



Safe and efficient ports connecting regional Queensland to the world

Annual Report 2023-24

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Acknowledgement of Country

North Queensland Bulk Ports Corporation Limited acknowledges the Traditional Owners of Country throughout Australia and recognises their continuing cultural and spiritual connection to land and water. We pay respect to their Elders, past and present.

NQBP acknowledges that the ports we operate are on the original land and sea Country of the Yuwi, Juru, Wik Waya and Alngith peoples, who have cared for Country for millennia. We are committed to reconciliation and will continue to work closely with the Traditional Owners and Aboriginal and Torres Strait Islander peoples in our port communities to strengthen relationships and take positive and impactful action.

NQBP recognises Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia. As the first engineers, the first scientists and the first environmental managers of Country. We recognise and value their knowledge and seek to build respectful relationships which can facilitate the collaborative management of Country into the future.

About this report

North Queensland Bulk Ports Corporation Limited's Annual Report is titled "Safe and efficient ports connecting regional Queensland to the world." This reflects our mission and continued focus during 2023-24 as we contributed to the Queensland economy, underpinned by balancing the needs of our natural environments, communities, stakeholders, port users and customers.

This report provides a summary of the major projects and achievements of North Queensland Bulk Ports Corporation Limited (NQBP), as well as the organisation's financial and non-financial performance for the 2023-24 financial year. It reports against NQBP's Statement of Corporate Intent 2023-24, which represents NQBP's performance agreement with our shareholding Ministers.

This report is about NQBP and its wholly owned or controlled subsidiaries.

In keeping with our focus on sustainability, a limited number of hard copies of this Annual Report have been printed. An online version is available on our website at [nqbp.com.au](https://www.nqbp.com.au).

About NQBP

NQBP is a Government Owned Corporation (GOC), and the Port Authority responsible for the ports of Hay Point, Mackay, Abbot Point and Weipa.

Our Vision

To be global leaders in sustainable facilitation of port trade.

Our Mission

To manage safe and efficient ports that connect regional Queensland to the world by balancing the needs of iconic natural environments, communities, stakeholders and port users.

Our Values

Integrity, Respect, Excellence and Unity guide our behaviours and how we interact with our colleagues, customers, stakeholders and communities.

Our Strategic Themes

Planning for evolving and transitioning industries

Our trade is progressively evolving and transitioning to new industries due to forces external and independent of NQBP. The decisions we make today—in planning, policy, advocacy, infrastructure, the allocation of funds and the way we work—will pave the way for future trades to be facilitated.

Embrace existing and new businesses

Our current trades will remain a strong contributor to the Queensland economy for many years to come while transitioning at different paces due to decisions made by our customers, government and the community. We value our current trades while leveraging our expertise to demonstrate that we are open to new businesses that grow our throughput.

Collaborating to enhance reputation

Partnerships and collaboration are essential for not only our success, but for the success of our customers, stakeholders and the community. We take the time to understand the needs and ambitions of our stakeholders and seek to develop mutually beneficial partnerships based on long-term success.

Enhancing employee engagement and efficiency

We believe outward success is built on a foundation of investing in our people and systems. We seek to attract, develop and retain a diverse workforce where everyone understands their role, where performance is recognised, and where the right systems and resources are at hand.

Strategic direction

NQBP's strategic direction centres on managing North Queensland's vital port infrastructure, to manage safe, efficient, and fair trade through Mackay, Hay Point, Abbot Point and Weipa. By leveraging insights from market trends, past performance, and environmental monitoring, NQBP is committed to facilitating current port operations while embracing diversification through sustainable trade and renewable energy.

By prioritising sustainable development, community enrichment, and operational excellence, NQBP aims to balance the needs of our region's iconic surroundings while charting a course towards a future where our ports serve as responsible beacons of economic opportunity and environmental stewardship for generations to come.

As the port authority for Mackay, Hay Point, Abbot Point, and Weipa, NQBP is responsible for:

- Strategic planning
- Business and infrastructure development
- Environmental management
- Security and safety within its ports including emergency management
- Maintaining navigable port depths for shipping via dredging
- Provision and management of towage services
- Pilotage for Hay Point and Mackay
- Asset management and maintenance of Port support facilities
- Quarantine waste management
- Biosecurity - First Port of Entry Determination (License)

In addition to the above, as the operator of the Port of Mackay, NQBP is responsible for:

- Vessel scheduling and berthing
- Maintenance and operation of assets
- Management of customers, tenants, and subcontractors
- Land asset management, maintenance, and planning
- Access control (safety and security)
- Provision and maintenance of public amenities/areas
- Licencing of Stevedoring activities
-

Pages 18–32 of this Annual Report provides an overview of our performance in 2023-24 against our Strategic Themes.

Chair's statement

As one of Australia's key gateways to trade, NQBP provides security, growth and prosperity for our regional Queensland communities. As a government-owned port authority, our people and ports deliver crucial port services facilitating billions of dollars of trade worldwide for the benefit of all Queenslanders.

NQBP is proud to make a vital contribution to the trade performance of Queensland and Australia. In 2023-24, NQBP ports collectively handled around 151.8 million tonnes of throughput. We delivered a trade revenue result (excluding managed fund income) of \$125.6 million, an increase of 1.6 per cent on last year. NQBP will return a dividend of \$19.05 million to the people of Queensland.

With three priority ports in the Great Barrier Reef World Heritage area, NQBP has a strong commitment to responsibly balancing the needs of our iconic surroundings, our communities, and our stakeholders. In 2023-24 NQBP's Environment Management System achieved the best possible result in an external audit for the fourth year in a row.

Our ports, particularly Mackay, Hay Point and Abbot Point, are primed to play a critical role in supporting the energy transition outlined in the Government's Queensland Energy and Jobs Plan. The Port of Mackay is an ideal gateway for importing renewable energy and industrial components to support the energy transition such as wind turbines and solar panels. Hay Point and Abbot Point have significant potential for the production and export of hydrogen and hydrogen-related industries.

To expand our current and enable future diversified trade and services, we are investing in vital job-creating port infrastructure. These investments enable NQBP to continue to facilitate trade safely and efficiently between North Queensland and the world for the benefit of future generations.

During 2023-24, the Board refreshed the corporate strategy considering NQBP's long-term trade outlook and the organisation's strategic alignment to potential future risks and opportunities. The new strategy, to be rolled out in 2024-25, focuses on expanding our current trade and services, enabling future diversified trade and services and investing in our communities and surroundings.

Directors also took part in a range of employee, community activities and site visits throughout the year. Directly engaging with our stakeholders demonstrates our strong commitment to our people and our local and wider communities of Mackay, Hay Point, Abbot Point (Bowen), and Weipa.

On behalf of the Board, thank you to our shareholding Ministers, our customers, port users and the communities in which we operate for their valued support.

In October 2023 we welcomed Brendan Webb as Chief Executive Officer. I would like to acknowledge Brendan and the NQBP Executive Leadership Team for their leadership and contribution during this period, as well as thanking our CFO, Belinda Kenny, for stepping up as Acting CEO for much of 2023.

We also welcomed two new Directors, Jorgen Gullestrup and Paul Heagney. I would like to thank them and my fellow Directors Monica McKendry, Tony Mooney, Lynn Smart, and Andrea Ranson for their support, expertise and leadership. The Board recognises our employees are critical to delivering our strategic objectives and operations. I would like to take this opportunity to thank the whole NQBP team for their efforts throughout the year.



Jane McTaggart
Chair

CEO's Review

At the core of our operations is the commitment to managing safe and efficient ports that are essential to Australia's financial future while balancing the needs of our iconic surroundings, our communities and our stakeholders.

Safety and Security

Our foremost priority is ensuring a safe and secure work environment for everyone accessing our sites and involved in our operations. This year, NQBP recorded three lost time injuries. To foster a positive safety culture, we encourage everyone to report safety events. Additionally, we place a high priority on the security of our port facilities and reported two reportable security breaches for 2023-24.

Economic Impact and Resilience

NQBP's ports facilitate billions of dollars in trade indirectly supporting thousands of trade jobs, including farmers, miners, and transport providers. Our ability to identify and respond to threats and opportunities is crucial. Despite challenges, we remained dedicated to supporting Queensland's regional economy in 2023-24. We focused on positioning NQBP to expand current trade and services and capitalise on new and emerging business opportunities, particularly in the renewable trade sector.

Trade performance

NQBP faces challenges and opportunities stemming from geopolitical tensions, market dynamics, and global initiatives towards sustainability and renewable energy. NQBP continues to proactively address these challenges and opportunities through detailed strategic planning and maintaining adaptability to navigate the complex national and international landscape.

NQBP's activities are primarily dependent on our neighbouring countries in Asia and the Sub-Continent. The region accounts for significant global economic activity, including the major growth centres of China and India coupled with emerging Asian economies such as Vietnam, Malaysia and Indonesia.

Trade flowed safely and efficiently through our ports facilitating 151.8 million tonnes of throughput, consistent with last year (2022-23: 152.1 million tonnes). NQBP's coal trade through the Ports of Hay Point and Abbot Point was relatively stable at 130.9 million tonnes compared to last year (2022-23: 133.4 million tonnes).

Weipa trade saw an increase compared to last year with 17.24 million tonnes of Bauxite being shipped across 225 ships in 2023-24 compared to 15.08 million tonnes in 2022-23. This change is driven primarily by the Port of Weipa's sheltered location allowing for a greater number of operating days in the year compared to Amrun despite the closure of East Weipa mine earlier in the year.

The Port of Mackay achieved a strong trade result due to a combination of high fuel imports, high sugar and grain exports and other trade. Grain exports remained steady at around 334,000 tonnes compared to 343,000 tonnes in 2022-23. The port facilitated 1.85 million tonnes in petroleum imports, an increase of 8 per cent from 1.70 million tonnes in 2022-23 and 1.04 million tonnes of raw and refined sugar exports.

Performance against strategic themes

Planning for evolving and transitioning industries

NQBP continued to plan and work collaboratively with industry partners and government agencies to support the Queensland Government's focus on developing renewable energy, production and export of hydrogen and hydrogen-related industries and space technology. This included engagement with the private and public sectors on business opportunities that support the Queensland Government's Energy and Jobs Plan and significant feasibility work on hydrogen-related opportunities at the Ports of Hay Point and Abbot Point.

Embrace existing and new businesses

NQBP is committed to supporting the Queensland Government's energy transition and emissions targets and enabling the Whitsunday region's renewable energy and sustainability advantages. Our ports' catchments are within the Northern Queensland and Isaac Renewable Energy Zones, which have excellent solar and wind capacity potential.

Our publicly owned ports including Mackay offer the opportunity to import renewable energy infrastructure to support the energy transformation under way. Mackay is also ideally placed to help with the decarbonisation of the industrial supply chain, by moving break bulk cargo away from long-distance road travel. We are also working with the State Government and other stakeholders in investigating opportunities for biofutures.

NQBP's Capital Expenditure for 2023-24 of \$15.7 million across our ports aimed to provide flexible infrastructure solutions to promote diversification of trade and to optimise existing infrastructure to meet current and future needs.

Collaborating to enhance reputation

NQBP acknowledges that partnerships and collaboration are essential for not only our success, but for the success of our customers, stakeholders and the community.

Following the Queensland Government's announcement of \$50 million in funding for the replacement of the Bowen Wharf in June 2023, NQBP has extensively engaged with stakeholders and the local community to shape the project. In June 2024 NQBP released two concept designs for community feedback. Over the coming year, we will incorporate this feedback into a final concept design and commence detailed design.

We are committed to understanding the needs and ambitions of our stakeholders. In 2023-24, this included undertaking independent research to evaluate stakeholder perceptions and guide the development of initiatives to raise stakeholder satisfaction. NQBP's overall Stakeholder Corporate Reputation Index score increased 8 points to 79 in comparison with the result of 71 in 2023. The research revealed that NQBP's engagement with stakeholders is rated highly compared to other benchmark ports who have been conducting a similar assessment over many years.

While our stakeholder partnerships are highly valued, NQBP is particularly proud to be part of the North Queensland community and continues to build strong partnerships through a variety of community and industry initiatives, as identified in this report.

Enhancing employee engagement and efficiency

Our success is founded on investing in our people and systems. We aim to attract, develop, and retain a diverse workforce where everyone understands their role, performance is recognised, and the right systems and resources are in place. The yearly independent assessment of employee engagement was conducted in February 2024 with the participation rate high at 89 per cent, and a staff engagement score of 3.84. Key employee initiatives this year were our employee-led values refresh, Adaptive Leadership training and Carbon Literacy courses.

Acknowledgements

I thank the Board for their guidance and support. I also acknowledge the support of our shareholding Ministers, customers, port users, partners, communities and government departments.

Thank you to the NQBP team for their exceptional teamwork, resilience, and adaptability. The work of our people and trade partners supports the Queensland economy and our regional communities.

A handwritten signature in black ink, appearing to read 'Brendan Webb', written in a cursive style.

Brendan Webb
Chief Executive Officer

Environment, Social, Governance and Sustainability

NQBP has established a balanced approach to Environment, Social and Governance (ESG) and sustainability.

We understand our unique position connecting North Queensland to the world through trade, while enabling our people, communities, regions and the environment to thrive. We recognise the environmental values of our unique marine environments, with three ports in the Great Barrier Reef World Heritage Area and the fourth port in the Gulf of Carpentaria.

This year, we have rechartered our approach to sustainability. We have reflected on our sustainability journey and the direction we need to take to respond to a world in transition. We are developing a whole of business 'Sustainability Strategy' using the Ports Australia 'Port Sustainability Development Guide' and adopting the four-stage process to develop our sustainability strategy.

Our framework

Focused on a 'whole of business' approach to sustainability, we are focusing on four key themes that will shape our Sustainability Framework – Planet + Climate, People + Leadership, Partners + Community, Prosperity + Operations. These themes responded to current objectives in the organisation, as well as consideration to the United Nations Global Sustainability Agenda 2030, expressed by the Sustainable Development Goals (SDGs).

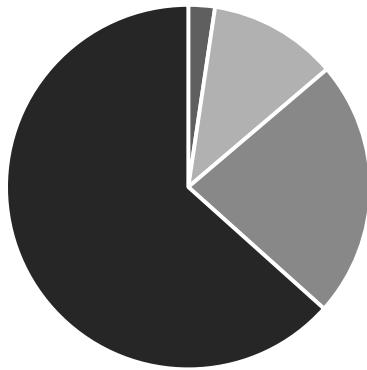
Charting a pathway for the climate

While developing our strategic future direction for sustainability, we are accelerating our response to the climate agenda. In doing so, we have:

- offered Carbon Literacy training to all our employees to build an understanding and appreciation on carbon, climate change and the solutions we can activate
- reviewing our scope 1 and 2 emissions and identifying our scope 3 emission profile
- integrated Climate-related risk in our Enterprise Risk level and Risk Appetite Statements
- identifying our physical and transition climate risks
- preparing for reporting readiness to the Australian Sustainability Reporting Standards (ASRS) climate-related financial disclosures
- developing a 'decarbonisation pathway' that can better plan a response to meet emission reduction targets and net zero by 2050.

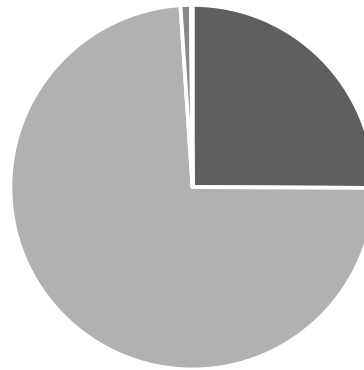
Business Performance

Throughput by Port



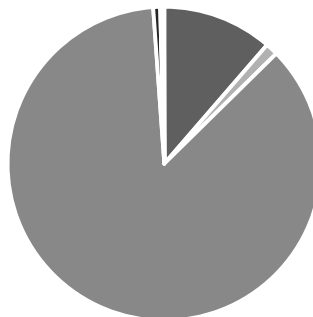
- Mackay 3.58 MT
- Weipa 17.34 MT
- Abbot Point 34.66 MT
- Hay Point 96.24 MT

Throughput by Industry



- Energy (thermal coal + fuel) 38.06. MT
- Metallurgy (metallurgical coal + bauxite + magnetite) 112.14 MT
- Food (sugar + grain) 1.39 MT
- Other 0.23 MT

Throughput by Commodity



- Bauxite (export) 17.24 MT
- Coal (export) 130.9 MT
- Magnetite (import) 0.11 MT
- Grain (export) 0.33 MT
- Ethanol
- Fuel (import) 1.94 MT
- Sugar (including molasses) (export) 1.06 MT
- Break bulk (import) 0.05 MT
- Fertiliser (import) 0.09 MT
- Scrap metal (export) 0.08 MT

Measure		2023-24	2022-23*
Trade throughput	MTpa	151.8	152.1
Total income	\$m	125.6	123.6
Earnings before interest, taxes, depreciation and amortisation	\$m	68.0	66.9
Net profit/(loss) after tax	\$m	33.0	30.7
Underlying net profit after tax (unaudited)	\$m	24.4	26.9
Total comprehensive income	\$m	67.2	10.0
Total assets	\$m	863.0	793.1
Net assets	\$m	435.2	387.1
Capex	\$m	15.7	11.4
Current ratio (excluding provision for dividend)	-	1.72	2.30
Debt/debt plus equity ratio	-	0.31	0.34
Return on assets	%	6.02	6.09
Return on equity	%	5.92	6.82
Operating cash flows	\$m	46.5	58.1
Dividends provided	\$m	19.05	23.69
Lost time injury frequency rate (LTIFR)	Rate	12	4

* Restated

Highlights

Throughout 2023-24, NQBP worked collaboratively to deliver against strategic projects and operational objectives. Key highlights are listed below and described in more detail in the following pages of this report.

- \$38.66 million returned to the people of Queensland including a dividend of \$19.05 million
- Engaging with stakeholders and the local Bowen community to develop two concept designs for a future Bowen Jetty funded by \$50 million from the Queensland Government.
- Engaging with stakeholders and the local Mackay community to revitalise the Port of Mackay's North Wall beach recreational area with around \$1 million investment from NQBP.
- Engaging with Turtle Watch and other key community members on a shoreline erosion management plan for Mackay's North Wall beach.
- Completed or commenced work associated with a \$15.7 million infrastructure spend at the ports of Mackay, Hay Point and Abbot Point, supporting more than 100 jobs.
- Provided over \$125,183 in support to 24 community initiatives across its port communities.
- Invested in a feasibility study for a common user ammonia export terminal at the Port of Abbot Point to support green hydrogen production in the Abbot Point State Development Area.
- NQBP's Environment Management System (EMS) achieved the best result possible in an external audit with zero major or minor non-conformances and zero opportunities for improvement for the fourth year in a row.
- NQBP's \$5 million partnership with James Cook University continued to help protect the health of the marine environment and invest in the next generation of marine scientists through scholarships and internships.
- More than 50 per cent of employees undertook Carbon Literacy across the organisation.
- More than 68 per cent (89) of employees completed four workshops as part of the Adaptive Leadership program.

Port of Mackay

The Port of Mackay is a multi-commodity port and major servicing centre for the Queensland mining and agricultural industries.

The Port is strongly positioned to accommodate the safe and efficient transfer of large equipment and materials throughout Central Queensland and reduce the logistical challenges associated with road transfers.

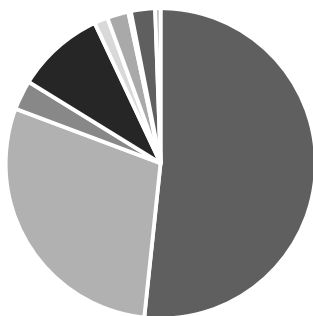
Located close to Australia’s leading mining equipment, technology and services hub in Paget, the port is ideally positioned to connect Central Queensland with the rest of the world.

The Port hosts one of the world’s largest bulk sugar terminals and facilitates the transport of diverse break bulk oversize over mass (OSOM) cargo, including heavy mining equipment, plant and long wall equipment, railway lines and wagons.

Trade

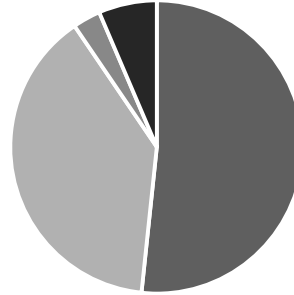
The Port of Mackay achieved another strong trade volume in 2023-24 with 3.58 million tonnes passing through the port (2022-23: 3.51 million tonnes). Total ships through the Port decreased from 238 in 2022-23 to 212 in 2023-24.

