

TOWNSVILLE PORT AUTHORITY
INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
REVENUES FROM ORDINARY ACTIVITIES			
Revenue from Operating Activities			
Service Revenue	4	29,950,649	29,878,177
Revenue from Non-Operating Activities			
Interest received		808,309	626,689
Other Revenue	4	283,552	98,562
Reversal of Prior Year Writedowns on Assets		1,088,394	533,428
Changes in Fair Values of Investment Properties		4,790,685	5,032,061
Total Revenue from Ordinary Activities		36,921,588	36,168,917
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS			
Employee Benefits Expense		5,203,347	4,903,072
Depreciation Expense		6,571,635	6,367,683
Other Expenses	4	14,853,469	16,056,014
Asset Revaluation Writedowns		2,386	3,220,903
Total Expenses from Ordinary Activities Excluding Borrowing Costs		26,630,838	30,547,672
Borrowing Costs Expense		706,677	853,064
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE / (INCOME TAX REVENUE)		9,584,073	4,768,181
Income Tax Revenue (Income Tax Expense) relating to Ordinary Activities	6	(2,419,477)	(2,590,211)
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE / (INCOME TAX REVENUE)	5	7,164,596	2,177,970
NET PROFIT / (LOSS)		7,164,596	2,177,970
Increase / (Decrease) in Asset Revaluation Reserve	7	8,671,264	6,185,669
Increase / (Decrease) in Picnic Bay Jetty Reserve	6	-	-
Total Revenues, Expenses and Valuation Adjustments Recognised Directly in Equity		8,671,264	6,185,669
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	8	15,835,860	8,363,639

The accompanying notes form part of these financial statements

TOWNSVILLE PORT AUTHORITY

BALANCE SHEET

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CURRENT ASSETS			
Cash Assets	9	12,976,212	12,698,782
Receivables	10	3,558,727	3,866,060
Other	11	291,577	157,587
TOTAL CURRENT ASSETS		16,826,516	16,722,429
NON-CURRENT ASSETS			
Property, Plant and Equipment	12	161,935,576	150,835,403
Investment Properties	12	23,584,612	18,721,654
Deferred Tax Assets	6(e)	15,852,870	15,059,125
Other	11	1,440	1,440
TOTAL NON-CURRENT ASSETS		201,374,498	184,617,622
TOTAL ASSETS		218,201,014	201,340,051
CURRENT LIABILITIES			
Payables	13	2,126,066	3,633,372
Interest-bearing Liabilities	14	2,506,912	2,356,390
Current Tax Liabilities		566,417	818,495
Provisions	15	53,852	55,554
TOTAL CURRENT LIABILITIES		5,253,247	6,863,811
NON-CURRENT LIABILITIES			
Payables	16	615,353	602,426
Interest-bearing Liabilities	14	8,602,250	11,109,191
Deferred Tax Liabilities	6(e)	28,321,155	23,145,260
Provisions	15	137,270	183,484
TOTAL NON-CURRENT LIABILITIES		37,676,028	35,040,361
TOTAL LIABILITIES		42,929,275	41,904,172
NET ASSETS		175,271,739	159,435,879
EQUITY			
Contributed Equity	17	98,935,028	98,935,028
Retained Earnings	5	21,262,027	14,097,432
Reserves	7	55,074,684	46,403,419
TOTAL EQUITY		175,271,739	159,435,879

The accompanying notes form part of these financial statements

TOWNSVILLE PORT AUTHORITY

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Total equity at the beginning of the financial year		159,435,879	151,072,240
Gain on revaluation of land and buildings, net of tax		8,671,264	6,185,669
Net income recognised directly in equity		8,671,264	6,185,669
Profit for the year		7,164,596	2,177,970
Total recognised income and expense for the year		15,835,860	8,363,639
Transactions with equity holders in their capacity as equity holders: Dividends provided for or paid		-	-
Total equity at the end of the financial year		175,271,739	159,435,879

The accompanying notes form part of these financial statements

TOWNSVILLE PORT AUTHORITY

CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		30,527,511	30,945,048
Payments to suppliers and employees		(22,324,504)	(18,695,340)
GST collected from sales and services provided		2,888,276	2,889,528
GST paid in respect of acquisitions		(1,290,200)	(1,417,294)
GST paid to Australian Taxation Office		(1,209,030)	(1,669,208)
Interest received		808,309	626,689
Dividend paid		-	(577,090)
Income Tax Equivalents Paid		(2,005,661)	(1,735,067)
Net cash inflow from operating activities	B	7,394,702	10,367,266
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(4,070,436)	(2,153,753)
Proceeds from sale of property, plant and equipment		16,260	25,900
Net cash outflow from investing activities		(4,054,176)	(2,127,853)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings		(2,356,419)	(2,210,033)
Interest paid		(706,677)	(853,064)
Net cash inflow (outflow) from financing activities		(3,063,096)	(3,063,097)
Net (Decrease) / Increase in cash held		277,430	5,176,316
Cash at beginning of the financial year		12,698,782	7,522,466
Cash at end of financial year	A	12,976,212	12,698,782

