

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

PURPOSE AND SCOPE

Port of Townsville Limited (the Corporation) is a company limited by shares, incorporated and domiciled in Australia. Its registered office and place of business is:

Port of Townsville Limited
Benwell Road
Townsville QLD 4810

The Corporation is required to comply with the requirements of the *Corporations Act 2001* (Cth). Under the terms of section 128 of the *Government Owned Corporations Act 1993* (Qld), specified sections of the *Financial Administration and Audit Act 1997* (Qld) apply as if the Corporation were a statutory body. The Corporation is responsible as a port authority under the *Transport Infrastructure Act 1994* (Qld) for the management and control of the Port of Townsville

These Statements have been prepared:-

- › to satisfy the provisions of the *Corporations Act 2001* (Cth), the *Financial Administration and Audit Act 1977* (Qld) and other prescribed requirements; and
- › to communicate information concerning the Corporation's financial performance for the year and its financial position at year end to a variety of information users including:-
 - › its shareholding Ministers, the Honourable Treasurer and Minister for Employment and Economic Development and the Honourable Minister for Transport;
 - › users and potential users of the Port of Townsville;
 - › the community in general; and
 - › other interested parties.

The Statements are general purpose in nature and provide a full presentation of all of the financial activities of Port of Townsville Limited.

INCOME STATEMENT

FOR THE YEAR ENDING 30 JUNE 2009

	NOTES	2009 \$	2008 \$
REVENUES FROM ORDINARY ACTIVITIES			
<i>Revenue from Operating Activities</i>			
Service Revenue	4	35,948,887	35,431,701
<i>Revenue from Non-Operating Activities</i>			
Interest Received		958,545	1,247,206
Other Revenue	4	421,899	2,559,287
Reversal of Prior Year Write-downs on Assets		1,910,219	2,324,168
Changes in Fair Values of Investment Properties		805,901	2,535,320
TOTAL REVENUE FROM ORDINARY ACTIVITIES		40,045,451	44,097,682
EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING FINANCE COSTS			
Employee Benefits Expense	4	7,469,069	6,198,278
Depreciation Expense		7,597,315	7,007,053
Other Expenses	4	19,634,440	17,743,096
Asset Revaluation Write-downs		355,138	87,893
TOTAL EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING FINANCE COSTS		35,055,962	31,036,320
Finance Costs Expense		435,205	556,985
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE / (INCOME TAX REVENUE)		4,554,284	12,504,377
Income Tax Revenue (Income Tax Expense) relating to Ordinary Activities	6	(1,382,136)	(2,836,528)
PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE / (INCOME TAX REVENUE)	5	3,172,148	9,667,849
NET PROFIT / (LOSS)		3,172,148	9,667,849
Increase / (Decrease) in Asset Revaluation Reserve	17(a)	9,541,458	13,341,741
Dividends Provided or Paid	15	-	(3,917,003)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		9,541,458	9,424,738
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	18	12,713,606	19,092,587
The above income statement should be read in conjunction with the accompanying notes			
EARNINGS PER SHARE FOR PROFIT ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic earnings per share	19	0.008	0.049

BALANCE SHEET

FOR THE YEAR ENDING 30 JUNE 2009

	NOTES	2009 \$	2008 \$
CURRENT ASSETS			
Cash and Cash Equivalents	7	5,741,957	20,531,110
Trade and Other Receivables	8	4,003,881	3,517,262
Other	9	469,981	299,310
		10,215,819	24,347,682
Non-current assets classified as held for sale	10	-	612,484
TOTAL CURRENT ASSETS		10,215,819	24,960,166
NON-CURRENT ASSETS			
Property, Plant and Equipment	11	204,427,185	181,256,304
Investment Properties	12	26,657,867	25,979,243
Deferred Tax Assets	6(e)	1,791,025	1,099,707
Other	9	-	1,440
TOTAL NON-CURRENT ASSETS		232,876,077	208,336,694
TOTAL ASSETS		243,091,896	233,296,860
Current Liabilities			
Payables	13	2,454,115	3,472,533
Interest-bearing Liabilities	14	2,790,235	2,628,220
Current Tax Liabilities		1,030,231	2,196,277
Provisions	15	4,045,911	5,564,366
TOTAL CURRENT LIABILITIES		10,320,492	13,861,396
Non-Current Liabilities			
Payables	13	825,881	676,265
Interest-bearing Liabilities	14	3,186,571	5,974,829
Deferred Tax Liabilities	6(e)	21,823,539	18,324,575
Provisions	15	95,469	95,469
TOTAL NON-CURRENT LIABILITIES		25,931,460	25,071,138
TOTAL LIABILITIES		36,251,952	38,932,534
NET ASSETS		206,839,944	194,364,326
Equity			
Contributed Equity	16	98,567,936	98,935,028
Retained Earnings	17(b)	30,314,125	27,012,873
Reserves	17(a)	77,957,883	68,416,425
TOTAL EQUITY		206,839,944	194,364,326
The above balance sheet should be read in conjunction with the accompanying notes			

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDING 30 JUNE 2009

NOTES	2009 \$	2008 \$
Total equity at the beginning of the financial year	194,364,326	175,271,739
Gain on revaluation of land and buildings, net of tax	9,880,058	13,341,741
Realisation of disposed of assets	(209,496)	-
Net income recognised directly in equity	9,670,562	13,341,741
Profit for the year	3,172,148	9,667,849
Total Recognised Income and Expense for the year	12,842,711	23,009,590
Transactions with equity holders in their capacity as equity holders:		
Distribution to owners - redemption of ownership interest	(367,092)	
Dividends provided for or paid	-	(3,917,003)
	(367,092)	(3,917,003)
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	206,839,945	194,364,326
The accompanying notes form part of these financial statements		

CASH FLOW STATEMENT

FOR THE YEAR ENDING 30 JUNE 2009

	NOTES	2009 \$	2008 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		36,009,306	36,152,702
Payments to Suppliers and Employees		(25,764,163)	(21,238,473)
Interest Received		958,545	1,247,206
Interest Paid		(435,205)	(556,985)
Income Tax Equivalents Paid		(3,829,733)	(2,167,972)
NET CASH INFLOW FROM OPERATING ACTIVITIES	30(b)	6,938,750	13,436,478
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for Property, Plant and Equipment		(15,310,730)	(6,017,501)
Proceeds from Sale of Property, Plant and Equipment		126,073	2,642,034
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		(15,184,657)	(3,375,467)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings		(2,626,243)	(2,506,113)
Dividends Paid		(3,917,003)	-
NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES		(6,543,246)	(2,506,113)
Net (Decrease) / Increase in Cash Held		(14,789,153)	7,554,898
Cash at Beginning of the Financial Year		20,531,110	12,976,212
CASH AT END OF FINANCIAL YEAR	30(a)	5,741,957	20,531,110

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDING 30 JUNE 2009

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

This financial report covers the financial statements of Port of Townsville Limited. The financial report is presented in Australian currency. Port of Townsville Limited is a company limited by shares, incorporated and domiciled in Australia.

The principal 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.

The financial report was authorised for issue by the directors on 17 August 2009. The directors have the power to amend and reissue the financial report.

(a) Basis of Preparation of the Accounts

This general purpose financial report has been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), *Financial Management Standard 1997* (Qld), Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations.

