

Future Focussed

Statement of Corporate Intent 2022-2023



**Gladstone Ports
Corporation**

Growth, prosperity, community.

This document contains commercially sensitive details that have been deleted, relating to the business affairs of Gladstone Ports Corporation Limited. Release of its contents is subject to the provisions of the Right to Information Act 2009. Any unauthorised disclosure of material contained in this statement may diminish the commercial value of that information and would have an adverse effect on the business, commercial and financial affairs of Gladstone Ports Corporation Limited

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Performance Agreement

This Statement of Corporate Intent (SCI) and all attachments are presented in accordance with Chapter 3, Part 8 of the *Government Owned Corporations Act 1993* (GOC Act).

In accordance with Chapter 1, Part 3, Section 7 of the GOC Act, the SCI represents a formal performance agreement between the Board of Gladstone Ports Corporation and its shareholding Ministers with respect to the financial and non-financial performance targets specified for the financial year. The SCI represents agreement to the major activities, objectives, policies, investments and borrowings of Gladstone Ports Corporation for 2022-23.

This SCI is consistent with Gladstone Ports Corporation's 2022-27 Corporate Plan, submitted to shareholding Ministers and agreed in accordance with Chapter 3, Part 7 of the GOC Act.

In signing this document, the Board of Gladstone Ports Corporation undertakes to achieve the targets proposed in the SCI for 2022-23.

Major changes to key assumptions that underpin the performance outcomes detailed in this SCI, and which come to the Board's attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this Statement of Corporate Intent will be dealt with in accordance with the GOC Act.

This SCI is signed by the Chair on behalf of all the directors in accordance with a unanimous decision of the Board of Gladstone Ports Corporation.



The Hon Cameron Dick MP
Treasurer and Minister for Trade and Investment

8 March 2023

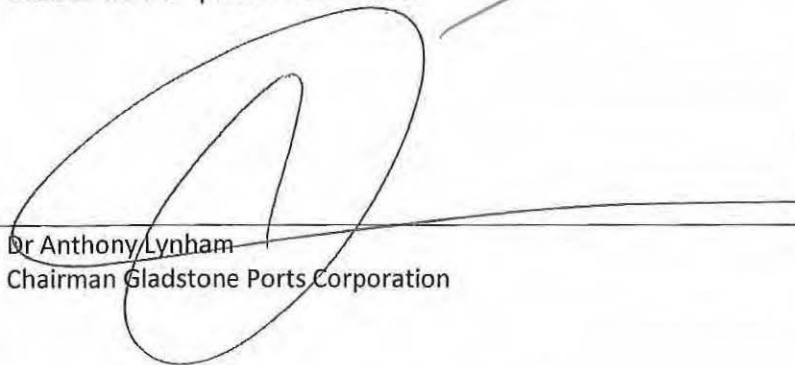
Date



The Hon Mark Bailey MP
Minister for Transport and Main Roads

16/2/23

Date



Dr Anthony Lynham
Chairman Gladstone Ports Corporation

26/8/22

Date

Acknowledgement of Country

Gladstone Ports Corporation (GPC) acknowledges and respects our First Nations peoples — the Bailai, Gurang, Gooreng Gooreng, Taribelang Bunda, Darumbal, Kabi Kabi and Butchulla nations — who are the Traditional Owners and custodians of the land and water on which we rely.

GPC acknowledges and values the Aboriginal, Torres Strait Islander and Australian South Sea Islander heritage, culture and people, and their role in our organisation as employees, customers, and community members.

1. Strategic Direction

Gladstone Ports Corporation Limited (GPC) is a Government Owned Corporation (GOC) under the *Government Owned Corporations Act 1993* (GOC Act). Under Section 102 of the GOC Act, each GOC must prepare a Statement of Corporate Intent (SCI) for each financial year. The SCI outlines strategies that will be implemented in 2022-23, forming part of the longer-term Corporate Plan which provides the five (5)-year strategic direction for achieving GPC's vision over the period 2023-27. GPC's intentions for 2022-23 are captured under a key priorities architecture.

Our Vision

Australia's premier multi-commodity port.

Our Mission

Responsibly manage, develop and facilitate the prosperity of others through operating our port facilities and services in an economically, environmentally and socially sustainable manner.

Our Messages

We are facilitators of prosperity for Queensland – we have a vision for the future underpinned by a 50-year vision. We are pioneers and future-focussed though leaders – courageous and dynamic in our approach.	Visionary
We are resolute in our focus on creating success for our communities, Queensland and Australia. We are committed to making a difference – to creating brighter prospects for our community. We are tenacious – we will always find a way.	Resolute
We are proud of our history, our people, our relationships and our success so far and what we'll achieve for Queensland in the future. We are proud and responsible custodians of one of Queensland's most valuable assets and as such, we're respectful, professional, humble and accountable.	Proud

1.1. Strategic Landscape

The effects and influence of the global COVID 19 pandemic (COVID-19) were far reaching in 2020. Just as 2020 and 2021 were dominated by the pandemic and this determined the relative performance of markets and trade, 2022-23 is likely to be dominated by ongoing vigilance and recovery. GPC has contemplated the impacts of COVID-19 and considered the recovery plan throughout this period.

SHMs' expectations are central to our planning and prioritisation. Our planning includes governance processes to assure expectations are maintained between the Corporation and shareholders. The SCI for 2022-23 contains COVID-19 recovery programs, a focus on consolidation and significant emphasis on growth to facilitate economic development and job creation. GPC's strategy of consolidation, resilience and growth supports the State Government's COVID-19 recovery plan. Financial impacts remain somewhat uncertain however, GPC will continue its agile and adaptive approach while monitoring influences to optimise its results for the State of Queensland.

The energy transition to renewables is expected to continue to show strong growth, increasing its share within the power sector. GPC will support the Government's 'Queensland Hydrogen Industry Strategy 2019-24 to be at the forefront of this renewable energy and trade transition. Infrastructure will be required for this new renewables economy and sound investment options will be considered and decided during this plan period.

GPC will continue to support the Governments' tourism recovery programs, noting the return of the Cruise industry to Australian shores. Visiting cruise ships to GPC's ports will provide an opportunity for tourism operators in the local region to commence their recovery.

The shifting global economy toward the Emerging Economy Seven (E7) will influence potential growth opportunities, noting the volatility in current international markets due to ongoing sanctions are also considered. Furthermore Consolidation and maintenance of existing trades for this plan period are expected; however, climate change is a feature in changing markets and risk mitigations.

1.2. Strategic Priorities

GPC’s four (4) Strategic Priorities headline this Statement of Corporate Intent for 2022-23:-

	Strategic Priority	Definition
Consolidation	1. Business Protection and Performance	Uncompromising approach to safety, accountability and compliance with a renowned signature corporate brand. Empower our people to deliver performance and results that is expected of us, by our customers and shareholders. Operating under an enterprise unified business model with a prioritised, sustainable pace of consolidation and system renewal.
	2. Cargo Handling and Port Operations	Assurance of prudent and efficient cargo handling activities. Meeting our responsibility to protect, preserve and promote the inherent value of our Ports for future generations. Optimising port capacity and adapting our business assuring our position, and the supply chains we support.
Growth	3. Social and Economic Future	Facilitate opportunities to develop and expand commercially sustainable trade. Optimise prosperity and deliver increasing financial returns for the region and State. Ensuring pandemic adaptation is considered ahead of need. Strengthen and build relations with all stakeholders through proactive anticipation and response to their needs.
	4. Intergenerational Planning and Enabling	Embed planning for the long term into all that we do. Commence planning now for the future opportunity. Developed rehabilitation plans. Ready the State of Queensland to capture the trade opportunities from emerging and yet unknown markets.

Each strategic priority is addressed by response intentions and outcome indicators for the Financial Year 2022-23:

Business Protection and Performance

Initiative (Response)	Program (Action)	Metric (Measure)
Ensure the safety and well-being of our employees, contractors and community	Deliver and execute an enterprise wide plan to implement and embed safety through the Safety Management Framework	Assurance of the sustainment of safety through the Safety Management Systems in all areas of GPC, with a priority focus on enhancing the critical control and fatal risk processes
Ensure the environmental wellbeing of the ports we operate	Develop a rehabilitation strategy, tactical plans and investigate funding options	Rehabilitation assessments for Port (PSA) and Coal Export Facility (RGCT) investigated in consultation with SHM departments
Cultural Transition	Transition to a higher performance business operating model	Redesigned enterprise structure and Executive team matched to the strategy
Develop and adapt an ICT Strategy and Roadmap	ERP Renewal - feasibility and planning	ERP Renewal - feasibility completed
Develop and deliver sustainable key performance plans, targets to meet GPC, Customer & SHM expectations	Embed corporate Sustainability Strategy for inter-generational business prosperity – where consistent with the Queensland Government’s Sustainability and ESG reporting requirements, incorporate climate change and ESG plans Development and Infrastructure planning for the renewables economy	A revised Sustainability Strategy aligned with the Queensland Government’s reporting requirements incorporating ESG, Climate and CSR leveraging Reef 2050 and influenced by our proximity to the Great Barrier Reef and consideration to stakeholders, community and environmental groups.

Cargo Handling and Port Operations

Initiative (Response)	Program (Action)	Metric (Measure)
Maintenance and Development of GPC's harbours and channels	Undertake channel & reclamation optimisation strategy.	Document 10 Year revised Strategy for Gladstone due to evolving renewables and containerisation trade potentials, in consultation with SHM departments.

