



# **Safe and efficient ports connecting regional Queensland to the world**

**Annual Report 2022/23**

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## Acknowledgement of Country

North Queensland Bulk Ports Corporation 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, present and emerging.

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's Annual Report is titled "Safe and efficient ports connecting regional Queensland to the world." This reflects our mission and continued focus during 2022/23 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 2022/23 financial year. It reports against NQBP's Statement of Corporate Intent 2022/23, 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://nqbp.com.au).

# About NQBP

NQBP is a Government Owned Corporation (GOC), 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 ports provide essential connections between Queensland's regions and the world, particularly for the food, energy and metallurgical industries. As a forward-looking port authority, we are aware of the transitions happening globally within these industries and the potential impact on our trade and our business.

During 2022/23, we continued to deliver against our Strategic Themes to meet the challenges and opportunities in the context of the economic recovery resulting from the global pandemic and supply chain disruptions.

We considered market trends, emerging trade opportunities, the impacts of climate change, global trade conditions and our current and prospective customers' needs. We continue to work with existing and prospective customers, port partners and stakeholders to provide services that ensure our ports respond to current trade demand, while also actively promoting and facilitating alternative trade opportunities through our ports. In doing so, we continue to respect the role we play in balancing port operations with the environment and the communities in which we operate.

Pages 9–30 of this Annual Report provides an overview of our performance in 2022/23 against our Strategic Themes.

## Chair's statement

NQBP is one of Australia's key gateways to trade, providing security, growth and prosperity for our local North Queensland communities.

As a government-owned port authority, our ports and our people deliver essential port services facilitating billions of dollars of trade worldwide for the benefit of the people of Queensland. Our commitment to our long-term vision to be global leaders in the sustainable facilitation of port trade is reflected in our 2022/23 results.

As the only port operator in the world to run three major ports within a World Heritage area, environmental protection is not only a top priority for NQBP, but a fundamental obligation that drives our decision-making. In 2022/23 there were no reportable environmental breaches and NQBP's Environment Management System achieved the best possible result in an external audit for the third year in a row.

We continued to invest in vital job-creating port infrastructure to drive efficiency and trade. These investments help position our ports to attract renewable linked trade alongside existing commodities.

NQBP is committed to the safety and health of our people, including mental health, taking uncompromised priority in our workplace. In 2022/23, NQBP recorded one lost time injury and no reportable security breaches.

These successes could only be achieved with the support and commitment of our people.

### Trade and financial performance

In 2022/23, NQBP ports collectively handled around 152.1 million tonnes of throughput, making a vital contribution to the trade performance of Queensland and Australia. Overall trade improved by 4.8 per cent compared to last year (2021/22: 145.1 million tonnes). We delivered a trade revenue result (excluding managed fund income) of \$123.6 million, an increase of 8.3% on last year (2021/22: \$114.2 million). NQBP will return a dividend of \$23.69 million to the people of Queensland.

### Strategic direction

With a strong focus on sustainability, we are exploring the diversification of trade at our ports. NQBP is actively investigating options to further support growth in the trade of renewables and is helping facilitate investments which will enable the ports network to continue its powerful contribution to Queensland's economy, regional towns and employment.

### Supporting our people and communities

Our employees are critical to delivering on our strategic objectives and we continued to support initiatives focused on enhancing employee engagement. The Board recognises workplace diversity and inclusion as important and supported initiatives and investments in this area.

Our role as a port authority comes with a great responsibility to the local and wider communities of Mackay, Hay Point, Abbot Point (Bowen), and Weipa. Directors took part in a range of employee, community activities and site visits throughout the year, engaging with stakeholders and demonstrating our strong commitment to our people and our communities.

Through ongoing engagement with local Traditional Owners and through the delivery of our second Reconciliation Action Plan, we promote reconciliation and deliver positive outcomes for First Nations communities within our port areas.

## **Acknowledgements**

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

After four years as Chief Executive Officer at NQBP, Nicolas Fertin tendered his resignation in December 2022. I would like to thank Mr Fertin for his contribution to strong operational port performance, safety during COVID-19 disruptions, development and implementation of the Reconciliation Action Plan and development of future trades.

I would also like to acknowledge the efforts of Belinda Kenny as Acting Chief Executive Officer and the NQBP Executive Leadership Team for their leadership during this period.

I also thank my fellow Directors for their support, expertise and leadership - Monica McKendry, Tony Mooney, Lynn Smart, and Andrea Ranson.

I thank our shareholding Ministers for their ongoing support of NQBP.

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

Jane McTaggart  
**Chair**

# CEO's Review

Core to how we do business is getting the balance right — sustainably developing world-class ports that are vital to Australia's financial future, and protecting the unique environment we are so fortunate to inhabit.

Foremost is our commitment to providing a safe work environment for everyone accessing our sites and involved in our operations. This year, NQBP recorded one lost time injury. To support a positive safety culture, we encourage everyone to report safety events. We also placed a high priority on ensuring our port facilities are secure and we are proud to report no reportable security breaches for 2022/23.

With NQBP's ports indirectly supporting thousands of trade jobs (farmers, miners and transport providers) and billions in trade, our ability to identify and respond to threats and opportunities remains paramount.

Growth in trade continued to be impacted by regional trade tensions and the ongoing recovery from COVID-19. In 2022/23, we have remained strongly committed to supporting Queensland's regional economy and positioning NQBP to take advantage of new and emerging business opportunities, particularly in relation to renewable trade.

## Trade performance

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. NQBP's port trade remained resilient, even with the combined effects of regional tensions, COVID-19 and the war in Ukraine.

NQBP coal trade saw a 6.5 per cent increase from last year (2022/23: 133.4 million tonnes; 2021/22: 125.3 million tonnes).

Weipa trade declined by 6.8 per cent which is in line with expectations on Weipa mine life and remaining operations (2022/23: 15.17 million tonnes; 2021/22: 16.20 million tonnes).

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 increased from around 299,000 tonnes to around 343,000 tonnes, an increase of 14.7 per cent. The port facilitated 1.71 million tonnes in petroleum imports and 1.06 million tonnes of raw and refined sugar exports.

NQBP's continued focus on cost management led to a 2.5 per cent (\$1.6 million) reduction in overall operating costs (excluding Loss on managed fund and Impairment losses / fair value adjustments).



## Performance against strategic themes

### **Planning for evolving and transitioning industries**

NQBP continued to work collaboratively with industry partners and government agencies to support the Queensland Government's focus on developing the space technology, renewable energy, and hydrogen-related industries. This included engagement with the private and public sectors on business opportunities which support the Queensland Government's development of space technology and hydrogen.

While external conditions naturally shift and fluctuate, our strategies—centered around research, port-ready planning and building and enhancing relationships—have ensured NQBP remains agile and adaptive.

During 2022/23, NQBP supported the Department of Transport and Main Roads (DTMR) public consultation for the draft master plans and overlays for three of NQBP's ports. DTMR led the priority port master planning process encompassing the ports of Abbot Point and Mackay/Hay Point (as one priority port).

### **Embrace existing and new businesses**

Annual maintenance dredging is essential to ensure navigable depths are maintained. This year, maintenance dredging was successfully completed at Weipa without incident.

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 and world class 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.

While demand for the ports' current trades continues to be of vital importance for the Queensland economy and local jobs, we know that the trades of tomorrow require action today. NQBP's Capital Expenditure for 2022/23 of \$11.4 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.

The production and export of hydrogen and hydrogen-related industries are a key trade focus for the Queensland Government, and NQBP is engaging with industry on the potential to leverage its ports to help meet this objective. The promotion of renewable energy by our trading partners such as Japan and Korea is increasing the opportunity for NQBP to play an important role in the future hydrogen trade.

At Hay Point, NQBP has entered into a Memorandum of Understanding with global and local partners for a feasibility study on a green hydrogen hub within the vicinity of existing terminal infrastructure and the development of a supply chain. Further, NQBP has executed a funding agreement with the partners to initiate the feasibility studies associated with the potential project.

NQBP is working with the private sector and government agencies on assessing hydrogen-related opportunities at Abbot Point. NQBP is also unlocking alternative commercial opportunities, including and supporting Gilmour Space Technologies with its rocket launch development at Abbot Point.

## **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.

Pleasingly, in June 2023, the Queensland Government announced \$50 million in funding for the revitalisation of the Bowen Wharf as part of the 2023/24 Budget. With this significant funding, visitors and locals alike will benefit from a revitalised public facility for generations to come. Over the coming year, we will engage with stakeholders and the local community to shape the Bowen Wharf revitalisation project.

We take time to understand the needs and ambitions of our stakeholders. In 2022/23, 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 was 71. The research revealed that NQBP's engagement with stakeholders is in line with Australian 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**

NQBP re-negotiated its two enterprise agreements during 2022/23. I am pleased to share the Fair Work Commission approved NQBP's General Workforce Enterprise Agreement 2022 on 8 February 2023 and NQBP's Marine Pilot Enterprise Agreement 2022 on 23 March 2023.

The yearly independent assessment of employee engagement was conducted in April 2023 with the participation rate remaining high at 91 per cent, and an increase in staff engagement score of 4.03 against the previous year's result of 3.85, our highest result since inception.

## **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.

Special thanks to the NQBP team for demonstrating our values with strong team work, resilience and adaptability during a challenging year as we continued to deliver for the Queensland economy and our regional communities.



Belinda Kenny  
**Acting Chief Executive Officer**

## **Sustainability, Environment, Social and Governance**

At NQBP, we recognise that sustainable and responsible practices are integral to our operations and the wellbeing of our stakeholders and the environment.

As custodians of our port facilities and surrounding ecosystems, we understand the imperative to preserve and protect the natural iconic environment in which we operate. Through our environment and sustainability programs we have worked hard to create a positive environmental legacy for current and future generations.

Our commitment to social responsibility stems from our recognition that we are an integral part of the communities in which we operate. We are devoted to fostering a culture of inclusivity, fairness, and respect, ensuring the well-being and safety of our employees, stakeholders, and the broader community. By actively engaging with local communities, supporting education initiatives, and providing employment opportunities, we strive to make a positive social impact and enhance the quality of life for all.

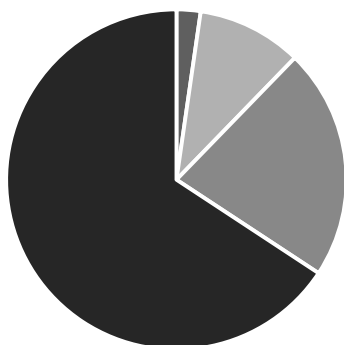
Strong governance practices are the cornerstone of our organisation's ethical conduct and accountability. We adhere to the highest standards of transparency, integrity, and compliance, ensuring that our decision-making processes are fair, responsible, and aligned with the expectations of our stakeholders. We aim to instill trust and confidence among our stakeholders, enabling us to navigate the complex challenges of our industry with integrity.

Sustainability, Environment, Social, and Governance (ESG) - form the foundation of our commitment to sustainable development. We're committed to integrating these principles into our strategies and operations, we strive to create long-term value, minimise risk, and contribute to the wellbeing of the regions we serve.

As a GOC, NQBP will provide information on its ESG performance as part of the annual Queensland Sustainability Report (QSR 2023).

