply Chain Capacity for Growth	<ul style="list-style-type: none"> ▪ Channel size constraints ▪ Port capacity constraints ▪ Constraints on funding options for critical infrastructure projects ▪ Supply chain capacity constraints 	<ul style="list-style-type: none"> ▪ Delivery of the Channel Upgrade Project ▪ Berth and terminal upgrades to improve productivity, efficiency and capacity ▪ Investigations and planning for the Port Expansion Project ▪ Investigations into funding and financing opportunities ▪ Continued implementation of efficient rail and road initiatives and growth planning with key supply chain partners and industry participants

Environmental & Social Conditions	<ul style="list-style-type: none"> ▪ Delays and cost due to increasing regulatory requirements with respect to dredging and major project approval processes ▪ Delays or cessation to operations and projects due to lack of community support ▪ Delays to operations and projects due to outside influences (weather, slow supply, etc) ▪ Sustainability and ESG reporting frameworks are changing ▪ Climate change impacts from both transition and physical risks ▪ Changes to biodiversity and ecosystems ▪ Implementation of the Port's Long-Term Maintenance Dredging Management Plan ▪ Compliance with the Port's Priority Port Master Plan ▪ Compliance with environmental approvals ▪ Proactive regulator engagement ▪ Membership of Queensland Ports Association Environment, Planning & Sustainability working group which aims to provide a united voice for Queensland Ports with emphasis on strategic policy and engagement. ▪ Active monitoring of our physical (weather), social (community sentiment) and trade environments (slow supply). ▪ Redevelopment and management of Port/ City Interface by creating urban buffer zones to improve amenity ▪ Community donations and sponsorships ▪ Proactive community engagement ▪ Compliance with the Qld Procurement Policy and Best Practice Principles ▪ Engage with the Queensland Government on a consistent reporting approach in line with national and international standards ▪ Planet initiatives in alignment with Queensland Climate Action Plan 2030 and Energy and Jobs Plan ▪ Development of Climate Risk Assessments and Adaptation Plans ▪ Planet initiatives to support healthy reefs and ecosystems in alignment with the Reef 2050 Sustainability Plan ▪ Reporting to Board Sustainability and Strategy, Innovation and Development Committees
Cyber Security	<ul style="list-style-type: none"> ▪ Increasing frequency and sophistication of cyber security threats to infrastructure, data and systems ▪ The Port is certified to ISO27001 and uses and reports against the Cyber Security Capability Maturity Model (C2M2) as developed by the US Department of Energy ▪ On Premise work plan to improve redundancy and resilience ▪ Off premise work plan to improve resilience ▪ Incident Response and remediation improvements ▪ Third party partnership for response and recovery ▪ With regards to good port benchmark Port is using the guidelines as laid out in Security of Critical Infrastructure Act 2018. ▪ ISO 27001 Certification ▪ CMM Maturity Level 1 ▪ Port is working with Ports Australia's new Cyber Security working group to develop industry benchmarks.

8. CAPITAL EXPENDITURE

PROJECT	PROJECT DESCRIPTION	2022-2023 \$M	Total Budget	Board Approved	Shareholder Approved
Channel Capacity Upgrade Project	Widening of the existing navigational channels to allow larger vessels safe access.	17.54	251.18	Y	Y
Swing Basins	Works to allow larger vessels at berth.	0.06		Y	NA
ICT Plant and Equipment	Minor asset replacements and acquisitions and minor ICT assets.	0.67		Y	NA
Infrastructure Works	New and/or capital maintenance works of infrastructure assets.	35.95*		Y	NA*
Land Improvements	Works to improve land areas for cargo handling and laydown.	0.30		Y	NA
Roads	Road and infrastructure works associated with new development	32.08*		Y	NA*
Wharves	New and/or capital maintenance works of wharf assets.	10.36		Y	NA
Plant	Minor asset replacements and acquisitions and minor infrastructure works around the Port of Townsville and Lucinda.	2.32		Y	NA
Total		99.28			

* Included in these figures is \$47.5 million for development of a Renewable Energy Laydown Area to support the import of project cargo for wind and solar projects in the region through the Port of Townsville. The Port will seek approval of shareholding Ministers for these investments supported by a Business Case that is currently being finalised.

INVESTMENT THRESHOLDS	\$M
Shareholding Minister Notification	3.0
Shareholding Minister Approval	10.0

9. CAPITAL STRUCTURE

Borrowings

FACILITY	2023-2024	2024-2025	Change
QTC – Portfolio Link Loan (\$M)	141.14	209.14	68
Total (\$M)	141.14	209.14	68

Borrowings will be sourced through QTC under new loan terms and conditions agreed in 2019. Interest on borrowings has been calculated based on QTC portfolio linked loan of [REDACTED] and a Competitive Neutrality Fee of [REDACTED].

A Working Capital Facility of \$30 million has been maintained through QTC to provide flexibility in managing any cash flow adjustments for major capital works.

10. COMMUNITY SERVICE OBLIGATIONS

The Port has no declared Community Service Obligations.

11. STATEMENT OF COMPLIANCE

The Port, including its subsidiaries, will comply with all relevant policies and guidelines as issued by the shareholders and Government, and formal directions as received from time to time.

