

SAFE AND EFFICIENT PORTS CONNECTING REGIONAL QUEENSLAND TO THE WORLD

ANNUAL REPORT 2021/22



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ABOUT THIS REPORT

This year’s North Queensland Bulk Ports Annual Report is titled “Safe and efficient ports connecting regional Queensland to the world.” This reflects our mission and focus during 2021/22 as we contributed to Queensland’s economic recovery 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 2021/22 financial year.

It reports against NQBP’s Statement of Corporate Intent 2021/22, which represents NQBP’s performance agreement with our shareholding Ministers.

It includes details of NQBP’s two wholly owned subsidiaries, Ports Corporation of Queensland Limited and Mackay Ports Limited. Throughout this report, ‘NQBP’ represents the entire Group.

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

ABOUT NQBP

NQBP is a Government Owned Corporation, 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 2021/22, we continued to implement our Vision and Mission. 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, the impacts of climate change, global trade conditions and our current and prospective customers' needs. We continue to work with existing 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 14–20 of this Annual Report provide an overview of our performance in 2021/22 against our Strategic Themes.

CHAIR'S STATEMENT

As a government owned port authority, we continued to contribute to Queensland's economic recovery from the pandemic by supporting our regions and local jobs.

This included vital job-creating port infrastructure investments to drive efficiency and trade. These investments position our ports for the progressive evolution and transition to new industries alongside our existing commodities.

Our people continued to work safely and tirelessly to keep trade flowing throughout the pandemic in support of our port partners and our regional communities.

Our ports and our people deliver essential port services facilitating around \$46 billion worth of trade worldwide.

With three major ports operating alongside the Great Barrier Reef (GBR), NQBP continues to make Environmental Stewardship a strategic priority. In 2021/22, NQBP recorded no reportable environmental breaches. This could only be achieved with the support and commitment of our people.

Two Lost Time Injuries were reported at the Port of Mackay and four security breaches occurred; one at the Port of Hay Point, one at the Port of Mackay, and two at the Port of Abbot Point. We take the safety of our people very seriously and continue to put their health and wellbeing at the top of our agenda.

Trade and financial performance

The global impacts of the COVID-19 pandemic, regional trade tensions, global supply chain disruptions, impact to supply chains by the war between Ukraine and Russia and the continued lower bauxite trade through the Port of Weipa continue to put significant pressure on NQBP, port users and the supply chain.

Compared with 2020/21, overall trade is flat (2021/22: 145.1 million tonnes; 2020/21: 147.0 million tonnes). Our revenue (excluding managed fund income) increased by 8.0 per cent (2021/22: \$114.1 million; 2020/21: \$105.7 million).

This year, the Port of Mackay achieved a record year with a 12.7 per cent increase (2021/22: 3.6 million tonnes; 2020/21: 3.2 million tonnes).

For the 2021/22 year, shareholding Ministers approved the Board's recommendation for the retention of dividends otherwise payable from final audited net profits after tax. The dividend retention is intended to be used by NQBP to support future investment in critical infrastructure and growth initiatives.

Strategic direction

To support the continued advancement of the overall Vision to be global leaders in sustainable facilitation of port trade, NQBP is actively investigating renewable trades. In the last 12 months, NQBP joined a consortium of Queensland and global businesses to explore the production and export of hydrogen through the Ports of Hay Point as well as responded to increasing interests in Abbot Point and Mackay.

Supporting our people and communities

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

Directors took part in a range of community activities and site visits throughout the year, engaging with stakeholders and demonstrating our strong commitment to our people and our communities.

NQBP has built strong working relationships with Traditional Owners in our port communities as a vital step in our journey towards reconciliation. Activities undertaken during 2021/22 as part of NQBP's Reconciliation Action Plan extended our engagement and collaboration with Traditional Owners.

Acknowledgements

I would like to thank Chief Executive Officer Nicolas Fertin and the NQBP Executive Leadership Team for their leadership during another challenging year.

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

It is with great sadness that I acknowledge the passing of former Director Owen Doogan. Owen was an important member of our team and made a significant contribution to Queensland's transport industry over the last 30 years.

I take this opportunity to formally acknowledge the significant contribution of former Board Chair Brad Fish. Brad served NQBP from Operations Manager with NQBP's predecessor Ports Corporation Queensland in 1995, to becoming the CEO in 2001 and serving through to 2014. Chair from 2015 to 2021, Brad has been instrumental in our achievements.

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



Jane McTaggart
Chair

CEO'S REVIEW

NQBP's priority is the safety of everyone accessing port infrastructure and involved in port operations. This year saw the launch of a new Safety Induction Program. This new induction program is a demonstration of our commitment to continuously improving our safety practice and performance.

Underpinning our fair and just safety culture at NQBP and our Safety Management System, we continue to encourage employees to report hazards, near misses and incidents, even those where NQBP has little control over.

This year, two Lost Time Injuries occurred in Port of Mackay with employees returning to work respectively after one day and 30 days. Four security breaches occurred across our ports; one at the Port of Hay Point, one at the Port of Mackay, and two at the Port of Abbot Point. The breaches resulted in business disruption for four days – one day at Hay Point and three days at Abbot Point. All incidents involved unlawfully entering security-regulated areas of the terminals and/or 'locking on' to terminal infrastructure.

With NQBP ports supporting around 26,700 trade jobs (farmers, miners and transport providers) and billions in trade, our ability to identify and respond to threats and opportunities remains paramount.

While the global pandemic, regional trade tensions and the war in Ukraine continued to impact port trade during 2021/22, we were steadfast in our ongoing commitment to supporting Queensland's regional economy and positioning NQBP to take advantage of new and emerging business opportunities in particular in relation to Hydrogen trade.

Trade performance

NQBP's activities are directly dependent on trade demand from Australia's neighbouring countries in Asia and the Sub-Continent. Over the past 12 months, NQBP continued to demonstrate resilience along with the criticality of steel-making and electricity-making coal trades to many countries.

Trade tensions have continued to impact NQBP. The combined effects of the regional tensions and the war in Ukraine on demand and prices and supply chain disruptions resulted in NQBP coal trade being similar to last year (2021/22: 125.3 million tonnes; 2020/21: 127.9 million tonnes).

The Weipa bauxite exports were similar to last year in line with one Weipa mine remaining in operation for a few more years (2021/22: 16.20 million tonnes; 2020/21: 15.97 million tonnes).

The Port of Mackay achieved record trade during the year thanks to a combination of high fuel imports, high sugar and grain exports and other trade. Grain exports increased from 60,000 tonnes to around 300,000 tonnes, while petroleum imports increased by 19 per cent (2021/22: 1.84 million tonnes; 2020/21: 1.55 million tonnes).

With the continued financial impacts of the COVID-19 pandemic and the end of East Weipa bauxite mining, NQBP focused on cost controls that led to a 4.1 per cent (\$3.55 million) reduction in overall operating costs (excluding Loss on managed fund and Impairment losses / fair value adjustments).

In support of the COVID-19 state recovery program, NQBP again brought forward investment and accelerated asset repairs and upgrades, maintenance expenditure (excluding dredging) and capital investments to \$11.77 million.

PERFORMANCE AGAINST STRATEGIC THEMES

Planning for evolving and transitioning industries

NQBP continued to work collaboratively with industry partners and government agencies to support the progressive evolution and transition to new industries. This included working closely with the government on their renewables and hydrogen policy implementation.

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 2021/22 NQBP developed Long Term Port Development Plans for the Ports of Abbot Point, Hay Point and Mackay and provided them to the Department of Transport and Main Roads as a key input into their Master Plans for these Priority ports.

The Long-Term Port Development Plans provide an understanding of existing land use and infrastructure at the Port, strategic development opportunities and future infrastructure directions. They also provide actions to be progressed in future years' strategic plans, to ensure the Ports continue to facilitate sustainable trade growth and support Queensland's prosperity. Port users and the key utility and infrastructure providers have been consulted throughout the process.

In February 2022, the Transport Infrastructure (Ports) (Port of Maryborough) Amendment Regulation 2022 was published concreting the transfer of the non-trading port of Maryborough from NQBP to Gladstone Ports Corporation Limited, which has greater geographic proximity to the 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.

Significant effort was expended in the implementation of a new towage licence framework for the ports of Mackay and Abbot Point. The new towage licence took effect from 1 October 2021 resulting in the Port of Abbot Point being safer, more efficient, more supportive of local jobs and reducing its emissions.

NQBP continued to engage with the private sector and government agencies on emerging business opportunities to support government initiatives to develop the Queensland economy in space technology and hydrogen.

During the year, NQBP responded to numerous interests in developing hydrogen export trade through Abbot Point, Hay Point and Mackay.

In August 2021, NQBP signed a memorandum of understanding (MoU) with Dalrymple Bay Infrastructure, Brookfield, and international trading company ITOCHU Corporation for a feasibility study on green hydrogen production and development of a supply chain at the Port of Hay Point.

In February 2022, NQBP signed a funding agreement with the parties for feasibility studies associated with the Dalrymple Bay Hydrogen Project development.

NQBP continues to work closely with Gilmour Space Technologies (Gilmour) at Abbot Point and the relevant government agencies to ensure strategic and operational alignment between port and rocket launch activities at Abbot Point.

With a continued focus on safety and efficiency, NQBP has finalised the upgrade of the under keel clearance software at Hay Point, the implementation of a similar system at Abbot Point and for both ports, a berth alert system to better control the risk of changing weather conditions.

With an eye on the future, we are investing millions of dollars in our ports to maximise their inherent attributes and market appeal, including being located across northern Australia and government-identified economic hubs, having abundant land separated from urban areas and excellent marine infrastructure linking northern Australia to markets in Asia and the Pacific. This makes our ports prime locations to support sustainable trades such as renewables, hydrogen, and biofuels.

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.

We take time to understand the needs and ambitions of our stakeholders. In 2021/22, 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 79, an increase of 1 point compared with the previous survey result in 2021 and 17 points above NQBP's 2019 result of 62. The research revealed that NQBP's engagement with stakeholders continues to be the highest among 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.

Following the launch of NQBP's Reconciliation Action Plan (RAP) in November 2020, we've continued to demonstrate our commitment to reconciliation through action.

As the RAP champion, I am proud of our work that has resulted in an increase in our annual spend with Aboriginal and Torres Strait Islander businesses. Importantly, we have also increased our understanding, value and recognition of Aboriginal and Torres Strait Islander cultures, histories, knowledge and rights through cultural learning and training and employee events.

NQBP's Community Reference Groups (CRGs) are an important and highly valued conduit for information between NQBP and its port communities. The Port of Mackay and Hay Point CRGs met quarterly throughout the year.

Enhancing employee engagement and efficiency

In October 2021, NQBP went live with a new Enterprise Resource Planning software. This was the culmination of a three-year project involving many employees and contractors on a full-time basis. All NQBP employees were trained during the year in the new processes and ways of working. The project was completed on time and on budget with no impact on employee and contractor payment. All financial reports were delivered on time. Minor issues impacted customers that were promptly corrected. NQBP has now an integrated platform upon which it can continue to develop automated and empowering processes.

The year was very challenging across our 16 function areas and 118 employees. As trade uncertainties continued and the COVID-19 pandemic continued, our people remained focused on continuing our improvement projects and responding to opportunities and challenges. During the year, we responded to Queensland Health's advice, enacting flexible work arrangements when required.

Significant work was undertaken to modularise and streamline employee learning and development as part of the onboarding and ongoing training of our employees including in environmental management and cyber security.

The yearly independent assessment of employee engagement was conducted in April with the participation rate remaining high at 93 per cent, and a slight reduction in staff engagement score of 3.85 against the previous year's result of 3.97 reflects the impact of COVID-19, changes in Senior Leadership roles, the Enterprise Agreement negotiations, and the go-live of the Enterprise Resource Planning software.

Acknowledgements

I thank the Board for their guidance and support, including outgoing Chair Brad Fish and former Director the late Owen Doogan. I also acknowledge the support of our shareholding Ministers, customers, port users, partners, communities and government departments.

Special thanks to the NQBP team for their resilience and adaptability during an incredibly challenging year as we continued to deliver for the Queensland economy and our regional communities.



Nicolas Fertin

Chief Executive Officer

COVID-19

The COVID-19 pandemic continued to impact NQBP and its major trading partners during 2021/22.

Emergency management

NQBP's Emergency Management Team maintained continuous engagement with Local and District Disaster Management Groups and ensured the latest advice from key regulatory agencies (including the Australian Government Department of Health, Queensland Health, Maritime Safety Queensland and Australian Border Force) was incorporated into NQBP's decision-making, policies and procedures to keep ports open.

We also worked closely with public safety stakeholders including the Queensland Police Service, Queensland Health and Local Disaster Management Groups to monitor public access to NQBP assets.