TOWNSVILLE PORT AUTHORITY

NOTES TO THE CASH FLOW STATEMENT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
A. Reconciliation of Cash			
For the purposes of this cash flow statement, cash includes cash on hand and at bank and investments, in money market instruments, readily convertible to cash at the investor's option. Cash at the end of the year is shown in the Balance Sheet as:-			
Cash on Hand		1,450	1,450
Cash at Bank		897,758	798,392
Term Deposits		12,077,005	11,898,940
		12,976,212	12,698,782
B. Reconciliation of Profit (Loss) from Ordinary Activities After Income Tax Equivalents Expense to Net Cash Inflow from Operating Activities			
Operating (Loss) / Profit after Income Tax Equivalents Expense and Abnormal Items		7,164,595	2,177,970
Depreciation		6,571,635	6,367,683
Interest Expense		706,677	853,064
Profit on Disposal of Non-Current Assets		(14,022)	-
Loss on Disposal of Non-Current Assets		-	1,209,228
Net Revaluation Increments - Non-Current Assets		(5,876,692)	(2,344,586)
Income Tax Equivalents Expense		2,419,477	2,590,211
Changes in Assets and Liabilities			
(Increase) Decrease in Trade Debtors		307,333	968,309
(Increase) Decrease in Utility Deposits		-	9,807
(Increase) Decrease in Prepayments		(133,990)	(13,029)
Increase (Decrease) in Operating Trade Creditors		(1,111,154)	868,562
Increase (Decrease) in Operating Retention		(11,971)	(50,126)
Increase (Decrease) in Other Operating Creditors		(551,269)	28,524
Increase (Decrease) in Provision for Dividend - (Dividend Paid in Year)		-	(577,090)
Increase (Decrease) in Provisions		(70,256)	13,806
Increase (Decrease) in Provision for Taxation - (Tax Paid in Year)		(2,005,661)	(1,735,067)
Net Cash Inflow from Operating Activities		7,394,702	10,367,266

C. Financing Facilities

The Authority has available a bank overdraft limit of \$100,000. At 30 June 2007 no amount was drawn on this overdraft. Loan facilities as shown in note 14 to the accounts are provided by the Queensland Treasury Corporation. New borrowings are subject to the approved Loan Programme with the sanction of the Treasurer of Queensland.

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATION OF ITEMS SHOWN IN THE FINANCIAL STATEMENTS

The principle accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation of the Accounts

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, and the *Financial Administration and Audit Act 1977*.

Compliance with IFRSs

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards. Compliance with AIFRSs ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRSs).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of the available for sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting estimates

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data.

The following is a summary of the material accounting policies adopted by the Authority in the preparation of the financial report.

(b) Corporate Status

Townsville Port Authority is a Statutory Government Owned Corporation, constituted on 1 July 1995 under the provisions of the *Government Owned Corporations Act 1993* (GOC Act).

(i) Transition of Townsville Port Authority to Company GOC Status

On 7 March 2007 Parliament passed the *Government Owned Corporations Amendment Act 2007 (Amendment Act)*, which was assented to on 20 March 2007 resulting in key changes to the *Government Owned Corporations Act 1993* (GOC Act).

Under amendments to section 24(b) of the GOC Act, all statutory GOCs existing at the date the Amendment Act was assented to are required to transition to company GOC status. While no specific timeframe was established within the legislation, it is anticipated that Townsville Port Authority will convert to a company GOC on 1 January 2008.

While this change will not impact on the continuing existence of Townsville Port Authority it will result in a change of status that will require the corporation to register as a Company under the *Corporations Act 2001*. From the date of conversion, Townsville Port Authority will be required to comply with the requirements of the accountability and financial reporting framework set out in the *Corporations Act*.

This proposed change in status has not impacted on the balances and other disclosures included in this financial report .

(c) Taxation

As a Government Owned Corporation, the entity is not subject to Commonwealth income tax but as from 1 July 2001 the Authority has been required to pay tax equivalents under the National Tax Equivalents Regime. The Authority, in accordance with Accounting Standard AASB 112 "Income Taxes" is required to adopt tax effect accounting.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATION OF ITEMS SHOWN IN THE FINANCIAL STATEMENTS (continued)

(c) Taxation (continued)

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on the those tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability.

An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transactions, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances related to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and amounts collected on behalf of third parties. Revenue is recognised for the major business activities as follows:-

(i) Harbour Dues/Tonnage Rates

Harbour Dues and tonnage revenue rates are recognised as revenue when the vessel has left the berth.

(ii) Rentals

Rental revenue is recognised when entitlement to payment arises under the rental agreement. Monies received in advance at the end of the financial year are recognised as a liability.

(iii) Pilotage Transfer Service Revenue

Pilotage Transfer Service Revenue is recognised on completion of the Marine Pilot transfer operation to / from each vessel.

(iv) Charges for Services

Revenue from rendering of service is recognised on delivery of service to the customer.

(e) Cash and Cash Equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for doubtful debts. Trade receivables are due for settlement no more than 30 days from the date of recognition for the Authority's debtors, and no more than 30 days for other debtors. Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

A provision for doubtful receivables is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

(g) Inventories

All stores have been expensed and accounted for in the Income Statement.