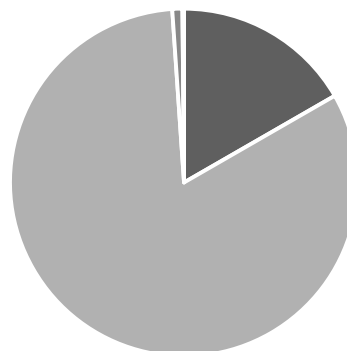
# Business Performance

## Throughput by Port



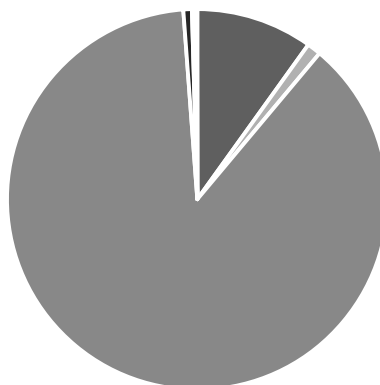
- Mackay 3.51 MT
- Weipa 15.17 MT
- Abbot Point 33.43 MT
- Hay Point 99.97 MT

## Throughput by Industry



- Energy (thermal coal + fuel) 25.41 MT
- Metallurgy (metallurgical coal + bauxite + magnetite) 125.02 MT
- Food (sugar + grain) 1.46 MT
- Other 0.19 MT

## Throughput by Commodity



- Bauxite (export) 15.08 MT
- Coal (export) 133.4 MT
- Magnetite (import) 0.15 MT
- Break bulk (import) 0.08 MT
- Fertiliser (import) 0.05 MT
- Fuel (import) 1.79 MT
- Sugar (including molasses) (export) 1.12 MT
- Other 0.07 MT
- Grain (export) 0.34 MT

Measure		2022/23	2021/22
Trade throughput	MTPa	152.1	145.1
Total income	\$m	123.6	114.2
Earnings before interest, taxes, depreciation and amortisation	\$m	66.9	42.6
Net profit/(loss) after tax	\$m	30.7	7.3
Underlying net profit after tax (unaudited)	\$m	26.9	15.9
Total comprehensive income	\$m	10.0	(16.7)
Total assets	\$m	793.1	773.4
Net assets	\$m	387.1	400.6
Capex	\$m	11.4	11.8
Current ratio (excluding provision for dividend)	-	2.30	2.51
Debt/debt plus equity ratio	-	0.34	0.32
Return on assets	%	6.09	2.19
Return on equity	%	6.82	3.89
Operating cash flows	\$m	58.1	33.0 *
Dividends provided	\$m	23.69	-
Lost time injury frequency rate (LTIFR)	Rate	4	9

\* Restated

## Highlights

Throughout 2022/23, NQBP worked collaboratively across its 16 function areas 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.

- \$23.69 million dividend returned to the people of Queensland.
- Funding agreement executed with global and local partners for a feasibility study on a green hydrogen hub within the vicinity of existing terminal infrastructure at the Port of Hay Point and the development of a supply chain.
- The Queensland Government announced a significant funding contribution of \$50 million for the Bowen Wharf.
- Completed or commenced work associated with a \$11.4 million infrastructure spend at the ports of Mackay, Hay Point and Abbot Point, supporting hundreds of jobs.
- Provided over \$120,000 in support to 18 community initiatives across its port communities.
- NQBP launched its second Reconciliation Action Plan (2023 to 2025) to further strengthen existing relationships with Traditional Owners in its port communities throughout Queensland.
- 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 third 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.
- Achieved our best employee engagement survey score since inception.

# 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.

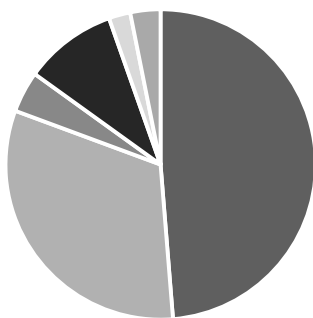
Located close to Australia’s leading mining equipment, technology and services hub in Paget, the port is ideally positioned to connect Central Queensland with the rest of the world.

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

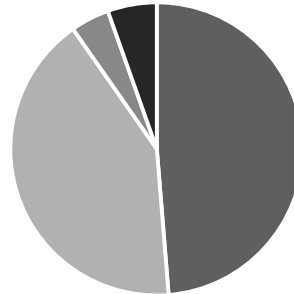
The Port of Mackay achieved another strong trade volume in 2022/23 with 3.51 million tonnes passing through the port (2021/22: 3.59 million tonnes). Total ships through the Port increased from 218 in 2021/22 to 238 in 2022/23.

### Trade by Commodity



- Fuel (import) 1.71 MT
- Sugar (export) 1.12 MT
- Magnetite (import) 0.15 MT
- Grain (export) 0.34 MT
- Break bulk (import) 0.08 MT
- Other 0.11 MT

### Trade by Industry



- Energy 1.71 MT
- Food 1.46 MT
- Metallurgical 0.15 MT
- Other 0.19 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 2022/23 works were completed on a new \$8.5 million tug berth facility. The project generated 60 regional jobs. The facility includes berths for up to two larger and more powerful tugs, supporting the Port of Mackay’s ability to expand for future growth.

Other improvements completed this year at the Port of Mackay included a \$4 million upgrade to the western approach deck of Wharf Five, directly supporting 62 jobs across Mackay and Queensland.

Works are continuing on a \$4 million Water Network Improvement Package prioritising the delivery of water infrastructure upgrades across the Port of Mackay, supporting more than 100 jobs over the life of the program.

# Port of Hay Point

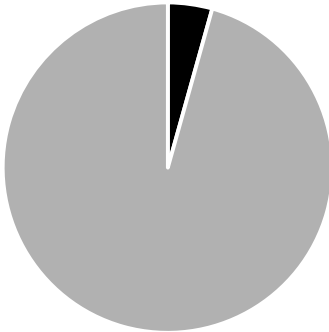
The Port of Hay Point is the largest steel-making coal port in the world, primarily exporting metallurgical coal, a key resource in the steel-making process.

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 increased by 3.0 per cent from 97.10 million tonnes in 2021/22 to 99.97 million tonnes in 2022/23. Total ships through the Port of Hay Point remained steady at 1,078 in 2022/23 compared to 1,080 in 2021/22.

### Trade by Industry



- Energy (thermal coal) 4.33 MT
- Metallurgical (metallurgical coal) 95.64 MT

## Upgrades

Works to install an additional cyclone mooring at Half Tide Tug Harbour were completed throughout the year, with the new infrastructure providing capacity to moor a sixth tug. With completion of these works all six tugs that support Hay Point towage now have cyclone moorings.

The project included the installation of three land-based concrete mooring blocks, and bollards on the deck, as well as strengthening to the existing dolphin.

## Works and maintenance

Works were completed on the demolition of nine aged NQBP-owned properties at the Louisa Creek beach area. The vacant sites will be maintained as part of an ongoing maintenance program, which has been in place for NQBP properties/sites at Louisa Creek and Hay Point for over 20 years.



# Port of Abbot Point

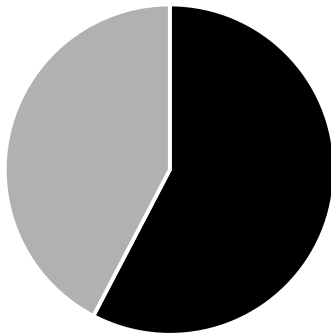
Abbot Point is Australia’s most northern coal export port, located near Bowen between the existing industrial centres of Townsville to its north and Mackay to the south.

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 increased by 18.4 per cent from 28.23 million tonnes in 2021/22 to 33.44 million tonnes in 2022/23. Towage services supported 361 ship visits through the port.

### Trade by Industry



- Energy (thermal coal) 19.28 MT
- Metallurgical (metallurgical coal) 14.16 MT

## Upgrades

NQBP has partnered with Economic Development Queensland, North Queensland Export Terminal, Bowen Rail Company, Abbot Point Operations and Gilmour Space Technologies to install fibre optic communications to the Port of Abbot Point and Abbot Point State Development Area. Yurika is undertaking the approximately \$1 million project to install 12 kilometres of Backbone Fibre along Abbot Point Road and connections to the foundation customers.

## Works and maintenance

Road repairs and resealing works on the 11km long Abbot Point Road were completed during the year. The project extended the life of the road, 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.

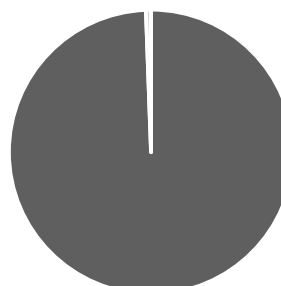
The Port of Weipa facilitates the export of bauxite from the last remaining mine connected to the Port, the import of fuel and cargo to support those mining operations and other trading activities.

In 2022/23, NQBP successfully completed maintenance dredging at the Port of Weipa, removing around 780,000 cubic metres of natural sediment to ensure continued safe operations and access to the Port.

### Trade

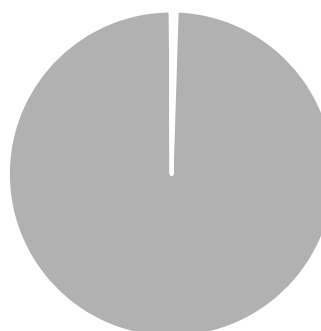
Trade throughput at the Port of Weipa decreased from 16.20 million tonnes in 2021/22 to 15.17 million tonnes in 2022/23. This reflects the last remaining Andoom mine connected to the Port. Towage services supported 271 ship visits through the Port.

### Trade by Commodity



- Bauxite (export) 15.08 MT
- Fuel (import) 0.08 MT
- Other 0.01 MT

### Trade by Industry



- Energy (fuel) 0.08 MT
- Metallurgical (bauxite) 15.08 MT
- Other 0.01 MT

## Performance against strategic objectives

NQBP identified five strategic projects in its Statement of Corporate Intent for 2022/23. 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 2022/23

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.	Concept design work for the Abbot Point towing infrastructure progressed during 2022/23, with detailed design works to follow in 2023/24. \$50m in funding to revitalise the Bowen Wharf was announced as part of the Queensland State Budget.
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 reviewed future infrastructure and service requirement scenarios to enable an orderly transition for the end of bauxite trade through the Port of Weipa.
Support Department of Transport and Main Roads (DTMR) on Master Planning	Assist DTMR in the drafting and community consultation process of the Master Planning for the Ports of Mackay/ Hay Point and Abbot Point.	NQBP worked with DTMR and engaged with interested stakeholder groups in support of the Master Planning process.
Embrace trade linked to renewable energy	Support industry's analysis in seeking port land and infrastructure for the trade linked to renewable energy, including hydrogen.	NQBP has consulted with State Government agencies regarding potential developments linked to the hydrogen industry and an integrated planning approach. NQBP also worked with several proponents on the investigation of renewable trade opportunities in our ports, including committing funding for further studies with the Dalrymple Bay Infrastructure consortium.
Pilotage deed	Negotiate the future direction of the pilotage service delivery deed.	NQBP has engaged internally and with Maritime Safety Queensland on options for a more 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.

### **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 for and investigate options for expanded operations across its ports of Mackay, Hay Point and Abbot Point in support of the growth in renewable energy generation projects and the hydrogen production and export industries.

This includes advancing common user infrastructure and strategic corridor planning in our ports. This strategic planning and consultation with potential proponents and port users is in alignment with and supporting the Queensland Energy and Jobs plan and other key infrastructure initiatives such as the Qld Hydro pumped hydro project inland from Mackay.

