Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2022

GLADSTONE PORTS CORPORATION LIMITED

ACN 131 965 896

Growth, prosperity, community.

PURPOSE AND SCOPE

Gladstone Ports Corporation Limited (GPC) is a company Government Owned Corporation (GOC), constituted on 1 July 2008 under the provisions of the *Government Owned Corporations Act 1993* (the Act).
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 the financial activities of GPC. The consolidated financial statements of GPC for the year ended 30 June 2022 was authorised for issue to shareholding Ministers in accordance with a resolution of the Directors on 26 August 2022.

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DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Directors present their report together with the auditor's report and the consolidated financial statements of Gladstone Ports Corporation Limited (GPC), being Gladstone Ports Corporation Limited (the parent) and its controlled entity (Gladstone Marine Pilot Services Pty Ltd) for the year ended 30 June 2022.

The Board comprises non-executive Directors (including an executive Director for the period from July 2021 to May 2022), with diverse business experience as well as community leadership roles. The criteria for membership of the Board are in accordance with the *Corporations Act 2001* and the *Government Owned Corporations Act 1993*. The *Government Owned Corporations Act 1993* 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 2022.

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.

Name and qualifications	Experience and skills
Dr Anthony Lynham BDSC BMed (Hons), FRACDS (OMS) FRCS Ed, GAICD *Chair* Member – Audit and Risk Committee Member – People Performance and Culture Committee	The Honourable Dr Anthony Lynham is a maxillofacial surgeon with extensive experience in ministerial and policy oversight of Queensland's major publicly owned utilities and key infrastructure projects. Dr Lynham began his surgical career in Queensland and became recognised here and internationally for his work in the surgical management and prevention of maxillofacial trauma. In 2014, he was elected as the Member for the Electorate of Stafford before serving as a Senior Minister in the Queensland Government. Dr Lynham is well known for his tenacious work in improving working conditions and driving investment in our state's resources industry. Under his leadership the most significant reforms in mining health and safety that our state has seen were introduced protecting our workers now and into the future. First appointed August 2021 Current term 26 August 2021 – 30 September 2025
Grant Cassidy OAM FAICD *Director* Chair – Audit and Risk Committee	Grant is an experienced Company Director and a long-term resident and business owner in Central Queensland. For the past 20 years Grant has been Managing Director of his private businesses operated under the Cassidy Hospitality Group banner. Grant's previous 15-year career in the media industry provided him with an in-depth knowledge of sales, marketing and media management. As a very active and long-term contributor to the area's community organisations, Grant understands local Central Queensland issues, having been Chairman of Capricorn Enterprise (the regions peak Tourism and Economic Development organisation) for 10 years, as well as, a former serving Board Director at Tourism Queensland, also chairing their Audit and Risk Committee. He also served on Boards with CQUniversity and Rockhampton Girls Grammar School. Grant is the current Chairman of Regional Development Australia Central and Western Queensland; Vice Chairman of Beef Australia; Chairman of the Rockhampton Salvation Army Red Shield Business Appeal and Chair of Capricorn Business Advisory Alliance. Grant is also a Director of the Northern Australia Infrastructure Facility Board and is Chair of the People and Remuneration Committee. He is a Fellow of the Australian Institute of Company Directors First appointed October 2015 Current term 1 October 2018 – 30 September 2022

Peta Jamieson **GradCertBA, BA (Hons), BA, MScEnvMgt, GAICD** *Director* Member – People Performance and Culture Committee	Peta has over 25 years' experience working for and with all levels of government and has a breadth of both executive and operational experience and a clear understanding of how government, its policies and processes work. During her career Peta was a driver of the microeconomic reform of local governments while working for the Queensland Government, with a focus on financial sustainability and capacity-building campaigns for all councils. Peta is a strong advocate for the Bundaberg and Wide Bay Burnett region. Peta is also Chair of the Wide Bay Hospital and Health Board and member of its Finance Committee, Executive Committee, Audit & Risk Committee and Safety & Quality Committee. First appointed October 2015 Current term 1 October 2018 – 30 September 2022
Dr Poya (PJ) Sobhanian **BDSc (UQ), GAICD** *Director* Member – Audit and Risk Committee	Poya has extensive governance expertise and vast leadership experience having previously served as Local Government Councillor at Gladstone Regional Council, where he was Chair of the Commercial Services Committee strategically driving performance of Council businesses, overseeing Economic Development, and being a leader in the pursuit of a Hydrogen Hub for Gladstone since 2016, and as a non-executive director of the Gladstone Area Water Board and a strategic member of the business' Information Technology Optimisation Committee. Poya also serves Central Queensland as a non-executive Board Member of the Central Queensland Hospital and Health Service, where he has been Chair of the Audit and Risk Committee since 2019. As a Dentist, Poya is committed to caring for people and has a demonstrated track record of integrity and respect. He brings years of expertise in strategic planning and stakeholder development both of which stem from his passion for building communities from grassroots up. As the Managing Director of health services business, Sunland Health Group, Poya also brings an entrepreneurial spirit and commercial acumen. First appointed October 2020 Current term 1 October 2020 – 30 September 2023
Dr Prins Ralston **DJS, LLM, LLB, BBus (ACC), BBus(Comp) FCPA, FAICD, FACS** *Director* Member – Audit and Risk Committee	Dr Prins Ralston is the CEO of Townsville City Council and has been an Executive and Board Director for over 30 years. Prins has worked extensively with boards and executives for many companies delivering on their critical strategic, policy, organisational design and capability, and leadership opportunities and challenges in Australia, New Zealand and United Kingdom. Prior to joining Council, Prins was a principal at Nous Group and the independent Head of TaskforceNQ. TaskforceNQ was the coordinating body for the North Queensland region's recovery from the Health, Social and Economic impacts of the COVID-19 pandemic. Prins career experience includes CEO of international human and health services companies, as a Partner with National Legal Firms Clayton Utz and Gadens Lawyers and has led the Information, Communications and Technology profession in the Australia and South East Asia regions as well working with IFIP an UNESCO body. First appointed October 2020 Current term 1 October 2020 – 30 September 2023
Paul Heagney **BCom, GDipAppFinInv** *Director* Member – People Performance and Culture Committee	Paul has over 25 years' senior managerial and executive experience in commodities, international trade, and supply chains gained in the agriculture and resources industries. He has spent considerable time in and has an understanding of regional Queensland. Paul is a former director of several commodity related companies, including a former Director of the Australian Sugar Milling Council and Chair of its Trade Committee. He holds a Commerce Degree from the University of Queensland and a Graduate Diploma of Finance and Investment from the Securities Institute of Australia. Paul was Acting Chief Executive Officer from July 2021 until May 2022. During this period he was an Executive Director and was not a member of any Board committees. First appointed October 2020 Current term 1 October 2020 – 30 September 2023

Ryl Gardner BA (Econ & IR) GDip Management MAICD, MAHRI *Director* Chair – People Performance and Culture Committee	Ryl is a senior HR Specialist with more than three decades of practical experience across a range of industries and Government sectors. As an experienced leader, Ryl has managed her own management consulting and Business Performance Coaching business for more than 20 years. She has significant experience in designing and managing change processes and an in depth knowledge of best practice and business improvement in employee management. She is a strong advocate of regional Queensland with strong family ties to Central Queensland. First appointed October 2021 Current term 1 October 2021 – 31 May 2024

PREVIOUS DIRECTORS

Peter Corones AM MAICD	First appointed July 1994 Term expired 30 September 2021
Adrienne Ward MAICD	First appointed October 2018 Term expired 30 September 2021
Abigail Cheadle BBus (QUT)	First appointed October 2021 Resigned 4 December 2021

ACTING COMPANY SECRETARY

Name and qualifications	Experience and skills
Mariette Lansdell B.Comm (Hons), MBA, CGP, FCP, GAICD	Mariette Lansdell was engaged as the Company Secretary from April 2014 to February 2018. Mariette was re-appointed as Acting Company Secretary in June 2021. Mariette oversees governance, corporate compliance, internal audit, insurance and records and information management at the Corporation. Mariette is an experienced Company Secretary with a demonstrated history of working in private and government sector. She has over 20 years of experience in Marketing & Sales, Project Management, Audit, Strategy, Risk and Governance. Mariette was appointed as Acting Company Secretary from 1 June 2021

PREVIOUS GENERAL COUNSEL AND COMPANY SECRETARY

Rufus Gandhi LLB	Appointed 6 January 2020 Resigned 31 August 2021

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 of Rockhampton and Port of Bundaberg , and encourage the use of these facilities for the economic benefit of stakeholders along with the non-trading Port of Maryborough;
b) manage cargo handling facilities for coal and other bulk products at Port of Rockhampton, RG Tanna Coal Terminal, Barney Point Terminal and Auckland Point facilities;
c) develop, manage and lease land and other assets for port related purposes; and
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 $82.95M (2021: $93.46M) representing a decrease of 11% from the previous year. The results included net revaluation decreases of $5.24M (2021: net revaluation decreases of $0.02M). This related to write-down of assets of $8.75M and investment property revaluation increases of $3.52M. Total income was $527.80M, an increase from 2021 of $11.21M.

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:

	2022 $'000	2021 $'000
Dividends paid from prior year profits	93,084	79,550
	Cents per share	**Cents per share**
Dividend per share	23.15	19.79

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

REVIEW OF FINANCIAL CONDITIONS AND LIKELY DEVELOPMENTS

Trade performance remained steady during the year with all three GPC ports contributing to the 119.85MT throughput, 3.24MT less than last year's throughput as a result of reduction in coal exports generally attributed to a number of COVID-19 influences, mine related supply issues including weather related events. The Port of Gladstone recorded a throughput of 119.41MT led by coal, liquefied natural gas (LNG) and alumina-related exports. 66.37MT of coal exports were facilitated by the Port of Gladstone, 3.75MT decrease in exports.

Coal export volumes declined from previous year however, LNG exports continued to grow, with 23.50MT of LNG transported predominately into Asia, an increase of 0.49MT from previous year. 0.35MT of product was handled through the Port of Bundaberg during the year and an increased diversity of trade product is setting the foundation for future growth at the port. Ammonium nitrate was the major driver through the Port of Rockhampton further substantiating the Port as a significant contributor to facilitating hazardous goods for the State. The continuing uncertainty on the global demand profile and trade distributions due to COVID-19 and trade tensions in Europe have been considered to the extent that can be reasonably anticipated. Similar conditions are anticipated to continue through FY2023. The forecast for energy including coal and LNG in 2023 is anticipated to remain generally consistent with 2022 however, with more favourable weather conditions, coal exports are anticipated to be above 2022.

REVIEW OF FINANCIAL CONDITIONS AND LIKELY DEVELOPMENTS (CONTINUED)

Ordinary property revenue has increased during the current year following prior year rental relief by way of wavier and deferred payments offered to eligible tenants in accordance with *National Cabinet Mandatory Code of Conduct – Small and Medium Enterprises Commercial Leasing Principles during COVID-19*.

