ANNUAL REPORT 2014/15

www.gpcl.com.au

Gladstone Ports Corporation

Growth, Prosperity, Community.


The heritage listed Kullaroo House is home to GPC's corporate offices

Financial Overview

Company Performance

In 2014/15 GPC delivered a NPAT of $72.0M, a 29% decrease from $101.3M in 2013/14. The profit and loss includes the effect of asset revaluations which contributed a net $2.2M (2013/14 $33.8M).

GPC continues to experience growth in shipments with a record tonnage throughput of 100.0Mt achieved across the three ports, this is a 2% increase from 2013/14. Import/export tonnes at the Port of Gladstone totalled 99.3Mt, Port of Rockhampton 0.2Mt, and Port of Bundaberg 0.5Mt.

Coal tonnages were 68.6Mt; a 1% decrease from 2013/14. The coal industry continues to face market challenges, however further growth for 2016 is predicted with capacity at the new Wiggins Island coal terminal coming on line.

During the 2014/15 financial year 1.61Mt of shipments of Liquified Natural Gas(LNG) commenced following the commissioning of train one at QGC's plant on Curtis Island. Other LNG proponents will commence their shipments during 2015/16. Other trades were stable at approximately 28.0Mt.

Import / export tonnes at the Port of Bundaberg totalled 0.5Mt, an increase of 0.2Mt over the previous year, in part a consequence of prior year shipping delays from flood impacts. Trade at the Port of Rockhampton totalled 0.2Mt, 17% less than 2013/14, due to a reduction in ammonium nitrate and explosive cargoes.

2015/16 is forecast to see further substantial growth in tonnage throughput through the Port of Gladstone, predominantly via three LNG export facilities on Curtis Island (two of which are expected to become operational during the year) and the export of coal through WICET.

Revenue

Total income of $452.7M, included a record sales revenue of $404.0M, up 1.5% from 2013/14, and other income of $42.7M. Other income has reduced from $246.5M (2013/14) reflecting the scaling down of major dredging and infrastructure works that GPC has conducted under contract for the LNG and Coal industries. The improvement in sales revenue was driven by the record tonnages and shipping activity at Gladstone.

Expenses

Operational expenses (before depreciation) decreased substantially this year by 63% or $202.8M to $118.8M, again, primarily due to the scaling down of major works referred to above. $217.8M of major works expenditure was incurred this year against a peak last year of $505.4M. Significant structural integrity works within a section of the coal conveyor and transfer system at RGTCT commenced during the 2013/14 period and these repairs carried over into 2014/15. Energy costs inclusive of diesel fuel and electricity showed decreases in price during 2014/15 but have started to increase at the latter end of the year. Total employee expenses increased by 14% to $128.9M. This was driven largely by the Port Pilotage function now being undertaken by GPC

Table 6: Local, regional and state procurement

	2010/11	2011/12	2012/13	2013/14	2014/15
Total procurement	139,800	112,300	275,262	237,093	269,934
Local, regional and State procurement	58,500	82,000	254,634	190,164	200,277
Local, regional and State procurement as a % of total spend	42%	73%	93%	80%	74%

(previously Maritime Safety Qld). This service has been on board for a full year in 2014/15 (8 months in 2013/14).

During the period an additional 12 people were employed to work on the Wiggins Island Coal Terminal commissioning. Overall, total FTE numbers reduced by 13 to 752 at the end of the year.

Support for Our Local Businesses

The application of our purchasing policies and practices ensures that GPC makes a broader economic contribution through the continued support of local, regional and state businesses. This year 74% of our operational spend was in Queensland. Of this 41% (or approximately $82.3M) was spent with local and regional suppliers on a diverse range of services and products (refer Table 6). This outlay was slightly down on the value of last year's local procurement due to expenditure on some key project materials that were not available locally.

Capital Expenditure

Our capital expenditure program is aligned with our growth strategy. This year it delivered further capability to support capacity requirements to ensure that we continue to meet customer demands. New capital works approved during the year totalled $44.7M (2013/14: $79.5M) with a total outlay for the year of $74.8M across all new and prior approved works (2013/14: $104.2M).

Operating Cash Flow

A net decrease in cash and cash equivalents of $7.1M occurred this year. Cash funds declined as advanced payment arrangements in place for major dredging and infrastructure projects were completed. Cash proceeds from the sale of assets was $2.9M. $74.8M was invested in new and replacement infrastructure assets. Dividend payments to shareholders totalled $58.6M

Statement of Financial Position

Our balance sheet remains in a strong position with net assets of $1,143.8M. Current assets decreased by 12% to $200.2M, with cash decreasing due to our capital investment program and the advanced payment arrangements in place for major projects being wound down. Trade and other payables (Note 10) reflects the movement in revenue received in advance.

Non-current assets increased by $68.0M. The largest contributor to this was revaluations, which after adjustment for fair market values, increased total asset values by $50.4M. Current liabilities decreased by 15% to $141.3M; Trade and other payables contributed significantly to this movement. This was largely due to a lower supplier spend attributable to the reduction in LNG recoverable works accruals and payables and completion of all derivative transactions before 30 June 2015. Non-current liabilities increased by $16.4M, with the deferred tax liability increasing as a result of the asset revaluation increases.

Debt Position

GPC at 30 June 2015, has loans with Queensland Treasury Corporation totalling $461.3M. No new borrowings were required during 2014/15. GPC's current Debt to Debt + Equity ratio is 30.18.

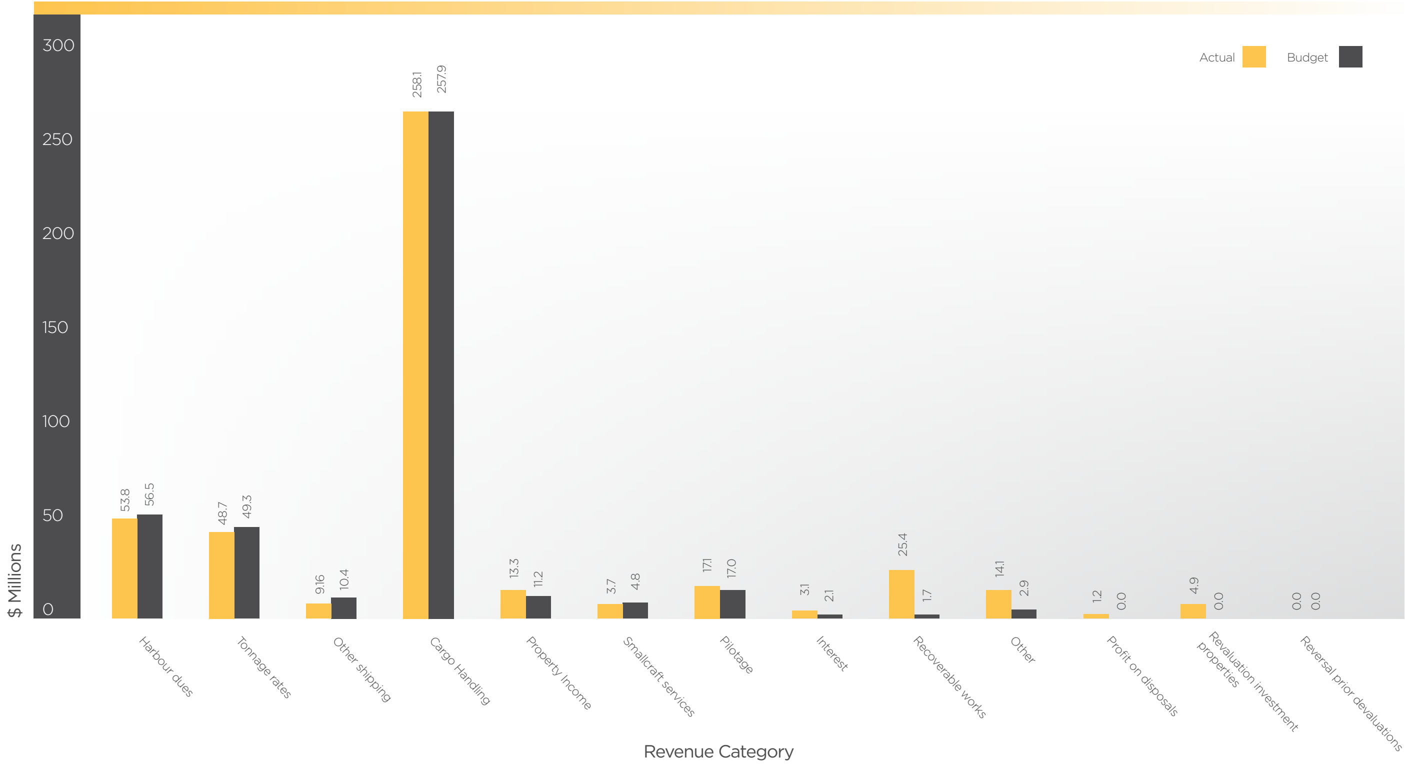
Long-term Agreements

GPC continues to work with its customers to promote long-term Port and Cargo Handling Agreements that secure capacity rights for major shippers. These agreements provide certainty for land side terminal handling capability and ensure channel capacity for shippers. During 2015 negotiations continued with major customers and government to finalise these agreements.

Improving Our Internal Performance

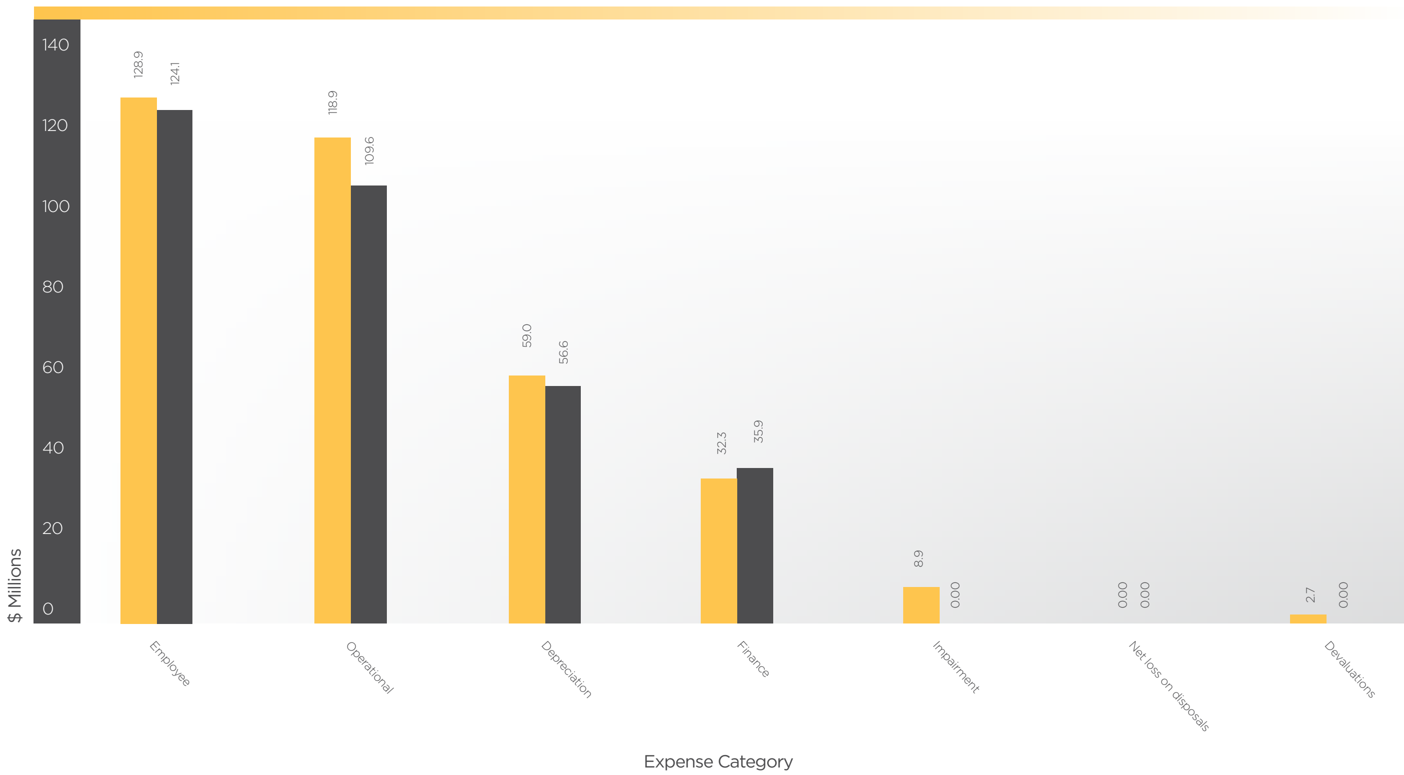
On 1 July 2014, we rolled out our new ERP system Following go live, 2014/15 saw an ongoing period of refinements and enhancements as GPC looks to maximise the benefits of the new software. This will continue in 2016.

An analysis of our key financial indicators is provided on the following pages.