13. FINANCIAL STATEMENTS

2022-2023 Actual	2023-2024 Budget	2023-2024 Est. Actual	Income Statement	2024-2025 Budget	Sept	Quarter 2024-2025			
						Dec	Mar	Jun	
Operating Revenue									
66,876,424	74,688,073	74,819,929	Trade Income	86,944,569	22,151,248	21,650,416	16,957,963	26,184,943	
14,303,240	15,007,026	15,911,117	Property & Facilities	18,044,460	4,520,056	4,513,976	4,606,722	4,403,707	
884,664	394,930	1,538,180	Interest Received	850,590	214,395	214,395	209,735	212,065	
4,274,953	4,727,392	864,504	Other Revenue	626,356	157,408	212,222	63,517	193,210	
2,677,896	824,376	938,740	Revaluation & Impairment Adjustments	1,007,120	-	-	-	1,007,120	
89,017,177	95,641,796	94,072,469		107,473,095	27,043,106	26,591,008	21,847,936	32,001,045	
Operating Expenditure									
20,741,560	21,494,148	23,490,612	Employee Related Expenses	28,365,508	7,173,678	7,125,988	7,062,570	7,003,272	
21,375,322	27,024,666	24,334,410	Supplies & Services	33,854,925	6,906,484	6,438,895	9,754,375	10,755,171	
15,361,600	15,244,757	16,106,541	Depreciation & Amortisation	16,391,016	4,097,754	4,097,754	4,097,754	4,097,754	
-	-	-	Impairments/Write-downs	-	-	-	-	-	
2,918,235	2,968,920	2,890,212	Taxes & Government Charges	3,094,191	10,161	3,063,708	10,161	10,161	
386,247	72,542	36,940	Other Expenses	343,681	12,611	304,419	12,780	13,871	
60,782,964	66,805,033	66,858,715		82,049,321	18,200,688	21,030,764	20,937,640	21,880,229	
28,234,214	28,836,764	27,213,755	Earnings before Interest and Tax (EBIT)	25,423,775	8,842,418	5,560,244	900,297	10,120,816	
3,967,081	3,977,466	4,112,366	Finance Costs	3,927,332	977,899	986,780	973,848	988,806	
24,267,133	24,859,297	23,101,389	Net Profit before Tax	21,496,443	7,864,520	4,573,464	(73,551)	9,132,010	
6,995,735	7,457,789	6,928,087	Income Tax Equivalent	6,448,932	1,807,008	2,602,963	(657,480)	2,696,441	
17,271,398	17,401,508	16,173,302	Net Profit After Tax (NPAT)	15,047,510	6,057,512	1,970,501	583,929	6,435,569	
15,396,871	16,824,446	15,516,184	Dividend	14,342,526	-	-	-	14,342,526	
1,874,526	577,063	657,118		704,984	6,057,512	1,970,501	583,929	(7,906,958)	