During the next five years, port development will focus on the availability of Port land areas that matches demand and the capacity of the shipping channels is matched to the potential growth of trade in such areas as renewables. The renewable energy sector will be a focus for the regions in which GPC operates, in particular Hydrogen and Green Ammonia developments, and the supporting wind and solar developments for green electricity. GPC will constantly monitor for the most diligent sequencing for investment and development ahead of what will be incremental channel staging to support sustainable development and growth emerging from increase shipping demand expected with renewables, containerised freight and other emerging trades.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of GPC during the year ended 30 June 2022.

ENVIRONMENTAL REGULATION

The Group's operations are subject to significant environmental regulations under both Commonwealth and State legislation. Compliance to these obligations are rigorously monitored and reported as required under GPC's accredited ISO14001:2015 Environmental Management System. Further information can be found in the 2022 Annual Report.

RESPONDING TO CLIMATE CHANGE

During the year, the Group commenced development of a Climate Change Strategy (the strategy) which will guide GPC on opportunities to reduce carbon emissions and respond and adapt to the physical and transition risks of climate change. The strategy seeks to achieve this by outlining potential actions based on prioritised risks, opportunities and commitments.

The strategy encompasses the Group's climate change direction statement, strategic framework and strategic roadmap using a risk based approach to inform the Group's position, approach and opportunities to respond to climate change. It guides the Group's operations to be in line with the Queensland Government's climate change commitments, and aims to deliver multiple benefits including:

a) providing insightful and forward looking information to develop adaptation response options;

b) informing key assumptions and considerations for future disclosures on climate risk (developed with the Queensland Government); and

c) providing greater confidence to key stakeholders that climate change risk and uncertainty is being actively considered and addressed to enable a sustainable, resilient and fit-for-purpose business into the future.

The Group has already made achievements on its climate journey with a reduction of Greenhouse Gas (GHG) emissions since reporting began in 2009 through a number of voluntary energy and fuel efficiency programs and the Renewable Energy Target electricity contributions.

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 base premium paid amounted to $181,229.

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; and
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 (15 held)	Finance, Audit and Risk Committee (2 held)	Governance and People Committee (1 held)	Audit and Risk Committee (2 held)	People, Performance and Culture Committee (3 held)
Dr Anthony Lynham[1]	11	1	0	2	3
Grant Cassidy OAM	15	2	1	2	1
Peta Jamieson	15	2	1	0	3
Dr Poya (PJ) Sobhanian	13	2	0	1	0
Dr Prins Ralston	15	1	1	2	0
Paul Heagney[2]	14	2	1	1	3
Ryl Gardner[3]	9	1	0	1	3
Abigail Cheadle[3,4]	2	1	0	0	0
Peter Corones AM[5]	6	1	1	0	0
Adrienne Ward[5]	6	1	1	0	0

[1] Appointed to Board in August 2021
[2] Became an Executive Director from 22 July 2021 to 11 May 2022 and Non-Executive Director from 12 May 2022
[3] Appointed to Board in October 2021
[4] Resigned December 2021
[5] Ceased September 2021

COMMITTEE MEMBERSHIP

Effective 30 November 2021, the Group established an Audit and Risk Committee (ARC) and a People Performance and Culture Committee (PCCC). Prior to this, the Group had a Finance, Audit and Risk Committee (FAR) and a Governance and People Committee (GAP).

Memberships of the Committees at the date of this report are:

Audit and Risk Committee:
Grant Cassidy OAM – Chair
Dr Anthony Lynham
Dr Poya (PJ) Sobhanian
Dr Prins Ralston

People Performance and Culture Committee:
Ryl Gardner - Chair
Dr Anthony Lynham
Peta Jamieson
Paul Heagney

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.

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Note 26 of the consolidated financial statements provides detailed disclosures relating to the remuneration of key management personnel. The term key management personnel refers to those persons having the authority and responsibility for planning, directing and controlling the activities of GPC, directly or indirectly, including any director of GPC.

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; and
c) assures rhythms and routines to identify emerging and future risks appropriate to sustainability of the Group.

PROCEEDINGS ON BEHALF OF THE COMPANY

Gladstone Ports Corporation (GPC) was served on 27 February 2018 with a Claim and Statement of Claim filed in the Supreme Court of Queensland (Court) by Murphy Operator Pty Ltd, Tobari Pty Ltd and SPW Ventures Pty Ltd. The Claim is a representative class action brought against GPC on behalf of the following 3 categories of claimant: (1) commercial fishing group members; (2) fish processing group members; and (3) fish wholesaling group members. The Claim arises from the conduct of the Fisherman's Landing Expansion Project and the Western Basin Dredging and Disposal Project by GPC. GPC will continue to vigorously defend the action as the claim is without merit, and was lodged five years after project completion. All reports and studies determine no evidence that the project negatively impacted the health of the harbour.

Pursuant to orders of the Court, the plaintiffs filed and served amended Statements of Claim on 9 May and 27 July 2018. The final supplementary evidence in relation to the existing Claim is to be provided by the plaintiffs to GPC on 30 September 2022.

GPC is progressing with the preparation of the evidence of its witnesses in readiness for a trial. The trial was originally listed to begin on 3 October 2022. However, the trial dates have been vacated. Trial dates will be determined by the Court at a future time. GPC does not expect a trial to occur before late 2023 or early 2024.

The plaintiffs intend to file a further amendment to their Claim by way of a proposed Second Further Amended Statement of Claim (2FASOC). The 2FASOC must be delivered to GPC by 14 October 2022. Any objections by GPC to the amendments proposed by the 2FASOC must be delivered by GPC to the plaintiffs by 28 October 2022. By 11 November 2022 the plaintiffs are to file and serve any application for leave to file the 2FASOC, supporting affidavits and submissions in relation to the leave application. By 25 November 2022 GPC is to file and serve any supporting affidavits and submissions in relation to the leave application. By 2 December 2022 the plaintiffs are to file and serve any submissions in reply. The dispute regarding the 2FASOC amendments will be heard by the Court on 12 and 13 December 2022.

SUBSEQUENT EVENTS

There has not been any other matter or 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.

ROUNDING OF AMOUNTS

The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in the financial statements and Directors' Report have been rounded to the nearest one thousand dollars, unless otherwise stated.

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:

Dr Anthony Lynham
Chair
Dated: 26 August 2022

Queensland
Audit Office
Better public services

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Gladstone Ports Corporation Limited

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

Independence declaration

As lead auditor for the audit of Gladstone Ports Corporation Limited for the financial year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit

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

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

original signed

26 August 2022

Brendan Worrall
Auditor-General

Queensland Audit Office
Brisbane

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Revenue from contracts with customers	6(a)	488,540	485,232
Other income	6(b)	39,264	31,360
Total income		**527,804**	**516,592**
Employee benefits expenses	6(d)	(144,266)	(137,235)
Operational expenses	6(c)	(138,237)	(124,685)
Depreciation/amortisation expenses		(91,726)	(88,007)
Finance costs	6(c)	(29,308)	(32,381)
Impairment	12(a)	(213)	(1,576)
Net profit/(loss) on disposal of non-current assets		(140)	270
Fair value revaluation decrease of property, plant and equipment	12(c)	(8,754)	(228)
Revaluation increase of investment properties	12(c)	3,517	204
Profit before income tax		**118,677**	**132,954**
Income tax expense	7(a)	(35,731)	(39,492)
Profit for the year		**82,946**	**93,462**
Profit attributable to:			
Owners of Gladstone Ports Corporation Limited		**82,946**	**93,462**
Items that will not be reclassified subsequently to profit or loss			
Revaluation increase/(decrease) of property, plant and equipment and intangible assets	12(c)	(46,985)	(1,552)
Income tax relating to components of other comprehensive income	7(e)	14,096	465
Other comprehensive income for the year, net of income tax		**(32,889)**	**(1,087)**
Total comprehensive income for the year		**50,057**	**92,375**
Total comprehensive income for the year is attributable to:			
Owners of Gladstone Ports Corporation Limited		**50,057**	**92,375**

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 30 June 2022

Assets	Note	2022 $'000	2021 $'000
Current assets			
Cash and cash equivalents	8	43,145	37,700
Cash advance facility	9	150,381	188,950
Trade and other receivables	10	65,394	62,821
Inventories	11	15,950	15,569
Prepayments		5,739	6,040
Assets classified as held for sale		-	19
Total current assets		**280,609**	**311,099**
Non-current assets			
Property, plant and equipment	12(a)	1,960,974	2,013,414
Prepayments		448	-
Deferred tax assets	7(d)	28,936	28,551
Intangible assets	13	30,985	37,872
Right-of-use assets	21	2,916	4,222
Investment properties	14	90,770	85,796
Total non-current assets		**2,115,029**	**2,169,855**
Total assets		**2,395,638**	**2,480,954**
Liabilities			
Current liabilities			
Trade and other payables	15	40,475	46,198
Contract and other liabilities	16	19,941	24,178
Provisions	18	58,945	147,164
Lease liabilities	21	1,209	1,889
Income tax payable	7(c)	4,018	4,016
Total current liabilities		**124,588**	**223,445**
Non-current liabilities			
Contract and other liabilities	16	10,339	12,304
Borrowings	17	775,295	775,314
Provisions	18	22,133	23,233
Lease liabilities	21	9,217	9,670
Deferred tax liabilities	7(e)	315,569	336,948
Total non-current liabilities		**1,132,553**	**1,157,469**
Total liabilities		**1,257,141**	**1,380,914**
Net assets		**1,138,497**	**1,100,040**
Equity			
Issued capital		663,896	675,496
Asset revaluation reserve	19	391,472	424,936
Retained earnings		83,129	(392)
Total equity		**1,138,497**	**1,100,040**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 30 June 2022

	Note	Issued capital $'000	Asset revaluation reserve $'000	Retained earnings $'000	Total $'000
Opening balance as at 1 July 2020		**675,496**	**427,535**	**(2,282)**	**1,100,749**
Total comprehensive income attributable to owners					
Profit for the year		-	-	93,462	**93,462**
Other comprehensive income		-	(1,087)	-	**(1,087)**
Transfers within equity					
Disposal of revalued assets		-	(1,512)	1,512	**-**
Transactions with owners in their capacity as owners					
Dividends provided for or paid	20	-	-	(93,084)	(93,084)
Closing balance as at 30 June 2021		**675,496**	**424,936**	**(392)**	**1,100,040**
Opening balance as at 1 July 2021		**675,496**	**424,936**	**(392)**	**1,100,040**
Total comprehensive income attributable to owners					
Profit for the year		-	-	82,946	**82,946**
Other comprehensive income		-	(32,889)	-	**(32,889)**
Transfers within equity					
Disposal of revalued assets		-	(575)	575	**-**
Transactions with owners in their capacity as owners					
Return of shareholders' equity[1]		(11,600)	**-**	**-**	**(11,600)**
Closing balance as at 30 June 2022		**663,896**	**391,472**	**83,129**	**1,138,497**

The accompanying notes form part of these financial statements

[1] The $11.6M net reduction in shareholders' equity relates to the $20.6M return of shareholders' equity to assist the Queensland Government's 2021-22 budget commitment to invest in initiatives backing maritime jobs in Queensland, which was partially offset by further equity adjustments for the shareholding Ministers' 2020-21 budget decision to contribute equity of $1.0M to help fund common-user facility ancillary capital works at the Port of Bundaberg, plus a $3.0M shareholders' equity contribution for a milestone completed under the Australian and Queensland Governments' 2020 project agreement for the Port of Bundaberg Common User Infrastructure (conveyor) project linked to the Hinkler Regional Deal, and a $5.0M shareholders' equity contribution for the Auckland Hill (Harbour Outlook) Economic Development project under the Australian and Queensland Governments' Regional Recovery Partnership agreement.

