



townsville port authority  
annual report | 2000-2001



a change in direction

## about our report

This report communicates our financial and business activities for the fiscal year from 1 July 2000 to 30 June 2001.

Its aim is to provide readers with clear, concise information about the port's performance and provides a comprehensive overview of our activities.

It is designed to inform our shareholders, customers, employees, Government and industry and other interested parties. It is used to support the marketing of the Port of Townsville to existing and potential customers and is widely distributed throughout Australia and overseas.

We have reduced the number of printed copies this year, from 2000 down to 1200, in an effort to reduce printing costs and to encourage readers to utilise our electronic version, accessible through our website. Further information on our activities, operations and services can be found by visiting our website at [www.townsville-port.com.au](http://www.townsville-port.com.au)

### your comments are important to us

Our 1999/2000 report was recognised at the 20th Anniversary of the Institute of Internal Auditors Inc. (Old Branch) 2000 Queensland Public Sector Annual Report Awards, where it was awarded an Award of Excellence. We were also nominated for Best Disclosure of Environmental Issues, and although we did not win this special award, we were awarded a Certificate of Merit by Greening the Boardroom.

We were also recognised for our achievement in distinguished annual reporting when we received a Silver Award in the Annual Report Awards (ARA).

We are continually striving towards achieving excellence in annual reporting. Feedback on the contents and style of this report is important to us, so we can improve future reporting. We welcome your comments and suggestions on the feedback form enclosed. Thank you for taking the time to complete this.

### add your name to our database

Copies of this report are available free of charge by telephoning 61 7 4781 1500 or by visiting our website. You can view this report plus copies of previous reports at [web !\[\]\(c50c8b7b2cc2cf9ff925edec0ee94c0d\_img.jpg\) http://www.townsville-port.com.au/publications](http://www.townsville-port.com.au/publications)

A database records all mailing addresses for those readers wishing to be placed on it to receive future publications. Please complete this section on the questionnaire enclosed or visit us on-line to advise us of your contact details. Alternatively you may wish to be removed from our mailing list and view future reports on-line. If you do not wish to receive a paper version of our report, please indicate this on the questionnaire or via the feedback form found at our website.

### cover

The culmination of internal and external communication surveys and organisational restructure was the impetus the management team needed to take decisive action in planning for the port's future direction. This action led this team to conduct a corporate planning exercise to identify what our strengths and weaknesses were. This resulted in the formulation of a new Corporate Plan which identifies strategic issues and sets clear objectives and meaningful key performance indicators.

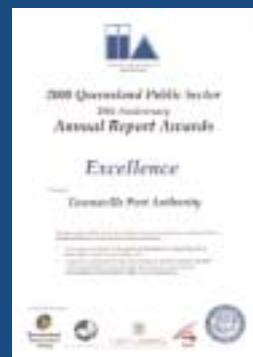
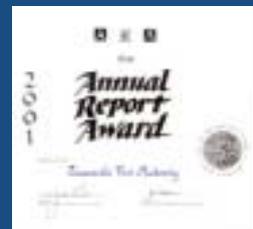
This new focus will help build support amongst our employees and stakeholders, in an effort to promote a better understanding of the role of the port.

In keeping with this strategic change in direction, we have based the theme of this year's report on the idea of compass headings. The concept focuses specifically on the 360° of direction. It steers away from a kaleidoscope of imagery and colour used in previous reports.

The north-east image and the 45-49° heading used on the cover were inspired by Townsville's geographic location on Australia's continent.

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We have a committed team of people who are capable of meeting the challenges we face in the years ahead.	
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# at a glance

## our mission

The Port of Townsville is a commercial port serving industrial customers.

Our mission is to manage the port in a manner that allows our existing customers to maximise their business opportunities and encourage new customers to utilise the port whilst earning a commercial rate of return for our shareholders.

## core values

In support of our mission, our core values are to:

1. anticipate and be responsive to our customers' needs;
2. operate in a responsible and ethical manner in our dealings with business partners;
3. adopt a pro-active and pragmatic approach to environmental management at the port, ensuring that sustainable environmental management is a core component of port operations and development;
4. promote and recognise innovation in customer service and work processes;
5. create an open and motivating work environment that gives employees the opportunity to work to their maximum potential and to be rewarded accordingly; and,
6. treat all of our stakeholders with courtesy and respect.

## who we are & what we do

What follows is an extract from the publication 'The History of Townsville Harbour 1864-1979' by Hubie Taylor which best explains our port's beginnings.

'The Port of Townsville is situated on the shores of Cleveland Bay where Captain James Cook sailed in the Endeavour on 5-6 June 1770. Captain Cook's journal reveals that Cleveland Bay, on which the port is located, was discovered and named on 6 June 1770.

"This bay which I named Cleveland Bay appear'd to be about 5 or 6 miles in extent in every way; the East point I named Cape Cleveland and the West Magnetical head or Isle as it had much the appearance of an Island and the compass would not traverse well when near it. They are both tolerable high and so is the Mainland within them and the whole appear'd to have the most rugged, rocky and barrenest surface of any we have yet seen."

It wasn't until 1863, some 93 years later, that James Melton Black erected the first wharf at Ross Creek. By 1885 the Government had become aware of the potential for a port and the Colonial Treasurer commissioned a report to determine the extent of works and facilities which would be needed for its future development. This report set a pattern for dredging and construction for the next decade.



December 1895 saw the introduction of a Bill to constitute the Townsville Harbour Board with the first meeting taking place on 26 March 1896 at the Town Hall.

By 1900 the Board had installed a 22 ton steam crane at the eastern breakwater wharf and commenced inner harbour construction. The next 30 years saw many changes. New industries were opening up and the port felt the need for better facilities. Further dredging, additional cranes and another pier was necessary. New cargoes began to pass through the port - sugar, bulk ore and silver-lead bullion among them. A railway link to Mount Isa was established. It was an era of unprecedented expansion.'

Today, Townsville Port Authority is the manager of Townsville Port which has a land and sea jurisdiction in excess of 400 square kilometres. The port is centrally located on the north Queensland coast in Cleveland Bay and is Queensland's third largest industrial port. It comprises a mix of Townsville Port Authority, Queensland Government and privately owned and operated facilities and services.

The marine authority for Townsville Harbour is Queensland Transport, Marine Operations. Its local representative is the Regional Harbour Master who is responsible for all navigational matters. Towage, line boat and stevedoring services are provided by the private sector.

If you want to know more about our operations, please visit us at

web 

[www.townsville-port.com.au/about-us/general-info](http://www.townsville-port.com.au/about-us/general-info) or  
to read more about our history go to [/the-port/history](#)

- 1 Bulk carrier with nickel ore cargo from Gebe Island, Indonesia.
- 2 Below: 'Helix' tanker carrying LPG from Geelong, Victoria.