### **Rocket launches**

Gilmour Space Technologies continues to develop its Bowen Orbital Space Port on land adjacent to the Port of Abbot Point and progress its approvals with State and Commonwealth Agencies. The Launch Control Centre is located away from the launch site and on land owned by NQBP and licenced to Gilmour Space Technologies.

The focus of activities during this year and in the lead-up to the first launch, is contributing to the development by Gilmour Space Technology of the Launch Management Plan and for day of operations activities so that they 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 and Andoom mines approach their end of economic life. Planning for the Port of Weipa transition to continue to service the township of Weipa and support the Bauxite mining operations at nearby Amrun is well under way.

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

The Bowen Wharf provides ancillary services that support towage operations at the Port of Abbot Point. While tug operations are based at Abbot Point, tug boats return to the Bowen Wharf at the completion of their operational shifts for crew changes, provisioning, re-fueling and the like. Given the age of the Wharf, at more than 150 years old, its 2.5 hour steaming time from the terminal, as well as Abbot Point's potential for export-scale hydrogen development, NQBP has been examining infrastructure options for the continued, sustainable provision of towage services into the future.

During the year, NQBP progressed a study to examine three key infrastructure options for continued towage support services, including redevelopment of Bowen Wharf, new infrastructure at the Bowen Marina, and new infrastructure at the Port of Abbot Point.

Recognising the historical importance of the Wharf to the community and its use by locals and visitors alike, NQBP also undertook a study to examine options as to how the Wharf could be redeveloped for public use in the event it was no longer required for commercial port activities.

Throughout the year, we engaged closely with key stakeholders such as the Whitsunday Regional Council, Bowen Collinsville Enterprise and the Bowen Chamber of Commerce as well as other community groups on both studies.

The Queensland Government committed to reinvest funds raised from higher coal royalties in projects across regional Queensland. In June 2023, the 2023/24 Budget allocated \$50 million towards the replacement of NQBP's Bowen Wharf, with the plans, designs, and approvals subject to further consultation with stakeholders.

NQBP has commenced a review of current studies and options in light of the significant funding contribution from the State and in 2023/24 will continue to engage with the stakeholders and the local community to shape the future of the Bowen Wharf.

## **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**

Disruptions to our port operations can cause significant economic losses, not only to NQBP but also to the industries and communities we support. Maintaining safe access, minimising risks and investing in disaster resilience is essential to our ongoing operations.

### **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 June 2023, NQBP successfully completed maintenance dredging at the Port of Weipa, removing about 780,000 cubic metres of naturally accumulated sediment. The dredging program was the third 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 continued its rigorous environmental management program, including monitoring water quality and seagrass communities.

The Weipa dredging campaign was successfully completed with no environmental incidents or complaints.

## **Emergency management**

NQBP has an Emergency Management Plan (EMP) and associated sub-plans in place for its operations. The EMP captures all ports and recognises there are key differences between each port, including geographic location, environment, nature of operations and the community within which the port operates. The sub-plans go into specific details for a particular operation, like the mass evacuation of the Port of Mackay.

NQBP reviews and tests the plans, policies and procedures that support the EMP at least annually. This also includes exercises for each port to test Maritime Security Plans.

## **Emergency response**

NQBP regularly tests its emergency response capabilities through discussion exercises and field exercises where deployment of assets and people occur. During 2022/23, scenarios including a Marine Security exercise at Weipa, oil spill discussion exercise for Mackay, Hay Point, and a field exercise with full deployment of oil spill equipment, vessels and staff at the Port of Mackay were undertaken as part of training and assessment of our emergency management and response function.

A major focus of this financial period was the response to the vessel Frontier Unity where water was entering the engine room. This vessel was located 14 nautical miles off the coast at Hay Point. Assisting Maritime Safety Queensland both of our oil spill vessels, equipment and crew were deployed in the event of an oil spill. Debriefs were conducted across the organisation and an After Action Review (AAR) was developed with lessons learnt and 35 action items to be completed.

## **Delivery of essential port services**

NQBP is responsible for operating effective and efficient port facilities and services, including pilotage and towage services. NQBP is committed to managing safe and efficient ports that balance the needs of iconic natural environments, communities, stakeholders and port users.

## **Operations and security services**

NQBP Operations and Security team continue to adapt to the evolving security environment through collaboration with state and commonwealth government agencies, industry bodies, working groups and peers to ensure compliance with evolving legislation and best practice.

NQBP's security capability has grown as our ports develop. We have partnered with local security operators to expand our services, Corporate Protection Australia at the Port of Mackay delivering Maritime Security Guarding and Australian Indigenous Security Service at the Port of Abbot Point managing our recently built Abbot Point Security Facility.

Our Port of Mackay based employees ensure service delivery to port users and the community continues uninterrupted.

## **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 2022/23, NQBP's marine pilots undertook 2,827 pilotage movements between Port of Mackay and Port of Hay Point.

In 2022/23, the pilotage team invested significantly into proving more efficient shipping models, where obvious productivity gains can be demonstrated at the Hay Point terminals.

In January 2023, our pilotage team received high level recognition for being a key factor in ensuring a successful resolution for the Frontier Unity maritime incident.

In April 2023, MSQ and the Regional Harbour Master audited NQBP's pilotage operations. NQBP received a successful audit result with no non-conformances.

## **Towage operations**

The towage providers continue to support port trade facilitation safely and efficiently. Ongoing professional support between the towage providers and the pilotage team was further demonstrated in 2022/23 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 2023 EMS audit with zero minor or major non-conformances and zero opportunities for improvement. This was the third time (2021 and 2022) 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.

### **Environmental stewardship**

With three major ports operating alongside the Great Barrier Reef, environmental stewardship is a strategic priority for NQBP.

### **Partnership with James Cook University**

NQBP has a long-running relationship with James Cook University (JCU) that has spanned more than 25 years. The partnership includes monitoring 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.

NQBP is in the third year of its new five-year partnership with JCU and JCU's Tropical Water and Aquatic Ecosystem Research (TropWATER). It includes environmental monitoring of the marine environment around our ports, the results of which are displayed on the NQBP website.

JCU monitors 30,000 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 2022/23 NQBP continued its investment in the next generation of marine scientists. Under the partnership with JCU, NQBP awarded the annual Ayling Prize to a third-year student with the highest overall GPA in the Bachelor of Marine Science. NQBP also awarded two first-year scholarships to Bachelor of Science students, two PhD scholarships for research programs, and two third-year internship bursaries over 2022/23.

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.

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 include inshore coral, seagrass and air quality data platforms.

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

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.

### **Supporting the sustainability of the Great Barrier Reef**

NQBP was proud to continue its support of the Whitsunday Water Quality Monitoring Blueprint for Tourism Operators by providing additional funding in 2022/23. This program links together 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 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 2022/23, 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. This working group will generate an international guideline on managing the business, liability, health and safety and other risks associated with marine species.

During 2022/23 NQBP was invited to represent Australian seaports on the impact of marine invasive species on maritime infrastructure at an International Maritime Organisation (IMO) conference.



## **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 2022/23, 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 \$120,000 in sponsorships and donations to 18 initiatives across its port communities throughout the year.

Nine community initiatives were supported through the inaugural \$60,000 NQBP Community Fund including sailing experiences and barista courses for persons with disabilities, and science and technology school projects and educational resources. 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.

We also provided nine corporate sponsorships including the Stella Maris Seafarers support, Weipa Fishing Classic, Mackay Marina Run, Alligator Creek State School Learn to Swim program, and the 2023 Cruisin' the Coast Fun Run.

We 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 2022/23 NQBP was excited to have our second Reconciliation Action Plan (RAP) endorsed by Reconciliation Australia: Innovate RAP March 2023 – March 2025.

In developing our second RAP, NQBP reflected upon the achievements and challenges of our first RAP. We determined that continuing the “Innovate” journey would continue building momentum in areas we have made progress in and enable further work and refinement to strengthen our reconciliation foundation.

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, in 2022/23, highlights include:

- Formalising our partnering arrangement with Juru Enterprises Limited (JEL) with the Abbot Point Land and Sea Management Program, committed for a further three years to 2026 and expanded to include additional services and learning commitments.
- Meeting on Country between NQBP board members, 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 4.5 per cent of overall addressable spend.
- Prominent use of Indigenous artwork on two new vessels purchased for first-strike oil spill response and other on-water duties.
- Providing \$8,000 in sponsorship to support specific reconciliation events across our port communities.

## Support for Aboriginal and Torres Strait Islander events

During 2022/23, NQBP supported events and initiatives which support reconciliation including the Palm Island Rugby Cup, Home Hill High School breakfast and lunch program, Bowen and Merinda Primary School Harmony Day event, Mackay NAIDOC Family Fun Day, Bowen High School NAIDOC event, and the Whales of the Whitsunday welcome event.

We also marked National Reconciliation Week with a range of staff and community activities across our port communities and offices. Celebrations included a kup murri and cultural performance from Yuwi Elders in Mackay, and ‘bush tucker’ morning tea in Brisbane.

## Case study – Stella Maris

NQBP has been a long-time supporter of Stella Maris Seafarers Centre, Mackay. An integral part of the maritime industry, Stella Maris provides pastoral care, welfare and support services to the crews of the vessels that call at the Ports of Hay Point and Mackay. In 2022/23 Stella Maris provided 4,036 crew movements, including 204 medical movements.

Our partnership supported Stella Maris throughout 2022/23, with an extra \$30,000 provided to help purchase a new 22-seater bus in January 2023. In May 2023, Stella Maris was able to add another driver to their ranks, opening up the ability to provide night-time shore leave for the first time in three years. NQBP also provided support to the Centre’s annual Christmas Shoebox Appeal which saw essential items delivered to seafarers. NQBP extends its congratulations to Stella Maris Mackay on celebrating its 30th year of operation in 2023.

## **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 2022/23 financial year with the appointment of two new members to the Health and Safety team.

Since commencing the new Safety Team has focused on two key areas of the Safety Management System - fatigue management and Permit to Work.

### **Fatigue management**

Due to the complex nature of NQBP's operations, the management of fatigue has been reviewed to ensure that the risk is being adequately managed. A contractor was engaged to conduct an overarching Risk Assessment to identify areas for improvement. The Risk Assessment identified that sufficient controls were in place, but procedures did not reflect the controls implemented. The Individual Fatigue Risk Assessments were complex and required simplification and easier access in operational areas and controls required regular auditing to measure effectiveness.

The Fatigue Risk Assessment and new Fatigue Procedure have been reviewed by the NQBP Safety Consultative Committee and accepted. A new fatigue training module has been created to be completed by all NQBP employees.

### **Permit to Work**

NQBP's commitment to safety across its diverse operations has led to a review of the Permit to Work system. It was identified that the major concerns for NQBP are managing work group interaction and ensuring high-risk work is conducted ensuring legislative requirements were adhered to. Through consultation, this has led to the construction of a new system through OnePort that is accessible to all interested parties, is user-friendly, and provides the ability for oversight by the Operations and Health and Safety teams.

### **Mental health and wellbeing**

The new Managing the Risk of Psychosocial Hazards at Work Code of Practice came into effect in April of 2023. While the management of psychosocial hazards has always been in the Queensland Work Health and Safety Legislation, the new code has been introduced as a mandatory requirement for all businesses. As part of NQBP's commitment to mental wellbeing, a consultant was engaged to audit the Safety Management System and identify areas for improvement. The actions from this audit are being worked through, and a risk assessment was conducted with the Safety Consultative Committee with further improvements identified.