Social and Economic Future

Initiative (Response)	Program (Action)	Metric (Measure)
Current and Future balance is maintained and planned for between harbour commercial and recreational use	Enhancement of community facilities & foreshores access	Auckland Hill refurbishment Expansion & Refurbishment of Marina facilities and parkland foreshore amenities.
Increase Trade and Economic Development recognising regional prosperity	Development and Infrastructure planning, funding models and project plans for the renewables economy	Precinct plans and studies undertaken for Northern Port Area; MOU's and LOI's in place with proponents; Two major projects under approved commercial arrangements
Inter-generational Financing and Funding strategy for the Corporation	Develop overarching Financial and Commercial Strategy to underpin GPC's growth plan.	Develop and document overarching Financial and Commercial Strategy to underpin GPC's growth plan in consultation with SHM departments
	Finalise Cargo Handling and Port Services Agreements	All Cargo Handling and Port Services Agreements complete and approved by shareholding Minister

Intergenerational Planning and Enabling

Initiative (Response)	Program (Action)	Metric (Measure)
Tactical Plans to support and future proof prosperity within and beyond the Port boundaries	GPC's precinct outlooks aligned to the 50 year strategic plan	Publish GPC's precinct outlooks and 50 year strategic plan
GPC's Climate Change Adaptation and Governance Strategy	Develop ESG reporting architecture and standard in alignment with the Queensland Government's Sustainability and ESG reporting requirements, in consultation with SHM departments	ESG reporting architecture and standard developed to align with the Queensland Government's Sustainability and ESG reporting requirements

Further details on the strategic initiatives, actions and metrics are provided in section 3 of the 2022-27 Corporate Plan.

2. Key Performance Indicators

In accordance with section 119(3) of the GOC Act, the Board of GPC undertakes that the financial and non-financial targets in Sections 2.1, 2.2 and 2.3 and the financial statements in Section 8 will form the basis for assessment of quarterly outcomes as reported to shareholding Ministers.

2.1. Financial and non-financial KPIs

	Actual 2020-21	Budget 2021-22	Actual 2021-22	Budget 2022-23
Financial				
EBITDA (\$ '000s)	254,630	248,240	244,849	250,380
EBIT (\$ '000s)	165,023	156,606	147,673	154,844
NPAT (\$ '000s)	93,461	90,074	82,946	90,296
Tax Equivalent Payments(\$ '000s)	(39,492)	(38,603)	(35,731)	(38,698)
Dividend Provision(\$ '000s)	(93,084)	(90,074)	-	(90,296)
Return on Asset	6.6%	6.2%	6.2%	6.2%
EBIT Return on Operating Assets	8.1%	7.5%	7.4%	7.7%
Return on Equity	8.5%	8.3%	7.3%	7.9%
Current Ratio	1.39	1.05	2.25	1.48
Debt to Debt + Equity Ratio	41.7%	42.2%	40.8%	40.9%
Interest Cover	5.15	5.61	5.09	5.99
Investment				
Capital Expenditure (\$ '000s)	(102,371)	(123,791)	(87,861)	(124,834)
Capital Expenditure pending SHM approval ¹				(10,000)

¹ Please refer Section 4 Capital Expenditure

Dividend retained in 2021-22 as per SHM approval

Current ratio increase in 2021-22 as a result of additional funds following dividend retention

Return on Assets and Return on Equity remains stable despite market uncertainty caused by the pandemic.

Debt to Debt + Equity Ratio remains stable with no borrowings expected for the period.

For the purposes of our calculations and reporting obligations, GPC utilises a Weighted Average Cost of Capital (WACC) (post tax) of [REDACTED]. Full details of GPC's WACC calculations are provided in Section 12.

In accordance with the above corporate and operational objectives, the GPC Board undertakes to achieve the following non-financial performance targets in 2022-23:

	Full Year	Q1	Q2	Q3	Q4
RGCT					
Coal Loaded (t '000s)	62,500	15,625	15,625	15,625	15,625
Coal Unloaded (t '000s)	62,500	15,625	15,625	15,625	15,625
Shiploading Availability %	91.7	90.5	88.6	89.2	87.5
Unloading Availability %	96.6	94.5	95.6	92.9	95.7
Environmental / Security / Safety					
Environmental Incidents (Reportable)	<10	<2	<3	<3	<2
Number of Security Incidents Reported	0	0	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0	0	0	0	0
Safety Interactions (Target 3000/year: 250/month)	3,000	750	750	750	750
People					
Staff Turnover % (Voluntary Annualised)	5.50	5.50	5.50	5.50	5.50
Learning & Development Hrs/FTE	5.40	5.40	5.40	5.40	5.40
Operational 000s					
Port of Gladstone Tonnes (t '000s)#	126,814	31,703	31,703	31,704	31,704
Port Alma Tonnes (t '000s)#	131	33	33	33	33
Port of Bundaberg Tonnes (t '000s)#	400	100	100	100	100
Vessels	1,920	480	480	480	480

#Rounding

2.2. Tonnage throughput summary via wharf Centre

000s	Actual 2020-21	Budget 2021-22	Actual 2021-22	Budget 2022-23	Qtr1 Sept	Qtr2 Dec	Qtr3 Mar	Qtr4 Jun
RG Tanna Coal ¹	57,845	61,000	53,926	62,500	15,625	15,625	15,625	15,625
Barney Point	240	200	180	230	58	58	58	58
Wiggins Island	12,271	13,900	12,444	13,900	3,475	3,475	3,475	3,475
Port Alma	108	203	84	131	33	33	33	33
Auckland Point 1	-	-	-	-	-	-	-	-
Auckland Point 2	34	100	268	180	45	45	45	45
Auckland Point 3	1,071	879	1,054	904	226	226	226	226
Auckland Point 4	416	640	303	674	169	169	169	169
Fisherman's 1 & 2	12,070	11,900	11,652	11,900	2,975	2,975	2,975	2,975
Fisherman's 3	-	-	-	-	-	-	-	-
Fisherman's 4	1,814	1,850	1,876	1,905	476	476	476	476
Fisherman's 5	356	380	422	400	100	100	100	100
Boyne Wharf	512	636	532	536	134	134	134	134
South Trees	12,980	12,200	13,255	12,500	3,125	3,125	3,125	3,125
Bundaberg	355	550	351	400	100	100	100	100
Curtis Island Gas	23,014	20,885	23,502	21,185	5,296	5,296	5,296	5,296
Total #	123,085	125,323	119,848	127,345	31,836	31,836	31,836	31,836

Rounding

2.3. Tonnage throughput summary by Cargo Type

000s	Actual 2020-21	Budget 2021-22	Actual 2021-22	Budget 2022-23	Qtr1 Sept	Qtr2 Dec	Qtr3 Mar	Qtr4 Jun
Alumina, Bauxite & Assoc	25,591	24,616	25,463	24,816	6,204	6,204	6,204	6,204
Containers	9	94	20	94	24	24	24	24
Magnesium	-	18	-	18	5	5	5	5
Misc. Products	944	1,159	718	969	242	242	242	242
Wood Products	52	425	63	457	114	114	114	114
Agricultural Seeds (Grain)	34	100	268	180	45	45	45	45
Petroleum Products	1,128	949	1,172	974	244	244	244	244
Cement	1,949	1,907	2,069	1,962	491	491	491	491
Coal	70,116	74,900	66,370	76,400	19,100	19,100	19,100	19,100
Sugar/Molasses	246	270	203	290	73	73	73	73
LNG	23,014	20,885	23,502	21,185	5,296	5,296	5,296	5,296
Total #	123,085	125,323	119,848	127,345	31,836	31,836	31,836	31,836

Rounding

1. GPC's Coal Handling Agreements (CHA) for RG Tanna Coal Terminal include 70 Million tonne throughput Take or Pay (ToP) terms.

3. Key Assumptions and Risks

The **key assumptions** underpinning GPC's strategic planning and financials for 2022-23 include:

Assumption ¹	Budget 2021-22	Actual 2021-22	Budget 2022-23
Economic Indices			
CPI % ²	2.0	6.1	2.3
Wage Growth% ³	6.0	6.0	3.0
Long Term Interest Rate	3.53	3.65	3.32
Dividend Payout Ratio ⁴	100	0	100
Revenue			
Port Services	In accordance with Harbour Pricing Model		
Coal agreements	In accordance with Coal Pricing Framework		
Water (%) ⁵	-20	-1	-6
Fuels and Oils (%) ⁶	-15	25	17
Electricity (%) ⁷	-10	-7	-9

1. The effects and influence of COVID-19 are far reaching and are expected to remain uncertain for some time. Furthermore, GPC has a watching brief over geopolitical influences on global trade.
2. CPI assumption based on historical trends and Reserve Bank of Australia available information
3. The forecast base wages growth is consistent with the Government Owned Corporations – Wages and Industrial Relations Policy (2015) and the addendum of 2020 referencing COVID-19 measures deferring wage increases. This has resulted in a significant step change in 2022-23 year.
4. 2021-22 dividend retained as per SHM approval.
5. Water costs decreases in line with reduced consumption compared to 2021-22 budgeted expenses.
6. Fuel and Oils assumption for budgeting purposes based on contracted agreement and fuel price indexes.
7. Budgeted electricity costs reduces due to the new contract pricing being in place for the full financial year, compared to six months in 2021-22.

The Board is accountable for the effective management and monitoring of all internal and external risks faced by the Corporation. The Corporation adopts an enterprise risk management framework that subscribes to both the AS/NZS ISO 31000: 2018 and Committee of Sponsoring Organisations of the Treadway Commission (COSO) Enterprise Risk Management- Integrating with Strategy and Performance, as its risk management Standard. The Corporation is also guided by its Risk Appetite Statements when managing risks. Risk Management Plans have been incorporated into GPC's corporate planning processes.