Amounts shown may not add to the correct subtotal or totals due to rounding

2022-2023 Actual	2023-2024 Budget	2023-2024 Est. Actual	Income Statement	2024-2025 Budget	Sept	Quarter 2024-2025			
						Dec	Mar	Jun	
Current Assets									
32,540,384	15,000,000	15,000,000	Cash & Cash Equivalents	14,637,783	15,000,000	15,000,000	15,000,000	14,637,783	
4,082,853	4,458,203	465,295	GOC Advance Facility	-	26,311,764	5,008,547	12,383,849	-	
20,997,287	13,715,349	18,962,609	Trade & Other Receivables	21,334,307	14,598,658	12,954,470	11,032,713	21,334,307	
-	-	-	Current Tax Receivable	585,339	1,013,928	1,013,928	1,013,928	585,339	
-	-	-	Non-Current Assets held for Sale	-	-	-	-	-	
2,724,486	2,590,595	2,778,924	Other Current Assets	2,834,723	1,457,822	5,542,229	4,188,100	2,834,723	
60,345,010	35,764,148	37,206,828		39,392,152	58,382,172	39,519,175	43,618,590	39,392,152	
Non-Current Assets									
818,312,680	72,316,515	905,741,876	Property Plant and Equipment	1,004,887,990	34,438,840	62,553,548	79,017,749	1,004,887,990	
3,932,253	3,117,162	3,746,085	Right of Use Assets	3,746,085	3,746,085	3,746,085	3,746,085	3,746,085	
59,532,570	58,822,926	60,471,310	Investment Properties	60,231,324	60,471,310	60,471,310	60,471,310	60,231,324	
881,777,503	934,256,603	969,959,271		1,068,865,399	998,656,234	1,026,770,942	1,043,235,143	1,068,865,399	
942,122,513	970,020,751	1,007,166,099	TOTAL ASSETS	1,108,257,551	1,057,038,406	1,066,290,117	1,086,853,733	1,108,257,551	
Current Liabilities									
14,452,965	14,325,160	13,414,588	Trade & Other Payables	17,274,423	9,131,158	11,559,351	11,345,733	17,274,423	
380,792	409,557	373,615	Lease Liabilities - Current	373,615	373,615	373,615	373,615	373,615	
2,330,962	2,397,855	1,317,504	Current Tax Liabilities	-	1,312,356	1,578,185	1,668,119	-	
15,678,676	16,824,445	15,516,184	Dividends Payable	14,342,525	15,516,184	-	-	14,342,525	
-	-	-	Financial Liabilities - Current	-	-	-	-	-	
4,281,756	4,431,018	4,395,515	Provisions - Current	4,525,438	4,476,446	4,557,376	4,638,307	4,525,438	
4,950,753	4,670,669	4,915,530	Other Current Liabilities	5,005,294	4,937,971	4,960,412	4,982,853	5,005,294	
42,075,904	43,058,705	39,932,936		41,521,295	35,747,730	23,028,940	23,008,628	41,521,295	
Non-Current Liabilities									
96,137,543	141,137,543	141,137,543	Financial Liabilities - NC	209,137,543	189,137,543	209,137,543	209,137,543	209,137,543	
3,581,883	3,696,902	3,372,469	Lease Liabilities - NC	3,372,469	3,372,469	3,372,469	3,372,469	3,372,469	
626,434	550,494	640,154	Provisions - NC	659,359	640,154	640,154	640,154	659,359	
77,733,833	74,668,247	84,980,993	Deferred Tax Liabilities	89,006,476	84,980,993	84,980,993	84,980,993	89,006,476	
20,250,666	18,971,560	18,350,521	Other Non-current Liabilities	17,014,284	18,350,521	18,350,521	18,350,521	17,014,284	
198,330,359	239,024,746	248,481,680		319,190,131	296,481,680	316,481,680	316,481,680	319,190,131	
240,406,263	282,083,451	288,414,616	TOTAL LIABILITIES	360,711,426	332,229,410	339,510,620	339,490,308	360,711,426	
701,716,248	687,937,300	718,751,484	NET ASSETS	747,546,125	724,808,995	726,779,497	747,363,425	747,546,125	
Equity									
165,878,719	165,348,503	166,535,836	Retained Profits	167,750,571	172,759,140	175,073,600	175,657,529	167,750,571	
287,957,823	274,709,092	304,335,942	Reserves	311,915,848	304,170,149	303,826,192	303,826,190	311,915,847	
247,879,706	247,879,705	247,879,707	Issued Shares	267,879,706	247,879,707	247,879,706	267,879,707	267,879,707	
701,716,248	687,937,300	718,751,484	TOTAL EQUITY	747,546,125	724,808,995	726,779,497	747,363,425	747,546,125	

Amounts shown may not add to the correct subtotal or totals due to rounding

2021-2022 Actual	2022-2023 Budget	2022-2023 Est. Actual	Income Statement	2023-2024 Budget	Sept	Quarter 2034-2024			
						Dec	Mar	Jun	
			Cashflows from Operating Activities						
91,915,101	94,103,430	91,359,444	Receipts from Customers	100,812,214	30,106,175	26,978,242	23,572,399	20,155,398	
(53,692,373)	(49,046,488)	(53,031,242)	Payments to Suppliers & Employees	(61,241,307)	(16,098,232)	(17,616,559)	(11,962,989)	(15,563,528)	
30,000,000	-	-	Contributed Capital	20,000,000	-	-	20,000,000	-	
-	-	-	Tax Refund	-	-	-	-	-	
(6,388,565)	(3,426,318)	(7,629,036)	Income Tax Equivalents	(7,574,823)	(2,184,129)	(2,175,226)	(1,614,990)	(1,600,478)	
884,664	394,930	1,538,180	Interest received	850,590	214,395	214,395	209,735	212,065	
62,718,827	42,025,554	32,237,345		52,846,673	12,038,209	7,400,852	30,204,155	3,203,457	
			Cashflows from Investing Activities						
(65,167,046)	(88,268,775)	(78,927,784)	Capital Expenditure	(99,278,784)	(32,794,717)	(32,212,462)	(20,561,955)	(13,709,650)	
-	115,000	339,182	Sales of fixed assets	1,185,000	95,000	1,065,000	-	25,000	
4,383,261	17,552,202	3,617,558	Advances to Queensland Treasury	465,295	(25,846,469)	21,303,217	(7,375,302)	12,383,849	
(60,783,785)	(70,601,573)	(74,971,044)		(97,628,489)	(58,546,186)	(9,844,245)	(27,937,257)	(1,300,801)	
			Cashflows from Financing Activities						
-	45,000,000	45,000,000	Loan Raisings	68,000,000	48,000,000	20,000,000	-	-	
-	-	-	Redemption on Loans	-	-	-	-	-	
(4,157,757)	(5,399,023)	(4,409,813)	Finance Costs	(8,064,218)	(1,492,024)	(2,040,424)	(2,266,898)	(2,264,873)	
-	(15,586,551)	(15,396,871)	Dividend	(15,516,184)	-	(15,516,184)	-	-	
(4,157,757)	24,014,426	25,193,316		44,419,598	46,507,976	2,443,393	(2,266,898)	(2,264,873)	
(2,222,715)	(4,561,593)	(17,540,383)	Net cash inflow/(outflow)	(362,217)	-	(0)	-	(362,217)	
10,799,493	16,234,270	32,540,383	Opening Cash Balance	15,000,000	15,000,000	15,000,000	15,000,000	15,000,000	
(2,222,716)	(4,561,593)	(17,540,383)	Net cash inflow/ (outflow)	(362,217)	-	(0)	-	(362,217)	
8,576,777	11,672,677	15,000,000	Closing Cash Balance	14,637,783	15,000,000	15,000,000	15,000,000	14,637,783	