Mental Health First Aiders were nominated, and Mental Health for Supervisors and Leaders training was provided to managers. Once all actions have been completed an audit will be conducted to ensure the controls are effective.

### **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. The new Senior Manager of Safety has been conducting

regular toolboxes addressing different topics that relate to the operations at NQBP. These discussions encourage individuals to discuss areas of concern or personal experiences to raise awareness about the hazards that can be encountered.

NQBP acknowledges and participates in annual 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 is being reviewed to improve procedures and evaluate current controls with an emphasis on increased employee consultation. Systems are being evaluated to ensure they meet legislative requirements and practical usability with individual task risk assessments being undertaken to underpin Work Instructions.

A major focus of the NQBP Safety Team is to improve evidence-gathering and auditing schedules to enhance transparency and document quality. Workshops have been conducted to coach employees toward improved risk identification and documentation.

The aim of the system reviews is 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 2022/23, the committee met on six occasions and contributed significantly to consultative processes aligned with the ongoing appropriateness, and continued improvement of the WHSMS.

The committee contributed to the development of the Psychosocial Risk Assessment and reviewed the completed Fatigue Risk Assessments and helped develop the updated Fatigue Procedure.

### **Lost Time Injury (LTI)**

NQBP recorded one lost time injury during the 2022/23 reporting period.

### **Employee engagement**

By developing a high-performing culture where our people are fully engaged, we can achieve greater results for our stakeholders, communities, the environment and our owners, the people of Queensland.

#### **Employee engagement survey**

NQBP staff participated in an annual employee engagement survey, conducted between April and May 2023. We achieved a 91 per cent participation rate in the survey and received an improvement to our engagement score.

This result placed NQBP in the 44th percentile of businesses that complete the same engagement survey.

### **Values**

Our four values guide our behaviour:

*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 ensure our workforce continues to share an understanding of what our values mean and what behaviours are expected, the Annual Performance Review process includes a 30 per cent weighting against demonstrating behaviours which underpin the values.

### Inclusion 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. These were supported by various activities throughout the year.

We have always encouraged candidates from diverse backgrounds to apply when recruiting new roles and engaged with Indigenous recruitment agencies to increase our Aboriginal and Torres Strait Islander candidate pool. The language and style of our recruitment advertising reflects our commitment to diversity.

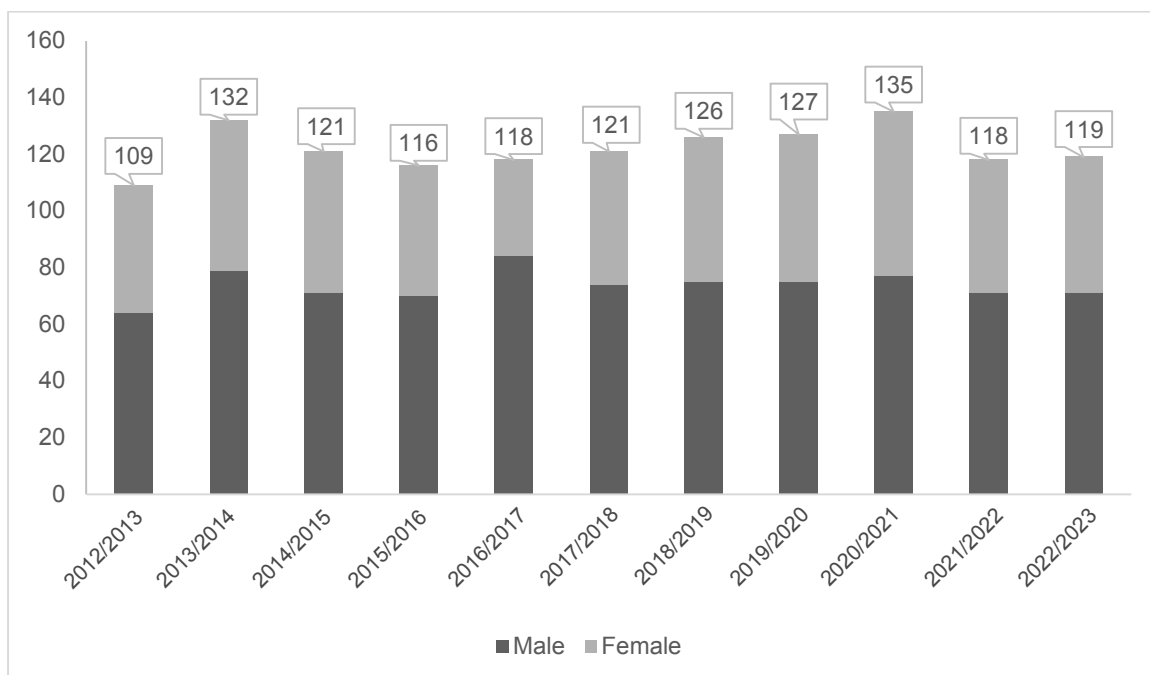
NQBP actively participated in International Women’s Day (IWD) celebrations in 2023 under the theme “Embrace Equity”. This was in line with our commitment to gender equality and inclusion and our continued support of women in the workforce and in the communities we live and work in.

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

Under NQBP’s flexible arrangements, 67 per cent of our workforce had a flexible start and finish times, 47 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.

As at 30 June 2023, NQBP had 41 per cent female employees in various positions across the organisation. This is a two per cent increase from the previous period.

### Total Employees



As at 30 June 2023, NQBP currently employs 119 total people (117.66 full time equivalents), excluding contractors.

## **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**

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

During 2022/23, NQBP's Sponsorship and Donations Program supported teams of employees to participate in Relay for Life in support of the Cancer Council, the Mackay Marina Run in support of the Leukemia Foundation and the 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 2022/23, 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 new Enterprise Resource Planning (ERP) system was launched in October 2021. OnePort provides us with more effective integration between business functions, streamlines our business processes and consolidates our data for reporting and decision-making purposes. NQBP continues to explore enhancements to our 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

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 Mark Bailey MP**

### Board of Directors\*

Jane McTaggart  
(Chair)  
Andrea Ranson  
Lynn Smart  
Monica McKendry  
Tony Mooney

### Audit and Financial Risk Management Committee\*

Monica McKendry  
(Chair)  
Lynn Smart  
Andrea Ranson

### Culture People and Safety Committee\*

Lynn Smart (Chair)  
Jane McTaggart  
Tony Mooney

### Corporate Governance and Planning Committee\*

Andrea Ranson  
(Chair)  
Jane McTaggart  
Monica McKendry  
Tony Mooney

### Acting Chief Executive Officer

Belinda Kenny

### 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

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

### Acting Chief Financial Officer

Brett Spink  
- ICT  
- Finance  
- Risk Management  
- Insurance  
- Internal Audit  
- Procurement  
- Safety

(\*as at 30 June 2023)

# Executive Leadership Team

## **Belinda Kenny**

*Acting Chief Executive 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. Belinda was appointed Acting CEO in 2022. Prior to that she was Chief Financial Officer (CFO) for NQBP for two years and CFO for MSF Sugar Pty Ltd for six years.

### **Responsibilities**

Belinda is responsible for ensuring that NQBP manages safe and efficient ports that connect regional Queensland to the world by balancing the needs of iconic natural environments, communities, stakeholders and port users. She has overall responsibility for strategic leadership, direction and operations, effectively leading the organisation's response to Government Policy, changing market conditions and customer and community demands in order to deliver value to NQBP's shareholders.

## **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 land operations which includes the delivery of capital and maintenance projects and works, infrastructure planning activities, security and emergency management. He has more than 20 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, sustainability and environment.

## **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.

## **Brett Spink**

*Acting Chief Financial Officer*

*BBus (Fin), Dip Financial Services, GAICD*

## **Skills and experience**

Brett joined NQBP in July 2011 and has held a number of corporate roles in the fields of accounting, structured products/trading, risk management, insurance and internal auditing with organisations such as the Commonwealth Bank, Bankers Trust, Macquarie Bank, Ergon Energy and SEQ Water Grid Manager.

He is a graduate of the Australian Institute of Company Directors and also a member of the Risk Management Institute of Australasia and the Institute of Internal Auditors.

## **Responsibilities**

As Acting CFO, Brett is responsible for finance, information and communications technology, risk management, insurance, assurance, procurement and safety.

## **Darren Brownsey**

*General Manager Commercial and Maritime Services*

*BBus*

## **Skills and experience**

Darren has over 15 years of professional knowledge in commercial, strategic planning and logistics management through his extensive experience in the Rail Industry and other functions within complex supply chains. He has led both large-scale logistics teams and niche commercial teams across Australia.

## **Responsibilities**

Darren leads NQBP's commercial function by prioritising customers through trade opportunities, pilotage and other services.

## Board of Directors

### **Jane McTaggart**

*Chair*

*Meng (Mgt), 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 33 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 the regions and is currently studying climate change adaptation at a post graduate level.

### **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;

Appointed Mediator with the Queensland Civil and Administrative Tribunal (QCAT) and the Queensland Small Business Commission (QSBC);

Panel Member of the Mediation Panel of the Dispute Resolution Branch of the Queensland Department of Justice and Attorney-General.

## **Monica McKendry**

*Director*

*BBus (Acct), CA, GAICD*

First appointed: 1 October 2020

Term of office: To 30 September 2023

### **Special responsibilities**

Chair of the Audit and Financial Risk Management Committee

Member of the Corporate Governance and Planning Committee

### **Skills and experience**

Monica is a Chartered Accountant in public practice 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 a number of local charities.

### **External appointments**

External member of the Mackay Regional Council Audit Committee.

Honorary Treasurer of the Mackay Community Accommodation & Support Agency Inc (CASA).

## **Tony Mooney**

*Director*

*AM FAICD*

First appointed: 1 October 2020

Term of office: To 30 September 2023

### **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 2023

**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 Pty Ltd.

## 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:

- 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 Acting CEO and Acting CFO. 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.

## Board of Directors

Details of members of the Board, including their terms of office and their skills, experience and expertise, are outlined on pages 34 to 36.

## 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 2022/23, the Board met 10 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 2022/23, 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 2023.

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 87. 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 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 2022/23 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 2022/23 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 53 of the Director's Report.

### **Audit and Financial Risk Management Committee**

Chair: Monica McKendry  
Members: Andrea Ranson, Lynn Smart  
Secretary: Brett Spink (Acting Chief Financial Officer)

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 2022/23 financial year, the Committee met on 16 August 2022, 15 November 2022, 28 February 2023 and 16 May 2023. 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 2022/23 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 2023/24 Budget, SCI and Corporate Plan
- Port Pricing Schedules FY24
- 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  
Secretary: Peter Sinnott (General Manager Corporate Services)

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 2022/23 financial year, the Committee met on 9 August 2022, 8 November 2022, 14 February 2023 and 9 May 2023.

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 2022/23 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 2023/24
- 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.

### **Corporate Governance and Planning Committee**

Chair: Andrea Ranson

Members: Monica McKendry, Tony Mooney, Jane McTaggart

Secretary: Peter Sinnott (General Manager Corporate Services)

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 2022/23 financial year, the Committee met on 8 August 2022, 8 November 2022, 21 February 2023 and 9 May 2023. 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.

### **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 2022/23.

## **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 2022/23 audit program included reviews of:

- Payroll
- Fraud Risk
- Procurement
- Respect at Work

## **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 one notification issued by shareholding Ministers under section 114 of the *Government Owned Corporations Act 1993* for the 2022/23 financial year.

NQBP received formal notification of the Ethical Supplier Mandate (the Policy) on 19 March 2023.