Compliance with IFRSs

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

The financial report of Port of Townsville Limited also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Early adoption of standards

The Corporation has elected not to early adopt any new financial reporting standards from 1 July 2008.

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 and 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 areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

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

(b) Taxation

As a Government Owned Corporation, the Corporation is not subject to Commonwealth income tax but as from 1 July 2001 the Corporation has been required to pay tax equivalents under the National Tax Equivalents Regime. The Corporation, 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.

Deferred tax equivalent 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 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 transaction, 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 relate to the same taxation authority. Current tax assets and liabilities are offset where the Corporation 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

(c) 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.

The Corporation recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Corporation and specific criteria have been met for each of the Corporation's activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the sale have been resolved. The Corporation bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Cargo Charges / Berthage

Cargo charges and berthage revenue 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.

(v) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Corporation reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

(d) 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

(e) Trade and Other Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition for the Corporation'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 by reducing the carrying amount directly. A provision for impairment of trade receivables is established when there is objective evidence that the Corporation 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 impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(f) Inventories

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

(g) Investments and Other Financial Assets

Classification

The Corporation classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

(i) Financial Assets at Fair Value Through Profit or Loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. The Corporation did not hold any such assets during the year.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in receivables (note 8) in the balance sheet.

(iii) Held-to-Maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Corporation's management has the positive intention and ability to hold to maturity. If the Corporation were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

(iv) Available-for-Sale Financial Assets

The Corporation does not hold any financial assets for sale.

Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date (the date on which the Corporation commits to purchase or sell the asset). Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Corporation has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

Subsequent Measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Corporation's right to receive payment is established.

Impairment

The Corporation assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

(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 cost model 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

Actual cost is used for the initial recording of all acquisition of assets controlled and administered by the Corporation. 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 Corporation 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.

Where assets are constructed by the Corporation, the cost at which they are recorded includes an appropriate share of fixed and variable overheads.

Property, plant and equipment items with a cost or value in excess of \$500 and a useful life of more than three years 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 (k)) 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 Corporation to have assets carried at fair value independently valued and useful lives reassessed every five years, with annual adjustments being made. 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 2009 the carrying amounts of non-current assets were increased by indices provided by APV Valuers & Asset Management, which was considered and approved by Directors.

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 Corporation commencing from the time the asset is held ready for use. For depreciation purposes, complex assets have been broken down into major components.

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	2.50%
Plant, Equipment	5.0% - 33.3%
Land Improvements & Small Boat Harbour	2.5% - 10.0%
Buildings	5.0% - 10.0%
Breakwaters	2.00%
Motor Vehicles	25.00%
Access Roads	5.00%
Beacons	10.00%

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 Corporation's policy to transfer the amounts included in the other reserves in respect of those assets to retained earnings.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

(j) 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 Corporation's wide area network are fully expensed in the year the costs are incurred.

(k) 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 Corporation. 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.

(l) Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Corporation prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the terms set by the supplier. The carrying amount approximates fair value.

(m) Employee Benefits

(i) Wages and Salaries, Annual 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 as current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Sick Leave

Sick leave is not provided for on the grounds that it is non-vesting and, on average, no more than the annual entitlement is taken each year.

(iii) 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.

(iv) Superannuation

Some employees of the Corporation are members of the defined benefit fund managed by QSuper. The defined benefit fund is open to many employees across Queensland State Government departments, agencies and government business enterprises. There is insufficient information for the Corporation to apply defined benefit accounting. The Treasurer of Queensland, based on advice from the State Actuary, determines employer contributions, and the amount of this contribution is recognised as an expense. No liability is recognised for accruing superannuation benefits, as this liability is held on a whole-of-Government basis and reported in the whole-of-Government financials statements, prepared in terms of AAS 31 Financial Reporting by Governments.

(n) 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 Corporation has an unconditional right to defer settlement for the liability for at least 12 months after the balance sheet date.

(o) Finance Costs

All finance costs are recognised as an expense in the period in which they are incurred. No finance costs have been capitalised.

(p) Provisions

Provisions are recognised when the Corporation 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 reporting 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

(q) 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.

(r) Dividends

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

(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. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the balance sheet.

(t) Segment Reporting

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environment.

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

(u) New Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2009 reporting periods. The Corporation's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8 (Effective from 1 January 2009).

AASB 8 will result in a significant change in the approach to segment reporting, as it requires adoption of a 'management approach' to reporting on financial performance. The information being reported will be based on what the key decision makers use internally for evaluating segment performance and deciding how to allocate resources to operating segments. In addition, the segments will be reported in a manner that is more consistent with the internal reporting provided to the chief operating decision maker. The Corporation will adopt AASB 8 from 1 July 2009. However, as the Corporation does not operate in more than one segment, this development is will not affect the amounts recognised in the financial statements.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 (effective from 1 January 2009)

The revised AASB 123 has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The Corporation will adopt the revised AASB 123 from 1 July 2009. The impact on the financial statements will depend on the amount of qualifying assets and related borrowing costs in the first year of application.

Had the revised standard been applied in the current financial year, no amounts would have been capitalised in property, plant and equipment rather than being expensed.

(iii) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 (effective from 1 January 2009)

The September 2007 revised AASB 101 requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The Corporation will apply the revised standard from 1 July 2009.

(iv) AASB 2008-8 Amendment to IAS 39 Financial Instruments: Recognition and Measurement (effective 1 July 2009)

AASB 2008-8 amends AASB 139 Financial Instruments: Recognition and Measurement and must be applied retrospectively in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The amendment makes two significant changes. It prohibits designating inflation as a hedgeable component of a fixed rate debt.

It also prohibits including time value in the one-sided hedged risk when designating options as hedges. The Corporation will apply the amended standard from 1 July 2009.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

This development is not expected to have any impact on Corporation's financial statements for this reporting period.

(v) *AASB Interpretation 17 Distribution of Non-cash Assets to Owners and AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17*

AASB-17 applies to situations where an entity pays dividends by distributing non-cash assets to its shareholders. These distributions will need to be measured at fair value and the entity will need to recognise the difference between the fair value and the carrying amount of the distributed assets in the income statement on distribution.

The interpretation further clarifies when a liability for the dividend must be recognised and that it is also measured at fair value. The Corporation will apply the interpretation from 1 July 2009.

Note 2. FINANCIAL RISK MANAGEMENT

The Corporation's activities expose it to a variety of financial risks: market risk (including interest rate risk), credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Corporation. The Corporation uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate risks and aging analysis for credit risk.

Risk management is carried out by Corporation officers under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

The Corporation holds the following financial instruments:

	2009 \$	2008 \$
FINANCIAL ASSETS		
Cash and cash equivalents	5,741,957	20,531,110
Trade and other receivables	4,003,881	3,517,262
Available-for-sale financial assets	-	612,484
Other financial assets	469,981	299,310
	10,215,819	24,960,166
FINANCIAL LIABILITIES		
Trade and other payables	2,454,115	3,472,533
Borrowings	5,976,806	8,603,049
	8,430,921	12,075,582

(a) Market Risk

(i) *Foreign Exchange and Price Risk*

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

(ii) *Cash Flow and Fair Value Interest Rate Risk*

The Corporation's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Corporation to cash flow interest rate risk. Borrowings issued at fixed rates expose the Corporation to fair value interest rate risk. The Corporation's policy is to borrow from Queensland Treasury Corporation at fixed rates. During 2008 and 2009, the Corporation's borrowings at variable rate were denominated in Australian Dollars.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

As at the reporting date, the Corporation had the following variable rate borrowings:

	30 JUNE 2009		30 JUNE 2008	
	WEIGHTED AVERAGE INTEREST RATE %	BALANCE \$	WEIGHTED AVERAGE INTEREST RATE %	BALANCE \$
BANK LOANS	-	-	-	-
Queensland Treasury loans	5.67%	5,976,806	5.80%	8,603,049
		5,976,806		8,603,049

The Corporation currently does not have a set policy to manage its cash flow interest rate risk on the basis that the income and operating cash flows are not materially exposed to changes in market interest rates.