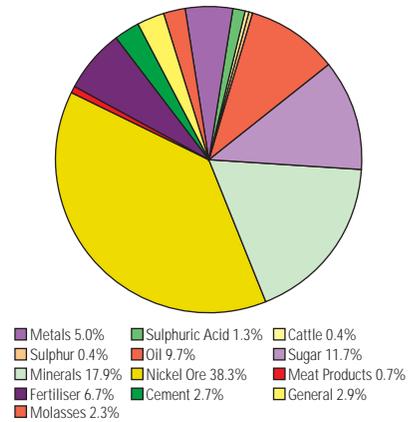


# significant events

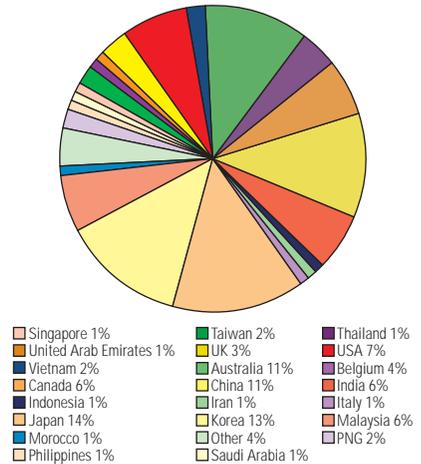
*'We accomplished another milestone at the Port of Townsville by achieving our fourteenth year of consecutive record trade throughput. Over 9.2 million tonnes of cargo passed over our wharves seeing an 8.4% increase on last year's figures.'*

- record imports of 5.196 million tonnes with individual trade records set for nickel ore, zinc concentrate and sulphur;  
▲ 279,037 tonnes ▲ 5.7%
- record exports of 4.039 million tonnes with individual trade records set for lead, zinc ingots, fertiliser, sulphuric acid and meat by-products;  
▲ 435,808 tonnes ▲ 12.1%
- new record import of 67,360 tonnes of nickel ore aboard the Asian Nova, 18-22 June;
- finalised wharf 10 arrangements with the Department of Defence;
- together with the Queensland sugar industry, finalised the location of the third sugar storage shed;
- port takes a lead agency role in the investigation of the Ocean Terminal Project;
- launch of buffer zone concept, 5 Nov 2000;
- external stakeholder and internal communications survey commissioned;
- port welcomes new customer, Townsville Warehousing & Container Services P/L;
- commencement of baseline survey for introduced marine pests in Sept 2000 with sampling program undertaken in Oct 2000;
- commencement of Audit Committee Charter; and,
- retirement of the port's borrowings in Sept 2000 achieving a significant milestone in that for the first time in over 15 years we became debt free.

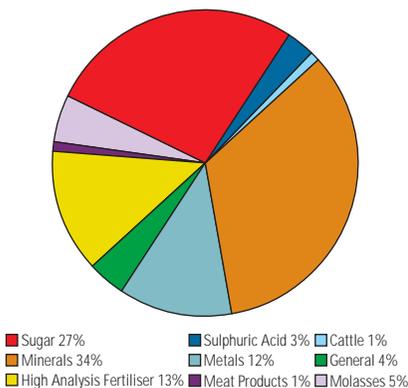
total trade by commodity 2000/01



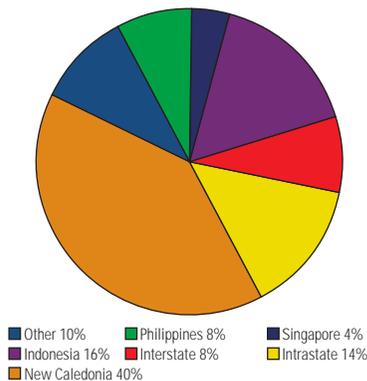
exports by country 2000/01  
total exports: 4,039,857 tonnes



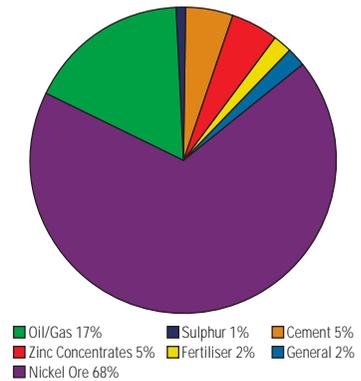
exports through the port of townsville 2000/01



imports by country 2000/01  
total imports: 5,196,265 tonnes



imports through the port of townsville 2000/01



# financial review & operations

*'No dividend to shareholders has been provided for.'*



1 Right: Berth 3, a general purpose wharf used for bulk minerals and live cattle exports, containerised cargoes and imports of fertiliser and general cargo.



We recorded a relatively small operating profit before tax and dividend of \$0.83 million which is down on last year's profit before abnormals of \$1.26 million, tax effect accounting has resulted in a loss after tax for 2000/2001 of \$0.38 million. As a result, no dividend to shareholders has been provided for.

Major impacts on our financial position included:

- lower than expected trade volumes, which was 95% of budgeted volume, resulted in total operating revenue of \$24.88 million which although \$1.87 million higher than the previous year, is some \$1.98 million below budget for the 2000/2001 year;
- as well as the lower than expected trade volumes, an increase in operating expenses from \$21.75 million in 1999/2000 to \$24.05 million this year contributed to the

result. Significant areas of increase from the previous year were depreciation expense - \$6.34 million to \$7.12 million due to revaluations and asset additions - wharf maintenance from \$0.94 million to \$1.47 million due to a programmed concrete repair project - administration expenses from \$5.36 million to \$6.06 million due to unbudgeted redundancy payments;

- there were no increases in harbour dues or tonnage rates charges during the year;
- net assets increased by \$1.88 million from \$121.38 million in 1999/2000 to \$123.26 million at 30 June 2001. Main area of increase was in cash assets which increased from \$0.85 million at 30 June 2000 to \$2.96 million at 30 June 2001;
- capital expenditure during the year totalled \$4.11 million. Main items of expenditure were \$1.8 million to construct a warehousing facility to lease to a port customer and \$0.8 million to purchase the former powerhouse site in South Townsville as part of the third sugar shed project;
- as at 30 June 2001 we are debt free. The amount of \$0.36 million outstanding at 30 June 2000 being repaid in September 2000; and,
- cash flows from operating activities were \$6.33 million.

## gst implementation

All financial systems have been operating smoothly since the implementation of the gst. All Business Activity Statements (BAS) have been completed on time and there has been negligible impact on port costs as a result.