Amounts shown may not add to the correct subtotal or totals due to rounding

ATTACHMENT 1: SPONSORSHIP, ADVERTISING, CORPORATE ENTERTAINMENT, AND DONATIONS

Detail	Description/ Benefit	2023-2024 Budget (\$)	2023-2024 Actual (\$)	2024-2025 Budget (\$)	Quarter 2024-25 (\$)				2024-2025 Per Head (\$)
					Sept	Dec	Mar	Jun	
SPONSORSHIPS									
James Cook University Scholarships	To promote employment within the north Queensland region and POTL as a potential employer.	1,800	1,800	1,800	1,800				
Total over \$5,000		1,800	1,800	1,800	1,800				
Other Sponsorships (total) below \$5,000		26,000	33,500	16,500	1,050	4,350	10,550	550	
TOTAL		27,800	35,300	18,300	2,850	4,350	10,550	550	
MEMBERSHIPS									
Dry Tropics Healthy Waters/Wet Tropics Waterways (23-24)	To partner in the improvement of values of our catchments and reef through pooling information and understanding the water health and drivers for Townsville, Lucinda and the Great Barrier Reef World Heritage Area.	26,530	26,530	27,061	-	-	-	27,061	
Townsville Enterprise Limited	To increase our profile within the industry to promote trade.	38,200	38,840	38,964	38,964	-	-	-	
Queensland Ports Association	To participate, along with other Queensland ports, in common issues and activities and to share information where appropriate in the interests of the State's economic development.	9,364	9,364	9,551	-	9,551	-	-	
Ports Australia	To participate in Australia's peak representative body for Australian ports and marine authorities.	40,000	40,000	40,800	-	40,800	-	-	
MITEZ	To support the diversification of new industries, expansion of new markets and promotion of existing investment opportunities in the region.	15,606	21,000	21,500	21,500	-	-	-	
Shipping Australia	Membership provides the opportunity to help shape and promote the policies of the shipping industry in Australia and internationally through the various committees of Shipping Australia. Membership provides a forum for the exchange of information with governments and other bodies influencing policy on matters relating to the shipping industry.	3,787	-	-	-	-	-	-	
AIVP – Port City Sustainability	Membership provides support to improve relations between cities and ports through dialogue and cooperation, promoting sustainable development projects that meet community hopes and aspirations.	6,450	6,450	-	-	-	-	-	
Total over \$5,000		139,937	142,184	137,876	60,464	50,351	-	27,061	
Other Membership (total) below \$5,000		16,698	21,885	21,178	9,700	2,493	3,184	5,801	
TOTAL		156,635	164,069	159,054	70,164	52,844	3,184	32,862	
CORPORATE ENTERTAINMENT & EVENTS									
Employee End of Year Function	Year in review, recognition / appreciation of employee efforts, employee morale and increase team building.	18,000	11,300	16,000	-	-	16,000	-	78
160th Anniversary Community Event(s)	A community event to acknowledge significant milestone in the Port's history, to reflect on past achievements.	-	-	20,000	20,000	-	-	-	100
Total over \$5,000		18,000	11,300	36,000	20,000	-	16,000	-	178
Other (total) < 5,000		12,889	11,217	16,608	5,340	565	3,096	7,606	
TOTAL		30,889	22,517	52,608	25,340	565	19,096	7,606	178
DONATIONS									

Maritime Museum	To support community endeavours and promote the Port of Townsville's historical significance to the area.	25,000	50,000	80,000	80,000	-	-	-	
Community Organisations	Community Fund created under Port Vision 2050 designed to support a broad range of local initiatives that align with the Port's strategic vision to create improved sustainability in our key areas of Planet, Community, People and Prosperity.	50,000	50,000	50,000	-	-	-	50,000	
Total over \$5,000		75,000	100,000	130,000	80,000	-	-	50,000	
Other (total) below \$5,000		1,000	1,000	1,000	-	1,000	-	-	
TOTAL		76,000	101,000	131,000	80,000	1,000	-	50,000	
ADVERTISING									
Schools Program	Design of new school engagement materials for use on port tours and as part of curriculum	3,000	2,500	3,000	750	750	750	750	
Community Port Tours	Advertising costs for community Port tours to promote the Port and its relationship with the community.	5,000	5,000	5,000	2,500	-	2,500	-	
Quayside Terminal	Advertising of Quayside Terminal facilities for public and private events.	11,200	3,730	11,800	2,950	2,950	2,950	2,950	
Corporate Merchandise	Merchandise to promote the port at community events and trade expos.	13,837	13,837	16,614	6,029	3,529	3,529	3,529	
Townsville Bulletin / Austereo News	Placement of the "What's Happening at the Port" updates throughout the year, as well as ad hoc advertising.	11,005	26,005	23,057	5,764	5,764	5,764	5,764	
Total over \$5,000		44,042	51,072	59,471	17,993	12,993	15,493	12,993	
Other (total) below \$5,000		20,000	6,900	25,000	23,000	2,000	-	-	
TOTAL (5)		64,042	57,972	84,471	40,993	14,993	15,493	12,993	
TOTAL		355,366	379,818	444,372	219,347	72,691	48,323	104,011	178