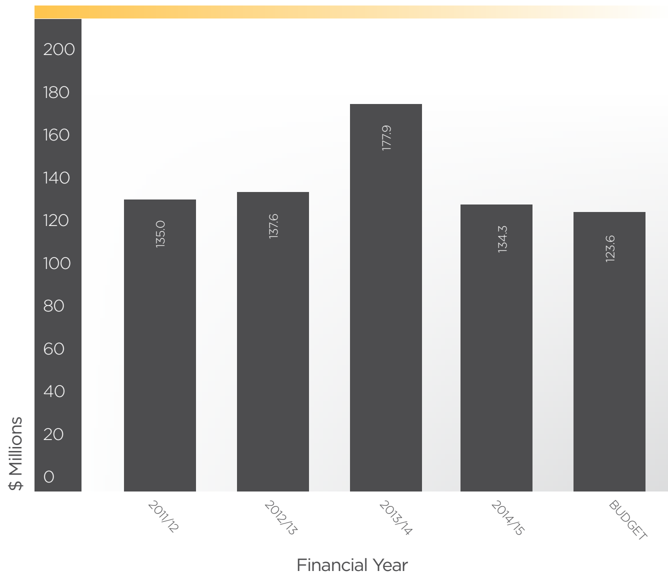
Revenue

Total revenue decreased in 2014/15 due to the reduction in LNG related recoverable works. Sales revenue was 1.5% higher than 2013/14 due to increased shipping volumes.



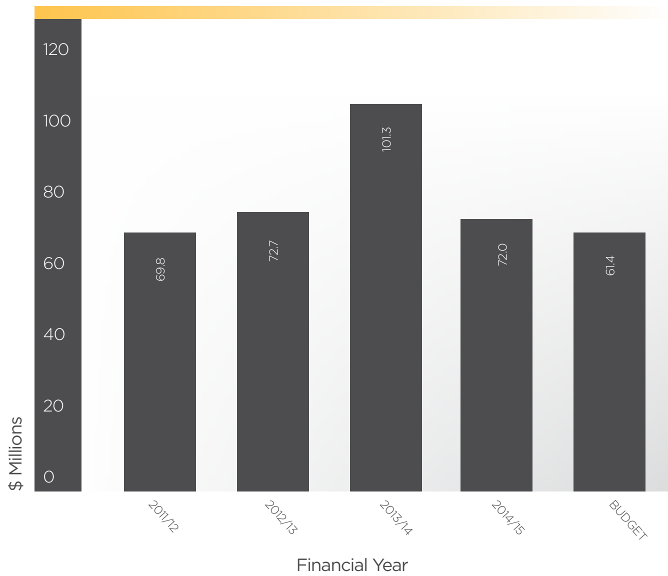
Expenses

Expenses decreased in 2014/15, primarily due to expenses associated with recoverable works. The reduction in recoverable works expenses was partially offset by an increase in employee expenses of 14%.



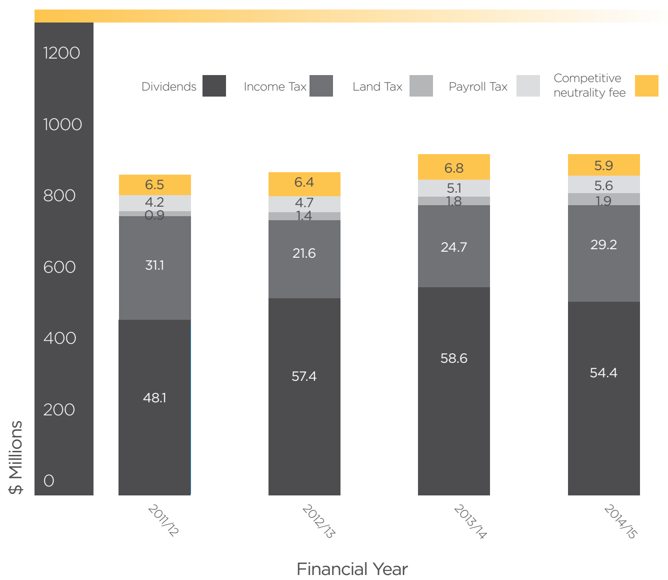
EBIT

EBIT decreased by 24% in 2014/15. This has mainly been a result of significantly reduced profits from asset revaluations.



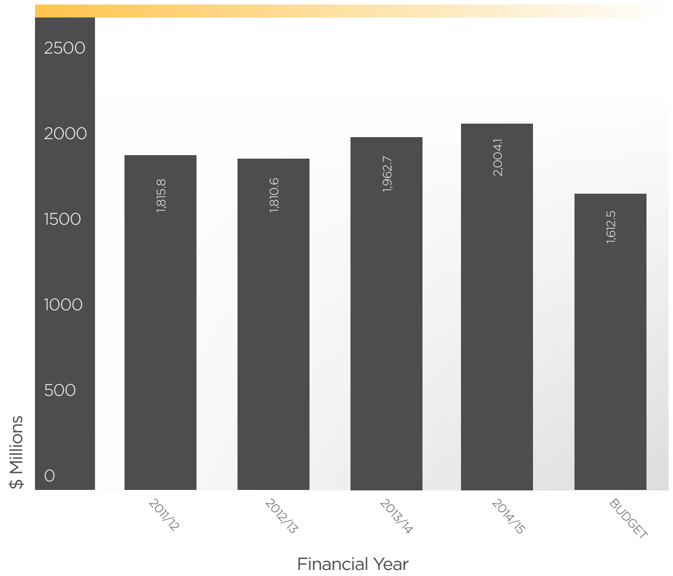
NPAT

NPAT decreased 29% in 2013/14, in line with EBIT decreases associated with lower asset revaluation increases compared to the prior year.



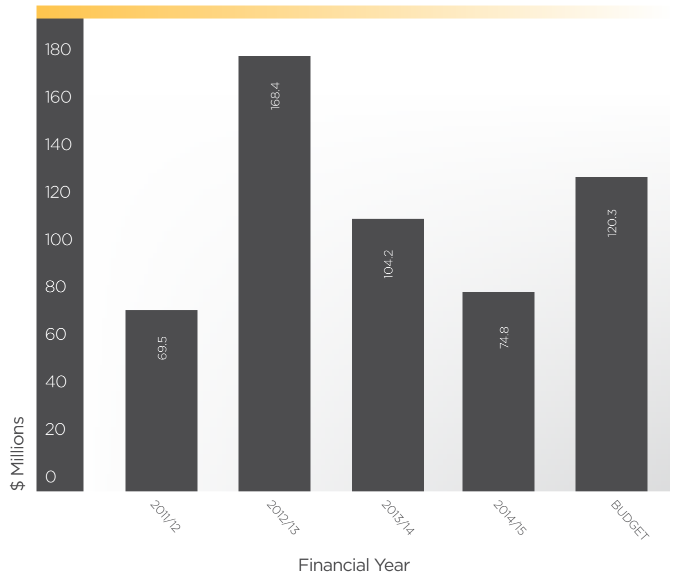
Dividends and Taxes

The 2014/15 dividend is a decrease of 7% on the prior year. Adjustments to dividend payout ratios are undertaken to remove revaluation profits. Our income tax payable continues to increase as taxable profits rise.



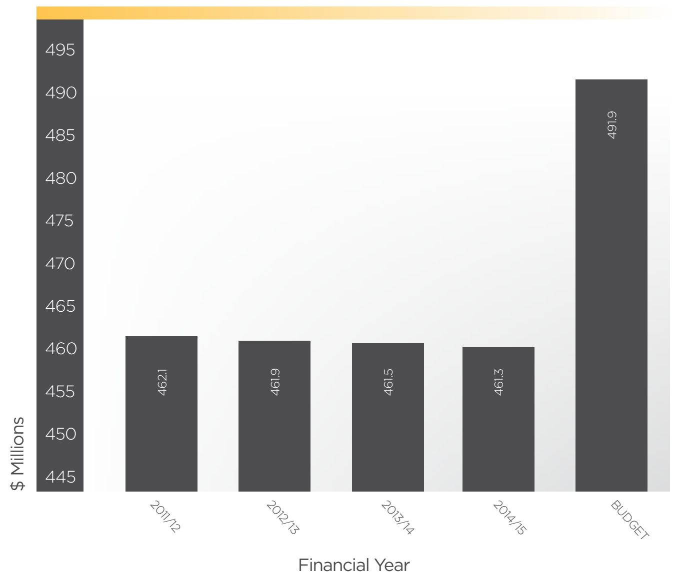
Total Assets

Total assets increased in 2014/15, predominantly as a result of asset revaluation outcomes, resulting in a significant uplift to asset values.



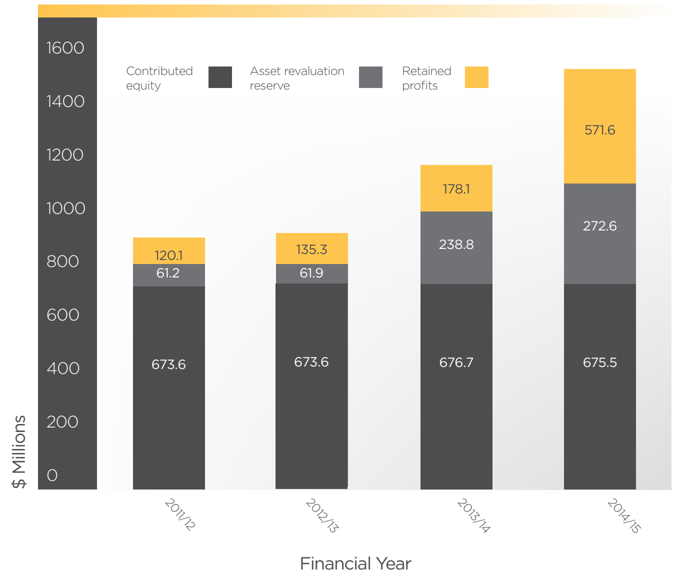
Capital Expenditure

Capital expenditure of $74.8M was incurred in 2014/15. The major projects included continuation of the EIS for the channel duplication project, continuation of the Control System upgrades, commencement of the wharf slurry project at RGTCT, and replacement of two D11T dozers at RGTCT. Capital expenditure is forecast to remain high during 2015/16 as existing projects continue and new projects such as dozer purchases are undertaken.



Interest Bearing Liability

Interest bearing liabilities remained static as GPC neither increased borrowings nor reduced debt levels during the year.

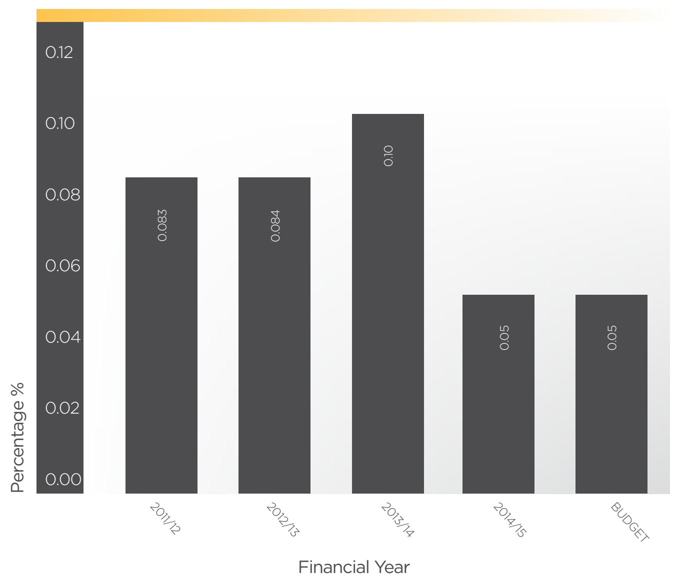


Shareholder Equity

Contributed equity remained static in 2014/15. A $1.2M return of capital was undertaken to repatriate profits after taxation and dividends on property sales back to shareholder's. The asset revaluation reserve increased significantly to incorporate outcomes from the asset revaluation during 2014/15. The predominant value of the revaluation was assigned to the channel assets, with investment land revaluations being reflected in the Consolidated Statement of Profit and Loss. Retained profits have also declined from 2013/14 as a result of revaluations in 2014/15 being significantly lower than in 2013/14.

Return on Assets

Return on assets decreased for 2014/15 to 6.9%, as a result of lower revaluation outcomes when compared to 2013/14.



Return on Equity

Return on equity decreased in 2014/15 to 10.3% as profits continued to improve. (3.4% of this is attributable to valuation adjustments.)

GLADSTONE PORTS CORPORATION LIMITED

ACN 131 965 896
ABN 96 263 788 242

Consolidated Annual Financial Statements For the year ended 30 June 2015

PURPOSE AND SCOPE

Gladstone Ports Corporation Limited (GPC) is a company Government Owned Corporation (GOC), constituted on 1 July 2004 under the provisions of the *Government Owned Corporations Act 1993* (the Act). GPC converted to a company GOC on 1 July 2008, under the provisions of the Act. Under the terms of s118 of the Act, the *Financial Accountability Act 2009* applies to GPC as if it were a statutory body.