## five year performance

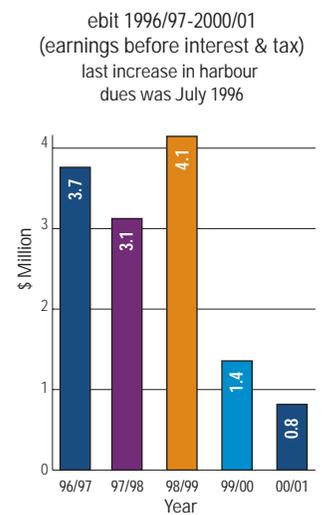
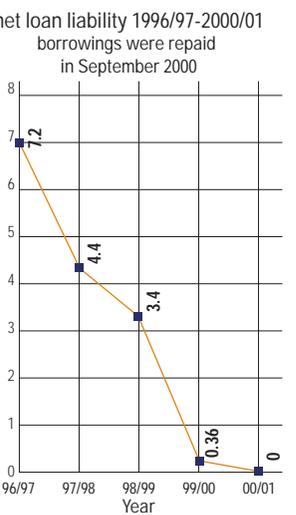
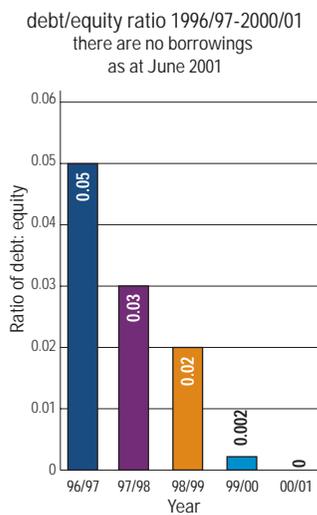
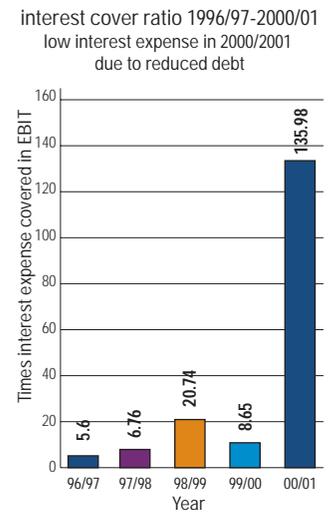
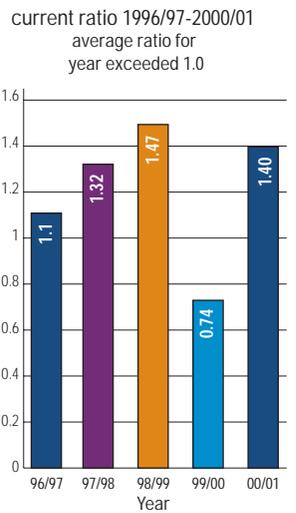
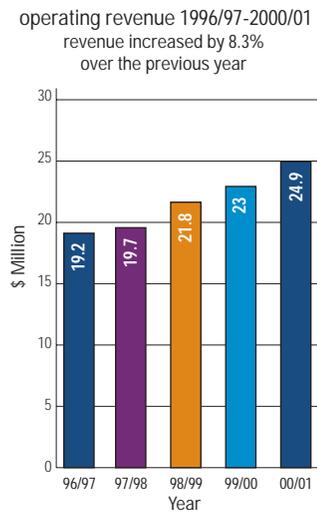
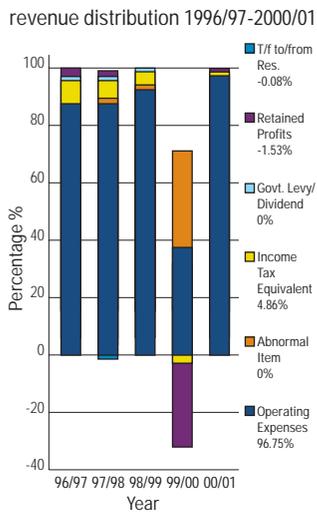
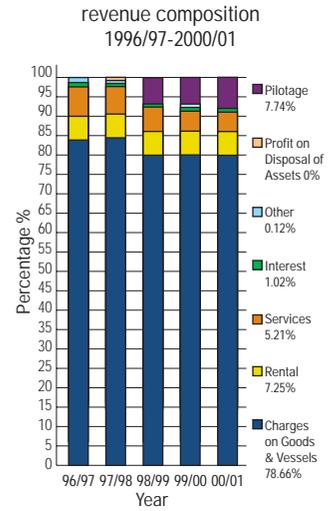
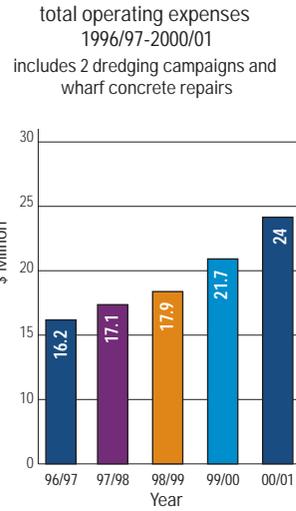
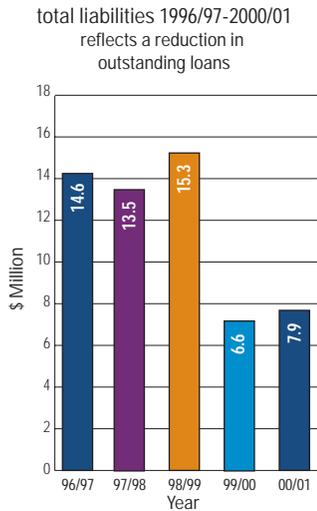
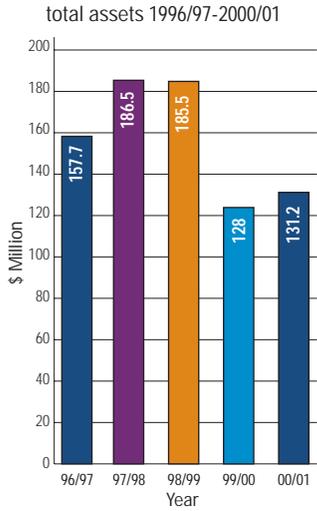
	2000/2001 \$M	1999/2000 \$M	1998/1999 \$M	1997/1998 \$M	1996/1997 \$M
1. Operating Revenue	24.9	23.0	21.8	19.7	19.2
2. Earnings Before Interest & Tax (EBIT)	0.8	1.4	4.1	3.1	3.7
3. Total Assets*	131.2	128	185.5	186.5	157.7
4. Total Liabilities	7.9	6.6	15.3	13.5	14.6
5. Current Ratio	1.40	0.74	1.47	1.32	1.1
6. Interest Cover Ratio	135.98	8.65	20.74	6.76	5.6
7. Debt/Equity Ratio	n/a	0.002	0.02	0.03	0.05

\* Non-current assets were revalued at 1 Jan 2001.

1. Increase in operating revenue for 2000/2001 is due to increase in tonnage throughput of 714,000 tonnes.
2. EBIT for 2000/2001 is a reduction of \$0.43 million over 1999/2000 due to increases in operating and maintenance expenditures.
3. Increase in total assets of \$3.19 million includes \$2.11 million increase in cash reserves and \$1.2 million in amounts held in trust.
4. Increase in total liabilities of \$1.31 million predominantly due to increase in current payables including dredging costs of \$1.07 million.
5. Current ratio increase is in line with increase in current assets.
6. High interest cover ratio due to no new borrowings.
7. Nil debt to equity ratio as loans balances at June 2000 were paid out in September 2000.



# five year summary



# management review & analysis

*'The results of these reports highlighted a number of concerns...'*

- 1 New ballast water management practices are in place to minimise the introduction of marine pests.



## profitability

The port has experienced declining profitability over the past 7 years, during a period of strong trade growth. The principal reasons for this trend have been very large increases in depreciation expense associated with higher asset values attributed to port assets. Port management reacted to this trend last year by commissioning a review of asset values. It resulted in an asset write-off amounting to \$58 million, almost one-third of the asset base in 1999/2000. The asset revaluation was accompanied by a review of asset useful lives. This review has again resulted in increased depreciation expense. The port has also entered a period of high maintenance costs. Over the past two years, there has been heavy expense on roads, electrical and other services and wharf repairs. This trend continues with an extensive program of reinforced concrete repairs to ageing wharves and retaining walls. The major maintenance program will continue for a further two years. The cost of infrastructure ownership has therefore had a significant effect on port profitability. Our Engineering Group has devoted considerable effort over the past four years to identifying maintenance needs on a systematic basis and implementing programs of planned, rather than costly reactive maintenance. Control of depreciation expenses is only possible over the very long term by careful investment in revenue producing assets and the elimination of unproductive assets.

The second significant reason for declining profitability has been increasing costs of port administration. These costs have increased significantly over the past 6 years. The cost increases reflect the port's reaction to an increasingly complex and hostile environment. Areas of increase include environmental compliance, compliance with an ever-greater array of

In October we once again carried out an independent survey of how our stakeholders viewed our activities. These reviews have been undertaken on a bi-annual basis for the past 6 years.

In addition to the external survey, we also commissioned an internal communications survey, in order to gauge how our employees felt towards the level of communications taking place within the organisation.

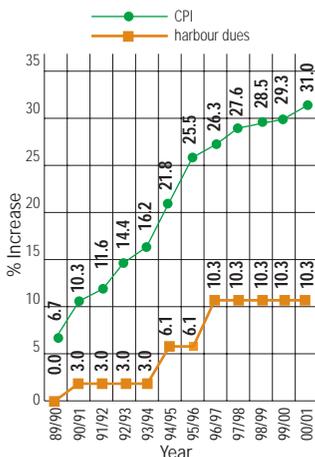
The results of these reports highlighted a number of concerns for management. The external survey, whilst continuing to produce positive responses in the areas of environmental management and port services, still highlighted criticisms from our customers in the key area of port planning. Many of our customers believed that we were not listening to what appeared to them to be very real issues associated with our plans to construct a berth twelve.

The internal survey highlighted that our employees felt as though they had insufficient direction and information about the Authority's goals.