Trade by Commodity



- Fuel (import) 1.85 MT
- Sugar (export) 1.04 MT
- Magnetite (import) 0.11 MT
- Grain (export) 0.33 MT
- Break bulk (import) 0.05 MT
- Scrap metal (export) 0.08 MT
- Ethanol 0.01 MT
- Fertiliser 0.09 MT
- Molasses 0.02 MT

Trade by Industry



- Energy 1.85 MT
- Food 1.39 MT
- Metallurgical 0.11 MT
- Other 0.23 MT

Upgrades

Investment in upgrades to existing wharf infrastructure and new facilities has ensured the ongoing safety and efficiency of the Port of Mackay.

In 2023-24 a \$4 million Water Network Improvement Package prioritising the delivery of water infrastructure upgrades was completed. \$3.5 million in rehabilitation works to the Northern Breakwater commenced at the Port of Mackay.

A further \$10 million investment to upgrade crucial pipeline facilities at Wharf 1 at the Port of Mackay was announced in April 2024. The project will see the replacement and undergrounding of around one kilometre of pipeline infrastructure.

Works also began in June 2024 on a \$4 million roadworks package that will see five roads both within and outside the port secure area resurfaced. Works are planned to be completed by late 2024.

All the projects were awarded to local contractors and will support more than 100 jobs over the life of the programs.

Port of Hay Point

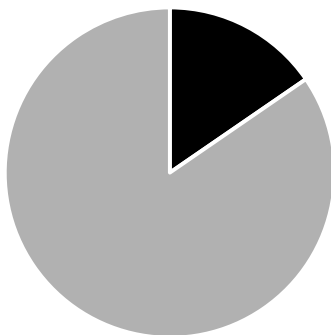
The Port of Hay Point is the largest steel-making coal port in the world, primarily exporting metallurgical coal, a key resource in the steel-making process.

The port's two coal terminals, Hay Point Coal Terminal and Dalrymple Bay Coal Terminal, service coal mines in the Bowen Basin. The mines are linked to the port terminals through an integrated rail-port network.

Trade

Coal throughput at the Port of Hay Point was 96.24 million tonnes in 2023-24, a decrease of 3.8 per cent from 99.97 million tonnes in 2022-23. Total ships through the Port of Hay Point remained steady at 1,047 in 2023-24 compared to 1,078 in 2022-23.

Trade by Industry



- Energy (thermal coal) 14.83 MT
- Metallurgical (metallurgical coal) 81.41 MT

Works and maintenance

Maintenance and repair works were completed at Half Tide Tug Harbour during the year. These included the replacement of the main entrance gate, building repairs, signage and the reinstatement of exclusion buoys. Further works are planned for the Half Tide Tug Harbour next financial year.

Port of Abbot Point

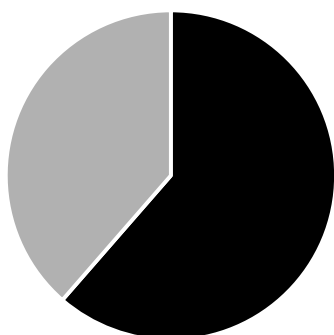
Abbot Point is Australia’s most northern coal export port, located near Bowen between the existing industrial centres of Townsville to its north and Mackay to the south. 2024 marked 40 years of operation of the coal export facility at Abbot Point.

The Port of Abbot Point is a strategic asset to Queensland due to its proximity to the Abbot Point State Development Area, the resource rich Bowen Basin, Galilee Basin and North West Minerals Province, its remote location from urban development, and access to deep water.

Trade

Coal throughput at the Port of Abbot Point was 34.66 million tonnes in 2023-24, an increase of 3.7 per cent from 33.44 million tonnes in 2022-23. Towage services supported 360 ship visits through the port.

Trade by Industry



- Energy (thermal coal) 21.28 MT
- Metallurgical (metallurgical coal) 13.38 MT

Upgrades

A Common User Facility (CUF) was constructed at the Port of Abbot Point including demountable buildings with office spaces, a meeting room and lunchroom, toilet facilities, and a car park. The facility is the Port’s first shared space and is used by Port tenants and users, industry proponents, government representatives, contractors, and NQBP employees.

Works and maintenance

Deck repairs and asphalt resurfacing of Nulla Bridge, located along Abbot Point Road, were completed during the year. The project extended the life of the bridge, ensuring it continues servicing existing users and caters for the potential major developments at the Port of Abbot Point.

Port of Weipa

Due to its proximity to both the town of Weipa and the region's mineral deposits, the Port of Weipa has been an essential contributor to the economic development of the Cape York region for more than 50 years.

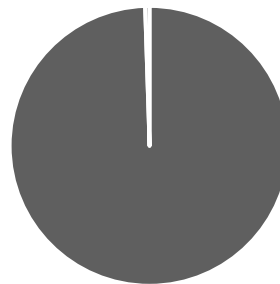
The Port of Weipa facilitates the export of bauxite from the last remaining mine connected to the Port, the import of fuel and cargo to support those mining operations and other trading activities.

NQBP continues to manage the maintenance dredging campaign at the Port of Weipa, to ensure safe operations and access to the Port.

Trade

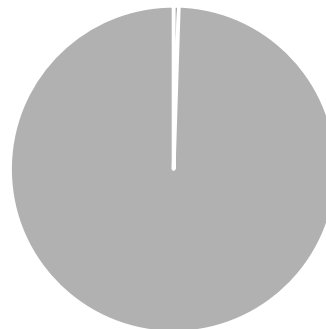
Trade throughput at the Port of Weipa was 17.34 million tonnes in 2023-24, an increase from 15.17 million tonnes in 2022-23. 345 ships visited the Port throughout the year.

Trade by Commodity



- Bauxite (export) 17.24 MT
- Fuel (import) 0.09 MT

Trade by Industry



- Energy (fuel) 0.09 MT
- Metallurgical (bauxite) 17.24 MT

Performance against strategic objectives

NQBP identified four strategic projects in its Statement of Corporate Intent for 2023-24. These projects support the continued advancement of NQBP's Vision to be global leaders in the sustainable facilitation of port trade, and the organisation's four strategic themes.

Table 1: Strategic Projects 2023-24

Strategic Project	Objective	Result
Abbot Point and Bowen Wharf Towing Infrastructure	Design an infrastructure solution that supports the long-term towing operations at Abbot Point, consistent with the existing licensing arrangements.	NQBP has progressed key project milestones, with options assessment, design, business case and related procurement processes progressing during FY24. Shareholder and industry stakeholders were consulted and briefed on the future plans for AP towing infrastructure.
Weipa port future	Develop options relating to the future of the Port of Weipa anticipating the end of Rio Tinto Australia (RTA) bauxite and fuel trades.	NQBP has progressed engagement with RTA to agree in principle terms for a Port Services Agreement from when the current Agreement ends in FY25.
Embrace trade for a sustainable future	Maximise NQBP's opportunity to diversify its business by securing trade linked to renewable energy and a lower emissions future	NQBP has worked with State agencies and proponents regarding hydrogen industry development at Abbot Point and Hay Point, including progressing port catchment studies and demand studies, and facilitating proponent feasibility studies and development activities. NQBP also progressed development of renewable trade opportunities in Mackay aimed at increasing Mackay port capabilities to handle components related to wind farms, solar farms and containers.
Pilotage deed	Negotiate the future direction of the pilotage service delivery deed.	NQBP continues to work with Maritime Safety Queensland and are aligned for an updated agreement that focuses on a sustainable and longer-term Pilotage Deed.

Planning for evolving and transitioning industries

Our trade is progressively evolving and transitioning to new industries due to forces external and independent of NQBP. The decisions we make today—in planning, policy, advocacy, infrastructure, the allocation of funds and the way we work—will pave the way for future trades to be facilitated.

During 2023-24, the Department of Transport and Main Roads (DTMR) released the Master Plans for NQBP's ports of Abbot Point, Mackay and Hay Point (designated as the priority ports of Abbot Point and Hay Point/Mackay under the *Sustainable Ports Development Act 2015*). Master plans are strategic documents that have a long-term outlook for the sustainable development of ports through to 2050.

Long-term master planning provides a strategic and coordinated approach to managing port-related development and considers issues including marine and land-based impacts, future trade, port land and infrastructure requirements and supply chain infrastructure optimisation.

NQBP is reviewing its Long Term Port Development Plans to support continuous investment in infrastructure and land development in a staged approach, focusing on maximising both the existing and the emerging trades. The Plans will also identify further opportunities to ensure the long-term sustainability of the Ports and the industries that rely on them.

Maximise port land and infrastructure

As the trade landscape is changing, we must adapt our infrastructure and business practices to ensure we are well positioned to capitalise on new trade opportunities.

There are significant opportunities for our ports to sustainably prosper and support economic growth by optimising the use of existing port land and infrastructure.

Hydrogen / renewable energy trades

NQBP continues to actively plan to support the establishment of hydrogen production and export industries and renewable energy projects across the Mackay Issac Whitsunday Region in support of the State Government's Queensland Energy and Jobs Plan and other key infrastructure initiatives such as the Qld Hydro pumped hydro project inland from Mackay.

Renewable Energy Projects and Decarbonisation of Freight Logistics

In 2023-24 NQBP investigated with industry the significant role the Port of Mackay can play in supporting infrastructure imports related to the energy transition, such as wind, solar, pumped hydro, and hydrogen, as well as the opportunity to aid the regional mining sector in decarbonising logistics. These investigations have informed several infrastructure opportunities that NQBP will be investigating further, including the development of a dedicated container laydown facility with upgraded quarantine and biosecurity facilities.

Hydrogen

In the past financial year, significant investigation into the opportunity for green hydrogen production and ammonia export at the Ports of Hay Point and Abbot Point has been undertaken.

At the Port of Hay Point, the feasibility studies for development of an ammonia export terminal and to identify critical regional supply chain infrastructure was completed under a Memorandum of Understanding between NQBP and several global and local partners.

In July 2023, the Queensland Government announced the Abbot Point Activation Initiative (APAI), with a \$8.5 million Queensland Government investment towards making Abbot Point into a 'hydrogen export super hub.'

Under the APAI, NQBP is partnering with the Office of the Coordinator General and other State agencies to undertake the Environmental and Cultural Values Program (ECVP). The ECVP, will deliver important management plans for the key environmental and cultural values at Abbot Point.

The ECVP aims to achieve enhanced environmental and cultural outcomes and will be critical to supporting hydrogen development for industry proponents through a State-supported program. The Department of Energy and Climate (DEC) has approved the release of up to \$1 million (excluding GST) in funding under the Supercharging Hydrogen Hubs Program to allow NQBP and the Office of the Coordinator-General to commence the ECVP.

Separate to the work being undertaken under the Consortium, NQBP completed feasibility studies into the opportunity to develop a new common-user ammonia export terminal at the Port of Abbot Point through several different infrastructure scenarios.

NQBP is now working with port proponents and key government stakeholders and infrastructure providers including the Department of State Development and Infrastructure, Economic Development Queensland, the Department of Energy and Climate, and Sunwater, to align our land and infrastructure planning, to establish the overall strategy for activating hydrogen production and ammonia exports from the Port of Abbot Point.

Rocket launches

In early 2024 Gilmour Space Technologies (GST) officially opened its Bowen Orbital Space Port on land adjacent to the Port of Abbot Point. The Launch Control Centre is located away from the launch site and on land owned by NQBP and licenced to GST. Eris TestFlight 1 is targeted to launch soon, pending approval of the launch permit by the Australian Space Agency.

NQBP has provided GST access to our Common User Administration Facility and is contributing to the development of the Launch Management Plan and working with GST to ensure day-to-day operational activities are compatible with the safe and efficient operation of other port activities.

Diversifying trade in Weipa

Bauxite exports via the Port of Weipa continue to trend downwards as East Weipa mine enters rehabilitation after its closure earlier in the year and Andoom mine approaches end of economic life. There is extensive planning under way between Rio Tinto, NQBP and the community on the Weipa Normalisation Plan. NQBP has been working with Rio Tinto to assess future opportunities for the port and region, including investigating new trades. NQBP understands the importance of the port to the local Weipa community and will continue to work with Rio Tinto as the port transitions away from bauxite trade.

Planning for the future of Abbot Point towage and the Bowen Wharf

The Port of Abbot Point, which is located 25 km north-west of Bowen in north Queensland, is serviced by a fleet of three tugs. The current operational arrangement sees two tugs moored on site at Abbot Point, with a third tug on standby at Bowen Wharf where refueling, maintenance and crew transfer occurs. The existing tug wharf at Bowen is approaching the end of its economical service life, and a new towage service berth is required to support the Abbot Point Port's operation into the future.

In previous financial years, NQBP undertook a location and infrastructure options study for an alternate towage base option. NQBP's preferred option is to accommodate the towage infrastructure at the port in the future. In the meantime, the existing Wharf will continue to support towage operations and be open to the public while the replacement project is developed.

In June 2023, as part of the 2023-24 State Budget, the Queensland Government allocated \$50 million for NQBP to replace the Bowen Wharf which will provide the community with a sustainable structure for the next 100-years. The project represents a significant return of funds to a regional community from royalties on the state's resources.

The wharf was built in 1867 and has undergone significant repairs and reconstruction over the years but is now nearing the end of its structural life. It is not viable to refurbish the existing structure as it would only be a short-term solution.

The new sustainable wharf will include raising the deck height to cater to rising sea levels, improve accessibility, adding power and water for commercial and community events, and adequate access for emergency service vehicles. To honour its history, parts of the old jetty like the piles are planned to be used as a feature in the new jetty designs.

NQBP has regularly engaged with the Bowen community during the planning and development phase of the Bowen Wharf project. NQBP has undertaken extensive community consultation to shape the future of project. More than 770 people had their say on the design of the wharf during March 2024.

In June, two design options were presented to the community for further feedback. The key features include shade and seating, amenities, fishing areas, accessibility, environmental consideration and preservation as well as the integration of Juru people artwork and cultural elements. The whole of the Bowen community will benefit from the new jetty which will enhance the liveability and attractiveness of Bowen, while honouring its rich heritage for generations to come.

Embrace existing and new businesses

Our current trades will remain a strong contributor to the Queensland economy for many years to come while transitioning at different paces due to decisions made by our customers, government and the community. We value our current trades while leveraging this expertise to demonstrate that we are open to new businesses that grow our throughput.

Retain and grow existing trade

NQBP ports deliver world-class operations that connect regional Queensland with the world. We recognise the industries that are supported by our ports will continue to trade in the near-term and we are committed to working with our port partners and customers to ensure the continuity of our core business.

Resilience to threat of disasters

Resilience to the threat of disasters involves the capacity to anticipate, prepare for, respond to, and recover from significant hazardous events with minimal impact to not only NQBP but also to the industries and communities we support, ensuring a rapid return to a sense of normalcy and continued growth and improvement.

Maintaining safe port access

Maintenance dredging ensures that safe and efficient sailing depths are maintained at NQBP's ports to ensure the movement of freight, goods and bulk product exports continue.

In 2023-24, NQBP commenced maintenance dredging at the Port of Weipa. The dredging program was the fourth instance of maintenance dredging under NQBP's new 10-year Commonwealth permit. NQBP has managed maintenance dredging at the Port of Weipa for more than 30 years.

NQBP reported four notifiable incidents during the first phase of routine annual maintenance dredging at the Port of Weipa. The incidents were operational in nature and the likelihood of any environmental harm from these incidents is considered low. NQBP continues to work with the relevant stakeholders, including the dredge operators, terminal operators and regulators on the subsequent incident investigations.

NQBP continued its rigorous environmental management program, including monitoring water quality and seagrass communities.

Emergency management

NQBP has an Emergency Management Plan (EMP) and sub-plans tailored to its emergency management operations. The EMP encompasses all ports, acknowledging key differences such as geographic location, environment, areas of cultural significance, nature of operations, and the community within which the port operates. Sub-plans provide specific details for particular operations, such as the mass evacuation of the Port of Mackay or activation of the NQBP Emergency Operations Centre (EOC).

NQBP reviews and tests the plans, policies and procedures supporting the EMP at least annually, including conducting exercises for each port to test Maritime Security Plans.

Emergency response

NQBP routinely tests its emergency response capabilities through both discussion exercises and field exercises that involve the deployment of assets and personnel. During 2023-24, these included oil spill field exercises “Albatross” in Weipa and “Magnetic Anchor” in Mackay. These exercises involved the full deployment of oil spill equipment, vessels, staff and other external port stakeholders as part of training and assessing our emergency management and response functions.

During the 2023-24 tropical cyclone and storm season, NQBP undertook preparatory measures to safeguard the ports of Weipa, Hay Point, Mackay, and Abbot Point, as well as NQBP buildings and work areas, in anticipation of Tropical Cyclones Jasper and Kirrily. Preparations have also commenced for the upcoming fire season, with fire mitigation strategies implemented across all four ports.

Delivery of essential port services

NQBP is committed to managing safe and efficient ports that balance the needs of iconic natural environments, communities, stakeholders and port users. Through continued engagement with all stakeholders ensuring we provide effective and efficient port facilities and services.

Operations and security services

NQBP Operations and Security ensure service delivery, and regulatory security for all NQBP ports as a key contribution to the continued uninterrupted facilitation of trade for regional Queensland. The team continues to work closely with state and commonwealth government agencies, industry bodies, working groups and peers to ensure compliance with evolving legislation and best practice.

Our primary security obligation is managed internally with a security team based at the Port of Mackay and with our contracted partners, Australian Indigenous Security Service at the Port of Abbot Point ensuring authorised access through our Abbot Point Security Facility, and Corporate Protection Australia at the Port of Mackay delivering Maritime Security Guarding service as part of transport security obligations under the *Maritime Transport and Offshore Facilities Security Act 2003 Cth* and the *Security of Critical Infrastructure Act 2018 Cth*.

Pilotage services

The pilotage team continued to display high levels of professionalism and competence in ensuring that regional Queensland is connected to the world by facilitating port trade via safe shipping.

NQBP’s marine pilots are critical to the Queensland trade supply chain. In 2023-24, NQBP’s marine pilots undertook 2,590 pilotage movements at the Port of Mackay and Port of Hay Point.

Commencing in December 2023, the pilotage team is trialing 24/7 emergency response coverage to the port of Hay Point to provide a safer port. NQBP Marine Pilots continue to perform well at MSQ and International Standard for Maritime Pilotage Organisations accreditation audits.

In coordination with the coal terminal operators, NQBP marine pilots have provided significant shipping cycle time reductions to the Port of Hay Point via changes to the Propellor Immersion requirements for ship arrivals. This operational change demonstrates a saving of approximately 4 hours cycle time per ship.

In April 2024, marine pilots safely navigated the largest displacement vessel on record into the Port of Mackay. The berthing of the “Nordic Josephine”, which had a displacement of 63,912 tonnes, was an example of the importance of ongoing training and reviewing of port procedures.

Towage operations

Towage operators continue to perform well and continue to support port trade facilitation safely and efficiently. Ongoing professional support between the towage providers and the pilotage team was further demonstrated in 2023-24 by both teams undergoing simulator training together. This training increases the overall safety and efficiency of port operations and improves operational relationships within our ports.

Environmental management

NQBP's Environmental Management System (EMS) is certified under ISO14001:2015 (International Standard) to ensure continual improvement in environmental performance. The EMS is audited annually, with a more comprehensive recertification audit required every three years.

NQBP received the best possible outcome from the 2024 EMS audit with zero minor or major non-conformances and zero opportunities for improvement. This was the fourth time (2021, 2022, 2023 and 2024) this result has been achieved since the EMS first received certification in 1999.

NQBP also implements a range of environmental programs on port land related to biosecurity, weed and pest management, air and water quality monitoring across our ports.

Collaborating to enhance reputation

Partnerships and collaboration are essential for not only our success, but for the success of our customers, stakeholders and the community. We take the time to understand our stakeholders' needs and ambitions and seek to develop mutually beneficial partnerships based on long-term success.

NQBP continues to support organisations, programs and initiatives of significant regional and State importance. As environmental management leaders our staff hold board and management committee roles with both regional and State Natural Resource Management organisations, as well as providing continued assistance in the governance and technical capability of key programs such as the Mackay Whitsunday Healthy Rivers to Reef Partnership.