These statements have been prepared to:

(i) comply with the provisions of the *Corporations Act 2001*, and other prescribed requirements;

(ii) comply with the provisions of the *Financial Accountability Act 2009* and other prescribed requirements;

(iii) communicate information concerning GPC's financial performance for the year and its financial position at year end.

The statements are general purpose in nature and provide a full presentation of all of the financial activities of GPC. The consolidated financial report of GPC for the year ended 30 June 2015 was authorised for issue to shareholding Ministers in accordance with a resolution of the Directors on 27 August 2015.

Table of Contents

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2015

The Directors present their report together with the consolidated financial statements of Gladstone Ports Corporation Limited, being Gladstone Ports Corporation Limited (the parent) and its controlled entities (Gladstone Marine Pilot Services Pty Ltd and Gladstone WICET Operations Pty Limited) for the year ended 30 June 2015 and the auditor's report thereon.

The Board comprises non-executive Directors who have a diversity of business experience as well as community responsibilities. The criteria for membership of the Board are in accordance with the Act. The Act requires that, in appointing a person as Director, the Governor in Council must have regard to that person's ability to contribute to the Group's commercial performance and implementation of its Statement of Corporate Intent (SCI). Directors are appointed for a term of not more than five years but may be reappointed.

In order to comply with the provisions of the *Corporations Act 2001* the Directors submit their report for the year ended 30 June 2015.

DIRECTORS

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Chairman
Mark Brodie

Mark Brodie was appointed as Chairman on 7 June 2012 until 30 September 2015. Mark is Chairman of the Human Resources Committee and a member of the Audit and Compliance Committee.

Mark is currently Chairman of the National Retail Association, Chairman of the City of Brisbane Investment Corporation and Fellow and Graduate of the Australian Institute of Company Directors. Mark previously served as Chairman of the Lord Mayor's Business Round Table, Chairman of the Greater Brisbane Area Consultative Committee, Director on the Brisbane Marketing Board and the Southbank Corporation Board and both Chapter Chairman and Education Chairman of the Young Presidents' Organisation (QLD Chapter). Mark is the Managing Director of Brodie Group Pty Ltd.

Deputy Chairman
Professor Chris Greig, BE, ME St., PhD

Appointed 16 August 2012 until 30 September 2015. Chris is a member of the Human Resources Committee.

Chris is Professor of Energy Strategy and the Director of the University of Queensland's (UQ) Energy Initiative. He is also a current non-executive director of Seymour Whyte Ltd. Previously he served as CEO and Project Director for ZeroGen (leading edge power project), General Manager Projects and Project Director with Ensham Resources Pty Ltd, and the Managing Director and Chairman for a family owned group of companies with business in civil construction, agriculture and quarrying. He also has experience as a management consultant in the engineering and resources sectors and company Director of both private and ASX listed companies. Chris is a Chemical Engineer with a Masters and PhD. He has received a number of awards, including the Fluor Chemeca Award for Excellence in Engineering Management.

Gail Davidson, GAICD

Appointed 1 October 2008 until 30 September 2011; reappointed from 1 October 2011 until 30 September 2014; reappointed from 2 October 2014 until 30 September 2017. Gail is a member of the Human Resources Committee.

Gail has held management roles in a number of areas for over 40 years and is currently Executive General Manager Disability and Community Services for Endeavour Foundation. Gail has been involved in the disability sector for over 25 years, having previously worked in the hospitality and health sectors. She is also a member of the Gladstone Foundation Board of Advice and has been a member of the Disability Council of Queensland, the Gambling Community Benefit Fund, under Treasury, the Complaints Management Quality Committee advising the Minister and was the Inaugural Chair of the Regional Disability Council of Central Queensland. At present she is also a Queensland representative in Canberra on policy matters for the National Disability Service. She has qualifications in management, is a graduate of the Australian Institute of Company Directors and is continuing her studies.

Judy Reynolds, BBus, CA, MAICD Director

Appointed 1 October 2008 until 30 September 2011. Reappointed from 1 October 2011 until 30 September 2014; reappointed from 2 October 2014 until 30 September 2017. Judy is currently Chair of the Audit and Compliance Committee.

Judy is a chartered accountant with over 25 years' experience in public accounting and is a director of Opening Gates. She has extensive experience and continues to advise in business development and strategic growth strategies working with small and medium entities (SMEs) over a wide range of sectors. Judy owned a chartered accounting and financial planning business for over 15 years, chaired the national Sothertons Board and acted as board member and advisor to many organisations including the Gladstone Economic and Industry Development Board, and the Gladstone Foundation. She is a member of the Institute of Chartered Accountants, has a Bachelor of Business and is a past Fellow of the Taxation Institute of Australia.

Helen Skippen, B.Bus, MBA, GAICD

Appointed 1 October 2010 until 30 September 2013. Reappointed from 12 December 2013 until 30 September 2016. Helen is a member of the Audit and Compliance Committee.

Helen is a Partner of strategic management consultancy firm Corporate Context, a graduate of the Australian Institute of Company Directors, and holds Bachelors and Masters degrees in business. Helen has 30 years' experience as a strategic management/marketing consultant and has a broad knowledge of market research methods, including stakeholder engagement; business and market strategies; organisation diagnostic frameworks and written communication methods for complex concepts. Her governance expertise comes from working with a broad range of public and private sector clients. Helen is a Director and Chair of the Strategy Committee of Help Enterprises, a Director of Foodbank Queensland, and from 2003 to 2012, she was a Director of WorkCover Queensland and Chair of the Audit Committee for a term. She has also chaired the advisory boards of two medium sized professional services firms in the property sector.

William (Bill) Moorhead, B.Surv (Hon)

Appointed 16 August 2012 until 30 September 2015. Bill is a member of the Human Resources Committee.

Bill is the Managing Director of Multilow Pty Ltd, a privately owned property development company based in Bundaberg, Queensland. He holds an Honours Degree in Surveying from the University of Melbourne and is a foundation member of the Surveying and Spatial Sciences Institute (SSSI). He is a Fellow of the Urban Development Institute of Australia (UDIA) and the current President of the local UDIA branch. Bill has been a Licensed Real Estate Agent since 1992 and long serving member of the Real Estate Institute of Queensland (REIQ). He has served on various committees including the Regional Advisory Group (for the Sugar Industry), the Salvation Army Red Shield Appeal launch committee and committee member for the Wide Bay 2020 Plan.

Chris Ward, Solicitor of the Supreme Court of Queensland

Appointed 17 July 2014 until 30 September 2016.

Chris is the Managing Partner of Cooper Grace Ward (CGW), Chairman of the CGW Board, one of the firm's founding partners (the firm was founded in 1980) and a Solicitor of the Supreme Court of Queensland. In his 38 years as a practicing lawyer, Chris has had extensive and considerable experience across a wide range of complex legal and business issues in various industries. He specialises in insurance law, commercial litigation, family law and de facto law cases. Chris also has a keen interest in the practice management and people strategies. Among the many awards received by CGW under Chris' leadership, in 2013 the firm was one of 19 Australian and New Zealand organisations, and the only law firm, to be accredited as an Aon Hewitt Best Employer. CGW is a leading Queensland commercial law firm with 21 partners and more than 220 team members.

COMPANY SECRETARY

Mariette Lansdell, B.Comm (Hons), MBA, AGIA

During the past nineteen years Mariette has participated in the banking, marketing, telecommunications and marine industries in Australia, Europe and Africa. She has been engaged in several of the Group's projects during the past five years. She was appointed by the Board as Company Secretary in March 2011.

PRINCIPAL ACTIVITIES

The consolidated entity's principal activities are to:

a) provide import and export shipping infrastructure to the Central Queensland region through the Port of Gladstone, Port Alma and Port of Bundaberg, and encourage the use of these facilities for the economic benefit of stakeholders

b) manage cargo handling facilities for coal and other bulk products at Port Alma, RG Tanna Coal Terminal, Barney Point Coal Terminal and Auckland Point facilities

c) develop, manage and lease land and other assets for port related purposes

d) manage ancillary services and functions which support core business activities.

OPERATING RESULTS FOR THE YEAR

The Group's net profit after income tax is $71.960M (2014: $101.252M) representing a decrease of 29.9% from the previous year. All profits are from continuing operations. The 2015 results included net revaluations of $2.188M (2014: revaluations of $39.085M). These related to investment properties and the devaluation of Barney Point terminal and Port Alma. In addition net impairment losses of $8.885M were identified in 2015 compared to $25.516M in 2014. This was the result of assets being impaired at the East Shores Project.

AUDITOR INDEPENDENCE

A copy of the Auditor's Independence Declaration as required under section 307C of the *Corporations Act 2001* is included following the Directors' Report.

DIVIDENDS

Dividends paid to shareholders during the financial year were as follows:

	2015 $'000	2014 $'000
Dividends paid from prior year profits	58,567	57,416
	Cents per share	**Cents per share**
Dividend per share	14.28	11.96

In addition to the above dividends, the Directors recommended the payment of a final dividend at 80% of profits, as adjusted for revaluations. The final dividend amounts to $54.400M (13.53 cents per share).

REVIEW OF FINANCIAL CONDITIONS AND LIKELY DEVELOPMENTS

2015 saw a decline in coal throughput compared to 2014. The 2014 coal throughput was a record for the Group, however, market conditions have continued to experience difficulties through 2015. A number of the Group's commercial contract arrangements assist in mitigating volume risk to varying levels. Maintaining prudent and efficient costs will be important for the Group in managing the impact of the ongoing market difficulties in 2016.

It is anticipated that subject to global conditions, coal, the Group's major cargo, will increase during 2016. This will be driven by coal from the Wiggins Island Coal Export Terminal (WICET), a terminal which will commence operations in the year ended 2016. It is anticipated that initial throughput will be below the terminals capacity. Commercial take or pay contracts for channel capacity will commence post 2016 as companies begin to export coal through the terminal. With revenue from LNG commenced in 2015 from one LNG plant on Curtis Island, 2016 will see two other plants commencing shipments. This will see a significant increase in both tonnage throughput and revenue growth for the Group. All three LNG plants have commercial contracts which assist in mitigating volume risk. Other port trade is expected to remain in line with that achieved in 2015. Significant recoverable works, which included the Western Basin Dredging Project (being invoiced at cost) were completed in 2015. Recoverable works is expected to return to pre port expansion levels in 2016.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During 2014 GPC established two wholly owned subsidiary companies, Gladstone Marine Pilot Services Pty Ltd (GMPS) and Gladstone WICET Operations Pty Ltd (GWO). GMPS was established to run the pilotage business following the transfer of this business from Maritime Safety Queensland. GWO was established to manage the operations of the WICET coal exporting terminal. This company commenced trading during the year ended 30 June 2015, to assist WICET Pty Ltd in the completion of commissioning and in preparation for the commencement of cargo handling operations.

ENVIRONMENTAL REGULATION

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation. Refer to comments under the section 'Our Environment – Essential to and Sustainabileity Growth' of the 2015 Annual Report.

There have been no significant known breaches of the consolidated entity's licence conditions or any environmental regulations to which it is subject.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year the Group indemnified all Directors and Executive Officers in respect of Directors and Officers liability and company reimbursement insurance. The premium paid amounted to $87,285.

Under the policy the insurer agrees to pay:

(a) all losses which each insured person becomes legally obligated to pay on account of any claims for wrongful acts

(b) all losses for which the company may grant indemnification to each insured person.

The Group has not otherwise during or since the end of the financial year, except to the extent permitted by law, indemnified an officer of the company against a liability incurred as such an officer.

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

	Board (9 held)	Audit and Compliance Committee (5 held)	Human Resources Committee (4 held)
Mark Brodie	9	5	4
Gail Davidson	9	0 (out of 0)	4
Judy Reynolds	9	5	0 (out of 0)
Helen Skippen	9	5	0 (out of 0)
Professor Chris Greig	9	0 (out of 0)	4
Bill Moorhead	7 (out of 9)	0 (out of 0)	3 (out of 4)
Chris Ward	9	0 (out of 0)	0 (out of 0)

COMMITTEE MEMBERSHIP

At the date of this report the Group had an Audit and Compliance Committee and a Human Resources Committee.

Audit and Compliance Committee:
Judy Reynolds – Chair
Mark Brodie
Helen Skippen

Human Resources Committee:
Mark Brodie – Chair
Gail Davidson
Bill Moorhead
Professor Chris Greig

DIRECTORS' INTERESTS

The Directors have no interest in any shares of the Group as all shares are held for the benefit of the State of Queensland by Ministers of the Crown.

RISK MANAGEMENT

The Group, in carrying out its business, maintains a risk management philosophy that appropriately:

a) protects the wellbeing of the Group's workforce, the wider community in which it operates and its physical environment

b) manages threats that could adversely affect the Group's ability to meet its corporate objectives, its growth in shareholder value and its stewardship of company assets.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that class order, amounts in the financial report and Directors' Report have been rounded to the nearest one thousand dollars, unless otherwise stated. Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

PROCEEDINGS AGAINST THE COMPANY

There are no proceedings against the company.