An analysis of maturities is provided in note 26.

The Corporation's fixed rate borrowings and receivables are carried at amortised cost. They are therefore not subject to interest rate risk as defined in AASB 7.

(b) Credit Risk

Credit risk arises from cash and cash equivalents, deposits held with financial institutions and credit exposures to large commercial and small individual customers including outstanding receivables.

The Corporation has policies in place to ensure that services are provided to customers with an appropriate credit history.

The maximum exposure to credit risk at reporting date is the carrying amount of the financial assets as summarised in the introductory paragraph to note 2.

(c) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through access to credit facilities. The Corporation manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Surplus funds are used to pay dividends to the Corporation's shareholders being 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.

Credit facilities are provided by Queensland Treasury Corporation with major capital expenditure projects in excess of \$5 million requiring shareholding Ministers' approval.

Maturities of Financial Liabilities

An analysis of maturities is provided in note 26.

(d) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Corporation for similar financial instruments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

Note 3. KEY SOURCES OF ESTIMATION UNCERTAINTY

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 Corporation and that are believed to be reasonable under the circumstances. The Corporation has made the following material critical accounting estimates and judgements causing a significant risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year.

		2009	2008
		\$	\$
INVESTMENT PROPERTIES			
Indexation rate	Land	2% - 3%	5%-15%
	Buildings	2% - 5%	10%-15%
PROPERTY, PLANT AND EQUIPMENT			
Replacement Cost Indexation rates	Access Roads	12.85%	12.33%
	Land	14.00%	35.00%
	Land Improvements	4.50%	7.00%
	Land Improvements - Services	6.2%	16.0%
	Buildings	4.00%	8.00%
	Breakwaters	12.85%	9.00%
	Channels and Swing Basins	12.85%	9.00%
	Small Boat Harbours	4.00%	12.50%
	Wharves	4.00%	12.50%
Recoverable amounts estimates	Discount Rate (pre tax WACC)	12.57%	13.43%
	Inflation Rate	2.75%	2.75%

NOTE 4. PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (INCOME TAX REVENUE) INCLUDES THE FOLLOWING SPECIFIC REVENUES AND EXPENSES.

	2009	2008	2009	2008
	\$	\$	\$	\$
SERVICE REVENUE				
Cargo Charges			22,947,770	23,041,401
Berthage			6,354,938	6,065,769
Rentals			4,068,629	3,710,092
Pilotage Transfer Service Revenue			742,401	748,625
Charges for Services:				
Water Sales	285,792	289,624		
Services to Shipping	328,560	322,697		
Boat Harbour Ross River	245,247	216,522		
Boat Harbour Ross Creek	134,535	195,360		
Electricity Sales	172,987	194,696		
Picnic Bay Jetty	-	-		
Breakwater Marina - Mooring Fees	11,100	11,100		
Miscellaneous Plant	55,175	25,019		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$	2009 \$	2008 \$
Breakwater Marina - Fuel Licence	15,694	20,834		
Road Contribution Charge	35,272	98,615		
Port Security	84,469	53,288		
Main Harbour Fuel Licence Fee	-	-		
Port Services	54,086	30,517		
Waste Disposal	6,670	6,862		
Fees and Charges for Miscellaneous Services	23,727	-		
Port Security Upgrade Charge	381,835	400,680	1,835,149	1,865,814
			35,948,887	35,431,701
OTHER REVENUE				
Revenue from sale of Property, Plant & Equipment	124,558	2,642,034		
Carrying Value of Property, Plant & Equipment Disposed of	249,700	762,284		
Gain (Loss) on Sale of Property, Plant & Equipment	(125,142)	1,879,750	(125,142)	1,879,750
Miscellaneous Revenue			547,041	679,537
			421,899	2,559,287
EMPLOYEE BENEFITS EXPENSES				
Salaries & Wages			5,619,348	4,758,137
Annual Leave			417,409	336,562
Long Service Leave			219,171	118,764
Superannuation			683,346	569,166
Payroll Tax			350,103	283,363
Fringe Benefits Tax			109,312	73,004
Workers Compensation			70,380	59,282
			7,469,069	6,198,278
DEPRECIATION				
Channels and Swing basins			975,769	913,796
Land			-	-
Wharves			1,645,188	1,543,368
Breakwaters			455,684	427,796
Improvements (Land)			1,035,800	793,703
Buildings			659,980	639,494
Access Roads			594,686	527,750
Small Boat Harbours			236,603	223,222
Beacons			683	41,613
Motor Vehicles			184,146	119,730
Plant and Equipment			1,808,776	1,776,581
			7,597,315	7,007,053

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
OTHER EXPENSES		
Supplies & Services	19,249,496	17,379,166
Competitive Neutrality Fee	32,062	42,780
Land Tax	239,402	221,867
Audit Fees	113,480	94,840
Bad Debt Written Off	-	4,442
	19,634,440	17,743,096
Note 5. RETAINED PROFITS (ACCUMULATED LOSSES)		
Retained Profits (Accumulated Losses) at the beginning of the year	27,012,873	21,262,027
Net Profit (Loss) for the period	3,172,148	9,667,849
Dividend Provided for	-	(3,917,003)
Realisation of Disposed Assets	129,104	-
RETAINED PROFITS (ACCUMULATED LOSSES) AT THE REPORTING DATE	30,314,125	27,012,873
Note 6. INCOME TAX EQUIVALENTS		
(a) Income tax equivalents expense		
Current Tax/(Revenue)	2,663,686	3,797,833
Deferred Tax/(Revenue)	(1,281,550)	(961,305)
	1,382,136	2,836,528
Income Tax Equivalents Expense is attributable to:		
Profit from Operations	1,382,136	2,836,528
Deferred Income Tax (Revenue) Expense included in Income Tax Expense comprises:		
Decrease/(Increase) in Deferred Tax Assets	(691,318)	(332,994)
(Decrease)/Increase in Deferred Tax Liabilities	(590,232)	(628,311)
	(1,281,550)	(961,305)
(b) Numerical Reconciliation of Income Tax Expense to prima facie Tax Payable		
Profit from Operations before Income Tax Expense	4,554,284	12,504,377
Tax at the rate of 30% (2008 - 30%)	1,366,285	3,751,313
Tax effect of amounts which are not deductible/ (taxable) in calculating taxable income:		
Investment Allowance	(30,600)	-
Entertainment	7,721	8,525
Asset fair value adjustments and depreciation	38,730	(557,685)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
Tax losses utilised	-	(365,625)
	1,382,136	2,836,528
Under/(over) provision in prior years	-	-
Income Tax Equivalents Expense	1,382,136	2,836,528
(c) Amounts Recognised Directly in Equity		
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 Asset Revaluation Reserve	4,089,196	5,717,890
	4,089,196	5,717,890
(d) Tax Losses		
Unused tax losses for which a deferred tax asset has been recognised	-	-
Tax benefit @ 30%	-	-
(e) Additional Disclosure Notes		
DEFERRED TAX ASSETS		
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Provision for doubtful debts	-	728
Accrued audit fees	6,840	15,537
Provision for litigation	1,200,000	-
Provision for annual leave	120,070	101,552
Provision for long service leave - current	19,315	17,938
Provision for long service leave - non current	247,764	202,880
Provision for maintenance Picnic Bay Jetty - current	4,079	12,300
Provision for maintenance Picnic Bay Jetty - non current	28,641	28,641
Provision for prawn farm remediation	-	473,858
Accrued revenue	164,316	246,273
Tax losses	-	-
	1,791,025	1,099,707
Movements:		
Opening balance at 1 July	1,099,707	766,713
Credited/(charged) to the income statement	691,318	332,994
Credited/(charged) to equity	-	-
CLOSING BALANCE AT 30 JUNE	1,791,025	1,099,707