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATION OF ITEMS SHOWN IN THE FINANCIAL STATEMENTS (continued)

(h) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Property Plant and Equipment

(i) Acquisition

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

Actual cost is used for the initial recording of all acquisition of assets controlled and administered by the Authority. Assets acquired at no cost or for nominal considerations are recognised at their fair value at date of acquisition. Subsequent costs are included in the assets' carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the asset ready for use, including architects' fees and engineering design fees.

Where assets are constructed by the Authority, the cost at which they are recorded includes an appropriate share of fixed and variable overheads. No borrowing costs are included.

Property, plant and equipment items with a cost or value on excess of \$500 and a useful life of more than one year are recognised as an asset. All other items of property, plant and equipment are expensed on acquisition.

(ii) Assets carried at fair value

Channels and swing basins, freehold land, wharves, buildings, land improvements, small boat harbours and facilities, breakwaters, access roads and beacons (except for investment properties refer to note 1 (h)) are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation where applicable. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

It is the policy of the Authority to have assets carried at fair value independently valued and useful lives reassessed every five years, with annual appraisals being made by directors. An independent valuation and reassessment of the useful lives of land, buildings and infrastructure assets was performed as at 1 January 2005 by Edward Rushton Australia Pty Ltd. For the reporting period ended 30 June 2007 the carrying amounts of non-current assets were increased by indices provided by Rushtons (Qld) Pty Ltd.

Increases in the carrying amounts arising on revaluation of Channels and swing basins, freehold land, wharves, buildings, land improvements, small boat harbours and facilities, breakwaters, access roads and beacons are credited, net of tax, to other reserves in shareholders' equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first charged against revaluation reserves directly in equity to the extent of the remaining reserve attributable to the asset; all other decreases are charged to the income statement.

(iii) Assets carried at cost

All property, plant and equipment (other than assets carried at fair value) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(iv) Depreciation

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Authority commencing from the time the asset is held ready for use. For depreciation purposes, complex assets have been broken down into major components.

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATION OF ITEMS SHOWN IN THE FINANCIAL STATEMENTS (continued)

(iv) Depreciation (continued)

Properties held for investment purposes are not subject to depreciation. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

Depreciation Rates used for each class of depreciable assets are:

Channels, Swing Basins, and Wharves	2.5%
Plant, Equipment	5.0% - 33.3%
Land Improvements & Small Boat Harbour	2.5% - 10.0%
Buildings	5.0% - 10.0%
Breakwaters	2.0%
Motor Vehicles	25.0%
Access Roads	5.0%
Beacons	10.0%

An asset's carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, it is the Authority's policy to transfer the amounts included in the other reserves in respect of those assets to retained earnings.

(j) Investment property

Investment property, principally comprising of freehold buildings and vacant land, is held for either long term rental yields or capital accretion and is not occupied by the Authority. Investment property is carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recorded in the income statement as part of other income.

(k) Trade and Other Payables

Expenditure is recognised when goods are received or services are performed. Usual payment is within 30 days. The carrying amount approximates fair value.

(l) Employees' Provisions

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables 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.

(ii) Long service leave

The liability for long service leave is recognised in other payables and measured as the present value of the expected future payments to be made in respect of services provided by the employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash flows.

Payroll Tax, Workers Compensation and Superannuation are included in the total. The current portion of long service leave has been calculated as a proportion of all employees with greater than seven years service. This proportion is based upon long service leave actually taken by employees over a three year period.

(iii) Superannuation

Employees of the Authority are members of QSuper. Employer contributions to QSuper made by the Authority are charged as expenses as the contributions are paid or become payable. For employees in QSuper, the Treasurer of Queensland, based on advice received from the State Actuary, determines employer contributions for superannuation expenses. No liability is recognised for accruing superannuation benefits in these financial statements, the liability being held on a whole-of-Government basis and reported in the whole of Government financial report prepared pursuant to AAS 31 - Financial Reporting by Governments.

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES AND EXPLANATION OF ITEMS SHOWN IN THE FINANCIAL STATEMENTS (continued)

(m) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Borrowings are classified as current liabilities unless the Authority has an unconditional right to defer settlement for the liability for at least 12 months after the balance sheet date.

(n) Borrowing Costs

All borrowing costs are recognised as an expense in the period in which they are incurred. No borrowing costs are capitalised. Borrowing costs include interest on borrowings.

(o) Provisions

Provisions are recognised when, the Authority has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(p) Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(q) Dividends

Provisions is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

(r) Computer Software and Hardware

Computer hardware is currently depreciated over its expected useful economic life of three years. Associated communications costs such as cabling and leased lines for the Authority's wide area network are fully expensed in the year the costs are incurred.

(s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

(t) New accounting standards and UIG interpretations

Certain new accounting standards and UIG interpretations have been published that are not mandatory for the 30 June 2007 reporting period. The Authority's assessment of the impact of these new standards and interpretations is set out below.

(i) *AASB 7 Financial Instruments: Disclosures and AASB 2005 10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038].*

AASB 7 and AASB 2005 10 are applicable to annual reporting periods beginning on or after 1 January 2007. This interpretation will not affect the Authority's financial statements.

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 2. FINANCIAL RISK MANAGEMENT

The Authority's activities expose it to a variety of financial risks; market risk (including fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The Authority's overall risk management program focuses to minimise potential adverse effects on the financial performance of the Authority.