SUBSEQUENT EVENTS

There has not been any matter of circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future years.

The Directors' Report is signed in accordance with a resolution of the Directors made pursuant to s298 (2) of the *Corporations Act 2001.* On behalf of the Directors:

original signed

Mark Brodie
Chairman
Dated: 27 August 2015

AUDITORS INDEPENDENCE DECLARATION FOR THE YEAR ENDED 30 JUNE 2015

To the Directors of Gladstone Ports Corporation Limited

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

Independence Declaration

As lead auditor for the audit of Gladstone Ports Corporation Limited for the year ended 30 June 2015, I declare that, to the best of my knowledge and belief, there have been –

a) no contraventions of the auditor independence requirements of the *Corporation Act 2001* in relation to the audit: and

b) no contraventions of an applicable code of professional conduct in relation to the audit.

QUEENSLAND
25 AUG 2015
AUDIT OFFICE

D R Adams FCPA
Director
(*as Delegate of the Auditor-General of Queensland*)

Queensland Audit Office
Brisbane

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Continuing operations			
Revenue	7(a)	404,024	397,982
Other income	7(a)	42,652	246,458
Net profit on disposal of non-current assets		1,177	7,483
Fair value revaluation of investment properties	12(d), 13	4,879	14,486
Reversal of prior devaluations		-	24,599
Total income		**452,732**	**691,008**
Employee benefits expenses		(128,923)	(113,467)
Operational expenses	7(b)	(118,768)	(321,524)
Depreciation/amortisation expenses	7(b)	(59,022)	(51,640)
Finance costs	7(b)	(32,420)	(34,192)
Impairment (net of impairment reversals)	12(e)	(8,885)	(26,516)
Fair value devaluation of non-current assets	12(d)	(2,691)	-
Profit from continuing operations before income tax		**102,023**	**143,669**
Income tax expense	8(a)	(30,063)	(42,417)
Profit for the year		**71,960**	**101,252**
Other comprehensive income			
That will not be reclassified subsequently to profit or loss			
Revaluation of property, plant and equipment		48,868	256,632
Devaluation of property, plant and equipment and intangible assets		(639)	-
Impairment of property, plant and equipment		-	(3,723)
Income tax relating to components of other comprehensive income	8(e)	(14,469)	(75,873)
Other comprehensive income for the year, net of income tax		**33,760**	**177,036**
Total comprehensive income for the year		**105,720**	**278,288**
Profit attributable to:			
Owners of Gladstone Ports Corporation Limited		**71,960**	**101,252**
Total comprehensive income for the year is attributable to:			
Owners of Gladstone Ports Corporation Limited		**105,720**	**278,288**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Assets			
Current assets			
Cash and cash equivalents	9	111,596	118,744
Trade and other receivables	10	70,489	74,438
Inventories		12,372	11,193
Prepayments		694	1,251
Assets classified as held for resale	11	5,061	16,858
Derivative financial instruments	21	-	4,331
Total current assets		**200,212**	**226,815**
Non-current assets			
Property, plant and equipment	12	1,661,991	1,609,966
Deferred tax assets	8(d)	12,991	12,373
Intangible assets		18,332	15,294
Investment properties	13(a)	110,559	98,275
Total non-current assets		**1,803,873**	**1,735,908**
Total assets		**2,004,085**	**1,962,723**
Liabilities			
Current liabilities			
Trade and other payables	14	42,998	59,366
Short-term provisions	16	86,867	89,931
Income tax payable	8(c)	11,469	12,485
Derivative financial instruments	21	-	4,677
Total current liabilities		**141,334**	**166,459**
Non-current liabilities			
Trade and other payables	14	24,094	26,059
Long-term borrowings	15	461,344	461,520
Long-term provisions	16	11,476	9,929
Deferred tax liabilities	8(e)	222,049	205,067
Total non-current liabilities		**718,963**	**702,575**
Total liabilities		**860,297**	**869,034**
Net assets		**1,143,788**	**1,093,689**
Equity			
Issued capital	19	675,496	676,717
Asset revaluation reserve		272,550	238,818
Retained earnings		195,742	178,154
Total equity		**1,143,788**	**1,093,689**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Issued capital $'000	Asset revaluation reserve $'000	Retained earnings $'000	Total $'000
Balance 1 July 2013		**673,558**	**61,903**	**135,348**	**870,809**
Total comprehensive income attributable to owners of the equity					
Profit or loss		-	-	101,252	101,252
Other comprehensive income		-	177,036	-	177,036
Transfers within equity					
Transfer of assets from Government		3,159	-	-	3,159
Disposal of revalued assets		-	(121)	121	-
Transactions with owners in their capacity as owners					
Dividends proposed	18	-	-	(58,567)	(58,567)
Balance 30 June 2014		**676,717**	**238,818**	**178,154**	**1,093,689**
Total comprehensive income attributable to owners of the equity					
Profit or loss		-	-	71,960	71,960
Other comprehensive income		-	33,760	-	33,760
Transfers within equity					
Return of equity		(1,221)	-	-	(1,221)
Disposal of revalued assets		-	(28)	28	-
Transactions with owners in their capacity as owners					
Dividends provided for or paid	18	-	-	(54,400)	(54,400)
Balance 30 June 2015		**675,496**	**272,550**	**195,742**	**1,143,788**

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 $'000	2014 $'000
Cash flows from operating activities			
Receipts from customers		476,989	626,270
Tax equivalents paid to Queensland Treasury		(29,184)	(24,706)
Net FBT, Fuel Tax Credit and GST paid to ATO		(17,236)	(9,566)
Payments to suppliers and employees		(276,658)	(527,961)
Interest received		3,188	2,608
Interest paid/competitive neutrality fee		(32,420)	(34,192)
Net cash flows from operating activities	9(a)	**124,679**	**32,453**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		2,921	8,430
Purchase of property, plant and equipment		(69,531)	(91,527)
Purchase of intangibles		(5,253)	(10,851)
Net cash flows used in investing activities		**(71,863)**	**(93,948)**
Cash flows from financing activities			
Return of equity		(1,221)	-
Repayment of borrowings		(176)	(405)
Dividends paid		(58,567)	(57,416)
Net cash flows from financing activities		**(59,964)**	**(57,821)**
Net increase/(decrease) in cash and cash equivalents		**(7,148)**	**(119,316)**
Cash and cash equivalents at beginning of the financial year		**118,744**	**238,060**
Cash and cash equivalents at the end of the financial year	9	**111,596**	**118,744**

The accompanying notes form part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. General Information

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing the financial statements, the Group is a for profit entity. The Group includes Gladstone Ports Corporation Limited, Gladstone Marine Pilot Services Pty Ltd and Gladstone WICET Operations Pty Ltd. Gladstone Ports Corporation Limited (GPC) is a public company incorporated and operating in Australia. GPC's registered office and principal place of business is:

40 Goondoon Street
Gladstone QLD 4680
Tel: (07) 4976 1333

Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. Information on the Group's structure is provided in Note 4 and information on other related party relationships is provided in Note 25.

2. Summary of significant accounting policies

(1) Basis of preparation

This consolidated financial report has been prepared under the historical cost convention, except for some classes of property, plant and equipment, investment properties and derivative financial instruments, which have been measured at fair value. Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. The consolidated financial statements are presented in Australian Dollars which is the entity's functional currency.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

> Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

> Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

> Level 3 inputs are unobservable inputs for the asset or liability.

Rounding of amounts

The financial report is presented in Australian dollars and the company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998. In accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded to the nearest one thousand dollars, unless otherwise stated.

(2) Statement of Compliance

These consolidated financial statements are a general purpose financial report and have been prepared in accordance with the *Corporations Act 2001,* the *Financial Accountability Act 2009,* applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

2. Summary of significant accounting policies (cont'd)

The consolidated financial statements of Gladstone Ports Corporation Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2015 were authorised for issue in accordance with a resolution of the directors on 27 August 2015.

The financial statements of Gladstone Ports Corporation Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(3) Changes in accounting policies, disclosures, standards and interpretations

Accounting policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with the current year's presentation and disclosure.

Accounting Standards and Interpretation issued but not yet effective

The Group has not adopted Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective for the annual reporting period ended 30 June 2015. These are outlined in the table below:

Title	Operative for reporting periods beginning on/after
AASB 9: Financial Instruments	1 January 2018
AASB 2014-4: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
AASB 15: Revenue from Contracts With Customers	1 January 2017

The Group has not reviewed the impact of the above Standards and Interpretations in relation to their adoption in future periods. The Group intends to apply accounting standards and interpretations as they are required and not earlier.

(4) Significant Accounting Policies

a. Basis of consolidation

The consolidated financial statements incorporate the financial statements of GPC and its subsidiaries. Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated Statement of Profit or Loss and Other Comprehensive Income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

b. Classification between current and non-current

The Group presents assets and liabilities in the statement of financial position based upon current/non-current classification. An asset or liability is classified as current when it is expected to be turned over within the next twelve months. All other items are classified as non-current.

2. Summary of significant accounting policies (cont'd)

c. Foreign currency transactions and balances

In preparing the financial statements, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

d. Revenue recognition

Revenue is recognised when services are delivered and is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment.

Revenue has been calculated based on existing signed contracts. Harbour dues, tonnage rates, other shipping charges or cargo handling charges for all vessels are invoiced after departure of the vessel.

For major recoverable works, revenue is billed in advance in accordance with the terms of each contract. This is based upon future expectations of works to be undertaken for that project at the time of invoicing. When monies are received they are recorded as revenue received in advance. The revenue is recognised in the Consolidated Statement of Comprehensive Income as and when expenditure is incurred.

Lease income from investment properties is recognised in income on a straight-line basis over the term of the lease and is included in revenue in the Consolidated Statement of Profit or Loss due to its operating nature.

Interest income is recognised as interest accrues using the effective interest method.

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, the net gains/losses on sale of assets sold are included in the Consolidated Statement of Profit and Loss.

e. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

As a GOC, the Group is required to pay income tax equivalents under the National Tax Equivalents Regime (NTER). The tax currently payable is based upon taxable profit for the year. Taxable profit differs from profit before tax as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

The deferred tax assets or deferred tax liabilities represent the net cumulative effect of items of income and expense, which have been brought to account for tax and accounting purposes in different periods. Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be used. The carrying amount of deferred income tax assets is reviewed at each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

2. Summary of significant accounting policies (cont'd)

e. Taxation (cont'd)

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity.

Tax assets and liabilities are offset if the underlying taxes relate to the same taxation authority.

Tax consolidation

GPC and its wholly owned entities have formed a tax consolidated group for income tax purposes. The consolidated group applied from 15 October 2013 when Gladstone Marine Pilot Services Pty Ltd was established. Gladstone WICET Operations Pty Ltd joined the Group on 5 May 2014 when it was established. The Group is taxed as a single entity from these dates. The head entity in this Group is Gladstone Ports Corporation Limited. Current tax liabilities and assets and deferred tax assets arising from unused tax losses and relevant tax credits of the members of the tax consolidated group are recognised by the Company.

Amounts are recognised as payable to or receivable by GPC and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and other group members of the tax consolidated group.

Under this policy, Gladstone Ports Corporation Limited and each of the entities in the tax consolidated group pay a tax equivalent payment to or from the head entity, based upon the current tax liability or current tax asset of the entity. This policy provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax consolidated group. The effect is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity.

f. Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition or part of the item of expense. Trade 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 the receivables or payables in the Consolidated Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the ATO.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from or payable to the ATO, are classified as operating cash flows.

g. Dividends

A provision for dividends is recognised at the reporting date where the dividends have been declared, determined or recommended by the Directors prior to the reporting date. A corresponding amount is recognised directly in equity.

h. Property, plant and equipment

Property, plant and equipment are stated at cost or fair value, less accumulated depreciation and any impairment losses. Work in progress is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any.

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

2. Summary of significant accounting policies (cont'd)

The cost of non-current assets constructed by the Group includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the Statement of Profit and Loss and Other Comprehensive Income as incurred.

Depreciation is recognised on a straight line basis on all non-current assets, except land and capital works in progress, so as to reflect the consumption of the economic benefits over the expected economic lives of assets. The depreciation rates used for major assets in each class are as follows:

Buildings	2.50%-11.77%
Channels, swing basins and berth pockets	1.00%
Commercial wharves	2.50%-20.00%
Recreational and fishing wharves	2.50%-20.00%
Roads and services	1.50%-15.40%
Plant	1.00%-33.00%
Furniture	4.00%-27.02%

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate. The assets' useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end.

Revaluations

Revaluation increments are credited to the asset revaluation reserve except to the extent that they reverse a revaluation decrement previously recognised in the Consolidated Statement of Profit and Loss. In this case the increment is recognised in the Consolidated Statement of Profit and Loss.

Revaluation decrements are recognised in profit and loss, except to the extent they offset a previous revaluation. In this case the decrement is recorded in the asset revaluation reserve.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets. The net amounts are restated to the revalued amounts.