### **Community service obligations**

There were no community service obligations identified during 2022/23.



## **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 2022/23 which cost more than \$5,000.

## **Right to Information**

NQBP received no applications under the *Information Privacy Act 2009* and one application under the *Right to Information Act 2009 (Qld)* for the year ending 30 June 2023.

# North Queensland Bulk Ports Corporation Limited

## ACN 136 880 218

# Annual Financial Report

For the year ended 30 June 2023

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## FOR THE YEAR ENDED 30 JUNE 2023

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

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

NQBP'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

NQBP 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 24 August 2023. 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 2023.**

### **Review of operations**

As at 30 June 2023, 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 major growth centres of China and India coupled with emerging Asian economies such as Vietnam, Malaysia and Indonesia. NQBP's port trade remained resilient, even with the combined effects of regional tensions, COVID-19 and the war in Ukraine.

In 2022/23, NQBP ports collectively handled around 152.1 million tonnes of throughput, making a vital contribution to the trade performance of Queensland and Australia. Overall trade improved by 4.8 per cent compared to last year (2021/22: 145.1 million tonnes). We delivered a trade revenue result (excluding managed fund income) of \$123.6 million, an increase of 8.3% on last year (2021/22: \$114.1 million).

### **Operating results**

NQBP Net Profit After Tax result increased to \$30.7 million, compared with \$7.3 million in 2021/22. Key contributors were improved returns from the QIC managed income fund, increased trade throughput and revenue, and lower impairment charge.

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 2022/23 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 2022/23.

### **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 completed maintenance dredging at the Port of Weipa during 2022/23.

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 \$23.69 million to be paid to shareholders for 2022/23. This recommended dividend represents 100 per cent of the net profit after tax for 2022/23 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 2022/23, 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
<p><b>Company Secretary</b> Peter Sinnott BCom, LLB (Hons), MFM, FGIA, FCIS</p> <p><b>Appointed Company Secretary:</b> NQBP, MPL and PCQ on 9 January 2012 – ongoing</p>	<p>Prior to joining NQBP, Peter Sinnott was Legal Director at Rio Tinto Alcan.</p> <p>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.</p> <p>Mr Sinnott is a Fellow of the Governance Institute of Australia.</p>

## Meetings of Directors in 2022/23

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 2022 – 30 June 2023)

Director	NQBP	
	Eligible to Attend	Number Attended
Jane McTaggart (Chair)	10	10
Andrea Ranson	10	10
Lynn Smart	10	10
Monica McKendry	10	10
Tony Mooney	10	10

### Committee Meeting Attendance (1 July 2022 – 30 June 2023)

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 <sup>1</sup>	3 <sup>1</sup>	4	4	4	4
Andrea Ranson	4	4	4 (Chair)	4	0	0
Lynn Smart	4	4	0	0	4 (Chair)	4
Monica McKendry	4 (Chair)	4	4	4	0	0
Tony Mooney	1 <sup>2</sup>	1 <sup>2</sup>	4	4	4	4

<sup>1</sup> Attended meeting as an observer

<sup>2</sup> 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 56.

### **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*

24 August 2023

## **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 2023, I declare that, to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.



Bhavik Deoji  
as delegate of the Auditor-General

24 August 2023

Queensland Audit Office  
Brisbane



# Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated		Parent	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Income from operations</b>					
Revenue	2	123,607	114,143	123,607	114,143
Other income	2	7,754	54	7,754	54
<b>Income from operations</b>		<b>131,361</b>	<b>114,197</b>	<b>131,361</b>	<b>114,197</b>
<b>Expenses from operations</b>					
Employee benefits	3	(26,161)	(25,789)	(26,161)	(25,789)
Supplies and services	4	(35,161)	(35,179)	(35,038)	(35,179)
Depreciation and amortisation	11a),c),12	(14,037)	(16,992)	(14,037)	(16,992)
Impairment losses / fair value adjustments	5	(5,095)	(8,281)	(5,095)	(8,281)
Other expenses	7	(3,177)	(10,672)	(3,986)	(10,672)
<b>Expenses from operations</b>		<b>(83,631)</b>	<b>(96,913)</b>	<b>(84,317)</b>	<b>(96,913)</b>
<b>Operating result</b>		<b>47,730</b>	<b>17,284</b>	<b>47,044</b>	<b>17,284</b>
Financial income		2,040	122	1,920	122
Financial expenses	6	(7,061)	(7,188)	(7,016)	(7,188)
Interest expense on lease liabilities	11b)	(274)	(290)	(274)	(290)
<b>Net finance costs</b>		<b>(5,295)</b>	<b>(7,356)</b>	<b>(5,370)</b>	<b>(7,356)</b>
<b>Profit/(Loss) before income tax equivalent</b>		<b>42,435</b>	<b>9,928</b>	<b>41,674</b>	<b>9,928</b>
Income tax equivalent expense	8	(11,740)	(2,678)	(11,740)	(2,678)
<b>Profit/(Loss) after income tax equivalent</b>		<b>30,695</b>	<b>7,250</b>	<b>29,934</b>	<b>7,250</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified subsequently to profit or loss					
Increase (decrease) in revaluation surplus	11c)	(29,518)	(34,327)	(29,518)	(34,327)
Income tax equivalent expense on increase (decrease) in revaluation surplus		8,809	10,342	8,809	10,342
<b>Total other comprehensive income net of income tax equivalent</b>		<b>(20,709)</b>	<b>(23,984)</b>	<b>(20,709)</b>	<b>(23,984)</b>
<b>Total comprehensive income for the year</b>		<b>9,986</b>	<b>(16,734)</b>	<b>9,225</b>	<b>(16,734)</b>

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 2023

	Note	Consolidated		Parent	
		2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	9	32,746	28,923	32,300	28,923
Trade and other receivables	9	63,591	48,260	63,591	48,260
Inventories		818	452	818	452
Prepayments		1,662	2,238	1,939	2,238
<b>Total current assets</b>		<b>98,817</b>	<b>79,873</b>	<b>98,648</b>	<b>79,873</b>
<b>Non-current assets</b>					
Prepayments		609	522	609	522
Investments	9	118,823	83,831	113,209	83,831
Trade and other receivables	9	2,949	-	2,949	-
Investment properties	10	13,039	12,974	13,039	12,974
Investment in subsidiaries	24	-	-	5,000	-
Right-of-use assets	11 a)	11,466	11,670	11,466	11,670
Property, plant and equipment	11 c)	546,955	584,037	546,955	584,037
Intangible assets	12	452	507	452	507
<b>Total non-current assets</b>		<b>694,293</b>	<b>693,541</b>	<b>693,679</b>	<b>693,541</b>
<b>Total assets</b>		<b>793,110</b>	<b>773,414</b>	<b>792,327</b>	<b>773,414</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	13	33,075	24,937	33,053	24,937
Current income tax equivalent liability		3,945	1,575	3,945	1,575
Provisions	14	28,569	4,441	28,569	4,441
Lease liabilities	11 b)	1,006	865	1,006	865
<b>Total current liabilities</b>		<b>66,595</b>	<b>31,818</b>	<b>66,573</b>	<b>31,818</b>
<b>Non-current liabilities</b>					
Trade and other payables	13	62,231	52,168	62,231	52,168
Lease liabilities	11 b)	11,077	11,269	11,077	11,269
Interest bearing liabilities	15	186,559	186,559	186,559	186,559
Deferred income tax equivalent liabilities	16	79,392	90,709	79,392	90,709
Provisions	14	205	292	205	292
<b>Total non-current liabilities</b>		<b>339,464</b>	<b>340,997</b>	<b>339,464</b>	<b>340,997</b>
<b>Total liabilities</b>		<b>406,059</b>	<b>372,815</b>	<b>406,037</b>	<b>372,815</b>
<b>Net assets</b>		<b>387,051</b>	<b>400,599</b>	<b>386,290</b>	<b>400,599</b>
<b>EQUITY</b>					
Issued capital	17	14,409	14,409	14,409	14,409
Asset revaluation surplus		308,895	329,604	308,895	329,604
Retained earnings		63,747	56,586	62,986	56,586
<b>Equity attributable to owners of NQBP</b>		<b>387,051</b>	<b>400,599</b>	<b>386,290</b>	<b>400,599</b>
<b>Total equity</b>		<b>387,051</b>	<b>400,599</b>	<b>386,290</b>	<b>400,599</b>

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 2023

	Note	Issued capital		Asset revaluation		Retained earnings		Total	
		Consolidated	Parent	Consolidated	Parent	Consolidated	Parent	Consolidated	Parent
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance as at 1 July 2021</b>		<b>14,409</b>	<b>14,409</b>	<b>353,736</b>	<b>353,736</b>	<b>49,189</b>	<b>49,189</b>	<b>417,334</b>	<b>417,334</b>
<b>Profit/(Loss) after income tax equivalent</b>		-	-	-	-	<b>7,250</b>	<b>7,250</b>	<b>7,250</b>	<b>7,250</b>
<b>Other comprehensive income</b>									
Increase (decrease) in revaluation	11 c)	-	-	(34,327)	(34,327)	-	-	<b>(34,327)</b>	<b>(34,327)</b>
Transfer of revaluation increment in respect of revalued assets disposed - current year		-	-	(147)	(147)	147	147	-	-
Income tax equivalent applicable		-	-	10,342	10,342	-	-	<b>10,342</b>	<b>10,342</b>
<b>Transactions with owners in their capacity as owners</b>									
Distribution to owners	14	-	-	-	-	-	-	-	-
<b>Balance at 30 June 2022</b>		<b>14,409</b>	<b>14,409</b>	<b>329,604</b>	<b>329,604</b>	<b>56,586</b>	<b>56,586</b>	<b>400,599</b>	<b>400,599</b>
<b>Profit/(Loss) after income tax equivalent</b>		--	-	-	-	<b>30,695</b>	<b>29,934</b>	<b>30,695</b>	<b>29,934</b>
<b>Other comprehensive income</b>									
Increase (decrease) in revaluation	11 c)	-	-	(29,362)	(29,362)	-	-	<b>(29,362)</b>	<b>(29,362)</b>
Transfer of revaluation increment in respect of revalued assets disposed - current year		-	-	(156)	(156)	156	156	-	-
Income tax equivalent applicable		-	-	8,809	8,809	-	-	<b>8,809</b>	<b>8,809</b>
<b>Transactions with owners in their capacity as owners</b>									
Distribution to owners	14	-	-	-	-	(23,690)	(23,690)	<b>(23,690)</b>	<b>(23,690)</b>
<b>Balance at 30 June 2023</b>		<b>14,409</b>	<b>14,409</b>	<b>308,895</b>	<b>308,895</b>	<b>63,747</b>	<b>62,986</b>	<b>387,051</b>	<b>386,290</b>