The most significant risks facing GPC in 2022-23 are:

1. The recovery and influences of COVID-19.
2. Harm to employees, contractors or members of the public results in regulatory action and impacts GPC's reputation.
3. GPC being unable to facilitate development of channels to meet future shipping demands either through increasing costs or loss of social licence to undertake dredging.
4. Loss of harbour channel availability, or damage to critical wharf infrastructure due to a shipping incident.
5. GPC being adversely impacted by failure of a customer's business, with resulting loss of revenue.
6. Funding availability for timely investments.
7. GPC's ability to operate is detrimentally affected by a major natural disaster or man-made risk event (e.g. cyberattack, electrical failure, cyclone or flood).
8. Non-conformance with environmental, safety, security or other legislation which results in regulatory action and impacts GPC's reputation.
9. Inability to identify, map and manage key community, business and government relationships which affects the Corporation's ability to achieve its objectives.
10. The viability of Port facilities may be impaired by reduced trade levels or costs of maintaining infrastructure.
11. GPC's workforce culture is unable to adapt to meet performance, statutory and social expectations.
12. GPC's lack of adaptation to climate change policy impacts its, and others ability to operate.

Further details on the strategic risks are provided in section 11 of the 2022-27 Corporate Plan.

4. Capital Expenditure

Major Projects \$000s	2022-23 Budget	Total Project Budget	Board Approved	Shareholder Approved
PORT SERVICES				
1. Auckland Hill Redevelopment		10,000	Y	N/A
2. Port Access Road Stage 2 - Contribution		-	N	N/A
RG TANNA				
3. Shiploader 1 Replacement	16,039	63,921	Y	Y
4. Main Sub HV Switchboard Upgrade - Stage 2			Y	N/A
BUNDABERG				
5. Multi User Infrastructure Facility - Conveyor (Hinkler Deal)			Y	N/A
6. Multi User Infrastructure Facility - Bulk Storage (State COVID-19 Recovery funds)			Y	N/A
7. Multi User Infrastructure Facility - Multi user Bulk storage facility (Okara) civil works /services			N	N/A
8. Multi User Infrastructure Facility - Conveyor (Hinkler Deal) – Additional funding including GPC Contribution			Y	N/A
FISHERMAN'S LANDING				
9. NLEP Southern Bund Construction			N	N
TOTAL MAJOR PROJECTS OVER \$10M				

1. East Shores Stage 1C – Auckland Hill

GPC has approved funding of up to \$10M for redevelopment of Auckland Hill. The project requires governance process outlined under the Federal funding agreement of which is providing a \$5M contribution. The project has milestones under the funding agreement and due for completion in 2023.

2. Port Access Road Stage 2 - Contribution

The Port Access Road Stage 2 has a contribution from GPC of an amount to be confirmed in consultation with SHM departments, post the business case approval being completed by Department of Transport and Main Roads. The contribution does not reside in 2022-23 year.

3. Shiploader 1 Replacement

At 40 years of age, SL1 is past its technical design life of 25 years and is no longer compliant with current Australian Standards. GPC secured initial shareholding Minister approval in 2020, final approval in 2022 and will progress the project to be completed [REDACTED]

4. Main Sub HV Switchboard Upgrade - Stage 2

The existing infrastructure is over 35 years in age and past its service life and requires an upgrade to comply with the latest Australian Standards. The switchboard feeds critical infrastructure to all 3 ship loading streams and is a risk to personnel and current operations. The project is scheduled for completion in SCI23.

8. Multi User Infrastructure Facility

A new multi-use bulk handling infrastructure to facilitate the loading and unloading of dry bulk commodities via conveyor for the Port of Bundaberg to optimise port efficiency, improve safety and increase trade throughput has been identified as part of the Hinkler Regional Deal Implementation Plan. Additionally the development of bulk storage area including concrete hardstand is required to facilitate new and existing trade, with greater safety and efficiency than existing systems. The Multi-user Bulk Storage facility is designed to feed directly into the new CUI Conveyor and the Sir Thomas Hiley Wharf.

10. Northern Land Expansion Project (NLEP) Southern Bund Construction

NLEP Southern Bund Construction is to enable the planned future capital and other potential non-sea disposal dredging projects. The existing Western Basin reclamation area will exhaust its design levels, therefore the NLEP extension is imperative for an economical approach to the Ports future development. The works are considered under GPC's federally obligated Long Term Dredge Management Plan. SHM approval will be sought for the full capital cost of the construction project which exceeds the approval threshold.

GPC, including its subsidiary, will comply with the GOC Investment Guidelines and confirm the SHM Notification threshold of \$10M and SHM Approval threshold of \$30M.

5. Capital Structure

As an integral part of the financing of GPC, the overall debt will be managed to ensure that GPC maintains the appropriate credit or other rating as directed by shareholding Ministers.

Weighted Average Cost of Capital (WACC)

GPC reviews its WACC on a regular basis as part of the financial reporting process. GPC's beta and optimal capital structure have been determined in consultation with shareholder representatives.

Separate WACCs may be calculated for those parts of GPC's operations that face materially differing business risk profiles.

5.1. Pricing

GPC collects revenue from its Cargo Handling and Port Management activities in addition to charges for the use of various infrastructure assets and its pricing strategy is reflected by:

Revenue is a combination of:

1. Long-term port user agreements (50 years);
2. Mid-term contractual agreements (5-25 years); and
3. General short-term use of infrastructure or other GPC owned assets and services.

GPC sources its revenue from:

1. Handling charges – for handling product, including unloading, storage, loading;
2. Harbour dues and tonnages – for use of harbour wharves and port infrastructure;
3. Other shipping services – such as water, mooring, brow hire, security;
4. Property leases;
5. Marine pilot services; and
6. Marina and small craft receipts, other general.

GPC operates largely in a long-term contract environment [REDACTED]

5.2. Borrowings

GPC will not be seeking any additional borrowings for 2022-23 and will meet its operational and capital requirements through cash reserves and/or equity.

GPC continues to have access to a long term and short-term funding facility with Queensland Treasury Corporation.

GPC will continue to engage with key stakeholders regarding appropriate debt levels and credit metrics.

6. Community Service Obligations

No Community Service obligations have been highlighted for GPC in 2022-23.

7. Statement of Compliance

GPC, including its subsidiary, will comply with all relevant policies and guidelines as issued by the shareholders and Government, and formal directions by the shareholders as received from time to time.

8. Financial Statements

8.1. Income Statement

\$000s	Actual 2020-21	Budget 2021-22	Actual 2021-22	Budget 2022-23	Q1 Sept	Q2 Dec	Q3 Mar	Q4 Jun
Cargo Handling	299,759	305,185	303,841	314,947	78,737	78,737	78,737	78,737
Shipping Services	33,501	36,322	34,207	35,930	8,983	8,983	8,983	8,983
Channel	159,440	153,507	158,091	158,542	39,635	39,635	39,635	39,635
Small craft Services	1,326	1,425	1,804	1,973	493	493	493	493
Property Revenue	11,867	10,551	14,778	10,608	2,652	2,652	2,652	2,652
Recoverable Work	6,795	9	11,482	6	1	1	1	1
Interest Revenue	1,315	2,031	1,065	1,893	473	473	473	473
Sundry revenue	2,590	2,951	2,536	2,970	743	743	743	743
Gain/Loss on Sale of FA	270	-	(141)	-	-	-	-	-
Revenue	516,863	511,980	527,663	526,870	131,717	131,717	131,717	131,717
Operations	(84,519)	(82,754)	(89,933)	(84,462)	(20,296)	(21,829)	(20,860)	(21,476)
Maintenance	(86,778)	(84,005)	(82,082)	(86,072)	(20,062)	(24,774)	(21,089)	(20,147)
Direct Overhead	(75,471)	(80,595)	(91,957)	(88,903)	(22,039)	(22,722)	(21,890)	(22,252)
Asset Re/Devaluations	(24)	-	(5,236)	-	-	-	-	-
Energy	(15,464)	(16,386)	(18,843)	(17,053)	(4,258)	(4,258)	(4,266)	(4,270)
EBITDA	254,607	248,240	239,612	250,380	65,063	58,134	63,611	63,572
Depreciation & Amortisation	(88,007)	(91,634)	(91,726)	(95,536)	(23,585)	(23,775)	(24,003)	(24,172)
Impairment	(1,576)	-	(213)	-	-	-	-	-
EBIT	165,023	156,606	147,673	154,844	41,477	34,359	39,608	39,400
Interest Expense	(32,070)	(27,929)	(28,996)	(25,849)	(6,462)	(6,462)	(6,462)	(6,462)
PBT	132,953	128,677	118,677	128,995	35,015	27,897	33,146	32,938
Income Tax	(39,492)	(38,603)	(35,731)	(38,698)	(9,675)	(9,675)	(9,675)	(9,675)
PAT	93,461	90,074	82,946	90,296	25,340	18,222	23,471	23,263

Rounding

- Budget 2022-23 total revenue increases by 2.9% from the 2021-22 budget mainly due to increased Cargo Handling and Channel revenue.
- Operational expense increases by 2.0% from \$82.8M to \$84.5M as a result of 3% wage growth in accordance with wage policy.
- Energy expense increases by 4.1% due to global increase of crude oil prices.
- Depreciation expense increases 4.3% in 2022-23 budget due to forecast completion of significant capital projects.
- Budget 2022-23 interest expense reduces by 7.4% on budget 2021-22 due to lower forecast interest rates.
- The budgeted dividend return to shareholders increases by 0.2% from \$90.1M to \$90.3M.