Risk management is carried out covering specific areas, such as mitigating, interest rate and credit risks and investing excess liquidity.

(a) Market risk

As the Authority has no significant exposure to foreign exchange risk or price risk, the Authority's income and operating cash flows are not materially exposed to changes in market interest rates.

(b) Credit risk

The Authority has a concentration of credit risk whereby a small group of reputable customers comprise the majority of the trade receivables. The Authority has policies in place to ensure that services are provided to customers with an appropriate credit history.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to credit facilities. A dividend is payable to shareholders, being the shareholding Ministers. The dividend is proposed to the Ministers, for approval, by the Directors. The Directors take into consideration available cash resources to ensure sufficient funding remains available after payment of the dividend.

(d) Cash flow and fair value interest rate risk

As the Authority has interest bearing assets in the form of bank deposits, the Authority's income and operating cash flows are not materially exposed to changes in market interest rates.

The Authority has material interest bearing liabilities. The Authority's interest rate risk arises from long term borrowings. Borrowings issued at variable rates expose the Authority to cash flow interest rate risk. Borrowings issued at fixed rates expose the Authority to fair value interest rate risk. The Authority's income and operating cash flows are not materially exposed to changes in market interest rates.

Note 3. CRITICAL ACCOUNTING ADJUSTMENT ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances. The Authority has made no material critical accounting estimates and judgments causing a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year.

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$	2007 \$	2006 \$
Note 4. PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (INCOME TAX REVENUE) INCLUDES THE FOLLOWING SPECIFIC REVENUES AND EXPENSES.				
Service Revenue				
Harbour Dues			19,449,688	19,687,705
Tonnage Rates			4,830,449	4,686,920
Rentals			3,354,130	3,332,879
Pilotage Transfer Service Revenue			639,123	568,221
Charges for Services:				
Water Sales	257,925	225,366		
Services to Shipping	327,999	306,309		
Boat Harbour Ross River	191,444	197,225		
Boat Harbour Ross Creek	201,587	180,640		
Electricity Sales	113,551	106,365		
Picnic Bay Jetty	-	-		
Breakwater Marina - Mooring Fees	11,100	67,779		
Miscellaneous Plant	7,467	28,525		
Breakwater Marina - Fuel Licence	24,969	23,200		
Road Contribution Charge	82,338	112,279		
Port Security	61,510	33,965		
Main Harbour Fuel Licence Fee	-	-		
Port Services	32,618	17,259		
Waste Disposal	8,650	6,900		
Port Security Upgrade Charge	356,100	296,640	1,677,259	1,602,452
			29,950,649	29,878,177
Other Revenue				
Revenue from sale of Plant & Equipment	16,260	-		
Carrying Value of Plant & Equipment Disposed of	2,238	-		
Gain on Sale of Plant & Equipment			14,022	-
Miscellaneous Revenue			269,529	98,562
			283,552	98,562
Other Expenses				
Supplies & Services			14,494,530	14,539,868
Competitive Neutrality Fee			57,734	105,286
Land Tax			178,503	120,873
Audit Fees			101,950	77,225
Bad Debt Written Off			20,751	3,534
Lease Surrender Payment			-	-
Carrying Value of Plant & Equipment Disposed of	-	1,235,129		
Revenue from sale of Plant & Equipment	-	25,901		
Loss on Sale of Plant & Equipment			-	1,209,228
			14,853,469	16,056,014
Note 5. RETAINED PROFITS (ACCUMULATED LOSSES)				
Retained profits (accumulated losses) at the beginning of the year			14,097,432	11,919,462
Net Profit (Loss) for the period			7,164,596	2,177,970
Dividend provided for			-	-
Retained profits (accumulated losses) at the reporting date			21,262,027	14,097,432

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Note 6. INCOME TAX EQUIVALENTS		
<i>(a) Income tax equivalents expense</i>		
Current tax/(revenue)	1,753,583	1,977,505
Deferred tax/(revenue)	665,894	612,706
	2,419,477	2,590,211
Income tax equivalents expense is attributable to:		
Profit from operations	2,419,477	2,590,211
Deferred income tax (revenue) expense included in income tax expense comprises:		
Decrease/(Increase) in deferred tax assets	(793,745)	(721,143)
(Decrease)/Increase in deferred tax liabilities	1,459,639	1,333,848
	665,894	612,705
<i>(b) Numerical reconciliation of income tax expense to prima facie tax payable</i>		
Profit from operations before income tax expense	9,584,073	4,768,181
Tax at the rate of 30% (2005 - 30%)	2,875,222	1,430,454
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible entertainment	10,073	6,372
Non assessable reversal of prior year writedown of assets	(326,518)	(160,028)
Non assessable increase in fair values of investment properties	(1,437,206)	(1,509,618)
Non deductible asset revaluation writedowns	716	966,271
Non deductible depreciation expense	1,327,220	1,860,331
Sundry temporary differences	-	-
	2,449,507	2,593,782
Under/(over) provision in prior years	(30,030)	(3,571)
Income Tax Equivalents Expense	2,419,477	2,590,211
<i>(c) Amounts recognised directly in equity</i>		
Aggregate current and deferred tax arising in the reporting period and not recognised in the net profit or loss but directly debited or credited to equity,		
Current tax - credited directly to equity	-	-
Net deferred tax - debited/(credited) direct to equity as a result of net increment in ARR	3,716,254	2,651,001
	3,716,254	2,651,001
<i>(d) Tax losses</i>		
Unused tax losses for which a deferred tax asset has been recognised	1,218,750	1,218,750
Tax benefit @ 30%	365,625	365,625