DETAILS OF TOTAL BUDGETED EXPENDITURE UNDER \$5,000

Activity	2023-2024 Budget (\$)	2023-2024 Est. Actual (\$)	2024-2025 No. of Activities	2024-2025 Budget (\$)	Quarter 2024-25 (\$)			
					Sept	Dec	Mar	Jun
Corporate Fundraiser Annual charity day with all proceeds donated to a local charity.	4,682	-	4,775	4,775	-	-	-	1
Stakeholder Functions Informal gatherings of Port stakeholders for discussing Port objectives, operations and facilitating networking opportunities.	4,993	5,201	4,775	-	-	531	4,244	3
Client and Business Meetings Working meetings for discussing Port objectives and operations as well as client discussions.	1,352	2,352	3,360	432	432	432	2,062	67
Port Advisory Body Function Provides an informal forum for discussion of the activities of the Port with Port stakeholders.	832	1,144	1,167	-	-	-	1,167	1
Community Information Sessions Sessions to provide information particularly on Magnetic Island on the Channel Upgrade project and dredging program.	1,040	520	531	133	133	133	133	5
TOTAL UNDER \$5,000	12,899	9,217	14,608	5,340	565	1,096	7,606	77

ATTACHMENT 2: WEIGHTED AVERAGE COST OF CAPITAL

WACC INPUTS			MAY 2024
COST OF EQUITY	Expected Inflation		
	SL CAPM	Expected return on zero beta asset	
		Expected return on the market	
		Equity Beta	
		SL CAPM - Cost of Equity (post tax)	
	BLACK CAPM	Expected return on zero beta asset	
		Expected return on the market	
		Equity Beta	
		Black CAPM - Cost of Equity (post tax)	
	Cost of Equity (post tax)		
COST OF DEBT	Risk-free rate		
	Debt margin		
	Cost of Debt (pre-tax)		
	Corporate Tax Rate		
	Cost of Debt (post tax)		
Gamma (imputation credit)			
Debt to Capital			
WACC (post-tax nominal)			

ATTACHMENT 3: EMPLOYMENT & INDUSTRIAL RELATIONS PLAN

1. Strategic Framework and Outcomes

Our Employment and Industrial Relations objective is to position the Port as an Employer of Choice in Townsville. We will do this by creating a positive and inclusive environment for our diverse workforce: skilled and high-performing people committed to realising their full potential and contributing to the achievement of the Port's business objectives.

Strategies and key actions to be implemented during 2024 – 2025 are as follows:

PRIORITY AREA	STRATEGIC OBJECTIVE	ACTIONS
		2024 - 2025
PEOPLE	Employer of Choice	<ul style="list-style-type: none"> Continue to implement year two actions in accordance with the Port's Diversity, Equity and Inclusion Plan. Develop and Implement a People Data Reporting Model.
	Develop Talent	<ul style="list-style-type: none"> Employee Value Proposition Model defined in partnership with external groups. Implementation of Leadership Framework and expand foundational leadership development programs to lift frontline leadership.
	High Performing Culture	<ul style="list-style-type: none"> Develop and implement the Port's Workforce Plan. Completion of People Strategy development, audit and remediation action plan.

2. Significant and Emerging Issues

The key issues related to industrial relations and human resources during 2024-2025 are detailed below.

i. Employment Security and Economic Sustainability

We are committed to ensuring that our structure is fit for purpose and flexible enough to respond to dynamic and changing internal and external environments. We will strive to maintain employee numbers at levels that meet our operational and capital works program.

ii. Attracting and Retaining Employees

We are committed to attracting a large and diverse talent pool to meet future needs. Our recruitment process is rigorous, fair and consistent and hiring decisions are based on cultural fit and leadership/behavioural capabilities, in addition to technical skills and experience.

We are committed to developing our employees to ensure that they have the technical, professional and leadership skills to meet future demands and advances in technology. This starts with ensuring that all new employees receive a comprehensive induction including mandatory and compliance training so that they can become productive in their new role as quickly and safely as possible.

Employees' ongoing development needs are identified through the annual performance review process. Employees and their supervisor identify training gaps and performance improvements; and prepare a plan aimed at further development in their current role, as well as growth for future roles so that our employees may realise their full potential at the Port.

Development activities include on-the-job development through secondments, higher duties, projects and stretch assignments, as well as more formal classroom and online learning.

Succession planning identifies high potential employees for senior positions, with career plans including development activities specifically targeting future promotion.

Our Learning and Development policies have been updated to reflect the Port's commitment to these processes. The implementation of a new Learning Management System (LMS) is well underway, with a new training records management system in place and integrated module for online performance reviews and development planning to be implemented first quarter of the plan period.