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
DEFERRED TAX LIABILITIES		
The balance comprises temporary differences attributable to:		
<i>Amounts recognised in profit or loss</i>		
Prepayments	802	1,217
Investment properties	5,370,130	5,166,393
Property, plant and equipment	16,452,608	13,156,965
	21,823,540	18,324,575
Movements:		
Opening balance at 1 July	18,324,575	13,234,996
Credited/(charged) to the income statement	(590,231)	(628,311)
Credited/(charged) to equity	4,089,196	5,717,890
CLOSING BALANCE AT 30 JUNE	21,823,540	18,324,575
The Deferred tax liability includes amounts recognised directly in equity as follows:		
Revaluation of Property, Plant and Equipment	33,410,521	29,321,325
Note 7. CASH AND CASH EQUIVALENTS		
Cash on Hand	1,450	1,450
Cash at Bank	487,718	852,900
Term Deposits	5,252,789	19,676,760
	5,741,957	20,531,110
(a) Interest Rate Risk Exposure		
The Corporation's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above.		
Note 8. TRADE AND OTHER RECEIVABLES (CURRENT)		
Trade Receivables	4,003,882	3,519,689
Provision for impairment of receivables (note 8(a))	-	(2,427)
	4,003,882	3,517,262
The ageing of these receivables is as follows:		
0 - 30 days	3,694,914	2,552,226
30 - 60 days	94,102	869,587
over 60 days	214,866	97,876
	4,003,882	3,519,689

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
(a) Impaired Trade Receivables		
As at 30 June 2009 current trade receivables of the Corporation with a nominal value of \$0 (2008 - \$2,427) were impaired. The amount of the provision was \$0 (2008 - \$2,427). The individually impaired receivables mainly relate to small craft owners, which are in unexpectedly difficult economic situations. It was assessed that all receivables is expected to be recovered.		
The ageing of these receivables is as follows:		
Up to 3 months	-	-
3 to 6 months	-	-
Over 6 months	-	2,427
	-	2,427
Movements in the provision for impairment of receivables are as follows:		
At 1 July	2,427	2,415
Provision for impairment recognised during the year	-	4,454
Receivables written off against the provision during the year as uncollectible	-	(4,442)
Unused amount reversed	(2,427)	-
BALANCE	-	2,427
The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.		
(b) Past Due but not Impaired		
As of 30 June 2009 trade receivables of \$403,910 (2008 - \$546,608) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:		
Up to 3 months	101,377	529,622
3 to 6 months	57,860	2,855
Over 6 months	244,673	14,131
	403,910	546,608
The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Corporation does not hold any collateral in relation to these receivables.		
(c) Other Receivables		
These amounts generally arise from transactions outside the usual operating activities of the Corporation. The Corporation does not charge any interest where the terms of repayment exceed six months. Collateral is not normally obtained.		
(d) Foreign Exchange and Interest Rate Risk		
Information about the Corporation's exposure to foreign currency risk and interest rate risk in relation to trade and other receivables is provided in note 2.		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
(e) Fair Value and Credit Risk		
Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 2 for more information on the risk management policy of the Corporation and the credit quality of the Corporation's trade receivables.		
Note 9. OTHER ASSETS		
<u>Current</u>		
Prepayments	469,981	299,310
<u>Non-Current</u>		
Utility Deposits	-	1,440
Note 10. NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE		
In financial year 2008/2009, the Directors of the Corporation transferred lands to the Department of Infrastructure and Planning in addition to surrendering lands to the Department of Natural Resources and Water to allow for the construction of the Port Access Road. The transfer of lands was completed in September 2008, with the surrendered lands occurring in May 2009. The transfer of lands to the Department of Infrastructure and Planning was dealt with as a distribution to owners - redemption of ownership interest (refer Note 18).		
<u>Land</u>		
Opening Balance	612,484	-
Transfer in from Land	-	481,000
Transfer in from Investment Properties	-	131,484
Transferred out/disposed	(612,484)	-
CLOSING BALANCE	-	612,484

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

Note 11. PROPERTY, PLANT & EQUIPMENT	2009	2009	2009	2008
	COST	ACCUMULATED DEPRECIATION	CARRYING AMOUNT	CARRYING AMOUNT
	\$	\$	\$	\$
<u>Channels and Swing Basins</u>				
At Directors' Valuation	91,534,089	54,671,574	36,862,515	34,244,821
<u>Land</u>				
At Directors' Valuation	61,576,177	-	61,576,177	54,014,190
<u>Wharves</u>				
At Directors' Valuation	191,317,909	164,585,505	26,732,404	27,478,059
<u>Breakwaters</u>				
At Directors' Valuation	29,425,442	9,012,917	20,412,525	18,898,637
<u>Improvements (Land)</u>				
At Directors' Valuation	31,123,916	10,941,433	20,182,483	13,601,197
<u>Buildings</u>				
At Directors' Valuation	27,035,836	16,814,735	10,221,101	10,097,851
<u>Access Roads</u>				
At Directors' Valuation	12,712,358	10,486,849	2,225,509	2,530,853
<u>Small Boat Harbours</u>				
At Directors' Valuation	8,604,044	6,083,084	2,520,960	2,665,194
<u>Beacons</u>				
At Directors' Valuation	534,864	523,143	11,721	12,404
<u>Plant and Equipment</u>				
At Cost	30,510,852	24,848,710	5,662,142	6,845,863
<u>Motor Vehicles</u>				
At Cost	744,266	334,047	410,219	644,532
*Capital Works in Progress at cost	17,609,429	-	17,609,429	10,222,703
	502,729,182	298,301,997	204,427,185	181,256,304
*Capital Works in Progress			12,550,493	8,565,270
Harbour Works			4,477,242	1,613,880
Eastern Port Development			581,694	43,553
Equipment			17,609,429	10,222,703