Operations

Since the onset of the pandemic, our operational staff has continued to support port operations while maintaining rigorous health protections. We worked closely with port users to share practices and align control measures to support continued safe and efficient operations. As a result, trade has continued to flow safely and efficiently through all our ports.

The second half of the year was particularly challenging with many employees becoming ill from COVID-19 or the seasonal flu or in isolation to care for relatives.

NQBP's COVID Response Plan remained active with staff regularly updated on the latest advice, particularly on vaccinations, restrictions, critical worker requirements and work-from-home arrangements.

Several human resource policies and procedures were reviewed to reflect the continued changes to the working environment for our people and support their health, safety and wellbeing.

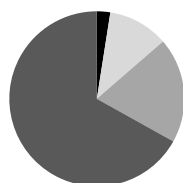
Community and stakeholders

Given the impact of the pandemic on our port communities and indeed the nation, we engaged with our community partners so they knew they had our support during these difficult times. We committed to honour sponsorship and donation funding we had pledged to our community partners and, where possible, working with them to support changes to their programs, projects or events to meet any new requirements.

We also continued to engage with key stakeholders including our CRGs, Ports Advisory Groups, Technical Advisory and Consultative Committees in new ways, using technology to adhere to physical distancing requirements when prevented from meeting face-to-face.

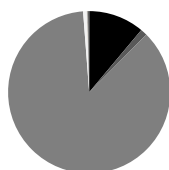
BUSINESS PERFORMANCE

Throughput by Port



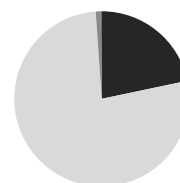
● Mackay	3.59MT
● Weipa	16.20MT
● Abbot Point	28.23MT
● Hay Point	97.10MT

Throughput by Commodity



● Bauxite (export)	16.11MT
● Fuel (import)	1.93MT
● Coal (export)	125.33MT
● Sugar (including molasses) (export)	1.03MT
● Magnetite (import)	0.15MT
● Other	0.06MT
● Breakbulk (import)	0.16MT
● Grain (export)	0.30MT
● Fertiliser (import)	0.05MT

Throughput by Industry



● Energy (thermal coal + fuel)	31.49MT
● Metallurgy (metallurgical coal bauxite + magnetite)	112.03MT
● Food (sugar + grain)	1.32MT
● Other	0.28MT

Measure		2021/22	2020/21*
Trade throughput	MTpa	145.1	147.0
Total income	\$m	114.2	117.9
Earnings before interest, taxes, depreciation and amortisation	\$m	42.6	52.0
Net profit/(loss) after tax	\$m	7.3	13.5
Underlying net profit after tax (unaudited)	\$m	15.9	5.9
Total comprehensive income	\$m	(16.7)	(6.8)
Total assets	\$m	773.4	808.3
Net assets	\$m	400.6	417.3
Capex	\$m	11.8	14.5
Current ratio (excluding provision for dividend)	-	2.51	2.09
Debt/debt plus equity ratio	-	0.34	0.33
Return on assets	%	2.19	3.34
Return on equity	%	3.89	1.39
Operating cash flows	\$m	27.2	38.7
Dividends provided	\$m	-	4.32
Lost time injury frequency rate (LTIFR)	Rate	9	-

* 2020/21 figures have been restated

HIGHLIGHTS

Throughout 2021/22, 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 on pages 9 to 20.

- Funding Agreement established with a consortium on Hydrogen production and trade feasibility at the Port of Hay Point.
- Implemented the first towage framework to the port of Abbot Point and completed a new towage licence for Mackay.
- Completed or commenced work associated with a \$11.8 million infrastructure spend at the ports of Mackay, Hay Point and Abbot Point, supporting more than 220 jobs.
- Port of Mackay trade record of 3.59 million tonnes.
- Achieved the best result possible in an external audit of NQBP's Environment Management System (EMS), with zero major or minor non-conformances and zero opportunities for improvement.
- Highest Corporate Reputation Index among Australian Ports, based on independent research results.
- Delivered on our Innovate Reconciliation Action Plan 2020/22 actions.
- Continued to deliver our \$5 million partnership with James Cook University to help protect the health of the marine environment and invest in the next generation of marine scientists.
- NQBP retention of dividend to support future investment in critical infrastructure and growth initiatives.
- Implementation of our new Enterprise Resources Planning (ERP) system OnePort.
- Upgrade of the under keel clearance software at Hay Point and the implementation of a similar system at Abbot Point.

PORT OF MACKAY

The Port of Mackay 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 just five kilometres north of the city of Mackay and 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 has grown into an essential multi-commodity port and hosts one of the world’s largest bulk sugar terminals. The Port supports over 2,100 trade jobs with goods to the value of around \$4.9 billion passing through the port each year.

Through the Port of Mackay, NQBP has facilitated the transport of diverse breakbulk oversize over mass (OSOM) cargo, including heavy mining equipment, plant and long wall equipment, railway lines and wagons. The Port of Mackay offers customers the ability to transition large cargo to laydown areas for a variety of uses.

TRADE

Despite the challenges of the COVID-19 pandemic, the Port of Mackay achieved a record high trade volume in 2021/22 with 3.59 million tonnes passing through the port (2020/21: 3.18 million tonnes).

Trade by Commodity



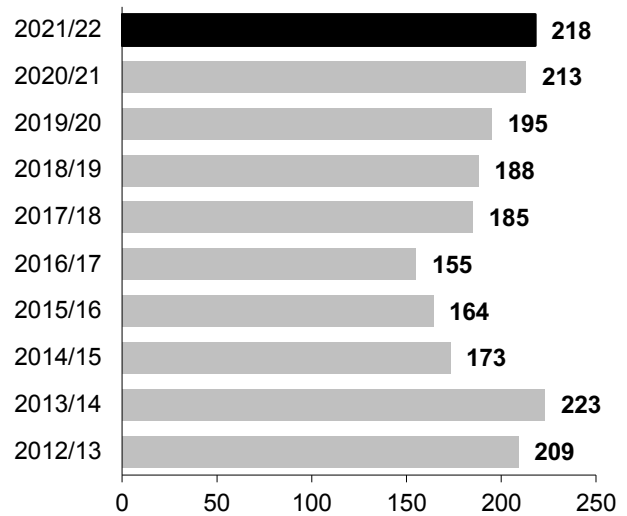
- Fuel (import) 1.80MT
- Sugar (export) 1.03MT
- Magnetite (import) 0.15MT
- Grain (export) 0.30MT
- Breakbulk (import) 0.16MT
- Other 0.15MT

Trade by Industry

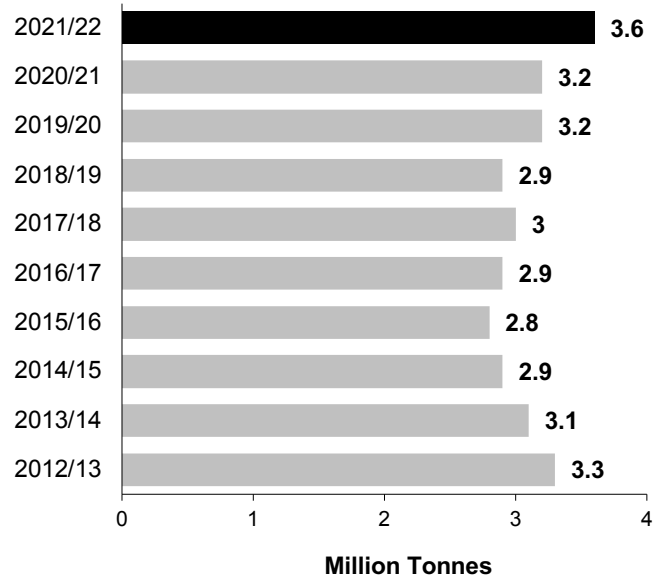


- Energy 1.8MT
- Food 1.33MT
- Metallurgical 0.15MT
- Other 0.31MT

Ship visits (2012/13 – 2021/22)



Trade Volumes (2012/13 – 2021/22)



UPGRADES

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

Works continued on a new \$8.5 million tug berth facility throughout 2021/22 following construction commencing in February 2021. The project generated 20 jobs during the peak of the project, with at least half of these from the Mackay area. The new 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 getting underway this year at the Port of Mackay included a \$4 million Water Network Improvement Package, and a \$4 million upgrade to the western approach deck of Wharf Five, directly supporting 30 local jobs.

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.

TRADE

The COVID-19 pandemic and regional trade tensions impacted Hay Point throughput which declined by 1.2 per cent from 98.32 million tonnes in 2020/21 to 97.10 million tonnes in 2021/22. Total ships through the Port of Hay Point increased slightly from 1,076 in 2020/21 to 1,080 in 2021/22.

Trade by Commodity



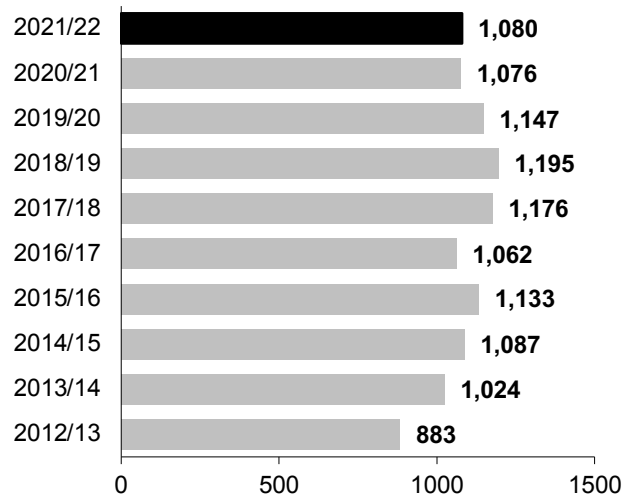
● Coal (export) 97.1MT

Trade by Industry

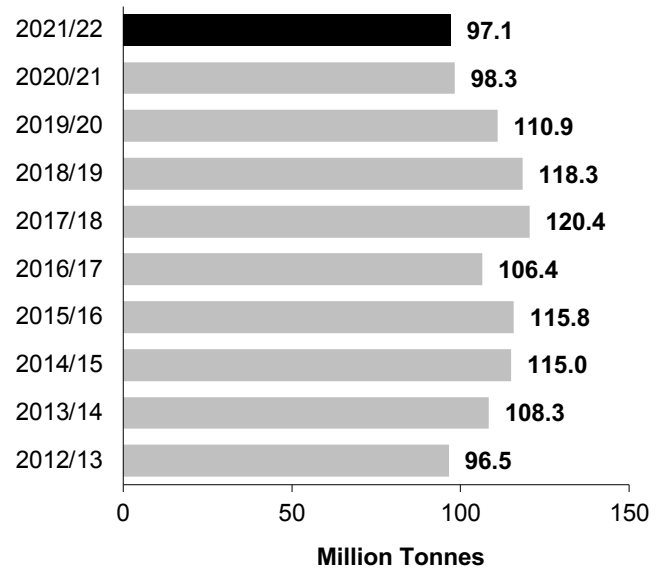


● Energy 12.62MT
● Metallurgical 84.48MT

Ship visits (2012/13 – 2021/22)



Trade Volumes (2012/13 – 2021/22)



UPGRADES

Investment in the upgrade of the Hay Point Administration Building has supported the ongoing safety and efficiency of the Port of Hay Point.

Home to Maritime Safety Queensland's (MSQ's) Vessel Traffic Services and NQBP's marine pilots, the project included the refurbishment of internal fixtures and amenities and improvements to security.

WORKS AND MAINTENANCE

The demolition of nine aged NQBP-owned properties at the Louisa Creek beach area commenced in March 2022. Following the demolition works, 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 due to its proximity to the resource rich Bowen and Galilee basins, its remote location from urban development and access to deep water.

TRADE

Coal throughput at the Port of Abbot Point decreased by 4.5 per cent from 29.56 million tonnes in 2020/21 to 28.23 million tonnes in 2021/22. Towage services supported 339 ship visits through the port.