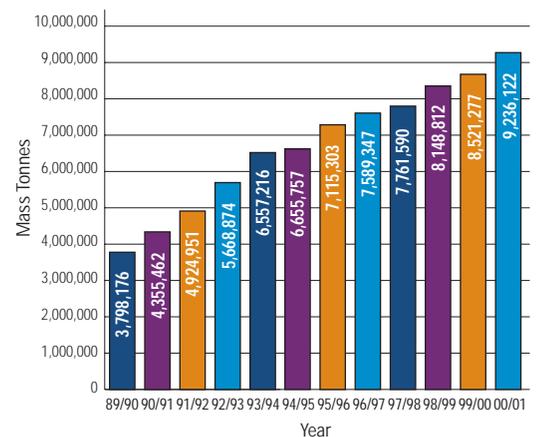
This resulted in the management team conducting a review of our corporate planning direction.

During the analysis the following key issues arose.

harbour dues increase vs  
CPI Increase 1989/90 - 2000/01



total trade throughput 1989/90-2000/01  
14th consecutive year of record trade



# management review & analysis

sometimes conflicting laws, regulations, policies, standards, directions and other imposed obligations. Computing and administrative support costs have also increased significantly.

Action in some of these areas is possible. During the past year the port has scrapped its previous costly and complex commercial computing system, replacing it with a low cost, low maintenance integrated system. Development of simplified IT systems continues.

A program of aligning administrative tasks more closely with real functional needs has resulted in reductions in staff numbers in certain areas. Adoption of KPIs as a tool to monitor ongoing performance has been implemented. We are looking forward to demonstrating much stronger cost control with the adoption of these measures. Again, pressure to inform and consult an ever-widening number of interest groups tends to absorb resources if firm control is not exercised.

## trade growth

Trade growth, again through export-oriented activities, will enable continued growth for the next two to four years. The trade growth picture going further forward is far from clear. Possible developments such as baseload power and industrial expansions are often discussed in our local media. However the timing of new industrial initiatives and the effects, both positive and negative, on the port are far from certain.

In response to significant uncertainties about future trade prospects, port management will seek to maintain flexibility to meet future threats.

### *'slower growth expected in the medium term'*

One aspect of recent trade patterns is the decline in general cargo movement. Various factors have been named in connection with this trend, such as the decline in large new construction and mine projects and the general drop in trade volumes shipped into east coast ports in the last year. One benefit from this downturn is that it has eased the shortage of quality general cargo facilities in the port. Paradoxically, the economics of providing new general cargo facilities in the port are not sufficiently good to justify the cost of new facilities without significant support from potential partners. The port will thus increasingly rely on joint venture partnerships to continue provision of these facilities.

The internal review further led to management identifying strategic issues which are listed below:

1. dredging & maintenance;
2. planning & development;
3. marine services;
4. external communications;
5. information & systems; and,
6. environmental regulation.

Finally, management has formulated objectives and action plans with key performance indicators. We have altered our mission statement and core values to more accurately reflect our focus.



1 Aerial view of Ross River showing small boat moorings.

# our performance overview



- 1 Stewy Russell undergoing berth maintenance works.
- 2 Below: Infrastructure repairs are identified and carried out to ensure that wharves operate without restriction.



## strategic direction

Over the past years, much effort has gone into formulating plans for the future Port of Townsville. Our port development plan demonstrates our vision with respect to development requirements and potential growth forecasts. The plan reviews forecast demand, existing capacity, efficiency and constraints effecting the port. Its findings proving that the port can cope with forecast demand over the next 25 years with relatively small changes to its present configuration.

Management can now focus on implementing these changes by streamlining operations and aligning our goals with those of our customers.

The following strategic issues have been identified in our Corporate Plan. Results for this year are detailed below each issue.

## 1. dredging & maintenance

Townsville has a 15 km channel through the shallow waters of Cleveland Bay that requires significant annual dredging. Other dredging issues that impact heavily on operations include our proximity to the Great Barrier Reef Marine Park and World Heritage Areas and the management of potential contaminants within the harbour and Ross Creek.

Maritime infrastructure requires significant annual funding. Optimal structure is required to offer performance, flexibility and responsiveness.

### objectives

- ensure that required dredging commitments are undertaken with appropriate plant in the most cost-effective and efficient manner;
- achieve target declared depths for all berths;
- provide modern and relevant sounding equipment to allow accurate and timely information to assist port management;
- assist port viability through acceptable long term disposal of dredge material;
- provide maintenance employees with modern and appropriate equipment that will improve productivity;
- complete program to upgrade services to wharf areas including power, water, sewage, lighting and cathodic protection; and,
- effect repairs to concrete structures to ensure wharves continue to operate without restriction.

### highlights

- \$4 million in capital improvements in equipment and services upgrades;

- \$320,000 in repairs to concrete piles and soffit for wharves 1, 8 & 9;
- \$225,000 in steel pile painting; and,
- \$250,000 in above deck maintenance for works associated with Suter Pier shed.

## 2. planning & development

Whilst commercial shipping arrangements are leading to harbour congestion, areas of vacant land surround the port. A new land use planning scheme introduced by the Integrated Planning Act 1997 provides both challenges and opportunities to develop port lands in a coherent and commercially rewarding way.

Rationalisation of the inner harbour to accommodate forecast trade demands over the next 25 years is required. Success with rationalisation depends on the ability of major port customers to see the common benefits of rationalisation. Commercial viability of arrangements will be a key factor.

### objectives

- minimise the impact of external social and political influences on port planning and development;
- improve efficiency of space utilisation within the port;
- improve planning and development processes;
- increase the utilisation of port lands for port and logistics-related business; and,
- enhance trade through the Port of Townsville.

### highlights

- construction of a \$1.8 million warehouse and hardstand facility; and,
- establishment of a Land Tenure Rationalisation Program.

## 3. marine services

Opportunities exist to increase customer satisfaction through improved towage and line services when the existing exclusive contract expires in 2003.

### objectives

- maximum optimisation of towage operations leading to a cost-effective service;
- fully integrated Marine Services division carrying out multi-skilled work in the most cost-effective manner;
- provide 100% capability to bring ships into and out of Townsville; and,
- improve integration of pilotage services.

# our performance overview



## highlights

- successful negotiations of an Enterprise Bargaining Agreement;
- review of port procedures manual for navigation procedures; and,
- finalisation of the devolution of pilotage services.

## 4. external communications

Maintaining adequate communication channels with customers, employees and other stakeholders remains a challenge for port managers.

### objectives

- ensure transparent and accountable decision making procedures are adopted throughout the organisation;
- increase effective communications between our customers;
- maintain an awareness of port activities in the wider community;
- improve stakeholder understanding of core purposes of the organisation;
- improve communications through work groups; and,
- improve the information flow from managers to employees and between managers.

### highlights

- publication of corporate newsletter 'in depth';
- commissioning of an internal communications and external stakeholder surveys; and,
- conducted a successful port open day for the community.

## 5. information & systems

Replacing basic commercial systems with economic and practical alternatives will be a necessary first step before development of support systems for business communication, a geographic information system and document handling systems.

### objectives

- develop and maintain cost-effective solutions to meet users' technology requirements;
- maintain a commitment to ongoing technology development through the provision of appropriate tools, systems and training in keeping with future technological advances; and,
- provide internal and external users with an integrated information technology operating system that achieves

both simplicity in use and cost effectiveness.

### highlights

- implementation of new financial and maintenance software systems; and,
- the reduction of multiple database systems.

## 6. environmental regulation

Environmental issues have become a prominent concern for all aspects of our operations. The port environment is socially, naturally and politically complex. We must remain aware of these complexities and the changing and sometimes conflicting needs of port customers and operators. To ensure that these complexities do not compromise the efficiency of port operations, we must remain pro-active in the development of environmental management controls.

### objectives

- develop port-wide waste management strategies to optimise waste disposal options and ensure compliance with international obligations; and,
- develop a pro-active and pragmatic system of integrated and cooperative management at the Port of Townsville.

### highlights

- commencement of baseline survey for introduced marine pests;
- review of environmental management strategy;
- launch of port buffer concept; and,
- renewal of five year sea dumping permit.



