Gladstone Ports Corporation

Growth, prosperity, community.

Consolidated Financial Statements

FOR THE YEAR ENDED 30 JUNE 2023

GLADSTONE PORTS CORPORATION LIMITED

ACN 131 965 896

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 2023 was authorised for issue to shareholding Ministers in accordance with a resolution of the Directors on 25 August 2023.

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DIRECTORS' REPORT

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 2023.

The Board comprises non-executive Directors 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 re-appointed.

In order to comply with the provisions of the *Corporations Act 2001* the Directors submit their report for the year ended 30 June 2023.

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**

Name and qualifications	Experience and skills
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 21 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 and Chairman of the Rockhampton Salvation Army Red Shield Business Appeal. 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 13 October 2022 – 30 September 2023
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 13 October 2022 – 30 September 2023
Dr Poya (PJ) Sobhanian BDSc (UQ), GAICD *Director* Member – Audit and Risk Committee	Poya has extensive governance expertise and leadership experience having served as a 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, and further, as a non-executive director of the Gladstone Area Water Board and a strategic member of the 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

Name and qualifications	Experience and skills
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. Paul was formerly Executive Director and Acting Chief Executive Officer of GPC from July 2021 - May 2022. He has previously been a customer, Director, including Non-Executive Chair, and shareholder representative, of port and terminal companies. Additionally, he is 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. First appointed October 2020 Current term 1 October 2020 – 30 September 2023
Ryl Gardner BA (Econ & IR) GDip Management GAICD, 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

Name and qualifications	Experience and skills
Paul Binsted BEc. and LLB *Director* Member – Audit and Risk Committee	Mr Binsted is the current Chair of Stanwell Corporation Limited and has had an extensive career in corporate finance and has an interest in macro and micro economics. From 1982 to 2007, he was a Corporate Financial Adviser and Investment Banker holding senior positions at Lazard, Citigroup/Salomon Smith Barney, Schroders and Lloyds Corporate Advisory Services. Mr Binsted has held directorship positions across the energy, renewables, sea ports, mining and rail sectors, including Director of the Clean Energy Finance Corporation and Chair of its Audit Committee; Council Member of the Australian National Maritime Museum and Chair of its Audit Committee; Chair of Sydney Ports Corporation and the State Rail Authority of NSW; and Deputy Chair of Donaldson Coal Holdings Limited and Paringa Mining and Exploration Company PLC. He was also a member of the Financial Sector Advisory Council which provided advice to the Government on policies to facilitate the growth of a strong and competitive financial sector; and was a Chief Adviser to the Australian Federal Treasury. Holding Bachelor Degrees in Economics and Law, Mr Binsted is a member of the Economics Society of Australia and a Solicitor of the Supreme Court of New South Wales. First appointed December 2022 Current term 15 December 2022– 30 September 2025
Melody Ingra BA (Education) *Director* Member – People Performance and Culture Committee	Melody is a proud Gooreng Gooreng / Wakka Wakka woman from Yallarm (Gladstone). An experienced Teacher and Company Director with over 25 years practical experience across various industries, government sectors and NGO's. Melody is currently the National Cultural Liaison for Goodstart Early Learning and Chairperson of the Aboriginal and Torres Strait Islander Community Controlled Health Service. She has worked in the education sector for over 25 years as a Teacher, Educator, Principal Project Officer and Indigenous Educator Advisor. She was an inaugural Coach for the Indigenous Women in Leadership program and has delivered Aboriginal Cultural Awareness to over 1000 people across the nation. Melody is actively involved in First Nations community's across Queensland, with strong connection to Gladstone being born and raised there as a Traditional Custodian, with family ties to the region. First appointed October 2022 Current term 13 October 2022 – 30 September 2025

ACTING COMPANY SECRETARY

Name and qualifications	Experience and skills
Stacey Hogarth BBus (Mgt), GradDipAppCorpGov, MBA, FGIA, AAICD	Stacey Hogarth was appointed to the role of Acting Company Secretary on 20 March 2023. Stacey provides corporate governance advice and secretariat support to the GPC Board, and is responsible for corporate governance, compliance, records and information management at the Corporation. Stacey is a fellow of the Governance Institute of Australia and has over 15 years' executive experience across Governance, Risk, Compliance, Safety and Human Resources functions in both the public and private sectors.

PREVIOUS ACTING COMPANY SECRETARY

Mariette Lansdell B.Comm (Hons), MBA, CGP, FCP, GAICD	Appointed 1 June 2021 to 19 March 2023

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 (PoM). On 1 March 2022, management of PoM was transferred to GPC, bringing benefits through geographic proximity of GPC's existing ports and aligning the port and maritime responsibilities with Maritime Safety Queensland. As a non-trading Port, GPC undertakes limited responsibilities associated with managing the PoM;

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 $114.19M (2022: $82.95M) representing an increase of 38% from the previous year. The results included net revaluation decreases of $2.84M (2022: net revaluation decreases of $5.24M). This related to write-down of assets of $7.79M and investment property revaluation increases of $4.95M. Total income was $562.82M, an increase from 2022 of $35.02M, $22M which relates to a settlement amount from a contracted party in lieu of fulfilling their contractual obligations.

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:

	2023 $'000	2022 $'000
Dividends paid from prior year profits	-	93,084
	Cents per share	**Cents per share**
Dividend per share	-	23.15

In addition to the above dividends, the Directors recommended the payment of a final dividend at 100% of profits, adjusted in line with shareholding Ministers' approval along with a special dividend of $25.0M. The final dividend amounts to $117.62M (29.25 cents per share)

REVIEW OF FINANCIAL CONDITIONS AND LIKELY DEVELOPMENTS

Trade performance remained steady during the year with all three trading GPC ports contributing to the 111.73MT throughput, 8.11MT less than last year's throughput as a result of reduction in coal exports generally attributed to a number of rail impacts and mine related supply issues including weather related events. The Port of Gladstone recorded a throughput of 111.21MT led by coal, liquefied natural gas (LNG) and alumina-related exports. 59.85MT of coal exports were facilitated by the Port of Gladstone, 6.52MT decrease in exports.