Environmental stewardship

With three major ports operating alongside the Great Barrier Reef, environmental stewardship is a strategic priority for NQBP. Our marine and landside monitoring programs are known to be some of the most extensive along our coastline.

This year we have responded to concerns from Mackay locals on the impacts of beach erosion on turtle nesting near Mackay's North Wall beach. We have formed a working group with Turtle Watch and other key community members to scope and commission a shoreline erosion management plan for the area. To ensure the project remains community-driven we ensure several community representatives assisted in selecting and onboarding the coastal consultants who aim to have preliminary outcomes in late 2024.

Partnership with James Cook University

NQBP has a long-running relationship with James Cook University (JCU) Tropical Water and Aquatic Ecosystem Research (TropWATER) that has spanned more than 25 years. This was formalised in 2017 as an award-winning partnership including monitoring and research programs, student-focussed post-graduate courses, undergraduate and post-graduate scholarships and internship bursaries inclusive of industry placement opportunities.

The monitoring results of marine water quality and seagrass health at our four trading ports and inshore coral health at the ports of Mackay, Hay Point and Abbot Point are displayed on the NQBP website.

JCU monitors around 40,000 hectares of seagrass at NQBP's ports. This data provides a valuable resource that enables NQBP to track distribution, density and seasonality, establish naturally occurring fluctuations and determine how external factors may potentially impact these important communities.

In addition to informing our own environmental activities and port operations, the data contributes to advances in an international body of seagrass knowledge through JCU's academic research and regional report cards developed to help monitor the health of our waterways. Data collected through this partnership is used by the Mackay Whitsunday Healthy Rivers to Reef Partnership in its annual waterway health report card.

During 2023-24 NQBP continued its investment in the next generation of marine scientists. Under the partnership, NQBP awarded the annual Ayling Prize to a third-year student with the highest overall GPA in the Bachelor of Marine Science, the annual undergraduate scholarship to a first-year Bachelor of Science student, and two post-graduate internship bursaries.

NQBP Sustainability and Environment Team members also provide valuable industry insights to JCU marine science students through our ongoing guest lecture program and, in 2023, the development and delivery of a new three-day Masters course specifically focused on coastal management from a port perspective. In 2024, the Masters course was again a renowned success with almost 30 students enrolling in the coastal management program.

The partnership continues to advance with the introduction of new technologies such as remote camera systems, Artificial Intelligence, Remote Operated Vehicles and improved sensors and data loggers.

Environmental dashboards

With recognition of the iconic natural environment at the forefront of NQBP's business planning and operations, NQBP recognises the importance of coastal marine habitats and key indicators of overall marine health. The environmental dashboards included inshore coral, seagrass and air quality data, for some years.

The data enables NQBP to track the distribution, density, seasonality and health of inshore corals and seagrasses within and around our ports and have a greater understanding of naturally occurring fluctuations.

Recently we have launched our most comprehensive dashboard yet, which now provides access to our extensive marine water quality program, across all four ports.

The dashboards are on NQBP's website, providing the community with greater insight into our environmental monitoring program.

Supporting the sustainability of the Great Barrier Reef

NQBP is proud to continue its support of the Whitsunday Water Quality Monitoring Blueprint for Tourism Operators. This program links together the regional NRM sector, citizen science and research partners at JCU for a reef health check using water quality to collaborate on a framework for connecting and empowering citizens to collect data. Researchers from JCU continued to train crew from tourism operator businesses to collect water quality data using permanent logger stations at key locations in the Whitsundays.

Global presence

The World Association for Waterborne Transport Infrastructure (PIANC) has long been regarded as the international home of waterborne transport infrastructure policy and research. During 2023-24, NQBP continued its engagement with PIANC on key environmental aspects of port management. NQBP team members were Australian expert representatives on the PIANC working group on the implications of invasive marine pests for waterborne transport infrastructure. A complex management challenge, this working group will generate an international guideline on managing the business, liability, health and safety and other risks associated with marine species.

Ports Australia

Ports Australia is the peak representative body of the Australian Ports sector. NQBP continues to be actively involved in the Ports Australia Environment, Planning and Sustainability Working Group. NQBP helps drive the agenda on the strategic and operational environment, planning and sustainability matters, including providing input into policy development. NQBP is also a key member of the Ports Australia Environmental Research sub-committee that leads work in climate change, decarbonisation and ESG. NQBP will continue to comply with the policies and targets set by the Queensland Government and shareholding Ministers and will ensure formal reporting is through Queensland's Sustainability Reporting framework.

Supporting our communities

NQBP is committed to engaging with its port communities and supporting events and initiatives that make a real difference. Each year, we support several local not-for-profit groups and organisations to contribute to the sustainability of our communities and foster stronger stakeholder connections.

During 2023-24, we continued to proactively build strong partnerships for the betterment of our organisation, our stakeholders and our communities.

Sponsorship and Donations Program

NQBP proudly contributed more than \$125,000 in sponsorships and donations to 24 initiatives across its port communities throughout the year.

Nine community initiatives were supported through the \$60,000 NQBP Community Fund including projects that demonstrated benefits to the local environment, community physical health and safety, and key community services. The annual NQBP Community Fund, which was launched in December 2022, seeks to support events, programs and activities that align with NQBP's vision and values.

NQBP also provided eleven corporate sponsorships including the Weipa Fishing Classic, Mackay Marina Run, Whitsunday Multicultural Festival and the Sarina Beach Coconut Festival.

We continued our partnership with Stella Maris Seafarers Centre who continue to go from strength to strength, purchasing a new 12-seater bus and employing an additional driver in 2023-24. We also continued our partnership with the Resource Industry Network, engaging with industry stakeholders across the Mackay and Hay Point region to advance the region's economic wellbeing, growth, and development.

Formalised community engagements

NQBP has a long history of convening forums that provide for discussion with community representatives on aspects of mutual interest relating to port operations, development and more.

In Mackay and Hay Point, our Community Reference Groups (CRGs) provide a valuable link with our port communities, with three meetings per year.

NQBP's Port Advisory Groups (PAGs) are an important link between port operations and our key stakeholders. The PAGs provide a forum for NQBP to share development and operational activities. This two-way communication and engagement are essential in our understanding of port tenants' operations and upcoming projects that may interface with port activities.

PAG meetings are held quarterly in Hay Point, Mackay, Abbot Point and Weipa.

Reconciliation Action Plan

In 2023-24 NQBP is midway through implementation of our second Reconciliation Action Plan (RAP) endorsed by Reconciliation Australia: Innovate RAP March 2023 – March 2025.

NQBP's vision for reconciliation is for an Australia that embraces and values Aboriginal and Torres Strait Islander peoples, histories and cultures and promotes diversity, providing equitable opportunities for all Australians. As a port authority, NQBP plays an important role within regional Queensland and through this, we seek to positively influence reconciliation. This vision is reflected in the outcome of RAP actions,

Implementation of RAP actions is progressing well. Of the 77 actions, 15 are complete, and 68 per cent are underway and on target for completion within scheduled timeframes.

In 2023-24, highlights include:

- Continuing our partnership with Juru Enterprises Limited (JEL) through the Abbot Point Land and Sea Management Program, with expansion of survey work to include seagrass monitoring at Edgecombe Bay in partnership with JCU.
- Joint presentation, between NQBP's Julie Keane and JEL's, Jessica Vakameilalo to the Australian Marine Science Association Annual Conference in 2023
- On Country meetings between NQBP board members, RAP working, JEL board members and Elders, enabling the exchange of cultural knowledge and engagement for future opportunities.
- Continuing to support Aboriginal and Torres Strait Islander businesses with 3.2 per cent of overall addressable spend.
- Increasing our percentage of Aboriginal and Torres Strait Islander employees to a total 4 per cent, which is the highest percentage since the introduction of the RAP.
- Providing \$9,000 in sponsorship to support specific reconciliation events across our port communities.

Support for Aboriginal and Torres Strait Islander events

During 2023-24, NQBP supported events and initiatives that support reconciliation including the All Blacks Rugby League Carnival, Saltwater Murrumbidgee Rugby League Carnival, Bowen High School ArtTalk event, and Nanum Wunghim caring for Country.

We also marked National Reconciliation Week with a range of staff and community activities across our port communities and offices. Celebrations included a cultural performance in Brisbane and hosting a movie showing in Mackay, of "In My Blood It Runs".

Enhancing employee engagement and efficiency

We believe outward success is built on a foundation of investing in our people and systems. We seek to attract, develop and retain a diverse workforce where everyone understands their role, where performance is recognised, and where the right systems and resources are at hand.

Provide a safe workplace

NQBP has continued its commitment to ensuring the health and safety of all staff and port users through the 2023-24 financial year by conducting a comprehensive review of the Safety Management System with the goal of achieving ISO 45001:2018 certification.

In addition, the Safety team has completed a project to improve the company permit-to-work system for the management of contractors, conducted a comprehensive audit of chemical management within the NQBP operations and started an occupational hygiene monitoring program to identify possible risk factors and implement controls.

Occupation Hygiene Monitoring

To ensure risks to NQBP workers are adequately identified an Occupational Hygiene program was started reviewing worker exposures to noise, welding fume and respirable and inhalable dust. The sampling program has been ongoing throughout the year with the results being analysed by SIMTARS. Once the required sampling has been completed controls will be implemented in any areas of concern and further monitoring conducted.

Permit to Work

NQBP's commitment to safety across its diverse operations has led to a review of the permit-to-work system. The new system has been designed to enable contractors to apply for a permit to work through the OnePort system which then gets reviewed by the Safety Team for legislative compliance. If the permit meets these requirements, it is then forwarded to the operations team for scheduling review. The new system is ensuring work conducted by contractors is monitored and the interaction with port users and tenants is controlled to reduce risk.

Mental health and wellbeing

As part of NQBP's commitment to the wellbeing of workers, tenants and stakeholders the Safety and People and Culture team have conducted a version two risk assessment to ensure that the appropriate controls are in place to ensure the mental wellbeing of all NQBP stakeholders.

Safety leadership

There was continued emphasis on the importance of providing a 'fair and just' safety culture with all managers and the Executive Leadership Team participating in safety engagement opportunities, including leading safety conversations.

NQBP acknowledged and participated in Safe Work Month and attended conferences and workshops facilitated by WorkSafe Queensland to ensure regulatory compliance and best practice safety management are maintained.

Safety Management System

The Safety Management System has been reviewed by conducting thorough risk assessments and employee consultation to ensure the work being conducted and the procedures are closely aligned, and risks have been identified. The system reviews aim to improve the Safety Management System for ISO 45001 Occupational health and safety management system accreditation.

Safety Consultative Committee

The NQBP Safety Consultative Committee continued to promote safety in the workplace. During 2023-24, the committee met on four occasions and contributed significantly to consultative processes aligned with the ongoing appropriateness, and continued improvement of the WHSMS.

Lost Time Injury (LTI)

NQBP recorded three Lost Time Injuries during the 2023-24 reporting period.

Employee engagement

NQBP is developing a culture where employees feel connected, valued, and motivated. By investing in and fostering a culture of engagement, we can achieve sustainable growth, a competitive edge, and a more resilient and motivated workforce.

Employee engagement survey

NQBP staff participated in an annual employee engagement survey in February 2024. The participation rate was 89 per cent. There was a slight decrease in our engagement score compared to last year's results.

Values

Under the direction of NQBP's new CEO, we have undertaken a values refresh program this year. The values refresh initiative was designed to reinvigorate NQBP's values in alignment with the new strategic refresh. The values refresh was an employee-led program that involved employee engagement through workshops and the establishment of a values committee to define and embed these values. These values will be rolled out in 2024-25.

Our four current values are:

Integrity – We stand by our actions and NQBP's values even when no one is watching.

Respect – We care for and treat everyone fairly, recognising and appreciating diversity.

Excellence – We strive to deliver the best outcomes while being committed to continuous learning and improvement.

Unity – We share a common purpose to achieve positive outcomes for our organisation and regions.

To continue to focus our employees on our values and what behaviours are expected, the Annual Performance Review process includes a 30 per cent weighting against demonstrating behaviours which underpin the values.

Inclusion, equity and diversity

NQBP recognises that workplace inclusion and diversity are important in providing access to a greater range of skills and strengths. This will, in turn, assist us in safely and efficiently managing our ports and being global leaders in the sustainable facilitation of port trade.

Our inclusion and diversity actions focus on three priorities: inclusion, Indigenous engagement and gender. NQBP participated in the Equity and Diversity audit 2024 with the Office of the Special Commissioner, Equity and Diversity. As a result, NQBP will be publishing an Equity and Diversity action plan.

We understand that flexible working arrangements are key enablers for enhancing a more engaged, inclusive and diverse organisation.

Under NQBP's flexible arrangements, 70 per cent of our workforce had a flexible start and finish times, 41.5 per cent worked a nine-day fortnight and five per cent worked part-time. Most employees worked from home at some point during the year.

Adaptive Leadership training

As our organisation continues to adapt to an ever-changing business landscape, a key initiative this year was to foster adaptive leadership across all levels through a five-day training course. The adaptive leadership program held during 2023-24 will help NQBP ensure it can navigate change effectively, enhance collaboration, and lead with resilience.

Carbon Literacy

As part of working towards a strong sustainability culture, we have advanced our understanding on carbon and climate change across the organisation. In partnership with ThinkZero, we provided a unique opportunity offering Carbon Literacy training to all employees across the organisation.

Over 50 per cent of employees voluntarily attended the initial round of training. Based on the globally recognised program 'The Carbon Literacy Project', we supported this learning experience for employees to understand the foundation of climate science and relevant learning on emissions management.

Total Employees

Finance Years	Male	Female	Number of Employees
2012-13	64	45	109
2013-14	79	53	132
2014-15	71	50	121
2015-16	70	46	116
2016-17	84	34	118
2017-18	74	47	121
2018-19	75	51	126
2019-20	75	52	127
2020-21	77	58	135
2021-22	71	47	118
2022-23	71	48	119
2023-24	75	55	130

As at 30 June 2024, NQBP had 42 per cent female employees in various positions across the organisation.

Performance reviews and planning

NQBP has a robust Performance Review and Planning process that includes mid-year and end-of-year performance reviews. The review process provides all personnel with the opportunity to engage in self-review and feedback on their performance and the creation of a plan for the year ahead.

Employee participation

Our employees provide an important link between our operations and our communities, and our community partnerships through NQBP's Sponsorship and Donations Program offer opportunities for employee participation in activities, events and fundraising.

During 2023-24, NQBP's Sponsorship and Donations Program supported teams of employees to participate in the following events:

- Relay for Life in support of the Cancer Council
- Australian Biggest Morning Tea in support of the Cancer Council
- Mackay Marina Run in support of the Leukemia Foundation
- Push Up Challenge in support of mental health awareness
- R U OK Day, and
- Weipa Running Festival in support of the Royal Flying Doctors Services and various community groups.

Employees were also offered the opportunity to participate in or support community events such as International Women's Day.

Internships

We are proud to offer internships to students at high school and university, to raise awareness of the careers available within the ports industry. In 2023-24, we welcomed six interns into our business.

The right systems

The productivity and efficiency of our business systems and technology are key drivers in enabling the organisation to deliver on strategy.

Enterprise Resource Planning

The Enterprise Resource Planning (ERP) system OnePort provides NQBP with an effective integration between business functions, streamlines business processes and consolidates data for reporting and decision-making purposes. NQBP continues to explore enhancements to business processes and system use.

Cyber Security

We maintain a high focus on our Cyber Security program. This is delivered through regular penetration testing, scenario testing, Cyber awareness training for staff, Essential Eight compliance and audits of policies and procedures.

Corporate governance

Organisational structure

Shareholding Ministers

Deputy Premier, Treasurer and Minister for Trade and Investment
The Honourable Cameron Dick MP
Minister for Transport and Main Roads and Minister for Digital Services
The Honourable Bart Mellish MP (appointed 18 December 2023)
Minister for Transport and Main Roads and Minister for Digital Services
The Honourable Mark Bailey MP (Ministerial term ended 17 December 2023)

Board of Directors*

Jane McTaggart (Chair)
Andrea Ranson
Lynn Smart (reappointed 1 October 2023)
Monica McKendry (reappointed 1 October 2023)
Tony Mooney (reappointed 1 October 2023)
Jorgen Gullestrup (appointed 1 October 2023)
Paul Heagney (appointed 1 October 2023)

Audit and Financial Risk Management Committee*

- Monica McKendry (Chair)
- Lynn Smart
- Andrea Ranson
- Jorgen Gullestrup
- Paul Heagney

Culture People and Safety Committee*

- Lynn Smart (Chair)
- Jane McTaggart
- Tony Mooney
- Monica McKendry
- Jorgen Gullestrup

Corporate Governance and Planning Committee*

- Andrea Ranson (Chair)
- Jane McTaggart
- Tony Mooney
- Paul Heagney

Chief Executive Officer

Brendan Webb (commenced 2 October 2023)

Acting Chief Executive Officer

Belinda Kenny (temporary appointment concluded 13 October 2023)

Executive Leadership Team*

General Manager Infrastructure

Tim Lewis
- Engineering
- Asset Management
- Maintenance
- Port Development
- Planning
- Emergency Management
- Sustainability
- Environment
- Port Operations

General Manager Corporate Services

Peter Sinnott
- Human Resources
- Corporate Governance
- Legal
- Records Management
- Company Secretariat

General Manager Commercial and Maritime Services

Darren Brownsey
- Pilotage Services
- Commerce and Trade
- Communications
- Stakeholder Management
- Strategy

Chief Financial Officer

Belinda Kenny
Acting Chief Financial Officer
Brett Spink (temporary appointment concluded 10 December 2023)
- ICT
- Finance
- Risk Management
- Insurance
- Internal Audit
- Procurement
- Safety

(*as at 30 June 2024)

Executive Leadership Team

Brendan Webb

Chief Executive Officer

Skills and experience

Brendan commenced as CEO of NQBP in October 2023. He has extensive commercial ports experience as the former CEO of Ports Victoria and former General Manager Trade and Marine Operations and Acting CEO for NQBP from 2017 to 2022. He also has held senior leadership roles in heavy haulage, mining support with experience in commercial sales, trade development, 24/7 operations including safety and emergency management.

Responsibilities

Brendan is responsible for ensuring NQBP manages safe, efficient and fair ports that connect North Queensland to the world by balancing the needs of our iconic surroundings, our communities and our stakeholders. He has overall responsibility for strategic leadership, direction of operation, effectively leading the corporation's response to Government Policy, changing market conditions and customer and community needs in order to deliver value to NQBP's Shareholders.

Belinda Kenny

Chief Financial Officer

BCom, CPA

Skills and experience

A Certified Practising Accountant (CPA), Belinda joined NQBP in October 2020 and is a finance professional with more than 15 years' experience in the manufacturing and agricultural sectors. Prior to that she was Chief Financial Officer (CFO) for MSF Sugar Pty Ltd for six years. Belinda was also appointed Acting CEO in 2022 through to October 2023.

Responsibilities

Belinda's portfolio spans finance, procurement, risk and assurance, safety and information communication and technology.

Peter Sinnott

General Manager Corporate Services BCom, LLB (Hons), MFM

Skills and experience

Before joining NQBP in 2012, Peter was legal director at Rio Tinto Alcan and has more than 20 years of experience in private practice and corporate in-house roles, specialising in commercial and corporate law.

He is a fellow of the Governance Institute of Australia.

Responsibilities

Peter looks after corporate governance functions including providing company secretarial support to the Board and managing NQBP's legal requirements. He also directs human resources, industrial relations and records.

Tim Lewis

General Manager Infrastructure

BEng (Hons), MEng, CEng, MICE, CPEng, FIEAust, NER, RPEQ, MAIPM

Skills and experience

Tim joined NQBP in 2016 and currently oversees NQBP's infrastructure and operations which includes the delivery of capital and maintenance projects and works, infrastructure planning activities, security and emergency management. He has more than 25 years' experience in Civil and Maritime engineering in both consulting and client-side roles. He has extensive experience in leading design, construction and project management of multi-disciplinary teams gained in Europe, the Middle East and Australia.

Tim is registered as a Chartered Professional Engineer in both the UK and Australia and is a Fellow of Engineers Australia.

Responsibilities

Tim is a professionally qualified Civil Engineer and leads the engineering and planning teams providing engineering, asset management, maintenance and port development planning expertise to NQBP. Tim is also responsible for emergency management and response planning, and landside operations including port security.