Consolidated Statement of Cash Flows for the year ended 30 June 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		571,853	570,948
Tax equivalents paid to Queensland Treasury		(43,396)	(49,325)
Net amounts from ATO		(25,448)	(24,484)
Payments to suppliers		(164,038)	(167,594)
Payments to employees		(143,904)	(137,304)
Payments for leases (short term, low value)		(561)	(524)
Interest received		1,033	1,387
Interest paid		(22,772)	(25,478)
Other finance costs		(6,536)	(6,927)
Net cash inflows from operating activities	8(a)	**166,231**	**160,699**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and investment properties		76	437
Purchase of property, plant and equipment		(88,702)	(94,420)
Purchase of intangibles		(4,053)	(7,951)
Advances to Queensland Treasury		38,569	27,601
Net cash outflows from investing activities		**(54,110)**	**(74,333)**
Cash flows from financing activities			
Repayment of borrowings		(19)	(876)
Payment of principal portion of lease liabilities		(1,973)	(2,166)
Dividends paid		(93,084)	(79,550)
Return of shareholders' equity		(11,600)	-
Net cash outflows from financing activities		**(106,676)**	**(82,592)**
Net increase/(decrease) in cash and cash equivalents		**5,445**	**3,774**
Cash and cash equivalents at the beginning of the financial year		**37,700**	**33,926**
Cash and cash equivalents at the end of the financial year	8	**43,145**	**37,700**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements for the year ended 30 June 2022

1. General information

The financial statements comprise the consolidated financial statements of the Group. The Group is a for-profit entity and includes Gladstone Ports Corporation Limited and Gladstone Marine Pilot Services 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

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 of Rockhampton and Port of Bundaberg, and encourage the use of these facilities for the economic benefit of stakeholders along with the non-trading Port of Maryborough;
b) manage cargo handling facilities for coal and other bulk products at Port of Rockhampton, RG Tanna Coal Terminal, Barney Point Terminal and Auckland Point facilities;
c) develop, manage and lease land and other assets for port related purposes; and
d) manage ancillary services and functions which support core business activities.

Information on the Group's structure is provided in Note 4 and information on other related party relationships is provided in Note 27.

2. Basis of preparation

(1) Presentation

Historical cost convention
These financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain classes of property plant and equipment and investment property measured at fair value.

Functional and presentation currency
The consolidated financial statements are presented in Australian Dollars which is the entity's functional currency.

Rounding of amounts
The company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. Amounts in the financial statements and Directors' Report have been rounded to the nearest one thousand dollars, unless otherwise stated.

Foreign currency transactions and balances
In preparing the financial statements, transactions in currencies other than Australian Dollars 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.

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 taxation authority. 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.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the taxation authority.

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 taxation authority, are classified as operating cash flows.

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

(2) Basis of consolidation

The consolidated financial statements represent the financial statements of GPC and its subsidiary.

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. Details of the subsidiary are listed in Note 4. Parent entity financial information is listed in Note 5.

(3) 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 *Government Owned Corporations Act 1993 (Qld)*, applicable Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements of GPC and its subsidiary (collectively, 'the Group') for the year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 26 August 2022.

(4) 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.

New or amended Accounting Standards and Interpretations adopted
The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

- Software as a Service Arrangements (SaaS)

  The International Financial Reporting Standards Interpretations Committee (IFRIC) has issued two final agenda decisions which impact SaaS arrangements:

- *Customer's right to receive access to the supplier's software hosted on the cloud* (March 2019) – this decision considers whether a customer receives a software asset at the contract commencement date or a service over the contract term.
- *Configuration or customisation costs in a cloud computing arrangement* (April 2021) – this decision discusses whether configuration or customisation expenditure relating to SaaS arrangements can be recognised as an intangible asset and if not, over what time period the expenditure is expensed.

The Group's accounting policy has historically been to capitalise most costs related to SaaS arrangements as intangible assets in the Statement of Financial Position. The adoption of the above agenda decisions has resulted in a reclassification of these intangible assets to either a prepaid asset in the Consolidated Statement of Financial Position and/or recognition as an expense in the Statement of Comprehensive Income. The financial impact of the retrospective adoption of this standard is not material, therefore it has been adjusted in the current year. The financial impact relating to the prior period is:

	$'000
Decrease in intangible assets	(4,894)
Increase in prepaid assets	237
Increase in operating expenditure	4,657

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2022. The Group does not expect there to be any significant impact from these amendments.

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current*

  The amendments to AASB 101 affect the presentation of liabilities as current or non-current in the statement of financial position. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

The Group does not expect there to be any material impact from these amendments.

- Narrow Scope Amendments to AASB 116 *Property Plant and Equipment*, AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* in relation to proceeds before intended use, onerous contracts.
  The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss.
  The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The Group does not expect there to be any material impact from these amendments.

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.

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.

The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates significant to the financial statements are disclosed in the following notes:

Revenue recognition and measurement	Note 6
Recovery of deferred tax assets	Note 7(d)
Estimation of useful lives of assets	Note 12(a)
Valuation of property, plant and equipment	Note 12(c)
Impairment	Note 12(d)
Recognition of intangible assets	Note 13
Provision for rehabilitation	Note 18

4. Interests in other entities

Details of the Group's subsidiary as at 30 June 2022 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 2022	30 June 2021
Gladstone Marine Pilot Services Pty Ltd	Pilotage services	Australia	100%	100%

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.

	2022 $'000	2021 $'000
Financial position		
Assets		
Current assets	281,056	311,099
Non-current assets	2,113,261	2,168,498
Total assets	**2,394,317**	**2,479,597**
Liabilities		
Current liabilities	123,607	222,302
Non-current liabilities	1,132,213	1,157,255
Total liabilities	**1,255,820**	**1,379,557**
Net assets	**1,138,497**	**1,100,040**
Equity		
Issued capital	663,896	675,496
Reserves	391,472	424,936
Retained earnings	83,129	(392)
Total equity	**1,138,497**	**1,100,040**
Financial performance		
Profit for the year	82,946	93,462
Other comprehensive income	(32,889)	(1,087)
Total comprehensive income	**50,057**	**92,375**
Commitments for the acquisition of property, plant and equipment by		
Due not later than 1 year	80,353	37,566

These commitments are not recognised as liabilities as the relevant assets have not yet been received.

The parent entity did not have any contingent liabilities as at 30 June 2022 or 30 June 2021.

6. Profit before income tax

(a) Revenue from contracts with customers

The Group is in the business of providing import and export shipping infrastructure services including cargo handling facilities and ancillary services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Revenue from provision of services is recognised at a point in time because the customer receives and consumes benefits provided by the Group. The fact that another entity would not need to re-perform the services that the Group has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of the Group's performance as it performs.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated.

Revenue has been calculated based on existing contracts. Harbour dues, tonnage rates, other shipping charges or cargo handling charges for all vessels are invoiced after departure of the vessel. The normal credit term is 30 days from the end of month in which the service is delivered.

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	2022 $'000	2021 $'000
Revenue from contracts with customers		
Types of services		
Cargo handling charges	303,840	299,759
Harbour dues	102,079	104,578
Tonnage rates	56,013	54,862
Pilotage	26,608	26,033
Total	**488,540**	**485,232**
Timing of revenue recognition		
Revenue for services recognised over time	303,840	299,759
Revenue for transactions transferred at a point in time	184,700	185,473
Total	**488,540**	**485,232**

Set out below is the changes in contract liabilities:

	2022 $'000	2021 $'000
Amounts included in contract liabilities at the beginning of the year	2,384	1,673
Revenue recognised at the end of the year	(376)	711
Amounts included in contract liabilities at the end of the year	**2,008**	**2,384**

6. Profit before income tax (continued)

Performance obligations

Information about the Group's performance obligations are summarised below:

- Cargo handling charges
  The performance obligation is to provide cargo handling services over the contract period. Certain contracts contain take-or-pay arrangements which customers are required to nominate the minimum tonnage processed over an annual period. Some of these contracts contain provisions giving customers the right to carry forward unused take-or-pay tonnage.

  The performance obligation is satisfied at a point in time based on tonnage processed and payment is generally due upon completion of cargo handling services based under general trading terms. To the extent that customers carry forward unused take-or-pay, revenue is deferred until such time that the tonnes have been utilised by the customers.

- Harbour dues
  The performance obligation is to provide port access services over the contract period. Certain contracts contain take-or-pay arrangements which customers are required to nominate the minimum tonnage processed over an annual period.

  The performance obligation is satisfied at a point in time based on tonnage processed and payment is generally due upon completion of cargo handling services based under general trading terms. To the extent that customers carry forward unused take-or-pay, revenue is deferred until such time that the tonnes have been utilised by the customers.

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 30 June is as follows:

	2022 $'000	2021 $'000
Within one year	2,008	2,384

(b) Other income

Property income from investment properties is recognised in revenue on a straight-line basis over the term of the lease.

Interest received is recognised using the effective interest method.

Recoverable work revenue is received as a result of rehabilitation work or other work performed by the Group for which a contribution towards costs is received.

In respect of income received, pursuant to the obligations of lessees to restore the premises leased, where the Group is the lessor, the income is recognised at the point of time when the Group becomes entitled to receive such payments from lessees.

6. Profit before income tax (continued)

In respect of works performed for environment restoration pursuant to the LNG contracts, income is recognised over a period of time over which such works are performed by the Group. The income recognised is matched with the corresponding costs incurred in carrying out these works.

	2022 $'000	2021 $'000
Other income		
Smallcraft services	1,804	1,326
Interest received	1,065	1,314
Property revenue (Note 14)	13,528	10,094
Recoverable works	11,482	6,796
Other shipping charges	8,850	9,240
Other	2,535	2,590
Total	**39,264**	**31,360**

(c) Expenses

	2022 $'000	2021 $'000
Operational expenses		
Contractors	43,726	46,081
Services and consultants	38,037	24,989
Indirect taxes and government charges	8,490	7,008
Materials and supplies	18,402	20,604
Energy	18,843	15,464
Insurance	7,464	7,151
Licence fees	281	140
Short term lease payments	459	441
Low value lease payments	102	83
Bad debts and expected credit loss provision	(39)	(197)
Other	2,472	2,921
Total	**138,237**	**124,685**
Finance Costs		
Interest on debt and borrowings	22,350	25,032
Interest on lease liabilities (Note 21)	424	445
Gain/loss on lease remeasurement	-	(23)
Competitive neutrality fee	6,534	6,927
Total	**29,308**	**32,381**

Finance costs

Finance costs are expensed in the period in which they occur using the effective interest method. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. No borrowing costs were capitalised in 2022 or 2021.