Trade by Commodity



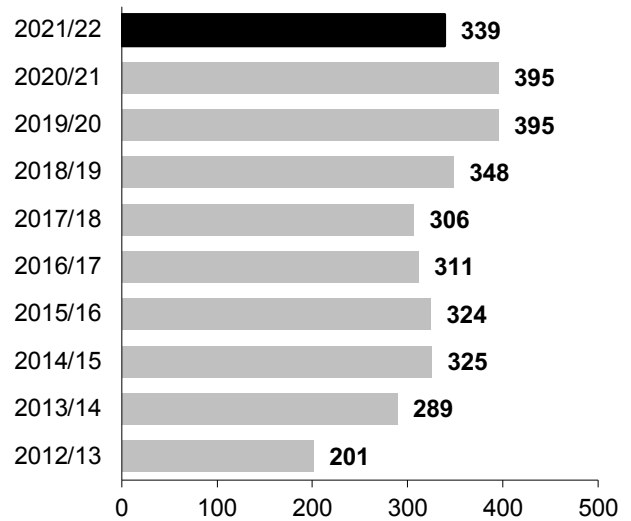
● Coal (export) 28.23MT

Trade by Industry

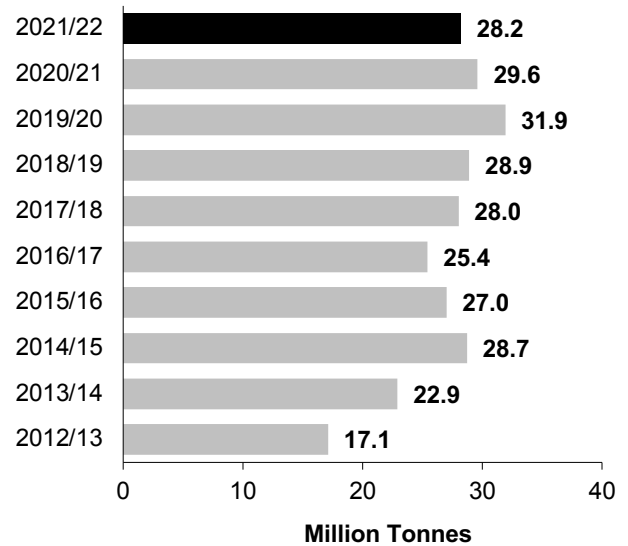


● Energy 16.94MT
● Metallurgical 11.29MT

Ship visits (2012/13 – 2021/22)



Trade Volumes (2012/13 – 2021/22)



PORT OF WEIPA

Due to its close 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 2021/22, NQBP successfully completed maintenance dredging at the Port of Weipa, removing around 808,000 cubic metres of natural sediment to ensure continued safe operations and access to the port.

TRADE

Trade throughput at the Port of Weipa increased from 15.97 million tonnes in 2020/21 to 16.20 million tonnes in 2021/22. This reflects the last remaining Andoom mine connected to the Port.

Trade by Commodity



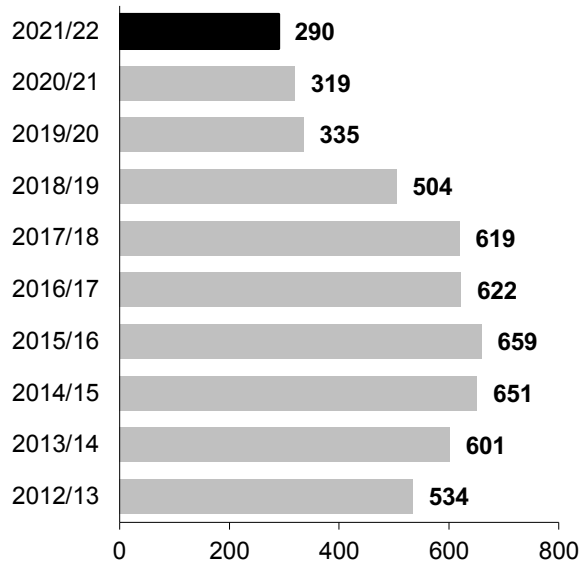
● Bauxite (export)	16.11MT
● Fuel (import)	0.08MT
● Other	0.01MT

Trade by Industry

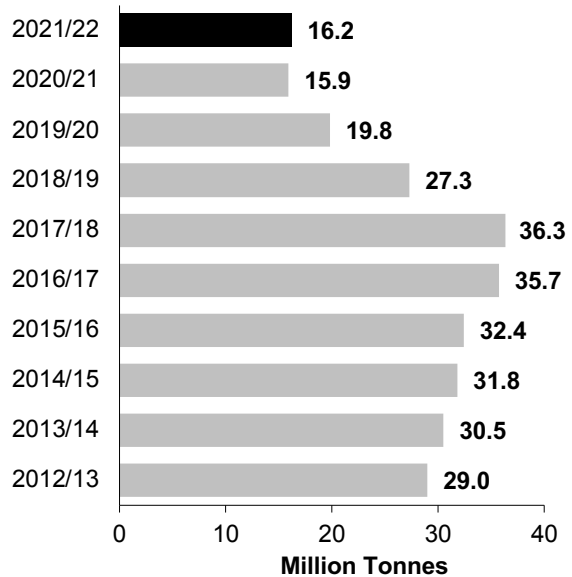


● Energy	0.08MT
● Metallurgical	16.11MT
● Other	0.01MT

Ship visits (2012/13 – 2021/22)



Trade Volumes (2012/13 – 2021/22)



PERFORMANCE AGAINST STRATEGIC OBJECTIVES

NQBP identified five strategic projects in its Statement of Corporate Intent for 2021/22. 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 2021/22

Strategic Project	Objective	Result
Road transport linkages	Promote a more efficient road transport connection between Mackay Isaac Whitsunday region and the Port of Mackay to facilitate trade initiatives.	NQBP studies on the benefits of investing in the road connecting the Port of Mackay to the region were shared with government stakeholders and the information was positively received.
Weipa port future	Engage key stakeholders in opportunities offered by the Port of Weipa as the bauxite trade declines including diversification into tourism, maritime services and agriculture trade.	In light of declining bauxite trade through the Port of Weipa, NQBP has undertaken significant efforts to assess the sustainability of the Port including assessing potential new trade opportunities at the Port.
Mackay Long Term Development Plan (LTDP)	Develop a 30 year infrastructure planning framework for the Port of Mackay to sustain and grow current/future trade opportunities and to support the TMR Master Planning Process.	The Mackay LTDP was approved by the Board in March and provided to DTMR for their consideration as part of the Priority Port 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.	A Memorandum of Understanding and Funding Agreement has been established with a consortium comprising Dalrymple Bay Infrastructure Limited, ITOCHU Corporation and Brookfield Asset Management Inc. on Hydrogen production and trade feasibility at the Port of Hay Point. NQBP is working with several proponents on the potential investigation of renewable trade opportunities through our ports.
ERP Business Transformation Integration	Re-engineer NQBP's whole of business processes through the implementation of a new Enterprise Resources Planning (ERP) system.	The new ERP system went live in October 2021 as planned.

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

Hydrogen, particularly Green Hydrogen, is in the early stages as an industry operating on a mass scale. NQBP anticipates that the industry's future in Queensland will evolve over the next decade.

Large-scale production will require safe transportation through the Great Barrier Reef Marine Park World Heritage Area. NQBP will continue to support the Queensland Hydrogen Industry Strategy vision that by 2030 Queensland will be at the forefront of renewable hydrogen production in Australia, supplying an established domestic market and export partners with a safe, sustainable and reliable supply of hydrogen.

Rocket launches

NQBP continued to work with Gilmour Space Technologies, Economic Development Queensland (EDQ) and the Department of State Development, Infrastructure, Local Government and Planning to support the development of a space launch site and associated small-scale rocket launch activities at Abbot Point that are compatible with the safe and efficient operation of other port activities.

Diversifying trade in Weipa

In light of declining bauxite trade through the Port of Weipa, NQBP has undertaken significant efforts to assess the sustainability of the Port including assessing potential new trade opportunities at the Port.

Planning for the future of the Bowen Wharf

As part of a \$3.6 million repair project, completed in August 2021 on the 150-year-old Bowen Wharf, 17 local jobs were created in the Whitsunday region and 23 North Queensland jobs at the peak of the project. This project ensures the Wharf remains accessible to the public and continues to provide temporary towage infrastructure for Abbot Point's towage operations until permanent towage infrastructure has been established.

NQBP 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.

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.

Port of choice for Central Queensland

Throughout 2021/22, the Port of Mackay expanded its reputation as a multi-cargo gateway to Central Queensland.

NQBP continued to invest in upgrading infrastructure at the Port of Mackay to enable greater land and sea access to the port. This has facilitated an increasingly diversified cargo mix—from haul trucks and long walls to anchor piles, rail wagons and locomotives and resulted in a record volume of trade.

A total of \$11.8 million in infrastructure projects were committed during 2021/22 to strengthen trade at the ports of Mackay and Hay Point. Projects include a new tug berth facility, a Water Network Improvement Package, upgrades to Wharf Five, and the refurbishment of the Hay Point Administration Building. All of these projects were completed or commenced during the year.

The upgrades to the port enables a greater diversity of cargo, and are delivering positive results despite the pandemic, global supply disruptions and regional trade impacts. This has included reaching full house (a ship on every berth) on numerous occasions throughout the year.

RESILIENCE TO THREAT OF DISASTERS

Disruptions to our port operations have the potential to cause significant economic losses, not only to NQBP but also to the industries and communities that 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 2022, NQBP successfully completed maintenance dredging at the Port of Weipa, removing about 808,000 cubic metres of natural sediment. The dredging program was the second 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, seagrass and coral communities. The Weipa dredging campaign was successfully completed with no environmental events.

Emergency management

NQBP has an Emergency Management Plan (EMP) in place for its operations. The EMP applies to all ports and recognises there are key differences between each port, including geographic location, nature of operations and the community within which the port operates.

NQBP reviews and tests the plans, policies and procedures that support the EMP at least on an annual basis.

Emergency response

NQBP regularly tests its emergency response capabilities through desk-top and simulated exercises. During 2021/22, scenarios including a Counter Terrorism exercise at Weipa, and oil spill responses at the Port of Mackay and Hay Point were undertaken as part of training and assessment of our emergency management and response function.

A major focus has been the development and review of Fire and Evacuation Plans for all NQBP office sites. This has included training and conducting exercises for evacuation of buildings in the event of an incident such as a bomb threat, fire or chemical spill. Another major milestone in this period was the inaugural completion of an online Building, Fire and Evacuation course for all NQBP staff.

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 has four approved Maritime Security Plans that underpin Security obligations and requirements at Ports. Reforms to the *Maritime Transport Offshore Facilities Security Act 2003* are being implemented across all Sea Ports by the Commonwealth Government. The legislation embraces an all hazards approach to Maritime Security that is inclusive of cyber threat considerations. Maritime security drills were conducted across all ports to test resilience and processes in accordance with the Maritime Security Plans.

Home to marine pilots and Maritime Safety Queensland's Vessel Traffic Service, the Hay Point Administration Building was refurbished, completed in early 2022. The project delivered improved security through new CCTV cameras, administration space and sound-insulated pilot rooms.

Security improvements were completed at the Port of Abbot Point. This project included the installation of new electronic security gates, guard house, and crib hut with workstations for personnel, fencing, CCTV cameras and associated road improvements. The works enhanced regulatory compliance, security capability and operational oversight controls at the port.

Pilotage services

NQBP's marine pilots are critical to the Queensland trade supply chain. In 2021/22, NQBP's marine pilots were responsible for the safe passage of 1,080 ships at the Port of Hay Point and 218 ships at the Port of Mackay.

The professionalism of NQBP's marine pilots to continuously adapt to changing operating processes and procedures for their safety and the protection of vessel crew and pilot service providers, allowed them to continue their vital work, to keep trade moving during the COVID-19 pandemic restrictions.

In January 2022 our pilotage team received their first annual independent, external accreditation through the International Standard for Maritime Pilot Organisations (ISPO). This is a standard of best practices that recognises the safety and quality of service our pilots provide to incoming and outgoing vessels, and other port users.

Towage operations

A new towage licence framework came into effect at the Port of Abbot Point from 1 October 2021. The new arrangement assists NQBP in meeting current and future trade requirements and fosters improved environmental management and supply chain optimisation. It saw the introduction of three new state-of-the-art tugs at the Port of Abbot Point.

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 2022 EMS audit with zero minor or major non-conformances and zero opportunities for improvement. This was the second time (2021) this result has been achieved since the EMS first received certification in 1999.

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.

ENVIRONMENTAL STEWARDSHIP

With three major ports operating alongside the Great Barrier Reef, NQBP continued to make environmental stewardship a strategic priority in 2021/22.

Partnership with James Cook University

NQBP has a long-running relationship with James Cook University (JCU) that has spanned 25 years. The partnership includes the monitoring of water quality and seagrass health at our four trading ports, as well as the monitoring of coral health at the ports of Mackay, Hay Point and Abbot Point.

NQBP is in the second 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 2021/22 NQBP continued its investment in the next generation of marine scientists. Under the partnership with JCU, NQBP awarded the inaugural Ayling Prize to a third-year student with the highest overall GPA in the Bachelor of Marine Science and two Bachelor of Science scholarships to marine science students. Two tertiary internships and a 2020/21 scholarship recipient also undertook a work placement with the NQBP Environment Team.

NQBP Sustainability and Environmental Team members also provide valuable industry insights to marine science students as part of a guest lecture program.

The partnership includes the introduction of advanced technologies such as remote camera systems, Artificial Intelligence, Remote Operated Vehicles and improved sensors and data loggers.