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 2023

	Note	Consolidated		Parent	
		2023 \$'000	2022 Restated* \$'000	2023 \$'000	2022 Restated* \$'000
<b>Cash flows from operating activities</b>					
Cash receipts from customers		139,297	130,516	139,297	130,516
Cash paid to suppliers and employees		(58,352)	(72,207)	(59,293)	(72,207)
GST remitted to Australian Taxation Office		(6,135)	(7,327)	(6,135)	(7,327)
Interest paid		(6,894)	(7,108)	(6,894)	(7,108)
Interest received		2,039	-	1,920	-
Income tax equivalents paid		(11,878)	(10,873)	(11,878)	(10,873)
<b>Net cash provided by operating activities</b>	18	<b>58,077</b>	<b>33,001</b>	<b>57,017</b>	<b>33,001</b>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment	11 c)	(10,323)	(11,771)	(10,323)	(11,771)
Purchase of investments	10	(24,417)	(8,625)	(23,802)	(8,625)
Proceeds from sale - property, plant and equipment	11 c)	31	325	31	325
Purchase of intangible assets	12	-	(547)	-	(547)
Movement in GOC Advances Facility		(18,318)	(14,883)	(18,318)	(14,883)
<b>Net cash used in investing activities</b>		<b>(53,027)</b>	<b>(35,501)</b>	<b>(52,412)</b>	<b>(35,501)</b>
<b>Cash flows from financing activities</b>					
Dividend paid		-	(4,320)	-	(4,320)
Payment of lease liability	11 b)	(1,228)	(1,179)	(1,228)	(1,179)
<b>Net cash used in financing activities</b>	18	<b>(1,228)</b>	<b>(5,499)</b>	<b>(1,228)</b>	<b>(5,499)</b>
Net increase (decrease) in cash and cash equivalents		3,823	(7,999)	3,377	(7,999)
Cash and cash equivalents at beginning of the financial year		28,923	36,922	28,923	36,922
<b>Cash and cash equivalents at end of the financial year</b>	9	<b>32,746</b>	<b>28,923</b>	<b>32,300</b>	<b>28,923</b>

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

\*See Note 18 for details about the restatement.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

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## **Note 1 - Summary of significant accounting policies**

### **Basis of preparation**

The consolidated financial statements of North Queensland Bulk Ports Corporation were authorised for issue by the directors on 24 August 2023. 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 and:

- 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 on an accrual basis 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 has been adjusted to conform to changes in presentation for the current financial year. The Group has chosen to change the presentation for 2023 to 'by function' as it provides information that is more reliable and relevant. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

### **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.

### **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

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## Note 1 - Summary of significant accounting policies (Continued)

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.

None of the Group's valuations of assets are eligible for categorisation into level 1 of the fair value hierarchy.

## New and amended standards and interpretations adopted by the Group

The Group did not adopt any new or amended standards during the year.

## 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.

## 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.

## Notes to the statement of comprehensive income

### Note 2 - Revenue and other income

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Revenue</b>				
Vessel Income	82,487	77,650	82,487	77,650
Port Usage Income	18,055	15,904	18,055	15,904
Rental Income	18,281	16,237	18,281	16,237
Expense recoveries	4,147	3,892	4,147	3,892
Other revenue	638	460	638	460
<b>Total Revenue</b>	<b>123,607</b>	<b>114,143</b>	<b>123,607</b>	<b>114,143</b>
<b>Other income</b>				
Gain on investment in managed fund	7,727	-	7,727	-
Net gain/(loss) on disposal of property, plant and equipment	27	54	27	54
<b>Total Other Income</b>	<b>7,754</b>	<b>54</b>	<b>7,754</b>	<b>54</b>

#### 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 incomes 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 2023

## Note 3 - Employee benefits expenses

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Employee benefits</b>				
Salaries and wages	17,751	18,248	17,751	18,248
Employer superannuation contribution	2,442	2,246	2,442	2,246
Annual Leave	1,904	1,726	1,904	1,726
Long Service Leave	524	309	524	309
	<b>22,620</b>	<b>22,529</b>	<b>22,620</b>	<b>22,529</b>
<b>Employee related expenses</b>				
Other employee expense	2,435	1,983	2,435	1,983
Payroll tax expense	958	1,189	958	1,189
Worker's Compensation Premium	149	88	149	88
	<b>3,541</b>	<b>3,260</b>	<b>3,541</b>	<b>3,260</b>
	<b>26,161</b>	<b>25,789</b>	<b>26,161</b>	<b>25,789</b>

	Consolidated		Parent	
	2023	2022	2023	2022
<b>Full-time equivalent employees</b>	125.05	116.33	125.05	116.33

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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Repairs and maintenance	12,603	13,030	12,603	13,030
Contracted Services	10,805	9,771	10,805	9,771
Rates and utilities	7,203	7,105	7,203	7,105
Environmental expense	1,922	2,092	1,922	2,092
Consultancies and legal	1,718	2,143	1,600	2,143
Other	910	1,038	905	1,038
	<b>35,161</b>	<b>35,179</b>	<b>35,038</b>	<b>35,179</b>

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.

## Note 5 - Impairment losses / fair value adjustments

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Fair value adjustment for property, plant 11c)	5,095	8,281	5,095	8,281
	<b>5,095</b>	<b>8,281</b>	<b>5,095</b>	<b>8,281</b>

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 2023, no impairments were identified.

## Note 6 - Finance expenses

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Interest - Loans	5,550	5,661	5,550	5,661
Interest - Competitive Neutrality Fees	1,344	1,524	1,344	1,524
Bank Charges	167	3	122	3
	<b>7,061</b>	<b>7,188</b>	<b>7,016</b>	<b>7,188</b>

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 2023 (2022: \$Nil).

## Note 7 - Other expenses

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Insurance	2,557	3,625	3,379	3,625
Donations and sponsorship	391	322	391	322
Audit fees	228	191	216	191
SaaS Implementation	-	1,052	-	1,052
Loss on investment in managed fund	-	5,482	-	5,482
	<b>3,177</b>	<b>10,672</b>	<b>3,986</b>	<b>10,672</b>

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## Note 7 - Other expenses (continued)

### Auditors Remuneration

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Audit Fee External	166	105	166	105
Audit Fee Internal	50	86	50	86
Audit Fee Protected Cell Company	12	-	-	-
	<b>228</b>	<b>191</b>	<b>216</b>	<b>191</b>

External audit amounts paid, or due payable, to the Queensland Audit Office (QAO) for auditing the financial statements (The 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	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
Current tax equivalents expense	14,248	10,102	14,248	10,102
Deferred income tax equivalent asset	(2,508)	(7,424)	(2,508)	(7,424)
<b>Income tax equivalent expense</b>	<b>11,740</b>	<b>2,678</b>	<b>11,740</b>	<b>2,678</b>
<b>Numerical reconciliation of prima facie income tax equivalent payable to income tax equivalent expense</b>				
Prima facie income tax equivalent calculated at 30% on the profit before tax	12,731	2,979	12,502	2,979
<b>Increase in income tax equivalent expense due to:</b>				
Non-deductible expenses	5	2	5	2
<b>Decrease in income tax expense due</b>				
Net investment fund distributions	(294)	(303)	(294)	(303)
Asset opening balance adjustment	(473)		(473)	
Foreign Income gain for subsidiary	(229)			
<b>Income tax equivalent expense on pre-tax net profit</b>	<b>11,740</b>	<b>2,678</b>	<b>11,740</b>	<b>2,678</b>

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 statement of financial position

### Note 9 - Financial assets

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current assets</b>				
QTC working capital facility	25,307	15,787	25,307	15,787
Commonwealth bank cheque account	6,992	13,135	6,992	13,135
Other Cash and Cash Equivalents	447	1	1	1
<b>Cash and cash equivalents</b>	<b>32,746</b>	<b>28,923</b>	<b>32,300</b>	<b>28,923</b>
QTC GOC advances facility	48,668	30,350	48,668	30,350
Trade Receivables	12,951	14,527	12,951	14,527
Accrued Revenue	1,905	1,594	1,905	1,594
Other Receivables	67	1,790	67	1,790
<b>Trade and other receivables</b>	<b>63,591</b>	<b>48,260</b>	<b>63,591</b>	<b>48,260</b>
<b>Non-current assets</b>				
Investment in managed fund	113,209	83,831	113,209	83,831
Capital guarantee fund	5,614	-	-	-
<b>Investments</b>	<b>118,823</b>	<b>83,831</b>	<b>113,209</b>	<b>83,831</b>
Other Receivables - Non Current	2,949	-	2,949	-
<b>Trade and other receivables</b>	<b>2,949</b>	<b>-</b>	<b>2,949</b>	<b>-</b>

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 2023, 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 \$0.5 million (2022: \$0.2 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 \$4,974,983 (2022: \$5,294,140) 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. No expected credit loss calculated on the historical loss rate is immaterial.

An amount of \$48,668,137 (2022: \$30,350,052) 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

# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## Note 9 - Financial assets (continued)

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 net market value 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) Trade and other receivables

North Queensland Bulk Ports Corporation Limited was involved in litigation filed in the Federal Court of Australia by Port Binnli Pty Ltd (PB) and Mackay Marina Pty Ltd (MM). The harbour in which the Mackay Marina operates is subleased to Port PB and MM by North Queensland Bulk Ports Corporation. The litigation centred around an allegation in respect of the wave conditions within the Mackay Marina harbour. North Queensland Bulk Ports Corporation has denied any liability.

The parties agreed to a settlement in August 2022 and proceedings were dismissed on the 17 March 2023. A key component of the settlement is that NQBP will contribute \$3M towards the construction of a NIB wall subject to certain conditions being met. The accounting treatment is in the form of a lease incentive. In accordance with the AASB 16 Leases, the NIB wall lease is classified as an operating lease, therefore the lease incentive, being the contribution paid to PB/MM, is recognised as a reduction of rental income in the statement of profit and loss over the lease term, on a straight-line basis. As part of the agreement, the funds are payable within 14 days of practical completion. Practical completion has been estimated to occur on 30 September 2023. For the 2023 financial year a payable has been recognised for the \$3M, offset by a lease incentive receivable asset (\$ 51,166 current and \$2,948,834 non-current).

## 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.

## Note 10 - Investment properties

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>At fair value</b>				
Balance at beginning of year	12,974	12,883	12,974	12,883
Fair value adjustments	65	91	65	91
<b>Balance at end of year</b>	<b>13,039</b>	<b>12,974</b>	<b>13,039</b>	<b>12,974</b>

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

## **Note 10 - Investment properties (continued)**

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 2023, 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 2023

## Note 11 – Property, plant and equipment

### 11. a) Right of use assets

In accordance with AASB16 *Leases*, the Group have recognised a right-of-use asset and related lease liability in connection with former operating leases except for those identified as low-value; having a remaining lease term of less than 12 months from the date of initial application or excluded from the definition of AASB16, which have been expensed as incurred and not capitalised as right-of-use assets.

The assets were valued at fair value on the initial measurement 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.

The lease liabilities were 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 was 4.22% (2022: 4.51%).