Darren Brownsey

General Manager Commercial and Maritime Services

BBus

Skills and experience

Darren is a seasoned expert in business development, strategy and logistics and is currently serving as the General Manager Commercial & Maritime Services at NQBP. With profound commercial expertise in the resource and transport related sectors, Darren excels in driving strategic business transformations, operations management and growth. His extensive executive background includes leading both large scale and niche teams across a variety of disciplines.

Responsibilities

Darren leads NQBP's strategy, commercial, property, communications and pilotage functions to ensure trade is prioritised and key stakeholders needs are met.

Board of Directors

Jane McTaggart

Chair

M Eng (Mgt), Post Graduate Certificate, Climate Change Adaptation, BA Econ (Hons), CPPM (AIPM), MAICD

First appointed: 1 October 2021

Term of office: To 30 September 2025

Special responsibilities

Member of Corporate Governance and Planning Committee

Member of the Culture, People and Safety Committee

Skills and experience

Jane has more than 34 years of experience leading the development, procurement and delivery of major projects in Australia and internationally, including major road, rail, light rail and BRT. Jane was a Director on the NQBP Board from December 2016 to September 2019. She is passionate about preserving and enhancing the future of Queensland's regional communities.

Andrea Ranson

Director

GAICD, FGIA, LLM, LLB(Hons), BA, NMAS, PRI, QLS

First appointed: 1 October 2018

Term of office: To 30 September 2025

Special responsibilities

Chair of the Corporate Governance and Planning Committee

Member of the Audit and Financial Risk Management Committee

Skills and experience

Andrea is a commercial lawyer and nationally accredited mediator with more than 25 years' professional experience in business and law.

Andrea has practiced in industrial relations, civil and commercial law, criminal and disciplinary law, governance, equal opportunity and employment law in Melbourne and practices currently as a commercial lawyer in Queensland.

Andrea is a member of the Queensland Law Society, Graduate of the Australian Institute of Directors and a Fellow of the Governance Institute of Australia.

Andrea has executive experience in business, manufacturing, and logistics and is passionate about regional Queensland business and communities.

External appointments

Commissioner appointed to the Queensland Local Government Remuneration Commission; Nationally Accredited Mediator working with the Queensland Civil and Administrative Tribunal (QCAT), Queensland Building and Construction Commission (QBCC) and the Queensland Small Business Commission (QSBC); Panel Member, Dispute Resolution Branch, Queensland Department of Justice & Attorney-General (DJAG)

Monica McKendry

Director

BBus (Acct), CA, GAICD

First appointed: 1 October 2020

Term of office: To 30 September 2027

Special responsibilities

Chair of the Audit and Financial Risk Management Committee

Member of the Culture, People and Safety Committee

Skills and experience

Monica is a Chartered Accountant in public practice in Mackay and has provided business clients from a diverse range of industries with accounting, taxation and strategic business advice for over 25 years. She is a Registered Tax Agent, Commissioner for Declarations and provides honorary audit services to several local charities.

External appointments

External member of the Mackay Regional Council Audit Committee.

Member of Mackay Hospital and Health Board

Tony Mooney

Director

AM FAICD

First appointed: 1 October 2020

Term of office: To 30 September 2027

Special responsibilities

Member of the Culture, People and Safety Committee

Member of the Corporate Governance and Planning Committee

Skills and experience

A former Councillor, Deputy Mayor and Mayor of the Townsville City Council, Tony also served as a director of the Port of Townsville Corporation for many years.

Tony was appointed by the Federal Government to the Board of the Great Barrier Reef Marine Park Authority in 2011 where he served until 2016. In 2008, Tony was made a Fellow of the Australian Institute of Company Directors. In 2011, he was awarded an Order of Australia (AM) for services to local government and the community.

Tony previously served on the boards of numerous government and community entities, including Ergon Energy, LG Super, Townsville Entertainment Centre Board of Management and Willows Stadium Joint Board. He served as Company Secretary to a number of ASX listed resource companies until 2016.

External appointments

Chair of the Townsville Hospital and Health Service, Director of the Tropical Australian Academic Health Centre and NQ Spark Pty Ltd. He was Chair of the Resources Community Infrastructure Fund Advisory Committee and the Upper Burdekin Irrigation Project Reference Panel until 2022.

Lynn Smart

Director

BCom, CPA, MBA, Fellow AICD

First appointed: 1 October 2020

Term of office: To 30 September 2027

Special responsibilities

Chair of Culture, People and Safety Committee

Member of the Audit and Financial Risk Management Committee

Skills and experience

Lynn is an experienced independent director of more than 10 years with roles in privately-owned, government and non-profit organisations. Additionally, her professional experience has been gained through commercial and accounting roles for more than 25 years. During this time, Lynn gained industry experience in mining and mining services, water infrastructure and irrigation scheme assets, dredging, manufacturing and primary industries.

External appointments

Independent Chair, Jobfutures (CoAct) Ltd; Independent Director, Neumann Contractors Group Pty Ltd and related bodies corporate.

Paul Heagney

Director

BCom, GDipAppFinInv

First appointed: 1 October 2023

Term of office: To 30 September 2026

Special responsibilities

Member of the Corporate Governance and Planning Committee

Member of the Audit and Financial Risk Management Committee

Skills and experience

Paul has experience as an Executive Leader, a Non-Executive Director and Chair of several Boards. He has over 25 years' managerial, commercial and executive experience in commodities including in logistics, marketing, international trade, financial and operational risk management, gained in the agricultural and resources industries. He holds a Commerce degree from the University of Queensland and a Graduate Diploma of Applied Finance and Investment.

External appointments

Paul is currently Principal of Kippax Consulting which provides advice focused on business strategy and development, international trade, commodities and logistics.

Jorgen Gullestrup

Director

MSuicidology, DipComWelfare&Dev, Assoc. Dip. Labour Studies

First appointed: 1 October 2023

Term of office: To 30 September 2027

Special responsibilities

Member of the Culture, People and Safety Committee

Member of the Audit and Financial Risk Management Committee

Skills and experience

Jorgen has more than 25 years of experience in strategic leadership across a range of organisations and boards across the Construction and mental health sectors. He currently holds positions on the Queensland Tripartite Procurement Advisory Panel and the Queensland Mental Health and Drugs Advisory Council. He has a passion for sustainable and healthy workplaces with a strong focus on mentally healthier workplaces. Jorgen recently finished a term as Chair of the Queensland Work Health and Safety Board.

External appointments

Chair of Queensland Work Health and Safety Board until July 2022, Council Member Queensland Mental Health and Drugs Advisory Council February 2019 to Current, Panel Member of the Tripartite Procurement Advisory Panel March 2022 to Current, Board Member OnTrack Ltd (NZ) January 2024 to Current.

Corporate structure

NQBP is a Government Owned Corporation (GOC) incorporated under the *Corporations Act 2001* and subject to the requirements of the *Government Owned Corporations Act 1993*.

Ports Corporation of Queensland Limited (PCQ) and Mackay Ports Limited (MPL) are companies incorporated under the *Corporations Act 2001* and are also subject to the *Government Owned Corporations Act 1993* as subsidiaries of a GOC.

The Queensland Government is the owner of all shares in NQBP which are held by two shareholding Ministers:

- Deputy Premier, Treasurer and Minister for Trade and Investment; and
- Minister for Transport and Main Roads and Minister for Digital Services.

NQBP owns all shares in PCQ and MPL. All assets and liabilities of PCQ and MPL were transferred to NQBP on 31 March 2012 under the *Government Owned Corporations (NQBP Amalgamation) Regulation 2012*.

NQBP also owns all shares issued by Artex Insurance (Guernsey) PCC Limited – Cell NQBP. Cell NQBP has been established to insure certain assets of the NQBP. Refer to Note 24 – Investment in Subsidiaries, within Annual Financial Statements.

Throughout this report, 'NQBP' represents the entire Group.

Corporate governance practices

The three companies in the NQBP Group have the same Board of Directors. The Board of Directors is responsible for the corporate governance of the organisation and is accountable to the shareholding Ministers for NQBP's performance.

Artex Insurance (Guernsey) PCC Limited – Cell NQBP is governed by a Management Committee, comprising of two members from Artex Risk Solutions (Cell Manager for NQBP) and two members from NQBP, currently the CFO and Senior Manager Risk and Assurance. Corporate governance practices for Artex Insurance (Guernsey) PCC Limited – Cell NQBP are excluded from this report, as activities are regulated by the Guernsey Financial Services Commissions (GFSC).

Corporate governance at NQBP encompasses functions including authority, accountabilities, risk management, leadership, performance monitoring and internal control systems. The Board recognises the importance of applying effective corporate governance practices and is committed to a high level of integrity throughout its operations.

The Board has adopted the governance principles set out in the Queensland Government's Corporate Governance Guidelines for GOCs (Guidelines), and this is contained in NQBP's Governance Policy and Procedure. This Policy and Procedure is reviewed regularly to improve, where appropriate, NQBP's compliance with these Guidelines.

A copy of NQBP's Governance Policy and Procedure is included on NQBP's website, with the key aspects of these documents described within this section.

Sustainability Governance

Responsibility for sustainability is coordinated by our Sustainability Team, including the development of the Sustainability Strategy and associated action plans, which will drive sustainability and climate initiatives. Continuing engagement with the Sustainability Working Group and employees, will ensure the Strategy is developed, embedded and operationalised across the business.

The Board of Directors is ultimately responsible for overseeing the organisation's strategic direction, including ESG and sustainability matters. Oversight of ESG risks and opportunities, including climate related risks is assigned to the Board's Corporate Government and Planning Committee.

Board of Directors

Details of members of the Board, including their terms of office and their skills, experience and expertise, are outlined on pages 36 to 39.

Appointments

Directors of NQBP are appointed by the Governor-in-Council. All Directors are non-executive directors. The Board assesses the independence of each of the Directors on a regular basis.

The Directors are subject to NQBP's Compliance Policy as well as the Disclosure and Conflicts of Interests Procedure and the Code of Conduct. Directors are required to disclose potential or actual conflicts of interest as soon as they arise. If a Director discloses a conflict of interest regarding a matter that is considered material by the Board, that Director will not participate in any discussion or decision making on that matter.

The independence of Directors is a key issue in ensuring the Board exercises independent judgement. At NQBP, materiality in relation to the independence of Directors is assessed on a case-by-case basis, taking into account the particular circumstances.

NQBP's Governance Procedure sets out some criteria to provide the Board with guidance on the assessment of Director independence.

This includes taking account of relationships that the Director currently has, or had in the past, with NQBP or any organisation with which it does business.

Although NQBP does not have any fixed materiality thresholds in place to determine whether a conflict of a Director exists, the Board has comprehensive criteria which are applied on a case-by-case basis, to determine any potential conflict situation.

The Board considers this provides an effective way to comprehensively assess Director independence.

During the reporting period, all Directors were assessed to be independent.

Role of the Board

A Board Charter is in place which sets out the key roles and functions of the Board. A copy of the Charter is included on NQBP's website.

The collective role of the Board is to:

- set corporate direction and goals
- oversee the plans of management to achieve these goals
- review progress at regular intervals.

The Board's functions include:

- responsibility for NQBP's governance and policy framework
- ensuring that, as far as possible, NQBP achieves and acts in accordance with its Statement of Corporate Intent (SCI)

- accounting to shareholders for NQBP's performance as required by the *Government Owned Corporations Act 1993* and other laws applying to NQBP
- ensuring that NQBP otherwise performs its functions in a proper, effective and efficient way.

As the NQBP companies are incorporated under the *Corporations Act 2001*, the statutory duties imposed on Directors under that legislation also apply to its Board. The Board has observed the terms of its Charter and has had due regard to relevant legislation, relevant binding policies of the Queensland Government, as well as NQBP's policies.

The Board has delegated various functions to management but has reserved certain matters to the Board. This allocation of responsibility is set out in an Instrument of Delegation approved by the Board.

Board meetings

The Board generally meets nine times a year. In addition to this, it meets up to three times a year to discuss strategy and schedules additional meetings as required. During 2023-24, the Board met eight times. Directors also met for Committee meetings. The Chair usually meets the Chief Executive Officer prior to each Board meeting to discuss current issues as well as the agenda, which includes the following:

- monthly reports on non-financial performance
- monthly financial performance reports
- strategy
- safety and environment
- commercial and governance decisions requiring a Board resolution.

Key stakeholders are periodically invited to attend an informal meeting held before or after the scheduled Board meetings. This provides an opportunity for Directors to discuss relevant port industry topics, while also developing and maintaining important relationships. The Directors provide a broad range of skills and experience covering maritime operations, finance and accounting, engineering, regional matters, legal and governance, and transport.

Director induction and education

A comprehensive induction is carried out for new Directors, whereby they are familiarised with their responsibilities as a Director, as well as key corporate documents such as the Board Charter, Code of Conduct, Committee Charters and other applicable NQBP policies and procedures. This is supplemented by inductions provided to new members on committees.

The Directors' Handbook provides Directors with a detailed overview of corporate and government policies, the role and strategic direction of the organisation and a detailed briefing on each of the NQBP ports and the key commodities handled at each port.

Directors are required to acquire and maintain the skills and knowledge to perform their role as an NQBP Director. Each Director has a duty to comply with the law and binding government and NQBP policies.

The Board supports the ongoing development of individual Directors as appropriate, so that the Board has the skills and knowledge to effectively perform its role in relation to NQBP. Training is provided to the Directors on key areas such as competition law, environmental and safety laws and conflicts of interest. In addition, training on Director's obligations in relation to annual financial statements is held annually.

Directors are also kept advised of the various workshops, seminars and conferences on offer to update their skills and knowledge so that they can undertake their role effectively.

Independent advice and access to information

It is the Board's policy (in the Board Charter and each Committee Charter) that Directors are able to seek independent professional advice at NQBP's expense to assist in the performance of their duties.

In addition, Directors must be provided with all necessary access to internal documents, reports and records in pursuit of the Board's mandate.

The Chair has regular briefings from the Chief Executive Officer, and also with managers as required, on all relevant aspects of the organisation's activities and performance. Detailed verbal and written briefings on various issues are provided to the Chair and/or Board as necessary.

Ethical behaviour and decision making

NQBP is committed to promoting ethical decision making. Its business is dependent on good relationships and fair treatment of its customers, employees and the public, with due consideration of the operating requirements of the business.

These principles are contained in various policies and procedures which apply to Directors and all employees and include the Compliance Policy, Code of Conduct, Trading (Securities) Guideline, the Disclosure and Conflicts of Interest Procedure, as well as the Whistleblower and Public Interest Disclosure Protection Procedure.

These policies, procedures, standards and guidelines require Directors and employees to disclose potential or actual conflicts of interest as soon as they arise, so that the issue can be reviewed and managed in an appropriate and transparent manner to promote integrity within NQBP's operations. These documents also require Directors and employees to act honestly and comply with the law and to restrict share trading activities where inside information is an issue.

NQBP falls within the jurisdiction of the Crime and Corruption Commission (CCC), and the Chief Executive Officer is required to report any 'corrupt conduct' by NQBP staff to the CCC, where corrupt conduct is reasonably suspected.

In addition, Directors and employees are required to protect NQBP's interests in any actions which may affect the business, as well as its confidential information and intellectual property.

The Code of Conduct, Whistleblower and Public Interest Disclosure Protection Procedure, Policy on Dealing with a Complaint Involving the NQBP Chief Executive Officer and Fraud Standard outline a process for the investigation of allegations of misconduct and fraud. Copies of these documents are included on NQBP's website.

Communications with shareholding Ministers

The key disclosure requirements under the *Government Owned Corporations Act 1993* require NQBP to reasonably inform shareholding Ministers about its operations and financial matters, as well as material risk factors.

Regular communications are initiated with key stakeholders, including shareholding Ministers and government representatives. Detailed quarterly reports are provided to shareholding Ministers and their representatives, as well as individual ministerial briefings on specific issues.

The Chair and the Chief Executive Officer meet with shareholding Ministers and/or their representatives on a regular basis. NQBP's management also meets with representatives of shareholding Ministers' departments to update them on relevant issues.

NQBP's policies and procedures do not prescribe the type and level of disclosure to shareholding Ministers. The Board and NQBP management team exercise their judgement on a case-by-case basis as to what matters should be disclosed to shareholding Ministers and/or their representatives, in order to comply with the *Government Owned Corporations Act 1993* disclosure requirements.

Review of Board performance

As noted above, NQBP has a Governance Policy and Procedure in place and these documents outline the process for evaluation of Board and Committee performance, reflecting the requirements of the Government's Corporate Governance Guidelines.

NQBP's procedure requires that a review of Board performance be conducted annually, with an external review usually undertaken every two years.

The Corporate Governance and Planning Committee is the relevant committee to review and make recommendations to the Board in relation to the improvement of Board processes. In 2023-24, an internal review of NQBP's Board performance was undertaken.

In addition, each Committee (in accordance with the relevant charter) addresses competency and performance issues at least annually, as well as their information needs. The Board then reviews the performance of each committee on an annual basis. This was undertaken in May and June 2024.

Shareholding Ministers are informed of any key issues arising out of the performance reviews. The Chair will also raise any material concerns about Board performance directly with the shareholding Ministers if required.

Remuneration arrangements for Directors

Remuneration for Directors is determined by the Queensland Government. Details of the remuneration paid to Directors are contained in the Notes to the Financial Statements on page 89. This amount excludes travel and associated expenses incurred in the course of undertaking their duties.

Directors do not receive performance-related payments or retirement benefits, other than compulsory superannuation as required under the *Superannuation Guarantee (Administration) Act 1992*.

Appointment 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 the Chief Executive Officer also requires the prior written approval of the shareholding Ministers. For the Board to appoint a senior executive, the Board must follow the processes set out in relevant Queensland Government policies and advise shareholding Ministers of the details of the appointments.

Remuneration arrangements for management and employees

The Chair reviews the remuneration and performance of the Chief Executive Officer and reports to the Board through the Culture, People and Safety Committee. All new senior executive and senior manager employment agreements include provisions consistent with shareholder guidelines.

Review of performance for management and employees

NQBP operates a performance pay scheme for employees. The performance payment is calculated for eligible employees, based on the employee's achievement of their objectives, demonstration of values and overall performance in their position.

The Chief Executive Officer and Senior Executives targets are set by the Board, and where appropriate objectives are cascaded down to employees. Objectives are aligned to the NQBP strategy, to support the Statement of Corporate Intent.

Under the performance payment scheme Executive and Senior Managers are eligible for a maximum of 15 per cent of total salary, and Senior Employees on Individual Employment Agreements a maximum of 7.5 per cent of base salary. Enterprise Agreement employees (excluding Pilots) are eligible for a maximum 6 per cent of their base salary.

Recommended payments are approved by the Board after the end of the 2023-24 financial year and paid in September. Payments are reported to shareholding Ministers in accordance with current guidelines.

Relevant remuneration policies and procedures are disclosed on the NQBP website.

Board Committees

During the 2023-24 financial year, there were three Board Committees to assist the Board in discharging its duties. Each of these Committees has a Charter in place that sets out its role.

A copy of these Charters is included on the NQBP website.

A general description of the role and achievements of the three committees is outlined below. Details of the qualifications of members of each of the three committees, along with the number of meetings held by the committees and names of attendees, are included on page 56 of the Director's Report.

Audit and Financial Risk Management Committee

Chair: Monica McKendry
Members: Andrea Ranson, Lynn Smart, Jorgen Gullestrup, Paul Heagney
Secretary: Zoe Bennett (General Counsel / Company Secretary)

NQBP's Audit and Financial Risk Management Committee (AFRMC) provides independent and expert advice and support to assist the Board to discharge its financial and risk management responsibilities.

The Committee does not replace or replicate established management responsibilities and delegations, the responsibilities of other executive management groups within NQBP, or the reporting lines and responsibilities of either internal audit or external audit functions.

The AFRMC is empowered only to make recommendations to the Board and does not have power to make decisions in its own right.

The AFRMC:

- monitors external reporting requirements
- reviews the annual budget and five-year projections and financial risk management policies before consideration by the Board
- reviews the annual financial statements before final sign-off by the Board

- oversees all internal audit functions, and reviews findings, recommendations and the implementation progress
- reviews reports and other information from the Auditor-General
- monitors the internal control and financial risk management environment within the organisation
- monitors matters and transactions which may have a material effect on the financial position of NQBP.

The Committee consists of at least three Directors appointed by the Board. NQBP's Board Chair may be appointed to the Committee but may not sit as the Chair of the Committee. To maintain independence, the membership of the Committee will not include representatives from internal audit or the Queensland Audit Office (QAO), although those representatives may be invited to attend Committee meetings at the discretion of the Committee.