6. Profit before income tax (continued)

(d) Employee benefits expenses

	2022 $'000	2021 $'000
Employee benefits		
Wages and salaries	103,998	98,416
Annual leave expense	6,951	8,806
Personal leave expense	4,268	4,594
Long service leave expense	2,995	1,242
Rostered day off ("RDO") Expense	33	(29)
Employer superannuation contributions	11,267	10,410
Employer defined benefits contribution	2,431	2,571
Other employee benefits	1,606	1,479
Employee related expenses		
Workers compensation premium	1,097	1,283
Payroll tax expense	5,095	4,940
Other employee related expenses	4,525	3,523
Total	**144,266**	**137,235**

Wages and salaries and leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, personal leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Wages and salaries due but unpaid at reporting date are recognised in the Consolidated Statement of Financial Position at the current salary rates. As the Group expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

Superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant EBA or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Group at the specified rate following completion of the employee's service each pay period. The Group's obligations are limited to those contributions paid.

7. Taxation

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

Current tax - income tax equivalents

The Group is exempt from income tax under section 24AM of the *Income Tax Assessment Act 1997 (Cth).* However, pursuant to the *Government Owned Corporations Act 1993* and the National Tax Equivalent Regime, the Group is required to make payments to the Queensland Government, equivalent to the amount of any Commonwealth income tax for which an exemption is received.

The income tax equivalent expense (referred to as income tax expense) for the period is the tax payable on the current period's taxable income based on the Australian corporate income tax rate for each jurisdiction adjusted by changes in deferred tax assets and deferred tax liabilities attributable to temporary differences and unused tax losses.

AASB 112 Income Taxes uses a 'Balance Sheet approach' for calculating income tax balances. This approach recognises deferred tax balances when there is a difference between the carrying value of an asset or liability and its tax base. The differences are recognised at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted at the balance sheet date.

Current tax is expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting date, and any adjustment to tax payable in respect of previous years.

Offsetting deferred tax balances

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is accounted for in respect of temporary differences arising from differences between the carrying amount of assets and liabilities and the corresponding tax base.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and tax offsets, to the extent that it is probable that sufficient future taxable profits will be available to utilise them.

However, deferred tax assets and liabilities are not recognised for taxable temporary differences related to investments in subsidiary where the parent is able to control the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates and tax laws that have been enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

7. Taxation (continued)

Investment allowances and similar tax incentives

Entities within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (e.g. the Research and Development Tax Incentive regime or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces current tax exposure.

Tax consolidation

GPC and its wholly-owned entity are a tax consolidated group for income tax purposes. The head entity in this Group is Gladstone Ports Corporation Limited.

The head entity and the controlled entity in the tax consolidated group continue to account for their own current and deferred tax amounts. The Group has applied group allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

(a) Income tax expense

	2022 $'000	2021 $'000
Profit before income tax	118,677	132,954
Prima facie tax at 30% (2021: 30%)	35,603	39,886
Non-deductible (revenue)/expenses	638	442
Research and development tax offset provision	(839)	(934)
Prior year (over)/under provision	329	98
Income tax expense	**35,731**	**39,492**
Comprised of:		
Deferred tax asset	(385)	1,051
Deferred tax liability	(7,283)	(4,233)
Income tax payable	43,399	42,674
	35,731	**39,492**

(b) Amounts charged or credited directly to equity

	2022 $'000	2021 $'000
Deferred income tax related to items charged or credited directly to equity		
Net gain on revaluation of property, plant and equipment	253,059	267,155
Transition of new accounting standards	(2,920)	(2,920)
Deferred income tax reported in equity	**250,139**	**264,235**

7. Taxation (continued)

(c) Income tax payable

	2022 $'000	2021 $'000
Opening balance	4,016	10,666
Charged to income	43,399	42,674
Payments	(43,397)	(49,324)
Closing balance	**4,018**	**4,016**

(d) Deferred tax asset

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.

	2022 $'000	2021 $'000
Opening balance	28,551	29,602
Amount credited to Statement of Profit or Loss and Other Comprehensive Income	385	(1,051)
Closing balance	**28,936**	**28,551**

(e) Deferred tax liability

	2022 $'000	2021 $'000
Inventory	4,079	3,993
Property, plant and equipment	299,994	321,459
Revenue received in advance	11,496	11,496
Closing balance	**315,569**	**336,948**

	2022 $'000	2021 $'000
Opening balance	**336,948**	**341,646**
Amount charged to Statement of Profit or Loss and Other	(7,283)	(4,233)
Comprehensive Income	(14,096)	(465)
Closing balance	**315,569**	**336,948**

8. Cash and cash equivalents

For the purposes of the Consolidated Statement of Financial Position and the Consolidated Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June as well as deposits at call with financial institutions.

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 through Queensland Treasury Corporation (QTC). 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. The balance for this year is $7.17M (2021: Nil). This balance relates to retentions held by the Group pursuant to Port Service Agreements and funds held by the Group pursuant to an Indigenous Land Use Agreement - Ancillary Agreement.

	2022 $'000	2021 $'000
Cash at bank and on hand	43,145	37,700
Total	**43,145**	**37,700**

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

	2022 $'000	2021 $'000
Profit for the year	82,946	93,462
Depreciation/amortisation expense	91,726	88,007
Revaluation of non-current assets	5,237	24
Impairment of non-current assets	213	1,576
Net profit on sale of property, plant and equipment	140	(270)
Gain/loss on lease remeasurement	-	(23)
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(2,573)	3,671
(Increase)/decrease in inventories	(381)	(1,925)
(Increase)/decrease in prepayments	(145)	(1,610)
(Increase)/decrease in deferred tax asset	(385)	1,050
Increase/(decrease) in trade and other payables	(829)	(9,956)
Increase/(decrease) in contract and other liabilities	(6,202)	(1,233)
Increase/(decrease) in provisions	3,765	(1,191)
Increase/(decrease) in income tax payable	2	(6,650)
(Decrease)/increase in deferred tax liability	(7,283)	(4,233)
Net cash inflow from operating activities	**166,231**	**160,699**

9. Cash Advance Facility

Under the Queensland Government's cash management regime, Government Owned Corporations (GOC's) advance all surplus cash to Queensland Treasury. Queensland Treasury pays interest on these advances at the Queensland Treasury Corporation (QTC) Cash Fund rate.

GOC access to the advances is generally subject to notification periods of 24 to 48 hours. Because of the short term nature of the advances, their carrying amount is assumed to represent fair value.

At 30 June 2022, the balance held in QTC Cash Advance Facility was $150,381,000 (2021: $188,950,000).

10. Trade and other receivables

Trade receivables are measured at amortised cost which approximates their fair value at reporting date. Trade receivables are unsecured, non-interest bearing, and are generally on terms of 30 to 90 days.

	2022	2021
Current	**$'000**	**$'000**
Trade receivables	70,559	68,138
Less: allowance for expected credit losses (ECL)	(5,274)	(5,403)
	65,285	**62,735**
Accrued interest	94	62
Other receivables	15	24
Total	**65,394**	**62,821**

Reconciliation of provision for expected credit losses:	2022	2021
	$'000	**$'000**
Opening balance as at 1 July	5,403	6,162
Provision for expected credit losses	(39)	(333)
Write-off	(92)	(426)
Closing balance as at 30 June	**5,274**	**5,403**

10. Trade and other receivables (continued)

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment or allowance for estimated credit losses.

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 74% (2021: 72%) of trade receivables 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. Refer to Note 22(a) credit risk exposure for further information.

The Group measures the expected credit losses on trade and other receivables based on the credit risk rating (Standard & Poor's or equivalent as a proxy) of the counterparty. Loss rates are calculated separately for groupings of customers with similar loss patterns. The Group has determined there are three material groupings for measuring expected credit losses based on the bands of credit rating in i.e. from AAA to A-, BBB+ to B-, and unrated entities reflecting the different customer profiles for these bands.

The calculations reflect Standard & Poor's historical observed average cumulative global corporate default rates from 1981 to 2022. Actual credit losses over the 5 years preceding 30 June 2022 have been used to measure the expected credit losses where the counterparty is unrated.

There has been no material impact as a result of COVID-19 on the recoverability of debtors at 30 June 2022.

Set out below is the credit risk exposure on the Group's trade and other receivables broken down by customer groupings and by credit rating bands.

Credit risk rating analysis of trade receivables balances:

	Credit Risk		
30 June 2022	AAA to A-	BBB to B-	Unrated
Receivables balance[1] ($'000)	32,513	9,614	23,250
Expected credit losses (ECL) %	0.05%	0.46%	1.44%
ECL	(15)	(45)	(335)
Balance not impaired	**32,498**	**9,569**	**22,915**

[1]Receivables balance excludes balances fully provided for

10. Trade and other receivables (continued)

30 June 2021	Credit Risk AAA to A-	BBB to B-	Unrated
Receivables balance ($'000)[1]	16,770	13,888	32,128
Expected credit losses (ECL) %	0.05%	1.51%	1.56%
ECL	(8)	(210)	(502)
Balance not impaired	**16,762**	**13,678**	**31,626**

[1]Receivables balance excludes balances fully provided for

11. Inventories

Inventories being spares held for use are valued at the lower of cost and net realisable value. Cost assigned to an inventory item is on the basis of weighted average costs.

Inventories include spares used for the purpose maintaining assets. Upon use the spares are either expensed or capitalised subject to the nature of maintenance activities and whether such activities would meet the criteria for capitalisation under AASB 116 *Property, Plant and Equipment*.

	2022 $'000	**2021 $'000**
Spares	15,954	15,569
Provision for obsolete stock	(4)	-
Total	**15,950**	**15,569**

In 2022, inventories of $13,120,254 (2021: $15,090,473) were recognised as an expense during the year and included in Operational Expenses – Materials and Supplies. Fuel amounting to $12,438,183 (2021: $9,326,009) was recognised as an expense during the year and included in Operational Expenses – Energy.

