



Financial and Commercial Policy

Brief description

This Policy sets out GPC's commitment to manage its financial and commercial responsibilities to create and protect value for GPC and its Stakeholders.

Document information

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Audience	shareholding Ministers, Board, Officers and Employees

Document accountability

Role	Position
Owner	Board
Custodian	Chief Financial Officer

Endorsed by Board on 27/05/2022

If you require any further information, please contact the Custodian.

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The current version of this Policy is available on GPC's Intranet.

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1 Terms and definitions

In this Policy: Terms that are capitalised and not otherwise defined in this Policy are defined in the GPC Corporate Glossary Instruction (as listed in Appendix 1 – Related documents).

2 Introduction

2.1 Purpose

The purpose of this Policy is to assist in fulfilling Gladstone Ports Corporation (“GPC”)’s commitment to create and protect value for its stakeholders, as recorded in its Statement of Corporate Intent and Corporate Plan.

2.2 Scope

This Policy applies to all Employees and all other workers engaged under the direct management of GPC (including Contractors and Consultants). It applies to all of GPC’s activities and operations.

Tax risk management is dealt with in the Tax Policy and Tax Risk Management Standard.

2.3 Objectives

This Policy is designed to ensure that GPC has a commercial and financial management approach that complies with all legal and regulatory requirements, including:

- (a) its obligations as a Government Owned Corporation (“GOC”); and
- (b) Queensland Government expectations that it maintain the highest standard of financial governance practices (in particular, as set out in the Code of Practice for Government Owned Corporations’ Financial Arrangements); and

3 Commitments

3.1 Dividend

The Board must make a recommendation, between 1 and 15 May (inclusive) of each financial year, for the payment of a specified dividend, or that no dividend be paid, and any dividend must be paid within six months of the end of the financial year (i.e. before 31 December) (GOC Act s 131).

3.2 Information for shareholding Ministers

The Board must keep the shareholding Ministers reasonably informed of the operations, financial performance and financial position of GPC. If matters arise that, in the Board’s opinion, may significantly affect GPC’s achievement of the objectives in its Statement of Corporate Intent or targets in its Corporate Plan, then the Board must immediately inform the shareholding Ministers (GOC Act s 122).

3.3 Policies required under the Code of Practice

The Code of Practice for Government Owned Corporations’ Financial Arrangements requires GPC to demonstrate that it has implemented appropriate management and accountability systems. In particular, the Code requires GPC to have Board approved Policies, reviewed by the shareholding Ministers, concerning the areas identified in sections 4.1, **Error! Reference source not found.** and 4.2 below.

4 Implementation framework

To support and demonstrate these Policy commitments, and embed a culture of individual responsibility for risk management, GPC has established the following implementation framework.

4.1 Corporate finance

(a) Capital management

GPC manages its capital structure to:

- minimise its cost of capital;
- maintain flexibility for infrastructure opportunities;
- ensure it meets all debt covenants; and
- maintain an investment grade credit rating.

The practices to attain these goals are set out in the Capital Planning and Expenditure Procedure.

(b) Dividend policy

The Board will review its dividend recommendation on an annual basis and include the details in the Statement of Corporate Intent.

4.2 Financial risk management

To ensure a coordinated, consistent and integrated enterprise risk management and resilience capability exists across all levels of the organisation.

GPC employs an integrated risk and resilience framework that incorporates and aligns business functions and specialist areas of risk management across GPC, which includes, but is not limited to GPC's approach to financial risk management.

GPC's integrated risk and resilience framework also outlines the obligations, expectations, methodology, processes and annual risk management cycle for the successful development and maintenance of a mature and risk aware culture and includes the following documents:

- Enterprise Risk and Resilience Policy;
- Enterprise Risk Management Standard; and
- Enterprise Risk Management Procedure.

Additionally, GPC utilises a fully integrated and interactive risk management system with risk reporting capabilities known as SAI360 as the approved system repository for all GPC risk registers.

GPC has identified and allocated accountability for a range of strategic and operational financial risks, controls and risk treatment plans which are currently captured and managed within SAI360.

4.3 Financial and commercial control

GPC maintains financial and commercial control through its Delegations of Authority Policy and Delegated Authority Specification.

Particular controls are applied to higher risk items, including in the Fraud and Corruption Policy, Gifts and Benefits Procedure, Credit Card Procedure and Managing Travel, Hospitality, Entertainment and Related Expenses Procedure.

GPC maintains an internal controls framework over financial management activities to ensure:

- appropriate separation of duties;
- probity and transparency;
- clearly documented audit trail for financial and commercial management activities;
- appropriate approvals are obtained and documented; and
- systems are in place to monitor activities and measure performance.

5 Monitoring and review

Conformance to this Policy will be monitored through external and internal audit processes.

6 Appendices

6.1 Appendix 1 – Related documents

(a) **Legislation and regulation**

Key relevant legislation and regulation, as amended from time to time, includes but is not limited to:

Type	Legislation/regulation/guidelines
Federal Acts	<i>Corporations Act 2001 (Cth)</i>
State Acts	<i>Government Owned Corporations Act 1993 (Qld)</i> <i>Financial Accountability Act 2009 (Qld)</i> <i>Financial and Performance Management Standard 2019 (Qld)</i>
Other	Code of Practice for Government Owned Corporations' Financial Arrangements

(b) **Gladstone Ports Corporation documents**

The following documents relate to this Policy:

Type	Document number and title
Tier 1: Policy	#1412364 Enterprise Risk and Resilience Policy #1552703 Tax Policy #1111334 Asset Management System Policy #1517213 Delegations of Authority Policy #1603663 Fraud and Corruption Policy
Tier 2: Standard/Strategy	#1552709 Tax Risk Management Standard #829152 Enterprise Risk Management Standard
Tier 3: Specification/ Procedure/Plan	#1641103 Delegated Authority Specification #936233 Enterprise Risk Management Procedure #1509841 Capital Planning and Expenditure Procedure #1455068 Gifts and Benefits Procedure #1231579 Credit Card Procedure #25771 Managing Travel, Hospitality, Entertainment and Related Expenses Procedure
Tier 4: Instruction/Form/ Template/Checklist	#1621179 Corporate Glossary
Other	N/A

6.2 Appendix 2 – Revision history

Revision date	Revision description	Author	Endorsed by	Approved by
02/10/2019	v1-5 Created and Published	Jenelle Druce, Finance Superintendent	CGM	GPC Board, September 2019
31/03/2021	v6 Review in accordance with Governance Documentation Framework Standard and legal review by Herbert Smith Freehills	Carmel Que, Accountant	Charleen Riley, Finance Superintendent	Jenelle Druce, Acting Chief Financial Officer
27/05/2022	v7 Board approved and published	Jenelle Druce, Acting Chief Financial Officer	EMT	Board