The charter of the AFRMC is supplied to newly appointed Directors to the Board as part of their general induction. The AFRMC Chair is to make sure that, on appointment as a new member to the Committee, the appointee is familiar with the current charter of the Committee and is briefed on key current issues.

The Committee has observed the terms of its charter and had due regard to relevant financial legislation and standards and any relevant binding policy of the Queensland Government, as well as NQBP's policies.

The Board considers the effectiveness of AFRMC meetings, the appropriateness of its charter, and the composition of the Committee on an annual basis.

Audit and Financial Risk Management Committee achievements

In the 2023-24 financial year, the Committee met on 15 August 2023, 17 November 2023, 5 March 2024 and 21 May 2024. The Committee followed a key list of standing items to ensure coverage of:

- matters or circumstances of significant impact
- strategic and significant issues
- financial risk management
- financial governance
- amendments to CEO Delegations
- external audit
- review of Policies
- proposed Board papers.

In addition, during the 2023-24 financial year, the AFRMC also considered the following key matters:

- annual financial statements
- dividend recommendation
- 10 -Year Outlook – Questionnaire, Capital Outlook & Major Investments
- Rehabilitation Fund
- Annual Budget Process
- Fraud Risk Review
- QTC WACC Review
- Key Changes Proposed for 2024-25 Budget, SCI and Corporate Plan
- Port Pricing Schedules FY25
- Asset Valuations
- Insurance Program Market Feedback and Renewal Progress and alternative insurance options
- Annual Review of Committee Charter and Performance

- Cash and Debt Management; budget papers
- Internal Audit Program, progress of audits plus reports and management response at each quarterly meeting.

Culture, People and Safety Committee

Chair: Lynn Smart
 Members: Jane McTaggart, Tony Mooney, Monica McKendry, Jorgen Gullestrup
 Secretary: Zoe Bennett (General Counsel / Company Secretary)

NQBP's Culture, People and Safety Committee (CPSC) provides independent and expert advice to assist the Board to deliver its employee and industrial relations responsibilities.

The CPSC does not replace or replicate established management responsibilities and delegations or the responsibilities of other executive management groups within NQBP.

The CPSC is only empowered to make recommendations to the Board and does not have power to make decisions in its own right.

The CPSC:

- reviews NQBP's people and culture policies
- annually reviews the Chief Executive Officer's remuneration package and proposals by the Chief Executive Officer in relation to the remuneration packages of senior executives
- evaluates Chief Executive Officer and senior management performance and the appropriateness of performance pay schemes including the targets and criteria for assessment
- reviews the appropriateness of industrial agreements and reviews proposals for change considering binding government policy and effectiveness in enhancing the achievement of NQBP's objectives through its award and non-award employees
- considers Directors' and officers' liability issues and the mechanisms to mitigate risks
- reviews current industry practices in relation to employee management, remuneration and industrial relations environment as it applies to NQBP and its customers
- reviews any re-organisational proposal where it entails forced redundancies or the diminishing of employee benefits
- reviews the appropriateness of succession plans
- reviews the appropriateness of NQBP's Employment and Industrial Relations (E&IR) Plan
- monitors and reviews workplace health and safety risks and the workplace health and safety systems.

The Committee consists of at least three Directors, appointed by the Board. The Board Chair may be appointed to the Committee but may not sit as the Chair of the Committee. The Charter of the CPSC is supplied to newly appointed Directors as part of their general induction. The CPSC Chair is to make sure that, on appointment to the Committee, the appointee is familiar with the current Charter of the Committee and is briefed on key current issues.

The Committee has observed the terms of its Charter and had due regard to industrial and other relevant legislation, relevant binding policy of the Queensland Government, as well as NQBP's policies.

The Board reviews the effectiveness of CPSC meetings, the appropriateness of its Charter and the composition of the Committee on an annual basis.

Culture, People and Safety Committee achievements

In the 2023-24 financial year, the Committee met on 8 August 2023, 7 November 2023, 20 February 2024 and 14 May 2024.

The Committee followed a key list of standing items to ensure coverage of:

- strategic issues
- planning
- safety
- performance systems
- governance and policies.

In addition, during the 2023-24 financial year, the Committee also considered the following key matters:

- provided input into the development of the People Strategic Plan and monitored its implementation
- considered survey results and actions to improve employee engagement
- reviewed and made recommendations to the Board on specific HR procedures
- reviewed and provided recommendations in relation to the quarterly workplace health and safety reports (including psychological safety and fatigue management)
- reviewed and made recommendations to the Board in relation to remuneration and performance payments and processes
- reviewed and made recommendations to the Board on CEO performance and remuneration
- considered issues relating to enterprise agreements
- reviewed and provided input into the draft NQBP E&IR Plan 2024-25
- considered Quarterly People and Culture Reports and updates on legal changes impacting safety and HR
- reviewing the Reconciliation Action Plan and monitoring the implementation
- reviewed Committee Performance and the Charter
- reviewed and made recommendations to the Board in relation to the new ELT Structure.

Corporate Governance and Planning Committee

Chair: Andrea Ranson

Members: Tony Mooney, Jane McTaggart, Paul Heagney

Secretary: Zoe Bennett (General Counsel / Company Secretary)

The Corporate Governance and Planning Committee (CGAPC) has been established to provide independent and expert advice to assist the Board to discharge its corporate governance and strategic planning responsibilities. The Committee does not replace or replicate established management responsibilities and delegations or the responsibilities of other executive management groups within NQBP.

The CGAPC can make recommendations to the Board and does not have power to make decisions in its own right.

The CGAPC:

- reports to the Board on the adequacy of the corporate governance system
- monitors adherence to policies related to corporate governance and instilling a culture of compliance
- reviews pricing proposals and commercial negotiating frameworks which impact on return

- monitors the effectiveness of risk management systems
- monitor and review the effectiveness of the project governance framework for major projects
- reports to the Board on the adequacy of the planning system as proposed by the Chief Executive Officer and the content of strategic and corporate plans
- articulates information gained from individual Board members to assist the Chief Executive Officer in developing plans
- requests the Chief Executive Officer to consider or further consider any strategic issue relevant to NQBP.

The Committee consists of at least three Directors appointed by the Board. The Board Chair may be appointed to the Committee but may not sit as the Chair of the Committee. The Charter of the CGAPC is supplied to newly appointed NQBP Directors as part of their general induction.

The CGAPC Chair is to make sure that, on appointment to the Committee, the appointee is familiar with the current charter of the Committee and is briefed on key current issues.

Corporate Governance and Planning Committee achievements

In the 2023-24 financial year, the Committee met on 8 August 2023, 7 November 2023, 5 March 2024 and 4 June 2024. Key matters considered by the Committee included:

- comprehensive review of the Stakeholder Management issues
- review of NQBP's procurement processes
- continual development of IT functions and technology systems
- the Risk Management Reporting Framework
- risk and strategic issues associated with NQBP's projects
- the Annual Report
- updating the Director's handbook and induction process
- legal developments that may potentially impact NQBP
- continual review of the development of Risk Management systems and reports
- the Committee Charter
- updates on strategic projects
- processes to improve cyber security
- improvements to Governance and Board processes
- Board performance and Director's training
- NQBP's Complaints Report and Lobbyists Register
- issues for Strategic Planning and progressing strategic initiatives
- reviewing NQBP's Modern Slavery Statement
- reviewing the Policy and Procedure Framework
- Climate Governance Projects.

Managing risk

NQBP takes a proactive and well-informed approach to risk management and has a risk management policy, procedure and guidelines (risk management framework) that provide the strategic direction for risk management. Risk management is the responsibility of all NQBP employees.

To meet strategic objectives, the risk management framework is designed to apply systematic and consistent risk management methodologies across NQBP to identify critical risk exposures, realise opportunities, prioritise resources and focus on improving capabilities for predicting and managing uncertainties.

The Risk Management and Assurance team helps the business make well-informed decisions through:

- enterprise risk management
- insurance
- assurance (Internal Audit)
- business continuity planning.

The NQBP risk management framework is aligned with the International Standard for risk management, ISO 31000:2018. This risk management framework has been integrated with other NQBP policies and management systems.

The risk management framework is supported by an assurance program of scheduled internal and external audits of various aspects of the business, such as legal compliance, finance, contract management, asset management, human resources, environment, health and safety, emergency and business continuity planning and information management.

The Risk Management Framework aims to integrate risk management processes into standard business practices to not only protect value, but create value by:

- assisting in planning to execute NQBP strategy
- assist management to prioritise resources (people and dollars)
- analysing and prioritising responses to risks to the business
- understanding business risks
- identifying opportunities and encouraging innovative risk management controls.

The framework enables NQBP to:

- identify, assess, evaluate, prioritise and manage risk across the organisation
- create value to the organisation through informed decision making and the effective allocation of resources
- build a risk aware culture with risk embedded into day-to-day activities.

Risk management is an integral part of NQBP's business management. Management continues to be responsible for identifying changes in the business environment that may generate new risks or require a change to risk ratings or controls. The organisation's risk profile is under constant review by management and the Board.

The risk management framework has operated efficiently and effectively throughout the year. NQBP strives for continuous improvement in all aspects of its business and the risk management framework continues to be improved over time to meet business needs.

There were no material breaches of risk management policies during 2023-24.

Internal audit

The role of internal audit is to assist the Board of Directors and management in the effective discharge of their responsibilities.

In-house internal audit resources are supplemented by external resources where specialist skills or greater independence is required.

Internal audit activities are conducted in accordance with the NQBP Internal Audit Charter and International Standards for the Professional Practice of Internal Auditing.

These include:

- a risk-based approach in formulating the audit plan
- providing impartial and independent advice on whether activities are effectively and economically managed
- providing advice on any deficiencies identified and recommending remedial action
- evaluating compliance with relevant legislation and policies
- determining effectiveness of financial and operational controls and systems in meeting goals.

The 2023-24 audit program included reviews of:

- Port development approval governance
- Emergency management
- Property management
- Fraud Risk

Additional information

The Finance Policy outlines the financial governance framework for NQBP. This framework assists NQBP in its objective to be commercially successful in the conduct of its activities while ensuring compliance with legal and other financial obligations and effectively identifying and managing financial risks. The Finance Policy provides guidance and direction on the following key governance areas:

Capital structure and risk adjusted return for capital

NQBP maintains its capital structure with regard to the following three key objectives:

- establish the Capital Structure that will minimise its cost of capital
- maintain flexibility for current and future infrastructure opportunities
- maintain at least an investment grade credit rating.

In committing scarce capital to its business strategies and project opportunities, NQBP seeks to sustainably earn a risk adjusted return on its investment.

Dividend policy

NQBP's dividend policy takes into account the return its shareholders expect on their investments, along with the funding of future capital requirements and maintenance of the group's approved capital structure. The Board reviews and approves its dividend policy on an annual basis.

Funds Management

NQBP closely manages its cash in support of the State's Cash Management Arrangements. Cash at bank, or on hand not currently required by NQBP, is invested in Board approved investments. All new borrowings are sourced from Queensland Treasury Corporation.

Financial Risk Management

Financial risks (including settlement risk, funding risk, liquidity risk, credit risk, foreign exchange and derivatives risk) are managed in accordance with NQBP's Risk Management Framework. The Audit and Financial Risk Management Committee monitor NQBP's financial risk management compliance.

Government policies applicable to NQBP

NQBP is to comply with all relevant government policies and guidelines.

There were no commercial impacts of major significance identified in adopting any revised policy positions. The continuing application of the Right to Information legislative framework resulted in NQBP requiring ongoing resources directed to meeting its legislative obligations.

Summary of directions and notifications given to the Board by NQBP's shareholding Ministers

There was no notification issued by shareholding Ministers under section 114 of the *Government Owned Corporations Act 1993* for the 2023-24 financial year.

Community service obligations

There were no community service obligations identified during 2023-24.

Employment and Industrial Relations Plan

NQBP's Employment and Industrial Relations Plan establishes the Corporation's intent with respect to Directors' and staff remuneration and employment conditions and its human resource priorities.

Corporate entertainment and hospitality

NQBP did not hold any events in 2023-24 which cost more than \$5,000.

Right to Information

NQBP received one application under the *Information Privacy Act 2009* and one application under the *Right to Information Act 2009 (Qld)* for the year ending 30 June 2024.

North Queensland Bulk Ports Corporation Limited

ACN 136 880 218

Annual Financial Report

For the year ended 30 June 2024

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FOR THE YEAR ENDED 30 JUNE 2024

These financial statements are consolidated financial statements for the group consisting of North Queensland Bulk Ports Corporation Limited (NQBPC) and its subsidiaries. A list of subsidiaries is included in note 24.

NQBPC is a public company limited by shares, incorporated under the *Corporations Act 2001* and domiciled in Australia.

NQBPC's issued capital is controlled by the State of Queensland (the ultimate parent entity). Its registered office and principal place of business is:

Level 1, Waterfront Place
Mulherin Drive
Mackay Harbour Qld 4740

NQBPC is responsible as a port authority under the *Transport Infrastructure Act 1994* for the management and control of the following prescribed ports at Weipa, Abbot Point, Mackay, and Hay Point.

The financial statements were authorised for issue by the directors on 27 August 2024. The directors have the power to amend and reissue the financial statements.

Directors' Report

The Board of Directors of North Queensland Bulk Ports Corporation Limited (NQBP) present their report of NQBP and the entity (the Group) for the year ended 30 June 2024.

Review of operations

As at 30 June 2024, both MPL and PCQ remain as non-operating companies of NQBP with nil assets and liabilities.

NQBP's activities are primarily dependent on our neighbouring countries in Asia and the Sub-Continent. The region accounts for significant global economic activity, including the developed countries of Japan and Korea as well as the major growth centres of China and India as well as the fast-growing smaller Asian economies.

In 2023-24, NQBP ports collectively handled around 151.8 million tonnes of throughput, making a vital contribution to the trade performance of Queensland and Australia. Overall trade remained consistent when compared to last year (2022-23: 152.1 million tonnes). We delivered a trade revenue result (excluding managed fund income) of \$125.6 million, an increase of 1.6 per cent on last year (2022-23: \$123.6 million).

Operating results

NQBP Net Profit After Tax result increased to \$33.0 million in 2023-24, compared with \$30.7 million in the preceding year. Key contributors were improved returns from the QIC managed income fund, and interest income.

Good progress was made in delivering on NQBP's strategic initiatives. Further details are provided throughout this report. NQBP continues to work closely with government departments and industry at all our ports to facilitate growth and ensure timely development of business-focused investments.

The Group has ensured the sustainable operation and development of the ports through a structured environmental management, monitoring and improvement program which reflects a strong commitment to best practice, effective community consultation and environmental protection.

The Group maintained external certification of its Environmental Management System for the Ports of Hay Point, Abbot Point, Mackay and Weipa to AS/NZS ISO14001:2015.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the group during the 2023-24 year. During the year the principal activities of entities within the Group consisted of:

- port operation and management
- strategic port planning and port infrastructure development
- trade facilitation and port marketing
- pilotage services.

Significant changes in the nature of principal activities

There were no significant changes in the nature of principal activities during 2023-24.

Likely developments and expected results of operations

NQBP continues to play a critical role in the Queensland economy and in the generation of national wealth. To this end, we are committed to supporting regional and economic recovery and growth. Our support for the regions in which our ports operate best positions NQBP to take advantage of trade and business opportunities as they arise.

Navigable depths across all our ports are a key focus to ensure efficient shipping. NQBP commenced maintenance dredging at the Port of Weipa during 2023-24.

To support our growth strategies, NQBP continues to invest in improving our operating systems and business processes.

Dividends

The Directors of NQBP have recommended a dividend of \$19.05 million to be paid to shareholders for 2023-24. This recommended dividend represents 100 per cent of the net profit after tax for 2023-24 adjusted for abnormal items.

No options over issued shares or interests in the Group were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

Environmental regulation and performance

With three major ports operating in the Great Barrier Reef World Heritage Area, environmental stewardship is a key priority for NQBP. NQBP maintains an internationally accredited ISO14001 quality Environmental Management System and the Group's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Environmental Management System is audited annually, with a more comprehensive recertification audit required every three years.

In 2023-24, the audit found zero minor or major non-conformances and zero opportunities for improvement to the Standard.

Company secretaries

Name and Qualifications	Experience, Special Responsibilities and Other Directorships
Company Secretary Peter Sinnott BCom, LLB (Hons), MFM, FGIA, FCIS Appointed Company Secretary: NQBP, MPL and PCQ on 9 January 2012 – 27 March 2024. Following the appointment of a new Company Secretary, Peter Sinnott continues in his role as General Manager Corporate Services	Prior to joining NQBP, Peter Sinnott was Legal Director at Rio Tinto Alcan. Mr Sinnott was formerly a Senior Associate/Special Counsel at international law firm Minter Ellison and has over 20 years' experience in private practice and corporate in-house roles, specialising in commercial and corporate law. Mr Sinnott is a Fellow of the Governance Institute of Australia.
Company Secretary Zoe Bennett BA LLB Appointed Company Secretary: NQBP, MPL and PCQ on 30 January 2024 - ongoing	Zoe is an experienced in-house lawyer having held senior legal roles in various large infrastructure organisations. She has over 20 years' experience in providing general front end corporate and commercial advice.

Meetings of Directors in 2023-24

The number of meetings of Directors for NQBP and its subsidiary companies (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director, were as follows:

Board Meeting Attendance (1 July 2023 – 30 June 2024)

Director	NQBP	
	Eligible to Attend	Number Attended
Jane McTaggart (Chair)	8	8
Andrea Ranson	8	8
Lynn Smart	8	8
Monica McKendry	8	8
Tony Mooney	8	7
Jorgen Gullestrup	6	6
Paul Heagney	6	6

Committee Meeting Attendance (1 July 2023 – 30 June 2024)

Director	Audit and Financial Risk Management Committee		Corporate Governance and Planning Committee		Culture, People and Safety Committee	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Jane McTaggart (Chair)	4 ¹	4 ¹	4	4	4	4
Andrea Ranson	4	4	4 (Chair)	4	2 ²	2 ²
Lynn Smart	4	4	0	0	4 (Chair)	4
Monica McKendry	4 (Chair)	4	1	1	3	2
Tony Mooney	2 ²	2 ²	4	4	4	4
Jorgen Gullestrup	3	2	0	0	3	2
Paul Heagney	3	3	3	2	2 ²	2 ²

¹ Attended meeting as an observer

² Attended meeting as an observer for part of the meeting

Indemnification and insurance of Directors and Officers

Indemnities

The constitution of each of NQBP, PCQ and MPL provides that, to the extent permitted by law:

- each such company must indemnify every person who is, or has been, a Director or Secretary of that company against any liability incurred by that person as a Director or Secretary
- each such company may make a payment in respect of legal costs incurred in defending an action for a liability incurred by that person as a Director or Secretary
- each such company may pay a premium to insure a Director or Secretary against certain liability incurred by the Director or Secretary acting in that capacity.

Each of NQBP, PCQ and MPL entered into a separate Deed of Indemnity for the benefit of persons who are or become Directors, Secretaries, Chief Executive Officer and certain other key decision-making persons of any of those companies (“Officers”) during the term of the Deed.

Under this Indemnity, each of NQBP, PCQ and MPL agrees to indemnify such persons against any liabilities (including costs and expenses) incurred by such persons as an Officer during the term of the Indemnity.

The Indemnity operates until revoked by the relevant Board. The Indemnity does not apply in respect of:

- any liability to NQBP, PCQ or MPL (as applicable) or to any subsidiary of those companies
- any liability which arises out of the conduct by the Officer involving lack of good faith
- any liability which is not permitted to be indemnified under the Corporations Act 2001 (Cth), the Competition and Consumer Act 2010 (Cth) and any other applicable law
- any liability where, and to the extent that the Officer is indemnified under a policy of insurance or Repayment obligations apply if NQBP, PCQ and/or MPL (as applicable) has paid an amount to an Officer under the Indemnity, and the Officer is no longer entitled to be indemnified.

Each of NQBP, PCQ and MPL is required to effect insurance in relation to these liabilities, except for liabilities arising out of willful breach of duty or the breach of certain provisions of the Corporations Act 2001.

No liability has arisen under these Indemnities as at the date of this report. The Group has not entered into any agreement to indemnify its auditors.