Whilst coal export volumes declined from previous year, LNG exports remained steady, with 22.14MT of LNG transported predominately into Asia, compared to 23.50MT in the 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. Continuing uncertainty on weak global demand forecasts, magnified with high inflation, a global energy crisis and the continued war in Ukraine has been considered to the extent that can be reasonably anticipated. GPC anticipates these similar macro-economic conditions to continue through FY2024. The forecast for energy, specifically LNG into FY2024 remains consistent with this year however whilst demand remains strong for both metallurgical and thermal coal, supply is forecast to continue to be constrained with coal exports anticipated to be similar to current year volumes.

REVIEW OF FINANCIAL CONDITIONS AND LIKELY DEVELOPMENTS (CONTINUED)

Ordinary property revenue has remained consistent with last year following a number of years impacted by COVID-19 with waiver and deferred payments offered to eligible tenants.

During the next five years, the energy transition to renewables is expected to continue to show strong growth. With GPC strongly supporting the Government's initiatives in the renewable industry sector, infrastructure, master plans and strategic approvals will be required for this new renewables economy and sound investment options will be considered to match forward demand. In particular hydrogen, green ammonia developments, and facilitating the imports of wind and solar developments underpins the infrastructure growth required. GPC will constantly monitor for the most diligent sequencing for infrastructure investment to support the demand expected with renewables, containerised freight and other emerging trades. An increasing focus will be on facilitating common user infrastructure, including incremental channel staging to support sustainable development and growth.

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 2023.

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 2023 Annual Report.

RESPONDING TO CLIMATE CHANGE

The Group continues the development of a Climate Change Strategy (the strategy) which sets a framework to guide GPC towards reduced carbon emissions and provide direction to respond and adapt to the physical and transition risks of climate change. The strategy seeks to achieve this by outlining achievable 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 capture the Group's position, approach and actions in response to climate change. It guides the Group's operations to a low emission future in line with the Queensland Government's climate change strategy and targets that is likely to deliver multiple benefits including:

a) providing decision useful and forward looking information to develop adaptation response;

b) informing key assumptions and accounting judgements in financial climate risk disclosures; and

c) providing assurance and economic confidence to decision makers that climate change risk and uncertainty has been actively considered and addressed delivering 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 $214,025.

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 (8 held)	Audit and Risk Committee (4 held)	People, Performance and Culture Committee (4 held)
Dr Anthony Lynham	8	4	4
Grant Cassidy OAM	8	4	NA
Peta Jamieson	8	NA	3
Dr Poya (PJ) Sobhanian	8	4	NA
Dr Prins Ralston	7	4	NA
Paul Heagney	8	NA	3
Ryl Gardner	8	NA	4
Melody Ingra[1]	6	NA	3
Paul Binsted[2]	4	1	NA

[1] Appointed to Board in October 2022
[2] Appointed to Board in December 2022

COMMITTEE MEMBERSHIP

The Group has established an Audit and Risk Committee (ARC) and a People Performance and Culture Committee (PPCC).

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
Paul Binsted

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

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

GPC, in carrying out its business, maintains an enterprise risk management system to ensure:

a) threats and opportunities associated with achieving strategic priorities and objectives are understood, managed, monitored and reported through well-defined processes;
b) risk management roles and responsibilities are detailed to meet obligations and accountabilities;
c) business opportunity risks are pursued after prudent analysis and consideration; and
d) operational risks are minimised so far as is reasonably practicable.

PROCEEDINGS ON BEHALF OF THE COMPANY

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 by litigation funders 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 has engaged legal representatives to act on its behalf and is continuing to defend the Claim.

On 19 April 2023 the plaintiffs were granted leave to amend their pleadings expanding the case to include design and construction allegations against GPC, increasing the evidence task, complexity of hearing, costs and timeframes. GPC has sought indemnity from the contractors responsible for the design and construction works by way of third party proceedings.

On the advice of senior counsel the decision to allow the amended pleading is being appealed, the effect being the scope of the case faced by GPC may not be known until early 2024. GPC does not expect a trial to occur before mid-2025.

The Appeal of the decision to allow the plaintiff's further amended pleadings is listed for hearing before the Court of Appeal in Brisbane on 14 September 2023.

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: 25 August 2023

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

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

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

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

25 August 2023

Bhavik Deoji
as delegate of the Auditor-General

Queensland Audit Office
Brisbane

Consolidated Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue from contracts with customers	6(a)	517,520	488,540
Other income	6(b)	45,299	39,264
Total income		**562,819**	**527,804**
Employee benefits expenses	6(d)	(155,923)	(144,266)
Operational expenses	6(c)	(126,789)	(138,237)
Depreciation/amortisation expenses	6(c)	(87,827)	(91,726)
Finance costs	6(c)	(28,075)	(29,308)
Impairment	12(a),(d)	-	(213)
Net profit/(loss) on disposal of non-current assets		891	(140)
Fair value revaluation decrease of property, plant and equipment	12(c)	(7,791)	(8,754)
Revaluation increase of investment properties	12(c)	4,947	3,517
Profit before income tax		**162,252**	**118,677**
Income tax expense	7(a)	(48,058)	(35,731)
Profit for the year		**114,194**	**82,946**
Profit attributable to:			
Owners of Gladstone Ports Corporation Limited		**114,194**	**82,946**
Items that will not be reclassified subsequently to profit or loss			
Revaluation increase/(decrease) of property, plant and equipment and intangible assets	12(c)	(38,674)	(46,985)
Income tax relating to components of other comprehensive income	7(e)	11,602	14,096
Other comprehensive income for the year, net of income tax		**(27,072)**	**(32,889)**
Total comprehensive income for the year		**87,122**	**50,057**
Total comprehensive income for the year is attributable to:			
Owners of Gladstone Ports Corporation Limited		**87,122**	**50,057**