Non-current physical assets measured using fair value are subject to a specific appraisal at least once every five years. Interim valuations are performed where the change would be material to that class of assets. In 2014 and 2015 the Group revalued these assets on an income based approach. Land and buildings have previously been valued on a market based approach, whilst all other assets have been valued using the cost based approach.

The following classes of assets are measured using fair value: land, buildings, channels, swing basins and berth pockets, commercial wharves, recreational and fishing wharves, plant, furniture and fittings and roads and services (structural improvements).

An asset recording threshold of one thousand dollars has been adopted and applies to all assets acquired with a useful life of more than one year.

Impairment

Assets are tested 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 amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may be reversed.

2. Summary of significant accounting policies (cont'd)

h. Property, plant and equipment (cont'd)

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Disposal

An item of property, plant and equipment is de-recognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset is included in the Consolidated Statement of Profit and Loss and Other Comprehensive Income in the year the asset is de-recognised.

The asset revaluation reserve included in equity in respect of an item of property, plant or equipment may be transferred directly to retained earnings when the asset is derecognised. This involves transferring the whole of the surplus when the asset is retired or disposed of.

i. Leases

The determination of whether an arrangement is, or contains, a lease is based upon the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, or assets, even if that right is not explicitly specified in an arrangement.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Contingent rents are recognised as revenue in the period in which they are earned.

j. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

k. Intangible assets

Intangible assets with a cost or other value greater than $100,000 are recognised in the Consolidate Statement of Financial Position. Items with a lesser value are expensed. Each intangible asset is amortised over its estimated useful life, less any anticipated residual value. The residual value is assumed to be zero for all intangible assets.

Intangible assets consist mainly of computer software. They are amortised on a straight-line basis over a period of 2.5 to 10 years for commercial systems and 10 years for operational systems.

l. Investment properties

Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income in the year they arise.

Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Consolidated Statement of Profit and Loss and Other Comprehensive Income in the year of retirement or disposal.

2. Summary of significant accounting policies (cont'd)

l. Investment properties (cont'd)

Transfers are made to investment property when, and only when, there is a change in use, as evidenced by ending of owner occupation, commencement of an operating lease to another party or ending construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

m. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. Transaction costs that are directly attributable to the acquisition or issue of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial asset as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

Effective Interest Rate Method

The effective interest rate (EIR) method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss (FVTPL) include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement being required within 30 days from month end.

The likelihood of collection of receivables is assessed on an ongoing basis with provision being made for impaired debts. Debts which are regarded as not recoverable are written off. Other debtors generally arise from transactions outside the usual operating activities of the Group and are recognised at their assessed values.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

2. Summary of significant accounting policies (cont'd)

m. Financial instruments (cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the group's consolidated statement of financial position) when the rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original EIR.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings and payables. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial liabilities at fair value through profit or loss) are added to the fair value of the financial liability as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Payables

Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to the Group. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of month end.

Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Borrowings are subsequently measured at amortised cost.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the Consolidated Statement of Financial Position date. Borrowing costs are expensed as incurred as per the provisions of AASB123 Borrowing Costs, except where they are incurred for the construction of a qualifying asset. In this case the costs are capitalised until the asset is available for use or resale.

The competitive neutrality fee is a fee payable to the State to ensure the loan from Queensland Treasury Corporation (QTC) reflects market rates on a stand-alone basis, rather than on the strength of any implied State support.

2. Summary of significant accounting policies (cont'd)

m. Financial instruments (cont'd)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit or loss.

This category generally applies to interest-bearing loans and borrowings. For more information refer Note 15.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit of loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement or profit or loss.

n. Derivative financial instruments

Where the Group is exposed to the risk of fluctuations in foreign currency exchange rates, the Group enters into derivative financial instrument arrangements to reduce this exposure. Financial derivatives may be held to cover a known exposure but only to the extent of the exposure and not for speculative purposes. Unrealised exchange gains or losses resulting from these transactions are recognised at 30 June each year. The balance of the gain or loss on the transaction is recognised on settlement of the transaction. There were no derivative financial instruments held by the group at 30 June 2015.

o. Cash and short term deposits

For purposes of the Consolidated Statement of Financial Position and Consolidated Statement of Cash Flows, cash includes cash on hand, deposits at call and term deposits with banks and Queensland Treasury Corporation where maturity is no more than 90 days, which are subject to an insignificant risk of changes in value.

p. Provisions

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

(i) Wages, and salaries, annual leave, and non-monetary benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and non-monetary benefits when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities for wages, salaries, annual leave, and accumulated time off are recognised and are measured as the amount unpaid at the reporting date at pay rates anticipated on settlement in respect of employees' services, including related on-costs.

(ii) Long service leave and vested personal leave

The Group does not expect its long service leave or sick leave provisions to be settled wholly within the twelve months of the each reporting date. The provisions have been calculated using anticipated wage and salary rates including related on-costs and expected settlement dates based on usage patterns and is discounted using rates attaching to corporate bond rates at balance date which most closely match the terms of the maturity of the related liabilities. Refer to note 3(iv) for information on how provision due greater than 12 months are calculated.

2. Summary of significant accounting policies (cont'd)

p. Provisions (cont.)

(iii) Performance payments

Performance payments for the Group's executive officers are based on a percentage of the annual salary package provided under their contract(s) of employment. A liability is recognised and is determined as an estimate of the amount due for the period to date.

(iv) Superannuation

All GPC and GMPS employees are members of QSuper. GWO employees have a choice of superannuation fund and these are all defined contribution funds. QSuper operates both a defined benefit and defined contribution fund. Employees at 30 June 2015 may be a member of the defined benefit fund, defined contribution fund or both. They may remain in either fund. These employees can transfer from the defined benefit fund to the contribution fund but cannot transfer from the defined contribution fund to the defined benefit fund. New employees must join the defined contribution fund. Existing members can transfer from the defined benefit fund to the defined contribution fund.

The defined benefit fund is open to many employees across Queensland State Government departments, agencies and government business enterprises. There is insufficient information for the Group to apply defined benefit accounting.

The Treasurer of Queensland, based upon advice received from the State Actuary, determines employer contributions and the amount of this contribution is recognised as an expense. The latest actuarial review of the DB fund is available on QSuper's website - http://qsuper.qld.gov.au/document/reporting/actuarial-report-2013.pdf. Actuarial reviews occur on a triennial basis and they take up to a year to calculate. The 2013 review is the latest available. After inclusion of the Employer Fund, the assets exceeded accrued liabilities by $5.95 billion as at 30 June 2013. This compares with the $1.4 billion surplus disclosed at the 2010 valuation and is primarily the result of strong investment returns since the last review.

No liability is recognised for accruing superannuation benefits as this liability is held on a whole of Government basis and reported in the whole of Government financial statements prepared in terms of AAS31 Financial Reporting by Governments.

q. Fair Value Measurement

The following asset classes are measured at fair value at reporting date:

> Property, plant and equipment except for work in progress

> Investment properties

> Financial instruments (including those carried at amortised cost)

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

> In the principal market for the asset or liability

Or

> In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 or by selling it to another market participant that would use the asset in its highest and best use.

2. Summary of significant accounting policies (cont'd)

q. Fair Value Measurement (cont'd)

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described in Note 2 (1), based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

r. Security deposits

Security deposits may be held on certain contracts and are repayable after the satisfactory completion of the contractual terms.

3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(1) Fair value

In estimating the fair value of an asset or a liability, the Group uses market observable data to the extent that it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation (level 2 inputs). Where level 2 inputs are not available GPC uses an income based approach to determine fair value. Management establishes the appropriate inputs to the model. The Commercial General Manager reports the findings to the Audit Committee and Board to explain the causes of fluctuations in the fair value of assets and liabilities.

(2) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit (CGU) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different CGU's are disclosed and further explained in Note 12(e).

3. Significant accounting judgements, estimates and assumptions (cont'd)

(3) Personal leave and long service leave provision

As discussed in Note 2(p)(ii), the liability for personal leave and long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at Statement of Financial Position date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

(4) Recovery of deferred tax assets

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to use those temporary differences. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(5) Estimation of useful lives

The estimation of the useful lives of assets has been based upon historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

The useful lives of channels, berth pockets and swing basins was revised during the year to 100 years. This is due to:

a. GPC expects to obtain economic benefit from these assets for at least 100 years from 2015. This is in line with the proposed lease of GPC assets to a 3rd party in 2015.

b. The assets are constantly maintained in an as new state in order to ensure full usage of this asset for revenue generation is continued. Whilst some annual deterioration of the assets does occur this is constantly reversed by the annual maintenance dredging program's undertaken. Therefore the capacity of the assets to generate revenue does not diminish with time.

c. There is no legal or technical restraint in GPC continuing to use the channel for a minimum of 100 years based upon the existing annual maintenance program.

d. GPC considers that it will have the funds to continue to undertake the annual dredging program for at least the next 100 years.

(6) Provision for impaired debts

Where receivables are beyond normal trading terms, the likelihood of the recovery of these receivables is assessed by management. All receivables are assessed on an individual basis. The provision is outlined in Note 10.

(7) Financial assets

The Directors have reviewed the Group's held to maturity financial assets in the light of its capital maintenance and liquidity requirements and have confirmed the Group's positive intention and ability to hold those assets to maturity. Details of those assets are set out in Note 20.

4. Subsidiaries

GPC established a 100% owned subsidiary company, Gladstone Marine Pilot Services Pty Ltd (GMPS) on 15 October 2013. On 5 May 2014 GPC established a 100% owned subsidiary company Gladstone WICET Operations Pty Ltd. This company did not trade prior to 30 June 2014.

Details of the Group's subsidiaries as at 30 June 2015 are as follows

Name of subsidiary	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held by the Group	
			30 June 2015	30 June 2014
Gladstone Marine Pilot Services Pty Ltd	Pilotage services	Australia	100%	100%
Gladstone WICET Operations Pty Ltd	Dormant	Australia	100%	100%

Summarised financial information in respect of each of the Group's subsidiaries is set out below:

Subsidiary	Total assets $'000	Total liabilities $'000	Total revenue $'000	Profit/(loss) before tax $'000
Gladstone Marine Pilot Services Pty Ltd	4,422	4,422	18,306	-
Gladstone WICET Operations Pty Ltd	244	244	71	-

5. Parent Entity Information

The accounting policies of the parent entity, which have been applied in determining the financial information shown below, are the same as those applied in the consolidated financial statements. Refer to Note 2 for a summary of the significant accounting policies relating to the Group.

	2015 $'000	2014 $'000
Financial position		
Assets		
Current assets	200,211	226,816
Non-current assets	1,802,759	1,734,937
Total assets	**2,002,970**	**1,961,753**
Liabilities		
Current liabilities	141,136	166,277
Non-current liabilities	718,046	701,786
Total liabilities	**859,182**	**868,063**
Net assets	**1,143,788**	**1,093,690**
Equity		
Issued capital	675,496	676,717
Reserves	272,550	238,818
Retained profits	195,742	178,155
Total equity	**1,143,788**	**1,093,690**
Financial performance		
Profit for the year	71,960	101,252
Other comprehensive income	33,760	177,036
Total comprehensive income	**105,720**	**278,288**
Commitments for the acquisition of property, plant and equipment by the parent entity		
Due not later than 1 year	10,773	28,154

6. Segment information

The Group operates in a single industry, namely the Maritime Port Industry, at three locations in Central Queensland - Port of Gladstone, Port Alma and Port of Bundaberg.