We are committed to fostering a positive work environment and culture that offers employees flexible work arrangements and other non-financial benefits to enhance their wellbeing. Flexible work practices include flexible work hours and part time arrangements; formalised individual flexibility arrangements, option to purchase additional annual leave, paid parental

leave, study leave, leave without pay and special leave (includes Defence Reserve leave, emergency service leave and blood products donation leave). Working from home arrangements have also been introduced as an additional flexible working option for eligible employees.

iii. Workplace Relations

We are focused on maintaining good workplace relations to ensure that employees are committed to achieving our strategic objectives. Our regular employee engagement surveys are important to providing our employees an opportunity to voice their opinions so that we can identify actions important to improving overall workplace culture and communication between management and the workforce.

We will continue to implement strategies to improve workplace relations, some of the key actions for 2024 – 2025 include:

- Monitoring of all terms and conditions contained within relevant Modern Awards and the Enterprise Agreements including agreed productivity initiatives; and
- Employee industrial relations consultation committees to identify any negative workplace and organisational issues, with formulation and implementation of strategies to mitigate any of these issues.

iv. Enterprise Bargaining

The Port's main industrial instruments are its four Enterprise Agreements:

- Port of Townsville Port Services Enterprise Agreement 2020
- Port of Townsville Administrative, Technical, Supervisory and Professional Employees' Enterprise Agreement 2020
- Port of Townsville Maintenance Employees' Enterprise Agreement 2020
- Port of Townsville Marine Pilots Enterprise Agreement 2021

The table below summarises key information relating to these agreements (as at 26 February 2024).

Agreement	Coverage	Expiry Date
Port of Townsville Port Services Enterprise Agreement 2020	19 employees Port Services Officers Pilot Launch Masters (Coxswains)	30 June 2024
Port of Townsville Administrative, Technical, Supervisory and Professional Employees Enterprise Agreement 2020	81 employees Administration Professional Support Services Professional Technical Supervisors/Managers	30 June 2024
Port of Townsville Maintenance Employees Enterprise Agreement 2020	37 employees Tradesperson Operator Labourers Leading Hand Storeperson Area Officer – Lucinda Maritime Security Guards	30 November 2024
Port of Townsville Marine Pilots Enterprise Agreement 2021	13 employees Marine Pilots	31 October 2025

We will provide quarterly reports to shareholding Ministers on the progress of initiatives and efficiency measures related to these enterprise agreements.

3. Director/Senior Executive Remuneration

Our directors and senior executives are remunerated in accordance with their terms of appointment and remuneration policies approved by shareholding Ministers.

Our Policy for Recruitment and Remuneration of Chief and Senior Executives governs the terms and conditions of employment and nature of chief and senior executive remuneration and performance payments. This policy provides for a review of senior executive remuneration in June each year with any adjustments effective 1 July each year.

This policy also provides for performance payments to senior executives of up to 15% of TFR, subject to meeting pre-determined performance targets for the business and individual performance targets. Any such performance payments are to be notified to shareholding Ministers within one (1) month of being paid.

Whilst senior executive TFR remains constant for the year, the other remuneration components included are an estimate that may vary from amounts actually paid at year's end due to the June review of salaries, and the impact of other variable factors such as fringe benefit payments and salary sacrificing options chosen.

Full details of director and senior executive remuneration are reported in our financial statements in accordance with accounting standards and government policies.

NON-EXECUTIVE DIRECTORS' (INCLUDING CHAIR) REMUNERATION AS AT 20 MARCH 2024:

GIVEN NAME	DIRECTOR FEES \$	COMMITTEE FEES \$	OTHER BENEFITS \$	SUPER \$	TOTAL \$
A. Sherry (Chair)	75,000	4,372	-	8,731	88,103
D. O'Toole (Director)	37,500	4,372	-	4,606	46,478
C. Navarro (Director)	37,500	11,372	-	5,376	54,248
V. Sullivan (Director)	37,500	11,372	-	5,376	54,248
J. Lee (Director)	37,500	4,372	-	4,606	46,478
J. Currie (Director)	37,500	4,372	-	4,606	46,478
D. Waters (Director)	37,500	7,000	-	4,895	49,395
Total	300,000	47,232	-	38,196	385,428

SENIOR EXECUTIVE REMUNERATION AS AT 20 MARCH 2024:

CEO / Senior Executive	Base Salary ¹	Employer Superannuation Contribution ²	Motor Vehicle ³	Car Park ⁴	Other Personal Benefits ⁵	Total Fixed Remuneration ⁶	Other Non-personal Benefits ⁷	Performance Payment ⁸
Chief Executive Officer*	391,957	49,974	-	-	-	441,931	-	Up to 15% of TFR
General Manager Strategy, Finance and Governance	286,409	36,517	-	-	-	322,926	-	Up to 15% of TFR
General Manager Customer, Operations and Safety	284,898	36,235	-	-	-	321,223	-	Up to 15% of TFR
General Manager Assets, Planning & Environment	275,000	35,063	-	-	-	310,063	-	Up to 15% of TFR
General Manager Project Delivery	279,007	35,573	-	-	-	314,580	-	Up to 15% of TFR
General Manager People, Technology & Performance	290,820	37,080	-	-	-	327,900	-	Up to 15% of TFR
Manager Pilotage Services	359,306	45,812	-	-	-	405,118	-	Up to 15% of TFR

*Employer Superannuation based on salary as at 01 July (Defined Benefits Member).