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Note 6. INCOME TAX EQUIVALENTS (continued)		
<i>(e) Additional disclosure notes</i>		
Deferred tax assets		
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Provision for doubtful debts	725	291
Accrued audit fees	21,195	17,862
Accrued superannuation	2,118	2,136
Provision for annual leave	80,513	88,695
Provision for long service leave - current	15,898	18,295
Provision for long service leave - non current	184,606	180,728
Provision for maintenance Picnic Bay Jetty - current	12,300	10,800
Provision for maintenance Picnic Bay Jetty - non current	41,181	55,046
Accrued revenue	42,552	208,822
Tax losses	365,625	365,625
Differences between book value and tax bases of property, plant and equipment	15,086,157	14,110,825
	15,852,870	15,059,125
Movements:		
Opening balance at 1 July	15,059,125	14,337,982
Credited/(charged) to the income statement	793,745	721,143
Credited/(charged) to equity	-	-
Closing balance at 30 June	15,852,870	15,059,125
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Prepayments	2,568	1,817
Investment properties	4,715,152	3,256,263
Property, plant and equipment	-	-
	4,717,720	3,258,080
<i>Amounts recognised directly in equity</i>		
Revaluation of property, plant and equipment	23,603,435	19,887,180
	28,321,155	23,145,260
Movements:		
Opening balance at 1 July	23,145,260	19,160,410
Credited/(charged) to the income statement	1,459,639	1,333,849
Credited/(charged) to equity	3,716,256	2,651,001
Closing balance at 30 June	28,321,155	23,145,260

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Note 7. RESERVES		
Asset Revaluation Reserve	55,074,684	46,403,419
Movements During The Year:		
Asset Revaluation Reserve -		
Amount at beginning of the financial year	46,403,419	40,217,750
Net Asset Revaluation Increment (Decrement)	12,387,519	8,836,670
Tax Effect of Revaluation Increments	(3,716,254)	(2,651,001)
Amount at the reporting date	55,074,684	46,403,419
Note 8. EQUITY		
Total equity at the beginning of the financial year	159,435,879	151,072,240
Total changes in equity recognised in the Income Statement	15,835,860	8,363,639
Dividends provided for	-	-
Total equity at the reporting date	175,271,739	159,435,879
Note 9. CASH ASSETS		
Cash on Hand	1,450	1,450
Cash at Bank	897,758	798,392
Term Deposits	12,077,005	11,898,940
	12,976,212	12,698,782
Note 10. RECEIVABLES (CURRENT)		
Trade Debtors	3,561,142	3,867,030
Less Provision for Doubtful Debts**	(2,415)	(970)
	3,558,727	3,866,060
**There were no bad debts written off against the provision.		
Note 11. OTHER ASSETS		
Current		
Prepayments	291,577	157,587
	291,577	157,587
Non-Current		
Utility Deposits	1,440	1,440

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

			2007 \$	2006 \$
Note 12. PROPERTY, PLANT & EQUIPMENT	Cost	Accumulated Depreciation	Carrying Amount	Carrying Amount
	\$	\$	\$	\$
Channels and Swing Basins				
At Directors' Valuation - January 2007	75,533,393	41,355,793	34,177,600	34,565,135
Land				
At Directors' Valuation - January 2007	41,157,513	-	41,157,513	31,659,625
Wharves				
At Directors' Valuation - January 2007	164,273,955	138,082,509		
Additions at Cost	15,927	71		
Total Wharves	164,289,882	138,082,580	26,207,302	26,375,094
Breakwaters				
At Directors' Valuation - January 2007	24,989,703	6,159,068	18,830,635	18,982,654
Improvements (Land)				
At Directors' Valuation - January 2007	19,921,635	7,430,336		
Additions at Cost	42,267	902		
Total Improvements (Land)	19,963,902	7,431,238	12,532,664	12,268,584
Buildings				
At Directors' Valuation - January 2007	23,680,297	13,781,772		
Additions at Cost	59,904	2,069		
Total Buildings	23,740,201	13,783,841	9,956,360	9,867,890
Plant and Equipment				
At Cost	31,902,037	23,857,072	8,044,965	8,892,343
Access Roads				
At Directors' Valuation - January 2007	10,017,801	7,278,028		2,996,709
Additions at Cost	10,533	147		
Total Access Roads	10,028,334	7,278,175	2,750,159	2,996,709
Small Boat Harbours				
At Directors' Valuation - January 2007	7,626,008	4,943,124	2,682,884	2,748,946
Motor Vehicles				
At Cost	346,881	136,495	210,386	123,830
Beacons				
At Directors' Valuation - January 2007	534,864	480,847	54,017	82,277
<i>*Capital Works in Progress at cost</i>	5,331,091	-	5,331,091	2,272,316
	405,443,809	243,508,233	161,935,576	150,835,403
Investment Properties				
At Directors' Valuation - June 2007	23,512,339	-		18,721,654
Additions at Cost	72,273	-		
Total Investment Properties	23,584,612	-	23,584,612	18,721,654