The accompanying notes form part of these financial statements

Consolidated Statement of Financial Position as at 30 June 2023

	Note	2023 $'000	2022 $'000
Assets			
Current assets			
Cash and cash equivalents	8	32,364	43,145
Cash advance facility	9	260,396	150,381
Trade and other receivables	10	100,337	65,394
Inventories	11	18,516	15,950
Prepayments		6,952	5,739
Assets classified as held for sale		591	-
Total current assets		**419,156**	**280,609**
Non-current assets			
Property, plant and equipment	12(a)	1,905,050	1,960,974
Prepayments		291	448
Deferred tax assets	7(d)	26,101	28,936
Intangible assets	13	28,890	30,985
Right-of-use assets	21	3,444	2,916
Investment properties	14	96,078	90,770
Total non-current assets		**2,059,854**	**2,115,029**
Total assets		**2,479,010**	**2,395,638**
Liabilities			
Current liabilities			
Trade and other payables	15	45,974	40,475
Contract and other liabilities	16	24,672	19,941
Provisions	18	171,738	58,945
Lease liabilities	21	1,247	1,209
Income tax payable	7(c)	10,315	4,018
Total current liabilities		**253,946**	**124,588**
Non-current liabilities			
Contract and other liabilities	16	8,374	10,339
Borrowings	17	775,219	775,295
Provisions	18	18,807	22,133
Lease liabilities	21	9,552	9,217
Deferred tax liabilities	7(e)	301,110	315,569
Total non-current liabilities		**1,113,062**	**1,132,553**
Total liabilities		**1,367,008**	**1,257,141**
Net assets		**1,112,002**	**1,138,497**
Equity			
Issued capital		667,896	663,896
Asset revaluation reserve	19	363,486	391,472
Retained earnings		80,620	83,129
Total equity		**1,112,002**	**1,138,497**

The accompanying notes form part of these financial statements

Consolidated Statement of Changes in Equity for the year ended 30 June 2023

	Note	Issued capital $'000	Asset revaluation reserve $'000	Retained earnings $'000	Total $'000
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[i]		(11,600)	**-**	**-**	**(11,600)**
Closing balance as at 30 June 2022		**663,896**	**391,472**	**83,129**	**1,138,497**
Opening balance as at 1 July 2022		**663,896**	**391,472**	**83,129**	**1,138,497**
Total comprehensive income attributable to owners					
Profit for the year		-	-	114,194	**114,194**
Other comprehensive income		-	(27,072)	-	**(27,072)**
Transfers within equity					
Disposal of revalued assets		-	(914)	914	-
Transactions with owners in their capacity as owners					
Shareholders' equity contribution[ii]		4,000			**4,000**
Dividends provided for or paid	20	-	**-**	(117,617)	**(117,617)**
Closing balance as at 30 June 2023		**667,896**	**363,486**	**80,620**	**1,112,002**

[i] The $11.6M net reduction in shareholders' equity relates to the $20.6M return of shareholders' equity offset by further equity adjustments of $1.0M to help fund common-user facility capital works at Port of Bundaberg, $3.0M shareholders' equity contribution for milestone completed at Port of Bundaberg Common User Infrastructure (conveyor) project and $5.0M equity contribution for Auckland Hill (Harbour Outlook) project.

[ii]The $4.0M shareholders' equity contribution relates to 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.

The accompanying notes form part of these financial statements

Consolidated Statement of Cash Flows for the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		581,880	571,853
Tax equivalents paid to Queensland Treasury		(41,783)	(43,396)
Net amounts from ATO		(29,158)	(25,448)
Payments to suppliers		(161,836)	(164,038)
Payments to employees		(155,395)	(143,904)
Payments for leases (short term, low value)		(1,047)	(561)
Interest received		7,213	1,033
Interest paid		(22,475)	(22,772)
Other finance costs		(5,600)	(6,536)
Net cash inflows from operating activities	8(a)	**171,799**	**166,231**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and investment properties		1,497	76
Purchase of property, plant and equipment		(72,150)	(88,702)
Purchase of intangibles		(4,043)	(4,053)
Transfers (to)/from Queensland Treasury		(110,016)	38,569
Net cash outflows from investing activities		**(184,712)**	**(54,110)**
Cash flows from financing activities			
Repayment of borrowings		(76)	(19)
Payment of principal portion of lease liabilities		(1,792)	(1,973)
Dividends paid		-	(93,084)
Shareholders' equity contribution		4,000	(11,600)
Net cash outflows from financing activities		**2,132**	**(106,676)**
Net increase/(decrease) in cash and cash equivalents		**(10,781)**	**5,445**
Cash and cash equivalents at the beginning of the financial year		**43,145**	**37,700**
Cash and cash equivalents at the end of the financial year	8	**32,364**	**43,145**

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

1. General information

The financial statements comprise the consolidated financial statements of the Group. The Group is a for-profit entity and consists of GPC and its wholly owned subsidiary, Gladstone Marine Pilot Services Pty Ltd. 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 (PoM). On 1 March 2022, management of the PoM was transferred to GPC, bringing benefits through geographic proximity of GPC's existing ports and aligning the port and maritime responsibilities with Maritime Safety Queensland. As a non-trading Port, GPC undertakes limited responsibilities associated with managing the PoM;
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, except for 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.

2. Basis of preparation (continued)

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 the Group for the year ended 30 June 2023 were authorised for issue in accordance with a resolution of the directors on 25 August 2023.

2. Basis of preparation (continued)

(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 Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period and applicable to the Group. The application of these standards and interpretations did not have a significant impact on the Group's financial statements.

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 2023. The Group does not expect there to be any significant impact from these amendments.

- *AASB 2021-5 Amendments to AASB 112 Income Taxes (AASB 112) - Deferred Tax related to Assets and Liabilities arising from a Single Transaction.*

  In May 2021, AASB issued amendments to AASB 112, which narrows the scope of the initial recognition exception under AASB 112, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

  This standard will be applicable to the Group for the first time during the financial year ending 30 June 2024.

- *AASB 2022-5 Amendments to AASB 16 Leases (AASB 16) - Lease Liability in a Sale and Leaseback.*

  The amendment to AASB 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. This standard will be applicable to the Group for the first time during the financial year ending 30 June 2025.

- *AASB 2021-2 Amendments to AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors (AASB 108) - Definition of Accounting Estimates*

  In February 2021, the AASB issued amendments to AASB 108, in which it introduces a definition of 'accounting estimates'. The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. This standard will be applicable to the Group for the first time during the financial year ending 30 June 2024.

2. Basis of preparation (continued)

- ***AASB 2020-1 and AASB 2022-6 Amendments to AASB 101 Presentation of Financial Statements (AASB 101) Australian Accounting Standards - Classification of Liabilities as Current or Non-current***
  In January 2020 and October 2022, the AASB issued amendments to AASB 101 to specify the requirements for classifying liabilities as current or non-current.