12. Property, plant and equipment

(a) Balances and reconciliations of carrying amount

2022	Land $'000	Buildings $'000	Channels, swing basins and berth pockets $'000	Commercial wharves $'000	Recreational and fishing wharves $'000	Roads and services (structural improve-ments) $'000	Plant $'000	Furniture and fittings $'000	Capital works in progress $'000	Total $'000
Categorisation of fair value hierarchy	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3		
Opening balance as at 1 July 2021	126,084	51,155	760,145	225,190	1,671	139,749	638,790	729	69,901	**2,013,414**
Work in progress ("WIP") additions	-	-	-	-	-	-	-	-	87,264	**87,264**
Transfers to/from WIP	4,707	478	42,463	10,620	86	12,959	26,345	429	(98,087)	**-**
Disposals	-	-	-	-	-	(1)	(218)	-	-	**(219)**
Transfers (to)/from investment properties	-	-	-	-	-	-	-	-	-	**-**
Depreciation	-	(2,300)	(8,753)	(8,237)	(150)	(6,664)	(57,308)	(121)	-	**(83,533)**
Revaluations	(2,629)	(1,780)	(9,925)	(8,837)	(74)	(5,361)	(27,127)	(6)	-	**(55,739)**
Impairment	-	-	-	-	-	-	-	-	(213)	**(213)**
Carrying amount at 30 June 2022	**128,162**	**47,553**	**783,930**	**218,736**	**1,533**	**140,682**	**580,482**	**1,031**	**58,865**	**1,960,974**

12. Property, plant and equipment (continued)

(a) Balances and reconciliations of carrying amount (continued)

2021	Land $'000	Buildings $'000	Channels, swing basins and berth pockets $'000	Commercial wharves $'000	Recreational and fishing wharves $'000	Roads and services (structural improve-ments) $'000	Plant $'000	Furniture and fittings $'000	Capital works in progress $'000	Total $'000
Categorisation of fair value hierarchy	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3	Level 3		
Opening balance as at 1 July 2020	120,867	51,272	744,592	229,136	1,778	135,913	640,935	612	80,850	**2,005,955**
Work in progress ("WIP") additions	-	-	-	-	-	-	-	-	90,619	**90,619**
Transfers to/from WIP	5,331	2,020	24,351	4,335	-	10,196	53,551	208	(99,992)	**-**
Disposals	-	(9)	-	-	-	-	(158)	-	-	**(167)**
Transfers (to)/from investment properties	(31)	-	-	-	-	-	-	-	-	**(31)**
Depreciation	-	(2,070)	(8,498)	(7,996)	(104)	(6,191)	(54,656)	(91)	-	**(79,606)**
Revaluations	(83)	(58)	(300)	(285)	(3)	(169)	(882)	-	-	**(1,780)**
Impairment	-	-	-	-	-	-	-	-	(1,576)	**(1,576)**
Carrying amount at 30 June 2021	**126,084**	**51,155**	**760,145**	**225,190**	**1,671**	**139,749**	**638,790**	**729**	**69,901**	**2,013,414**

12. Property, plant and equipment (continued)

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

Initial recognition

Assets are recognised at cost, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. 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.

An asset recognition threshold of $1,000 has been adopted and applies to all assets acquired with a useful life of more than one year.

Any cost that increases the originally assessed capacity or production capacity 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 as an expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.

Depreciation

Depreciation is recognised on a straight-line basis on all non-current assets, 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	1.0%-20.0%
Channels, swing basins and berth pockets	1.0%
Commercial wharves	1.5%-20.0%
Recreational and fishing wharves	2.0%-20.0%
Roads and services (structural improvements)	1.0%-20.5%
Plant	1.0%-50.0%
Furniture and fittings	2.5%-50.0%

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.

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

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 or Loss and Other Comprehensive Income in the year the asset is de-recognised.

12. Property, plant and equipment (continued)

(b) 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:

Asset category	2022 Net book value $'000	2021 Net book value $'000
Land	90,420	85,713
Buildings	45,058	46,623
Channels, swing basins and berth pockets	216,786	176,291
Commercial wharves	184,571	179,976
Recreational and fishing wharves	1,552	1,603
Roads and services (structural improvements)	154,000	147,361
Plant	520,259	543,388
Furniture and fittings	1,043	739
Capital works in progress	58,865	69,901
Total	**1,272,554**	**1,251,595**

(c) Valuations

Measurement after initial recognition

Revaluation increments are credited to the asset revaluation reserve, net of tax, except to the extent that they reverse a revaluation decrement previously recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Revaluation decrements are recognised in profit or loss, except to the extent they offset a previous revaluation increment. In this case the decrement is recorded in the asset revaluation reserve. The accumulated depreciation is reversed to the revalued amounts.

The Group uses an income-based approach to determine fair value, with management establishing the appropriate inputs to the model. Management estimated the fair value of the Group's property, plant and equipment assets using a discounted cash flow (DCF) model.

All assets held at fair value are classified as level 3 on the fair value hierarchy. There were no transfers between the levels during the year.

Summary of key inputs and assumptions

The fair value of assets was obtained based upon projected revenue, capital and operating cash flows for the ten years ending 30 June 2032. Management judgement was applied to forecast future tonnages taking into account historical data where it exists. Management applied the following key assumptions:

12. Property, plant and equipment (continued)

(c) Valuations (continued)

- One unit of account is utilised as the three geographical areas of the company are intrinsically linked and product is interchanged where possible;
- Key inputs within the model relating to capital and operating expenditure are derived from known and future planned capital and operating works that are aligned to the delivery of GPC's core strategic goals, asset management strategies and future strategic plans as well as the incorporation of recurring expenditure required to maintain effective business operations in line with known and anticipated operating parameters and conditions.
- Future growth rates are determined through detailed review of future macro-economic factors, and guidance provided through the Reserve Bank of Australia growth rate assumptions, namely CPI.
- Revenue forecast is based upon contractual arrangements where they exist or historic tonnage throughput.
- A terminal value was calculated based upon the assumption that the cash flows in year ten will continue indefinitely into the future. A CPI rate of 2.5% (2021: 2.0%) is applied, when calculating terminal values to reflect inflation for long term growth in these cash flows.
- The weighted average cost of capital (WACC) nominal, post-tax rate of 6.4% (2021: 5.6%) was adopted when discounting back to a present day estimated value. Management determined this rate in consultation with independent experts.
- Given the nature of GPC's infrastructure assets and the industries in which it operates, the WACC rate applied has been calculated as if it were operating in a regulated environment.
- Mid-period discounting has been applied to discount future cash flows to their net present value which imply that cash flows are earned, on average, midway through a financial year.
- The demand profile utilised in the fair value assumptions is based on current expectations based on production profiles used by customers and expectations of global demand on coal. To the extent that significant changes are made to the coal demand this would impact the overall asset values and likely result in a significant decrease in the fair value. GPC will continue to monitor this.
- GPC has considered the impact of the COVID-19 pandemic as part of the valuation assumptions. It is expected that the long-term impacts on GPC will be limited due to take or pay arrangements in place with the majority of customers in the short term. At this stage, GPC has not been advised of any customers which would look to significantly reduce their capacity demands nor is there expected to be changes in the long-term forecast post the current contracted period.

Sensitivity analysis was undertaken as follows:

Level 3 input	Fair Value output	Rate Used by Group
CPI rate +0.5 post tax	2,015,507	2,085,645
CPI rate -0.5 post tax	2,153,222	2,085,645
WACC rate +0.7 post tax	1,715,809	2,085,645
WACC rate -0.3 post tax	2,289,977	2,085,645
Terminal Growth Rate +0.5	2,358,121	2,085,645
Terminal Growth Rate -0.5	1,875,095	2,085,645
Expansionary Capital delayed 1 year	2,231,940	2,085,645
Expansionary Capital +5%	2,071,047	2,085,645
Expansionary Capital -5%	2,100,242	2,085,645

12. Property, plant and equipment (continued)

As required under AASB 116 *Property, Plant and Equipment*, the Group has an obligation to revalue its non-current assets with sufficient regularity to ensure that the carrying amounts do not differ materially from those which would be determined using fair value at the end of the reporting period. Excluding capital work-in-progress assets which are measured at cost, the resulting valuation increment or decrement calculated under the DCF model is then allocated across remaining unimpaired assets based upon their respective gross replacement cost.
The reconciliation of revaluations across each item is shown below:

	Note	2022 $'000	2021 $'000
Valuation adjustment to Consolidated Statement of Financial Position			
Property, plant and equipment revaluations	12(a)	(55,739)	(1,780)
Investment property	14	3,517	204
		(52,222)	**(1,576)**
Valuation adjustments to Consolidated Statement of Profit or Loss and Other Comprehensive Income			
Statement of Profit or Loss			
Revaluation decreases of property, plant and equipment		(8,754)	(228)
Revaluation increase of investment properties		3,517	204
Other Comprehensive Income			
Revaluation decrement of property, plant and equipment		(46,985)	(1,552)
Total		**(52,222)**	**(1,576)**

(d) Impairment

Projects completed as part of the investment in community assets that are of a capital nature are capitalised and impaired. Impairment occurs due to the Group generating minimal or no income return on these assets. The reconciliation of impairment is shown below:

	Note	2022 $'000	2021 $'000
Impairment charged to Statement of Profit or Loss and Other Comprehensive Income	12(a)	213	1,576
		213	**1,576**

13. Intangible assets

Intangible assets of the Group comprise purchased software and internally developed software. Intangible assets with a historical cost or other value equal to or greater than $100,000 are recognised in the Consolidated Statement of Financial Position. Items with a lesser value are expensed. All intangible assets of the Group are amortised on a straight line basis over the intangible's useful life of between 3 and 15 years.

Reconciliation of the carrying amount for intangible assets at 30 June 2022:

	Gross $'000	Accumulated Amortisation $'000	Balance at 30 June $'000
Purchased Intangible assets	41,990	(29,249)	12,741
Internally generated intangible assets	23,655	(9,495)	14,160
Capital WIP	4,084	-	4,084
Total	**69,729**	**(38,744)**	**30,985**

Represented by movements in the carrying amount and adjustments for SaaS accounting:

	Carrying amount at 1 July $'000	WIP additions $'000	Transfer (to)/from WIP $'000	Amortisation $'000	Adjustments $'000	Carrying amount at 30 June $'000
Purchased Intangible assets	12,465	-	4,059	(3,783)	-	12,741
Internally generated intangible assets	13,837	-	2,586	(2,263)	-	14,160
Capital WIP	11,570	4,053	(6,645)	-	(4,894)	4,084
Total	**37,872**	**4,053**	**-**	**(6,046)**	**(4,894)**	**30,985**

Reconciliation of the carrying amount for intangible assets at 30 June 2021:

	Gross $'000	Accumulated Amortisation $'000	Balance at 30 June $'000
Purchased Intangible assets	40,259	(27,794)	12,465
Internally generated intangible assets	21,069	(7,232)	13,837
Capital WIP	11,570	-	11,570
Total	**72,898**	**(35,026)**	**37,872**

Represented by movements in the carrying amount:

	Carrying amount at	Transfer (to)/from	Carrying amount at

	1 July $'000	WIP additions $'000	WIP $'000	Amortisation $'000	Adjustments $'000	30 June $'000
Purchased Intangible assets	16,092	-	517	(4,144)	-	12,465
Internally generated intangible assets	15,629	-	336	(2,128)	-	13,837
Capital WIP	4,472	7,951	(853)	-	-	11,570
Total	**36,193**	**7,951**	**-**	**(6,272)**	**-**	**37,872**

14. Investment properties

	Note	2022 $'000	2021 $'000
Opening balance		85,796	81,605
Additions		1,438	3,956
Transfers (to)/from property, plant and equipment	12(a)	-	31
Transfers (to)/from assets held for sale		19	-
Net gain from fair value adjustment	12(c)	3,517	204
Closing balance		**90,770**	**85,796**

Investment properties are recognised initially at cost. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Investment properties include land (including seabeds) and buildings. Professional expert external valuers are used for the valuation of investment properties. For the 2022 year, the fair value has been determined based on independent valuations by Aon Valuation Services as at 31 March 2022, in accordance with AASB 140 *Investment Properties*, which requires an annual review of fair value. The valuer has recent experience in the location and category of the investment property being valued. GPC is satisfied that these are materially correct as at 30 June 2022. 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.