Environmental dashboards

With conservation of the 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 coral, seagrass and air quality data dashboards.

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 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. This program links together citizen science and research partners at JCU for a reef health check using water quality as a means to collaboratively develop 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 from across 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 2021/22, 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.

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. As Co-Chair of the Working Group, NQBP helps drive the agenda on the strategic and operational environment, planning and sustainability matters, including policy. NQBP is also a key member of the Ports Australia Environmental Research sub-committee that leads work in emissions and noise matters.

SUPPORTING OUR COMMUNITIES

NQBP is proud to be part of the North Queensland community and is committed to engaging with and supporting our port communities to help them achieve success. Each year, we support a variety of regional events and initiatives that contribute to the sustainability of our port communities and create a connection with our stakeholders and the community.

During 2021/22, we continued to proactively build strong partnerships for the betterment of our organisation, our stakeholders and our communities.

Port Communities Program

NQBP contributed more than \$150,000 in sponsorships and donations to 26 initiatives during 2021/22.

Initiatives supported included the Weipa Fishing Classic, Mackay Marina Run, Whitsunday Multicultural Festival and Cruisin' the Coast Fun Run. Our support of local schools continued with sponsorship of the Alligator Creek State School Learn-to-Swim program and the purchase of a bus for Merinda State School.

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.

North Queensland Cowboys Community Partnership

Our community partnership with the North Queensland Cowboys was continued in 2021/22, with further engagement activities held throughout our port communities of Weipa, Mackay and Hay Point (Sarina), including a Bulk Port Blitz (school visits) at several Sarina schools and a stakeholder event in Mackay, in November 2021.

The school visits enabled Cowboys' players and ambassadors to connect with school children to deliver important messages such as making positive life choices.

The Community Partnership kicked off in 2016 and has given thousands of school children across our port communities the chance to meet their sporting heroes and be inspired to turn up and give their best every day at school and make healthy life choices. While this is the final year of the Partnership, NQBP is proud of the positive legacy that has been created and we thank the Cowboys sincerely for working with us.

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.

The CRGs also help direct sponsorship and donation funding to worthwhile local initiatives. This year, the Mackay CRG facilitated the purchase and installation of a picnic table and seating at North Wall beach, adjacent to the Port of Mackay. The Hay Point CRG supported two initiatives, with funds enabling the installation of security lighting at Louisa Creek's Hector Hall and the purchase of science physics kits for Sarina State High School. Dalrymple Bay Infrastructure also assisted with the purchase of the school kits.

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 and implementation

NQBP's 2020-2022 Reconciliation Action Plan (RAP) builds on existing relationships with Traditional Owners in our port communities throughout Queensland.

Our 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.

NQBP is on target to achieve a 93 per cent completion rate of all RAP actions with 90 per cent achieved by June 2022. In 2021/22 we continued to progress the actions and outcomes in line with our vision for reconciliation. These included:

- cultural competency training was completed by 93 per cent of staff to increase awareness of Aboriginal and Torres Strait Islander cultures and heritage, with RAP Working Group members completing additional training to elevate their knowledge
- raised direct procurement spend with Aboriginal and Torres Strait Islander businesses from 1.63 per cent to 3.3 per cent, equating to \$1.22 million in 2021/22
- continued to work directly with Aboriginal business Wik Timber to facilitate business growth and trade through the Port of Weipa
- recognised local traditional language through the naming of meeting rooms in Mackay, recognising Traditional Owner groups
- supported Aboriginal and Torres Strait Islander cultural celebrations and other events to recognise culture.
- ongoing support for our Aboriginal and Torres Strait Islander communities through community sponsorships
- promotion of our RAP, with all staff receiving polo shirts featuring our RAP artwork.

Further support for First Nations' enterprises included procurement of stationery and other office supplies through the Indigenous-owned companies Tjindgarmi and Nallawilli.

NQBP and Juru Enterprises Limited (JEL) have worked together for more than a decade. Since 2018, JEL has carried out land and sea management at the Port of Abbot Point, along with turtle monitoring and tagging operations. This collaboration has resulted in the positive environmental management of strategic port land and connection to country for local Juru people.

NQBP has also commenced work to prepare a new RAP for 2022-2024 which will build on the commitments from the previous two years.

Support for Aboriginal and Torres Strait Islander events

During 2021/22, NQBP supported NAIDOC events and initiatives including the Mackay NAIDOC Family Fun Day, Juru Dance Group and a Yarning Circle project at Bowen State School. 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 performances 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 2021/22 Stella Maris provided almost 1,900 crew movements during another challenging year navigating COVID-19 impacts and restrictions. This included 140 medical movements.

Our partnership supported Stella Maris throughout 2021/22, with an additional \$30,000 provided to support their operations including quarantine-approved crew transfers.

In February 2022, Stella Maris facilitated the first shore leave movement in Queensland after COVID-19 restrictions were lifted.

NQBP also provided funding to support the Centre's annual Christmas shoebox appeal and the Seafarers Care Package program which saw essential items delivered to seafarers.

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

Health and safety, including physical and mental wellbeing, are the highest priority at NQBP. We are committed to ensuring a safe work environment for all employees, contractors, stakeholders and visitors to our sites, as well as those who may be impacted by our operations.

Throughout 2021/22, NQBP continued to implement health information and recommendations in relation to the COVID-19 pandemic.

In accordance with the Australian Government's health advice, COVID-19 vaccines are voluntary and free through health providers. Marine pilots and lines handlers were classified in group 1A/B of the rollout, and were strongly encouraged to receive the vaccine. NQBP employees were encouraged to provide their vaccination status voluntarily, identifying a 93 per cent vaccination rate.

Other health, safety and wellbeing initiatives during the year included free skin checks, flu vaccinations, weekly wellbeing tips and training to support staff and their families.

Mental health and wellbeing

The impact of the COVID-19 pandemic and extended periods of work-from-home arrangements affected all staff in some way. To assist, NQBP implemented activities for staff and their families, including mental health awareness training, along with promotion and participation in RU OK and World Mental Health Day activities.

A free, independent counselling service is provided to all staff and their immediate family for work-related or personal issues.

Safety leadership

Continued emphasis on the importance of enhancing our safety culture in providing a 'fair and just culture' with all managers and ELT participating in Safety Engagement opportunities, including leading safety conversations.

NQBP acknowledges and participates in the annual Safe Work Month facilitated by Worksafe Queensland. During October 2021, we convened a series of activities designed to highlight the importance of safety and encourage the continued reporting of all safety events, with honesty and integrity.

Safety Management System

The aim and intended outcomes of the NQBP Work Health and Safety Management System (WHSMS) are to prevent work-related injury and illness to workers and to provide a healthy and safe workplace.

To achieve this, NQBP has designed its WHSMS to align with AS/NZS ISO 45001 *Occupational health and safety management systems – requirements with guidance for use*.

Implementing the WHSMS to conform to this standard has enabled NQBP to manage its workplace health and safety risks and improve performance. In so doing, it will also assist NQBP to fulfil its legal and other requirements. Implementation of this WHSMS delivered on a strategic and operational requirement for NQBP.

Another important step in our safety includes commencing an audit of NQBP's WHSMS against AS/NZS ISO 45003 Occupational health and safety management - Psychological health and safety at work.

Safety Consultative Committee

The NQBP Safety Consultative Committee continued to promote safety in the workplace. During 2021/22, the committee met on six occasions and contributed significantly to consultative processes aligned with the ongoing appropriateness, and continued improvement of the WHSMS.

In promoting the importance of safety in the workplace, several of the Committee attended the Mackay Region Resource Industry Network Annual Safety Conference, providing an excellent opportunity to increase safety knowledge. In addition, Senior Manager Safety presented a plenary session titled Chronic Unease Mindset: Switching your mindset, not just to be alert for potential incidents, to actively look for early warning signs.

Lost Time Injury (LTI)

NQBP recorded two lost time injuries during the 2021/22 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 2022. We maintained a 93 per cent participation rate in the survey and, despite a challenging trading year and external concerns related to the COVID-19 pandemic, our staff engagement score remained close to the previous year.

This result placed NQBP in the 46th percentile of Australian businesses that complete the same engagement survey (more than 200,000 Australians).

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 sought to achieve a 50 per cent candidate shortlist pool from diverse categories. The language and style of our recruitment advertising reflects our commitment to diversity.

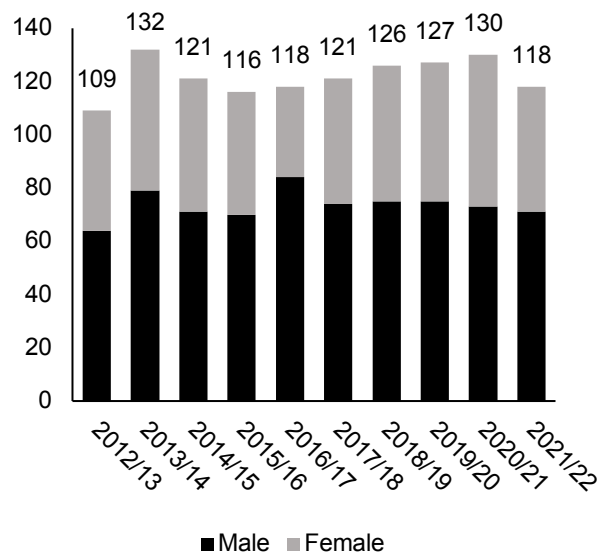
NQBP actively participated in International Women’s Day (IWD) celebrations in 2022 under the theme “Break the Bias”. This was in line with our commitment to gender equality and inclusion and our continued support of women in the workforce and in the communities we live and work in.

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 5 per cent worked part-time. A majority of employees worked from home at some point during the year.

As at 30 June 2022, NQBP had 39 per cent female employees in various positions across the organisation. This is a two per cent decrease from the previous period.

Total Employees



As at 30 June 2022, NQBP currently employs 118 total people (116.33 full time equivalents). Restated: As at 30 June 2021, NQBP employed 130 total people and five 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

A key component of the Port Communities Program is 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 2021/22, NQBP’s Port Communities Program supported teams of employees to participate in Relay for Life, in support of the Cancer Council, and the Mackay Marina Run, in support of the Leukemia Foundation.

Employees were also offered the opportunity to participate in or support community events such as the Weipa Running Festival, International Women’s Day and Australia’s Biggest Morning Tea, in aid of the Cancer Council.

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 2021/22, we welcomed three 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 aims to drive more effective integration between business functions, streamline our business processes and consolidate our data for reporting and decision-making purposes.

Delivering better value for money

NQBP’s procurement model aligns policies and procedures with the Queensland Government’s Procurement Policy and related best practices.

The procurement model focuses on building closer relationships with strategic suppliers and developing tendering and panel arrangements to streamline processes while ensuring support is provided to local and Indigenous suppliers.

CORPORATE GOVERNANCE

Organisational structure

Shareholding Ministers

Treasurer and Minister for Trade and Investment, The Honourable Cameron Dick MP

Minister for Transport and Main Roads, The Honourable Mark Bailey MP

Board of Directors	Audit and Financial Risk Management Committee	Culture People and Safety Committee	Corporate Governance and Planning Committee
Members (as at 30 June 2022)			
Jane McTaggart (Chair) Andrea Ranson Lynn Smart Monica McKendry Tony Mooney	Monica McKendry (Chair) Lynn Smart Andrea Ranson	Lynn Smart (Chair) Jane McTaggart Tony Mooney	Andrea Ranson (Chair) Jane McTaggart Monica McKendry Tony Mooney
Non-Current Members Brad Fish (Chair to 30 September 2021) Owen Doogan (Director to 19 November 2021)	Brad Fish (Member to 30 September 2021)	Brad Fish (Member to 30 September 2021) Owen Doogan (Member to 19 November 2021)	Owen Doogan (Member to 19 November 2021)

Executive Leadership Team

(as at 30 June 2022)

Chief Executive Officer
Nicolas Fertin

General Manager Infrastructure	General Manager Corporate Services	Acting General Manager Commercial	Chief Financial Officer
Tim Lewis Engineering Asset Management Maintenance Port Development Planning Emergency Management Sustainability Environment	Peter Sinnott Human Resources Corporate Governance Legal Records Management Company Secretariat Safety	Ash Sinha Port Operations Pilotage Services Commerce and Trade Communications Stakeholder Management	Belinda Kenny ICT Finance Risk Management Insurance Internal Audit Procurement

EXECUTIVE LEADERSHIP TEAM

NICOLAS FERTIN

*Chief Executive Officer
MScEng (Hons), MBA*

Skills and experience

Nicolas joined NQBP in 2018 from Southern Ports in Western Australia, where he was CEO from 2015 to July 2018.

Nicolas has more than 15 years' experience in the ports, property and rail industries in Europe, Asia and the Middle East. He has led transformations across teams located in multiple countries and states to improve business performance.