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Note 12. PROPERTY, PLANT & EQUIPMENT (continued)		
*Capital Works in Progress		
Harbour Works	4,095,074	802,748
Eastern Port Development	1,183,425	1,183,425
Equipment	52,592	286,143
	5,331,091	2,272,316
	2007	2007
	Cost \$	Fair Value \$
Reconciliation of the Carrying Amounts by Class		
Channels and Swing Basins		34,565,135
Carrying amount at the beginning of the financial year at Fair Value		
additions		-
disposals		-
net revaluation increment / (decrement)		1,023,664
recoverable amounts write-downs		(517,916)
depreciation expense		(893,283)
Carrying amount at the end of the financial year at Fair Value		34,177,600
Land		
Carrying amount at the beginning of the financial year at Fair Value		31,659,625
additions		-
disposals		-
net revaluation increment / (decrement)		9,497,888
recoverable amounts write-downs		-
depreciation expense		-
Carrying amount at the end of the financial year at Fair Value		41,157,513
Wharves		
Carrying amount at the beginning of the financial year at Fair Value		26,375,094
additions		15,927
disposals		-
net revaluation increment / (decrement)		1,539,839
recoverable amounts write-downs		(263,692)
depreciation expense		(1,459,866)
Carrying amount at the end of the financial year at Fair Value		26,207,302
Breakwaters		
Carrying amount at the beginning of the financial year at Fair Value		18,982,654
additions		-
disposals		-
net revaluation increment / (decrement)		563,246
recoverable amounts write-downs		(296,299)
depreciation expense		(418,966)
Carrying amount at the end of the financial year at Fair Value		18,830,635
Improvements (Land)		
Carrying amount at the beginning of the financial year at Fair Value		12,268,584
additions		42,267
disposals		-
net revaluation increment / (decrement)		938,281
recoverable amounts write-downs		-
depreciation expense		(716,468)
Carrying amount at the end of the financial year at Fair Value		12,532,664

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 Cost \$	2007 Fair Value \$
Note 12. PROPERTY, PLANT & EQUIPMENT (continued)		
Reconciliation of the Carrying Amounts by Class (Continued)		
Buildings		
Carrying amount at the beginning of the financial year at Fair Value		9,867,890
additions		59,904
disposals		-
net revaluation increment / (decrement)		622,769
recoverable amounts write-downs		-
depreciation expense		(594,203)
Carrying amount at the end of the financial year at Fair Value		<u>9,956,360</u>
Plant & Equipment		
Carrying amount at the beginning of the financial year at Cost	8,892,343	
additions	864,532	
disposals	(2,238)	
recoverable amounts write-downs	-	
depreciation expense	(1,709,672)	
Carrying amount at the end of the financial year at Cost	<u>8,044,965</u>	
Access Roads		
Carrying amount at the beginning of the financial year at Fair Value		2,996,709
additions		10,533
disposals		-
net revaluation increment / (decrement)		221,340
recoverable amounts write-downs		-
depreciation expense		(478,423)
Carrying amount at the end of the financial year at Fair Value		<u>2,750,159</u>
Small Boat Harbours and Facilities		
Carrying amount at the beginning of the financial year at Fair Value		2,748,946
additions		-
disposals		-
net revaluation increment / (decrement)		144,406
recoverable amounts write-downs		-
depreciation expense		(210,468)
Carrying amount at the end of the financial year at Fair Value		<u>2,682,884</u>
Motor Vehicles		
Carrying amount at the beginning of the financial year at Cost	123,830	
additions	134,918	
disposals	-	
net revaluation increment / (decrement)	-	
recoverable amounts write-downs	-	
depreciation expense	(48,362)	
Carrying amount at the end of the financial year at Cost	<u>210,386</u>	
Beacons		
Carrying amount at the beginning of the financial year at Cost		82,277
additions		13,664
disposals		-
net revaluation increment / (decrement)		-
recoverable amounts write-downs		-
depreciation expense		(41,924)
Carrying amount at the end of the financial year at Fair Value		<u>54,017</u>

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 Cost \$	2007 Fair Value \$
Note 12. PROPERTY, PLANT & EQUIPMENT (continued)		
Reconciliation of the Carrying Amounts by Class (Continued)		
*Capital Works in Progress		
Carrying amount at the beginning of the financial year at Cost	2,272,315	
additions	4,272,794	
disposals	(1,214,018)	
net revaluation increment / (decrement)	-	
recoverable amounts write-downs	-	
depreciation expense	-	
Carrying amount at the end of the financial year at Cost	5,331,091	
Investment Properties		
Carrying amount at the beginning of the financial year at Fair Value		18,721,654
additions		72,273
disposals		-
net revaluation increment / (decrement)		4,790,685
recoverable amounts write-downs		-
depreciation expense		-
Carrying amount at the end of the financial year at Fair Value		23,584,612
	2007 \$	2006 \$
Note 13. PAYABLES (CURRENT)		
Trade Creditors	1,474,085	2,489,732
Revenue in Advance	141,841	696,074
Retention	113,938	19,061
Accrued Wages	68,540	65,839
Pilotage Clearing Account	-	-
Trust Fund Deposits	6,295	6,032
Employees' Long Service Leave	52,992	60,984
Employees' Annual Leave	268,375	295,650
	2,126,066	3,633,372
Note 14. INTEREST BEARING LIABILITIES		
Current	2,506,912	2,356,390
Non-Current	8,602,250	11,109,191
	11,109,162	13,465,581