Gains or losses arising from changes in the fair values of investment properties are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year they arise.

The Group's investment properties classified as land (including seabeds) are level 2 on the fair value hierarchy. The fair value was determined based on the market comparable approach that reflects recent transaction prices for similar properties.

The Group's investment properties classified as buildings are level 3 on the fair value hierarchy. The fair value was determined based on the depreciated replacement cost approach that reflects the internal records of the original cost of the specialised fit out, adjusted for more contemporary design/construction approaches, and published construction rates for various standard components of buildings. Significant judgement is also used to assess the remaining service potential of the facility, given local climatic and environmental conditions and records of the current condition of the facility.

There were no transfers between the levels during the year.

	2022	2021
	$'000	$'000
Rental income derived from investment properties	13,528	10,094
Direct operating expenses (including repairs and maintenance) generating rental income	(1,075)	(992)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(749)	(768)
Profits arising from investment properties carried at fair value	**11,704**	**8,334**

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 or Loss and Other Comprehensive Income in the year of retirement or disposal.

Transfers are made to/from investment property when, and only when:

- there is a change in use
- commencement of an operating lease to another party
- ending construction or development
- commencement of owner occupation
- commencement of development with a view to sale.

With the exception of seabeds which are leased from the State, the group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, and enhancements.

15. Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Due to the short-term nature of trade and other payables, their carrying value is assumed to approximate to their fair value. For more information on the Group's liquidity risk management process, refer to Note 22(c).

	2022	2021
Current	$'000	$'000
Trade creditors	35,889	42,970
GST payable	2,417	1,273
Other	2,169	1,954
	40,475	**46,198**

16. Contract and other liabilities

Contract liabilities include amounts in relation to cargo handling and harbour where the performance obligations have not been satisfied. The revenue received in advance relates to long term advances received on contracts for which the deliverables and obligations have not yet been achieved and operating lease revenue on investment properties.

	2022	2021

	$'000	$'000
Current		
Revenue received in advance	17,933	21,794
Contract liabilities	2,008	2,384
	19,941	**24,178**
Non-current		
Revenue received in advance	**10,339**	**12,304**

17. Borrowings

	Note	2022	2021
		$'000	$'000
Non-current			
Queensland Treasury Corporation loans	22(c)	775,295	775,314

Borrowings are initially recognised at fair value, plus any transaction costs directly attributable to the borrowings, then subsequently held at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of a financial instrument (or, when appropriate, a shorter period) to the net carrying amount of that instrument.

Any borrowing costs are added to the carrying amount of the borrowing to the extent they are not settled in the period in which they arise.

Terms and Conditions

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 is used for the Group's normal operations. This is unsecured.

Interest rates

This loan is interest bearing with interest paid quarterly in arrears. The average interest rate for 2022 was 2.78% (2021: 3.1%).

Fair values

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

	2022		2021	
	Carrying amount	Fair value	Carrying amount	Fair value
	$'000	$'000	$'000	$'000
Queensland Treasury Corporation loans	775,295	717,837	775,314	844,397

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.

18. 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.

	2022	2021
Current	**$'000**	**$'000**
Employee benefits	51,670	47,516
Dividends	-	93,084
Rehabilitation	3,193	2,893
Other	4,082	3,671
Total	**58,945**	**147,164**
Non-current		
Employee benefits	3,042	5,728
Rehabilitation	19,091	17,505
Total	**22,133**	**23,233**

Employee benefits

The provision for employee benefits comprises of long service leave, annual leave, personal leave and rostered day off provisions. These provisions are categorised as either current or non-current.

The current portion of this provision includes the total amount accrued for annual leave, personal leave and RDO entitlements and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Group does not expect the full amount of annual leave or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Group does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlements.

The following amounts reflect leave that is not expected to be taken within the next twelve months:

	2022	2021
	$'000	**$'000**
Employee benefits obligation expected to be settled after twelve months	31,868	32,995
Total	**31,868**	**32,995**

The non-current portion for this provision includes amounts accrued for long service leave entitlements and personal leave that have not yet vested in relation to those employees who have not yet completed the required period of service.

18. Provisions (continued)

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

Dividend provision

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. For the 2021-22 year, shareholding Ministers approved the Directors' recommendation for the retention of dividends otherwise payable from the final audited net profits after tax.

Rehabilitation

A provision for rehabilitation is recognised in relation to the obligations or undertakings for the Group associated with contractual agreements executed under the Western Basin Environmental Management Funding Agreement and LNG Commercial Offsets and relate to extinguishing the obligations of the agreements. Works have been undertaken on marine areas during 2022. Work associated with marine and land areas was undertaken during 2022 with work continuing in 2023 and including the removal of redundant infrastructure in remaining nominated areas.

The rehabilitation provisions are undiscounted. The estimated cost and timing of future rehabilitation works can be impacted by potential deterioration of structures and factors that cannot be predicted until work commences, particularly in relation to water based structures. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

Provision movements	Rehabilitation		Dividend		Other	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Current provision	3,193	2,893	-	93,084	4,082	3,671
Non-current provision	19,091	17,505	-	-	-	-
Closing balance of provision at 30 June	**22,284**	**20,398**	**-**	**93,084**	**4,082**	**3,671**
Opening balance of provision at 1 July	20,398	22,809	93,084	79,550	3,671	2,985
Additional provisions	2,000	-	-	93,084	-	686
Amounts (used)/paid	(114)	(1,375)	(93,084)	(79,550)	411	-
Unused amounts reversed	-	(1,036)	-	-	-	-

Closing balance of provision at 30 June	**22,284**	**20,398**	**-**	**93,084**	**4,082**	**3,671**

19. Equity

Issued Capital

	2022 No.	2021 No.
Authorised to issue – 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. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Group.

Asset Revaluation Reserve

	Note	2022 $'000	2021 $'000
Opening balances at 1 July		424,936	427,535
Revaluation – gross	12 (c)	(46,985)	(1,552)
Deferred tax		14,096	465
Disposal of revalued assets		(575)	(1,512)
Balance as at 30 June		**391,472**	**424,936**

20. Dividends

Cash dividends on ordinary shares declared but not paid:

	2022 $'000	2021 $'000
Final dividend declared but not paid	-	93,084

For the 2021-22 year, shareholding Ministers approved the Directors' recommendation of retention of dividends otherwise payable from final audited net profits after tax. In comparison, for 2020-21, the dividend calculation was based on 100% of final audited net profit after tax and adjustments for revaluation increments/decrements. The 2020-21 cash dividend was unfranked.

21. Leases

Group as a lessee

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land/ Seabeds – 7 to 100 years (some land/ seabed leases are perpetual)
Motor vehicles - 3 to 5 years

Where the right-of-use assets have been classified as 'Investment Property', the accounting policy for subsequent measurement of these assets is as described in Note 14.

The Group has lease contracts for land/ seabed, vehicle and office equipment used in its operations. GPC's land/ seabed lease portfolio contains a combination of perpetual and term-based leases. There are also certain 'reserves' and 'vested' properties granted in Trust by the Government, for which GPC does not pay any lease rentals. Vehicles generally have lease terms between 3 and 5 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of vehicles with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases. The Group has determined that all leases of office equipment are of 'low value', to which the recognition exemption has been applied.

In the process of applying the Group's accounting policies, management has made the following judgements, and estimates in relation to leases:

Determining the nature of the rights for a perpetual lease (within scope of AASB 16)

The Group determined that the perpetual lease arrangement for seabed assets is within the scope of AASB 16 *Leases* and the Group is the lessee under the arrangement. The underlying asset being the seabed is leased by the lessor, being the State Government, with a specific objective to consider the overall development of the geographical area and business infrastructure requirements. The Group concluded that it will not be practical or economically feasible for the lessor or lessee to make substitutions for the underlying asset. Therefore, the arrangement is considered to be non-cancellable. The Group has an unconditional obligation to pay for the asset, unless and until the lessor decides to terminate the lease. The Group cannot sell the asset nor use it for other activities and therefore, does not have complete ownership rights over the asset. The arrangement is within the scope of AASB 16.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease.

21. Leases (continued)

Estimation of Incremental Borrowing Rate

For new or modified leases, the Group uses the 'rate implicit in the lease' where it can be readily determined, otherwise, the 'incremental borrowing rate' is used as the discount rate, which is determined using the 'QTC Fixed Rate Loan' rates that correspond with the lease commencement month and lease term, adjusted for QTC margin and other factors specific to the Group.

(a) Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land /Seabed	Vehicle	Total
	$'000	$'000	$'000
As at 1 July 2020	1,059	3,616	4,675
Additions (includes re-measurement)	-	1,676	1,676
Depreciation expense	(19)	(2,110)	(2,129)
As at 30 June 2021	**1,040**	**3,182**	**4,222**
Additions (includes re-measurement)	6	836	842
Depreciation expense	(19)	(2,129)	(2,148)
As at 30 June 2022	**1,027**	**1,889**	**2,916**

(b) Set out below are the carrying amounts of lease liabilities and the movements during the period:

	Note	$'000
As at 1 July 2020		**11,920**
Additions		1,806
Accumulation of interest	6(c)	445
Payments		(2,612)
As at 30 June 2021		**11,559**
Additions		840
Accumulation of interest	6(c)	424
Payments		(2,397)
As at 30 June 2022		**10,426**

	2022	2021
Current	1,209	1,889

Non-current	9,217	9,670

(c) Set out below are amounts recognised in profit and loss:

	2022	2021
	$,000	$'000
Depreciation expense of right-of-use assets	2,148	2,129
Interest expense on lease liabilities	424	445
Expense relating to short-term leases (included in operational expenses)	459	441
Expense relating to leases of low-value assets (included in operational expenses)	102	106
Gain on lease remeasurement	-	(23)
Total amount recognised in profit or loss	**3,133**	**3,098**

The Group had total cash outflows for leases of $2,958,000 in 2022 (2021: $3,136,000). The Group also had non-cash additions to right-of-use assets of $842,000 in 2022 (2021: $1,676,000) and lease liabilities of $840,000 in 2022 (2021: $1,806,000). As at the date of the financial statements, there are no expected future cash outflows relating to leases that have not yet commenced.