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, safety and records.

ASH SINHA

Acting General Manager Commercial

Skills and experience

Ash joined NQBP in July 2020 with more than 10 years' experience in executive leadership roles working for federal government and Ports Australia. Ash brings his extensive knowledge and skills in stakeholder and financial management and strategic business planning to the role.

Responsibilities

Ash leads NQBP's commercial division, prioritising customer focus, efficient service and trade expansion. His operational remit covers pilotage, security, supply chain and stakeholder recognition. He and his team work to diversify trade opportunities and optimise supply chain processes. Ash is also responsible for communications and stakeholder management.

BELINDA KENNY

*Chief Financial Officer
BCom, CPA*

Skills and experience

Belinda joined NQBP in October 2020 and is a finance professional with more than 15 years' experience in the manufacturing and agricultural sectors. She was CFO for MSF Sugar Pty Ltd for six years.

Responsibilities

A Certified Practising Accountant (CPA), Belinda's portfolio spans finance, procurement, risk and assurance, and information, communication and technology (ICT).

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 32 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.

BRAD FISH (to 30 September 2021)

Chair

BBus (Acct), CertCivEng, GAICD

First appointed: 1 October 2015

Term of office: To 30 September 2021

Special responsibilities

Member of the Audit and Financial Risk Management Committee

Member of the Culture People and Safety Committee

Skills and experience

Having worked in the ports sector for more than 30 years, Brad is experienced in all facets of port management and development. He currently consults to various businesses within the industry.

Brad was Chief Executive Officer of NQBP for 13 years to July 2014, responsible for the strategic planning, infrastructure development and operations of numerous Queensland ports.

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 skilled 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 in Melbourne and as a commercial lawyer in Queensland.

Andrea is a member of the Queensland Law Society and a Fellow of the Governance Institute of Australia. She has executive experience in business, manufacturing, and logistics and is passionate about regional Queensland.

External appointments

Commissioner, Queensland Local Government Remuneration Commission; Queensland Civil and Administrative Tribunal (QCAT) Mediator, Member of Department of Justice and Attorney-General; Dispute Resolution Branch Mediation Panel and other roles supporting regional communities.

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 20 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.

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 Chair of the Resources Community Infrastructure Fund Advisory Committee.

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, Zarraffa's Coffee Group Pty Ltd; Independent Chair, Jobfutures (CoAct) Ltd; Independent Director, Neumann Contractors Pty Ltd.

OWEN DOOGAN (to November 2021)

Director

Graduate Diploma in Business

First appointed: 17 June 2021

Term of office: To 19 November 2021

Skills and experience

Owen had broad experience in transport from working in the transport industry in Queensland for over than 30 years and was previously a Board Director of the Bundaberg Port Authority before its amalgamation. Owen was formerly the Queensland State Secretary of the Rail, Tram and Bus Union.

External appointments

Owen was a member of the Queensland Community Alliance Board and had performed a consulting role in the transport industry.

NQBP acknowledges the passing of former Director Owen Doogan. Owen was an important member of the Board and made a significant contribution to Queensland's transport industry over the last 30 years.

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.

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*.

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.

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 22 to 23.

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 2021/22, the Board met nine 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
- 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 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 is 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 improvement of Board processes. In 2021/22, an external 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 2022.

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 62. 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 2021/22 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 2021/22 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 34 of this report.

Audit and Financial Risk Management Committee

Chair: Monica McKendry

Members: Andrea Ranson, Lynn Smart

Non-current Members: Brad Fish (Member to 30 September 2021)

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 2021/22 financial year, the Committee met on 17 August 2021, 18 November 2021, 22 February 2022 and 17 May 2022. 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
- external audit
- proposed Board papers.

In addition, during the 2021/22 financial year, the AFRMC also considered the following key matters:

- annual financial statements
- dividend recommendation
- cash and debt management; budget papers etc
- port pricing
- annual budget process
- asset valuation and impairment
- QTC WACC review
- profit impairment review
- asset stock take results
- fraud risk review
- amendments to CEO delegations
- internal audit program, progress of audits, reports and management responses
- material financial risk reviews
- insurance program market feedback and renewal progress
- annual review of committee charter and performance.

Culture, People and Safety Committee

Chair: Lynn Smart

Members: Jane McTaggart, Tony Mooney

Non-current Members: Brad Fish (Member to 30 September 2021), Owen Doogan (Member to 19 November 2021).

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 2021/22 financial year, the Committee met on 11 August 2021, 9 November 2021, 15 February 2022 and 10 May 2022. The Committee followed a key list of standing items to ensure coverage of:

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

In addition, during 2021/22 financial year, the Committee also considered the following key matters:

- reviewed progress of priority actions in the strategic HR Plan and metrics
- provided input into the development of the HR Strategy 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 updates on COVID-19)
- 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 talent review and succession planning
- reviewed sustainability, culture and leadership issues
- considered issues relating to enterprise agreements
- reviewed and provided input into the draft NQBP E&IR Plan 2021/22
- considered Quarterly People and Culture Reports and updates on legal changes impacting safety and HR
- reviewed and provided feedback into the Board induction process
- reviewed Committee Performance and the Charter.

Corporate Governance and Planning Committee

Chair: Andrea Ranson

Members: Monica McKendry, Tony Mooney, Jane McTaggart

Non-current members: Owen Doogan (Member to 19 November 2021)

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 2021/22 financial year, the Committee met on 11 August 2021, 9 November 2021, 15 February 2022 and 10 May 2022. Key matters considered by the Committee included:

- review and update of the Environment Policy
- comprehensive review of the Stakeholder Survey and Communications Function
- 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
- suggestions to reduce reporting and improve governance
- governance of sustainability
- review of the Reconciliation Action Plan
- updates on strategic projects
- updates on the Transformer Project
- 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 2021/22.

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 2021/22 audit program included reviews of:

- Risk Management Framework
- Safety management system
- Fraud risk review
- Accounts Payable

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 were no directions or notifications issued by shareholding Ministers under section 114 of the *Government Owned Corporations Act 1993* for the 2021/22 financial year.

Community service obligations

There were no community service obligations identified during 2021/22.

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 2021/22 which cost more than \$5,000.

Right to Information

NQBP received no applications under the *Information Privacy Act 2009* and no applications under the *Right to Information Act 2009* (Qld) for the year ending 30 June 2022.

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2022

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THESE FINANCIAL STATEMENTS ARE FINANCIAL STATEMENTS OF NORTH QUEENSLAND BULK PORTS CORPORATION LIMITED (NQBP) AND ITS CONTROLLED DORMANT ENTITIES OF PORTS CORPORATION OF QUEENSLAND LIMITED (PCQ) AND MACKAY PORTS LIMITED (MPL).

Under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, both PCQ and MPL are relieved from preparing, having audited, lodging and distributing financial reports under the Corporations Act 2001. NQBP's investment in each of these entities is \$nil.

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 13 September 2022. 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 2022.

Review of operations

As at 30 June 2022, both MPL and PCQ remain as non-operating companies of NQBP with nil assets and liabilities.

The global impacts of the COVID-19 pandemic, regional trade tensions, global supply chain disruptions, impact to supply chains by the war between Ukraine and Russia and the continued lower bauxite trade through the Port of Weipa continue to put significant pressure on NQBP, port users and the supply chain.

Compared with 2020/21, overall trade is flat (2021/22: 145.1 million tonnes; 2020/21: 147.0 million tonnes). Our revenue (excluding managed fund income) increased by 8.0 per cent (2021/22: \$114.1 million; 2020/21: \$105.7 million).

This year, the Port of Mackay achieved a record year and a 12.7 per cent increase on the previous financial year (2021/22: 3.6 million tonnes; 2020/21: 3.2 million tonnes).

Operating results

NQBP Net Profit After Tax result declined to \$7.3 million, compared with \$13.5 million (restated) in 2020/21. Key contributors were loss on managed funds and higher impairment expense.

For the 2021/22 year, shareholding Ministers approved the Board's recommendation for the retention of dividends otherwise payable from final audited net profits after tax. The dividend retention is intended to be used by NQBP to support future investment in critical infrastructure and growth initiatives.

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 2021/22 year.

Principal activities

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 2021/22.

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 2021/22.

To support our growth strategies, NQBP invested in improving our operating systems and processes. In 2021/22, we completed significant implementation of a fully integrated management system to support our operations and provide greater efficiencies to our business.

Dividends

For the 2021-22 year, shareholding Ministers approved the Board's recommendation for the retention of dividends otherwise payable from final audited net profits after tax. The dividend retention is intended to be used by NQBP to support future investment in critical infrastructure and growth initiatives.

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 2021/22, the audit found zero minor or major non-conformances to the standard.

Company secretaries

Name and Qualifications	Experience, Special Responsibilities and Other Directorships
<p>Company Secretary</p> <p>Peter Sinnott BCom, LLB (Hons), MFM, FGIA, FCIS</p> <p>Appointed Company Secretary: 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>

<p>Company Secretary</p> <p>Tania Carvalho</p> <p>Appointed Company Secretary: NQBP, PCQ and MPL on 18 August 2021–ongoing</p>	<p>In addition to holding the Company Secretary position, Ms Carvalho is the Associate General Counsel of NQBP.</p>
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Meetings of Directors in 2021/22

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 2021–30 June 2022)

Director	NQBP		PCQ		MPL	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Brad Fish (Chair)	2	2	2	2	2	2
Jane McTaggart	7	7	7	7	7	7
Andrea Ranson	9	9	9	9	9	9
Lynn Smart	9	9	9	9	9	9
Monica McKendry	9	9	9	9	9	9
Tony Mooney	9	9	9	9	9	9
Owen Doogan	4	2	4	2	4	2

Committee Meeting Attendance (1 July 2021–30 June 2022)

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
Brad Fish	1	1	1 ¹	1	1	1
Jane McTaggart	3 ¹	3 ¹	3	3	3	3
Andrea Ranson	4	4	4 (Chair)	4	0	0
Lynn Smart	4	4	1 ¹	1 ¹	4 (Chair)	4
Monica McKendry	4 (Chair)	4	4	4	0	0
Tony Mooney	2 ¹	2 ¹	4	2	4	3
Owen Doogan	1 ¹	1 ¹	2	1	2	1

¹ Attended meeting as an observer

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.

NQBP has been named as a respondent in a commercial claim before the Federal Court of Australia. The matter is ongoing.

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 36.

Subsequent events

On 3 August 2022 a deed was executed between the parties involved in the Mackay Marina litigation (refer to Note 19) that is subject to certain conditions being met before settlement is unconditional and the litigation is finally resolved.

Apart from this there have been no other 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
13 September 2022

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 2022, 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

13 September 2022

Queensland Audit Office
Brisbane

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 Restated* \$'000
Income from operations			
Revenue	1	114,143	117,831
Other income	1	54	73
Income from operations		114,197	117,904
Expenses from operations			
Consultancies		967	855
Depreciation and amortisation expense	10 a), c), 11	16,992	20,783
Dynamic under keel clearance expenses		1,846	1,620
Employee benefits expense	2	25,272	24,166
Impairment losses / fair value adjustments	3	8,281	4,270
Insurance		3,625	3,374
Legal expenses		1,176	1,638
Other expenses		4,541	6,655
Pilot transfers		5,306	4,501
Promotional expenses		311	419
Property expenses	5	8,160	7,423
Quarantine waste expenses		1,256	1,328
Repairs and maintenance		13,232	13,566
Loss on managed funds	6	5,482	-
Travelling expenses		466	370
Expenses from operations		96,913	90,968
Operating profit		17,284	26,936
Finance income		122	191
Finance expenses		(7,188)	(7,740)
Interest expense on lease liabilities	10 b)	(290)	(263)
Net finance costs		(7,356)	(7,812)
Profit before income tax equivalent		9,928	19,124
Income tax equivalent expense	7	(2,678)	(5,585)
Profit from continuing operations		7,250	13,539
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Adjustment to asset revaluation surplus on revaluation of property, plant and equipment	10 c)	(34,327)	(28,993)
Income tax equivalent expense applicable		10,342	8,697
Other comprehensive income net of income tax equivalent		(23,984)	(20,297)
Total comprehensive income for the year		(16,734)	(6,758)

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.
* See Note 23 (v) for details about the restatement as a result of application of Software-as-a-Service arrangements.