1 Chris Jones, Port Services Officer aboard the 'Petrel II'.

2 Craig Wilson, Environmental Officer and Sharyn Corrie, Cadet Drafting Officer.

3 Udhaya Arambawela, Project Engineer and Richelle Benson, Administration Officer (Engineering).

# chairman's review

*'To consistently achieve record trade increases over a period of more than a decade is an achievement, which every employee at the Port of Townsville can be proud of. To me this is the highlight of another successful year.'*



1 Chairman, Ron McLean.

Another record year, our fourteenth in succession, in terms of trade throughput, paints a rather rosy picture of our performance over the past twelve months. This is not to say that things have been in any way easy and straight forward during the period. The resignation of CEO, Mr Lin Taylor, in November 2000 had a significant impact in terms of our operations.

To their credit the management team and employees have rallied and put in place a number of initiatives that I am confident will see us maintain our place as one of Queensland's and Australia's fastest growing ports in the years to come.

## port access study

The Port Access Study into securing long term road and rail access (Eastern Access Corridor) into Townsville Port, continued into its fifth year.

### web

[www.transport.qld.gov.au/qt/rtpweb.nsf/index/tpaias](http://www.transport.qld.gov.au/qt/rtpweb.nsf/index/tpaias)

The corridor will link the city's south eastern industrial node to the port and provide an easement for oil and gas pipelines, electricity, conveyor systems and other services. The construction of a road through this corridor would also allow for the efficient transport of cattle into the port providing Queensland producers with a local cost-effective export alternative for their product. Currently a significant proportion of Queensland produced cattle are exported through the Port of Darwin.

### web

[www.townsville-port.com.au/doing-business/cattle-and-beef](http://www.townsville-port.com.au/doing-business/cattle-and-beef)

The study is now at the stage where the corridor is being reserved through the acquisition of land along the areas identified. We commend this action and look forward to works proceeding at an early stage.

Our recent success in attracting development investment into the port will continue to place an increase in pressure on existing inappropriate transport routes. The early construction of the eastern access road in particular, is seen as vital to the Authority being able to continue to meet the needs of our customers into the future.

## port optimisation

During the year we completed our analysis with respect to congestion issues in the harbour. Previously the Authority was looking towards the development of an outer harbour berth as a solution to alleviating current and future port shipping congestion.

Subsequent analysis undertaken with the input and consultation of major port customers indicates that an alternative, more cost-effective solution may be available. This alternative, which ultimately leads to the reorganisation of the inner harbour, would allow for a more efficient use of existing infrastructure in the port.

Negotiations are continuing between us and the major users involved. I expect that a solution agreeable between all parties will be forthcoming in the year ahead.

## ocean terminal

During the year the issues faced by the port in terms of increased congestion as a result of increased trade throughput came to the surface. Normal commercial ship operations made visits by naval vessels increasingly difficult.

Research commissioned jointly by the port and Townsville Enterprise Limited shows that naval vessels generate very considerable economic benefits to regional tourism, hospitality and retail sectors.

## buffer zone

On 5 November 2000, in conjunction with the Mayor of the City of Townsville, Cr Mooney, I launched the port's buffer zone concept. The concept calls for the port to set aside 16 hectares of land in a continuous strip, between Ross Creek and Ross River, to separate the South Townsville residents from the port. Much of the land for the proposed buffer is now available for development. Certain land, subject to long term leases at the corner of Hubert Street and Archer Street will not be developed until lessees vacate the site. However, in the coming year, Stage 1 of the buffer zone works will commence along Archer Street.

# chairman's review



## third sugar shed

Planning for construction of new sugar storage facilities continues. The sugar industry has advanced plans to construct an additional 400,000 tonnes of sugar storage capacity at the port. Considerable discussion preceded the final selection of a suitable site for the facility. The land leased many years ago by the sugar industry for expansion is no longer appropriate for reasons of good city planning.

As a result, we acquired additional land on Archer Street for the site. Arrangements are now being made for the proponents to submit development plans for approval for this important new addition to our infrastructure.

Max was well known throughout the Townsville community, his dedication and efforts acknowledged in 1993 where he was awarded an Order of Australia (OAM) in the Australia Day Honours List for services to the community. In March this year, Queensland Parliament honoured his contributions as former Mayor of Townsville, State Tourism Minister and National Party MP with a minute's silence.

Max was a prominent local identity, combining a successful professional and business life with his family and personal life. His contributions to this port will not be forgotten, and on behalf of our Board and employees I extend my deepest sympathies to his wife Palm and family.

**Ron McLean**  
Chairman

## looking ahead

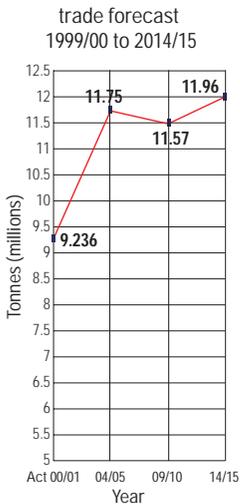
On behalf of the Board I am pleased to say that we are looking to the future with increased optimism in terms of where the port is going. I am confident that we have the right mechanisms in place to address the challenges ahead.

I would also like to take the opportunity to farewell Messrs Bragg, Greenwood and Pagani whose terms concluded at the end of June 2001 and I thank them for their respective contributions. I also take the opportunity to welcome our three new Directors, Messrs Parker, Graw and Pennisi. I look forward to working with them in the time ahead.

On behalf of the Board, I wish to record my appreciation to the management team and employees for their dedication and continuing support. Their contribution to the achievement of our fourteenth year of consecutive record trade is an excellent result and one of which we are all justifiably proud. The results are a credit to their commitment to the port and on behalf of the Board I acknowledge their efforts.

Finally, on a much sadder note, I would like to pay tribute to Max Hooper, a former member of the Board who passed away on Sunday 19 November 2000 after suffering a stroke.

Throughout his seventeen years with the Authority, Max's personal qualities of leadership and dedication to local Government and the community, inspired and encouraged all those he worked with.



- 1 Max Hooper.
- 2 Figures from 2000/01 Statement of Corporate Intent.
- 3 Tony Mooney and Ron McLean at the buffer zone launch, November 2000.

# acting ceo's review

*'Restructuring the organisation into one which places a focus firmly on results, the requirements of our customers and the manner in which our employees have embraced this change is particularly pleasing.'*

- 1 Martin Norman, A/Chief Executive Officer.
- 2 Adam Butteriss at work on the grab dredge.



The year ended 30 June 2001 resulted in the port achieving its fourteenth consecutive year of record trade throughput resulting in a number of first time marks being established.

Total trade throughput pushed through the 9 million tonne mark for the first time with more than 9.2 million tonnes of cargo crossing over our wharves. This was an 8.4% increase over the previous year, however was below our budgeted forecast increase of 14%. Exports exceeded 4 million tonnes for the first time in our history with a 12.1% increase over last year.

The main factor influencing this achievement was the significant growth in high analysis fertiliser exports from WMC Fertilizers' Phosphate Hill project. The company exported over half a million tonnes of product.

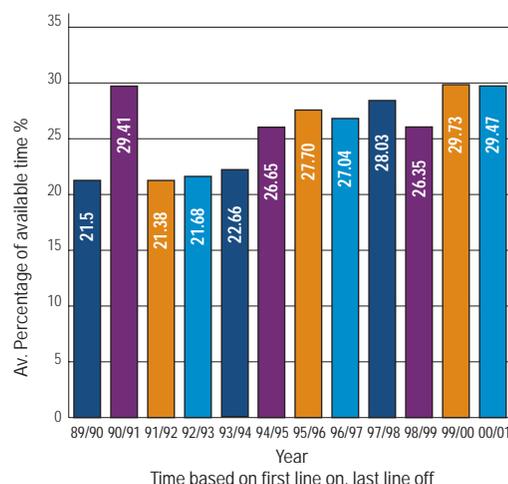
The port has been fortunate over the past fourteen years in that it supports a variety of export orientated organisations which have helped to sustain this growth. This enviable portfolio of customers, including Mount Isa Mines, WMC Fertilizers, BHP Billiton (formerly BHP Cannington), the sugar industry and other players, have been significant in insulating the port from exposure to domestic and international trade cycles.