2023	Property, plant and equipment				
	Right-of-use assets Consolidated and Parent	Office Photocopiers	Motor Vehicles	Channels	Total
	\$'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)
<b>Carrying amount at balance date</b>	<b>6,104</b>	<b>73</b>	<b>451</b>	<b>4,838</b>	<b>11,466</b>

2022	Property, plant and equipment				
	Right-of-use assets Consolidated and Parent	Office Photocopiers	Motor Vehicles	Channels	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Opening balance carrying amount	7,874	29	164	4,066	12,133
Additions	-	145	103	-	248
Adjustments	-	-	8	361	369
Disposals	-	-	-	-	-
Depreciation	(885)	(47)	(148)	-	(1,080)
<b>Carrying amount at balance date</b>	<b>6,989</b>	<b>127</b>	<b>127</b>	<b>4,427</b>	<b>11,670</b>

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

## 11. b) Lease liabilities

2023	Property, plant and equipment				Total
	Lease liabilities Consolidated and Parent	Office Photocopiers	Motor Vehicles	Channels	
		\$'000	\$'000	\$'000	
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)
<b>Carrying amount at balance date</b>	<b>(6,701)</b>	<b>(88)</b>	<b>(455)</b>	<b>(4,840)</b>	<b>(12,083)</b>

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

Current lease liability	1,006
Non-current lease liability	11,077
	<b>12,083</b>

2022	Property, plant and equipment				Total
	Lease liabilities Consolidated and Parent	Office Photocopiers	Motor Vehicles	Channels	
		\$'000	\$'000	\$'000	
Opening balance carrying amount	(8,132)	(30)	(176)	(4,066)	(12,404)
Additions	-	(145)	(111)	-	(256)
Disposals	-	-	-	-	-
Adjustments	-	-	-	(363)	(363)
Capital Repayments	966	47	166	-	1,179
Interest Expense*	(281)	(2)	(7)	-	(290)
<b>Carrying amount at balance date</b>	<b>(7,447)</b>	<b>(130)</b>	<b>(128)</b>	<b>(4,429)</b>	<b>(12,134)</b>

\* Perpetual lease payments of \$199,671 not included

Current lease liability	(865)
Non-current lease liability	(11,269)
	<b>(12,134)</b>



# Notes to the Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

## 11. c) Property, plant and equipment

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<i>Land</i>				
At fair value	183,652	178,913	183,652	178,913
	<b>183,652</b>	<b>178,913</b>	<b>183,652</b>	<b>178,913</b>
<i>Channels</i>				
At fair value	288,432	322,106	288,432	322,106
	<b>288,432</b>	<b>322,106</b>	<b>288,432</b>	<b>322,106</b>
<i>Infrastructure and major plant and</i>				
At fair value	69,843	75,742	69,843	75,742
	<b>69,843</b>	<b>75,742</b>	<b>69,843</b>	<b>75,742</b>
<i>Plant and equipment</i>				
At cost	1,557	6,746	1,557	6,746
Accumulated depreciation	(352)	(6,138)	(352)	(6,138)
	<b>1,205</b>	<b>608</b>	<b>1,205</b>	<b>608</b>
Capital work in progress – at cost	3,824	6,668	3,824	6,668
	<b>3,824</b>	<b>6,668</b>	<b>3,824</b>	<b>6,668</b>
<b>Property, plant and equipment</b>	<b>546,955</b>	<b>584,037</b>	<b>546,955</b>	<b>584,037</b>

## 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
<b>2023 Consolidated</b>						
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)
<b>Carrying amount at balance date</b>	<b>183,652</b>	<b>288,432</b>	<b>69,843</b>	<b>1,205</b>	<b>3,824</b>	<b>546,955</b>
<b>2022 Consolidated</b>						
Opening balance carrying amount	180,959	355,128	83,789	573	11,277	631,726
Transfer to and from WIP	-	-	15,316	447	(15,763)	-
Disposals	-	-	(271)	(1)	-	(272)
Depreciation expense	-	(6,315)	(9,380)	(177)	-	(15,872)
WIP Additions	-	-	-	-	12,753	12,753
Transfer assets between classes and investment properties	-	-	233	(233)	-	-
SaaS restatement	-	-	-	-	(1,599)	(1,599)
Fair value adjustments to Statement of Comprehensive Income	617	(2,557)	(6,340)	(1)	-	(8,281)
Revaluations to asset revaluation reserve	(2,663)	(24,150)	(7,605)	-	-	(34,418)
<b>Carrying amount at balance date</b>	<b>178,913</b>	<b>322,106</b>	<b>75,742</b>	<b>608</b>	<b>6,668</b>	<b>584,037</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investment Property	261	261	261	261
Land	64,329	64,331	64,329	64,331
Channels	132,067	136,267	132,067	136,267
Infrastructure and major plant and	102,975	100,766	102,975	100,766
<b>Property, plant and equipment</b>	<b>299,632</b>	<b>301,625</b>	<b>299,632</b>	<b>301,625</b>

### 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 full valuation will be completed in another five years. 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.

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

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% (2022: 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 2023 CPI indexation of 2.50% (2022: 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	7.44% (2022: 6.99%)	The higher the discount rate, the lower the fair value

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.

### 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.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

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

### 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.

## 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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Intangible assets				
At cost	547	547	547	547
Accumulated Amortisation	(95)	(40)	(95)	(40)
<b>Intangible Assets</b>	<b>452</b>	<b>507</b>	<b>452</b>	<b>507</b>

## Note 13 - Trade and other payables

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Current</b>				
Accrued expenses	10,487	10,158	10,465	10,158
Revenue received in advance	7,935	7,487	7,935	7,487
Lease rentals received in advance	7,005	5,853	7,005	5,853
Trade payables	558	98	558	98
Other payables	7,090	1,341	7,090	1,341
	<b>33,075</b>	<b>24,937</b>	<b>33,053</b>	<b>24,937</b>

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Non-Current</b>				
Lease rentals received in advance	62,231	52,168	62,231	52,168
	<b>62,231</b>	<b>52,168</b>	<b>62,231</b>	<b>52,168</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## Note 13 - Trade and other payables (continued)

Payables are recognised for amounts payable in the future for goods and services received, whether or not invoices have been received and are measured at amortised cost.

Other payables include \$3M for the Port Binnli and Mackay Marina settlement. As part of the agreement, the funds are payable within 14 days of practical completion. Practical completion has been estimated to occur on 30 September 2023.

### Revenue received in advance

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

## Note 14 - Provisions

	Consolidated		Parent	
	2023	2022	2023	2022
Current	\$'000	\$'000	\$'000	\$'000
Dividend	23,690	-	23,690	-
Provision for employee benefits	4,879	4,441	4,879	4,441
	<b>28,569</b>	<b>4,441</b>	<b>28,569</b>	<b>4,441</b>

	Consolidated		Parent	
	2023	2022	2023	2022
Non-Current	\$'000	\$'000	\$'000	\$'000
Provision for long-term employee benefits	205	292	205	292
	<b>205</b>	<b>292</b>	<b>205</b>	<b>292</b>

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.

### 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.

## 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) 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, in order to reflect the true stand-alone cost of debt for the Group.

As at 30 June 2023, the Group had the following variable rate borrowings with Queensland Treasury Corporation (QTC):

Consolidated and Parent	2023		2022	
	Weighted Interest Rate	Balance \$'000	Weighted Interest Rate	Balance \$'000
Book value	2.98%	186,559	3.04%	186,559
Market value		170,854		174,268

At 30 June 2023, 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 (2022: \$2.4 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 (2022: \$15 million), however this facility has not been used. An analysis of financial liabilities by remaining contractual maturity is as follows:



# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## Note 15 - Financial liabilities (continued)

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
<b>2023</b>				
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
	<b>25,293</b>	<b>28,516</b>	<b>192,638</b>	<b>246,447</b>
<b>2022</b>				
Trade and other payables	11,597	-	-	11,597
Lease liabilities	1,327	5,152	6,466	12,945
Queensland Treasury Corporation	5,578	22,200	186,559	214,337
	<b>18,502</b>	<b>27,352</b>	<b>193,025</b>	<b>238,879</b>

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 March 2023.

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Total borrowings	186,559	186,559	186,559	186,559
Total capital	387,051	400,599	386,290	400,599
	<b>573,610</b>	<b>587,158</b>	<b>572,849</b>	<b>587,158</b>
Gearing ratio	32.52%	31.77%	32.57%	31.77%

## Note 16 – Deferred Income tax equivalent

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 (2023 and 2022: 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.

## Note 16 – Deferred Income tax equivalent (continued)

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	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
<b>Deferred income tax equivalent assets</b>				
Other assets	-	528	-	528
Accounts payable and other liabilities	23,151	23,326	23,151	23,326
Provisions	5,184	1,420	5,184	1,420
	<b>28,335</b>	<b>25,274</b>	<b>28,335</b>	<b>25,274</b>
Opening balance	25,274	22,807	25,274	22,807
Credit/(charge) to Statement of Comprehensive Income	3,061	2,467	3,061	2,467
<b>Closing balance</b>	<b>28,335</b>	<b>25,274</b>	<b>28,335</b>	<b>25,274</b>
<b>Deferred income tax equivalent</b>				
Property, plant and equipment	106,139	112,480	106,139	112,480
Accounts receivable and other assets	1,358	3,503	1,358	3,503
	<b>107,727</b>	<b>115,983</b>	<b>107,727</b>	<b>115,983</b>
Opening balance	115,983	131,282	115,983	131,282
Adjustment to retained earnings	553	(4,957)	553	(4,957)
(Credit)/charge to asset revaluation surplus	(8,809)	(10,342)	(8,809)	(10,754)
<b>Closing balance</b>	<b>107,727</b>	<b>115,983</b>	<b>107,727</b>	<b>115,983</b>
<b>Deferred income tax equivalent balances are presented in the Statement of Financial Position as follows:</b>				
Deferred income tax equivalent (assets)	(28,335)	(25,274)	(28,335)	(25,274)
Deferred income tax equivalent liabilities	107,727	115,983	107,727	115,983
<b>Deferred income tax equivalent</b>	<b>79,392</b>	<b>90,709</b>	<b>79,392</b>	<b>90,709</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## Note 17 - Issued capital

	2023	2023	2022	2022
	No. of Shares	\$'000	No. of Shares	\$'000
Opening balance	138,913,824	14,409	138,913,824	14,409
<b>Closing balance</b>	<b>138,913,824</b>	<b>14,409</b>	<b>138,913,824</b>	<b>14,409</b>

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	
	2023 \$'000	2022 \$'000 Restated*	2023 \$'000	2022 \$'000 Restated*
Net profit for the year	30,695	7,250	29,934	7,250
Depreciation and amortisation	11 c), 14,037	16,992	14,037	16,992
(Gain) loss on sale of fixed assets	13	(54)	13	(54)
Fair value adjustment to investment property, plant and equipment	11 5,095	8,281	5,095	8,281
(Gain) loss on investments	(10,575)	5,482	(10,575)	5,482
Interest on lease liabilities	277	290	277	290
<b>Change in operating assets/liabilities</b>				
(Increase) decrease in trade and other receivables	43	(2,892)	43	(2,892)
(Increase) decrease in other current assets	(1)	(68)	(278)	(68)
Increase (decrease) in trade and other payables	18,280	6,328	18,260	6,328
Increase (decrease) in other provisions	351	(414)	351	(414)
Increase (decrease) in current tax equivalent liabilities	2,370	(770)	2,370	(770)
Increase (decrease) in net deferred tax equivalent liabilities	8 (2,508)	(7,424)	(2,508)	(7,424)
<b>Net cash flow from operating activities</b>	<b>58,077</b>	<b>33,001</b>	<b>57,017</b>	<b>33,001</b>

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.