Officer’s insurance

The Group has paid a premium in respect of a contract insuring the Directors and Officers of each of NQBP, MPL and PCQ against liabilities.

Proceedings on behalf of the Group

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of any of NQBP, PCQ and MPL, or to intervene in any

proceedings to which NQBP, PCQ and/or MPL is a party, for the purpose of taking responsibility on behalf of the relevant company for all or part of those proceedings.

No proceedings under section 236 of the Corporations Act 2001 have been brought or intervened in on behalf of any of NQBP, PCQ and MPL.

Non-audit services

The Group's auditor has not provided the Group any non-audit services.

Rounding of amounts

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the Directors' Report. Amounts in the Directors' Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under Section 307C of the Corporations Act 2001 (Cth) is set out on page 59.

Subsequent events

There have been no matters or circumstances since the end of the financial year which have affected or may significantly affect:

- The Group's operations in future financial years
- The results of those operations in future financial years
- Group's state of affairs in future financial years.

This report is signed in accordance with a resolution of Directors.



Jane McTaggart

Chair, North Queensland Bulk Ports Corporation Limited

27 August 2024

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of North Queensland Bulk Ports Corporation Limited

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

Independence declaration

As lead auditor for the audit of North Queensland Bulk Ports Corporation Limited for the financial year ended 30 June 2024, 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* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of North Queensland Bulk Ports Corporation Limited and the entities it controlled during the period.



Bhavik Deoji
as delegate of the Auditor-General
27 August 2024

Queensland Audit Office
Brisbane

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated		Parent	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Income from operations					
Revenue	2	125,569	123,607	124,471	123,607
Other income	2	13,000	7,754	13,000	7,754
Income from operations		138,569	131,361	137,471	131,361
Expenses from operations					
Employee benefits expenses	3	(28,791)	(26,161)	(28,791)	(26,161)
Supplies and services	4	(38,715)	(35,161)	(38,615)	(35,038)
Depreciation and amortisation	11a),c),12	(12,778)	(14,037)	(12,778)	(14,037)
Impairment losses / fair value adjustments	5	(5,351)	(5,095)	(5,351)	(5,095)
Other expenses	7	(3,055)	(3,177)	(3,047)	(3,986)
Expenses from operations		(88,690)	(83,631)	(88,582)	(84,317)
Operating result		49,879	47,730	48,889	47,044
Financial income		3,669	2,040	3,191	1,920
Financial expenses	6	(7,167)	(7,061)	(7,139)	(7,016)
Interest expense on lease liabilities	11b)	(251)	(274)	(251)	(274)
Net finance costs		(3,749)	(5,295)	(4,199)	(5,370)
Profit/(Loss) before income tax		46,130	42,435	44,690	41,674
Income tax equivalent expense	8	(13,151)	(11,740)	(13,151)	(11,740)
Profit/(Loss) after income tax equivalent		32,979	30,695	31,539	29,934
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Increase (decrease) in revaluation surplus	10,11c)	48,854	(29,518)	48,854	(29,518)
Income tax equivalent expense on increase (decrease) in revaluation surplus		(14,656)	8,809	(14,656)	8,809
Total other comprehensive income net of income tax equivalent		34,198	(20,709)	34,198	(20,709)
Total comprehensive income for the year		67,177	9,986	65,737	9,225

The above Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

AS AT 30 JUNE 2024

	Note	Consolidated		Parent	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	9	62,257	32,746	61,892	32,300
Trade and other receivables	9	23,460	63,591	23,413	63,591
Inventories		1,123	818	1,123	818
Prepayments		1,763	1,662	2,001	1,939
Total current assets		88,603	98,817	88,429	98,648
Non-current assets					
Prepayments		816	609	816	609
Investments	9	151,965	118,823	139,930	113,209
Trade and other receivables	9	2,909	2,949	2,909	2,949
Investment properties	10	13,175	13,039	13,175	13,039
Investment in subsidiaries	24	-	-	10,000	5,000
Right-of-use assets	11 a)	11,534	11,466	11,534	11,466
Property, plant and equipment	11 c)	593,648	546,955	593,648	546,955
Intangible assets	12	397	452	397	452
Total non-current assets		774,444	694,293	772,409	693,679
Total assets		863,047	793,110	860,838	792,327
LIABILITIES					
Current liabilities					
Trade and other payables	13	39,019	33,075	39,011	33,053
Current income tax equivalent liability		5,786	3,945	5,786	3,945
Provisions	14	24,503	28,569	24,503	28,569
Lease liabilities	11 b)	1,154	1,006	1,154	1,006
Total current liabilities		70,462	66,595	70,454	66,573
Non-current liabilities					
Trade and other payables	13	70,569	62,231	70,569	62,231
Lease liabilities	11 b)	11,084	11,077	11,084	11,077
Interest bearing liabilities	15	186,559	186,559	186,559	186,559
Deferred income tax equivalent liabilities	16	88,879	79,392	88,879	79,392
Provisions	14	316	205	316	205
Total non-current liabilities		357,407	339,464	357,407	339,464
Total liabilities		427,869	406,059	427,861	406,037
Net assets		435,178	387,051	432,977	386,290
EQUITY					
Issued capital	17	14,409	14,409	14,409	14,409
Asset revaluation surplus		342,388	308,895	342,388	308,895
Retained earnings		78,381	63,747	76,180	62,986
Equity attributable to owners of NQBP		435,178	387,051	432,977	386,290
Total equity		435,178	387,051	432,977	386,290

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Issued capital		Asset revaluation		Retained earnings		Total	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July 2023		14,409	14,409	329,604	329,604	56,586	56,586	400,599	400,599
Profit/(Loss) after income tax equivalent		-	-	-	-	30,695	29,934	30,695	29,934
Other comprehensive income									
Increase (decrease) in revaluation surplus	11 c)	-	-	(29,362)	(29,362)	-	-	(29,362)	(29,362)
Transfer of revaluation increment in respect of revalued assets disposed - current year		-	-	(156)	(156)	156	156	-	-
Income tax equivalent applicable		-	-	8,809	8,809	-	-	8,809	8,809
Transactions with owners in their capacity as owners									
Distribution to owners	14	-	-	-	-	(23,690)	(23,690)	(23,690)	(23,690)
Balance as at 30 June 2023		14,409	14,409	308,895	308,895	63,747	62,986	387,051	386,290
Profit/(Loss) after income tax equivalent		-	-	-	-	32,979	31,539	32,979	31,539
Other comprehensive income									
Increase (decrease) in revaluation surplus	10, 11 c)	-	-	48,854	48,854	-	-	48,854	48,854
Income tax equivalent applicable		-	-	(14,656)	(14,656)	-	-	(14,656)	(14,656)
Transfer of revaluation increment in respect of revalued assets disposed - current year		-	-	(705)	(705)	705	705	-	-
Transactions with owners in their capacity as owners									
Distribution to owners	14	-	-	-	-	(19,050)	(19,050)	(19,050)	(19,050)
Balance as at 30 June 2024		14,409	14,409	342,388	342,388	78,381	76,180	435,178	432,977

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2024

	Note	Consolidated		Parent	
		2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Cash flows from operating activities					
Cash receipts from customers		144,289	139,297	143,237	139,297
Cash paid to suppliers and employees		(70,401)	(58,352)	(70,211)	(59,293)
GST remitted to Australian Taxation Office		(7,450)	(6,135)	(7,450)	(6,135)
Interest paid		(7,136)	(6,894)	(7,136)	(6,894)
Interest received		3,669	2,039	3,191	1,920
Income tax equivalents paid		(16,479)	(11,878)	(16,479)	(11,878)
Net cash provided by/ (used in) operating activities	18	46,492	58,077	45,152	57,017
Cash flows from investing activities					
Purchase of property, plant and equipment	11 c)	(15,465)	(10,323)	(15,465)	(10,323)
Purchase of investments	9	(15,469)	(24,417)	(14,048)	(23,802)
Proceeds from sale of property, plant and equipment	11 c)	151	31	151	31
Movement in GOC Advances Facility		38,717	(18,318)	38,717	(18,318)
Net cash provided by/ (used in) investing activities		7,934	(53,027)	9,355	(52,412)
Cash flows from financing activities					
Dividend paid		(23,690)	-	(23,690)	-
Payment of lease liability	11 b)	(1,225)	(1,228)	(1,225)	(1,228)
Net cash provided by/ (used in) financing activities	18	(24,915)	(1,228)	(24,915)	(1,228)
Net increase (decrease) in cash and cash equivalents		29,511	3,823	29,592	3,377
Cash and cash equivalents at beginning of the financial year		32,746	28,923	32,300	28,923
Cash and cash equivalents at end of the financial year	9	62,257	32,746	61,892	32,300

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

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Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 1 - Summary of material accounting policies

Basis of preparation

Presentation and basis of consolidation

The consolidated financial statements of North Queensland Bulk Ports Corporation were authorised for issue by the directors on 27 August 2024. The consolidated financial statements include all income, expenses, assets, liabilities of the consolidated group, comprising NQBP and the entities it controls (collectively, 'the Group'). All transactions and balances internal to the consolidated group have been eliminated in full (details of subsidiary are listed in Note 24).

The Group is a for-profit entity for the purpose of preparing financial statements.

The consolidated financial statements are a general-purpose financial report that:

- have been prepared in accordance with the requirements of:
 - o the *Government Owned Corporations Act 1993*,
 - o the *Corporations Act 2001*,
 - o Australian Accounting standards and other authoritative pronouncements of the Australian Accounting Standards Board,
 - o Applicable provisions of the *Financial Accountability Act 2009* and Financial and Performance Management Standard 2019,
- have been prepared using the historical cost convention except where specifically stated,
- have been prepared on a going concern basis,
- are presented in Australian dollars, which is the Group's functional and presentation currency.

Comparatives

Comparative information presented within this report have been derived from the audited annual report for the year ended 30 June 2023.

Rounding

The Australian Securities and Investments Commission (ASIC) Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 applies to the Group. Amounts in this Directors' Report and the Consolidated Financial Statements, except where otherwise indicated, have been rounded to the nearest thousand dollars in accordance with ASIC Instrument 2016/191.

Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of GST except where GST incurred on a purchase of goods and services is not recoverable from the taxation authority. In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is presented as operating cash flows.

New and amended standards and interpretations adopted by the Group

There are no new standards or amendments during the year that are required to be adopted.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 1 - Summary of material accounting policies (continued)

New and amended standards and interpretations not yet adopted

There are no new standards that are not yet effective and that would be expected to have a material impact on the group in the current or future periods and on foreseeable future transactions.

Critical accounting estimates and judgements

The preparation of the consolidated financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have the potential to cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

Estimates and assumptions with the most significant effect on the consolidated financial statements are outlined in the following notes:

- Valuation of investment properties and property, plant and equipment - Note 10 and 11 c);
- Provisions - Note 14;
- Assessment of useful lives Note 11 c)
- Depreciation and amortisation - Note 11 a), c), 12;
- Deferred tax assets and liabilities – Note 8 and 16.

Fair value measurement

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

All assets and liabilities of the Group for which fair value is measured or disclosed in the consolidated financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;

Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within level 1) that are observable, either directly or indirectly; and

Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

Subsequent events

There have been no matters or circumstances since the end of the financial year which have materially affected the:

- Group's operations in future financial years
- results of those operations in future financial years
- Group's state of affairs in future financial years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Notes to the Consolidated Statement of Comprehensive Income

Note 2 - Revenue and other income

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Revenue				
Vessel income	82,173	82,487	82,173	82,487
Port usage income	17,040	18,055	17,040	18,055
Rental income	19,379	18,281	19,379	18,281
Expense recoveries	5,276	4,147	5,276	4,147
Other revenue	1,701	638	603	638
Total revenue	125,569	123,607	124,471	123,607
Other income				
Gain on investment in managed fund	13,404	7,727	13,404	7,727
Net gain/(loss) on disposal of property, plant and equipment	(404)	27	(404)	27
Total other income	13,000	7,754	13,000	7,754

Revenue recognition

Revenue is recognised when the control of the goods or services are transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods and services.

The Group has considered the terms of the contracts and all relevant factors when assessing how much revenue is to be recognised.

The Group has reviewed all income streams to ascertain that performance obligations have been satisfied.

Vessel income

Harbour dues, berthage revenue and charges for services are recognised 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. Payment is received following invoice on normal commercial terms.

Port usage income

Port usage income includes marine pilotage fees, licence fees and infrastructure charges. Marine pilotage revenue is recognised on completion of the marine pilot transfer operation for each vessel. Licence fees and infrastructure charges are recognised based on contractual arrangements.

Rental income

Rental income from investment properties is recognised in revenue on a straight-line basis over the term of the lease. Rental income also includes rehabilitation rent received in advance.

Expense recoveries

Expense recoveries provide revenue for recoverable works such as Half Tide Tug Harbour maintenance, Hay Point water pipeline, rates and land taxes recovered.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 3 - Employee benefits expenses

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Employee benefits				
Salaries and wages	19,531	17,751	19,531	17,751
Employer superannuation contribution	2,630	2,442	2,630	2,442
Annual Leave	2,135	1,904	2,135	1,904
Long Service Leave	626	524	626	524
	24,922	22,620	24,922	22,620
Employee related expenses				
Other employee expenses	2,461	2,435	2,461	2,435
Payroll tax expense	1,303	958	1,303	958
Worker's compensation premium	105	149	105	149
	3,869	3,541	3,869	3,541
	28,791	26,161	28,791	26,161

	Consolidated		Parent	
	2024	2023	2024	2023
Full-time equivalent employees	128.01	125.05	128.01	125.05

Employee benefits expense is recognised in the Consolidated Statement of Comprehensive Income and excludes all employee related expenditure that is capitalised. In accordance with Australian Accounting Standards and the Group's capitalisation policy, all employee related expenses directly attributable to the acquisition or construction of an asset are recognised directly in property, plant and equipment.

Note 4 - Supplies and services

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Repairs and maintenance	11,868	12,603	11,868	12,603
Contracted services	11,836	10,805	11,836	10,805
Rates and utilities	7,735	7,203	7,735	7,203
Environmental expense	2,243	1,922	2,243	1,922
Consultancies and legal	3,439	1,718	3,343	1,600
Other	1,594	910	1,590	905
	38,715	35,161	38,615	35,038

Supplies and services generally represent the day-to-day running costs incurred in normal business operations. They are recognised as expenses in the reporting period in which they are incurred.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 5 - Impairment losses / fair value adjustments

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Fair value adjustment for property, plant and equipment 10, 11c)	5,351	5,095	5,351	5,095
	5,351	5,095	5,351	5,095

Plant and equipment, and capital work in progress, measured at cost, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. In assessing impairment, assets are grouped at the lowest cash generating unit. For the Group, the cash generating units have been based on the geographical location of the assets.

Following the review of the balance of capital work in progress at 30 June 2024, no impairments were identified.

Note 6 - Financial expenses

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Interest - Loans	5,743	5,550	5,743	5,550
Interest - Competitive Neutrality Fees	1,392	1,344	1,392	1,344
Bank charges	32	167	4	122
	7,167	7,061	7,139	7,016

Finance expenses include interest expense and related fees on bank overdrafts, short-term and long-term borrowings. They are recognised as an expense in the period which they are incurred. Finance costs that are not settled in the period in which they arise are accrued as interest payable.

No borrowings were used to directly fund capital projects in the year ended 30 June 2024 (2023: \$Nil).

Note 7 - Other expenses

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Insurance	2,418	2,557	2,421	3,379
Donations and sponsorship	368	391	368	391
Audit fees	269	228	258	216
	3,055	3,177	3,047	3,986

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 7 – Other expenses (continued)

Auditors' Remuneration

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Audit fee external	137	166	137	166
Audit fee internal	60	50	60	50
Audit fee Protected Cell Company	11	12	-	-
	208	228	197	216

External audit amounts paid, or due payable, to the Queensland Audit Office (QAO) for auditing the financial statements (QAO does not provide any other professional services to the group).

Internal audit amounts paid, or due payable, to third parties for providing internal audit services.

Note 8 - Income tax equivalent expense

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Current tax equivalents expense	18,220	14,248	18,220	14,248
Deferred income tax equivalent expense	(5,169)	(2,508)	(5,169)	(2,508)
Under provision of prior year income tax	100	-	100	-
Income tax equivalent expense	13,151	11,740	13,151	11,740
Numerical reconciliation of prima facie income tax equivalent payable to income tax equivalent expense				
Prima facie income tax equivalent calculated at 30% on the profit before tax	13,839	12,731	13,407	12,502
Non-deductible expenses	13	5	13	5
Net investment fund distributions	(369)	(294)	(369)	(294)
Asset opening balance adjustment	-	(473)	-	(473)
Under provision of prior year income tax	100	-	100	-
Foreign Income gain for subsidiary	(432)	(229)	-	-
Income tax equivalent expense on pre-tax net profit	13,151	11,740	13,151	11,740

The Group is exempt from income tax under Division 1AB of the *Income Tax Assessment Act 1936* but is subject to the provisions of the National Tax Equivalent Regime (NTER) in accordance with Part 2 of the Treasurer's Tax Equivalents Manual and pursuant to Section 129 of the *Government Owned Corporations Act 1993*.

An election has been made to participate in the tax consolidation regime. As a consequence, the Group and its 100% owned Australian subsidiaries (refer Note 24) are taxed as a single entity.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Notes to the Consolidated Statement of Financial Position

Note 9 - Financial assets

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current assets				
QTC working capital facility	56,993	25,307	56,993	25,307
Commonwealth bank cheque account	4,898	6,992	4,898	6,992
Other cash and cash equivalents	366	447	1	1
Cash and cash equivalents	62,257	32,746	61,892	32,300
QTC GOC advances facility	9,951	48,668	9,951	48,668
Trade receivables	12,229	12,951	12,229	12,951
Accrued revenue	1,235	1,905	1,188	1,905
Other receivables	45	67	45	67
Trade and other receivables	23,460	63,591	23,413	63,591
Non-current assets				
Investment in managed fund	139,930	113,209	139,930	113,209
Capital guarantee fund	12,035	5,614	-	-
Investments	151,965	118,823	139,930	113,209
Other receivables - non-current	2,909	2,949	2,909	2,949
Trade and other receivables	2,909	2,949	2,909	2,949

The Group has Board-approved financial policies for overall risk management including the mitigation of liquidity and credit risks.

(a) Cash and cash equivalents

The Group holds interest bearing assets with Queensland Treasury Corporation (QTC) and the Commonwealth Bank of Australia.

At 30 June 2024, if interest rates had changed by +/- 100 basis points from the year end rate with all other variables held constant, pre-tax profit would have been adjusted by \$0.7 million (2023: \$0.5 million) as a result of higher/lower interest income.

(b) Trade and other receivables

Trade and other receivables are recognised initially and measured subsequently at amortised cost using the effective interest method, less any loss allowance.

Included in trade and other receivables are debtors with a carrying amount of \$2,859,320 (2023: \$4,974,983) which are past due at reporting date. No collateral is held in respect of these balances. The Group believes these debts are recoverable. The credit quality of financial assets that are neither past due nor impaired has been assessed as recoverable by reference to external credit ratings (if available) and to historical information about counterparty default rates. The carrying value of trade and other receivables (net of any allowance for expected credit losses) approximate their fair values due to their short-term nature of the debts.

Included in trade and other receivables is a carrying amount of \$2,948,834 (2023: \$3,000,000). NQBP entered into a settlement agreement and agreement to lease with Port Binnli Pty Ltd (PB) and Mackay Marina Pty Ltd (MM) on the 3 August 2022. In accordance with AASB 16 Leases, the contribution paid to PB/MM is recognised as a lease incentive which is recognised as a reduction of rental income in the

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 9 - Financial assets (continued)

Consolidated Statement of Comprehensive Income over the lease term, on a straight-line basis. The group will amortise the lease over the 75-year lease term.

An amount of \$9,951,405 (2023: \$48,668,137) is included in trade and other receivables and is held by Queensland Treasury as part of the Queensland Government's cash management regime. Government Owned Entities (GOC's) advance surplus cash to Queensland Treasury Corporation (QTC) at the cash fund rate, and access to funds is generally subject to notification periods of 24 to 48 hours. Because of the short-term nature of the advances, their carrying amount is assumed to represent fair value.

(c) Investment in managed fund

Investment in managed fund is shown as a non-current asset as the Group intends to hold and add funds to this investment for the foreseeable future to assist with funding its future rehabilitation commitments, as and when they arise.