8.2. Balance Sheet

\$000s	Actual 2020-21	Budget 2021-22	Actual 2021-22	Budget 2022-23	Q1 Sept	Q2 Dec	Q3 Mar	Q4 Jun
Cash and Cash Equivalents	37,700	30,000	43,145	30,000	42,330	34,583	32,312	30,000
Trade and Other Receivables	62,821	68,502	65,394	66,375	65,639	65,884	66,130	66,375
Inventories	15,569	14,056	15,950	16,189	16,010	16,070	16,130	16,189
Prepayments	6,039	4,777	5,736	5,897	5,776	5,816	5,857	5,897
Assets Classified as Held for Resale	19	19	-	-	-	-	-	-
Derivative Financial Instruments – Asset	-	-	-	-	-	-	-	-
Advances to Qld Treasury ¹	188,950	161,983	150,381	250,574	172,958	202,467	226,500	250,574
Current Assets	311,097	279,338	280,606	369,035	302,713	324,821	346,928	369,035
PP&E and Intangibles	2,051,286	2,100,710	1,991,959	2,020,652	1,999,132	2,006,305	2,013,478	2,020,652
Investment Properties	85,796	80,871	90,770	89,770	90,520	90,270	90,020	89,770
Deferred Tax Assets	28,552	30,372	28,936	29,080	28,972	29,008	29,044	29,080
Finance Lease Asset	4,223	7,577	2,916	5,537	3,572	4,227	4,882	5,537
Trade & Other Receivables - Non-Current	-	-	-	-	-	-	-	-
Prepayments – Non-Current	-	-	449	462	452	455	458	462
Non-current Assets	2,169,856	2,219,530	2,115,029	2,145,500	2,122,647	2,130,265	2,137,882	2,145,500
Total Assets	2,480,953	2,498,868	2,395,635	2,514,535	2,425,360	2,455,085	2,484,810	2,514,535
Trade and Other Payables - Current	(70,376)	(82,006)	(60,416)	(61,322)	(60,642)	(60,869)	(61,096)	(61,322)
Short-term Provisions - Employee	(47,515)	(34,095)	(51,670)	(35,858)	(47,717)	(43,764)	(39,811)	(35,858)
Short-term Provisions - Other	(6,564)	(13,449)	(7,275)	(7,275)	(7,275)	(7,275)	(7,275)	(7,275)
Short-term Provisions - Dividend	(93,084)	(90,074)	-	(90,297)	(22,574)	(45,148)	(67,723)	(90,297)
Income Tax Payable	(4,016)	(45,196)	(4,018)	(48,330)	(15,096)	(26,174)	(37,252)	(48,330)
Derivative Financial Instruments - Liability	-	-	-	-	0	0	0	-
Short-term Finance Lease Liability	(1,889)	(1,151)	(1,209)	(1,151)	(1,194)	(1,180)	(1,166)	(1,151)
Current Liabilities	(223,445)	(265,971)	(124,587)	(244,233)	(154,499)	(184,410)	(214,322)	(244,233)
Trade and Other Payables - Non-current	(12,304)	(10,845)	(10,339)	(7,755)	(9,693)	(9,047)	(8,401)	(7,755)
Long-term Provisions - Employee	(5,727)	(12,330)	(3,041)	(12,967)	(5,523)	(8,004)	(10,486)	(12,967)
Long-term Provisions - Other	(17,505)	(12,345)	(19,091)	(19,091)	(19,091)	(19,091)	(19,091)	(19,091)
Long-term Borrowings	(775,314)	(776,189)	(775,295)	(775,314)	(775,295)	(775,295)	(775,295)	(775,314)
Deferred Tax Liabilities	(336,948)	(329,424)	(315,569)	(306,082)	(313,198)	(310,826)	(308,454)	(306,082)
Long-term Finance Lease Liability	(9,670)	(10,618)	(9,217)	(10,618)	(9,567)	(9,917)	(10,267)	(10,618)
Non-current Liabilities	(1,157,470)	(1,151,751)	(1,132,554)	(1,131,807)	(1,132,367)	(1,132,180)	(1,131,994)	(1,131,807)
Total Liabilities	(1,380,915)	(1,417,722)	(1,257,141)	(1,376,041)	(1,332,769)	(1,354,739)	(1,376,710)	(1,376,041)
Net Assets	1,100,038	1,081,146	1,138,494	1,138,494	1,138,494	1,138,494	1,138,494	1,138,494
Issued Capital	675,496	655,896	663,896	663,896	663,896	663,896	663,896	663,896
Asset Revaluation Reserve	424,936	427,535	391,472	391,472	391,472	391,472	391,472	391,472
Retained Earnings	(394)	(2,284)	83,126	83,126	83,126	83,126	83,126	83,126
Equity	1,100,038	1,081,147	1,138,494	1,138,494	1,138,494	1,138,494	1,138,494	1,138,494

Rounding

- ¹ Under the Queensland Governments cash management regime, which became effective in the 2016-17 financial year, GOCs advance all surplus cash to Queensland Treasury.
- Queensland Treasury pays interest on these advances at the Queensland Treasury Corporation (QTC) Cash Fund rate.
- GOC access to the advances is generally subject to notification periods of 24 to 48 hours. Because of the short term nature of the advances, their carrying amount is assumed to represent fair value.
- There is no requirement for additional borrowings during the year, there is also no loan pay down assumption incorporated.

8.3. Cash Flow Statement

\$000s	Actual 2020-21	Budget 2021-22	Actual 2021-22	Budget 2022-23	Q1 Sept	Q2 Dec	Q3 Mar	Q4 Jun
PAT	93,461	90,074	82,946	90,296	25,350	18,229	23,477	23,241
Depreciation and Amortisation	88,007	91,634	91,726	95,536	23,579	23,768	23,996	24,193
Asset Re/Devaluations	24	-	5,236	-	-	-	-	-
Impairment	1,576	-	213	-	-	-	-	-
Gain/Loss on Sale of FA	(270)	-	141	-	-	-	-	-
Gain/Loss on Lease Remeasurement	(23)	-	-	-	-	-	-	-
Net Cash from Operations	182,775	181,708	180,263	185,832	48,929	41,997	47,474	47,433
Movements in Receivables	3,671	(1,012)	(2,573)	(981)	(245)	(245)	(245)	(245)
Movements in Advances to Qld Treasury	27,601	56,048	38,569	(100,193)	(25,048)	(25,048)	(25,048)	(25,048)
Movements in Other Assets	(1,610)	(174)	(145)	(174)	(44)	(44)	(44)	(44)
Movements in Inventory	(1,925)	(208)	(382)	(239)	(60)	(60)	(60)	(60)
Movements in Deferred Tax Asset	1,050	(151)	(384)	(145)	(36)	(36)	(36)	(36)
Movements in Trade Creditors	(11,189)	(1,499)	(11,925)	(1,679)	(420)	(420)	(420)	(420)
Movements in Other Liabilities	-	-	-	-	-	-	-	-
Movements in Provisions	(1,191)	3,284	3,765	(5,886)	(1,472)	(1,472)	(1,472)	(1,472)
Movements in Income Tax	(6,650)	611	1	44,313	11,078	11,078	11,078	11,078
Movements in Deferred Tax Liability	(4,233)	(6,442)	(7,283)	(9,488)	(2,372)	(2,372)	(2,372)	(2,372)
Net Operating Cashflows	188,300	232,164	199,905	111,361	30,311	23,379	28,856	28,815
Property Plant & Equipment	(102,371)	(120,891)	(87,861)	(121,934)	(30,484)	(30,484)	(30,484)	(30,484)
Proceeds from Sale of Property, Plant & Equip	437	-	78	-	-	-	-	-
Net Investing Cashflows	(101,934)	(120,891)	(87,784)	(121,934)	(30,484)	(30,484)	(30,484)	(30,484)
New Loans	-	-	-	-	-	-	-	-
Repayment of Borrowings	(876)	-	(19)	-	-	-	-	-
Gain on Foreign Exchange	-	-	-	-	-	-	-	-
New Working Capital	-	-	-	-	-	-	-	-
Working Capital Repayments	-	-	-	-	-	-	-	-
Issued Capital Transactions	-	(19,600)	(11,600)	-	-	-	-	-
Dividends Paid	(79,550)	(89,101)	(93,084)	-	-	-	-	-
Finance Lease Repayment	(2,166)	(2,572)	(1,973)	(2,572)	(643)	(643)	(643)	(643)
Net Financing Cashflows	(82,592)	(111,274)	(106,676)	(2,572)	(643)	(643)	(643)	(643)
Miscellaneous	-	-	-	-	-	-	-	-
Total Cash Movements	3,774	-	5,446	(13,145)	(816)	(7,747)	(2,271)	(2,311)
Opening Cash and Cash Equivalents	33,926	30,000	37,700	43,145	43,145	42,330	34,583	32,312
Total Cash Movements	3,774	-	5,446	(13,145)	(816)	(7,747)	(2,271)	(2,311)
Closing Cash and Cash Equivalents	37,700	30,000	43,145	30,000	42,330	34,583	32,312	30,000