7. Profit from operating activities

(a) Revenue

Revenue from continuing operations:

	2015 $'000	2014 $'000
Revenue		
Cargo handling charges	258,141	259,724
Harbour dues	53,834	53,147
Tonnage rates	48,734	46,224
Other shipping charges	9,160	9,873
Pilotage	17,131	12,024
Property revenue	13,326	12,691
Smallcraft services	3,698	4,299
Total	**404,024**	**397,982**
Other income		
Interest received	3,141	2,654
Recoverable works	25,412	219,470
Other	14,099	24,334
Total	**42,652**	**246,458**

7. Profit from operating activities (cont'd)

(b) Expenses

Expenses from continuing operations before related income tax equivalent expense includes:

	Note	2015 $'000	2014 $'000
Depreciation/amortisation expense			
Property, plant and equipment	12(b)	56,812	51,217
Intangibles		2,210	851
Reallocated to capital expenses		-	(428)
Total		**59,022**	**51,640**
Operational expenses			
Contractors		45,952	245,402
Services and consultants		11,299	10,704
Indirect taxes and government charges		7,427	9,893
Materials and supplies		21,948	17,237
Energy		20,445	24,002
Insurance		3,407	3,431
Lease payments		3,699	3,053
Other		4,591	7,802
Total		**118,768**	**321,524**
Finance costs			
Interest		26,364	27,080
Competitive neutrality fee		5,939	6,766
Financial instrument (profit)/loss		(346)	346
(Gains)/losses on exchange		463	-
Total		**32,420**	**34,192**

8. Income tax equivalent

(a) Income tax equivalent expense

	2015 $'000	2014 $'000
Profit before income tax equivalents	102,023	143,669
Prima facie tax at 30%	30,607	43,101
Non-deductible expenses	-	2
Overprovision in prior year	**-**	**(1,231)**
Permanent difference on sale of capital assets	(544)	545
Income tax expense	**30,063**	**42,417**
Comprises		
Deferred tax asset	(618)	(1,571)
Deferred tax liability	2,513	14,745
Income tax payable	28,168	29,243
	30,063	**42,417**

(a) Income tax equivalent expense

	2015 $'000	2014 $'000
Deferred income tax related to items charged or credited directly to equity		
Net gain on revaluation of property plant and equipment	116,884	102,415
Deferred income tax reported in equity	**116,884**	**102,415**

(c) Income tax payable

	2015 $'000	2014 $'000
Opening balance	12,485	7,948
Charged to income	28,168	29,243
Payments	(29,184)	(24,706)
Closing balance	**11,469**	**12,485**

8. Income tax equivalent (cont'd)

(d) Deferred tax asset

	2015 $'000	2014 $'000
Long service leave	5,621	5,244
Sick leave	2,672	2,496
Annual leave	4,403	4,044
Accumulated time off	180	243
Public holidays	95	43
Provision for doubtful debts	-	4
Provision for deferred maintenance	-	161
Provision for obsolete stock	2	-
Accrued expenses	18	34
Unrealised loss on financial instruments	-	104
Closing balance	**12,991**	**12,373**

	2015 $'000	2014 $'000
Opening balance	12,373	10,802
Amount (debited)/credited to Statement of Profit and Loss and Other Comprehensive Income	618	1,571
Closing balance	**12,991**	**12,373**

(e) Deferred tax liability

	2015 $'000	2014 $'000
Opening balance	205,067	114,449
Amount charged to Statement of Profit and Loss and Other Comprehensive Income	2,513	14,745
Amount (charged)/credited direct to equity	14,469	75,873
Closing balance	**222,049**	**205,067**

9. Cash and short term deposits

	Note	2015 $'000	2014 $'000
Cash on hand		4	5
Cash at bank		24,027	56,398
Queensland Treasury Corporation - cash on call		87,565	62,341
Total	20(c) 20(d)	**111,596**	**118,744**

Cash at bank earns interest at floating rates based upon daily bank deposit rates. Money market investments are limited to investments in bank-backed securities or short-dated securities guaranteed by the Commonwealth or the State. Credit risk exposure on these investments is minimised by the short-term nature of the investment. Cash at bank and on call includes restricted amounts. A balance of $11,940,487 (2014:$18,252,889) relates to LNG projects and may only be used to fund those projects.

(a) Reconciliation of profit for the year after income tax equivalent to net cash provided by operating activities

	2015 $'000	2014 $'000
Profit for the year after income tax	71,960	101,252
Depreciation	59,022	52,068
Revaluation of non-current assets	(2,188)	(39,085)
Impairment of non-current assets	8,885	26,516
Net profit or loss on sale of property, plant and equipment	(1,177)	(7,483)
Change in assets and liabilities		
Decrease in receivables	4,816	52,717
Decrease/(Increase) in other assets	4,889	(4,065)
(Increase) in inventories	(1,179)	(494)
(Increase) in deferred tax asset	(618)	(1,571)
(Decrease) in trade and other payables	(19,201)	(177,425)
(Decrease)/Increase in other liabilities	(4,677)	4,677
Increase in provisions	2,650	6,064
(Decrease)/Increase in income tax creditor	(1,016)	4,537
Increase in provision for deferred tax liability relating to profit and loss (Refer Note 8e)	2,513	14,745
Net cash provided by operating activities	**124,679**	**32,453**

(a) Working capital facility

The Group has access to a $30,000,000 (2014: $30,000,000) working capital facility provided through Queensland Treasury Corporation. This facility was not drawn upon during the financial year.

10. Trade and other receivables

	Note	2015 $'000	2014 $'000
Trade debtors		70,386	74,081
Less: provision for impaired trade debtors		-	(14)
		70,386	**74,067**
Accrued interest		-	46
Term debtors		-	283
Other debtors		103	42
Total	20(c)	**70,489**	**74,438**

Reconciliation of impaired debts:

	2015 $'000	2014 $'000
Opening balance	14	496
Impaired debts written off	(88)	(483)
Impaired debts recovered	-	-
Movement in provision	74	1
Closing balance	**-**	**14**

Ageing analysis of trade and term debtor balances at 30 June:

2015	Not due $'000	Overdue < 1 year $'000	Overdue 1-5 years $'000	Overdue 1-5 years $'000
Debtor balance	71,735	(1,252)	6	-
Impaired debt provision	-	-	-	-
	71,735	**(1,252)**	**6**	**-**

2014	Not due $'000	Overdue < 1 year $'000	Overdue 1-5 years $'000	Overdue 1-5 years $'000
Debtor balance	71,966	2,466	20	-
Impaired debt provision	-	-	(14)	-
	71,966	**2,466**	**6**	**-**

10. Trade and other receivables (cont'd)

The major component of debtor exposure is to coal producers using the Port of Gladstone for the export of product. Coal producers are mostly major listed companies or their related companies and account for 80% (2014: 72%) of trade debtors at balance date. Credit is only available to established customers on 30 day terms except in the case of coal exporters who may be required to make payment within 14 days of receipt of monthly statements.

Credit risk exposure is minimised in the case of term leases where personal guarantees are required from directors of small private companies. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

11. Assets classified as held for sale

The Group intends to dispose of parcels of land not considered to be strategic port land in the next 12 months. No impairment loss was recognised on reclassification of the land as held for sale at 30 June 2015 as the Directors of the Group expect that the fair value (estimated based on the recent market prices of similar locations) less costs to sell is higher than the carrying amount.

12. Property, plant and equipment

(a) Schedule of values

	Valuation $'000	2015 Accumulated depreciation $'000	Net book value $'000
Land	95,270	-	95,270
Buildings	60,851	10,490	50,361
Channels, swing basins and berth pockets	510,978	4,996	505,982
Commercial wharves	250,150	40,602	209,548
Recreational and fishing wharves	353	52	301
Roads and services (structural improvements)	136,310	18,719	117,591
Plant	824,116	215,709	608,407
Furniture and fittings	836	350	486
Capital works in progress - cost	74,045	-	74,045
Total	**1,952,909**	**290,918**	**1,661,991**

12. Property, plant and equipment (cont'd)

(a) Schedule of values (cont'd)

	Valuation $'000	2014 Accumulated depreciation $'000	Net book value $'000
Land	92,395	-	92,395
Buildings	57,216	8,458	48,758
Channels, swing basins and berth pockets	463,621	10,248	453,373
Commercial wharves	231,763	33,931	197,832
Recreational and fishing wharves	353	43	310
Roads and services (structural improvements)	137,765	22,633	115,132
Plant	782,692	169,260	613,432
Furniture and fittings	829	283	546
Capital works in progress - cost	88,185	-	88,188
Total	**1,854,822**	**244,856**	**1,609,966**

12. Property, plant and equipment (cont'd)

(b) Reconciliations

Reconciliations of the carrying amount for each class of property, plant and equipment at 30 June 2015 are set out below:

	Carrying amount at 1 July 2014 $'000	WIP additions $'000	Transfers to/from WIP $'000	Disposals $'000	Transfers to land held for resale $'000	Depreciation $'000	Revaluations $'000	Impairment $'000	Carrying amount at 30 June 2015 $'000
Land	92,395	-	-	(18)	2,893	-	-	-	**95,270**
Buildings	48,758	-	4,339	-	-	(1,955)	(781)	-	**50,361**
Channels, swing basins and berth pockets	453,373	-	8,224	-	-	(4,659)	49,045	-	**505,982**
Commercial wharves	197,832	-	18,419	-	-	(6,671)	(31)	-	**209,548**
Recreational and fishing wharves	310	-	-	-	-	(9)	-	-	**301**
Roads and services (structural improvements)	115,132	-	8,206	-	-	(3,991)	(1,757)	-	**117,591**
Plant	613,429	-	35,593	(226)	-	(39,461)	(928)	-	**608,407**
Furniture and fittings	549	-	4	-	-	(66)	(1)	-	**486**
Capital works in progress	88,188	69,527	(74,785)	-		-	-	(8,885)	**74,045**
Total	**1,609,961**	**69,527**	**-**	**(244)**	**2,893**	**(56,812)**	**45,548**	**(8,885)**	**1,661,991**

12. Property, plant and equipment (cont'd)

(b) Reconciliations

Reconciliations of the carrying amount for each class of property, plant and equipment at 30 June 2014 are set out below:

	Carrying amount at 1 July 2013 $'000	WIP additions $'000	Transfers to/from WIP $'000	Disposals $'000	Transfers to land held for resale $'000	Depreciation $'000	Revaluations $'000	Impairment $'000	Carrying amount at 30 June 2014 $'000
Land	100,248		3,075	(1,065)	(3,743)	-	-	-	**92,395**
Buildings	32,611		17,972	-	-	(1,656)	-	(169)	**48,758**
Channels, swing basins and berth pockets	120,471	-	55,730	-	-	(4,059)	281,231	-	**453,373**
Commercial wharves	207,437	-	561	-	-	(6,509)	-	(3,657)	**197,832**
Recreational and fishing wharves	319	-	-	-	-	(9)	-	-	**310**
Roads and services (structural improvements)	89,677	-	29,360	-	-	(3,445)	-	(460)	**115,132**
Plant	579,016	-	74,959	(329)	-	(35,477)	-	(4,740)	**613,429**
Furniture and fittings	476	-	135	-	-	(62)	-	-	**549**
Capital works in progress	195,322	95,871	(181,792)	-	-	-	-	(21,213)	**88,188**
Total	**1,325,577**	**95,871**	**-**	**(1,394)**	**(3,743)**	**(51,217)**	**281,231**	**(30,239)**	**1,609,961**

12. Property, plant and equipment (cont'd)

(c) Carrying amounts if assets were measured at cost less accumulated depreciation

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

	2015 Net book value $'000	2014 Net book value $'000
Land	73,368	71,292
Buildings	50,463	48,385
Channels, swing basins and berth pockets	147,472	146,916
Commercial wharves	187,164	175,710
Recreational and fishing wharves	431	458
Roads and services (structural improvements)	128,990	125,105
Plant	581,595	591,577
Furniture and fittings	482	540
Total	**1,169,965**	**1,159,983**

(d) Valuations

A full revaluation of the Group's assets was undertaken as at 30 June 2015 using an income based approach. The fair value of assets was obtained based upon projected revenue streams for the next 10. This allows the tonnage growth that is contracted for the Port of Gladstone to be realised in the income valuation. The valuation uses CPI of 2.5%, a growth factor of 3.0% when calculating terminal values and a weighted average cost of capital (WACC) rate of 7.95% (post tax) when discounting. The revenue forecast is based upon contractual arrangements where they exist or historic tonnage throughput. Management judgement has been used to forecast future tonnages where no historical data exists. The costs that have been included in the model are based upon the Group's five year forecasts and are deemed to be prudent and efficient operating costs. Future capital expenditure costs for stay in business capital and channel expansion costs have been included in the model. The channel expansion costs are based upon current dredging costs and estimated volumes.

The reason for the valuation increase was additional future revenue from and the inclusion of take or pay revenue in relation to Wiggins Island Coal Export Terminal which were recognised in valuation calculations for the first time as they are now calculable with reasonable certainty, along with the impact of a reduced WACC rate down to 7.95% from the 8.04% used in 2014. The increase in values has been attributed to the Group's channel assets due to the increased revenue generated by these assets.

12. Property, plant and equipment (cont'd)

(d) Valuations (cont'd)

The valuation identified that assets at the Barney Point and Port Alma facilities should be devalued as there are insufficient revenue streams available to support the carrying values. The Barney Point facility is devalued as a result of coal throughput ceasing in the medium term and no replacement product has yet been contracted to replace it. The Port Alma facility is devalued as a result of decreasing tonnages due to decline in ammonium nitrate and explosive throughput.

Categorisation of fair values recognised as at 30 June 2015:

	Level 1 $'000	Level 2 $'000	Level 3 $'000	Fair value as at 30 June $'000
Land	-	-	95,270	95,270
Buildings	-	-	50,361	50,361
Channel, swing basins and berth pockets	-	-	505,982	505,982
Commercial wharves	-	-	209,548	209,548
Recreational and fishing wharves	-	-	301	301
Roads and services	-	-	117,591	117,591
Plant	-	-	608,407	608,407
Furniture and fittings	-	-	486	486
Capital works in progress	-	-	74,045	74,045
			1,661,991	1,661,991

There were no transfers between the Levels during the year.