  The amendments in AASB 2020-1 and AASB 2022-6 are effective for annual reporting periods beginning on or after 1 January 2024 and 1 January 2023, respectively, and must be applied retrospectively. As such, AASB 2020-1 and AASB 2022-6 will be applicable to the Group for the first time during the financial year ending 30 June 2025 and 30 June 2024, respectively.

- ***AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies***

  In February 2021, the AASB issued amendments to AASB 101 and AASB Practice Statement 2, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. This standard will be applicable to the Group for the first time during the financial year ending 30 June 2024.

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 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 2023	30 June 2022
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.

	2023 $'000	2022 $'000
Financial position		
Assets		
Current assets	419,147	281,056
Non-current assets	2,058,331	2,113,261
Total assets	**2,477,478**	**2,394,317**
Liabilities		
Current liabilities	252,829	123,607
Non-current liabilities	1,112,647	1,132,213
Total liabilities	**1,365,476**	**1,255,820**
Net assets	**1,112,002**	**1,138,497**
Equity		
Issued capital	667,896	663,896
Reserves	363,486	391,472
Retained earnings	80,620	83,129
Total equity	**1,112,002**	**1,138,497**
Financial performance		
Profit for the year	114,194	82,946
Other comprehensive income	(27,072)	(32,889)
Total comprehensive income	**87,122**	**50,057**
Commitments for the acquisition of property, plant and equipment by		
Due not later than 1 year	22,184	80,353

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 2023 or 30 June 2022.

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.

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:

	2023 $'000	2022 $'000
Revenue from contracts with customers		
Types of services		
Cargo handling charges	313,972	303,840
Harbour dues	119,630	102,079
Tonnage rates	57,032	56,013
Pilotage	26,886	26,608
Total	**517,520**	**488,540**
Timing of revenue recognition		
Revenue for services recognised over time	313,972	303,840
Revenue for transactions transferred at a point in time	203,548	184,700
Total	**517,520**	**488,540**

Set out below is the changes in contract liabilities:

	2023 $'000	2022 $'000
Amounts included in contract liabilities at the beginning of the year	2,008	2,384
Revenue recognised at the end of the year	(1,788)	(376)
Amounts included in contract liabilities at the end of the year	**220**	**2,008**

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.

- 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 for cargo handling and harbour dues is satisfied at either a point in time based on tonnage processed or over time based on the contractual term. Payment is generally due upon completion of services provided 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:

	2023 $'000	2022 $'000
Within one year	220	2,008

(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. During the current financial year a reallocation of recoverable rehabilitation revenue has resulted in a debit balance for the year ending 30 June 2023.

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.

Other income includes $22M which relates to a settlement amount from a contracted party in lieu of fulfilling their contractual obligations.

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.

	2023 $'000	2022 $'000
Other income		
Smallcraft services	1,981	1,804
Interest received	7,996	1,065
Property revenue (Note 14)	12,702	13,528
Recoverable works	(11,715)	11,482
Other shipping charges	9,859	8,850
Other	2,476	2,535
Proceeds on settlement	22,000	-
Total	**45,299**	**39,264**

(c) Expenses

Operational expenses		
Contractors	47,182	43,726
Services and consultants	27,641	38,037
Indirect taxes and government charges	8,131	8,490
Materials and supplies	18,282	18,402
Energy	20,998	18,843
Insurance	8,614	7,464
Licence fees	273	281
Short term lease payments	936	459
Low value lease payments	111	102
Bad debts and expected credit loss provision	(1,915)	(39)
Rehabilitation provision	(3,624)	-
Other	160	2,472
Total	**126,789**	**138,237**
Depreciation/amortisation expenses		
Property, plant and equipment (Note 12a)	80,018	83,533
Right of use assets (Note 21)	1,671	2,148
Amortisation of intangibles (Note 13)	6,138	6,046
Total	**87,827**	**91 ,726**
Finance Costs		
Interest on debt and borrowings	22,040	22,350
Interest on lease liabilities (Note 21)	436	424
Competitive neutrality fee	5,599	6,534
Total	**28,075**	**29,308**

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 2023 or 2022.

6. Profit before income tax (continued)

(d) Employee benefits expenses

	2023	2022
Employee benefits	**$'000**	**$'000**
Wages and salaries	112,552	103,998
Annual leave expense	9,100	6,951
Personal leave expense	4,151	4,268
Long service leave expense	2,577	2,995
Rostered day off ("RDO") Expense	73	33
Employer superannuation contributions	12,298	11,267
Employer defined benefits contribution	1,996	2,431
Other employee benefits	1,625	1,606
Employee related expenses		
Workers compensation premium	1,241	1,097
Payroll tax expense	5,758	5,095
Other employee related expenses	4,552	4,525
Total	**155,923**	**144,266**

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 Australian Retirement Trust (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 Enterprise Bargaining Agreement 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.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting 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 or substantively 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 GPC.

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

	2023 $'000	2022 $'000
Profit before income tax	162,252	118,677
Prima facie tax at 30% (2022: 30%)	48,676	35,603
Non-deductible (revenue)/expenses	1,736	638
Research and development tax offset provision	(850)	(839)
Prior year (over)/under provision	(1,504)	329
Income tax expense	**48,058**	**35,731**
Comprised of:		
Deferred tax asset	2,835	(385)
Deferred tax liability	(2,857)	(7,283)
Income tax payable	48,080	43,399
	48,058	**35,731**

(b) Amounts charged or credited directly to equity

	2023 $'000	2022 $'000
Deferred income tax related to items charged or credited directly to equity		
Net gain on revaluation of property, plant and equipment	241,457	253,059
Transition of new accounting standards	(2,920)	(2,920)
Deferred income tax reported in equity	**238,537**	**250,139**

7. Taxation (continued)

(c) Income tax payable

	2023 $'000	2022 $'000
Opening balance	4,018	4,016
Charged to income	48,080	43,399
Payments	(41,783)	(43,397)
Closing balance	**10,315**	**4,018**

(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.