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 FAIR VALUE \$
RECONCILIATION OF THE CARRYING AMOUNTS BY CLASS	
CHANNELS AND SWING BASINS	
Carrying amount at the beginning of the financial year at Fair Value	
additions	34,244,821
disposals	-
net revaluation increment / (decrement)	4,340,900
recoverable amounts write-downs	(747,437)
depreciation expense	(975,769)
Carrying amount at the end of the financial year at Fair Value	36,862,515
LAND	
Carrying amount at the beginning of the financial year at Fair Value	54,014,190
additions	-
disposals	-
net revaluation increment / (decrement)	7,561,987
recoverable amounts write-downs	-
depreciation expense	-
transfer to assets held for sale	-
Carrying amount at the end of the financial year at Fair Value	61,576,177
WHARVES	
Carrying amount at the beginning of the financial year at Fair Value	27,478,059
additions	-
disposals	-
net revaluation increment / (decrement)	1,066,765
recoverable amounts write-downs	(167,232)
depreciation expense	(1,645,188)
Carrying amount at the end of the financial year at Fair Value	26,732,404
BREAKWATERS	
Carrying amount at the beginning of the financial year at Fair Value	18,898,637
additions	-
disposals	-
net revaluation increment / (decrement)	2,400,637
recoverable amounts write-downs	(431,065)
depreciation expense	(455,684)
Carrying amount at the end of the financial year at Fair Value	20,412,525
IMPROVEMENTS (LAND)	
Carrying amount at the beginning of the financial year at Fair Value	13,601,197
additions	6,886,368
disposals	-
net revaluation increment / (decrement)	730,718
recoverable amounts write-downs	-
depreciation expense	(1,035,800)
Carrying amount at the end of the financial year at Fair Value	20,182,483

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 FAIR VALUE \$
BUILDINGS	
Carrying amount at the beginning of the financial year at Fair Value	10,097,851
additions	395,878
disposals	-
net revaluation increment / (decrement)	387,352
recoverable amounts write-downs	-
depreciation expense	(659,980)
Carrying amount at the end of the financial year at Fair Value	10,221,101
ACCESS ROADS	
Carrying amount at the beginning of the financial year at Fair Value	2,530,853
additions	-
disposals	-
net revaluation increment / (decrement)	289,342
recoverable amounts write-downs	-
depreciation expense	(594,686)
Carrying amount at the end of the financial year at Fair Value	2,225,509
SMALL BOAT HARBOURS AND FACILITIES	
Carrying amount at the beginning of the financial year at Fair Value	2,665,194
additions	-
disposals	-
net revaluation increment / (decrement)	92,369
recoverable amounts write-downs	-
depreciation expense	(236,603)
Carrying amount at the end of the financial year at Fair Value	2,520,960
BEACONS	
Carrying amount at the beginning of the financial year at Fair Value	12,404
additions	-
disposals	-
net revaluation increment / (decrement)	-
recoverable amounts write-downs	-
depreciation expense	(683)
Carrying amount at the end of the financial year at Fair Value	11,721
PLANT & EQUIPMENT	
Carrying amount at the beginning of the financial year at Cost	6,845,863
additions	662,930
disposals	(37,875)
recoverable amounts write-downs	-
depreciation expense	(1,808,776)
Carrying amount at the end of the financial year at Cost	5,662,142
MOTOR VEHICLES	
Carrying amount at the beginning of the financial year at Cost	644,532

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 FAIR VALUE \$
additions	-
disposals	(50,167)
net revaluation increment / (decrement)	-
recoverable amounts write-downs	-
depreciation expense	(184,146)
Carrying amount at the end of the financial year at Cost	410,219
*CAPITAL WORKS IN PROGRESS	
Carrying amount at the beginning of the financial year at Cost	10,222,703
additions	15,331,901
disposals/transfers to Property, Plant and Equipment	(7,945,175)
net revaluation increment / (decrement)	-
recoverable amounts write-downs	-
depreciation expense	-
Carrying amount at the end of the financial year at Cost	17,609,429

(a) Valuations of Property, Plant and Equipment

The valuation basis of land improvements, buildings, channels and swing basins, wharves, small boat harbours and facilities, access roads and beacons is fair value being the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition. The 2009 revaluations were based on independent assessments of a member of the Australian Property Institute as at 30 June 2009, refer to note 1 (i)(ii) for details. The revaluation surplus net of applicable deferred income taxes was credited to other reserves in shareholder's equity (note 17).

(b) Impairment Loss and Compensation

The impairment loss relates to assets that have been earmarked for assessment at the end of the 2009/2010 financial year. The whole amount has been included in the asset revaluation reserve relating to the relevant assets. The recoverable amount of the assets was determined by discounted expected future cash flows from the assets and discounted in accordance with the requirements of AASB 136.

(c) Carrying Amounts that could have been recognised in Land and Buildings were carried at cost

If freehold land and buildings were stated on the historical cost basis, the amounts would be as follows:

	2009 \$	2008 \$
FREEHOLD LAND		
Cost	21,746,801	21,746,801
Accumulated Depreciation	-	-
Net Book Amount	21,746,801	21,746,801
BUILDINGS		
Cost	13,317,273	12,921,395
Accumulated Depreciation	5,226,838	4,751,550
Net Book Amount	8,090,435	8,169,845
OTHER REVALUED PROPERTY, PLANT AND EQUIPMENT		
Cost	151,059,885	144,173,517
Accumulated Depreciation	54,496,598	50,399,082
Net Book Amount	96,563,287	93,774,435

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
Note 12. INVESTMENT PROPERTIES		
AT FAIR VALUE		
Opening balance at 1 July	25,979,243	23,584,612
Acquisitions	-	-
Capitalised subsequent expenditure	-	-
Net gain (loss) from fair value adjustment	805,901	2,535,320
Transfer from inventories and owner-occupied property	-	-
Disposals	(127,277)	(9,204)
Transfer to assets held for sale	-	(131,484)
CLOSING BALANCE AT 30 JUNE	26,657,867	25,979,243
(a) Amounts recognised in Profit and Loss for Investment Properties		
Rental income	923,814	795,236
Direct operating expenses from property that generate rental income	(49,363)	(154,755)
Direct operating expenses from property that did not generate rental income	(96,831)	(96,869)
PROFIT/(LOSS)	777,620	543,612
(b) Valuation Basis		
<p>The basis of the valuation of investment properties is fair value being the amounts for which the properties could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition and subject to similar leases. The 2009 revaluations were based on independent assessments made by APV Valuers and Asset Management.</p>		
Note 13. PAYABLES		
CURRENT		
Trade Payables	1,317,719	2,138,342
Revenue in Advance	547,719	820,909
Retention	118,106	108,198
Accrued Wages	-	-
Trust Fund Deposits	5,955	6,784
Employee Benefits - Annual Leave	400,234	338,506
Employee Benefits - Long Service Leave	64,382	59,794
	2,454,115	3,472,533
NON-CURRENT		
Employee Benefits - Long Service Leave	825,881	676,265