Rounding

8.4. Financial Contributions: Major Business Divisions

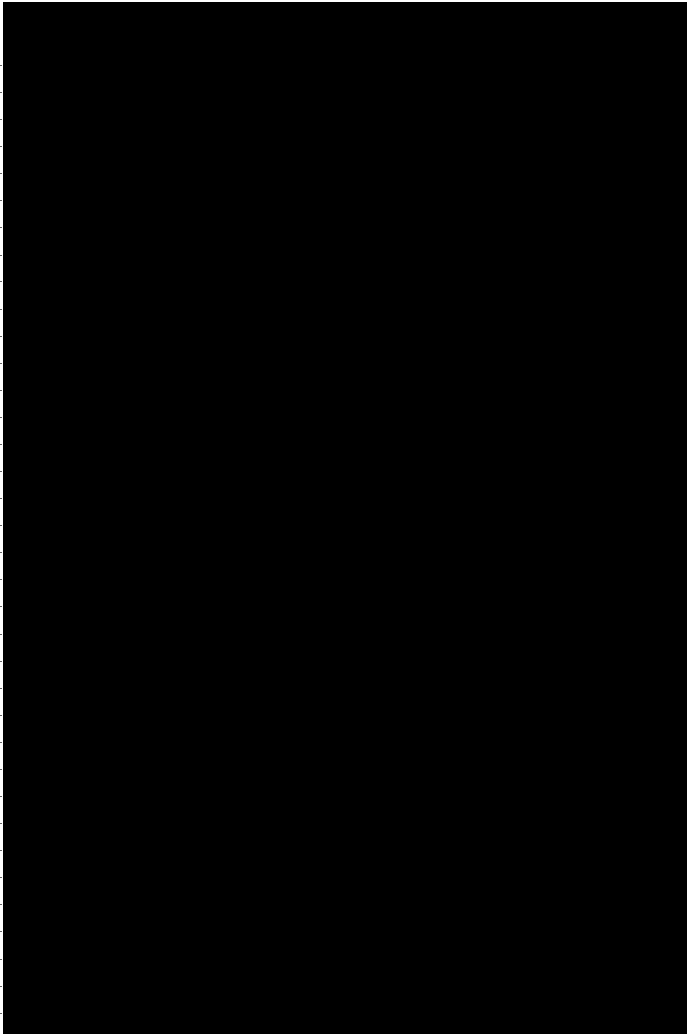
Business Division Contribution	Nature of Business	Actual 2021-22 \$000s	Budget 2022-23 \$000s	Variance Explanation
Cargo Handling	EBIT Contribution from RGCTC	█	█	█
█	█	█	█	█
Interest Income		1,065	1,893	
Interest Expense		(28,996)	(25,849)	
Income Expense Tax		(35,731)	(38,698)	
Profit After Tax		82,946	90,296	

9. Tables for Capital Expenditure for 2022-23

Approved Board
 Approved SHM
 x Not Approved Board
 Not Approved SHM

Project Details \$000s	Prior Year Spend	22-23 Budget	Total Project Budget	Q1 Sept	Q2 Dec	Q3 Mar	Q4 Jun
AUCKLAND POINT¹							
<input checked="" type="checkbox"/> AP1 Fendering System - Implementation	■	■	■	■			
<input checked="" type="checkbox"/> APT Berth 1 Deck Sustainment		■	■	■	■		
<input checked="" type="checkbox"/> APT Concrete Remediation Berth 3 - Stage 2		■	■	■			
<input checked="" type="checkbox"/> Auckland Point Berth 1 (AP1) Wharf Strengthening	■	■	■	■	■	■	■
x APT Concrete Remediation Berth 3 - Stage 3		■	■			■	■
x Approvals AP4 to Barney extension		■	■	■	■	■	
x Port Central Land Acquisitions		■	■	■			
BUNDABERG							
<input checked="" type="checkbox"/> Bulk liquids Wharf redevelopment							
<input checked="" type="checkbox"/> Wharf Drive entrance redevelopment to Wharf, Workshop, Molasses terminal							
<input checked="" type="checkbox"/> Multi User Storage Facility							
<input checked="" type="checkbox"/> Multi User Infrastructure Facility - Conveyor (Hinkler Deal)							
<input checked="" type="checkbox"/> Multi User Infrastructure Facility - Conveyor (Hinkler Deal) – incl GPC Contribution							
<input checked="" type="checkbox"/> Multi User Infrastructure Facility - Bulk Storage (State COVID-19 Recovery funds)							
x Multi User Infrastructure Facility - Multi user storage facility (Okara) civil works /services							
BARNEY POINT							
x BPT Shiploader Protective Coatings Life Extension							
EARTHWORKS							
<input checked="" type="checkbox"/> Service Truck - Unit TK1005 Replacement							
FISHERMAN'S LANDING							
<input checked="" type="checkbox"/> Northern Land Expansion Project - Early Works							
FINANCE							
x AiUP - Business Wide Integration							
INFORMATION SYSTEMS							
<input checked="" type="checkbox"/> SCI21 ERP Upgrade Total							
<input checked="" type="checkbox"/> SCI21 IS Communications Lifecycle & Enhancement Total							
<input checked="" type="checkbox"/> SCI22 Replacement of PC's & Computers							
x SCI22 Data Centre Remediation Total							
x SCI23 Security and Critical Infra. Improvement Program Total							
x SCI22 EIM for KPMG and RSM Capex							
x SCI23 Service Enhancement/Expansions/Project Management Analysis Total							
x SCI23 LMS Upgrade							
MARINA							
x Marina Superyachts Row "C/D"							
MARINE PILOTS							
x Navicom Hardware & Software Upgrade							
PORT ALMA							
<input checked="" type="checkbox"/> Replace Main Switchboard (Detailed Design & Long Lead Items)							
<input checked="" type="checkbox"/> Concrete Remediation - SCI22							
x Concrete Remediation - SCI23							
x Pt Alma Replace Main Switchboard (Execution)							
PORT SERVICES							
<input checked="" type="checkbox"/> Auckland Hill Marina Viewing Platform							
<input checked="" type="checkbox"/> Old Harbour Board Building Refurbishment (Flinders Parade)							
<input checked="" type="checkbox"/> East Shores Stage 1C – Auckland Hill							
RG TANNA							
<input checked="" type="checkbox"/> Isolation of Medium Voltage Conveyor - CC5A Trial							
<input checked="" type="checkbox"/> Light Tower Upgrades - Lights, Power, Controls - Stage 2							
<input checked="" type="checkbox"/> MainSub HV Switchboard Upgrade - Stage 3 - Replacement of Unloading System No.1 & 2 3.3kV Switchboard							
<input checked="" type="checkbox"/> RGT Berth 3 Capital Painting							
<input checked="" type="checkbox"/> RGT CC9A Reclaim System Refurbishment							
<input checked="" type="checkbox"/> RGT Conveyor Guarding Upgrade SCI21							
<input checked="" type="checkbox"/> RGT Wharf Berth 1&2 Mooring Hooks Upgrade							
<input checked="" type="checkbox"/> SL2 Mechanical Life Extension - Shuttle and Long Travel Upgrades							
<input checked="" type="checkbox"/> Substation 4 HV Switchboard Upgrade - Detailed Design							
<input checked="" type="checkbox"/> Traffic / Operational Control (Geofencing and Remote Enviro Controls) (SP 2020-2024 S-7 Systems SP-7.2.5)							
<input checked="" type="checkbox"/> Main Sub HV Switchboard Upgrade - Stage 2							
<input checked="" type="checkbox"/> Asset Information Unified Platform							
<input checked="" type="checkbox"/> RGT Sealing Shiploader No.2 Floors							
<input checked="" type="checkbox"/> RGT Reclaim Tunnel CC2A Upgrade							
<input checked="" type="checkbox"/> Drain, Drain Grates & and Curb Replacement							
<input checked="" type="checkbox"/> CC3 Feeder Upgrade							

Project Details \$000s	
✓	Wharf Slurry System Upgrade - Stream 1 & 2 - Early Works
✓	RGT Equipment Safe Access SCI21
✓	RGT Wharf Retractable Platform
✓	SL2 Rail Clamp Replacement
✓	Oil Storage Tank & Pumping Stn
☑	Shiploader 1 Replacement
x	Dozer Major Rebuilds SCI23
✓	RGT Coal Settlement Pit DS1
x	Substation 4 HV Switchboard Upgrade - 3.3kV Switchboard 2 (CC5,25 &26)
✓	Substation 6 Switchboard Replacement
x	Wharf Slurry System Upgrade - Stream 1 & 2 - Head End Execution
x	WIFI Extension (RGCT Wharf & Port Central) - Mesh system
✓	RGT Coal Settlement Pit - DP1 Outside Loop SP14
✓	RGT Berth 3 Capital Painting - Stage 2
✓	Pressured sewer main to whole of RGT site (Wharf)
✓	Concrete Under CC5's Outside the Loop
x	RGT Berth 3 Capital Painting - Stage 3
x	RGT Purchase of Dozer Simulator for CTO Process
x	Dozer Automation & Stockpile 3D (Stockpile Transformation - Stage 1)
x	RGT Shiploader (SL) No.3 Shuttle Access - Execution (91)
x	RGT Shiploader (SL) Protective Coating Life Extension - Stage 5
x	RGT Berth 2 New Capstan Install Stage 2 (564)
x	RGT SL3 VSD Replacement - Design (495)
TUG SERVICES	
x	GLD Tug Base Pontoon Life Extension
Total Projects under \$500K	
Pending SHM Approval	
FISHERMAN'S LANDING	
☑	NLEP Southern Bund Construction
PORT SERVICES	
☑	Port Access Road Stage 2 – Contribution ²
Total	
# Rounding	



- Investment in Auckland Point #4 (AP4) has been cast as a high growth scenario. The investment in the wharf extension would only be required where trade demand supports a business case. GPC will seek SHM approval for a scenario based investment strategy supported by preliminary business case. The AP4 Staging Apron and Berth Pocket Dredging investment collectively will trigger SHM notification and as such, notification will be provided prior to commitment of expenditure.
- Port Access Road Stage 2 final amount to be confirmed in consultation with SHM departments

NB: Projects with a nil 2022-23 budget are projects which will be approved in 2022-23 with Cashflows in future years due to long lead times.