	2023 $'000	2022 $'000
Long service leave	7,663	7,860
Personal leave	3,017	2,966
Annual leave	5,320	5,300
Parental leave	-	3
RDO	216	209
Public holidays	66	80
Accrued expenses	96	31
Provision for obsolete stock	176	1
Provision for rehabilitation	3,720	4,807
Provision for revenue received in advance	1,609	1,610
Provision for doubtful debts / expected credit losses	135	1,582
Contract liability	66	602
Lease liabilities	3,240	3,128
Unearned revenue	777	757
Closing balance	**26,101**	**28,936**
Opening balance	28,936	28,551
Amount credited to Statement of Profit or Loss and Other Comprehensive Income	(2,835)	385
Closing balance	**26,101**	**28,936**

(e) Deferred tax liability

	2023 $'000	2022 $'000
Inventory	4,955	4,079
Property, plant and equipment	284,658	299,994
Revenue received in advance	11,497	11,496
Closing balance	**301,110**	**315,569**
Opening balance	**315,569**	**336,948**
Amount charged to Statement of Profit or Loss and Other	(2,857)	(7,283)
Comprehensive Income	(11,602)	(14,096)
Closing balance	**301,110**	**315,569**

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 $4.02M (2022: $7.17M). This balance for current year relates to retentions held by the Group pursuant to Port Service Agreements and Coal Handling Agreements and other securities.

	2023 $'000	2022 $'000
Cash at bank and on hand	32,364	43,145

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

	2023 $'000	2022 $'000
Profit for the year	114,194	82,946
Depreciation/amortisation expense	87,827	91,726
Revaluation of non-current assets	2,844	5,237
Impairment of non-current assets	-	213
Net profit on sale of property, plant and equipment	(891)	140
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	(34,943)	(2,573)
(Increase)/decrease in inventories	(2,566)	(381)
(Increase)/decrease in prepayments	(1,056)	(145)
(Increase)/decrease in deferred tax asset	2,835	(385)
Increase/(decrease) in trade and other payables	5,498	(829)
Increase/(decrease) in contract and other liabilities	2,767	(6,202)
Increase/(decrease) in provisions	(8,150)	3,765
Increase/(decrease) in income tax payable	6,297	2
(Decrease)/increase in deferred tax liability	(2,857)	(7,283)
Net cash inflow from operating activities	**171,799**	**166,231**

Gladstone Ports Corporation
Growth, prosperity, community.

9. Cash Advance Facility

Under the Queensland Government's cash management regime, Government Owned Corporations (GOCs) advance all surplus cash to Queensland Treasury. Queensland Treasury pays interest on these advances at the 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 2023, the balance held in QTC Cash Advance Facility was $260,396,000 (2022: $150,381,000).

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.

Current	**2023 $'000**	**2022 $'000**
Trade receivables	75,706	70,559
Less: allowance for expected credit losses (ECL)	(449)	(5,274)
	75,257	**65,285**
Accrued interest	877	94
Other receivables	24,203	15
Total	**100,337**	**65,394**

Reconciliation of provision for ECL:	**2023 $'000**	**2022 $'000**
Opening balance as at 1 July	5,274	5,403
Movement in ECL	(4,485)	(39)
Write-off	(340)	(92)
Closing balance as at 30 June	**449**	**5,274**

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 ECL.

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 56% (2022: 74%) 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 ECL 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 2023. Actual credit losses over the 5 years preceding 30 June 2023 have been used to measure the ECL where the counterparty is unrated.

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		
30 June 2023	**AAA to A-**	**BBB to B-**	**Unrated**
Receivables balance[1] ($'000)	24,318	21,481	27,492
ECL %	0.05%	0.43%	1.25%
ECL ($'000)	(12)	(93)	(343)
Balance not impaired	**24,306**	**21,388**	**27,149**

[1]Receivables balance excludes marina and accrued debtors

10. Trade and other receivables (continued)

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

[1]Receivables balance excludes balances fully provided for

11. Inventories

Inventories 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, based on the nature of maintenance activities and whether such activities would meet the criteria for capitalisation under AASB 116 *Property, Plant and Equipment*.

	2023 $'000	2022 $'000
Spares	19,101	15,954
Provision for obsolete stock	(585)	(4)
Total	**18,516**	**15,950**

In 2023, inventories of $13,682,678 (2022: $13,120,254) were recognised as an expense during the year and included in Operational Expenses – Materials and Supplies. Fuel amounting to $15,064,099 (2022: $12,438,183) 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

2023	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 2022	128,162	47,553	783,930	218,736	1,533	140,682	580,482	1,031	58,865	**1,960,974**
Work in progress ("WIP") additions	-	-	-	-	-	-	-	-	90,508	**90,508**
Transfers (to)/from WIP	1,009	5,813	2,107	13,327	39	10,998	34,551	5	(67,849)	**-**
Disposals	-	-	-	-	-	-	(362)	(3)	-	**(365)**
Transfers (to)/from expense									(19,443)	**(19,443)**
Transfers (to)/from assets held for sale	(141)	-	-	-	-	-	-	-	-	**(141)**
Depreciation	-	(2,325)	(9,047)	(8,348)	(137)	(6,624)	(53,421)	(116)	-	**(80,018)**
Revaluations	(2,229)	(1,578)	(8,383)	(7,646)	(51)	(4,573)	(22,000)	(5)	-	**(46,465)**
Impairment	-	-	-	-	-	-	-	-	-	**-**
Carrying amount at 30 June 2023	**126,801**	**49,463**	**768,607**	**216,069**	**1,384**	**140,483**	**539,250**	**912**	**62,081**	1,905,050

12. Property, plant and equipment (continued)

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

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**
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)**
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)

Property, plant and equipment (PP&E), except for WIP, are stated at fair value, less accumulated depreciation and any impairment losses. WIP is stated at cost, net of accumulated impairment losses, if any.

Initial recognition
PP&E is recognised at cost, being the fair value of consideration paid at the date of acquisition plus any incidental costs attributable to the acquisition. The cost of PP&E 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 items of PP&E acquired with a useful life of more than one year.

Any cost that increases the originally assessed capacity or production capacity of an item of PP&E is capitalised. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the PP&E 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 PP&E, so as to reflect the consumption of the economic benefits over their expected economic lives. The depreciation rates used for 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 items of PP&E 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 PP&E 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 items of PP&E is assessed at least annually and considered against the remaining useful life.

Disposal
An item of PP&E 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 is included in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the year an item of PP&E is de-recognised.