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

ASSETS		2022	2021	2020
	Note	\$'000	Restated*	Restated*
Current assets		\$'000	\$'000	\$'000
Cash and cash equivalents	8	28,923	36,922	23,704
Trade and other receivables	8	48,260	30,486	54,260
Inventory		452	452	452
Prepayments		2,238	2,087	1,886
Total current assets		79,873	69,947	80,302
Non-current assets				
Prepayments		522	605	-
Investment in managed fund	8	83,831	80,978	60,528
Investment properties	9	12,974	12,883	12,883
Intangible	11	507	-	-
Right-of-use assets	10 a)	11,670	12,133	13,289
Property, plant and equipment	10 c)	584,037	631,725	670,113
Total non-current assets		693,541	738,324	756,813
Total assets		773,414	808,271	837,115
LIABILITIES				
Current liabilities				
Trade and other payables	12	24,937	25,394	25,143
Current income tax equivalent liability		1,575	2,345	3,161
Provisions	14	4,441	9,203	18,148
Lease liabilities	10 b)	865	849	1,174
Total current liabilities		31,818	37,791	47,626
Non-current liabilities				
Trade and other payables	12	52,168	46,292	40,417
Lease liabilities	10 b)	11,269	11,555	12,197
Interest-bearing liabilities	15	186,559	186,559	186,559
Deferred income tax equivalent liabilities	13	90,709	108,475	121,549
Provisions	14	292	264	288
Total non-current liabilities		340,997	353,145	361,010
Total liabilities		372,815	390,937	408,636
Net assets		400,599	417,334	428,479
EQUITY				
Issued capital	16	14,409	14,409	14,409
Asset revaluation surplus		329,604	353,736	374,108
Retained earnings		56,586	49,189	39,962
Capital and reserves attributable to owners of NQBP		400,599	417,334	428,479
Total equity		400,599	417,334	428,479

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

* See Note 23 (v) for details about the restatement as a result of application of Software-as-a-Service arrangements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Issued capital \$'000	Asset revaluation surplus \$'000	Retained earnings \$'000	Total \$'000
Balance as at 1 July 2020		14,409	374,108	40,905	429,422
Adjustment relating to change in accounting policy (Note 23 (v))		-	-	(943)	(943)
Restated balance at 1 July 2020		14,409	374,108	39,962	428,479
Restated profit from continuing operation (Note 23 (v))		-	-	13,539	13,539
Transactions with owners in their capacity as owners					
Distribution to owners	14	-	-	(4,320)	(4,320)
Other comprehensive income					
Fair value adjustments on property, plant, and equipment	10c)	-	(28,993)	-	(28,993)
Transfer of revaluation increment in respect of revalued assets disposed - current year		-	(13)	13	-
- prior year		-	(67)	-	(67)
Income tax equivalent applicable		-	8,701	(5)	8,696
		-	(20,372)	(4,312)	(24,684)
Restated balance at 30 June 2021		14,409	353,736	49,189	417,334
Net profit for the year after income tax equivalent		-	-	7,250	7,250
Transactions with owners in their capacity as owners					
Distribution to owners	14	-	-	-	-
Other comprehensive income					
Fair value adjustments on property, plant, and equipment	9, 10c)	-	(34,327)	-	(34,327)
Transfer of revaluation increment in respect of revalued assets disposed - current year		-	(147)	147	-
Income tax equivalent applicable		-	10,342	-	10,342
		-	(24,132)	147	(23,984)
Balance at 30 June 2022		14,409	329,604	56,586	400,599

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

* See Note 23 (v) for details about the restatement as a result of application of Software-as-a-Service arrangements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$'000	2021 Restated* \$'000
Cash flows from operating activities			
Cash receipts from customers		130,516	131,902
Cash paid to suppliers and employees		(77,979)	(67,886)
GST remitted to Australian Taxation Office		(7,327)	(6,425)
Interest paid		(7,108)	(8,004)
Income tax equivalents paid		(10,873)	(10,844)
Net cash inflow from operating activities	17	27,229	38,743
Cash flows from investing activities			
Purchase of property, plant and equipment		(11,771)	(14,535)
Purchase of investments		(2,853)	(20,450)
Proceeds from sale - property, plant and equipment		325	105
Purchase of intangible assets		(547)	-
Movement in GOC Advances Facility		(14,883)	24,625
Net cash outflow from investing activities		(29,729)	(10,255)
Cash flows from financing activities			
Dividend paid		(4,320)	(13,950)
Payment of lease liability	10 b)	(1,179)	(1,320)
Net cash outflow from financing activities		(5,499)	(15,270)
Net (decrease)/increase in cash and cash equivalents		(7,999)	13,218
Cash and cash equivalents at beginning of the financial year		36,922	23,704
Cash and cash equivalents at end of the financial year	8	28,923	36,922

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

* See Note 23 (v) for details about the restatement as a result of application of Software-as-a-Service arrangements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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2. Employee benefits expense
3. Impairment losses / fair value adjustments
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5. Property expenses
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

1. Revenue and other income

	2022	2021
Note	\$'000	\$'000
Vessel income	77,650	69,810
Port usage income	15,904	14,276
Rental income from investment properties	10,082	10,058
Other rental income	6,155	5,858
Insurance recoveries	-	632
Expense recoveries	3,892	4,201
Managed fund income	-	12,115
Other revenue	460	881
Revenue	114,143	117,831
Other income		
Net gain/(loss) on disposal of property, plant and equipment	54	73
	54	73

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which NQBP expects to be entitled in exchange for those goods or services.

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

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

2. Employee benefits expense

	2022	2021
	\$'000	\$'000
Salary and wages	22,707	21,860
Employee related costs	2,565	2,306
	25,272	24,166

Employee benefits expense is recognised in the Statement of Comprehensive Income and excludes all employee related expenditure that is capitalised. In accordance with Australian Accounting Standards and NQBP'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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

3. Impairment losses / fair value adjustments

	2022 \$'000	2021 \$'000
Fair value adjustment for plant, property and equipment	8,281	4,270
	8,281	4,270

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 NQBP, 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 2022, no impairments were identified.

4. Auditor's remuneration

Included in other expenses are audit costs of:

	2022 \$'000	2021 \$'000
Amounts paid, or due and payable, to the Queensland Audit Office for auditing the financial statements (The Queensland Audit Office does not provide any other professional services to the Group.)	105	90
Amounts paid, or due and payable, to third parties for providing internal audit services	86	81

5. Property expenses

	2022 \$'000	2021 \$'000
Land tax	3,068	2,650
Rates and utilities	2,972	2,657
Other property expenses	2,120	2,116
	8,160	7,423

Investment property expenses of \$3.2 million (2021: \$2.7 million) are included in property expenses.

6. Loss on managed funds

	2022 \$'000	2020 \$'000
Loss on managed funds	5,482	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

7. Income tax equivalent expense

	2022 \$'000	2021 \$'000
(i) Income tax equivalent expense		
Current tax equivalent expense	10,102	10,028
Under/(over) provisions prior year	-	-
Deferred income tax equivalent asset	(2,468)	(2,304)
Deferred income tax equivalent liability	(4,956)	(2,139)
Total current income tax equivalent expense	2,678	5,585
(ii) Numerical reconciliation of prima facie income tax equivalent payable to income tax equivalent expense		
Prima facie income tax equivalent calculated at 30% on the profit before tax	2,979	5,737
Increase in income tax equivalent expense due to:		
Non-deductible expenses	2	2
Decrease in income tax expense due to:		
Net investment fund distributions	(303)	(154)
Income tax equivalent expense on pre-tax net profit	2,678	5,585

NQBP 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, NQBP and its controlled entities (PCQ and MPL) are taxed as a single entity.

8. Financial assets

	Note	2022 \$'000	2021 \$'000
Current assets			
Cash and cash equivalents	(a)	28,923	36,922
Trade and other receivables	(b)	48,260	30,486
		77,183	67,408
Non-current asset			
Investment in managed fund	(c)	83,831	80,978

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

(a) Cash and cash equivalents

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

At 30 June 2022, 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 \$0.2 million (2021: \$0.4 million) as a result of higher/lower interest income.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

8. Financial assets (continued)

(b) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured 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 \$5,294,140 (2021: \$1,401,020) which are past due at reporting date. No collateral is held in respect of these balances. NQBP believes these debts are recoverable. The credit quality of financial assets that are neither past due nor impaired has been assessed as recoverable by reference to external credit ratings (if available) and to historical information about counterparty default rates. The carrying value of trade and other receivables (net of any allowance for expected credit losses) approximate their fair values due to their short-term nature of the debts.

An amount of \$30,350,052 (2021: \$15,461,845) is included in trade and other receivables and is held by Queensland Treasury as part of the Queensland Government's cash management regime. Government Owned Entities (GOC's) advance surplus cash to Queensland Treasury Corporation (QTC) at the cash fund rate, and access to funds is generally subject to notification periods of 24 to 48 hours. Because of the short-term nature of the advances, their carrying amount is assumed to represent fair value.

(c) Investment in managed fund

Investment in managed fund is shown as a non-current asset as NQBP 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 measured at net market value based on advice 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.

9. Investment properties

	2022	2021
	\$'000	\$'000
At fair value		
Balance at beginning of year	12,883	12,883
Fair value adjustments	91	-
Balance at end of year	12,974	12,883

Investment properties, which are properties held to earn rentals and/or for capital appreciation, are initially recognised at cost including transaction costs. Where an investment property is acquired at no or nominal cost it is recognised at fair value. Investment properties are subsequently carried at fair value, being revalued as at each reporting date. Fair value is based on selling prices in an active property market adjusted, if necessary, to reflect the nature, location or condition of the specific investment property. If there is no active property market, alternative valuation methods are used, such as recent selling prices in less active markets, or discounted cash flow projections.

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

As at 30 June 2022, 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 AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. a) Right of use assets

In accordance with *AASB16 Leases* NQBP 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 of 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 NQBP's incremental borrowing rate. The weighted average incremental borrowing rate applied to lease liabilities recognised under *AASB16* was 4.51 per cent.

2022	Property, plant and equipment				
	Office	Photocopiers	Motor Vehicles	Channels	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Right-of-use assets					
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)
Carrying amount at balance date	6,989	127	127	4,427	11,670

2021	Property, plant and equipment				
	Office	Photocopiers	Motor Vehicles	Channels	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Right-of-use assets					
Opening balance carrying amount	8,885	73	207	4,124	13,289
Additions	-	-	136	-	136
Adjustments	-	-	10	(58)	(48)
Disposals	-	-	-	-	-
Depreciation	(1,011)	(44)	(189)	-	(1,244)
Carrying amount at balance date	7,874	29	164	4,066	12,133

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

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. b) Lease liabilities

2022	Property, plant and equipment				
	Office	Photocopiers	Motor Vehicles	Channels	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities					
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)
Carrying amount at balance date	(7,447)	(130)	(128)	(4,429)	(12,134)

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

Current lease liability	(865)
Non-current lease liability	(11,269)
	(12,134)

2021	Property, plant and equipment				
	Office	Photocopiers	Motor Vehicles	Channels	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Lease liabilities					
Opening balance carrying amount	(8,955)	(78)	(214)	(4,124)	(13,371)
Additions		-	(136)	-	(136)
Disposals	-	-	-	-	-
Adjustment	-	4	(16)	58	46
Capital Repayments	1,073	47	200	-	1,320
Interest Expense *	(250)	(3)	(10)	-	(263)
Carrying amount at balance date	(8,132)	(30)	(176)	(4,066)	(12,404)

* Perpetual lease payments of \$183,390 not included

Current lease liability	(849)
Non-current lease liability	(11,555)
	(12,404)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. c) Property, plant and equipment

	2022	2021
	\$'000	Restated* \$'000
<i>Land</i>		
At fair value	178,913	180,959
	178,913	180,959
<i>Channels</i>		
At fair value	322,108	355,128
	322,106	355,128
<i>Infrastructure and major plant and equipment</i>		
At fair value	75,742	83,789
	75,742	83,789
<i>Plant and equipment</i>		
At cost	6,746	6,534
Accumulated depreciation	(6,138)	(5,961)
	608	573
Capital work in progress - at cost*	6,668	11,276
	6,668	11,276
Property, plant and equipment	584,037	631,725

*Capital work in progress as at 30 June 2021 was restated for the restatement as a result of application of Software-as-a-Service arrangements. See Note 23 (v) for details.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. 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.

2022	Land \$'000	Channels \$'000	Infrastructure and Major Plant and Equipment \$'000	Plant and Equipment \$'000	Capital Work in Progress \$'000	Total \$'000
Opening balance carrying amount	180,959	355,128	83,789	573	11,277	631,725
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)
Carrying amount at balance date	178,913	322,106	75,742	608	6,668	584,037

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

2021	Land \$'000	Channels \$'000	Infrastructure and Major Plant and Equipment \$'000	Plant and Equipment \$'000	Capital Work in Progress*	Total*
Opening balance carrying amount	179,267	368,553	118,715	863	2,716	670,113
Transfer to and from WIP (restated)	640	2,127	1,930	1,188	(5,885)	-
Disposals	-	-	(20)	(12)	-	(32)
Depreciation expense	-	(6,421)	(11,652)	(1,466)	-	(19,539)
WIP Additions (restated)	-	-	-	-	17,815	17,815
SaaS restatement	-	-	-	-	(3,369)	(3,369)
Fair value adjustments to Statement of Comprehensive Income	405	(638)	(4,037)	-	-	(4,270)
Revaluations to asset revaluation reserve	647	(8,493)	(21,147)	-	-	(28,993)
Carrying amount at balance date*	180,959	355,128	83,789	573	11,277	631,725

*Capital work in progress as at 30 June 2021 was restated for the restatement as a result of application of Software-as-a-Service arrangements. See Note 23 (v) for details.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

10. 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:

Asset Category	2022	2021
	Cost value \$'000	Cost value \$'000
Investment Property	261	261
Land	64,331	64,331
Channels	136,267	140,636
Infrastructure and major plant and equipment	100,766	95,068
	301,625	300,296

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 NQBP.