\* NQBP has restated the statement of cash flows and reconciliation of profit from continuing operations to net cash provided by operating activities for the 30 June 2022 financial year to display the gain or loss on investments, and interest on lease liabilities. The cash paid to suppliers and employees, and purchase of investments on the Consolidated Statement of Cash flows have also been restated to facilitate the change.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## Note 18 – Cash flow reconciliation (continued)

### (i) Reconciliation of liabilities arising from financing activities

Consolidated	2022	Cash flow	Non-cash changes	2023
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	186,559	-	-	186,559
Lease liabilities	12,134	(1,227)	1,176	12,083
<b>Long-term debt</b>	<b>198,693</b>	<b>(1,227)</b>	<b>1,176</b>	<b>198,642</b>

Parent	2022	Cash flow	Non-cash changes	2023
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	186,559	-	-	186,559
Lease liabilities	12,134	(1,227)	1,176	12,083
<b>Long-term debt</b>	<b>198,693</b>	<b>(1,227)</b>	<b>1,176</b>	<b>198,642</b>

## Other disclosures

### Note 19 – Commitments

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Capital expenditure contracted for at balance date is payable as follows:</b>				
- not later than one year	3,412	4,277	3,412	4,277
- later than one year and not later than five	74	-	74	-
- greater than five years	-	-	-	-
	<b>3,486</b>	<b>4,277</b>	<b>3,486</b>	<b>4,277</b>

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Operating lease expenditure contracted for at balance date and payable as follows:</b>				
- not later than one year	3,355	3,151	3,355	3,151
- later than one year and not later than five	4,510	6,922	4,510	6,922
- greater than five years	351	651	351	651
	<b>8,216</b>	<b>10,724</b>	<b>8,216</b>	<b>10,724</b>

	Consolidated		Parent	
	2023	2022	2023	2022
	\$'000	\$'000	\$'000	\$'000
<b>Operating lease revenue not recognised in the financial statements as follows:</b>				
- not later than one year	14,466	14,401	14,466	14,401
- later than one year and not later than five	43,462	42,634	43,462	42,634
- greater than five years	424,589	390,177	424,589	390,177
	<b>482,517</b>	<b>447,212</b>	<b>482,517</b>	<b>447,212</b>

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

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

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## Note 20 - Contingent assets and liabilities

### Contingent assets

The Group has no material contingent assets.

### Contingent liabilities

A preliminary condition assessment of the Bowen Wharf was conducted in mid-2019, and a further assessment took place in early 2020. Construction works took place in 2021 to remediate the Wharf to continue to provide temporary towage infrastructure for Abbot Point's towage operations until permanent infrastructure has been established. Remediation works were completed in 2021 to ensure the Wharf remains accessible to the public and continues to provide temporary towage infrastructure for Abbot Point's towage operations until permanent infrastructure has been established. The Group recognises the Bowen Wharf is a valued asset to the community of Bowen and will continue to engage Bowen stakeholders in planning the Wharf's future.

## Note 21 - Native title claims

The Group had no native title claims in 2023.

## Note 22 - Key management personnel disclosures

### (i) Key management personnel – Board members

2023		Short-term employee benefits \$'000	Post- employe nt benefits \$'000	Total \$'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
		<b>201</b>	<b>20</b>	<b>221</b>

2022		Short-term employee benefits \$'000	Post- employe nt benefits \$'000	Total \$'000
Name	Position			
B Fish (ceased 30 Sep 2021)	Chair	15	1	16
A Ranson	Director	36	4	40
L Smart	Director	36	4	40
M McKendry	Director	36	4	40
T Mooney	Director	34	3	37
O Doogan (ceased 19 Nov 2021)	Director	14	2	16
J McTaggart (appointed 01 Oct 2021)	Chair	44	4	48
		<b>215</b>	<b>22</b>	<b>237</b>

## **Note 22 - Key management personnel disclosures (Continued)**

- (a) Total employment cost (as determined by the Governor-in-Council) which includes packaged benefits and fees for committee work as determined by shareholding Ministers.
- (b) Post-employment benefits represent the minimum level statutory payments pursuant to the *Commonwealth Superannuation (Administration) Act 1992*
- (c) 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 Financial Statements

FOR THE YEAR ENDED 30 June 2023

## Note 22 - Key management personnel disclosures (continued)

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

2023 Name	Position	Short-term benefits			Post-employment expense	Termination benefits	Total
		Monetary	Non-Monetary Benefits	Long Term employee expense			
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
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	-	224
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 2023)	87	1	-	12	-	100
Belinda Kenny	Chief Financial Officer (01 July 2022 - 24 November 2022)	143	1	-	15	-	159
Brett Spink	Acting Chief Financial Officer (09 January 2022 - 30 June 2023)	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
		<b>1,688</b>	<b>10</b>	<b>28</b>	<b>219</b>	<b>129</b>	<b>2,074</b>

\* 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.

**Note 22 - Key management personnel disclosures (continued)**

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

		<u>Short-term benefits</u>		Long Term employee expense	Post- Employment Expense	Termination benefits	Total
		Monetary benefits	Non- monetary benefits				
<b>2022</b>		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Name</b>	<b>Position</b>						
Nicolas Fertin	Chief Executive Officer	437	2	-	40	-	479
Brendan Webb	General Manager Commercial (01 July 2021 to 24 December 2021)	151	-	-	13	-	164
Ash Sinha	Acting General Manager Commercial (25 December 2021 to 30 June 2022)	108	-	-	13	-	121
Peter Sinnott	General Manager Corporate Services	263	2	7	25	-	297
Belinda Kenny	Chief Financial Officer	272	2	-	26	-	300
Tim Lewis	General Manager Infrastructure	270	-	-	25	-	295
Gary Campbell	General Manager Safety, Environment and Communications (01 July 2021 - 11 August 2022)	209	-	-	26	99	334
Ian McGoldrick	Acting General Manager Safety, Environment and Communications (01 July 2021 - 08 August 2021)	26	-	-	2	-	28
Petrina Hilton	Acting General Manager Safety, Environment and Communications (09 August 2021 - 18 February 2022)	110	-	-	13	-	123
		<b>1,846</b>	<b>6</b>	<b>7</b>	<b>183</b>	<b>99</b>	<b>2,141</b>

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

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

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.

## Note 22 - Key management personnel disclosures (continued)

### (v) Aggregate performance payments

	2023	2022
Aggregate performance bonuses paid	\$801,940	\$684,009
Number of employees who received a performance payment	90	102

### (vi) 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 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 2023.

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 2023.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## 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.

### 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.

<b>Nature</b>	<b>2023</b>	<b>2022</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Operating Receipts</b>		
Pilotage services fees and premises rent	17,696	11,232
Interest received	1,765	101
Investment earnings	8,240	-
Rental Income	329	72
	<b>28,030</b>	<b>11,405</b>
<b>Payments</b>		
<b>Operating Expenses</b>		
Land tax	3,304	3,056
Superannuation contributions	2,949	2,924

## Note 23 - Related party transactions (continued)

Income tax equivalent payments, competitive neutrality fee and rates, research and development concession	13,268	12,731
Consultancy services and interest	5,505	5,671
Surveys, simulator training, contributions	276	493
Audit fees, environmental permits, utilities, vehicle registrations, WorkCover and sundry items	1,513	1,551
Investment losses and Management Fees	514	5,482
<b>Capital Expenditure</b>		
Dividend declared	22,720	-
	<b>50,049</b>	<b>31,908</b>
Expenses invoiced not yet paid	-	-

## Note 24 - Investments in subsidiaries

	Consolidated		Parent	
	2023 \$'000	2022 \$'000	2023 \$'000	2022 \$'000
Investment in Subsidiaries	-	-	5,000	-

These assets are carried at cost.

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. 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 will fund the set-up and ongoing activities of the NQBP Segregated Cell by providing an initial contribution of \$5 million 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	2023 Interest %	2022 Interest %
Artex Insurance (Guernsey) PCC Limited – Cell NQBP	Guernsey	Non-voting redeemable preference	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.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2023

## **Note 24 - Investments in subsidiaries (continued)**

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.

# Director's Declaration

FOR THE YEAR ENDED 30 June 2023

In the directors' opinion:

- a. The financial statements and notes set out on pages 57 to 95 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 2023 and of their performance for the financial year ended on that date; and
  
- b. 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

24 August 2023



## 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).

In my opinion, the financial report:

- a) gives a true and fair view of the parent's and group's financial position as at 30 June 2023, and their financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### 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 on non-current assets—Notes 10 and 11(c)

Key audit matter	How my audit addressed the key audit matter
<p>Land, investment properties, channels, infrastructure (including buildings) and major plant and equipment are material to North Queensland Bulk Ports Corporation Limited and are measured at fair value.</p> <p>With the exception of land and investment properties, market value is not an appropriate basis for valuation of North Queensland Bulk Ports Corporation Limited's assets due to their specialised nature. Instead, the group has developed a discounted cash flow model based on the expected cash flows for each of its units of account to determine fair value of these assets.</p> <p>The model involved significant judgements for key valuation inputs and assumptions, including:</p> <ul style="list-style-type: none"> <li>• estimating future operating and capital cash flows and terminal values</li> <li>• setting discount rates</li> <li>• the allocation of North Queensland Bulk Ports Corporation Limited's assets to units of account.</li> </ul> <p>The fair value of land and investment properties is determined with reference to their market values. An independent external valuer was engaged to undertake a desktop valuation of the group's land and investment properties at 30 June 2023.</p>	<p>My procedures in relation to management's valuation of channels, infrastructure and major plant and equipment included:</p> <ul style="list-style-type: none"> <li>• critically evaluating management's methodology underpinning the valuation model, which was prepared in consultation with management's external consultants, with reference to common industry practices and that which would be considered by an external market participant to value the assets</li> <li>• evaluating the independent external consultant's competence, capabilities and objectivity</li> <li>• evaluating management's identification of its units of account and their highest and best use in the most advantageous market</li> <li>• performing a sensitivity analysis to help inform the degree of audit emphasis required for key model assumptions and inputs</li> <li>• checking the reasonableness and relevance of the input data and key assumptions in the valuation model, in particular: <ul style="list-style-type: none"> <li>– growth rates</li> <li>– discount rates</li> <li>– challenging management's assumptions and estimates including those relating to forecast revenue (customer pricing), operating and capital expenditure, tax cash flows and corroborating the key market related assumptions to forecast and historical data</li> <li>– the expected impact on assumptions as a result of the global pandemic</li> <li>– that it is based on the Statement of Corporate Intent and 5 year Corporate Plan</li> </ul> </li> <li>• assessing the reasonableness of calculations and assumptions of the terminal values allocated to each unit of account</li> <li>• back testing the previous year's cash flow forecasts against subsequent actual results to identify potential deficiencies in the forecasting methodology</li> <li>• checking the above assumptions are appropriately reflected in the valuation model: <ul style="list-style-type: none"> <li>– evaluating and checking the mathematical accuracy of the valuation model</li> <li>– assessing the appropriateness of presentation in the group's financial statements</li> </ul> </li> </ul>

Key audit matter	How my audit addressed the key audit matter
	<p>My procedures in relation to management's valuation of land and investment properties included:</p> <ul style="list-style-type: none"> <li>evaluating the independent external valuer's competence, capabilities and objectivity</li> <li>assessing the reasonableness of values applied to land and investment properties, based on our knowledge and research of the property market in Queensland.</li> </ul>

### **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"> <li>identifying the significant parts of assets that have different useful lives</li> <li>estimating the remaining useful lives of those significant parts.</li> </ul>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>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</li> <li>evaluating remaining useful life estimates for reasonableness with reference to historical disposal rates, condition assessments for older assets, internal consistency.</li> </ul>

### **Other information**

Other information comprises financial and non-financial information (other than the audited financial report) included in North Queensland Bulk Ports Corporation Limited's annual report.

Those charged with governance are responsible for the other information.

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

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

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

I have nothing to report in this regard.

### **Responsibilities of the company for the financial report**

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

The company's directors are also responsible for assessing the parent's and group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the parent or 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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



Bhavik Deoji  
as delegate of the Auditor-General

25 August 2023

Queensland Audit Office  
Brisbane