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
(a) Amounts not expected to be settled within the next 12 months		
The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since the Corporation does not have an unconditional right to defer settlement. However, based on past experience, the Corporation does not expect all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The Corporation believes the non-current amount reflects leave that is not expected to be taken or paid within the next 12 months.		
(b) Risk Exposure		
Information about the Corporation's exposure to foreign exchange risk is provided in note 2.		
Note 14. INTEREST BEARING LIABILITIES		
Current	2,790,235	2,628,220
Non-Current	3,186,571	5,974,829
	5,976,806	8,603,049
(a) Risk exposure		
Details of the Corporation's exposure to risks arising from current and non-current borrowings are set out in note 2.		
(b) Fair value - Non-Current portion of Interest Bearing Liabilities		
All borrowings are with Queensland Treasury Corporation. Queensland Treasury Corporation recorded a market value adjustment of (\$108,877), (2008 was \$218,159) principally as a result of past movements in the market value of liabilities in the Debt Pools giving a market debt outstanding of \$6,084,034 (2008 was \$8,384,890).		
None of the classes are readily traded on organised markets in standardised form.		
(c) Risk Exposure - Non-Current portion of Interest Bearing Liabilities		
Information about the Corporation's exposure to interest rate and foreign currency changes is provided in note 2.		
Note 15. PROVISIONS		
CURRENT		
Dividend	-	3,917,003
Prawn Farm Remediation	-	1,579,528
Litigation	4,000,000	-
Picnic Bay Jetty Maintenance	13,596	41,000
Fringe Benefits Tax	25,333	17,125
Competitive Neutrality Fee	6,982	9,710
	4,045,911	5,564,366
NON-CURRENT		
Picnic Bay Jetty Maintenance	95,469	95,469

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

(a) Prawn Farm Remediation

In the year ending 30 June 2009, the Corporation handed over a portion of its freehold land to the State of Queensland. The land will be used to facilitate the building of the Eastern Port Access Road. The Corporation was obliged to remediate the land prior to its hand-over. The provision in 2007/2008 reflected the estimated costs of remediating the land.

The Corporation has provided for all known environmental liabilities. While the Directors believe that, based upon current information, its current provisions for environmental remediation are adequate, there can be no assurance that material new provisions will not be required as a result of new information or regulatory requirements with respect to known sites or identification of new remedial obligations at other sites.

(b) Litigation

There are a number of legal proceedings pending against the Corporation at reporting date. Provisions have been taken up for some of these exposures based on the Board's determination.

(c) Movements in Provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	DIVIDEND \$	PRAWN FARM REMEDICATION \$	PICNIC BAY JETTY MAINTENANCE \$	FRINGE BENEFITS TAX \$	COMPETITIVE NEUTRALITY FEE \$	LITIGATION \$
CURRENT						
Carrying amount at start of year	3,917,003	1,579,528	41,000	17,125	9,710	-
Charged/(credited) to the income statement						
- additional provisions recognised	-	-	-	25,333	6,982	4,000,000
- unused amounts reversed	-	-	-	(17,125)	-	-
Amounts used during the period	(3,917,003)	(1,579,528)	(27,404)	-	(9,710)	-
Carrying amount at end of year	-	-	13,596	25,333	6,982	4,000,000
					2009 \$	2008 \$
PICNIC BAY JETTY MAINTENANCE - NON-CURRENT						
Carrying amount at start of year					95,469	95,469
Charged/(credited) to the Income Statement						
- additional provisions recognised					-	95,469
- unused amounts reversed					-	-
Amounts used during the period					-	(137,270)
Carrying amount at end of year					95,469	53,668
Note 16. 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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
Amount at the reporting date - 98,567,936 ordinary shares of \$1 each fully paid	98,567,936	98,935,028
(a) Issued Capital - Ordinary Shares		
Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Corporation in proportion to the number of and amounts paid on the shares held.		
(b) Capital Risk Management		
The Corporation's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.		
In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.		
Note 17. RESERVES AND RETAINED PROFITS		
(a) Reserves		
Asset Revaluation Reserve	77,957,883	68,416,425
	77,957,883	68,416,425
MOVEMENTS:		
Asset Revaluation Reserve		
Balance 1 July	68,416,425	55,074,684
Revaluation - gross	13,969,254	19,059,631
Realisation of disposed assets	(338,600)	-
Deferred tax	(4,089,196)	(5,717,890)
Balance 30 June	77,957,883	68,416,425
(b) Retained Profits		
Movements in retained profits were as follows:		
Balance 1 July	27,012,873	21,262,027
Net profit for the year	3,172,148	9,667,849
Realisation of assets transferred to owners	129,104	-
Dividends provided for	-	(3,917,003)
Balance 30 June	30,314,125	27,012,873
(c) Nature and Purpose of Reserve		
The property, plant and equipment revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in note 1(i). The balance standing to the credit of the reserve may be used to satisfy the distribution of bonus shares to shareholders and is only available for the payment of cash dividends in limited circumstances as permitted by law.		
Note 18. EQUITY		
Total equity at the beginning of the financial year	194,364,326	175,271,739

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
Total changes in equity recognised in the Income Statement	12,713,606	23,009,590
Distribution to owners - redemption of ownership interest	(367,092)	-
Realisation of assets transferred to owners	129,104	-
Dividends provided for	-	(3,917,003)
TOTAL EQUITY AT THE REPORTING DATE	206,839,944	194,364,326
Note 19. DIVIDENDS		
(a) Ordinary Shares		
Dividends provided are based on 80% of net profit after an adjustment for the effect on net profit for upwards revaluations. No dividend has been provided for during the financial year.		
Dividends provided or paid for	-	(3,917,003)
(b) Earnings Per Share		
Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Corporation, excluding adjustments for the effect of upwards revaluations.		
Profit attributable to equity holders	811,167	4,896,255
Number of Shares	98,567,936	98,935,028
Earnings per share	0.008	0.049
Note 20. DEVELOPMENT BUREAU & COMMUNITY PROJECTS		
The Corporation supported Development Bureau and community projects by providing cash and in-kind contributions to the following:-		
Townsville Enterprise Limited	104,000	125,000
Townsville Maritime Museum	56,094	54,668
Australian Volunteer Coastguard	25,000	-
Ingham Flood Appeal	10,000	-
Other	63,572	32,827
	258,666	212,495
Note 21. CONSULTANCY EXPENDITURE		
Professional/Technical	1,057,490	990,686
Management	52,322	58,582
Human Resource Management	26,752	65,344
Finance/Accounting	137,159	134,831
Information Technology	31,698	13,467
Communication	10,364	14,897
	1,315,785	1,277,807

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
Note 22. COMMITMENTS		
(a) Capital Expenditure Commitments (GST inclusive)		
Capital expenditure contracted for at the reporting date but not recognised as a liability is as follows:		
Not later than one year	7,256,478	367,370
Later than one year but not later than five years	-	-
	7,256,478	367,370
(b) Operating Commitments (GST inclusive)		
Operating Expenses contracted for at the reporting date but not recognised as a liability is as follows:		
Not later than one year	1,399,856	318,997
Later than one year but not later than five years	302,641	-
	1,702,498	318,997
Note 23. CONTINGENT ASSETS/LIABILITIES		
There are a number of legal proceedings pending against the Corporation at reporting date. Provisions have been taken up for some of these exposures based on the Board's determination, and are included in Note 15. Based on legal advice, the remaining potential liabilities and costs that could arise out of these proceedings cannot be defined at this point and are not considered material to the financial position of the Corporation.		
Note 24. SEGMENT REPORTING		
The Corporation operates predominantly in one industry being that of seaport management and control. It operates predominantly in one geographic segment being Townsville.		
Note 25. AUDITORS' REMUNERATION		
Amounts received or due and receivable by the Queensland Audit Office for audit and review of financial reports	37,800	36,895
Note 26. DISCLOSURE OF FINANCIAL INSTRUMENTS		
(a) Interest Rate Risk		
The Corporation'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.		