12. Property, plant and equipment (continued)

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

If PP&E was measured using the cost model the carrying amounts would be as follows:

Asset category	2023 Net book value $'000	2022 Net book value $'000
Land	91,289	90,420
Buildings	48,680	45,058
Channels, swing basins and berth pockets	216,516	216,786
Commercial wharves	191,282	184,571
Recreational and fishing wharves	1,448	1,552
Roads and services (structural improvements)	158,055	154,000
Plant	505,109	520,259
Furniture and fittings	932	1,043
Capital works in progress	62,081	58,865
Total	**1,275,392**	**1,272,554**

(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 PP&E using a discounted cash flow (DCF) model.

All items of PP&E held at fair value are classified as level 3 on the fair value hierarchy which is consistent with prior year.

Summary of key inputs and assumptions
The fair value of assets was determined using projected revenue, capital and operating cash flows for the ten years ending 30 June 2033. 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% (2022: 2.5%) 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 6.6% (2022: 6.4%) 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.

Sensitivity analysis was undertaken as follows:

Level 3 input	Fair Value output	Rate Used by Group
CPI rate +0.5 post tax	1,965,990	2,034,053
CPI rate -0.5 post tax	2,099,652	2,034,053
WACC rate +0.5 post tax	1,768,024	2,034,053
WACC rate -0.3 post tax	2,228,814	2,034,053
Terminal Growth Rate +0.5	2,290,290	2,034,053
Terminal Growth Rate -0.5	1,833,520	2,034,053
Expansionary Capital delayed 1 year	2,059,624	2,034,053
Expansionary Capital +5%	2,017,914	2,034,053
Expansionary Capital -5%	2,050,193	2,034,053

12. Property, plant and equipment (continued)

As required under AASB 116, the Group has an obligation to revalue its PP&E 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 WIP 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	2023 $'000	2022 $'000
Valuation adjustment to Consolidated Statement of Financial Position			
Property, plant and equipment revaluations	12(a)	(46,465)	(55,739)
Investment property	14	4,947	3,517
		(41,518)	**(52,222)**
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		(7,791)	(8,754)
Revaluation increase of investment properties		4,947	3,517
Other Comprehensive Income			
Revaluation decrement of property, plant and equipment		(38,674)	(46,985)
Total		**(41,518)**	**(52,222)**

(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	2023 $'000	2022 $'000
Impairment charged to Statement of Profit or Loss and Other Comprehensive Income	12(a)	-	213

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 2023:

	Gross $'000	Accumulated Amortisation $'000	Balance at 30 June $'000
Purchased Intangible assets	36,758	(26,100)	10,658
Internally generated intangible assets	23,053	(10,719)	12,334
Capital WIP	5,898	-	5,898
Total	**65,709**	**(36,819)**	**28,890**

Represented by movements in the carrying amount:

	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	12,741	-	1,449 -	(3,532)	- -	10,658 -
Internally generated intangible assets	14,160	-	780	(2,606)	-	12,334
Capital WIP	4,084	4,043	(2,229)	-	-	5,898
Total	**30,985**	**4,043**	**-**	**(6,138)**	**-**	**28,890**

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**

14. Investment properties

	Note	2023 $'000	2022 $'000
Opening balance		**90,770**	85,796
Additions		1,053	1,438
Transfers (to)/from assets held for sale		(450)	19
Net gain from fair value adjustment	12(c)	4,947	3,517
Disposals		(242)	-
Closing balance		**96,078**	**90,770**

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 2023 year, the fair value has been determined based on independent valuations by Aon Valuation Services as at 31 March 2023, 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 2023. 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 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 current 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.

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.

14. Investment Properties (continued)

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.

	2023 $'000	2022 $'000
Rental income derived from investment properties	12,702	13,528
Direct operating expenses (including repairs and maintenance) generating rental income	(1,135)	(1,075)
Direct operating expenses (including repairs and maintenance) that did not generate rental income	(801)	(749)
Profits arising from investment properties carried at fair value	**10,766**	**11,704**

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 their fair value. Information on the Group's liquidity risk management process is outlined in Note 22(c).

Current	2023 $'000	2022 $'000
Trade creditors	37,417	35,889
GST payable	5,432	2,417
Other	3,125	2,169
	45,974	**40,475**

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.

16. Contract and other liabilities (continued)

	2023 $'000	2022 $'000
Current		
Revenue received in advance	24,452	17,933
Contract liabilities	220	2,008
	24,672	**19,941**
Non-current		
Revenue received in advance	**8,374**	**10,339**

17. Borrowings

	Note	2023 $'000	2022 $'000
Non-current			
QTC loans	22(c)	775,219	775,295

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 QTC loans comprise advances made under one client specific pool arrangement (CSP). The CSP comprises of 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 2023 was 2.74% (2022: 2.78%).

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.

	2023		2022	
	Carrying amount $'000	Fair value $'000	Carrying amount $'000	Fair value $'000
Queensland Treasury Corporation loans	775,219	709,041	775,295	717,837

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.

Current	2023 $'000	2022 $'000
Employee benefits	50,928	51,670
Dividends	117,617	-
Rehabilitation	3,193	3,193
Other	-	4,082
Total	**171,738**	**58,945**
Non-current		
Employee benefits	3,343	3,042
Rehabilitation	15,464	19,091
Total	**18,807**	**22,133**

Employee benefits

The provision for employee benefits comprises of long service leave, annual leave, personal leave and RDO 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 12 months of the reporting date. 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 beyond 12 months from the reporting date, 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:

	2023 $'000	2022 $'000
Employee benefits obligation expected to be settled after twelve months	**31,086**	**31,868**

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 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. The Directors have recommended the payment of a final dividend of 100% of profits, adjusted in line with shareholding Ministers' approval and a special dividend of $25.0M. The final dividend amounts to $117.62M (29.25 cents per share).

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 continued on land and marine areas during 2023.