A sensitivity analysis of the level 3 inputs used in performing the valuation are listed below:

Level 3 input	-0.5%	Rate used by the Group	+0.5%
WACC rate (used 7.95%)	$2.021B	$1.796B	$1.613B
Growth Rate (used 3.0%)	$1.695B	$1.796B	$1.920B
CPI (used 2.5%)	$1.767B	$1.796B	$1.826B

12. Property, plant and equipment (cont'd)

(d) Valuations (cont'd)

The balances in the table above include property plant and equipment, intangible assets, investment properties and the assets held for resale (prior to the transfer from investment properties and land).

Previous valuations have been calculated using a different methodology. Where possible fair value was calculated using active market valuations. Where no active market existed, fair value was calculated using depreciated replacement costs and evaluated against net realisable value based upon future cash flows of respective business units.

The reconciliation of revaluations for property, plant and equipment and investment properties is shown below:

	Note	2015 $'000	2014 $'000
Property, plant and equipment revaluations	12(b)	45,548	281,231
Intangible asset devaluations		(10)	-
Investment property revaluations	13(a)	4,879	14,486
		50,417	**295,717**
Revaluation of non-current assets – Statement of Profit and Loss		4,879	14,486
Reversal of prior devaluations of non-current assets – Statement of Profit and Loss		-	24,599
Devaluation of non-current assets – Statement of Profit and Loss		(2,691)	-
Revaluation of non-current assets – asset revaluation reserve		48,868	256,632
Devaluation of non-current assets – asset revaluation reserve		(639)	-
		50,417	**295,717**

(e) Impairment

An impairment review was carried out at 30 June 2015. The revaluation undertaken by the Group as at 30 June 2015 was calculated using an income based approach to estimate fair value. Following the revaluation exercise a separate impairment review was undertaken to examine if the revenue streams for each cash generating unit were adequate to support the revalued amount. Work in progress in relation to the Group's East Shores Project has been impaired as no revenue stream will attach to these costs. The reconciliation of impairment is shown below:

	Note	2015 $'000	2014 $'000
Impairment charged to Statement of Profit and Loss and Other Comprehensive Income	12(b)	8,885	26,516
Impairment charged to asset Revaluation reserve		-	3,723
Total	12(b)	**8,885**	**30,239**

13. Investment properties

	Note	2015 $'000	2014 $'000
Opening balance		98,275	91,963
Additions		-	328
Transfers from (to) land	12(b)	-	6,120
Transfers to Assets held for resale		**7,804**	**(13,115)**
Revaluations	12(d)	4,879	14,486
Disposals		(399)	(1,507)
Closing balance		**110,559**	**98,275**

Investment properties are carried at fair value, which has been determined based on independent valuations by Mr Geoff Pyman, of AON Valuation Services as at 30 April 2015, in accordance with AASB 140 – Investment Properties, which requires an annual review of fair value. Investment properties may only be disposed of after obtaining approval from the Portfolio Minister for Transport and Main Roads. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There has been no change to the valuation technique during the year.

All of the Group's investment properties are commercial properties located in Australia and are level 2 on the fair value hierarchy. There were no transfers between the levels during the year.

14. Trade and other payables

Current	2015 $'000	2014 $'000
Trade creditors	31,332	38,304
Revenue received in advance	6,355	18,972
GST payable	3,322	(633)
Other	1,989	2,723
	42,998	**59,366**
Non-current		
Revenue received in advance	**24,094**	**26,059**

The revenue received in advance relates to operating lease revenue on investment properties and payments received in advance on recoverable works contracts. Due to the short term nature of these payables, their carrying value is assumed to approximate to their fair value. Trade creditors are usually paid 30 days from the last day of the month in which an invoice is received. GST is payable on the 21st day following the period to which it relates. For more information on the Group's credit risk management process, refer to Note 20(a).

15. Loans and borrowings – Non-current

	Note	2015 $'000	2014 $'000
Non-current			
Queensland Treasury Corporation loans	20(c), 20(d)	461,344	461,520

The Queensland Treasury Corporation loans comprise advances made under one client specific pool arrangement (CSP). The CSP will comprise a combination of bonds and Floating Rate Debt so that the weighted average term of the underlying cash flows of these instruments matches the weighted average term of the underlying cash flows of the Group's loans. The CSP with a book value of $461,343,641 is used for the Group's normal operations. This is unsecured.

Fair values

Unless disclosed below the carrying amount (book value) of the Group's current and non-current borrowings approximate to their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates.

	2015		2014	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Queensland Treasury Corporation loans	461,344	508,777	461,520	507,053

The fair value represents the value of the debt if the Group repaid at that date. As it is the intention of the Group to hold the debt for its term, no provision is required to be made in these accounts. The Group's loan with Queensland Treasury Corporation is level 2 on the fair value hierarchy. There were no transfers between the levels during the year.

16. Provisions

	Note	2015 $'000	2014 $'000
Current			
Employee benefits		31,763	30,842
Dividends	18	54,400	58,567
Other		704	522
Total		**86,867**	**89,931**
Non-current			
Employee benefits		11,476	9,393
Contribution for maintenance received in advance		-	536
Total		**11,476**	**9,929**

17. Employee benefits

Employee benefits comprise of long service leave, annual leave, sick leave and rostered day off provisions.

	2015 $'000	2014 $'000
Balance of provision at 1 July	40,235	34,724
Payment of provisions	(18,180)	(11,814)
Movement in provision calculation	21,184	17,325
Balance of provision at 30 June	**43,239**	**40,235**

18. Dividends

Dividends provided calculations are based on 80% of net profit after an adjustment for upwards revaluations. The effective comparable percentages are 2015 at 80% and 2014 at 80%. All dividends are unfranked. Dividends are declared after reporting date but before the financial statements are authorised for issue.

Dividends provided or paid

	Note	2015 $'000	2014 $'000
Balance of provision at 1 July		58,567	57,416
Dividends paid		(58,567)	(57,416)
Dividends provided for		54,400	58,567
Balance of provision at 30 June	16	**54,400**	**58,567**

19. Issued capital

	2015 No.	2014 No.
Issued capital		
Authorised – ordinary shares	1,000,000,000	1,000,000,000
Issued –ordinary shares fully paid	402,066,818	402,066,818

The shares have no par value.

20. Financial risk management objectives and policies

The Group's principal financial instruments comprise receivables, payables, bank loans, cash and short term deposits and derivatives.

The Group manages its exposure to key financial risks, including credit risk, liquidity risk, interest rate and currency risk, in accordance with its financial policies. The objectives of the policies are to support the delivery of the Group's financial targets whilst protecting future financial security.

20. Financial risk management objectives and policies (cont'd)

The Group occasionally enters into derivative transactions, principally forward currency contracts. The purpose is to manage the currency risks arising from the Group's operations. These derivatives provide economic hedges, but do not qualify for hedge accounting and are based upon limits set by the Board.

In 2015 the Group did not enter into any derivative transactions.

The Board reviews and agrees policies for managing each of the risks summarised below:

(a) Credit risk exposure

Credit risk arises from the financial assets of the group, which comprise cash and cash equivalents and trade and other receivables. The Group is exposed to credit risk from the possibility of counter parties failing to perform their obligations. Credit risk exposure on financial assets other than cash at bank and at call has been recognised in the Statement of Financial Position, with the carrying amount stated net of any provision for impaired debts.

The Group does not hold any credit derivatives to offset its credit exposure. The level of exposure is disclosed in Note 10.

(b) Foreign currency risk

The Group has transactional currency exposures in relation to capital purchases in currencies other than Australian dollars. The Group requires management to examine eliminating currency exposure on any individual transactions in excess of $500,000. It is the Group's policy not to enter into forward contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness. As at 30 June 2015 the Group did not have any exposure to foreign currency. In 2014, the Group received revenue from LNG proponents in Euros to offset the requirement to pay a contractor in Euros. The Group only received those amounts required to meet its contractor obligations and only pays this credit after the Euro have been received from the LNG proponents. Therefore the Group does not believe that any exchange rate risk exposure occurred in relation to these contracts. These contracts were complete as at 30 June 2014.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

All financial assets held at 30 June 2014 and 2015 were classified as due to reach maturity in <1 year. The table below reflects the maturity analysis of all contractually fixed and un-fixed pay-offs for settlement, and repayments and interest resulting from recognised financial liabilities, including derivative financial instruments as at 30 June 2015. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based upon the conditions existing at 30 June 2015.

20. Financial risk management objectives and policies (cont'd)

Maturity analysis of financial liabilities based upon management's expectations

Year ended 30 June 2015	Note	< 1 year $'000	1 - 5 Years $'000	> 5 years $'000	Total $'000
Financial liabilities					
Trade and other payables	14	42,998	7,860	16,234	**67,092**
Interest bearing loans and borrowings	15	-	-	4,879	**14,486**
		42,998	**7,860**	**477,578**	**528,436**

Year ended 30 June 2014	Note	< 1 year $'000	1 - 5 Years $'000	> 5 years $'000	Total $'000
Financial liabilities					
Trade and other payables	14	42,998	7,860	16,234	**67,092**
Interest bearing loans and borrowings	15	-	-	4,879	**14,486**
Derivatives		4,677	**-**	**-**	**4,677**
		64,043	**7,860**	**479,719**	**551,622**

The risks implied in the table above reflect a balanced view of cash inflows and outflows.

Interest bearing loans and borrowings relate to Queensland Treasury Corporation borrowings which are interest only with no fixed repayment date for the principal component. For the purposes of completing the maturity analysis, the principal component of these loans has been included in the more than five year time band with no interest payment assumed in this time band.

All trade and other payables due in >1 year are revenue received in advance for recoverable works. All other trade payables and other financial liabilities originate from the ongoing operations of the Group.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, the Group has established comprehensive risk reporting that reflects expectations of management of settlement of financial assets and liabilities.

The Group monitors rolling forecasts of liquidity reserves on the basis of expected cash flow. At balance date the Group had $30 million of unused credit facilities available for use.

(d) Interest rate risk exposure

The Group's exposure to interest rate risk relates primarily to the Group's long-term debt obligations. The level of debt is disclosed in Note 16.

At 30 June 2015 the Group's financial assets and liabilities exposed to variable interest rate risk consisted of cash and cash equivalents and interest bearing loans and liabilities only.

The Group's policy is to manage its finance costs using a mix of fixed and variable rate debt. The Group constantly analyses its interest rate exposure where consideration is given to the mix of fixed and variable interest rates.

20. Financial risk management objectives and policies (cont'd)

(d) Interest rate risk exposure

Sensitivity analysis based upon the interest risk exposures in existence at the Statement of Financial Position date illustrates that a +/- 1% movement in interest rates with all other variables held constant, the post-tax profit and equity affect is as follows:

	Post-tax profit		Equity	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
+1% (100 basis points)	(451)	(445)	(451)	(445)
-1% (100 basis points)	453	449	453	449

(e) Net fair value

Cash at bank and at call are valued as the amount of the deposit or the purchase price of the underlying security. Receivables are carried at the nominal amount due, less provision for impaired debts which represents the assessed credit risk.

Liability to trade creditors is recognised on receipt of goods and services at nominal value. Payment would normally occur within 30 days.

Borrowings outstanding at 30 June 2015 have been valued at book using long-term interest rates negotiated with Queensland Treasury Corporation.

21. Derivative financial instruments

During 2013 and 2014 the Group entered into agreements to purchase mobile plant and dredging contracts with the purchase price denominated in a foreign currency. In order to protect against exchange rate movements, the Group entered into forward exchange contracts to purchase United States Dollars and Euro.

At balance date, the details of the outstanding contracts are (in Australian Dollar equivalents):

	Sell Australian Dollars		Average exchange rate	
	2015 $'000	2014 $'000	2015 $'000	2014 $'000
Maturity:				
0 – 6 months	-	2,366	-	0.8627
6 – 12 months	-	2,385	-	0.8557

These contracts are fair valued by comparing the contracted rate to market rates for contracts with the same length of maturity. All movements in fair value are recorded in the Statement of Profit and Loss and Other Comprehensive Income in the period they occur. The net fair value losses on foreign currency derivatives during the year were $345,964 (2014: gain of $345,964). The Group did not reclassify any derivative financial instruments during the year.

Under the fair value hierarchy the Group's derivative financial instrument assets and liabilities are classed as Level 2 instruments.

22. Commitments and contingencies

Operating lease commitments – Group as lessor

Operating lease revenue	2015 $'000	2014 $'000
Due not later than one year	11,899	10,618
Due later than one year and not later than five years	27,987	26,459
Due later than five years	74,322	56,591
Total	**114,208**	**93,668**

These leases relate to the Group's business of providing facilities for stevedoring operators as well as land and buildings for industrial use for other business purposes.

Operating lease commitments - Group as lessee

These leases relate to office equipment, light vehicles and heavy moving equipment:

Operating lease revenue	2015 $'000	2014 $'000
Due not later than one year	2,218	1,553
Due later than one year and not later than five years	1,996	719
	4,214	**2,272**

Capital expenditure commitments contracted but not provided for:

	2015 $'000	2014 $'000
Due not later than one year	10,773	28,154

Contingent assets and liabilities

As at the date of these accounts, the Board is not aware of any material contingent assets or liabilities.