- Includes salary sacrifice items plus cash salary.
- Employer contributions to superannuation (other than by salary sacrifice).
- Value of a motor vehicle for business and personal use (other than by salary sacrifice).
- Value of car park if car park is a personal benefit to the Executive (other than by salary sacrifice).
- Includes, but is not limited to, general/expense allowances, subscriptions, home telephone/communication expenses, FBT not elsewhere included, etc. (other than by salary sacrifice).
- Sum of columns 1-5.
- Include the value of non-personal benefits provided to the Executive to assist in the performance of their duties.
- Performance payments of up to 15% of TFR may be paid subject to meeting pre-agreed performance targets.

4. Employment Conditions

Our four (4) certified Enterprise Agreements were negotiated in accordance with the Fair Work Act 2009 (Cth) (Fair Work Act). These Agreements provide for benefits equal to the National Employment Standards including basic rates of pay and casual loadings, maximum ordinary hours of work, request for flexible working arrangements, parental leave, annual leave, personal/carer's leave, and compassionate leave, community service leave, public holidays and notice of termination and redundancy pay.

Our Enterprise Agreements comply with the provisions contained in the Fair Work Act with regards to content, coverage, bargaining and lodgement process of Enterprise Agreements. Our Agreements also contain all mandatory clauses as described in the Fair Work Act.

The Port Authority Award 2020 would have application but for the operation of our agreements and is utilised for the "better off overall test" for the agreements under the Fair Work Act. We comply with the relevant Government Policies and Guidelines on Agreement making in Government Owned Corporations.

We also engage some employees on a contractual basis. There are currently six (6) employees on senior executive contracts. These include the Chief Executive Officer, General Manager Strategy, Finance and Governance, General Manager Customer, Operations and Safety, General Manager Assets, Planning and Environment, General Manager Project Delivery and General Manager People, Technology and Performance.

There are currently eighteen (18) employees on individual employee contracts that exceed the limit of remuneration set by the Enterprise Agreements.

The remaining employees are covered by the four (4) Enterprise Agreements outlined at 2 (iv) above.

We do not have any gain sharing schemes.

5. Enterprise Bargaining and Productivity Initiatives

No industrial action was taken during 2023-2024 and none is expected during 2024-2025, however it is noted that Enterprise Agreement negotiations will occur during this period.

We continually review all employment conditions and policies with the objective of:

- Ensuring consultative arrangements agreed in terms of content covered by the Fair Work Act; and
- Supporting a preference for the regulation of employment conditions via enterprise agreements negotiated in conjunction with unions.

We continue to maintain good relationships with employees and unions.

6. Type of Employment and Workforce Planning

The Port has a Workforce Plan which identifies the employment challenges facing the organisation and details strategies to be implemented to ensure that our employment profile will be capable of meeting future corporate objectives in accordance with shareholding Ministers' directives. The table below outlines current employee numbers (as FTE's) as at 25 March 2024.

Employment Category	2024-2025 Budget
Permanent	133.67
Temporary	10.2
CEO and Senior Executives	6
Apprentices (in house)	-
Trainees (in house)	1
Casual	14.8
Other	-
Total Directly Employed Workforce	
Apprentices (Group)	-
Trainees (Group)	-
Contractor & Labour Hire (trade/technical)	-
Contractor & Labour Hire (professional/administrative/technical)	-
Other	-
Total Indirectly Employed Workforce	-
Total Workforce	165.67

At the time of writing the full time equivalent (FTE) number is 165.67 with a forecast increase to 205.16 in 2024-2025. This is inclusive of FTE for the Channel Upgrade project and ERP project in 2024-2025.

Category	FTE
All employees	165.67
CEO and Direct Reports	6
Employees covered by an award/EA/Agreement made under the <i>Fair Work Act 2009 (Cth)</i>	148.67
Employees under other arrangements (including common law contracts)	11

Workforce Profile Snapshot: The Port currently employs 174 people across a wide range of occupations/disciplines (as at 25 March 2024):

Male Employees (%)	62%
Female Employees (%)	38%
Average Age of Employees	50 years
Over 50 years (%)	52%
Voluntary Retirement Packages	N/A
Women (number)	65
Women POTL5 or above	35
Women Working in Senior and Middle Management	8
Female Representation on Board (%)	71%
Average length of service	6.5 years
% employees <5yrs	76%

Future Employment Requirements

The Port will continue to undertake workforce planning to ensure employment and skill levels are sufficient to ensure that our objectives can be achieved. The number of employees and basic skills required of employees are unlikely to change markedly over the plan period.

7. Work Health & Safety

We are committed to complying with our obligations under the *Work Health and Safety Act 2011* (Qld). Our board and senior executives have established a Safety Management System designed to provide and maintain the best possible standard of occupational health and safety for everyone at our places of work, including employees, contractors and visitors. All employees have a collective and individual responsibility with regard to the prevention of workplace injuries and working safely.