All borrowings are with Queensland Treasury Corporation. The Queensland Treasury Corporation recorded a market value adjustment of (\$254,771), (2006 was \$156,816) principally as a result of past movements in the market value of liabilities in the Debt Pools giving a market debt outstanding of \$10,854,391 (2006 was \$13,308,765).

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Note 15. PROVISIONS		
Current		
Dividend	-	-
Fringe Benefits Tax	12,852	19,554
Picnic Bay Jetty Maintenance	41,000	36,000
	53,852	55,554
Non-Current		
Picnic Bay Jetty Maintenance	137,270	183,484
<i>Movements During The Year:</i>		
Dividend -		
Amount at beginning of the financial year	-	577,090
Additional Provision Recognised	-	-
Utilised Provision	-	(577,090)
Unused Amount Reversed	-	-
Amount at the reporting date	-	-
Fringe Benefits Tax -		
Amount at beginning of the financial year	19,554	24,156
Additional Provision Recognised	12,852	19,554
Utilised Provision	(19,554)	(24,156)
Unused Amount Reversed	-	-
Amount at the reporting date	12,852	19,554
Picnic Bay Jetty Maintenance -		
Amount at beginning of the financial year	219,484	263,416
Additional Provision Recognised	178,270	-
Utilised Provision	(219,484)	(43,932)
Unused Amount Reversed	-	-
Amount at the reporting date	178,270	219,484
Note 16. PAYABLES (NON-CURRENT)		
Employees' Long Service Leave	615,353	602,426
Note 17. CONTRIBUTED EQUITY		
Authorised capital - 500,000,000 ordinary shares of \$1 each	500,000,000	500,000,000
Issued capital		
Amount at beginning of the financial year - 98,935,028 ordinary shares of \$1 each fully paid	98,935,028	98,935,028
Amount at the reporting date - 98,935,028 ordinary shares of \$1 each fully paid	98,935,028	98,935,028
Note 18. DIVIDENDS		
<i>(a) Ordinary Shares</i>		
Final Dividend for the year ended.	-	-
<i>(b) Dividends not recognised at year end</i>		
Shareholding Ministers have approved that no dividend is payable in respect of the 30 June 2007 financial year. A dividend has not been recognised as a provision at financial year end or approved subsequent to financial year.		

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

	2007 \$	2006 \$
Note 19. DEVELOPMENT BUREAU & COMMUNITY PROJECTS		
Townsville Port Authority supported Development Bureau and community projects by providing cash and in-kind contributions to the following:-		
Townsville Enterprise Incorporated	130,000	127,273
Townsville Maritime Museum	47,410	88,688
Dragon's Abreast - Sponsorship of new boat for local Breast Cancer organisation	4,545	-
The Missions to Seaman (Townsville)	2,708	19,295
Townsville Sailing Club	2,500	-
Townsville Cultural Centre	1,800	-
Rotary Club of Townsville	1,500	-
Townsville Magnetic Island Swim Association	-	5,455
The Salvation Army Red Shield Appeal	-	5,000
Australia on the Map Inc. - Sponsorship of the Dyfken Voyage	-	5,000
Queensland Cancer Fund - 2006 Relay for Life Sponsorship	-	2,500
James Cook University of North Queensland Academic Prizes	1,700	1,800
	192,163	255,011
Note 20. CONSULTANCY EXPENDITURE		
Professional/Technical	634,374	450,467
Management	21,200	9,829
Human Resource Management	141,323	149,129
Finance/Accounting	129,327	110,847
Information Technology	-	31,530
Communication	41,021	46,409
	967,245	798,211
Note 21. COMMITMENTS		
<i>(a) Capital Expenditure Commitments (GST inclusive)</i>		
Plant & Equipment	259,600	137,280
Depending on works performance these commitments are payable not later than one year.	259,600	137,280
<i>(b) Operating Commitments (GST inclusive)</i>		
Operating Expenses	102,300	41,063
Depending on works performance the above commitments are payable within one year.		
<i>(c) Operating leases</i>		
Operating leases in place as at 30 June 2007		
Due within one year	58,854	105,870
Due not earlier than one year and not later than five years	-	58,849
	58,854	164,719
Note 22. CONTINGENT ASSETS/LIABILITIES		
There were no known contingent assets/liabilities of a significant nature at 30 June 2007.		

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 23. SEGMENT REPORTING

The Authority operates predominantly in one industry being that of seaport management and control. It operates predominantly in one geographic segment being Townsville.

Note 24. AUDITORS' REMUNERATION

Amounts received or due and receivable by the auditors for auditing the accounts.