10. Sponsorship, Advertising, Corporate Entertainment & Donations Details

Consistent with the Corporate Entertainment and Hospitality Guidelines and GPC's Corporate Entertainment and Hospitality Policy, GPC has budgeted the following total amounts for Sponsorship, Advertising, Corporate Entertainment, Donations and Strategic Community and Stakeholder Engagement Activities in 2022-23.

Activity	Budget 2021-22	Actuals 2021-22	Budget 2022-23
Sponsorships	286,000	267,549	320,000
Advertising	91,000	51,777	100,500
Corporate Entertainment	30,000	6,487	30,000
Donations	10,000	10,105	10,000
Strategic Community and Stakeholder Engagement Activities ¹	404,858	315,486	372,500
Total	821,858	651,405	833,000

¹ Lower than budgeted Port to Park costs for 2021/22

Sponsorship

Activity 1	Description / Benefit	Budget 2021-22	Actuals 2021-22	Budget 2022-23	Quarter 2022-23			
					Sept	Dec	Mar	Jun
GPC Bursary Program	The GPC School Bursary Program supports the academic development of local youth and is critical to ensuring continued prosperity in Central Queensland.	18,000	18,700	18,000	4,500	4,500	4,500	4,500
GPC Indigenous scholarships	The GPC indigenous scholarship program supports the academic development of local indigenous youth and is critical to ensuring continued prosperity in Central Queensland.	21,000	14,000	25,000	6,250	6,250	6,250	6,250
GPC Indigenous bursaries	The GPC Indigenous scholarship program supports the academic development of local indigenous youth and is critical to ensuring continued prosperity in Central Queensland.	15,000	18,500	15,000	3,750	3,750	3,750	3,750
Profile Partner	Naming Rights Sponsorship of the Brisbane to Gladstone Yacht Race	50,000	40,000	50,000	-	-	-	50,000
	Gladstone Regional Council Martin Hanson Grant 2021		1,500					
	Ride4Lives Australia Inc Training Grant		10,000					
	LifeFlight Bundaberg Grant		7,935					
	Lifeflight Rockhampton Grant		6,891					
	Every Child Central Qld Inc		5,311					
	CQU Reg Tanna Memorial Scholarship		5,000					
	CareFlight Ltd Grant for Trauma Care Workshop		7,350					
	Cancer Patients Foundation Look Good, Feel Better		4,000					
	Guide Dogs Qld Volunteer Trolleys Grant Bundy		3,563					
	Special Children's Christmas Parties 2021 Support		3,000					
	Special Olympics Aust – Gladstone		2,800					
	The Calliope River Men's Shed		1,797					
	Gladstone & District Wildlife		10,000					
	Volunteer Marine Rescue Gladstone		9,787					
	Gladstone Regional Council		2,000					
	Rockhampton Bowls Club		2,600					
	Burnett Heads/Port Neighbourhood Watch		5,000					
	Mt Larcom & District Show Society		9,815					
	Central Qld University		3,000					
	Not for Profit (NFP) HQ Limited		8,000					
	Little Dreamers Australia Co Ltd		10,000					
	Parks and Leisure Australia		10,000					
	Sponsorship Oceanfest		15,000					
	Gladstone Festivals & Events		32,000					
Community Partnership Gladstone	GPC's Community (Event) Partnership for the Gladstone Region	32,000		32,000	8,000	8,000	8,000	8,000
Community Partnership Rockhampton	GPC's Community (Event) Partnership for the Rockhampton Region	15,000		15,000	3,750	3,750	3,750	3,750

Community Partnership Bundaberg	GPC's Community (Event) Partnership for the Bundaberg Region	15,000		15,000	3,750	3,750	3,750	3,750
Community Partnership	Allowance for Strategic Partnership	-	-	30,000	7,500	7,500	7,500	7,500
Grants and Donations Round 1	Once off funding to local community groups and organisations (i.e. not-for-profits and charities) in each of the port communities, providing assistance with events, small projects or purchase of equipment.	60,000	-	60,000	15,000	15,000	15,000	15,000
Grants and Donations Round 2	Once off funding to local community groups and organisations (i.e. not-for-profits and charities) in each of the port communities, providing assistance with events, small projects or purchase of equipment.	60,000	-	60,000	15,000	15,000	15,000	15,000
Total over \$5,000		286,000	267,549	320,000	67,500	67,500	67,500	117,500
Other (total) below \$5,000		-	-	-	-	-	-	-
TOTAL		286,000	267,549	320,000	67,500	67,500	67,500	117,500
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (1)		286,000	267,549	320,000	67,500	67,500	67,500	117,500

Advertising

Activity 2	Description / Benefit	Budget 2021-22	Actuals 2021-22	Budget 2022-23	Quarter 2022-23			
					Sept	Dec	Mar	Jun
Gladstone News Partnership	Agreement with community newspaper to promote GPC news, services and events.	15,000	21,824	16,000	4,000	4,000	4,000	4,000
East Shores Cinemas Screen	Advertising and promotion for movie shows on the open air screen	-	-	10,000	2,500	2,500	2,500	2,500
Other Print Advertising	Shipping Australia, Public Notices and General Print	43,500	450	54,000	13,500	13,500	13,500	13,500
Radio Advertising	Radio promotion of Community, Environmental and Port Operational information.	20,000	15,654	20,000	5,000	5,000	5,000	5,000
Total over \$5,000		78,500	37,928	100,000	25,000	25,000	25,000	25,000
Other (total) below \$5,000		12,500	13,850	500	125	125	125	125
TOTAL		91,000	51,777	100,500	25,125	25,125	25,125	25,125
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (2)		91,000	51,777	100,500	25,125	25,125	25,125	25,125

Entertainment

Activity 3	Description / Benefit	Budget 2021-22	Actuals 2021-22	Budget 2022-23	Quarter 2022-23			
					Sept	Dec	Mar	Jun
Event Over \$5,000		-	-	-	-	-	-	-
Total over \$5,000		-	-	-	-	-	-	-
Other (total) below \$5,000		30,000	6,487	30,000	8,625	7,125	7,125	7,125
TOTAL		30,000	6,487	30,000	8,625	7,125	7,125	7,125
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (3)		30,000	6,487	30,000	8,625	7,125	7,125	7,125

Donations

Activity 4	Description / Benefit	Budget 2021-22	Actuals 2021-22	Budget 2022-23	Quarter 2022-23			
					Sept	Dec	Mar	Jun
Event Over \$5,000		-	-	-	-	-	-	-
Total over \$5,000		-	-	-	-	-	-	-
Other (total) below \$5,000		10,000	10,105	10,000	2,500	2,500	2,500	2,500
TOTAL		10,000	10,105	10,000	2,500	2,500	2,500	2,500
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (4)		10,000	10,105	10,000	2,500	2,500	2,500	2,500

Strategic Community and Stakeholder Engagement

Activity 5	Description / Benefit	Budget 2021-22	Actuals 2021-22	Budget 2022-23	Quarter 2022-23			
					Sept	Dec	Mar	Jun
Commitment/ entity over \$5,000		-	-					
Gladstone Area Promotions Board Membership	Tourism and economic development in Gladstone. Membership price fluctuation due to value add for GPC with introduction of cruise ship industry.	80,000	80,000	80,000	20,000	20,000	20,000	20,000
Bundaberg Region Program	Tourism and economic development in Bundaberg	20,500	-	25,000	6,250	6,250	6,250	6,250
Botanic to Bridge Fun Run	To promote healthy living within the Gladstone community (net of sponsorship revenue and advertising)	204,358	135,486	167,500	167,500	-	-	-
GHHP	Program to measure the environmental health of the harbour	100,000	100,000	100,000	-	100,000	-	-
Total over \$5,000		404,858	315,486	372,500	193,750	126,250	26,250	26,250
Other (total) below \$5,000		-	-	-	-	-	-	-
TOTAL		404,358	315,486	372,500	193,750	126,250	26,250	26,250
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (5)		404,858	315,486	372,500	193,750	126,250	26,250	26,250
TOTAL (1)+(2)+(3)+(4)+(5)		821,858	651,405	833,000	297,500	228,500	128,500	178,500

Corporate Entertainment. Details of Total Budgeted Expenditure under \$5,000

Activity	Budget 2021-22	Actuals 2021-22	Activities 2021-22	Budget 2022-23	Quarter 2022-23			
					Sept	Dec	Mar	Jun
Staff	6,000	2,766	14	6,000	1,500	1,500	1,500	1,500
Business Development	12,000	2,137	13	12,000	4,125	2,625	2,625	2,625
Stakeholder and Community	12,000	1,584	13	12,000	3,000	3,000	3,000	3,000
Total	30,000	6,487	40	30,000	8,625	7,125	7,125	7,125

Botanic to Bridge – Major Event Summary

Description / Benefit	Budget 2021-22	Actuals 2021- 22	Budget 2022-23	Quarter 2022-23				
				Sept	Dec	Mar	Jun	
Advertising								
Port to Park FunD Run 2021	23,600	16,001	-	-	-	-	-	-
Port to Park FunD Run 2022	-	-	20,500	20,500	-	-	-	-
Total (1)	23,600	16,001	20,500	20,500	-	-	-	-
Donations								
Port to Park FunD Run 2021	48,000	38,767	-	-	-	-	-	-
Port to Park FunD Run 2022	-	-	48,000	48,000	-	-	-	-
Total (2)	48,000	38,767	48,000	48,000	-	-	-	-
Sponsorships Received								
Port to Park FunD Run 2021	Sponsorships, Registrations, Merchandise	-120,000	-99,366	-	-	-	-	-
Port to Park FunD Run 2022	Sponsorships, Registrations, Merchandise	-	-	-96,000	-96,000	-	-	-
Total (3)		-120,000	-99,366	-96,000	-96,000	-	-	-
Operating Expenditure								
Operating Expenditure 2021	To promote healthy living within the Gladstone community	252,758	180,083	-	-	-	-	-
Operating Expenditure 2022	To promote healthy living within the Gladstone community	-	-	195,000	195,000	-	-	-
Total (4)		252,758	180,083	195,000	195,000	-	-	-
TOTAL (1)+(2)+(3)+(4)		204,358	135,485	167,500	167,500	-	-	-

Note: The Port to Park (previously Botanic to Bridge [B2B]) expenses should not be reviewed on a financial year basis as they straddle two (2) financial years and the timing for revenue and expenses may vary from year to year.