The carrying value of the investment is initially and subsequently recognised at fair value through profit or loss. The fair value is based on the market value of the investment provided by Queensland Investment Corporation (QIC), with whom the funds are invested.

The investment is denominated in Australian dollars. As a result, there is no exposure to foreign currency risk.

(d) Capital guarantee fund

The Group self-insures in regard to some of its assets (refer to note 24), and monies held are invested into this fund, which will be called upon if a claim is made. During the financial year, the Group injected a further \$5 million into the fund.

Credit risk

Credit risk may occur in relation to the Group's financial assets, comprising of cash and cash equivalents and trade and other receivables. The Group is exposed to credit risk when there is the possibility of counterparties defaulting on their contractual obligation.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 10 - Investment properties

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
At fair value				
Balance at beginning of year	13,039	12,974	13,039	12,974
Fair value adjustments	136	65	136	65
Balance at end of year	13,175	13,039	13,175	13,039

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost including transaction costs. Where an investment property is acquired at no or nominal cost it is recognised at fair value. Investment properties are subsequently carried at fair value, being revalued as at each reporting date.

Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location, or condition of the specific investment property. If there is no active property market, alternative valuation methods are used, such as recent selling prices in less active markets, or discounted cash flow projections.

Gains or losses arising from changes in the fair value of investment properties are included in the Consolidated Statement of Comprehensive Income for the period in which they arise. As the Group's investment properties are carried at fair value, they are not depreciated and are not tested for impairment.

As at 30 June 2024, the fair value of investment properties was determined by Knight Frank assessing the relevant market movements for the various regions in Queensland. Due regard to highest and best use of each land parcel was taken into consideration. The valuation approach has been categorised within level 2 of the fair value hierarchy.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 11 - Property, plant and equipment

11. a) Right-of-use assets

Assets are measured at fair value on the initial recognition of the lease liability and are depreciated on a straight-line basis over the asset's useful life or the unexpired period of the lease, whichever is the shorter.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the interest rate implicit in the lease or the Group's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities recognised under AASB16 Leases was 3.83% (2023: 4.22%).

2024	Property, plant and equipment				
	Office Photocopiers	Motor Vehicles	Channels	Total	
Right-of-use assets Consolidated and Parent	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance carrying amount	6,104	73	451	4,838	11,466
Additions	-	-	99	-	99
Adjustments	500	-	54	555	1,109
Disposals	-	-	-	-	-
Depreciation	(902)	(43)	(195)	-	(1,140)
Carrying amount at balance date	5,702	30	409	5,393	11,534

2023	Property, plant and equipment				
	Office Photocopiers	Motor Vehicles	Channels	Total	
Right-of-use assets Consolidated and Parent	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance carrying amount	6,989	127	127	4,427	11,670
Additions	-	-	461	-	461
Adjustments	-	-	27	411	438
Disposals	-	-	-	-	-
Depreciation	(885)	(54)	(164)	-	(1,103)
Carrying amount at balance date	6,104	73	451	4,838	11,466

The contract period for Right-of-use assets are as follows:

Offices	1 - 10 years
Photocopiers	1 - 3 years
Motor vehicles	1 - 2 years
Channels	Perpetual

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

11. b) Lease liabilities

2024	Property, plant and equipment				Total
	Office Photocopiers	Motor Vehicles	Channels		
	\$'000	\$'000	\$'000	\$'000	
Lease liabilities					
Consolidated and Parent					
Opening balance carrying amount	(6,701)	(88)	(455)	(4,840)	(12,083)
Additions	(502)	-	(151)	-	(653)
Disposals	-	-	-	-	-
Adjustments	-	-	-	(554)	(554)
Capital repayments	1,046	47	210	-	1,303
Interest expense*	(231)	(3)	(17)	-	(251)
Carrying amount at balance date	(6,388)	(44)	(413)	(5,394)	(12,238)

* Perpetual lease payments of \$206,480 not included

Current lease liability	1,154
Non-current lease liability	11,084
	12,238

2023	Property, plant and equipment				Total
	Office Photocopiers	Motor Vehicles	Channels		
	\$'000	\$'000	\$'000	\$'000	
Lease liabilities					
Consolidated and Parent					
Opening balance carrying amount	(7,447)	(130)	(128)	(4,429)	(12,134)
Additions	-	-	(489)	-	(489)
Disposals	-	-	(3)	-	(3)
Adjustments	-	-	-	(411)	(411)
Capital repayments	1,001	46	180	-	1,227
Interest expense*	(255)	(4)	(15)	-	(274)
Carrying amount at balance date	(6,701)	(88)	(455)	(4,840)	(12,083)

* Perpetual lease payments of \$204,240 not included

Current lease liability	1,006
Non-current lease liability	11,077
	12,083

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

11. c) Property, plant and equipment

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
<i>Land</i>				
At fair value	183,466	183,652	183,466	183,652
	183,466	183,652	183,466	183,652
<i>Channels</i>				
At fair value	316,026	288,432	316,026	288,432
	316,026	288,432	316,026	288,432
<i>Infrastructure and major plant and equipment</i>				
At fair value	77,591	69,843	77,591	69,843
	77,591	69,843	77,591	69,843
<i>Plant and equipment</i>				
At cost	2,973	1,557	2,973	1,557
Accumulated depreciation	(568)	(352)	(568)	(352)
	2,405	1,205	2,405	1,205
Capital work in progress – at cost	14,160	3,824	14,160	3,824
	14,160	3,824	14,160	3,824
Property, plant and equipment	593,648	546,955	593,648	546,955

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

11. c) Property, plant and equipment (continued)

Movements in property, plant and equipment

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current and previous financial years are set out below.

	Land	Channels	Infrastructure and Major Plant and Equipment	Plant and Equipment	Capital Work in Progress	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2024 Consolidated						
Opening balance carrying amount	183,652	288,432	69,843	1,205	3,824	546,955
Transfer to and from WIP	-	-	4,290	444	(4,734)	-
Disposals	-	-	(528)	-	-	(528)
Depreciation expense	-	(5,055)	(6,302)	(228)	-	(11,585)
Additions	-	-	154	215	15,070	15,439
Fair value adjustments to Statement of Comprehensive Income	(125)	(1,283)	(3,954)	-	-	(5,362)
Revaluations to asset revaluation reserve	(61)	33,932	14,088	769	-	48,728
Carrying amount at balance date	183,466	316,026	77,591	2,405	14,160	593,648
2023 Consolidated						
Opening balance carrying amount	178,913	322,106	75,742	608	6,668	584,037
Transfer to and from WIP	-	-	12,375	575	(12,950)	-
Disposals	-	-	(35)	(2)	-	(37)
Depreciation expense	-	(5,592)	(7,095)	(193)	-	(12,880)
Additions	-	-	34	217	10,106	10,357
Fair value adjustments to Statement of Comprehensive Income	310	2,448	(7,853)	-	-	(5,095)
Revaluations to asset revaluation reserve	4,429	(30,530)	(3,325)	-	-	(29,426)
Carrying amount at balance date	183,652	288,432	69,843	1,205	3,824	546,955

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

11. c) Property, plant and equipment (continued)

Asset carrying amount under the cost model

If assets were measured using the cost model the carrying amounts would be as follows:

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment property	261	261	261	261
Land	64,329	64,329	64,329	64,329
Channels	127,651	132,067	127,651	132,067
Infrastructure and major plant and	108,195	102,975	108,195	102,975
	300,437	299,632	300,437	299,632

Recognition threshold

The recognition threshold for property, plant and equipment is \$1,000. Assets are only recognised if it is probable that future economic benefits from the item will flow to the Group.

Asset valuations

Land, channels, infrastructure (including buildings) and major plant and equipment

Land, channels, infrastructure (including buildings) and major plant and equipment are measured at fair value in accordance with AASB 116 *Property, Plant and Equipment*, and AASB 13 *Fair Value Measurement*. These assets are reported at their revalued amounts, being the fair value at the date of valuation, less any subsequent accumulated depreciation and impairment where applicable.

The fair values of these assets are reviewed on an annual basis either by appraisals undertaken by an independent professional valuer or internal expert, by the use of appropriate and relevant indices, or determined by management.

AECOM Australia Pty Ltd provided an update on the market value of land assets utilising the index applicable to that asset. The next comprehensive valuation for land assets will be completed in 2024/25. The fair values are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs. If a particular asset class experiences significant and volatile changes in fair value, that class is subject to specific appraisal in the reporting period, where practicable, regardless of the timing of the last comprehensive appraisal. Where an asset class has not been specifically appraised in the reporting period, their valuations are materially kept up to date via the application of relevant indices which provide a valid estimation of the assets' fair values at reporting date.

Other major assets (including channels, infrastructure and major assets) have been valued using a combination of the cost and income valuation approach. Land assets are valued at market value.

Income approach

The Group has developed a discounted cash flow model based on the expected cash flows at each of its ports and pilotage activities. This model incorporates:

- The Group's long term cash flows up to thirty years,
- Forecast income tax equivalent cash flows, and
- A port-by-port assessment of terminal value.

The net present value of the cash flows of the assets at each port and pilotage operations has been allocated across the individual assets in the operation.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

11. c) Property, plant and equipment (continued)

The Group has six Cash Generating Units (CGUs), with period end being used in the discounted cash flow model. Whilst there have been no changes to the valuation model in the current year, significant unobservable inputs, particularly in respect of long-term revenue projections, have varied compared to the prior year as a result of current market conditions.

The following table identifies the key unobservable (level 3) inputs assessed during the income valuation process.

Significant Unobservable Inputs	Basis	Inputs	Relationship between inputs and fair value
Revenue	Derived from a combination of forward estimates of port charges and tonnage throughput plus returns from customer specific contractual arrangements	Inputs vary by port depending on the relative maturity of the port, economic demand for commodities, and customer contracts	The higher the revenue growth, the higher the fair value
Operating expenses	First five years are based on expected costs, with growth applied beyond that period as forecast by management	Average growth after 5 years of 2.50% (2023: 2.50%)	The higher the operating expense, the lower the fair value
Capital expenditure	First five years are based on planned capital expenditure, with capital expenditure beyond that period forecast by management	Inputs vary by port depending on the assets in the port and the level of growth and renewal capital expenditure required to support revenue growth	The higher the capital expenditure, the lower the fair value
Terminal value	Terminal values are used to estimate the value of future cash flows for each Port at the end of the modelled forecast. Future cash flows are influenced by the intergenerational nature of port assets and the commercial agreements that are in place.	Fair value at 30 June 2024, CPI indexation of 2.50% (2023: 2.50%) for forecast years and target return for each port based on required cash flows and NQBP's Weighted Average Cost of Capital adjusted where necessary for commercial agreements	The higher terminal value the higher the fair value
Discount rate	This rate has been determined in consultation with independent experts and represents a reasonable rate of return expected by market participants	7.22% (2023: 7.44%)	The higher the discount rate, the lower the fair value

The terminal value assumptions are based on current expectations based on production profiles used by customers and expectations of global demand on coal. To the extent that significant changes are made to the coal demand this would impact the overall asset values and likely result in a significant decrease in the fair value. NQBP will continue to monitor this. The basis of the valuation of these major assets has been categorised within level 3 of the fair value hierarchy.

In undertaking the valuation of the major assets, due consideration has been given to the degree of obsolescence (physical, functional/technical and economic) associated with each of these assets.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

11. c) Property, plant and equipment (continued)

Minor plant and equipment

Plant and equipment (that is not classified as major plant and equipment) is measured at cost, less accumulated depreciation and accumulated impairment losses. The carrying amounts for such plant and equipment are considered to materially reflect their fair value.

Capital works in progress

Capital works in progress is measured at cost. As part of the annual review process, the Group reviews all capital works in progress to ensure that future economic benefits will be derived from each project. Where no future benefit can be identified, project costs are expensed or impaired where required.

Depreciation

Depreciation is calculated on a straight-line basis to write off the net cost or revalued amounts of each item of property, plant and equipment (excluding land), less its residual value, over its expected useful life or in the case of leasehold improvements and leased plant and equipment, the unexpired period of a related lease, whichever is the shorter. Estimates of useful lives and residual values are reviewed on an annual basis for all assets.

Capital work in progress is not depreciated until an asset is installed and ready for use.

The expected useful lives for major assets are as follows:

Channels	17 – 100 years
Infrastructure and major plant and equipment	5 – 50 years
Plant and equipment	5 – 25 years

Major spares purchased specifically for particular plant are capitalised and depreciated on the same basis as the plant to which they relate.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the amount is restated to the revalued amount of the asset.

Any revaluation increment arising on the revaluation of an asset is recognised in Other Comprehensive Income and accumulated in the asset revaluation surplus in equity, except to the extent it reverses a revaluation decrement for the asset previously recognised as an expense. A decrease in the carrying amount on revaluation is charged as an expense, to the extent it exceeds the balance, if any, in the revaluation surplus relating to that asset.

Asset disposals

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in profit or loss. When revalued assets are disposed, it is the Group's policy to transfer any amounts included in the asset revaluation reserve in respect of those assets to retained earnings.

Perpetual leases

The Group currently holds approximately thirty separate perpetual leases over seabeds and under-roads. These leases are with the Queensland State Government.

Under a perpetual lease the right of use does not diminish, as it continually refreshes. Therefore, the application of a depreciation charge is inconsistent with a perpetual lease as the right of use does not diminish over time. In addition, the right of use liability is refreshed annually without the liability ever diminishing.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 12 - Intangible assets

Intangible assets with a cost greater than \$1,000 are capitalised. Intangible assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Costs associated with the development of intangible assets are capitalised and amortised on a straight-line basis over its estimated useful life. The cost of intangible assets includes the cost of all materials, direct labour, other directly attributable costs, and an appropriate proportion of overheads attributable during development.

Amortisation

Amortisation is recognised on a straight-line basis over the estimated useful lives of intangible assets from the date that they were available for use. The useful lives of intangible assets are reviewed annually and adjusted if appropriate.

The estimated useful lives of intangible assets are:

Intellectual property 10 years

Impairment

All intangible assets are reviewed annually for indicators of impairment. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Group. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and amortised replacement cost.

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Intangible assets				
At cost	547	547	547	547
Accumulated amortisation	(150)	(95)	(150)	(95)
Intangible assets	397	452	397	452

Note 13 - Trade and other payables

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Current				
Accrued expenses	13,162	10,487	13,154	10,465
Revenue received in advance	14,459	7,935	14,459	7,935
Lease rentals received in advance	7,306	7,005	7,306	7,005
Trade payables	109	558	109	558
Other payables	3,983	7,090	3,983	7,090
	39,019	33,075	39,011	33,053

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Non-current				
Lease rentals received in advance	70,569	62,231	70,569	62,231
	70,569	62,231	70,569	62,231

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 13 - Trade and other payables (continued)

Trade and other payables

Payables are recognised for amounts payable in the future for goods and services received, whether invoices have been received and are measured at amortised cost.

Other payables in FY23 contained \$3 million that was payable for the Port Binnli and Mackay Marina settlement. The amount was paid on 15 November 2023.

Revenue and lease rentals received in advance

Revenue received in advance based on contractual property lease obligations is initially recognised in the Consolidated Statement of Financial Position and then in the Consolidated Statement of Comprehensive Income when earned.

Note 14 - Provisions

	Consolidated		Parent	
	2024	2023	2024	2023
Current	\$'000	\$'000	\$'000	\$'000
Dividend	19,050	23,690	19,050	23,690
Provision for employee benefits	5,453	4,879	5,453	4,879
	24,503	28,569	24,503	28,569

	Consolidated		Parent	
	2024	2023	2024	2023
Non-Current	\$'000	\$'000	\$'000	\$'000
Provision for long-term employee benefits	316	205	316	205
	316	205	316	205

Provisions are recognised when the Group has a legal, equitable or constructive obligation to make a future settlement 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.

A provision for dividend is not recognised as a liability unless the dividend is declared, determined or publicly recommended on or before the reporting date. The dividend represents 100 per cent of the net profit after tax for 2023-24 adjusted for abnormal items.

Employee benefits

Employee obligations are recognised as current liabilities in the Consolidated Statement of Financial Position if the Group does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. The remaining unvested employee obligations are included as non-current liabilities.

Wages, salaries, annual leave, leave loading and long service leave

Liabilities for wages, salaries, annual leave, leave loading and long service expected to be settled within twelve months after the end of the year in which the employees render the related service are recognised as a current liability. These liabilities are in respect of employees' services up to the reporting date and are measured at the nominal amount plus related on-costs.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 14 – Provisions (continued)

Long-term employee benefits

A provision has been recognised for employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based upon historical data. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date discounted using government bond rates and having regard to expected employee remuneration rates and on-costs.

Superannuation

The Group makes contributions to the State Public Sector Superannuation Scheme (QSuper), and other nominated superfunds, on behalf of its employees concerning superannuation. The Treasurer has ultimate responsibility for funding payments to defined benefit members. The State has in place funding arrangements designed to meet the defined benefit obligations for its members. The Treasurer has the ability to require employers to pay any amounts needed to meet these benefits. Generally, this is handled through the regular standard fortnightly contributions paid by every employer, which has been determined on the advice of the State Actuary. No directions varying this contribution have been received by the Group to reporting date.

Note 15 - Financial liabilities

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Loan borrowings provided by Queensland Treasury Corporation (QTC) are held within debt pools specific to the Group. The debt pools comprise both fixed and floating rate debt instruments and, as a result, the overall interest rates on the pools can vary with changes in market interest rates. An annual book rate review is undertaken by the Group as at 1 July each year. A Competitive Neutrality Fee is also applied by QTC to the value of the debt, to reflect the true stand-alone cost of debt for the Group.

As at 30 June 2024, the Group had the following variable rate borrowings with Queensland Treasury Corporation (QTC):

Interest rate risk

Consolidated and Parent

	2024		2023	
	Weighted Interest Rate	Balance \$'000	Weighted Interest Rate	Balance \$'000
Book value	3.09%	186,559	2.98%	186,559
Market value		170,357		170,854

At 30 June 2024, if interest rates had changed by +/- 100 basis points from the year end rate with all other variables held constant, the Group's pre-tax profit would have been adjusted by \$2.3 million (2023: \$2.3 million) lower/higher as a result of higher/lower interest expense.

Liquidity risk

The Group manages liquidity risk by monitoring forecast and actual cash flows and matching these to approved borrowing levels, as detailed in the Statement of Corporate Intent, through QTC. The Group also has access to a working capital facility with QTC to a limit of \$15 million (2023: \$15 million), however this facility has not been used. An analysis of financial liabilities by remaining contractual maturity is as follows:

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 15 - Financial liabilities (continued)

	0 to 1 year \$'000	1 to 5 \$'000	Over 5 \$'000	Total \$'000
2024				
Trade and other payables	17,238	-	-	17,238
Lease liabilities	1,589	5,911	5,497	12,997
Queensland Treasury Corporation	6,119	24,962	186,559	217,640
	24,946	30,873	192,056	247,875
2023				
Trade and other payables	18,135	-	-	18,135
Lease liabilities	1,454	5,495	6,079	13,028
Queensland Treasury Corporation	5,704	23,021	186,559	215,284
	25,293	28,516	192,638	246,447

QTC borrowings are interest only with no fixed repayment date for the principal component.

All borrowing rates include administration charges, margins and competitive neutrality fees and as well as incorporating the book rate review effective April 2024.

The fair value of borrowings is determined by QTC using discounted cash flow analysis and the effective interest rate.

Capital risk

The Group manages its capital to ensure that it continues as a going concern, in order to continue providing returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

The Group's policy is to annually review its capital structure and review the appropriateness of the capital structure when major investments are proposed.

The Group's gearing ratio calculation is shown in the table below:

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Total borrowings	186,559	186,559	186,559	186,559
Total equity	435,178	387,051	432,977	386,290
	621,737	573,610	619,536	572,849
Gearing ratio	30.00%	32.52%	30.11%	32.57%

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 16 - Income tax equivalent liabilities

As a Government Owned Corporation, the Group is required to pay income tax equivalents under the National Tax Equivalents Regime (NTER) and is required to adopt tax effect accounting in accordance with AASB 112 *Income Taxes*. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period (2024 and 2023: 30%).

Given the Group is subject to the National Taxation Equivalent Regime with no retail shareholders, details of the franking account have not been disclosed.

Deferred income tax equivalent liabilities are provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Statement of Financial Position.

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

Deferred tax equivalent assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities. Current tax equivalent assets and liabilities are offset where the Group 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.