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.

Revaluations using an independent professional valuer were completed during the financial year and subsequently 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.

Cost approach

At 30 June 2022, AECOM Australia Pty Ltd provided an update on the market value of land assets utilising the index applicable to that asset. In addition, FS Valuations provided a desktop market-based valuation of the pilot boats owned by NQBP. The valuation approach has been categorised within level 2 of the fair value hierarchy.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

Income approach

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

- NQBP'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.

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 per cent (2021: 2.50 per cent)	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 2022, CPI indexation of 2.50 per cent (2021: 2.50 per cent) 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	6.99 per cent (2021: 6.50 per cent)	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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

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

Minor plant and equipment

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

Capital works in progress

Capital works in progress is measured at cost. As part of the annual review process NQBP 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 it reaches service delivery capacity.

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 – 50 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 NQBP's policy to transfer any amounts included in the asset revaluation reserve in respect of those assets to retained earnings.

Perpetual Leases

NQBP currently hold approximately thirty separate perpetual leases over sea beds and under roads. These leases are with the Queensland State Government.

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

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

11. 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 NQBP. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and amortised replacement cost.

	2022	2021
	\$'000	\$'000
<i>Intangible assets</i>		
At cost	547	-
Accumulated Ammortisation	(40)	-
Intangible Assets	507	-

12. Trade and other payables

	2022	2021
	\$'000	\$'000
Current		
Trade payables	98	2,347
Contract creditors	-	3
Lease rentals received in advance	6,128	5,645
Revenue received in advance	7,212	6,437
Interest payable - Queensland Treasury Corporation	1,796	1,838
Accrued expenses	8,362	8,127
Other payables	1,341	997
	24,937	25,394

	2022	2021
	\$'000	\$'000
Non-current		
Lease rentals received in advance	52,168	46,292
	52,168	46,292

Trade and other payables

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.

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 Statement of Comprehensive Income when earned.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

13. Income tax equivalent liabilities

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

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

	2022	2021 Restated*
	\$'000	\$'000
Deferred income tax equivalent assets		
Other assets	528	-
Accounts payable and other liabilities	23,326	21,262
Provisions	1,420	1,545
	25,274	22,807
Opening balance	22,807	21,514
Credit/(charge) to Statement of Comprehensive Income	2,467	1,293
Closing balance	25,274	22,807
Deferred income tax equivalent liabilities		
Property, plant and equipment	112,480	125,999
Accounts receivable and other assets	3,503	5,283
	115,983	131,282
Restated opening balance	131,282	143,063
Prior year adjustments	-	67
Adjustment to retained earnings (Note 23 (v))	(4,957)	(2,139)
Credit to retained earnings	-	(1,011)
(Credit)/charge to asset revaluation surplus	(10,342)	(8,698)
Closing balance	115,983	131,282
Deferred income tax equivalent balances are presented in the Statement of Financial Position as follows:		
Deferred income tax equivalent (assets)	(25,274)	(22,807)
Deferred income tax equivalent liabilities	115,983	131,282
Deferred income tax equivalent liabilities*	90,709	108,475

*See Note 23 (v) for details regarding the restatement as a result of application of Software-as-a-Service arrangements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

14. Provisions

	2022	2021
	\$'000	\$'000
Current		
Employee benefits	4,441	4,883
Dividend	-	4,320
	4,441	9,203
Non-current		
Long-term employee benefits	292	264
	292	264

Provisions are recognised when NQBP 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. For the 2021-22 year, shareholding Ministers approved the Board's recommendation for the retention of dividends otherwise payable from final audited net profits after tax. The dividend retention is intended to be used by NQBP to support future investment in critical infrastructure and growth initiatives.

Employee benefits

Employee obligations are recognised as current liabilities in the Statement of Financial Position if NQBP 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.

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

NQBP 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 NQBP to reporting date.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

15. Financial liabilities

Interest rate risk

NQBP'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 NQBP. 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 QTC 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 NQBP.

As at the reporting date, NQBP had the following variable rate borrowings with Queensland Treasury Corporation (QTC):

	2022		2021	
	Weighted Interest Rate	Balance \$'000	Weighted Interest Rate	Balance \$'000
Book value	3.04%	186,559	3.05%	186,559
Market value		174,268		202,541

At 30 June 2022, if interest rates had changed by +/- 100 basis points from the year end rate with all other variables held constant, NQBP's pre-tax profit would have been adjusted by \$2.4 million (2021: \$2.5 million) lower/higher as a result of higher/lower interest expense.

Liquidity risk

NQBP 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. NQBP also has access to a working capital facility with QTC to a limit of \$15 million (2021: \$15 million), however this facility has not been used. An analysis of financial liabilities by remaining contractual maturity is as follows:

	0 to 1 year \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2022				
Trade and other payables	24,937	40	52,127	77,104
Lease liabilities	1,327	5,152	6,466	12,945
Queensland Treasury Corporation borrowings	5,578	22,200	186,559	214,337
	31,842	27,392	245,152	304,386
2021				
Trade and other payables	25,394	40	46,252	71,686
Lease liabilities	1,319	4,886	7,643	13,848
Queensland Treasury Corporation borrowings	5,672	22,648	186,559	214,879
	32,385	27,574	240,454	300,413

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

15. Financial liabilities (continued)

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 1 July 2021.

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

Capital risk

NQBP 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.

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

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

	2022 \$'000	2021 \$'000
Total borrowings	186,559	186,559
Total capital	400,599	420,636
	587,158	607,195
Gearing ratio	31.77%	30.72%

16. Issues capital

	2022 No. of shares	2022 \$'000	2021 No. of shares	2021 \$'000
Opening balance	138,913,824	14,409	138,913,824	14,409
Closing balance	138,913,824	14,409	138,913,824	14,409

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

17. Reconciliation of profit from continuing operations to net cash provided by operating activities

		2022	2021
		\$'000	Restated* \$'000
Net profit for the year		7,250	13,539
Depreciation and amortisation	10 a), c), 11	16,992	20,783
(Gain)/loss on sale of fixed assets		(54)	(73)
Fair value adjustment to property, plant and equipment	3	8,281	4,270
Change in operating assets/liabilities			
- Increase (decrease) in trade and other receivables		(2,892)	(851)
- (Increase) decrease in other current assets		(68)	(807)
- Increase (decrease) in trade and other payables		6,328	6,480
- (Increase) decrease in other provisions		(414)	661
- (Decrease) increase in current tax equivalent liabilities		(770)	(1,827)
- Decrease (increase) in net deferred tax equivalent liabilities		(7,424)	(3,432)
Net cash flow from operating activities*		27,229	38,743

*See Note 23 (v) for details regarding the restatement as a result of application of Software-as-a-Service arrangements.

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.

17(i) Reconciliation of liabilities arising from financing activities

	2021	Cash flow	Non-cash changes	2022
	\$'000	\$'000	\$'000	\$'000
Long-term borrowings	186,559	-	-	186,559
Long-term debt	186,559	-	-	186,559

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

18. Commitments

	2022 \$'000	2021 \$'000
(i) Capital expenditure contracted for at balance date is payable as follows:		
- not later than one year	4,277	6,081
- later than one year and not later than five years	-	-
- greater than five years	-	-
	4,277	6,081
(ii) Operating expenditure contracted for at balance date and payable as follows:		
- not later than one year	3,151	3,151
- later than one year and not later than five years	6,922	1,742
- greater than five years	651	651
	10,724	5,544
(iii) Operating lease revenue not recognised in the financial statements as follows:		
- not later than one year	14,401	13,531
- later than one year and not later than five years	42,634	41,063
- greater than five years	390,177	393,649
	447,212	448,243

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

19. Contingent assets and liabilities

Contingent assets

NQBP has no material contingent assets.

Contingent liabilities

North Queensland Bulk Ports Corporation Limited is involved in litigation filed in the Federal Court of Australia by Port Binnli Pty Ltd and Mackay Marina Pty Ltd, who own and operate the Mackay Marina. The harbour in which the Mackay Marina operates is subleased to Port Binnli and Mackay Marina by North Queensland Bulk Ports Corporation. The litigation centres 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 have agreed a settlement arrangement that is subject to certain conditions being met before settlement is unconditional and the litigation is finally resolved.

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. These works are now complete. NQBP 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

20. Native title claims

NQBP had no native title claims during the year.

21. Key management personnel disclosures

	2022	2021
	\$'000	\$'000
Short-term benefits	2,067	1,829
Post-employment benefits	204	184
Other long-term benefits	7	13
Termination benefits	99	-
	2,377	2,026

(i) Key management personnel – Board members

2022		Short-term employee benefits (a)	Post- employment benefits (b)	Total (c)
Name	Position	\$'000	\$'000	\$'000
B Fish *	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 **	Director	14	2	16
J McTaggart ***	Chair	44	4	48
		215	22	237

* B Fish ceased tenure on 30 September 2021

** O Doogan ceased tenure on 19 November 2021

*** J McTaggart appointed as Chair 1 October 2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

21. Key management personnel disclosures (continued)

(i) Key management personnel – Board members

2021		Short-term employee benefits (a)	Post- employment benefits (b)	Total (c)
Name	Position	\$'000	\$'000	\$'000
B Fish	Chair	59	6	65
S Golding *	Director	9	1	10
P Tait *	Director	9	1	10
S Frazer *	Director	9	1	10
A Ranson	Director	36	3	39
L Smart **	Director	27	3	30
M McKendry **	Director	27	3	30
T Mooney **	Director	26	2	28
		202	20	222

* S Golding, P Tait and S Frazer ceased tenure on 30 September 2020

** L Smart, M McKendry, T Mooney appointed as Directors on 30 September 2020

*** O Doogan appointed as Director 17 June 2021

- (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* and includes other amounts from salary sacrifice arrangements.
- (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 AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

21. Key management personnel disclosures (continued)

(ii) Key management personnel – Executive management

Name	Position	Date appointed	Date ceased
Nicolas Fertin	Chief Executive Officer	17 September 2018	
Brendan Webb	General Manager Commercial	26 April 2017	24 December 2021
Ash Sinha	Acting General Manager Commercial	25 December 2021	
Peter Sinnott	General Manager Corporate Services	9 January 2012	
Belinda Kenny	Chief Financial Officer	6 October 2020	
Tim Lewis	General Manager Infrastructure	8 September 2018	
Gary Campbell	General Manager Safety, Environment and Communications	1 July 2015	18 February 2022
Ian McGoldrick	Acting General Manager Safety, Environment and Communications	10 May 2021	8 August 2021
Petrina Hilton	Acting General Manager Safety, Environment and Communications	9 August 2021	18 February 2022

2022 Position	Short-term Benefits			Total Short-term Bonus(c)	Total Short-term Employee Benefits	Post-Employment	Other Long-term	Retirement/ Termination Benefits	Total (d)
	Cash Salary	Non Monetary Benefits (a)	Unused Annual Leave for the year only			Benefits	Superannuation (b)		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	401	2	36	-	439	40	-	-	479
General Manager Commercial *	151	-	-	-	151	13	-	-	164
Acting General Manager Commercial **	106	-	2	-	108	13	-	-	121
General Manager Corporate Services	248	2	15	-	265	25	7	-	297
Chief Financial Officer	261	2	11	-	274	26	-	-	300
General Manager Infrastructure	252	-	18	-	270	25	-	-	295
General Manager Safety, Environment and Communications ***	209	-	-	-	209	26	-	99	334
Acting General Manager Safety, Environment and Communications ****	24	-	2	-	26	2	-	-	28
Acting General Manager Safety, Environment and Communications *****	104	-	6	-	110	13	-	-	123
	1,756	6	90	-	1,852	183	7	99	2,141

* General Manager Commercial resigned on 24 December 2021

** Acting General Manager Commercial for the period 25 December 2021 - 30 June 2022

*** General Manager, Safety, Environment and Communications ceased employment on 11 August 2022. During the current financial year NQBP paid \$99,949 pursuant to a Deed of Release to settle the redundancy and utilisation of the entitlements related to the cessation of his employment

**** Acting General Manager Safety, Environment and Communications for the period 1 July 2021 - 8 August 2021

***** Acting General Manager Safety, Environment and Communications for the period 9 August 2021 - 18 February 2022

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

21. Key management personnel disclosures (continued)

(ii) Key management personnel – Executive management

2021 Position	Short-term Benefits			Bonus(c) \$'000	Total Short-term Employee Benefits \$'000	Post-Employment	Other Long term	Retirement/ Termination Benefits \$'000	Total (d) \$'000
	Cash Salary \$'000	Non Monetary Benefits (a) \$'000	Unused Annual Leave for the year only \$'000			Superannuation (b) \$'000	Unused LSL for the year only \$'000		
Chief Executive Officer	386	2	9	-	397	36	-	-	433
General Manager Commercial	243	-	-	-	243	23	-	-	266
General Manager Corporate Services	235	2	-	-	237	29	7	-	273
Chief Financial Officer *	180	2	4	-	186	17	-	-	203
Acting Chief Financial Officer **	59	2	-	-	61	6	-	-	67
General Manager Infrastructure	235	-	-	-	235	22	-	-	257
General Manager Safety, Environment and Communications	225	2	13	-	240	28	6	-	274
Acting General Manager Safety, Environment and Communications ***	27	-	1	-	28	3	-	-	31
	1,590	10	27	-	1,627	164	13	-	1,804

* B Kenny was appointed as CFO 6 October 2020

** Acting CFO for the period 1 July 2020 - 5 October 2020

*** Acting General Manager Safety, Environment and Communications for the period 10 May 2021 - 30 June 2021

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

21. Key management personnel disclosures (continued)

(ii) Key management personnel – Executive management

- a) Total employment cost includes 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.
- 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 NQBP's policies and procedures.