Imports also achieved record levels with over 5 million tonnes coming into the port. The final import figure of 5.196 million tonnes slightly exceeded budget and was predominantly due to higher than expected imports of nickel ore by Queensland Nickel Industries (QNI). In fact QNI established a number of records themselves during the year with a new cargo record of 67,360 tonnes of ore carried on the Asian Nova, 18-22 June. This surpassed the previous record of 66,804 tonnes of nickel ore discharged from the Maersk Taurus in June 1997. The company also surpassed the 3.5 million tonne mark for nickel ore imports for the first time.

Another milestone which was achieved although not acknowledged in last year's report, was their achievement of importing over 30 million tonnes of nickel ore aboard the Amber Halo on 8 May 2000. Nickel ore imports commenced in



average berth occupancy 1989/90 to 2000/01



2000/01 figures based on average of all berths occupied, as below:

Berth 1	19.96%	Berth 2	51.11%
Berth 3	48.14%	Berth 4	25.14%
Berth 7	32.52%	Berth 8	19.35%
Berth 9	28.01%	Berth 10	26.75%
Berth 11	14.28%		

April 1986 and at that time, imports for the year were a modest 30,325 tonnes. Imports have steadily increased over the years to culminate in nickel ore being the largest single cargo import accounting for 68% of total imports and 38% of total trade throughput.

## finance

We have recorded a small operating profit before tax and dividend of \$0.83 million. This is significantly below budget forecast of \$5.8 million. The after tax result was a loss of \$0.38 million. No dividend has been provided for.

Once again there were no increases in harbour dues nor tonnage rate charges during the year.

Whilst the lower than expected trade volumes is partly responsible for this performance, other factors played a significant part. An increase in operating expenses from \$21.75 million in 1999/2000 to \$24.05 million also contributed. Significant areas of increase from the previous year were:

- depreciation expense from \$6.34 million to \$7.12 million due to the external review of asset values and working lives;
- wharf maintenance from \$0.94 million to \$1.47 million due to a concrete repair program; and,

# acting ceo's review

- administration expenses rising from \$5.36 million to \$6.06 million due to redundancy payments.

Whilst action has been taken to reduce overhead costs in the coming years, our ageing wharf infrastructure is in need of extensive repairs. It will be the subject of further remediation work over the next two to three years.

In the coming year, remedial dredging programs will also impact negatively on our financial performance.

Cash flows from operating activities were \$6.33 million while capital expenditure for the year totalled \$4.11 million. We are debt free as at 30 June 2001. The amount of \$0.36 million outstanding at 30 June 2000 being repaid in September 2000.

## financial structure

Towards the end of the 1999/2000 year, our Shareholding Ministers initiated a review of the financial structure of all Queensland ports. As a result of that review, it was determined that optimum gearing for the Authority would include taking on an additional debt of \$23 million.

## insurance

Last year we reported that Cyclone Tessi had caused damage to the port's assets of around \$1 million. Fortunately, so we thought, we were insured for the damages. Unfortunately our policy was underwritten by HIH Insurance. Our claims remain unpaid and are unlikely to be paid to any significant degree. Identified physical damage to port infrastructure (excluding channels) amounting to \$225,062 has been written off. A further claim relating to siltation of channels of \$680,000 will not be recognised as revenue. Our ability to gain future cover for certain aspects of storm damage associated with channels remains in doubt.

## communication strategy

During the year we commissioned an external stakeholder survey as well as an internal communications survey. The results from the final reports led us to undertake steps to improve communications with our customers.

On a positive side, there were also areas of our performance which were exceeding their expectations including matters in the environmental and marine services areas.

The internal survey highlighted that there was a level of dissatisfaction with internal communications within our organisation. As a result, improved mechanisms have been put in place.

## employees

The year saw us farewell many long serving employees, and it is only fitting that their efforts, in some cases over 30 years, be recognised. Full details of these employees and their respective years of service are disclosed on page 29.

I would like to take this opportunity to thank our employees, who have continued to perform well during a period of change within our organisation.

## dredging

Regular dredging programs will represent approximately 20% of the port's total cash costs each year. The need to economically maintain channels and swing basins has been an area of focus. During the year, emergency dredging works were necessary on at least two occasions. A plan to carry out a more systematic program of dredging all areas is therefore being developed. More comment on this important aspect of the port's work can be found on page 22.

## future challenges

The ongoing success of the Port of Townsville comes at a price. That price comes in the forms of:

- port congestion;
- urban encroachment;
- the growing need for dedicated transport corridors; and
- the need for identified industrial land.

In response to the challenges we will look to broaden our revenue base by encouraging land development opportunities in the port. We will work with port customers to fully explore how port congestion may be overcome by making better use of existing assets. We will commence implementation of our buffer zone strategy.

## looking ahead

As is detailed in the management review & analysis, and highlighted above, we are facing a number of challenges in the years ahead. I believe we now have a team capable of meeting these challenges and dealing with them in a positive and proactive manner.

From a personal perspective I would like to take this opportunity to thank the Directors for the support they have afforded myself and my team over the past six months.



**Martin Norman**  
A/Chief Executive Officer

# effective corporate governance

*'The Board are accountable to the Minister for Transport and Minister for Main Roads, Deputy Premier, and the Treasurer and Minister for Sport.'*



1 Seated L-R: Jennifer Gleeson, Ron McLean, Beth Keating, Marjorie Pagani. Standing L-R: Tom Greenwood, Tony Caldwell, Tony Mooney, Terry Baxter and Mark Bragg.

## audit committee

The Audit Committee acts as an advisory service to the Board to assist in the effective discharge of the responsibilities prescribed in the Financial Administration and Audit Act 1977, the Financial Management Standard 1997, and other relevant legislation and prescribed requirements.

In August 2000, the Audit Committee Charter was formally adopted by the Board. The Charter sets out

the Committee's core duties, which are to:

- assess and contribute to the audit planning processes;
- assess and enhance the port's corporate governance, including its systems of internal control and the internal audit function;
- evaluate the quality of, and the practical discharge of the internal audit function; and,
- through the internal audit function, oversee and appraise the port's financial and operational reporting process.

Other key responsibilities include 'due care and diligence' on behalf of the Board in relation to optimising the Authority's performance.

During the year, the Committee was again active in its role of reviewing conformance to sound financial and management processes. It met on four occasions and considered detailed written and verbal reports from the appointed internal auditor, PricewaterhouseCoopers, in relation to internal controls, accounting and reporting operations. The Committee also considered internal audit planning issues. On two occasions, representatives of the external auditor were present by invitation. The Committee has subsequently resolved to invite external audit attendance on all future occasions.

The Committee also reviewed reports by the quality system auditor dealing with compliance with ISO 9001 and follow-up reports by management on implementation of the many recommendations coming out of the risk management survey carried out in the previous year.

In the coming year, the Committee will continue its review functions in relation to both financial and operational risk.

The Committee consisted of Mr Terry Baxter and Mr Mark Bragg. It was assisted by the Financial Controller and the A/Chief Executive Officer.

## outcomes from the audit committee

The Audit Committee recommended policy change in the following areas:

- travel and accommodation policy; and,
- personal expenses.

## accountability of the board

The Board of Directors are accountable to the Minister for Transport and Minister for Main Roads, Deputy Premier, and the Treasurer and Minister for Sport for the performance of Townsville Port Authority. The Authority is a Statutory Government Owned Corporation constituted on 1 July 1995 under the Government Owned Corporations Act 1993 (GOC Act). Our operations are primarily governed under the Transport Infrastructure Act (1994) and the GOC Act. We are also a statutory body under the Statutory Bodies Financial Arrangements Act 1982 and the Financial Administration and Audit Act 1977.