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	
	2023 $'000	2022 $'000	2023 $'000	2022 $'000	2023 $'000	2022 $'000
Current provision	3,193	3,193	117,617	-	-	4,082
Non-current provision	15,464	19,091	-	-	-	-
Closing balance of provision at 30 June	**18,657**	**22,284**	**117,617**	**-**	**-**	**4,082**
Opening balance of provision at 1 July	22,284	20,398	-	93,084	4,082	3,671
Additional provisions	-	2,000	117,617	-	-	-
Amounts (used)/paid	(3)	(114)	-	(93,084)	(4,082)	411
Unused amounts reversed	(3,624)	-	-	-	-	-
Closing balance of provision at 30 June	**18,657**	**22,284**	**117,617**	-	**-**	**4,082**

19. Equity

Issued Capital

	2023 No.	2022 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	2023 $'000	2022 $'000
Opening balances at 1 July		391,472	424,936
Revaluation – gross	12 (c)	(38,674)	(46,985)
Deferred tax		11,602	14,096
Disposal of revalued assets		(914)	(575)
Balance as at 30 June		**363,486**	**391,472**

20. Dividends

Cash dividends on ordinary shares declared but not paid:

	2023 $'000	2022 $'000
Final dividend declared but not paid	117,617	-

Dividend calculations are based on 100% of net profit after an adjustment for revaluation increments / decrements special dividend of $25.0M. All dividends are unfranked. Dividends are declared after reporting date but before the financial statements are authorised for issue.

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

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.

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 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 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 or not it is reasonably certain 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 and the asset under lease.

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

	Land /Seabed $'000	Vehicle $'000	Total $'000
As at 1 July 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**
Additions (includes re-measurement)	49	2,150	2,199
Depreciation expense	(20)	(1,651)	(1,671)
As at 30 June 2023	**1,056**	**2,388**	**3,444**

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

	Note	$'000
As at 1 July 2021		**11,559**
Additions		840
Accumulation of interest	6(c)	424
Payments		(2,397)
As at 30 June 2022		**10,426**
Additions		2,163
Accumulation of interest	6(c)	436
Payments		(2,226)
As at 30 June 2023		**10,799**

	2023	2022
Current	1,247	1,209
Non-current	9,552	9,217

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

	2023 $,000	2022 $'000
Depreciation expense of right-of-use assets	1,671	2,148
Interest expense on lease liabilities	436	424
Expense relating to short-term leases (included in operational expenses)	936	459
Expense relating to leases of low-value assets (included in operational expenses)	111	102
Gain on lease remeasurement	(2)	-
Total amount recognised in profit or loss	**3,152**	**3,133**

21. Leases (continued)

The Group had total cash outflows for leases of $3,271,000 in 2023 (2022: $2,958,000). The Group also had non-cash additions to right-of-use assets of $2,200,000 in 2023 (2022: $842,000) and lease liabilities of $2,163,000 in 2023 (2022: $840,000). As at the date of the financial statements, there are no expected future cash outflows relating to leases that have not yet commenced.

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. Rental income recognised by the Group during the year is $12,702,000 (2022: $13,528,000).

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

	2023 $'000	2022 $'000
Less than one year	12,336	11,294
One to two years	10,580	9,392
Two to three years	9,889	8,124
Three to four years	8,483	7,369
Four to five years	6,970	6,687
More than five years	72,903	67,297
Total	**121,161**	**110,163**

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

22. Financial risk management

GPC has exposure to credit 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 a comprehensive risk reporting framework 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.

(ii) Price risk

As at 30 June 2023 and 30 June 2022 the Group did not have any significant exposure to price risk.

22. Financial Risk Management (continued)

(iii) Interest rate risk exposure

As at 30 June 2023, the Group's financial assets and liabilities exposed to variable interest rate risk consisted of cash and cash equivalents (Note 8), cash advance facility (Note 9), interest bearing loans and liabilities (Note 17) 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	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
+1% (100 basis points)	(402)	(394)	(402)	(394)
-1% (100 basis points)	487	464	487	464

(c) Liquidity risk

The Group is exposed to liquidity risk in respect of its payables, lease liabilities and borrowings from QTC . 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 QTC 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 (2022: $300,000). 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 (2022: $30,000,000) working capital facility provided through QTC. This facility was not drawn upon during the financial year.

Interest bearing loans and borrowings relate to QTC 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 2023	Note	< 1 year $'000	1 – 5 Years $'000	> 5 years $'000	Total $'000
Financial liabilities					
Trade and other payables	15	45,974	-	-	**45,974**
Interest bearing loans and borrowings	17	-	-	775,219	**775,219**
Lease liabilities	21	1,247	1,357	8,195	**10,799**
		47,221	**1,357**	**783,414**	**831,992**

22. Financial Risk Management (continued)

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**

(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 2023	**1 July 2022 $'000**	**Payments $'000**	**Receipts $'000**	**Other $'000**	**30 June 2023 $'000**
Financial liabilities					
Interest bearing loans and borrowings	**775,295**	(76)	-	-	**775,219**
Dividend payable	**-**	-	-	-	**-**
Lease liabilities	**10,426**	(2,226)	-	2,599	**10,799**
	785,721	**(2,302)**	-	**2,599**	**786,018**

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**

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 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 2023 and 30 June 2022.

24. Commitments and contingencies

Capital expenditure commitments contracted but not provided for:

These commitments relate to expenditure on capital projects in progress	2023 $'000	2022 $'000
Due not later than one year	22,184	80,353

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:

	2023	2022
	$	$
Remuneration	271,500	330,200

.
The estimated fee for 2023 is $271,500 (2022: $265,000).

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 TFR concept. TFR is the sum of salary, superannuation, salary sacrifice item and other benefits (e.g. motor vehicle). 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 CEO is entitled to three (3) months' notice, or payment in lieu of notice as well as a termination payment equal to six (6) month's salary. Senior executives are entitled to one month's notice, or payment in lieu of notice as well as a termination payment equal to three (3) month's salary. 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, telecommunications, health fund reimbursement, travel and accommodation benefits at recruitment 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 2023 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		26 August 2021	30 September 2025			
(Chair)	2023			79	8	87
	2022			56	6	62
Cassidy, G		13 October 2022	30 September 2023			
	2023			49	5	54
	2022			53	5	58
Jamieson, P		13 October 2022	30 September 2023			
	2023			48	5	53
	2022			51	5	56
Sobhanian, PJ		1 October 2020	30 September 2023			
	2023			49	5	54
	2022			52	5	57
Ralston, P		1 October 2020	30 September 2023			
	2023			49	5	54
	2022			52	5	57
Gardner, R		1 October 2021	31 May 2024			
	2023			51	5	56
	2022			33	3	36
Heagney, P[1]		1 October 2020	30 September 2023			
	2023			49	5	54
	2022			10	1	11
Ingra, M		13 October 2022	30 September 2025			
	2023			31	3	34
	2022			-	-	-
Binsted, P		15 December 2022	30 September 2025			
	2023			22	2	24
	2022			-	-	-
Cheadle, A		1 October 2021	4 December 2021			
	2023			-	-	-
	2022			9	1	10
Corones, P		1 October 2018	30 September 2021			
(Chair)	2023			-	-	-
	2022			26	3	29
Ward, A		1 October 2018	30 September 2021			
	2023			-	-	-
	2022			18	2	20
	TOTAL 2023			**427**	**43**	**470**
	TOTAL 2022			**360**	**36**	**396**