(iv) Key management personnel – Shareholding Ministers

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

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. NQBP does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as key management personnel of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

21. Key management personnel disclosures (continued)

(v) Aggregate performance payments

	2022 \$'000	2021 \$'000
Aggregate performance bonuses paid	684	-
Total salaries paid (employees receiving a performance payment)	11,852	-
Number of employees who received a performance payment	102	-

(vi) Categories of performance related payments

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

Executive management

NQBP operates a performance pay scheme for executives. The performance pay for the CEO comprises two components:

- NQBP 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 NQBP's 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 2021/22 year are scheduled to be paid in September 2022.

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 2021/22 year were based on individual performance.

The proposed performance payments for the 2021/22 year are scheduled to be paid in September 2022.

22. Related party transactions

Ultimate parent entity

NQBP 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 Statement of Changes in Equity. Details of dividends paid or payable are detailed in the Statement of Changes in Equity.

As disclosed in Note 7 and 13, income tax equivalents are paid to the Queensland Government. Refer to Note 7 and 13 for details of income tax equivalent transactions and balances.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22. Related party transactions (continued)

Transactions with shareholding Ministers

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

Transactions with entities controlled by other key management personnel

During 2021/22, there were no material transactions between NQBP and entities controlled by either:

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

All transactions between NQBP 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 NQBP's business.

Controlled entities

NQBP owns 100 per cent of shares in PCQ and MPL. On 31 March 2012, all assets and liabilities of these entities were transferred at book value to NQBP leaving the two wholly owned subsidiaries as dormant entities. NQBP's investment in each of these entities has been reduced to nil.

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

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

NQBP together with PCQ and MPL have executed such a Deed of Cross Guarantee on 10 June 2010.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

22. Related party transactions (continued)

Entities under common control

NQBP 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 8 and 15. QTC borrowings are unsecured.

Nature	2022	2021
	\$'000	\$'000
Operating receipts		
Pilotage services fees and premises rent	11,232	13,880
Interest received	101	178
Investment earnings	-	12,115
Rental income	72	170
	11,405	20,343
Payments		
Operating expenses		
Land tax	3,056	2,651
Superannuation contributions	2,924	2,781
Income tax equivalent payments, competitive neutrality fee and rates, research and development concession	12,731	11,344
Consultancy services and interest	5,671	6,250
Surveys, simulator training, contribution to boat launch Weipa	493	872
Audit fees, environmental permits, utilities, vehicle registrations, WorkCover and sundry items	1,551	1,436
Investment earnings	5,482	-
Capital expenditure		
Dividend declared	-	4,320
	31,908	29,654
Expenses invoiced not yet paid	-	1

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

23. Summary of significant accounting policies

i) Basis of preparation

The consolidated financial statements include the financial statements of NQBP. The Group has only one trading entity, NQBP. The financial statements for both the group and parent entity, NQBP are identical. The statements are general purpose in nature and reflect the whole of the financial activities of the Group.

The financial report has been prepared in accordance with the requirements of the *Corporations Act 2001*, the *Government Owned Corporations Act 1993*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report also complies with applicable provisions of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2019*.

NQBP is a for profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared on an accrual basis using the historical cost convention except where specifically stated.

The financial statements are presented in Australian dollars, which is NQBP's functional and presentation currency.

ii) 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 NQBP for which fair value is measured or disclosed in the 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 NQBP's valuations of assets are eligible for categorisation into level 1 of the fair value hierarchy.

iii) Goods and Services Tax (GST)

Revenues and expenses 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 Statement of Financial Position.

Cash flows are included in the 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.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

23. Summary of significant accounting policies (continued)

iv) Critical accounting estimates and judgements

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

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

- Valuation of investment properties and property, plant and equipment – Note 9 and 10 c);
- Provisions – Note 14;
- Depreciation and amortization – Note 10 a), c), 11;
- Deferred tax assets and liabilities – Note 7 and 13;
- Impacts of COVID-19 have been considered.

v) First Year application of new accounting standards and changes in accounting policy

NQPB has adopted new accounting standards or interpretation issued by AASB that are mandatory for 2021-22. This is in relation to the International Financial Reporting Standards Interpretation Committee (IFRIC) decision on Software-as-a-Service arrangements.

Software-as-a-Service arrangements

Recognition of Intangible Assets

NQBP changed its accounting policies in 2021-22 after completing a full analysis of the previously capitalised software in response to the IFRIC agenda decision released in March 2021.

The new accounting policy now considers where the software code resides, whether it is identifiable and whether NQBP has the power to both obtain economic benefits from the software and restrict the access of others to those benefits. Configuration or customisation costs that do not qualify for recognition as an intangible asset are further assessed as to the appropriate timing of expense recognition, using the following criteria:

- (a) Where the configuration or customisation is considered a distinct (i.e. separately identifiable) service from the subsequent access to the cloud software, the costs are expensed when the configuration or customisation services are received. This is typically the case when the vendor providing the services is different from the vendor providing access to the software
- (b) Where the configuration or customisation is not a distinct service from NQBP's right to access the software, the costs are expensed over the period of access on a straight-line basis. A prepayment asset is recognised when the payment is made upfront. This is usually the case when the same vendor is providing both the configuration or customisation services and the access to the cloud software

Any software that qualifies as an intangible asset is recognised and accounted for in accordance with NQBP's accounting policies on software assets in Note 11.

The changes have been applied retrospectively with an adjustment of comparative opening balances at 1 July 2020.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

23. Summary of significant accounting policies (continued)

Impact of changes

As a result of the change in accounting policy, \$547,000 of capitalised intangible assets were recognised as at 30 June 2022.

The net impacts relating to the prior year period are summarised in the tables below.

The impact on the Statement of Comprehensive Income	2020	2020	Increase /	2021	2021	Increase /
		Restated*	(decrease)		Restated*	(decrease)
	\$'000	\$'000		\$'000	\$'000	
Other expenses	3,361	4,708	1,347	3,286	6,655	3,369
Expenses from operations	95,630	96,977	1,347	87,599	90,968	3,369
Operating Profit	17,841	16,494	(1,347)	30,305	26,936	(3,369)
Profit before income tax equivalent	9,891	8,544	(1,347)	22,493	19,124	(3,369)
Income tax equivalent expense	(2,956)	(2,552)	404	(6,596)	(5,585)	1,011
Profit from continuing operations	6,935	5,992	(943)	15,897	13,539	(2,358)
Total comprehensive income for the year	53,290	52,347	(943)	(4,401)	(6,758)	(2,358)
The impact on the Statement of Financial Position	2020	2020	Increase /	2021	2021	Increase /
		Restated*	(decrease)		Restated*	(decrease)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Non-current assets						
Property, plant and equipment	671,460	670,113	(1,347)	636,441	631,725	(4,716)
Total non-current assets	758,160	756,813	(1,347)	743,040	738,324	(4,716)
Total assets	838,462	837,115	(1,347)	812,987	808,271	(4,716)
Liabilities						
Deferred income tax equivalent liabilities	121,953	121,549	(404)	109,890	108,475	(1,415)
Total non-current liabilities	361,414	361,010	(404)	354,560	353,145	(1,415)
Total Liabilities	409,040	408,636	(404)	392,351	390,937	(1,415)
EQUITY						
Retained earnings	40,905	39,962	(943)	52,491	49,189	(3,301)
Total Equity	429,422	428,479	(943)	420,635	417,334	(3,301)
The impact on the Statement of Cash Flows	2020	2020	Increase /	2021	2021	Increase /
		Restated*	(decrease)		Restated*	(decrease)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash paid to suppliers and employees	(89,715)	(91,062)	1,347	(64,517)	(67,886)	3,369
Net cash inflow from operating activities	40,731	39,384	(1,347)	42,112	38,743	(3,369)
Purchase of property, plant and equipment	(7,920)	(6,573)	(1,347)	(17,904)	(14,535)	(3,369)
Net cash outflow from investing activities	(8,304)	(6,957)	(1,347)	(13,624)	(10,255)	(3,369)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022

23. Summary of significant accounting policies (continued)

vi) 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 NQBP in the current or future periods and on foreseeable future transactions.

iv) Subsequent Events

On the 3rd August 2022 a deed was executed between the parties involved in the Mackay Marina litigation (refer to Note 19) that is subject to certain conditions being met before settlement is unconditional and the litigation is finally resolved.

Apart from this there have been no other 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.

vii) Comparative figures

Comparative information has been adjusted to conform to changes in presentation for the current financial year.

viii) Rounding

The company is of a kind referred to by ASIC Legislative Instruments 2016/191, relating to the "rounding off" of amounts in the financial statements.

In accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 and unless otherwise stated, amounts included in the financial statements have been rounded to the nearest thousand dollars.

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2022

In the directors' opinion:

- (a) The financial statements and notes set out on page 37 to 73 are in accordance with the Corporations Act 2001, including:
 - i. complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements and;
 - ii. giving a true and fair view of the Group's financial position as at 30 June 2022 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 any 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

13 September 2022

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 company) and its controlled entities (together the group).

In my opinion, the financial report:

- a) gives a true and fair view of the group's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended
- b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2022, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the directors' declaration.

Basis for opinion

I conducted my audit in accordance with the *Auditor-General 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 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 group in accordance with the auditor independence requirements of the *Corporations Act 2001*.

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

Key audit matters

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

Valuation on non-current assets—Notes 9 and 10(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"> estimating future operating and capital cash flows and terminal values setting discount rates the allocation of North Queensland Bulk Ports Corporation Limited's assets to units of account. <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 detailed valuation of the group's land and investment properties at 30 June 2022.</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"> 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 evaluating the independent external consultant's competence, capabilities and objectivity evaluating management's identification of its units of account and their highest and best use in the most advantageous market performing a sensitivity analysis to help inform the degree of audit emphasis required for key model assumptions and inputs checking the reasonableness and relevance of the input data and key assumptions in the valuation model, in particular: <ul style="list-style-type: none"> growth rates discount rates 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 the expected impact on assumptions as a result of the global pandemic that it is based on the Statement of Corporate Intent and 5 year Corporate Plan assessing the reasonableness of calculations and assumptions of the terminal values allocated to each unit of account back testing the previous year's cash flow forecasts against subsequent actual results to identify potential deficiencies in the forecasting methodology checking the above assumptions are appropriately reflected in the valuation model: <ul style="list-style-type: none"> evaluating and checking the mathematical accuracy of the valuation model assessing the appropriateness of presentation in the group's financial statements.

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"> evaluating the independent external valuer's competence, capabilities and objectivity assessing the reasonableness of values applied to land and investment properties, based on our knowledge and research of the property market in Queensland.

Useful lives estimated for depreciation expense—Note 10(c)

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

Other information

Other information comprises financial and non-financial information (other than the audited financial report). At the date of this auditor's report, the available other information in the company's annual report for the year ended 30 June 2022 was the directors' report.

Those charged with governance are responsible for the other information.

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

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

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

I have nothing to report in this regard.

Responsibilities of the company for the financial report

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

The company's directors are also responsible for assessing the 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 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 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 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 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 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

13 September 2022

Queensland Audit Office
Brisbane