Port to Park is a GPC sponsored community event that provides GPC with an opportunity to engage with its community, enhance its corporate reputation and reinforce its social licence to operate. The 2020 event was cancelled due to COVID-19, however the beneficiaries were awarded under the alternative Active August campaign.

Port to Park (Botanic to Bridge) – 2013 - 2021

Description / benefit	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022/23
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Budget
Operating Expenditure	251,577	180,627	180,496	167,937	170,966	166,558	187,293	34,647	196,084	215,500
Donations to schools and community	44,465	42,370	44,190	42,030	49,610	42,624	46,186	46,000	38,767	48,000
Less: Income generated	160,958	148,016	147,121	145,757	153,802	121,752	142,290	-	99,366	96,000
Net Cost to GPC	135,084	74,981	77,565	64,210	66,774	87,430	91,189	80,647	135,485	167,500

Note: Assumes targeted in-kind contributions, which have been deducted from operating expenditure.

11. Employment and Industrial Relations Plan

The Employment and Industrial Relations Plan aims to assist GPC in delivering the strategic direction by empowering our people to do their jobs safely, within a future fit environment aspiring to high performance, aligned to GPC's values.

The success of GPC's cultural strategy 'Safety, Accountability and Compliance', relies on Leaders engagement in the following people related strategies:

- Develop a blueprint of the desired culture at GPC, supported by Leadership style and commitment which engages with every one of our people to enhance the employment experience;
- Embed our values, guiding principles and Code of Conduct throughout the organisation, embedding a positive workplace culture, ensuring employee's individual performance plans promote clear alignment between the individual's performance and the whole of business strategy results;
- Enhance the capability and pride of our workforce by providing Learning and Development opportunities suited to the competencies required to succeed in their roles;
- Provide Leadership Development to all Managers and Frontline leaders;
- Review and undertake talent planning focussed on identifying and developing high potential and emerging leaders;
- Ensure people-related activities support the safety and well-being of our employees, contractors and the community to achieve zero harm; and
- Broaden and deepen the inclusion and diversity focus integrated through GPC, inclusive of increasing employment participation for groups including Aboriginal and Torres Strait Islander and Australian South Sea Islander peoples and women.. Education programs, leadership development, culture program, employee and community engagement and targeted recruitment aligned with workforce planning are key elements to success of these objectives.

GPC's human resources management practices will be compliant with legislative requirements and aligned to operational and, regulatory environments.

11.1. Significant and Emerging Issues

GPC and its subsidiary company Gladstone Marine Pilotage Services (GMPS) are covered by three (3) Enterprise Agreements. These include the GPC Enterprise Agreement 2020; the Gladstone Marine Pilot Agreement 2021 and the Gladstone Pilot Transfer Crew Agreement 2021. All three (3) Enterprise Agreements include four (4) year terms. GPC is required to report on EA productivity measures to the shareholding Ministers on a quarterly basis in line with the negotiated outcomes of the bargaining parties and compliant and in line with the Government Owned Corporation (GOC) Wages Policy and Addendum, which allows for a four (4) year term, and a maximum increase of up to an average of 3% per annum dependent on achieving a 1.5% productivity gain. GPC works with employees to ensure the planned benefits and cost savings of the identified productivity initiatives are realised over the duration of the Agreements.

The GPC Enterprise Agreement 2020 commenced operation on Tuesday, 5 October 2021 and will reach its nominal expiry date on 31 October 2024. GPC finalised the enterprise agreement with a Single Bargaining Unit comprising representatives from the Australian Municipal, Administrative, Clerical and Services Union (ASU), Australian Workers Union (AWU); Australian Manufacturing Workers Union (AMWU); Communication, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union (ETU); Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing; Allied Services Union of Australia - Electrical Division Queensland and Northern Territory Branch (Plumbing Division) (PTU); and Construction, Forestry, Mining and Energy Union (CFMEU).

The GPC Enterprise Agreement 2020 (EA) includes four (4) Productivity initiatives:

- Natural Attrition;
- Reduction of Absenteeism;
- Reduction of Excess Annual Leave; and
- Operational Improvements e.g. waste, consumables and other costs.

GPC continues to work with employees to ensure the planned and cost savings of each of the above Productivity Initiatives are realised.

11.2. Remuneration Arrangements 2022-23

The Chief Executive Officer (CEO) and Senior Executives remuneration arrangements complies with Government's policies and expectations as advised by the shareholding Ministers.

CEO and Senior Executive Remuneration forecast to July 2022, (CEO July 2021), refer table 1:

CEO / Senior Executives	Base Salary ¹	Employer Superannuation Contributions ²	Motor Vehicle ³	Total Fixed Remuneration ⁴	Other Benefits ⁵
Chief Executive Officer	\$619,704.83	\$61,970.48	\$11,724.69	\$693,400.00	\$25,000 \$12,000 \$3,300 \$6,000 \$3,000
Chief Operating Officer	\$435,927.60	\$45,772.40	\$12,600.00	\$494,300.00	\$15,000 \$12,000 \$3,300 \$3,000 \$299.00
Chief Financial Officer	\$377,466.06	\$39,633.94	\$12,600.00	\$429,700.00	\$3,300 \$3,000 \$299.00
Executive General Manager Asset Management	\$375,203.62	\$39,396.38	\$12,600.00	\$427,200.00	\$15,000 \$12,000 \$3,300 \$3,000 \$299.00
Executive General Manager Trade & Development	\$375,203.62	\$39,396.38	\$12,600.00	\$427,200.00	\$15,000 \$12,000 \$3,300 \$3,000 \$299.00
Executive General Manager People	\$315,384.62	\$33,115.38	\$12,600.00	\$361,100.00	\$15,000 \$12,000 \$3,300 \$3,000 \$299.00
Executive General Manager Safety & Environment Social Governance	\$354,841.63	\$37,258.37	\$12,600.00	\$404,700.00	\$15,000 \$12,000 \$3,300 \$3,000 \$299.00
Executive General Manager Marine Operations	\$332,760.18	\$34,939.82	\$12,600.00	\$380,300.00	\$15,000 \$12,000 \$3,300 \$3,000 \$299.00

Table 1: CEO & Senior Executive Remuneration and Benefits

Note: Mercer 2022 June Restructure Independent Evaluation. CEO - Mercer July 2021 Independent Evaluation

1. Base salary budget is 50th percentile market median as determined through Mercer June 2022 Report and CEO July 2021 evaluation.
2. Employer contributions to superannuation (10.5%) (Other than by salary sacrifice) - CEO 10% until further advice received
3. Value of a motor vehicle for business and personal use (other than by salary sacrifice)
4. Sum of columns 1, 2 and 3.
5. Includes but is not limited to general expenses allowances, subscriptions, home telecommunication expenses, FBT not elsewhere included, etc., private health scheme (other than by salary sacrifice).

Gain Share Schemes and Performance Payments

GPC Executive Employment Contracts do not include a Gain Share Scheme or any other performance-based incentive payments.

11.3. Employment Conditions of GPC Employees

As a Government Owned Corporation covered by Federal industrial relations legislation, GPC will continue to meet its obligations consistent with the guidelines provided by the Queensland Government and under the Fair Work Act 2009.

For the SCI period 2022 - 23, employees covered by an individual contract of employment for the five (5) Executives roles.

All other employees are covered by one (1) of the following Enterprise Agreements:

- Gladstone Ports Corporation Enterprise Agreement 2020 (AG2021/7325);
- Gladstone Marine Pilots Agreement 2021 (AG2018/1122); or
- Gladstone Pilot Transfer Crew Agreement 2021 (AG2018/1123).

Gladstone Ports Corporation Enterprise Agreement 2020

The Gladstone Ports Corporation Enterprise Agreement 2020, which is underpinned by the Port Authorities Award 2020, was approved by the Fair Work Commission on 5 October 2021 and will reach its nominal expiry date of 31 October 2024. The Agreement covers all employees directly employed by GPC as the parent company, and provides for a wage deferral and then increase of 3.0% per annum paid at 1 November each year in addition to a once-off catch up increase of 3.0% on 1 May 2022.

The Gladstone Ports Corporation Enterprise Agreement 2020 contains business-wide application contained in the head document, and specific conditions relevant to the production, maintenance and clerical/administrative/professional workforces contained in the respective schedules to the Agreement. Work group specific conditions are permitted by the Agreement after approval by the majority of the affected workgroup.