1 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	2023	669	53	17	33	-	772
	2022	103	43	3	10	-	159
Appointed 1 May 2022							
Druce, J							
Chief Financial Officer	2023	377	25	9	40	-	451
	2022	236	20	7	28	-	291
Acting from 9 August 2021 and appointed 24 June 2022							
Gebers, K							
Chief Operating Officer	2023	252	30	7	22	-	311
	2022	-	-	-	-	-	-
Appointed 5 December 2022							
Dinning, A							
Executive General Manager	2023	186	23	4	18	-	231
Trade and Development	2022	-	-	-	-	-	-
Appointed 6 January 2023							
Hayden, B							
Executive General Manager	2023	226	8	6	22	-	262
Asset Maintenance	2022	-	-	-	-	-	-
Appointed 1 November 2022							
Kohli, S							
Executive General Manager	2023	143	31	3	14	-	191
Marine Operations	2022	-	-	-	-	-	-
Appointed 1 February 2023							
Haward, R							
Executive General Manager	2023	266	9	7	28	-	310
Safety and ESG	2022	-	-	-	-	-	-
Acting from 11 October 2022 and appointed 1 November 2022							
Blackbourn, J							
Executive General Manager	2023	150	20	4	14	-	188
People	2022	-	-	-	-	-	-
Appointed 16 January 2023							
Melrose, G							
Executive General	2023	99	11	3	15	-	128
Manager People (Acting)	2022	-	-	-	-	-	-
Executive General	2023	35	3	1	5	-	44
Manager Operations	2022	307	22	8	39	-	376
(Acting)							
Appointed Acting EGM People from 11 August 2022 to 16 January 2023							
Appointed Acting Operations GM from 13 May 2019 to 10 August 2022							

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
Blight, J							
People and Community	2023	-	-	-	-	-	-
Executive General Manager (Acting)	2022	111	9	2	11	-	133
Appointed Acting from 9 August 2021 to 4 January 2022							
Walker, C							
Chief Operating Officer	2023	132	28	3	17	173	353
	2022	505	18	10	47	-	580
Employment ceased 18 October 2022							
Heagney, P							
Chief Executive Officer (Acting)	2023	-	-	-	-	-	-
	2022	389	49	9	37	-	484
Appointed Acting from 22 July 2021 to 11 May 2022							
Cassidy, C							
Interim Chief Executive	2023	-	-	-	-	-	-
Officer (Acting)	2022	47	5	-	-	-	52
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	2023	-	-	-	-	-	-
Executive General Manager	2022	62	18	1	5	168	254
Resigned 31 August 2021							
Gandhi, R							
General Counsel and	2023	-	-	-	-	-	-
Company Secretary	2022	62	13	1	5	882	963
Resigned 31 August 2021							
TOTAL 2023		2,535	241	64	228	173	3,241
TOTAL 2022		1,822	197	41	182	1,050	3,292

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 2023 owned 100% (2022: 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 2022-23 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 and Minister for Digital Services

(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 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.

(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.

27. Related Party Transactions (continued)

	2023 $'000	2022 $'000
Revenue		
Revenue from State of Queensland controlled entities	27,876	26,425
Property revenue from State of Queensland controlled entities	691	621
Interest received from QTC	5,747	778
Expenses		
Expenses incurred to State of Queensland controlled entities	31,693	26,175
Interest on QTC borrowings (includes administration fees)	22,117	22,367
Interest on lease liabilities with State of Queensland controlled entities	239	379
Electricity payments to State of Queensland controlled entities	249	4,971
NTER, Payroll Tax, Land Tax, Rates equivalent and competitive neutrality fee paid to Queensland Treasury	59,139	58,862
Assets	260,396	150,381
Advance facility held with QTC		
Trade and other receivables from State of Queensland controlled entities	2,290	947
Liabilities		
Accrued interest and fees payable to QTC	5,273	5,587
Trade payables to State of Queensland controlled entities	61	258
Electricity payable to State of Queensland controlled entities	16	21
Dividend and competitive neutrality fee payable to Queensland Treasury	119,015	1,631
Borrowings from QTC	775,219	775,295
Lease liabilities with State of Queensland controlled entities	8,470	8,563

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 $0.22M (2022: $0.24M) relating to lease liabilities with State of Queensland controlled entities in accordance with applicable lease agreements.

28. Number of employees

	2023 No.	2022 No.
Number of employees at year end (Full Time Equivalent)	751	762

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 continues to validate and quantify the material climate related physical and transition risks relevant to the financial statements 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.

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:

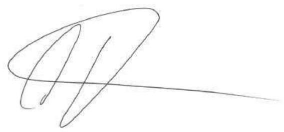
(a) the financial statements and notes set out on pages 15 to 62 are in accordance with the *Corporations Act 2001,* including:

  (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 2023 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.

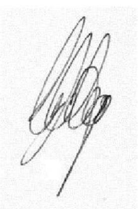
This declaration is made in accordance with a resolution of the Directors.

On behalf of the Directors



A Lynham — Dated: 25 August 2023

Chair



G Cassidy — Dated: 25 August 2023

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 2023, and its financial performance and cash flows for the year then ended

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

The financial report comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy 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 of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Management override of controls—Notes 3 and 26

Key audit matter	How my audit addressed the key audit matter
Given the 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 group's annual report for the year ended 30 June 2023 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 forming an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of material accounting policy information 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.

30 August 2023

Bhavik Deoji
as delegate of the Auditor-General

Queensland Audit Office
Brisbane