	2007 \$	2006 \$
	35,700	41,250

Note 25. DISCLOSURE OF FINANCIAL INSTRUMENTS

(i) Interest Rate Risk

The Authority's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out below.

Financial Instrument

	Fixed Rate Measuring In						Non Interest Banking		Carrying Amount as per Balance Sheet		Weighted Average Book Rate	
	0-1 Years		1-5 Years		Over 5 Years		2007	2006	2007	2006	2007	2006
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
<i>Financial Assets</i>												
Cash on Hand							1,450	1,450	1,450	1,450		
Cash at Bank	897,758	798,392								798,392	5.39%	4.79%
Term Deposits	12,077,044	11,898,940								11,898,940	6.59%	5.93%
Receivables - See note 1 (j)							3,558,726	3,866,080	3,558,726	3,866,080		
Utility deposits							1,440	1,440	1,440	1,440		
<i>Financial Liabilities</i>												
Payables - See note 1 (k)							1,804,699	3,187,279	1,804,699	3,187,279		
QTC Borrowings	2,506,912	2,356,390	8,602,205	10,870,312		238,879			11,109,162	13,465,581	5.42%	5.57%

In the above Financial Instruments, book value equates to net fair value, with the exception of QTC Borrowings. The market rate of QTC Borrowings as at 30th June 2007 was \$10,854,391 (at 30th June 2006 was \$13,308,765).

(ii) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

(iii) Net Fair Values

The net fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Authority approximates their carrying value. See note 1(d)

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

Note 26. SPECIFIED DIRECTORS AND EXECUTIVES REMUNERATION

remuneration of specified directors	year	director fees	committee fees	employer superannuation	total remuneration
R.G. McLean (Chairman)	2006/07	27,151	2,468	-	29,619
	2005/06	26,360	1,917	1,865	30,142
S.B. Graw (Deputy Chair)	2006/07	12,341	1,975	1,288	15,604
	2005/06	11,982	1,678	1,229	14,889
A.J. Mooney	2006/07	12,341	617	1,166	14,124
	2005/06	11,982	599	1,132	13,713
G. Pennisi	2006/07	12,341	1,111	1,211	14,662
	2005/06	11,982	1,078	1,176	14,236
M.J. Griffiths	2006/07	12,341	1,851	1,277	15,470
	2005/06	11,982	1,078	1,176	14,236
P.F. Keehan	2006/07	12,341	926	1,194	14,461
	2005/06	11,982	1,198	1,186	14,366
K.V. McElligott	2006/07	12,341	1,481	1,244	15,066
	2005/06	11,982	1,438	1,028	14,448
D.L. Guides - appointed 1 July 2006	2006/07	12,341	926	1,194	14,461
	2005/06	-	-	-	-
insurance premiums to indemnify liabilities while acting as a director	2006/07	-	-	-	30,986
	2005/06	-	-	-	29,514
Total Remuneration: Specified Directors	2006/07	113,538	11,354	8,575	133,467
	2005/06	98,252	8,987	8,793	116,032
remuneration of specified executives	year	base salary	employer superannuation	other benefits (incl vehicle)	total remuneration
B. Holden - Chief Executive Officer	2006/07	173,193	21,873	20,974	216,040
	2005/06	165,753	21,133	23,341	210,227
L. Hore - Acting Manager - Major Projects *formerly Manager - Engineering	2006/07	109,007	13,765	16,480	139,252
	2005/06	106,204	13,300	19,377	138,881
K. Jorgensen - Manager - Finance * acting from 16 October 2006 to current	2006/07	62,638	6,165	9,403	78,206
	2005/06	-	-	-	-
R. Crosby - Manager - Corporate Governance * acting Manager Environment from 1 July 2006 to 16 May 2007	2006/07	86,607	11,090	10,802	108,499
	2005/06	84,637	10,520	16,288	111,445
B. O'Connor - Manager - Marine Services * acting from 16 October 2006 to current	2006/07	61,889	5,470	9,578	76,937
	2005/06	-	-	-	-
D.Young - Manager - Corporate Governance * acting from 1 July 2006 to 16 May 2007	2006/07	76,943	6,925	14,892	98,760
	2005/06	-	-	-	-
Former Executives					-
L. McDougall - Manager - Finance * resigned 2 November 2006	2006/07	31,354	5,157	7,317	43,828
	2005/06	84,666	10,795	16,722	112,183
D. King - Manager - Marine Services * resigned 31 October 2006	2006/07	30,108	4,735	7,204	42,047
	2005/06	83,790	10,520	16,094	110,404
Total Remuneration: Specified Executives	2006/07	631,739	75,180	96,650	803,569
	2005/06	525,050	66,268	91,822	683,140

TOWNSVILLE PORT AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2007

aggregate at-risk performance incentive remuneration		Aggregate at-risk performance incentive remuneration paid	Number of employees to whom a performance payment is paid or payable
	2006/07	nil	nil
	2005/06	nil	nil

Note 27. RELATED PARTY INFORMATION

From time to time Directors and Director related entities may have commercial dealings with the Authority. These transactions are conducted on arms length terms and conditions. Directors declare their interest on commercial dealings at Board meetings.

Note 28. EVENTS OCCURRING AFTER BALANCE DATE

No events were noted in the previous year's Annual Financial Report as occurring after balance date.