23. Auditor's remuneration

These are amounts (excluding GST) paid to the Auditor-General of Queensland for audit of the financial statements. No other benefits were received by the auditors:

	2015 $	2014 $
Remuneration	147,754	112,993

The estimated fee for 2015 is $137,300.

24. Key management personnel disclosures

Directors

Directors' emoluments are set by the State Government with other fees and allowances determined on the basis of meetings attended and expenditure incurred in performing their roles. Directors do not receive performance related remuneration.

Specified executives

The Human Resources Committee recommend executive remuneration to the Board. The committee uses market and industry surveys to ascertain an appropriate level of remuneration to attract appropriately skilled staff. The remuneration policy is subject to State Government guidelines and changes to executive remuneration are approved by the Board and advised to shareholding Ministers.

The Group's remuneration policy is based on a total employment cost (TEC) concept. The TEC concept ensures all benefits including salary, superannuation, motor vehicle etc. are included in the remuneration package cost.

Short-term benefits are disclosed as the gross salary package (excluding bonuses) and may be taken either as salary or salary sacrificed by the Director or employee. Amounts paid on separation are included as a short term benefit.

All disclosed items relate to amounts received by each senior executive for the full financial year irrespective of when they commenced their role listed below. Other benefits are listed as taxable fringe benefits amounts. These may include benefits that are available to all employees of the Group and are not specific to the listed roles.

From 2014 all new senior executive appointments are on tenure. Senior executives employed prior to this date are employed on fixed three year terms, otherwise their terms and conditions of employment are the same. Where existing executive contracts are renewed the Board reviews whether to move the executive to tenure from fixed term contracts. All senior executives' remuneration levels increase in line with the market assessments up to a maximum of 10% per annum where remuneration remains below the market median. Where remuneration is above market median annual increases are restricted to CPI increases. There are no at risk benefits to senior executives. Separation benefits, in the event of termination by the Group, other than for misconduct, are allowed for in the agreements. The Chief Executive Officer is entitled to three months' notice, or payment in lieu of notice as well as a separation payment of the lesser of 12 months' pay and the amount which would otherwise be paid between the determination date and the end of the contract term. Senior executives are entitled to four weeks' notice or payment in lieu. In the event of a position being made redundant the executive is entitled to eight weeks pay plus three weeks' pay for each year of service, up to a maximum of 52 weeks. In accordance with Ministerial guidelines details of Directors and the senior executives of the entity with the greatest authority in office at 30 June 2015 are as follows:

Directors	Short Term Benefits $'000 Directors' Fees	Post-Employment Benefits $'000 Superannuation	Post-Employment Benefits $'000 Retirement Benefits Superannuation	Other Benefits $'000	Total $'000
Brodie, M (Chairman)					
2015	78	7	-	-	85
2014	55	5	-	1	61
Skippen, H[1]					
2015	47	5	-	-	52
2014	21	2	-	-	23
Davidson, G[2]					
2015	47	5	-	-	52
2014	9	18	-	-	27
Reynolds, J[2]					
2015	49	5	-	-	54
2014	28	3	-	-	31
Moorhead, B[3]					
2015	47	5	-	-	52
2014	26	2	-	-	28
Greig, C[3]					
2015	47	5	-	-	52
2014	24	2	-	-	26
Ward, C[5]					
2015	39	4	-	-	43
2014	-	-	-	-	-
Ware, C[4]					
2015	-	-	-	-	-
2014	9	1	-	-	10
Total remuneration: Directors					
2015	354	36	-	-	390
2014	172	33	-	1	206

1 Re-appointed 1 October 2013. 2 Re-appointed 2 October 2014. 3 Appointed 16 August 2012.
4 Ceased 30 September 2013. 5 Appointed 17 July 2014. Transactions of a similar nature are disclosed in aggregate except when separate disclosure is necessary and material.

24. Key management personnel disclosures (cont'd)

Specified Executives	Contract Expiry Date	Short Term Benefits $'000 Salary	Short Term Benefits $'000 Separation Payments	Post-Employment Benefits $'000 Super-annuation	Other Benefits $'000 Motor Vehicle	Other Benefits $'000 Other	Total $'000
Doyle, C CEO[1]	15-Sep-16						
2015		467	-	60	17	36	580
2014		332		50	6	22	410
Galt, M Commercial GM	17-Sep-16						
2015		321	-	60	24	-	405
2014		299	-	56	24	9	388
Brown A Cargo Handling Operations GM	Tenure						
2015		288	-	54	24	3	369
2014		268	-	50	24	1	343
Carter, G Port Planning and Development GM[2]	Tenure						
2015		245	-	49	20	1	315
2014		242	-	32	17	1	292
Schmidt, T Corporate and Employee Relations GM[6]	27-Nov-14						
2015		122	214	37	18	-	391
2014		202	-	38	17	-	257
Sherriff, J Safety, Environment and Risk GM	Tenure						
2015		200	-	38	15	3	256
2014		188	-	36	15	8	247
Wilson, G[4] Marine Operations GM	Tenure						
2015		256	-	24	11	11	302
2014		98	-	9	-	-	107
Halpin, B[5] WICET Operations GM	Tenure						
2015		286	-	27	-	-	313
2014		5	-	-	-	-	5
Zussino, L CEO[3]	31-Aug-13						
2015		-	-	-	-	-	-
2014		96	503	38	12	5	654
Total remuneration: specified executives							
2015		-	-	-	-	-	-
2014		96	503	38	12	5	654

1 Appointed CEO from 16 September 2013. 2 Appointed Acting GM from 1 March 2011, appointed GM from 1 December 2012. 3 Contract expired 31 August 2013. 4 Appointed 3 February 2014. 5 Appointed 16 June 2014. 6 Resigned 16 January 2015.

25. Related party disclosure

Balances between GPC and its subsidiaries, which are related parties of GPC, have been eliminated on consolidation and are not disclosed in this note. The Group is a company GOC owned by the Queensland Government and established as a body corporate under an Act of Parliament. All State of Queensland controlled entities meet the definition of a related party in AASB 124 Related Parties. All payments made or received between the Group and other government entities are on an arm's length commercial basis and shown below:

Gladstone Ports Corporation Limited

Agency	Nature	2015 $'000	2014 $'000
Revenue			
Maritime Safety Queensland	Rent, berthage, pilotage transfers, oil spill response	17,170	8,895
Other	Various	709	785
Expenses			
Department of Agriculture	Environmental works	1,000	1,100
Gladstone Area Water Board	Water and capital contributions	853	1,005
Office of State Revenue	Land tax and payroll tax	6,848	9,155
QLeave	Portable long service leave	247	2,403
QSuper			
Superannuation contributions		15,675	14,331
Queensland Department of Transport and Main Roads	Including survey work, dredging and registrations	1,479	3,886
Queensland Treasury	Dividend, NTER tax, competitive neutrality and rates	95,640	90,411
Queensland Treasury Corporation	Loan interest	26,547	27,484
WorkCover Queensland	Workers' compensation insurance	2,052	2,257
Other	Various	2,309	1,884

Gladstone Marine Pilot Services Pty Ltd

Agency	Nature	2015 $'000	2014 $'000
Expenses			
QSuper	Various	709	785
Superannuation contributions		1,364	775
Other	Vessel registration, payroll tax, vessel simulations	1,205	665

25. Related party disclosure (cont'd)

The debtor or creditor balances as at 30 June are shown below:

Gladstone Ports Corporation Limited

Agency	2015 $'000	2014 $'000
Debtor		
Maritime Safety Queensland	1,457	3,001
Other	(24)	16
Creditor		
Queensland Treasury Corporation	461,344	461,520
Other	12	-

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

26. Number of employees

	2015 No.	2014 No.
Number of employees at year end (Full Time Equivalent)	752	765

The number of employees represents the total number of people employed (Full Time Equivalent) by the Group as at 30 June.

	2015 $'000	2014 $'000
Total salaries and wages paid or payable to all employees	105,612	95,417
Superannuation paid or payable for all employees		
Defined benefit schemes	3,328	3,324
Accumulation schemes	8,310	6,991
	11,638	**10,315**

27. Events after the reporting period

There were no material events that occurred after the reporting period and before approval of the financial statements that would impact the results disclosed in these financial statements.

GLADSTONE PORTS CORPORATION LIMITED

DIRECTORS' DECLARATION

The Directors declare that:

i. in the Directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

ii. in the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001,* including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001.*

On behalf of the Directors

original signed

M Brodie Dated: 27 August 2015

Chairman

original signed

J Reynolds Dated: 27 August 2015

Director

Gladstone

INDEPENDENT AUDITOR'S REPORT

To the Members of Gladstone Ports Corporation Limited

Report on the Financial Report

I have audited the accompanying financial report of Gladstone Ports Corporation Limited which comprises the Consolidated Statement of Financial Position as at 30 June 2015, and the Consolidated Statement of Profit and Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Directors' Declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with *Australian Accounting Standards* and *the Corporations Act 2001*, and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the Directors also state, in accordance with Accounting Standard AASB 101 P*resentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards.*

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

In conducting the audit, the independence requirements of the Corporations Act 2001 have been complied with. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the Directors of Gladstone Ports Corporation Limited, would be in the same terms if given to the Directors as at the time of this auditor's report.

Opinion

In my opinion:

(a) The financial report of Gladstone Ports Corporation Limited is in accordance with the *Corporations Act 2001,* including:

  (i) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date;

  (ii) Complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*; and

(b) the consolidated financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

D R Adams, FCPA
(as Delegate of the Auditor-General of Queensland)

Queensland Audit Office
Brisbane

Glossary of Terms

APLNG	Australia Pacific LNG Pty Limited
B	Billion
BPT	Barney Point Terminal
CEO	Chief Executive Officer
CIP	Community Investment Program
CIS	Capital Investment System
CQPA	Central Queensland Port Authority
EA	Enterprise Agreement
EBIT	Earnings Before Interest and Tax
EDMS	Environmental Database Management System
EIS	Environmental Impact Statement
EMS	Environmental Management System
ERP	Enterprise Resource Planning
EPBC Act	Environmental Protection and Biodiversity Conversation Act 1999
FHA	Fish Habitat Area
FTE	Full Time Equivalent
GBRWHA	Great Barrier Reef World Heritage Area
GBRMP	Great Barrier Reef Marine Park
GHHP	Gladstone Healthy Harbour Partnership
GLNG	Gladstone LNG Operation Pty Ltd
GMPS	Gladstone Marine Pilot Services Pty Ltd
GOC	Government Owned Corporation
GOC Act	Government Owned Corporations Act 1993 (Qld)
GPC	Gladstone Ports Corporation Limited
GWO	Gladstone WICET Operations Pty Ltd
ha	Hectares
HR	Human Resources
ILUA	Indigenous Land Use Agreement
LNG	Liquefied Natural Gas
LTI	Lost Time Injuries
LTIFR	Lost Time Injury Frequency Rate
LTIDR	Lost Time Injury Duration Rate
M	Million
MSQ	Maritime Safety Queensland
MSIC	Maritime Security Identification Card
Mt	Million tonnes
Port Alma	Port Alma and Port of Rockhampton refer to the one port precinct. The terms are interchangeable
PID	Public Interest Disclosure
PMIS	Port Management Information System
Port of Rockhampton	Port of Rockhampton and Port Alma refer to the one port precinct. The terms are interchangeable
PM	Preventative Management
QAL	Queensland Alumina Limited
QCLNG	Queensland Curtis LNG Pty Ltd
QPS	Queensland Ports Strategy
RAP	Reconciliation Action Plan
RCM	Reliability Centred Maintenance
RGTCT	RG Tanna Coal Terminal
RTAY	Rio Tinto Alcan Yarwun
SCI	Statement of Corporate Intent
SPL	Strategic Port Land
t	Tonnes
TEP	Transitional Environmental Program
TIFR	Total Injury Frequency Rate
WBDDP	Western Basin Dredging and Disposal Project
WHA	World Heritage Area
WICET	Wiggins Island Coal Export Terminal Pty Limited
WICT	Wiggins Island Coal Terminal
WRZ	Waterside Restriction Zone

Gladstone Ports Corporation Limited

19 Yarroon Street,
Gladstone
Queensland, 4680 Australia

PO Box 259 Gladstone,
Queensland, 4680 Australia

T: +61 7 4976 1333
F: +61 7 4972 3045

www.gpcl.com.au

Back cover (showing RGTCT):

1. *Coal is trained to the port*
2. *Dozers push the coal onto underground conveyors*
3. *The coal is transported by conveyor to RGTCT*
4. *At RGTCT the coal is loaded onto ships bound for ports around the world*

Gladstone Ports Corporation

Growth, Prosperity, Community.

Gladstone Ports Corporation Limited

19 Yarroon Street, Gladstone
PO Box 259 Gladstone, Queensland, 4680 Australia

T: +61 7 4976 1333 **F:** +61 7 4972 3045

www.gpcl.com.au