8. Diversity, Equity and Inclusion

We have recently updated our Diversity, Equity and Inclusion Policy and developed a Diversity, Equity and Inclusion Strategy which aims to develop a diverse workforce that represents and reflects the diverse views, experiences and backgrounds of the people of Queensland. It 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. We also have an Anti-discrimination, Bullying and Harassment Standard which prohibits unlawful discrimination, bullying and all types of harassment.

We are commencing 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. We also have trained Contact Officers engaged at the Port.

Under section 148 of the GOC Act, we are 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.

9. Redundancy Provisions

We are committed to providing redundancy provisions in accordance with Division 11 of the Fair Work Act and as prescribed by the certified Enterprise Agreements. Under the Agreements redundancy payment is calculated on the basis of three weeks' salary per year of service. Employees with at least one (1) year service but less than two (2) years' service shall be entitled to a minimum redundancy payment of four (4) weeks. Accrued Recreation and Long Service Leave is paid out on termination if the entitlement exists.

10. Superannuation

We apply the *Superannuation Guarantee (Administration) Act 1992* (Cth) (as varied) and associated legislation in respect to employees' entitlement to superannuation. As we use QSuper as our default superannuation fund, it does not have access to any surplus from defined benefit funds. An employee who chooses to have their employer superannuation contributions made to the QSuper Scheme has two (2) options, either contributory or non-contributory.

Contributory

Employees may contribute up to 5% of their base wage to the scheme. There are currently seventy-three (73) employees utilising the contributory option.

Non-Contributory

Employees who decide not to make contributions will have an amount as determined by the Superannuation Guarantee Legislation paid into the QSuper Accumulation Plan by the Port. This amount is currently 12.75% of the base wage.

We continue to actively encourage employees to become contributory members of superannuation and to consider the long-term benefits of salary sacrifice and additional voluntary contributions. QSuper seminars have been provided for employees in work time and attendance is supported and encouraged. All current Enterprise Agreements provide for employees to transfer their long service entitlement into their superannuation account. To date, no employees have exercised this option.

11. Consultative Arrangements

Port of Townsville Limited has undertaken consultation on this plan with employees, shareholding Ministers' Departments, QTC and the Public Sector Industrial Relations - Office of Industrial Relations. Consultation with relevant industrial organisations will occur as part of the enterprise bargaining process.

ATTACHMENT 4: GLOSSARY

TERM	DEFINITION
The Port	Port of Townsville Limited ACN 130 077 673
Operating Revenue	Total amount of revenue from business operations.
Operating Expenditure	Total amount of expenses incurred through business operations.
Trade Income	Total amount of trade income from business operations.
Property & Facilities Income	Total amount of income generated from the lease/hire of the business's property and facilities.
EBIT	Earnings before interest and taxes calculated as revenue minus expenses, excluding tax and interest.
NPAT	Net profit after tax.
Dividend	Money paid by the business to its shareholders out of profit.
Return on Assets EBIT	EBIT divided by total assets.
Return on Equity	Net assets minus liabilities showing shareholder equity.
Current Ratio	Current assets divided by current liabilities.
Interest Cover Ratio (EBIT)	EBIT divided by interest expense.
Debt to Equity Ratio	Total liabilities divided by shareholder's equity.
Debt to Debt + Equity Ratio	Total Debt divided by Total Debt plus shareholder's equity.
Capital Investments	Total amount spent on current investments.
Trade Throughput	The total amount of imports and exports through the Ports of Townsville and Lucinda.
Vessels to Port	Total number of commercial, cruise and defence vessels visiting the Ports of Townsville and Lucinda.
Reportable Security Incidents	Total number of security incidents required to be reported under legislation.
Reportable Environmental Breaches	Total number of environmental incidents required to be reported under legislation and/or under an environmental approval.
Lost Time Injury Frequency Rate	Number of lost time injuries occurring in the workplace per 1 million hours worked.
Community Satisfaction	Percentage of the local community satisfied with the Port's operations.
Employee Engagement Rating	Percentage of employees satisfied with the Port's workplace engagement.
Full Time Equivalent	Ratio of the total number of paid hours during a period (part-time, full-time, contracted) by the number of workings hours in a particular period.

ACRONYM	MEANING
EMS	Environmental Management System
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
Fair Work Act	<i>Fair Work Act 2009</i> (Cth)
FTE	Full Time Equivalents
GOC Act	<i>Government Owned Corporations Act 1993</i> (Qld)
ICT	Information and Communication Technology
ISMS	Information Security Management System
LMS	Learning Management System
LTIRF	Lost Time Injury Frequency Rate
Mtpa	Million Tonnes Per Annum
POTL	Port of Townsville Limited
PS Act	<i>Public Service Act 2008</i> (Qld)
QA	Quality Assurance
QTC	Queensland Treasury Corporation
SCI	Statement of Corporate Intent 2022-2023
SMS	Safety Management System
TEUs	Twenty-Foot Equivalents Units
TFR	Total Fixed Remuneration