The Board views itself as having responsibilities and accountability to its stakeholders – the users of the Port of Townsville and its two shareholders, the Minister for Transport and Minister for Main Roads, Deputy Premier, and the Treasurer and Minister for Sport. Regular consultation with these stakeholders occurs through a variety of mediums including the Port Advisory Body (PAB), the Environmental Working Group (EWG), and through regular meetings with major port users including Mount Isa Mines, Western Mining Fertilizers, the Queensland Sugar industry, BHP Billiton, Queensland Nickel and fuel industry representatives.

We are mindful of the role we play in the wider community in terms of port developments and their potential impact on nearby residential areas and the central business district. To this end we also meet regularly with special interest groups from these areas to ensure that open and effective communications occur in relation to the activities of the port.

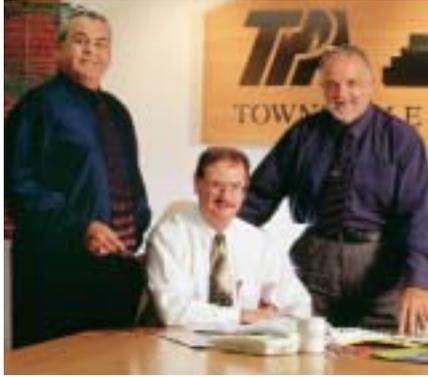
In addition to the above, we have taken the initiative to ensure that our shareholders are kept up-to-date concerning the activities and direction of the port through regular consultation with departmental representatives throughout the year.

## audit committee attendance

	audit committee meetings			
	11/7/00	24/10/00	19/3/01	18/6/01
Ron McLean	●	●	■	●
Terrence Baxter	■	■	■	■
Mark Bragg	■	■	●	■

■ attended ● did not attend

# effective corporate governance



1 L-R: John Pennisi, Stephen Graw and Dale Parker.

## board meetings

The Board meets for half a day monthly with the exception of January. This year Directors met as a full Board on eleven (11) occasions. In addition, Directors met on three (3) occasions for Special Meetings.

It is the Board's policy to meet at least once per annum in Mount Isa, as port customers in this region account for a significant proportion, approximately 23% of port trade, both in terms of tonnage throughput and in dollar value. Holding the meeting in Mount Isa provides the Board

with the opportunity to visit our customers and obtain an appreciation of the scale and nature of their activities. Last year the Board visited Mount Isa in July and took the opportunity to view first hand the operation of key port users: Mount Isa Mines, Western Mining Fertilizers' Phosphate Hill project and BHP Cannington's operation at nearby Cloncurry.

Directors also participate in marketing and trade related visits.

## our board

### Ron McLean, Chairman

Chairman appointed 1 July 1999. Ron was previously Executive Chairman of News Limited. He is a Director of Townsville Enterprise Limited. Age 65 years.

### Beth Keating, Deputy Chairperson

Deputy Chairperson appointed 1 July 1999. Beth is a Director of The Consulting Company and a senior consultant with Keating Consultancies. Age 44 years.

### Terrence Baxter, Director

Director appointed 1 July 1999. Terry is a partner of the firm Ruddy, Tomlins and Baxter practicing in commercial law and litigation. Age 52 years.

### Mark Bragg, Director

Director appointed 1 July 1999. Mark is a Director of Team Bragg Pty Ltd and Director of The Leadership Academy. Age 45 years.

### Jennifer Gleeson, Director

Director appointed 1 July 1999. Jenny is an Associate for Lee Turnbull and Co. She deals with a broad range of areas of law, including commercial litigation, leasing and industrial relations. Age 31 years.

### Tom Greenwood, Director

Director appointed 1 July 1999. Tom has wide experience in mine management and industrial relations. Age 66 years.

### Tony Mooney, Director

Director reappointed 1 July 1999. Tony has 21 years experience in local Government and serves in senior positions on local authority boards within Australia and overseas. He has been Mayor of the City of Townsville since 1989. Age 47 years.

### Marjorie Pagani, Director

Director appointed 1 July 1999. Marjorie is a Barrister, Squadron Leader – RAAF Specialist Reserve Legal Corps and a Member of the Anti-Discrimination Tribunal Queensland. She is a Graduate Member of the Australian Institute of Company Directors, and a Life Member of the James Cook University Law Society. Age 49 years.

### Captain Tony Caldwell, Ex-Officio Director

Captain Caldwell was formerly Master with Howard Smith Shipping and Stolt Tankers. He was appointed Acting Regional Harbour Master on 11 August 2000 when Captain Ian Wood retired. Age 49 years.

## new directors

### Cr Dale Parker

Dale previously served on the Board from 1990 to 1996. He retired from the Australian waterfront in 1990 after working in east coast Australian ports for 18 years. Age 61 years.

### John Pennisi

In 1996 John established and currently manages Finjon Paper Recyclers, a paper and cardboard recycling business in Townsville. He was previously a Sergeant in the Queensland Police Service from 1970 to 1995. Age 55 years.

### Prof. Stephen Graw

Stephen is an Associate Professor of Business Law at James Cook University. He specialises in commercial and taxation law. Age 48 years.

## board terms

The current term for Directors commenced on 1 July 1999. Directors McLean, Bragg, Mooney and Keating were appointed for a four year term whilst Pagani, Greenwood, Gleeson and Baxter were appointed for a two year term.

However, following consideration by Cabinet and approval by the Governor in Council, the composition of the Board was altered effective 1 July 2001. Chairman Ron McLean, Deputy Chair Beth

# effective corporate governance

## board director attendance

	ordinary board meetings		special board meetings	
	eligible to attend	attended	eligible to attend	attended
Ron McLean	11	11	3	3
Beth Keating	11	10	3	3
Terrence Baxter	11	10	3	2
Mark Bragg	11	10	3	2
Jennifer Gleeson	11	10	3	3
Tom Greenwood	11	11	3	2
Tony Mooney	11	7	3	3
Marjorie Pagani	11	8	3	1
Ex-Officio Director*				
Captain Tony Caldwell	10	9	0	0

\* Captain Wood, Regional Harbour Master resigned on 11 August 2000. Captain Tony Caldwell was appointed Acting Regional Harbour Master from this date.

Keating and Tony Mooney's four year tenure remain unchanged with their terms expiring on 30 June 2003.

Both Gleeson and Baxter's two year tenures expired with reappointments to 30 June 2005 and 30 June 2003 respectively.

Three new Directors were added to the Board as at 1 July 2001 with Cr Dale Parker and Professor Stephen Graw appointed for four year terms to 30 June 2005 and John Pennisi appointed to 30 June 2003.

Those Directors exiting were Tom Greenwood, Marjorie Pagani and Mark Bragg.

## conflicts of interest

The Government Owned Corporations Act requires Directors with a material personal interest in any matter to be excluded from and not to vote in relation to that matter. Directors declare an interest in a matter and leave the meeting whilst the matter is being discussed.

## code of conduct

All employees are expected to:

- apply their best endeavours to the performance of the duties and responsibilities that they are employed to carry out;
- contribute positively to the achievement of work objectives;

- accept responsibility for self improvement by participating positively in training activities;
- comply with all lawful and reasonable instructions;
- be conscientious with regard to attendance and punctuality;
- comply with all laws and regulations of the country and to conduct business in an entirely responsible and ethical manner; and,
- show others the same consideration and treatment you would expect to receive yourself.

## policy review

During the year the Board implemented the following policy positions in the interests of accountability.

- consultancy register – records in relation to the appointment of consultants are to be made publicly available;
- senior executive travel – records in relation to senior executive travel are to be made publicly available; and,
- personal expenses – greater controls in relation to personal expense account use have been implemented.