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	0-1 YEARS		FIXED RATE MATURING IN 1-5 YEARS		OVER 5 YEARS		NON INTEREST BEARING		CARRYING AMOUNT AS PER BALANCE SHEET		WEIGHTED AVERAGE BOOK RATE	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
FINANCIAL ASSETS												
Cash on Hand							1,450	1,450	1,450	1,450		
Cash at Bank	487,718	852,900							487,718	852,900	4.56%	5.73%
Term Deposits	5,252,789	19,676,760							5,252,789	19,676,760	3.42%	8.17%
Receivables							3,677,096	3,517,262	3,677,096	3,517,262		
Utility Deposits							-	1,440	-	1,440		
FINANCIAL LIABILITIES												
Payables							1,846,848	3,131,885	1,846,848	3,131,885		
QTC Borrowings	2,790,235	2,628,220	3,186,571	5,974,829					5,976,806	8,603,049	5.67%	5.80%

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 30 June 2009 was \$6,084,034 (at 30th June 2008 was \$8,384,890).

(b) 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.

(c) Net Fair Values

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

(d) Sensitivity Analysis

	CARRYING AMOUNT	INTEREST RATE RISK			
		- 1%		- 1%	
		PROFIT INCREASE/(DECREASE)	EQUITY	PROFIT INCREASE/(DECREASE)	EQUITY
FINANCIAL ASSETS					
Cash and Cash Equivalents	5,741,957	(57,420)	(57,420)	57,420	57,420
Receivables	4,003,881	-	-	-	-
FINANCIAL LIABILITIES					
Payables	2,454,115	-	-	-	-
QTC Borrowings	5,976,806	(59,768)	(59,768)	59,768	59,768

The Corporation is not exposed to any other price or foreign exchange rate risks.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

Note 27. KEY MANAGEMENT PERSONNEL

(a) Details of Directors

During the year, the Corporation's Board was made up of the following Directors:

DIRECTOR	DATE OF APPOINTMENT	DATE OF TERMINATION/RESIGNATION
Mr R. Dunning (Chairman)	1 October 2007	30 September 2010
Prof. S. Graw (Deputy Chair)	1 July 2001, Reappointed 1 July 2009	30 September 2012
Mr A. Mooney	15 September 1990, Reappointed 1 October 2007	30 September 2008
Mr G. Pennisi	1 July 2001, Reappointed 1 October 2008	30 June 2009
Ms M. Griffiths	1 July 2005, Reappointed 1 October 2007	30 September 2009
Mr K. McElligott	1 July 2005, Reappointed 1 October 2008	30 June 2009
Prof. S. Harding	1 October 2007	31 December 2008
Ms D. Giudes	1 July 2006	30 September 2008
Mr S. Cantwell	7 May 2009	30 September 2011
Hon. T. McGrady AM	7 May 2009	30 September 2011
Mr M. Stolz	7 May 2009	30 September 2011

(b) Directors' Remuneration

All remuneration of directors including directors' fees and board committee fees is determined by Governor in Council on the basis of meetings attended and expenditure incurred in performing their roles as directors of the Corporation.

In accordance with the disclosure requirements for Government Owned Corporations, details of remuneration provided to directors in office at 30 June 2009 are as follows:-

REMUNERATION OF SPECIFIED DIRECTORS	YEAR	DIRECTOR FEES	COMMITTEE FEES	EMPLOYER SUPERANNUATION	TOTAL REMUNERATION
Mr R. Dunning (Chairman)	2008/09	28,679	14,227	4,203	47,109
	2007/08	20,852	8,214	2,284	31,350
Prof. S. Graw (Deputy Chair)	2008/09	13,261	9,124	2,015	24,400
	2007/08	12,637	7,140	1,780	21,557
Mr A. Mooney appointment ceased 30 September 2008	2008/09	3,332	948	385	4,665
	2007/08	12,637	3,159	1,422	17,218
Mr G. Pennisi appointment ceased 30 June 2009	2008/09	13,208	3,910	1,541	18,659
	2007/08	12,637	3,602	1,470	17,709
Ms M. Griffiths	2008/09	13,208	3,910	1,541	18,659
	2007/08	12,637	3,602	1,461	17,700
Mr K. McElligott appointment ceased 30 June 2009	2008/09	13,208	3,910	1,541	18,659
	2007/08	12,637	3,602	1,461	17,700

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

REMUNERATION OF SPECIFIED DIRECTORS	YEAR	DIRECTOR FEES	COMMITTEE FEES	EMPLOYER SUPERANNUATION	TOTAL REMUNERATION
Prof. S. Harding	2008/09	6,624	1,935	770	9,329
resigned 31 December 2008	2007/08	9,478	2,843	1,109	13,430
Ms D. Giudes	2008/09	3,345	1,264	415	5,024
appointment expired 30 September 2008	2007/08	12,637	4,107	1,507	18,251
Mr S. Cantwell	2008/09	2,195	-	198	2,392
appointed 7 May 2009	2007/08	-	-	-	-
Hon. T. McGrady AM	2008/09	2,195	-	198	2,392
appointed 7 May 2009	2007/08	-	-	-	-
Mr M. Stolz	2008/09	2,195	-	198	2,392
appointed 7 May 2009	2007/08	-	-	-	-
TOTAL REMUNERATION SPECIFIED DIRECTORS	2008/09	101,448	39,230	13,003	153,679
	2007/08	113,115	37,268	13,258	163,641
Insurance premiums to indemnify liabilities while acting as a Director	2008/09	-	-	-	38,523
	2007/08	-	-	-	30,986

(c) Executive Remuneration

Remuneration for the Chief Executive Officer and Senior Executives is determined by the Board, and advised to shareholding Ministers before any variation is made to remuneration arrangements.

The Corporation's remuneration policy provides for a review of executive salaries during June of each year with any adjustments effective 1 July. Details of executive remuneration are included in the Annual Report and Statement of Corporate Intent in accordance with legislative and policy requirements. Increases in Chief Executive Officer and Senior Executive remuneration are made and approved in accordance with the Government Owned Corporations Governance Arrangements for Chief and Senior Executives (issued May 2008, updated February 2009).

The senior executive remuneration strategy and practices of the Corporation are designed to assist with attracting, retaining and motivating high calibre individuals in senior executive positions. Shareholder guidelines and policies in relation to executive remuneration are followed.

The fixed remuneration on appointment is within a remuneration range approved by the shareholding Ministers in accordance with Queensland Treasury guidelines. Annual increases are made in accordance with the Governance Arrangements for Chief and Senior Executives.

Senior executives are eligible for a performance payment based on achievement of specific corporate, business unit and individual performance objectives, standards and achievements.