The Gladstone Ports Corporation Enterprise Agreement 2020 contains alternative employment arrangements for Salaried Officers. This provides a mechanism for GPC to engage high earning employees on different terms and conditions of employment on the basis that they are partially exempt from specific Agreement provisions. GPC continues to consult with these employees and their unions on arrangements which best meet their needs and GPC's vision to be a high performing organisation. GPC has commenced a process of consultation with Salaried Officers and their unions on terms and conditions of employment including hours of work, Salaried Officer Arrangements Standard and the introduction of a Performance Incentive Program aligned to the GPC Corporate Scorecard for the period.

Gladstone Marine Pilots Agreement 2021

The Gladstone Marine Pilots Agreement 2021 covers all Marine Pilots employed under Gladstone Marine Pilot Services Pty Ltd (GMPS), a wholly owned subsidiary of GPC and has a nominal expiry date of 31 October 2025. The Agreement is comprehensive in its terms and does not incorporate the terms of any other Award or Industrial Agreement.

The Agreement provides for a wage deferral and then increase of 3.0% per annum paid at 1 November each year in addition to a once-off catch up increase of 3.0% on 1 May 2023.

GPC is required to commence bargaining for a replacement Agreement no later than 90 days prior to the nominal expiry date of this Agreement. GPC is targeting achievement of an in-principle agreement prior to the nominal expiry.

Gladstone Pilot Transfer Crew Agreement 2021

The Gladstone Pilot Transfer Crew Agreement 2021 covers all Pilot Transfer Crew employees (i.e. Coxswain, Pilot Vessel Master A/B, Assistant Senior Pilot Vessel Master and Senior Pilot Vessel Master) employed under Gladstone Marine Pilot Services Pty Ltd (GMPS), a wholly owned subsidiary of GPC and has a nominal expiry date of 31 October 2025. The Agreement is a closed Agreement, operating in conjunction and incorporating terms of the Port Authorities Award 2020.

The Agreement provides for a wage deferral and then increase of 3.0% per annum paid at 1 November each year in addition to a once-off catch up increase of 3.0% on 1 May 2023.

GPC is required to commence bargaining for a replacement Agreement no later than 90 days prior to the nominal expiry date of this Agreement. GPC is targeting achievement of in-principle agreement prior to the nominal expiry.

11.4. GPC Workforce

Type	2021-22 Actual	2021-22 Budget	2022-23 Budget
	FTE ¹	FTE	FTE
TOTAL Senior Executive Employment Contract	3	6	6
Gladstone Ports Corporation Agreement 2020			
Permanent Full Time	577.0	613.0	611.0
Temporary Full Time	52.0	23.7	30.5
Permanent Part Time	14.1	9.8	7.7
Temporary Part Time	1.3	0.7	0.7
Apprentices	46.0	49.0	47.5
Trainees	13.0	8.0	14.0
Casual Employees	0.0	2.1	2.1
S457 Temporary Visa	-	-	-
TOTAL GPC	703.5	706.2	713.4
Gladstone Marine Pilots Agreement 2021			
Permanent Full Time	33.0	31.0	34.0
Permanent Part Time	1.0	-	-
Trainees	5.0	3.0	-
Casual Employees	-	-	-
TOTAL GMPS Marine Pilots	39.0	34.0	34.0
Gladstone Pilot Transfer Crew Agreement 2021			
Permanent Full Time	14.0	14.0	13.5
Permanent Part Time	-	-	-
Temporary Part Time	-	0.5	-
Temporary Full Time	-	-	-
Casual Employees	3.0	2.0	3.0
TOTAL GMPS Pilot Transfer Crew	17.0	16.5	16.5
TOTAL DIRECT WORKFORCE⁽²⁾	762.5	762.7	769.9
Apprentices (Group)	1.4	1.6	1.6
Contractor & Labour Hire (trade/technical)	49.0	57.6	57.6
Contractor & Labour Hire (professional/administrative/technical)	14.8	23.1	23.1
TOTAL INDIRECT WORKFORCE⁽³⁾	65.2	82.4	82.4
TOTAL WORKFORCE	827.7	845.1	852.3

Table 2: GPC Workforce

Notes:

1. 2021-2022 Actual as at 30 June 2022

The increase in staffing when comparing “actual 2021-22” to “budget 2022-23” is generally due to:

- a) Vacancies in the organisational structure - not included in actuals but included in budget;
 - b) Conversion of current contractor roles into establishment employees.
 - c) New roles unrelated to those lost due to natural attrition created during the period.
2. Total Directly Employed Workforce (FTE) – totals reflect approved GPC Work Force Plan.
3. Total Indirectly Employed Workforce (FTE) – totals reflect:
- Uses ‘access’ to all GPC sites. Excludes indirect labour not on site.
 - The number of contractors recorded and forecast, is generally contractors who perform work consistent with GPC’s core business. It is not a record or forecast of peak or non-routine type works that is variable. It is therefore considered reasonable to engage contractors due to the specific expertise or “peak work” normally attributable to once off capital projects, periodic shutdowns, specific expertise contracted to specialist firms outside of GPC’s normal core work.

11.5. Superannuation Arrangements

GPC has an approved superannuation Fund - the Trustee of the State Public Sector Superannuation Scheme (QSuper). All eligible employees that are covered by an Enterprise Agreement are required to become a member of the approved Fund.

Employees who are employed under an Enterprise Agreement must be a member of QSuper and be either part of the QSuper Accumulation Fund or Defined Benefits Fund. The QSuper Defined Benefits category was closed to new members from 12 November 2008. Therefore, the only QSuper category available to new employees is the Accumulation Fund and only those employees who had existing membership of the Defined Benefit category were permitted to remain in that fund.

As at 31 December 2021, the QSuper categories comprised GPC (and its' wholly-owned subsidiary GMPS) employee members as follows:

- Defined Benefit Fund – 115 employees; and
- Accumulation Fund – 646 employees.

11.6. Consultation

GPC has consulted with the Office of Industrial Relations (OIR), Treasury GPG (Treasury), the Department of Transport and Main Roads (TMR) and employees in formulating this plan. Consideration of views, comments and suggestions has been afforded and where feasible incorporated within the plan. There were no significant items of disparity arising from consultation for consideration.

12. WACC Calculations

Key findings

In this report we have calculated a discount rate for Gladstone Ports Corporation (GPC) applying a Fair Value (FV) methodology. As GPC is a State-owned corporation with certain policy obligations and contractual commitments, the FV WACC requires some specific consideration.

We understand that a significant proportion of GPC's commercial arrangements apply price setting mechanisms broadly consistent with a regulated entity, and so it is arguably appropriate to adopt the same discount rate basis a regulator would use. However, in an open market it is less clear that investors would separately value the benefits of imputation – which is the current practice of the relevant jurisdictional regulator, the Queensland Competition Authority (QCA) - and so we have estimated a range of FV rates which, at the high end, reflects no imputation and at the low end reflects imputation.

This advice on the FV discount rate should not be considered in isolation from the cash flows the rates will be applied to. We recommend that, once the cash flows the rates are to be applied to are developed, consideration is given to the relative outcomes which result from application of the discount rate, so the reasonableness of such outcomes can be considered.

We estimate the FV WACC for GPC to be between [REDACTED] and [REDACTED], with a midpoint of [REDACTED] expressed as a nominal, post-tax value as at 12 May 2023. We acknowledge that our 'mid-point' is not the mathematical mid-point of the range but does reflect the rate based on the approximate mid-point of the range of assumptions adopted. It reflects the fact the relationship between the high and low assumptions is not always linear. This discount rate would be applied to nominal post-tax cash flows which are not adjusted for the impact of imputation. This rate is suitable for use in impairment testing using the FV approach and is appropriate to adopt as a hurdle rate for considering projects GPC may undertake.

In Appendix B we present the results of sensitivity analysis applying different parameter values, including variations to the asset beta, equity market risk premium, gamma and gearing.

13. Glossary

AiUP	Asset Information Unified Platform
CHA	Cargo Handling Agreement
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CPI	Consumer Price Index
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
E7	Emerging Seven – a group emerging economies China, India, Brazil, Mexico, Russia, Indonesia and Turkey
EA	Enterprise Agreement
EBIT	Earnings Before Interest and Taxation
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
EIM	Enterprise Information Management
EIS	Environmental Impact Statement
ERP	Enterprise Resource Planning
ESG	Environmental, Social and Governance
GBR	Great Barrier Reef
GOC	Government Owned Corporation
GOC Act	Government Owned Corporation Act
GPC	Gladstone Ports Corporation
GPG	Treasury GOC Performance and Governance group
GST	Goods and Services Tax
KPI	Key Performance Indicator
LMS	Learning Management System
LNG	Liquefied Natural Gas
LOI	Letter of Intent
M	Metres
MOU	Memorandum of Understanding
Mt	Million tonnes
Mtpa	Million tonnes per annum
NLEP	Northern Land Expansion Project
NPAT	Net Profit After Tax
PAT	Profit After Tax
PBT	Profit Before Tax
Ports Queensland Ports Bill 2014	Priority Ports
PSA	Port Services Agreement
PwC	PricewaterhouseCoopers
QTC	Queensland Treasury Corporation
RGTCT	RG Tanna Coal Terminal
SCI	Statement of Corporate Intent
SDGs	Sustainable Development Goals
SHM	shareholding Ministers
TMR	Department of Transport and Main Roads
WICET	Wiggins Island Coal Export Terminal