(d) Extension and termination options:

There are no undiscounted potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The Group has entered into operating leases on its investment property portfolio consisting of certain land and buildings (Note 14). These leases have terms of between 1 and 40 years. Rental income arising is accounted for on a straight-line basis over the lease terms. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during the year is $13,528,000 (2021: $10,094,000).

The Group has very limited risk which it retains in the underlying assets under its lessor arrangements.

Future minimum rentals receivable under non-cancellable operating leases as at 30 June are as follows:

	2022	2021
	$'000	$'000
Less than one year	11,294	10,197
One to two years	9,392	9,535
Two to three years	8,124	8,163
Three to four years	7,369	7,028
Four to five years	6,687	6,378

More than five years	67,297	62,160
Total	**110,163**	**103,461**

Maturity analysis of lease liabilities is included in Note 22(c).

22. Financial risk management

GPC has exposure to credit risk, foreign currency risk, liquidity risk, interest rate risk and capital management risk from its use of financial instruments. The Group's financial instruments comprise receivables, payables, borrowings, cash and cash equivalents and cash advance facility. 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 Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group manages its exposure to key financial risks, 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.

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.

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, cash advance facility, and trade and other receivables. The Group is exposed to credit risk from the possibility of counterparties to cash and cash equivalents, cash advance facility, and trade and other receivables failing to perform their obligations. The balance of cash is disclosed in Note 8 and the balance of the Cash Advance Facility is disclosed in Note 9.

The Group does not hold any credit derivatives to offset its credit exposure. The level of exposure is disclosed in the Consolidated Statement of Financial Position and in Note 10 with the carrying amount stated net of any allowance for expected credit losses.

(b) Market risk

(i) Foreign currency risk

The Group occasionally makes capital purchases in US dollars. To manage the currency risks arising from these transactions, the Group may enter into derivative transactions, namely forward currency contracts.

It is the Group's position not to enter into forward contracts until a firm commitment is in place. The terms of the hedge derivatives are required to exactly match the terms of the hedged item to maximise hedge effectiveness.

As at 30 June 2022 and 30 June 2021 the Group did not have any exposure to foreign currency.

(ii) Price risk

As at 30 June 2022 and 30 June 2021 the Group did not have any significant exposure to price risk.

22. Financial Risk Management (continued)

(iii) 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 17.

As at 30 June 2022, the Group's financial assets and liabilities exposed to variable interest rate risk consisted of cash and cash equivalents, cash advance facility, 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.

Sensitivity analysis based upon the interest risk exposures in existence at the Consolidated 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	
	2022	2021	2022	2021
	$'000	$'000	$'000	$'000
+1% (100 basis points)	(394)	(463)	(394)	(463)
-1% (100 basis points)	464	546	464	546

(c) Liquidity risk

The Group is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation for capital works. The Group manages liquidity risk through the use of a liquidity management strategy which aims to reduce the exposure to risk by ensuring the Group has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring maximum levels of cash are at hand to match the expected duration of various employee and supplier liabilities. Funding arrangements are in place with Queensland Treasury Corporation which will allow sufficient funding to cover planned requirements within the Group's corporate planning period.

The Group has available a business card facility with a limit of $300,000 (2021: $300,000). Loan facilities shown in Note 17 are provided by Queensland Treasury Corporation. New borrowings are subject to an approved loan program with the sanction of the Treasurer of Queensland. The Group has access to a $30,000,000 (2021: $30,000,000) working capital facility provided through Queensland Treasury Corporation. This facility was not drawn upon during the financial year.

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.

Maturity analysis of financial liabilities based upon management's expectations

Year ended 30 June 2022	Note	< 1 year $'000	1 – 5 Years $'000	> 5 years $'000	Total $'000
Financial liabilities					
Trade and other payables	15	40,475	-	-	**40,475**
Interest bearing loans and borrowings	17	-	-	775,295	**775,295**
Lease liabilities	21	1,209	931	8,286	**10,426**

		41,684	931	783,581	826,196

22. Financial Risk Management (continued)

Year ended 30 June 2021	Note	< 1 year $'000	1 – 5 Years $'000	> 5 years $'000	Total $'000
Financial liabilities					
Trade and other payables	15	46,198	-	-	**46,198**
Interest bearing loans and borrowings	17	-	-	775,314	**775,314**
Lease liabilities	21	1,889	1,521	8,149	**11,559**
		48,087	**1,521**	**783,463**	**833,071**

All trade payables and other financial liabilities originate from the ongoing operations of the Group.

(d) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

		Cash flows		Non-cash	
Year ended 30 June 2022	1 July 2021 $'000	Payments $'000	Receipts $'000	Other $'000	30 June 2022 $'000
Financial liabilities					
Interest bearing loans and borrowings	**775,314**	(19)	-	-	**775,295**
Dividend payable	**93,084**	(93,084)	-	-	**-**
Lease liabilities	**11,559**	(2,397)	-	1,264	**10,426**
	879,957	**(95,500)**	-	**1,264**	**785,721**

Year ended 30 June 2021	1 July 2020 $'000	Payments $'000	Receipts $'000	Other $'000	30 June 2021 $'000
Financial liabilities					
Interest bearing loans and borrowings	**776,189**	(875)	-		**775,314**
Dividend payable	**79,550**	(79,550)	-	93,084	**93,084**
Lease liabilities	**11,920**	(2,612)	-	2,251	**11,559**
	867,659	**(83,037)**	-	**95,335**	**879,957**

23. Capital management

Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern and maximise the return to shareholders whilst managing debt and equity balances.

The Group will not pay a dividend for the 2022 financial year following shareholding Ministers approval of the Directors' recommendation for the retention of dividend otherwise payable.

The Group will manage its capital structure to maintain an investment grade credit rating, consistent with its loan documentation with QTC. The capital structure of the Group consists of borrowings disclosed in Note 17 and equity comprising issued capital, reserves and retained earnings.

In order to achieve this overall objective, the Group's capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the financiers to immediately call on borrowings. There have been no breaches of the financial covenants of any borrowings in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2022 and 30 June 2021.

24. Commitments and contingencies

Capital expenditure commitments contracted but not provided for:

These commitments relate to expenditure on capital projects in progress	2022 $'000	2021 $'000
Due not later than one year	80,353	37,566

Contingent assets and liabilities

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

25. 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:

	2022	2021
	$	$
Remuneration	330,200	220,000

Additional amounts paid in 2022 relates to 2021 audit
The estimated fee for 2022 is $265,000 (2021: $220,000).

26. Key management personnel disclosures

Directors (short-term and post-employment expenses)

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 People Performance and Culture Committee oversee and recommend executive Total Fixed Remuneration (TFR) to the Board for the Chief Executive Officer (CEO) or senior executives (including temporary appointments). GOC boards can determine the TFR up to market median for the position’s work value as advised by an independent remuneration consultant to ascertain an appropriate level of remuneration and attract appropriately skilled applicants. The Group’s remuneration policy is subject to the Queensland Government’s policy and any annual increases to CEO and senior executive remuneration are approved by the Board with written notification to shareholding Ministers.

The Group's remuneration policy is based on a Total Fixed Remuneration (TFR) concept. TFR is the sum of salary, superannuation, salary sacrifice item and other benefits (e.g. motor vehicle, club memberships, additional annual leave provisions). Items in the TFR specifies the total annual cost to the Group for providing the benefit. TFR excludes any performance incentives as well as any tools of trade, equipment or other items provided solely to perform in the position. Short-term benefits are disclosed as the gross salary package (excluding bonuses) and may be taken either as salary or salary sacrificed. Leave balances paid on separation are included as a short-term benefit. 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. All disclosed items relate to amounts received by the CEO and each senior executive incurred in the financial year during the period of their appointment.

GOC boards have discretion to approve annual TFR increases (capped at 10% per annum) to senior executive’s remuneration levels, subject to the TFR not exceeding the latest market median for the position’s work value, in line with the Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements Version 27 October 2021.

26. Key management personnel disclosures (continued)

There are no performance payments available to the CEO and senior executives. Termination entitlements, in the event of termination by the Group, other than for misconduct, are allowed for in the contractual arrangements.

The Chief Executive Officer is entitled to three (3) months' notice, or payment in lieu of notice as well as a separation payment equal to six (6) month's salary. Senior executives are entitled to give one month's notice, or the Group may elect to provide an equivalent amount of payment in lieu. In the event of termination, the Executive is entitled to a termination payment equal to three (3) month's salary in addition to any payment made in lieu of one month's notice. CEO and senior executives are not entitled to both termination and redundancy payments.

Short term employee expenses
This includes the following:

- Salaries, allowances and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee occupied a Key Management Personnel (KMP) position;
- Non-monetary benefits consisting of provision of vehicle, telephone, health fund reimbursement, travel and accommodation benefits together with fringe benefits tax applicable to the benefit.

Long term employee expenses
This includes amounts expensed in respect of long service leave entitlements earned.

Post-employment expenses
This includes amounts expensed in respect of employer superannuation obligations.

Retirement/Resignation/Termination expenses
This includes lump sum payments for entitlements at separation (excluding annual and long service leave entitlements) or other amounts payable on termination of employment or acceptance of an offer of termination of employment.

26. Key management personnel disclosures (continued)

In accordance with Ministerial guidelines details of Directors and the senior executives of the entity with the greatest authority in office at 30 June 2022 are as follows:

Directors		Last Date of Appointment	Date of Termination/ Resignation	Short Term Expenses $'000 Directors' Fees	Post- Employment Expenses $'000 Superannuation	Total $'000
Lynham A[1]		26 August 2021	30 September 2025			
(Chairman)	2022			56	6	62
	2021			-	-	-
Cassidy G		1 October 2018	30 September 2022			
	2022			53	5	58
	2021			55	5	60
Jamieson P		1 October 2018	30 September 2022			
	2022			51	5	56
	2021			52	5	57
Sobhanian PJ		1 October 2020	30 September 2023			
	2022			52	5	57
	2022			38	4	42
Ralston P		1 October 2020	30 September 2023			
	2022			52	5	57
	2021			38	4	42
Gardner R		1 October 2021	31 May 2024			
	2022			33	3	36
	2021			-	-	-
Heagney P[2]		1 October 2020	30 September 2023			
	2022			10	1	11
	2021			38	4	42
Cheadle A		1 October 2021	4 December 2021			
	2022			9	1	10
	2021			-	-	-
Corones P		1 October 2018	30 September 2021			
(Chairman)	2022			26	3	29
	2021			82	8	90
Ward A		1 October 2018	30 September 2021			
	2022			18	2	20
	2021			55	5	60
Davidson G		12 October 2017	30 September 2020			
	2022			-	-	-
	2021			17	2	19
Butel S		12 October 2017	30 September 2020			
	2022			-	-	-
	2021			18	2	20
TOTAL 2022				**360**	**36**	**396**
TOTAL 2021				**393**	**39**	**432**

[1] Appointed Director from 26 August to 30 September 2021 and appointed Chair from 1 October 2021

[2] Appointed Acting Chief Executive Officer from 22 July 2021 to 11 May 2022 and became an Executive Director during this time. No Director remuneration was paid whilst Acting Chief Executive Officer.