The initial standards are set by Directors and are developed from the key objectives contained in the Statement of Corporate Intent. The performance payment is contingent upon Board assessment of the Corporation's performance and is in line with Government requirements. The maximum performance payment is 15% of total fixed remuneration. Payments are made in cash, or if appropriate notice has been provided, paid into the employee's superannuation fund on a salary sacrifice basis. Shareholding Minister approval is obtained for the Corporation's policy in relation to performance payments.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

REMUNERATION OF SPECIFIED EXECUTIVES	YEAR	BASE SALARY	EMPLOYER SUPERANNUATION	OTHER BENEFITS (INCL VEHICLE)	TOTAL REMUNERATION
Mr B. Holden - Chief Executive Officer	2008/09	213,348	28,011	15,501	256,860
	2007/08	184,488	23,521	22,842	230,851
Mr M. O'Halloran - General Manager Operations	2008/09	152,847	12,320	4,829	169,996
	2007/08	123,719	10,326	9,791	143,836
Ms R. Crosby - General Manager Support Services	2008/09	122,549	16,245	5,263	144,057
	2007/08	117,063	12,247	8,322	137,632
Ms E. Hilton (nee Glashoff) - General Manager Business Development <i>Resigned 11 March 2009</i>	2008/09	94,322	7,697	2,747	104,766
	2007/08	105,402	9,805	9,869	125,076
Mr S. Basnayake - General Manager Business Development <i>Commenced 11 March 2009</i>	2008/09	48,798	6,527	6,163	61,488
	2007/08	-	-	-	-
Mr M. Gledhill - Manager Engineering	2008/09	127,405	17,135	9,050	153,590
	2007/08	117,296	14,708	17,305	149,309
TOTAL REMUNERATION SPECIFIED EXECUTIVES	2008/09	759,269	87,935	43,553	890,757
	2007/08	647,968	70,607	68,129	786,704

	2009 \$	2008 \$
Aggregate performance incentive paid	\$ 109,949	\$ 79,893
Number of employees to whom performance payment is paid	8	5
Number of senior executives whose remuneration from the Corporation was within the bands listed below:		
\$100,000 - \$120,000	2	1
\$120,001 - \$140,000	3	3
\$140,001 - \$160,000	3	2
\$160,001 - \$180,000	1	1
\$180,001 - \$200,000	-	-
\$200,001 - \$220,000	-	-
\$220,001 - \$240,000	-	1
\$240,001 - \$260,000	1	-
THE AGGREGATE REMUNERATION PAID TO THE ABOVE EXECUTIVES	\$ 1,542,333	\$ 1,189,885

(d) Loans to Key Management Personnel
There are no loans outstanding to the Corporation from key management personnel.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
(e) Other Transactions with Key Management Personnel		
No transactions were entered into by the Corporation and key management personnel other than compensation paid to key management personnel by the Corporation.		
Note 28. RELATED PARTY TRANSACTIONS		
(a) Control		
The Corporation is a Queensland Government Owned Corporation, with all shares held by shareholding Ministers on behalf of the State of Queensland.		
(b) Key Management Personnel		
Disclosures relating to key management personnel are set out in note 27.		
(c) Transactions with Related Parties		
From time to time Directors and Director related entities may have commercial dealings with the Corporation. These transactions are conducted on arms length terms and conditions. Directors declare their interest on commercial dealings at Board meetings.		
In the ordinary course of business conducted under normal terms and conditions, the Corporation has dealt with:		
James Cook University, of which Professor S. Harding is Vice-Chancellor and President, and Professor S. Graw is the Head of the School of Law. James Cook University received payments for sponsored prizes/awards of \$1,600 during the year.		
(d) Transactions with State of Queensland Controlled Entities		
Government Owned Corporations operate in a commercial environment and deliver a range of services across diverse industries such as energy, transport and funds management. All transactions between the Corporation and other government owned corporations are on an arm's length commercial basis. Port of Townsville Limited, as a Government Owned Corporation, has had arm's length transactions with other government agencies.		
REVENUE		
Queensland Treasury Corporation:		
› Interest Revenue	943,028	1,247,206
EXPENSES		
Queensland Audit Office (QAO) - Audit fees	37,800	36,895
Queensland Transport - Crown boat harbour mooring fees	25,216	44,684
QR Limited - Track maintenance	25,333	24,666
Queensland Treasury Corporation:		
› Loan interest expense	435,205	556,985
› Competitive Neutrality Fee	32,062	42,780
Office of State Revenue:		
› Payroll Tax	350,103	248,798
› Land Tax	239,402	221,867
WorkCover Queensland - Workers Compensation	70,380	59,282

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
Port of Brisbane - Dredging and MSIC Applications	2,262,771	2,005,963
Ergon Energy - Electricity	340,250	319,285
Contributions to Q Super on behalf of employees	634,002	569,166
ASSETS		
Queensland Treasury Corporation:		
› Short Term Investment	5,252,789	19,676,760
LIABILITIES		
Queensland Treasury Corporation:		
› Loan repayment	2,626,243	2,506,113
Dividends Payable to Queensland Treasury	-	3,917,003

(e) Outstanding Balances arising from Transactions with Related Parties

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(f) Guarantees

As at 30 June 2009 there were no guarantees provided by Port of Townsville Limited on behalf on a related party.

Note 29. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 1 July 2009 the assets, liabilities, staff and control of the Port of Lucinda was transferred from Ports Corporation of Queensland Limited (PCQ) to Port of Townsville Limited under Government Owned Corporation (Queensland Ports Restructure) Regulation 2009.

In accordance with AASB Interpretation 1038 Contributions by Owners made to Wholly-Owned Public Sector Entities, the transfer of the assets and liabilities to Port of Townsville Limited is considered to be a contribution by owners (the State of Queensland)

The value of the assets and liabilities transferred to Port of Townsville Limited in respect of the Port of Lucinda is as follows:

	ASSETS	LIABILITIES	INCREASE IN SHARE CAPITAL (NET ASSETS)
	3,988,292	616,539	3,371,752

The values were the values in the balance sheet of the transferring port at 30 June 2009.

The contribution by owners of \$3,371,752 is presented by an issue of share capital. On 1 July 2009 1,685,876 shares were issued to each shareholding Minister on behalf of the State of Queensland. The shares have been issued in accordance with the Corporations Act 2001 (Cth).

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDING 30 JUNE 2009

	2009 \$	2008 \$
Note 30. RECONCILIATION OF PROFIT AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES		
(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	487,718	852,900
Term Deposits	5,252,789	19,676,760
	5,741,957	20,531,110
(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	3,172,147	9,667,849
Depreciation	7,597,315	7,007,053
Profit (Loss) on Disposal of Non-Current Assets	125,141	(1,879,750)
Net Revaluation Increments - Non-Current Assets	(2,360,982)	(4,771,595)
CHANGES IN ASSETS AND LIABILITIES		
(Increase) Decrease in Trade Debtors	(486,620)	41,464
(Increase) Decrease in Utility Deposits	1,440	-
(Increase) Decrease in Prepayments	(170,672)	(7,734)
Increase (Decrease) in Trade and Other Payables	(888,620)	1,164,664
Increase (Decrease) in Operating Retention	(1,350)	(5,740)
Increase (Decrease) in Provisions	2,398,548	1,551,710
Increase (Decrease) in Provision for Taxation and Deferred Tax balances	(2,447,597)	668,557
NET CASH INFLOW FROM OPERATING ACTIVITIES	6,938,750	13,436,478
(c) Financing Facilities		
The Corporation has available a business card facility with a limit of \$120,000. Loan facilities as shown in note 14 to the accounts are provided by Queensland Treasury Corporation. New borrowings are subject to the approved Loan Program with the sanction of the Treasurer of Queensland.		