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Deferred income tax equivalent assets				
Accounts payable and other liabilities	27,701	23,151	27,701	23,151
Provisions	5,423	5,184	5,423	5,184
	33,124	28,335	33,124	28,335
Opening balance	28,335	25,274	28,335	25,274
Credit/(charge) to Statement of Comprehensive Income	4,789	3,061	4,789	3,061
Closing balance	33,124	28,335	33,124	28,335
Deferred income tax equivalent				
Property, plant and equipment	118,540	106,139	118,540	106,139
Accounts receivable and other assets	3,463	1,588	3,463	1,588
	122,003	107,727	122,003	107,727
Opening balance	107,727	115,983	107,727	115,983
Adjustment to retained earnings	(377)	553	(377)	553
(Credit)/charge to asset revaluation	14,653	(8,809)	14,653	(8,809)
Closing balance	122,003	107,727	122,003	107,727
Deferred income tax equivalent balances are presented in the Statement of Financial Position as follows:				
Deferred income tax equivalent (assets)	(33,124)	(28,335)	(33,124)	(28,335)
Deferred income tax equivalent liabilities	122,003	107,727	122,003	107,727
Deferred income tax equivalent	88,879	79,392	88,879	79,392

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 17 - Issued capital

	2024	2024	2023	2023
	No. of Shares	\$'000	No. of Shares	\$'000
Opening balance	138,913,824	14,409	138,913,824	14,409
Closing balance	138,913,824	14,409	138,913,824	14,409

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings.

Notes to the Statement of Cash Flows

Note 18 - Cash flow reconciliation

(i) Reconciliation of profit from continuing operations to net cash provided by operating activities

		Consolidated		Parent	
		2024	2023	2024	2023
		\$'000	\$'000	\$'000	\$'000
Net profit for the year		32,979	30,695	31,539	29,934
Depreciation and amortisation	11 a), c), 12	12,778	14,037	12,778	14,037
(Gain) loss on sale of fixed assets		404	13	404	13
Fair value adjustment to investment property, plant and equipment	11 (c)	5,351	5,095	5,351	5,095
Gain (loss) to investments		(17,673)	(10,575)	(17,673)	(10,575)
Interest on Lease Liabilities		251	277	251	277
Increase (decrease) in net deferred tax	8	(5,169)	(2,508)	(5,169)	(2,508)
Change in operating assets/liabilities					
(Increase) decrease in trade and other receivables		2,133	43	2,181	43
Increase (decrease) in other current assets		(613)	(1)	(574)	(278)
(Increase) decrease in trade and other payables		13,525	18,280	13,538	18,260
(Increase) decrease in other provisions		685	351	685	351
(Increase) decrease in current tax equivalent liabilities		1,841	2,370	1,841	2,370
Net cash flow from operating activities		46,492	58,077	45,152	57,017

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in at call deposits or loan offset accounts with banks and other financial institutions.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 18 - Cash flow reconciliation (continued)

(ii) Reconciliation of liabilities arising from financing activities

Consolidated	2023	Cash flow	Non-cash	2024
	\$'000	\$'000	changes	\$'000
Long-term borrowings	186,559	-	-	186,559
Lease liabilities	12,083	(1,225)	1,380	12,238
Long-term debt	198,642	(1,225)	1,380	198,797

Parent	2023	Cash flow	Non-cash	2024
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	186,559	-	-	186,559
Lease liabilities	12,083	(1,225)	1,380	12,238
Long-term debt	198,642	(1,225)	1,380	198,797

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Other disclosures

Note 19 - Commitments

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Capital expenditure contracted for at balance date is payable as follows:				
- not later than one year	10,278	3,412	10,278	3,412
- later than one year and not later than five years	135	74	135	74
- greater than five years	-	-	-	-
	10,413	3,486	10,413	3,486

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Operating lease expenditure contracted for at balance date and payable as follows:				
- not later than one year	3,470	3,355	3,470	3,355
- later than one year and not later than five years	1,222	4,510	1,222	4,510
- greater than five years	51	351	51	351
	4,743	8,216	4,743	8,216

NQBP adopted AASB16 *Leases* using the modified retrospective approach from the 1st July 2019. Details of balances are provided in Note 11 a), b).

	Consolidated		Parent	
	2024	2023	2024	2023
	\$'000	\$'000	\$'000	\$'000
Operating lease revenue not recognised in the financial statements as follows:				
- not later than one year	16,167	14,466	16,167	14,466
- later than one year and not later than five years	51,262	43,462	51,262	43,462
- greater than five years	486,147	424,589	486,147	424,589
	553,576	482,517	553,576	482,517

Some significant property, plant and equipment assets have long term lease periods in excess of 50 years.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 20 - Contingent assets and liabilities

The Group has no material contingent assets or liabilities.

Note 21 - Native title claims

The Group had no native title claims in 2024.

Note 22 - Key management personnel disclosures

(i) Key management personnel – Board members

2024		Short-term employee benefits	Post- employment benefits	Total
		\$'000	\$'000	\$'000
Name	Position			
J McTaggart	Chair	81	9	90
A Ranson	Director	47	5	52
L Smart	Director	47	5	52
M McKendry	Director	47	5	52
T Mooney	Director	45	5	50
J Gullestrup (appointed 01 Oct 2023)	Director	36	4	40
P Heagney (appointed 01 Oct 2023)	Director	36	4	40
		339	37	376

2023		Short-term employee benefits	Post- employment benefits	Total
		\$'000	\$'000	\$'000
Name	Position			
J McTaggart	Chair	59	5	64
A Ranson	Director	36	4	40
L Smart	Director	36	4	40
M McKendry	Director	36	4	40
T Mooney	Director	34	3	37
		201	20	221

- Total employment cost (as determined by the Governor-in-Council) which includes packaged benefits and fees for committee work as determined by shareholding Ministers.
- Post-employment benefits represent the minimum level statutory payments pursuant to the *Commonwealth Superannuation (Administration) Act 1992*
- Directors received no additional remuneration for their role as director in relation to subsidiary companies.

Directors are paid in accordance with rates approved by Government or in accordance with Government guidelines.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 22 - Key management personnel disclosures (continued)

(ii) Key management personnel – Executive management

		<u>Short-term benefits</u>					
		Monetary	Non-Monetary Benefits	Long Term employee expense	Post-employment expense	Termination benefits	Total
2024		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Name	Position						
Brendan Webb	Chief Executive Officer (02 October 2023 - current)	325	12	-	38	-	375
Belinda Kenny	Acting Chief Executive Officer (01 July 2023 – 01 October 2023)	141	4	-	17	-	162
Belinda Kenny	Chief Financial Officer (02 October 2023 - current)	221	10	-	26	-	257
Brett Spink	Acting Chief Financial Officer (01 July 2023 – 01 October 2023)	99	1	1	12	-	113
Sarah Skinner	Acting Chief Financial Officer (27 November 2023 – 05 January 2024)	27	-	-	3	-	30
Darren Brownsey	General Manager Commercial	344	-	-	41	-	385
Tim Lewis	General Manager Infrastructure	368	-	9	42	-	419
Peter Sinnott	General Manager Corporate Services	322	2	7	38	-	369
		1,847	29	17	217	-	2,110

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 22 - Key management personnel disclosures (continued)

(ii) Key management personnel – Executive management (continued)

		<u>Short-term benefits</u>					
		Monetary benefits	Non- monetary benefits	Long Term employee expense	Post- Employment Expense	Termination benefits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2023							
Name	Position						
Nicolas Fertin*	Chief Executive Officer (01 July 2022 - 12 December 2022)	315	1	-	36	129	481
Belinda Kenny	Acting Chief Executive Officer (25 November 2022 - 30 June 2023)	198	3	-	28	-	229
Darren Brownsey	General Manager Commercial (05 October 2022 - 30 June 2023)	210	-	-	25	-	235
Ash Sinha	Acting General Manager Commercial (01 July 2022 - 04 October 2022)	87	1	-	12	-	100
Belinda Kenny	Chief Financial Officer	143	1	-	15	-	159
Brett Spink	Acting Chief Financial Officer	108	1	-	16	-	125
Tim Lewis	General Manager Infrastructure	316	-	18	45	-	379
Peter Sinnott	General Manager Corporate Services	285	3	10	36	-	334
Gary Campbell	General Manager Safety, Environment and Communications (01 July 2022 - 11 August 2022)	26	-	-	6	-	32
		1,688	10	28	219	129	2,074

* Chief Executive Officer ceased employment on 12 December 2022. During the current financial year NQBP paid \$129,263 pursuant to a Deed of Release to settle resignation notice period and utilisation of the entitlements related to cessation of his employment

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 22 - Key management personnel disclosures (continued)

(ii) Key management personnel – Executive management (continued)

- (a) Total employment cost includes monetary and non-monetary packaged benefits (such as salary sacrifice relating to employer-provided motor vehicles used by an employee for private purposes, additional superannuation, professional memberships and any exempt benefits). Also included in this category is the car parking benefit provided to meet work requirements. The amount represents the grossed up statutory formula fringe benefit amount.
- (b) This represents the minimum level statutory payments pursuant to the *Commonwealth Superannuation (Administration) Act 1992*.
- (c) Executives may also earn performance based at-risk incentives which are determined at the discretion of the Board of Directors and paid in the year subsequent to the performance period and therefore form part of the compensation in that subsequent period. Bonuses represented in the table refer to prior year.
- (d) Executives received no additional remuneration for their role as executives in relation to subsidiary companies.

(iii) Compensation principles – Executive management

The 'Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements 2014' requires that appointments are made by contract with no nominal expiry date.

Employment contracts provide:

- the CEO with a termination payment equal to six months; or
- senior executives with a termination payment equal to the greater of three months (thirteen weeks) of the executive's salary or the redundancy pay period provided for in Chapter 2 of the *Fair Work Act 2009*.

Remuneration recommendations for executives are reviewed annually by the Culture, People and Safety Committee, before consideration and approval by the Board. Remuneration for executives is determined in accordance with the Queensland Government's 'Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements', as reflected in the Group's policies and procedures.

(iv) Key management personnel – shareholding Ministers

The shareholding Ministers are identified as part of the Group's key management personnel. The shareholding Ministers during the reporting period are:

- the Honourable Cameron Dick MP, Deputy Premier, Treasurer and Minister for Trade and Investment;
- the Honourable Bart Mellish MP, Minister for Transport and Main Roads and Minister for Digital Services (commenced 18 Dec 2023); and
- the Honourable Mark Bailey MP, Minister for Transport and Main Roads and Minister for Digital Services (ceased 17 Dec 2023)

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Group does not bear any cost of remuneration of 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 key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 22 - Key management personnel disclosures (continued)

(v) Aggregate performance payments

	2024	2023
Aggregate performance bonuses paid	\$889,335	\$801,940
Number of employees who received a performance payment	88	90

(vi) Categories comprising key management benefits and expenses

Benefits and expenses for directors include the following:

- Short-term benefits: Director's fee
- Post-employment benefits: Employer superannuation

Benefits and expenses for executives include the following:

- Short-term monetary benefits: Comprises of salaries, allowances, leave taken/paid and performance payments (bonus)
- Short-term non-monetary benefits: Company provided car parking and airport lounge membership
- Long-term employee expense: Long-service leave accrued, for which an obligation exists.
- Post employment expense: Employer superannuation and salary sacrifice arrangements.
- Termination benefits include payments in lieu of notice on termination and other lump sum entitlements (excluding annual and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

(vii) Categories of performance related payments

Directors and shareholding Ministers do not receive performance related payments from the Group.

Executive management

The Group operates a performance pay scheme for executives. The performance pay for the Chief Executive Officer (CEO) comprises two components:

- The Group's performance is based on agreed targets set by the Board and drawn from financial performance, environment/safety performance, corporate governance, community relations and effective management of assets; and
- Individual performance.

For other Executives, their performance pay is determined on the basis of their individual performance which may incorporate performance targets aligned with delivering key outcomes in the Groups Statement of Corporate Intent.

The recommended payments are determined by the Board each financial year and paid and reported to shareholding Ministers in accordance with current guidelines. The proposed performance payments for the year ended are scheduled to be paid in September 2024.

The Board carried out a performance review for the CEO and considered and confirmed the CEO's performance review of the senior executives. The reviews considered the CEO and senior executive performance against KPIs set at the start of the financial year.

Other employees

Other employees are either covered by a common law contract or covered by an enterprise agreement. Eligible employees' performance pay for the year ended were based on individual performance.

The proposed performance payments for the year ended are scheduled to be paid in September 2024.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 23 - Related party transactions

Ultimate parent entity

The Group is a Government Owned Corporation (GOC) incorporated under the provisions of the *Corporations Act 2001*. All shares are held by representatives of the Queensland Government. Movements in the issued capital held by these representatives are disclosed in the Consolidated Statement of Changes in Equity. Details of dividends paid or payable are detailed in the Consolidated Statement of Changes in Equity.

As disclosed in Note 8 and 16, income tax equivalents are paid to the Queensland Government. Refer to Note 8 and 16 for details of income tax equivalent transactions and balances.

Transactions with shareholding Ministers

There was no income received, or due and receivable, by the shareholding Minister from the Group during the year. No shareholding Minister has received or become entitled to receive any benefit by reason of a contract made by the Group.

Transactions with entities controlled by other key management personnel

During year ended, there were no material transactions between the Group and entities controlled by either:

- a director of the Group, or
- a member of the Group's executive management team.

All transactions between the Group and entities controlled by key management personnel are conducted at arm's length under normal commercial terms and conditions for various purposes in the ordinary course of the Group's business.

Controlled entities

Details of investments in controlled entities are set out in Note 24.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 23 - Related party transactions (continued)

Entities under common control

The Group has dealt with various other Queensland Government entities in arm's length transactions under normal commercial terms and conditions for various purposes in the ordinary course of business.

Details of balances with QTC and QIC are provided in Notes 9 and 15. QTC borrowings are unsecured.

Nature	2024 \$'000	2023 \$'000
Operating receipts		
Pilotage services fees and premises rent	17,273	17,696
Interest received	3,013	1,765
Earnings received	14,403	8,240
Rental income	115	329
	34,804	28,030
Payments		
Operating expenses		
Land tax	3,243	3,304
Superannuation contributions	3,231	2,949
Income tax equivalent payments, competitive neutrality fee and rates, research and development concession	17,861	13,268
Consultancy services and interest	7,136	5,505
Surveys, simulator training, contributions	187	276
Audit fees, environmental permits, utilities, vehicle registrations, WorkCover and sundry items	1,574	1,513
Environmental partnership	1,392	1,171
Investment management fees	643	514
Capital expenditure		
Dividend declared	19,050	22,720
	54,317	50,049
Expenses invoiced not yet paid	-	-

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Note 24 - Investments in subsidiaries

	Consolidated		Parent	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'000
Investment in Subsidiaries	-	-	10,000	5,000

These assets are carried at cost.

In FY23, the Group has entered into an arrangement to self-insure risk in relation to property damages of its Breakwaters, Revetments and Marine Offloading Facilities (MOF's). The self-insurance arrangement was entered into between North Queensland Bulk Ports and NQBP Segregated Cell of Artex Insurance (Guernsey) PCC Limited (NQBP Segregated Cell) to cover the costs, up to \$15 million, of property damage to breakwaters, revetments and MOF's. In 2024 this has been amended to include all assets, to cover the costs, up to \$20 million. Artex Insurance (Guernsey) PCC Limited is a company incorporated in Guernsey.

NQBP Segregated Cell has been assessed to be a deemed separate entity controlled by the Group under the contractual arrangement entered into between the Group and Artex Insurance (Guernsey) PCC Limited on behalf of NQBP Segregated Cell. The Group funded the set-up and ongoing activities of the NQBP Segregated Cell by providing an initial and subsequent contribution of \$5 million each, plus premiums based on the cost of the risk transferred.

The Group has an interest in the following entities:

Name of Entity	Country of incorporation	Class of Share	2024 Interest %	2023 Interest %
Artex Insurance (Guernsey) PCC Limited – Cell NQBP	Guernsey	Non-voting redeemable preference	100	100
Ports Corporation Queensland *	Australia	Ordinary	100	100
Mackay Ports Limited *	Australia	Ordinary	100	100

* On 31 March 2012, all assets and liabilities of Ports Corporation Queensland (PCQ) and Mackay Ports Limited (MPL) were transferred at book value to North Queensland Bulk Ports, leaving the two wholly owned subsidiaries as dormant entities. The Group's investment in each of these entities has been reduced to nil.

Under *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*, PCQ and MPL are relieved from preparing, having audited, lodging and distributing financial reports under the *Corporations Act 2001* providing each member of the Group enters into a Deed of Cross Guarantee. The effect of the Deed is that each member of the Group has guaranteed the payment of any debt owed to a creditor of the Group in accordance with the Deed. The Deed becomes enforceable in respect of the debt of a member of the Group:

- Upon the winding up of the member of the Group where that member is insolvent, has applied to the court to be wound up, upon the report of ASIC that the company cannot pay its debts or under a voluntary winding up; or
- In any other case - if six months after a resolution or order for the winding up of the member of the Group any debt of a creditor of the member of the Group has not been paid in full.

North Queensland Bulk Ports, together with PCQ and MPL, have executed such a Deed of Cross Guarantee on 10 June 2010.

Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2024

Consolidated entity disclosure statement

As at 30 June 2024						
Name of Entity	Entity Type	Trustee, Partner or JV participant	Country of incorporation	Interest %	Tax residency	Jurisdiction of foreign residents
North Queensland Bulk Ports Corporation Limited	Body corporate	-	Australia	n/a	Australia	-
Artex Insurance (Guernsey) PCC Limited – Cell NQBP	Body corporate	-	Guernsey	100	Foreign	Guernsey
Ports Corporation Queensland	Body corporate	-	Australia	100	Australia	-
Mackay Ports Limited	Body corporate	-	Australia	100	Australia	-

Directors' Declaration

FOR THE YEAR ENDED 30 June 2024

In the directors' opinion:

- a. The financial statements and notes set out on pages 64 to 96 are in accordance with the *Corporations Act 2001*, including:
 - ii. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and;
 - iii. giving a true and fair view of the Group's financial position as at 30 June 2024 and of their performance for the financial year ended on that date; and
- b. The consolidated entity disclosure statement as at 30 June 2024 is true and correct.
- c. There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable, including obligations or liabilities to which the Company and the controlled entities may become subject to by virtue of the Deed of Cross Guarantee, pursuant to *ASIC Corporations (Wholly-owned Companies) Instrument 2016/785*.

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



Jane McTaggart

Chair

North Queensland Bulk Ports Corporation Limited

27 August 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of North Queensland Bulk Ports Corporation Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of North Queensland Bulk Ports Corporation Limited (the parent) and its controlled entities (the group).

The financial report comprises the statements of financial position as at 30 June 2024, the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In my opinion, the accompanying financial report of the group is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the parent's and group's financial position as at 30 June 2024, and their financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

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 parent and group 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 parent and group 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—Notes 10 and 11(c)

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 66 per cent of the property, plant and equipment (infrastructure assets including buildings) was valued at fair value which was determined using the income-based valuation model.</p> <p>The fair value estimation used in the valuation model involved significant assumptions and judgements for:</p> <ul style="list-style-type: none"> • forecasting operating revenue • estimating future operating and capital costs • determining the terminal values • 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. • Evaluating the independent external expert's competency, capabilities and objectivity. • 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, discount rates, expansionary capital expenditure and inflation adjustments are within a reasonable range of audit expectations for fair value. • 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. • 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 11(c)

Key audit matter	How my audit addressed the key audit matter
<p>The straight-line depreciation method used requires significant judgements for:</p> <ul style="list-style-type: none"> • identifying the significant parts of assets that have different useful lives • estimating the remaining useful lives of those significant parts. 	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> • Evaluating management's approach for identifying the parts of property, plant and equipment with different useful lives for reasonableness, having regard to recent replacement projects and changes in estimates over time. • Evaluating remaining useful life estimates for reasonableness with reference to historical disposal rates, condition assessments for older assets, internal consistency.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

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 Directors for the financial report

The directors of the company are responsible for the preparation of:

- c) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- d) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and

for such internal controls as the directors determine is necessary to enable the preparation of:

- i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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A further description of my responsibilities for the audit of the financial report is located at the *Auditing and Assurance Standards Board* website at:

https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf

This description forms part of my auditor's report.



Bhavik Deoji
as delegate of the Auditor-General

27 August 2024

Queensland Audit Office
Brisbane