26. Key management personnel disclosures (continued)

Specified Executives		Short Term Employee Expenses: Monetary Expenses	Short Term Employee Expenses: Non-Monetary Expenses	Long Term Employee Expenses	Post-Employment Expenses	Retirement/ Resignation/ Termination Expenses	Total
Haymes C							
Chief Executive Officer	2022	103	43	3	10	-	159
	2021	-	-	-	-	-	-
Appointed 1 May 2022							
Walker, C							
Chief Operating Officer	2022	505	18	10	47	-	580
	2021	541	-	13	48	-	602
Acting Chief Executive Officer from 13 December 2018 to 11 April 2021							
Druce, J							
Chief Financial Officer	2022	236	20	7	28	-	291
	2021	-	-	-	-	-	-
Acting from 9 August 2021 and appointed 24 June 2022							
Melrose, G							
Operations General	2022	307	22	8	39	-	376
Manager (Acting)	2021	312	22	8	39	-	381
Appointed Acting from 13 May 2019							
Heagney, P							
Chief Executive	2022	389	49	9	37	-	484
Officer (Acting)	2021	-	-	-	-	-	-
Appointed Acting from 22 July 2021 to 11 May 2022							
Blight, J							
People and Community	2022	111	9	2	11	-	133
Executive General	2021	-	-	-	-	-	-
Manager (Acting)							
Appointed Acting from 9 August 2021 to 4 January 2022							
Cassidy, C							
Interim Chief Executive	2022	47	5	-	-	-	52
Officer	2021	110	12	-	-	-	122
Appointed 4 May 2021 under a contract and resigned 22 July 2021 Monetary expenses is the daily contracted rate paid by the Group to a recruitment agency Non-monetary expenses includes accommodation, flights and provision of private use vehicle							
Winsor, R							
People and Community	2022	62	18	1	5	168	254
Executive General	2021	300	25	7	27	-	359
Manager							
Resigned 31 August 2021							

26. Key management personnel disclosures (continued)

Specified Executives		Short Term Employee Expenses Monetary Expenses	Non-Monetary Expenses	Long Term Employee Expenses	Post-Employment Expenses	Retirement/ Resignation/ Termination Expenses	Total
Gandhi, R							
General Counsel and	2022	62	13	1	5	882	963
Company Secretary	2021	439	7	3	11	-	460

Appointed on 6 January 2020 under a contract and became an employee on 15 February 2021
Resigned 31 August 2021
Monetary expenses includes the daily contracted amount paid by the Group to a labour hire firm and by GPC as an employee
Non-monetary expenses includes provision of a private vehicle

Specified Executives		Monetary Expenses	Non-Monetary Expenses	Long Term Employee Expenses	Post-Employment Expenses	Retirement/ Resignation/ Termination Expenses	Total
Hall, R							
Chief Financial Officer	2022	-	-	-	-	-	-
	2021	236	12	6	22	27	303

Resigned 31 May 2021

		Monetary Expenses	Non-Monetary Expenses	Long Term Employee Expenses	Post-Employment Expenses	Retirement/ Resignation/ Termination Expenses	Total
	TOTAL 2022	1,822	197	41	182	1,050	3,292
	TOTAL 2021	1,938	78	37	147	27	2,227

Other Payments

A number of former key management personnel of the Group are appearing as lay witnesses in a legal action taken against GPC. They are being paid agreed rates as part of this legal action and are not acting in their role as KMPs of the organisation. No amounts are included in the table on this basis.

27. Related party transactions

(a) Parent entities

The parent entity within the Group is Gladstone Ports Corporation Limited. The ultimate Australian controlling entity is the State of Queensland which at 30 June 2022 owned 100% (2021: 100%) of the issued ordinary shares of Gladstone Ports Corporation Limited.

(b) Key management personnel

(i) Shareholding Ministers - GPC's shareholding Ministers are identified as part of GPC's key management personnel. For the 2021-22 reporting period, these Ministers are, or were:

- the Honourable Cameron Dick MP, Treasurer and Minister for Trade and Investment;
- the Honourable Mark Bailey MP, Minister for Transport and Main Roads

(ii) Compensation – shareholding Ministers

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

27. Related Party Transactions (continued)

(c) Transactions with key management personnel

From time to time Senior Executives, Directors and related entities may have commercial dealings with GPC. These transactions are conducted on arm's length terms and conditions. Senior Executives and Directors declare their interest on commercial dealings at Board meetings.

(d) Intercompany transactions

Balances between GPC and its subsidiary, which are related parties of GPC, have been eliminated on consolidation and are not disclosed in this note. Details of GPC's interest is disclosed in Note 4.

(e) Government-related entities

The Group transacts with other State of Queensland controlled entities. All material transactions are negotiated on terms equivalent to those that prevail in arm's length transactions.

	2022	2021
	$'000	$'000
Revenue		
Revenue from State of Queensland controlled entities	26,425	25,959
Property revenue from State of Queensland controlled entities	621	511
Interest received from QTC	778	1,271
Expenses		
Expenses incurred to State of Queensland controlled entities	26,175	26,173
Interest on QTC borrowings (includes administration fees)	22,367	25,908
Interest on lease liabilities with State of Queensland controlled entities	379	379
Electricity payments to State of Queensland controlled entities	4,971	8,130
NTER, Payroll Tax, Land Tax, Rates equivalent and competitive neutrality fee paid to Queensland Treasury	58,862	64,502
Assets		
Advance facility held with QTC	150,381	188,950
Trade and other receivables from State of Queensland controlled entities	947	(36)
Liabilities		
Accrued interest and fees payable to QTC	5,587	5,606
Trade payables to State of Queensland controlled entities	258	-
Electricity payable to State of Queensland controlled entities	21	1,419

Dividend and competitive neutrality fee payable to Queensland Treasury	1,631	94,850
Borrowings from QTC	775,295	775,314
Lease liabilities with State of Queensland controlled entities	8,563	8,415

No provision for impairment of receivables was raised for any outstanding balances and no expense was recognised for bad or impaired debts due from State owned entities.

During the period, the Group made repayments of $0.24M (2021: $0.43M) relating to lease liabilities with State of Queensland controlled entities in accordance with applicable lease agreements.

28. Number of employees

	2022	2021
	No.	No.
Number of employees at year end (Full Time Equivalent)	762	742

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

29. Climate Risk Disclosure

The Group is in the process of validating and reviewing the material climate related physical and transition risks where relevant to the Group's financial statements and in line with the Queensland Government's disclosure requirements, as identified through the development of the Climate Change Strategy, and supporting strategic roadmap, in the current year. No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the financial year. The Group will engage and align with the Queensland Government on a reporting framework for future disclosures on climate risk.

30. Events occurring after reporting period

To date, no other events have occurred subsequent to balance date that materially impact on these financial statements.

GLADSTONE PORTS CORPORATION LIMITED

DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the financial statements and notes set out on pages 39 to 98 are in accordance with the *Corporations Act 2001,* including:

(i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

On behalf of the Directors

A Lynham Dated: 26 August 2022

Chair

G Cassidy Dated: 26 August 2022

Director

Gladstone

Queensland
Audit Office
Better public services

INDEPENDENT AUDITOR'S REPORT

To the Members of Gladstone Ports Corporation Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Gladstone Ports Corporation Limited and its controlled entities (the group).

In my opinion, the financial report:

a) gives a true and fair view of the group's financial position as at 30 June 2022, and its financial performance and cash flows for the year then ended

b) complies with the *Corporations Act 2001*, the Corporations Regulations 2001 and Australian Accounting Standards.

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

Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the group in accordance with the auditor independence requirements of the *Corporations Act 2001*, and confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Key audit matters

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

Management override of controls—Notes 3 and 26

Key audit matter	How my audit addressed the key audit matter
Given the continued changes in the executive management team, governance structure and processes, there is a heightened risk that controls preventing management override have not operated effectively. The risk of management override of controls has the potential to lead to errors within the reported results and/or disclosures. This is a pervasive risk but is especially relevant to areas in which there are significant accounting and disclosure judgements, estimates and assumptions. Accounting and disclosure judgements taken by management must fall within a reasonable range and be applied consistently year on year, or where there has been a change in approach this has been adequately justified and disclosed. This includes assessing the completeness and accuracy of disclosures and representations from the corporation and other entities.	My procedures included, but were not limited to: • evaluating whether the judgements and decisions made by management in making accounting estimates and disclosures even if they are individually reasonable, indicate a possible bias that may represent a risk of material misstatement due to fraud • reviewing minutes of board meetings and holding discussions with individuals involved in the financial reporting process, including unusual transactions which may have occurred • reviewing the disclosures in the financial statements and directors' report to ensure they completely and accurately reflect the transactions and contractual commitments • obtaining an understanding of the design and implementation of controls including the posting and approval of manual journals.

Valuation of property, plant, and equipment—Note 12(c)

Key audit matter	How my audit addressed the key audit matter
Property, plant, and equipment is reported at fair value and where applicable at cost. Approximately 97% of the property, plant and equipment was valued at fair value which was determined using the income-based valuation model. The key assumptions used in the valuation model included: • forecasting operating revenue • estimating future capital and operating costs • determining of terminal values • the discount rate applied to future cashflows.	My procedures included, but were not limited to: • obtaining an understanding of the discounted cash flow model, and assessing its design, integrity, and appropriateness with reference to common industry practices • checking, on a sample basis, the accuracy and relevance of the input data used, including reconciling input data to supporting evidence such as approved budgets • performing a sensitivity analysis to establish that management's assumptions for fair value including cash flows, terminal values, discount rates, expansionary capital expenditure and inflation adjustments are within a reasonable range of audit expectations for fair value • assessing the reasonableness of cash flow forecasts and terminal value estimates relative to board approved budgets, historical growth trends and other relevant internal and external evidence. The reasonableness of board approved budgets was assessed with reference to their historical accuracy and the budget preparation process • evaluating whether the discount rate applied was within a reasonable range, with reference to market data and industry research • challenging the reasonableness of key assumptions based on my knowledge of the entity and industry • verifying the mathematical accuracy of net present value calculations.

Useful lives estimated for depreciation expense—Note 12(a)

Key audit matter	How my audit addressed the key audit matter
The straight-line depreciation method used requires significant judgements for: • identifying the significant parts of assets that have different useful lives • estimating the remaining useful lives of those significant parts.	My procedures included, but were not limited to: • evaluating management's approach for identifying the parts of property, plant, and equipment with different useful lives for reasonableness, having regard to recent replacement projects and changes in estimates over time • evaluating remaining useful life estimates for reasonableness with reference to historical disposal rates, condition assessments for older assets, internal consistency.

Other information

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

Those charged with governance are responsible for the other information.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of the company for the financial report

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

The company's directors are also responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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

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

31 August 2022

B.P. Worrall

Brendan Worrall
Auditor-General

Queensland Audit Office
Brisbane