## risk management

In May 2000 we commissioned Risk Management Australia to undertake a detailed risk assessment in relation to our operations. The report highlighted some sixty-one areas within our control where action was required to address potential exposure.

Management has implemented a range of initiatives to address these potential problems including the formulation of survey questionnaires designed to highlight the exact nature of the activities of our tenants, to enable cross referencing with tenure documentation. This information will be used to update records and, where appropriate, implement new processes to ensure that our risk in relation to these activities is minimised.

The timely management of the issues identified in the report has meant that there are only twenty-one matters remaining to be resolved. Of these, the majority are classified as being of relative low risk and consequence to the port's operations.

We will have the action plans implemented as a result of the risk assessment independently audited by an external consultant.

## freedom of information (FOI)

The Freedom of Information Act 1992 (The Act) provides a general right of access to documents held by Ministers, State Government departments, local authorities and most semi-government agencies and statutory authorities. The Act places an obligation on the agency to provide information requested, unless the information requested is deemed exempt under specific provisions of the Act.

As a Government Owned Corporation, we are required to provide documents requested under the Act. We also have a requirement to provide annual reports on FOI requests made during each financial year pursuant to the Act.

During the 1999/2000 financial year, we completed one (1) FOI application. The request was not refused or transferred to another agency.

# effective corporate governance

## overseas travel

name	destination	dates	reason for travel
Lin Taylor Ron McLean Tom Greenwood	Auckland, New Zealand	12-16 Sept 2000	To attend the 26th Association of the Pacific Ports Conference
Lin Taylor	Dili, East Timor	26-29 Sept 2000	Part of Premier's delegation to East Timor
Darrin Pearce	Philippines	10-15 Feb 2001	Travel with Old Nickel representatives to view nickel mining operations
Martin Norman	China, Korea, Japan	29 Mar-19 Apr 2001	Sister City Delegation

## 2000/2001 annual freedom of information figures

Applications received	1
Applications completed	1
Information provided	1
Information exempt	0

## time taken to process

0-10 days	1
11-21 days	0
21+ days	0

## expense to process

\$0-\$30	0
\$30-\$60	1

## actual hours to process

0-3 hours	0
4-7 hours	1

## senior executive remuneration

### emoluments of executive officers<sup>^</sup>

	year	base salary	bonus	employer super	other benefits (incl. vehicle)	termination	total emoluments (term. not incl)
Chief Executive Officer	99/00	**126846	15000	17361.43	17992		177199.43
L Taylor (up to 3/11/00)	00/01	**43385	15000	5590.56	13308	78023.88	77283.56
Deputy CEO	99/00	***81624	0	11791.34	15006		108421.34
M Norman (commenced as A/CEO 30/10/00)	00/01	***112086	0	10702.79	14477		137265.79
Human Resources Manager	99/00	77232	0	4676.11	21095		103003.11
G Sentinella (up to 25/5/01)	00/01	73105	0	7011.43	13393	36059.37	93509.43
Engineering & Environment Manager	99/00	74482	0	5213.88	693		80388.88
L Hore	00/01	82137	0	6571.04	7763		96471.04
Finance Manager	99/00	***70795	0	10038.73	7631		88464.73
J Sherriff (up to 27/11/00)	00/01	***31111	0	4076.68	4670	159733.22	39857.68

### notes

\* Terminated figure not included in base salary    \*\* Bonus not included in base salary    \*\*\* Sherriff & Norman includes salary sacrifice

<sup>^</sup> Based on actual figures as at 30 June 2001

# effective corporate governance

## non-executive director remuneration

emoluments of directors<sup>^</sup>

99/00	director fees	committee fees	employer super 7%	car allowance	total emoluments
R.G. McLean	22000	0	1539.96		23539.96
B.K. Keating	10000	0	699.96		10699.96
T.P. Baxter	10000	0	699.96	1280	11979.96
A.J. Mooney	10000	0	699.96		10699.96
M. Bragg	10000	0	699.96		10699.96
M. Pagani	10000	0	699.96		10699.96
T. Greenwood	10000	0	699.96		10699.96
J. Gleeson	10000	0	699.96		10699.96

00/01

			employer super 8%		
R.G. McLean	22000	0	1760.04	474.31	24234.35
B.K. Keating	10000	0	800.04		10800.04
T.P. Baxter	10000	0	800.04	1254.26	12054.30
A.J. Mooney	10000	0	800.04		10800.04
M. Bragg	10000	0	800.04		10800.04
M. Pagani	10000	0	800.04		10800.04
T. Greenwood	10000	0	800.04		10800.04
J. Gleeson	10000	0	800.04		10800.04

notes

<sup>^</sup> Based on actual figures as at 30 June 2001

## quality management system ISO 9001

In April 2000 the triennial audit of our quality management system was undertaken by SGS Certification Services.

As a result of audit recommendations and to strengthen our business systems, actions taken were adopted, including:

- management training in the area of internal audit;
- the implementation of regular scheduled management meetings where adopted performance targets are reported upon and where critical elements of the system are analysed;
- the implementation of an integrated customer complaints database; and,
- regular reports in relation to the health of the management system being tabled at the Internal Audit Committee meetings.

SGS Certification Services subsequently renewed its approval of our systems.

Since this time the system has been subject to a subsequent audit, in April 2001, which recorded ongoing positive improvements in the system. The next surveillance audit is scheduled for November 2001 with the Board and management confident that the systems and processes now in place will lead to continued high performance across our operations.

# our management team



1 Martin Norman

2 Darrin Pearce

3 Susan Vickers

4 Jason Mahlberg

5 Len McDougall

6 Bob McLellan

7 Larry Hore

8 Dave King

Former CEO, Lin Taylor resigned on 3 November 2000, and three other managers also left our organisation. John Sherriff, Finance Manager left on 27 November 2000, Caryn Anderson, Environmental Services Manager on 22 February, and Greg Sentinella, Manager Human Resources on 25 May 2001.

## Martin Norman, Acting CEO

Prior to assuming the position of Acting CEO, Martin served for 3 years as Commercial Manager and Deputy CEO.

Previous experience has included senior roles in transport, explosives, contract drilling and automotive industries. Martin is a Chartered Accountant with qualifications in business and quality. Age 54 years.

## Darrin Pearce, Business Development Manager

Darrin has been with the port since 1985. He holds a Commerce degree and is a graduate of the Cambridge Academy of Transport, United Kingdom. He has completed Associate Diploma programs in transport and management related fields. Age 33 years.

## Susan Vickers, Commercial Projects Manager

Susan has worked for the Authority for approximately 10 years. She has previously worked in a number of roles including that of Corporate Services Manager.

Susan holds a Bachelor of Commerce degree and is a CPA. Age 34 years.

## Jason Mahlberg, Construction Manager

Jason is a civil engineer. He has served the port for 2 years.

Jason has a contracting background having worked previously on sites along the eastern seaboard and in Papua New Guinea. Age 28 years.

## Len McDougall, Financial Controller

Len has been with the Authority since 1996. He has held the positions of Administration Officer and Management Accountant.

Len has held senior financial and management positions within large public companies operating in the manufacturing and mining industries and also within the tertiary education sector. Len holds a Bachelor of Business degree and is a CPA. Age 53 years.

## Bob McLellan, Maintenance Manager

Bob joined the Authority in May 2001. Prior to joining, Bob had worked in a number of senior roles in construction, contract maintenance and mining.

Bob holds a Graduate Diploma of Maintenance Management. Age 43 years.

## Larry Hore, Manager Engineering & Environment

Larry was appointed Engineering Manager in 1998 after completion of a number of projects and successfully guiding our maintenance activities through a period of significant change.

Larry has a Bachelor of Business Administration (Technology Management), and Bachelor of Engineering (Electrical). He is a Member of the Institution of Engineers Australia. Age 36 years.

## Dave King, Marine Services Manager

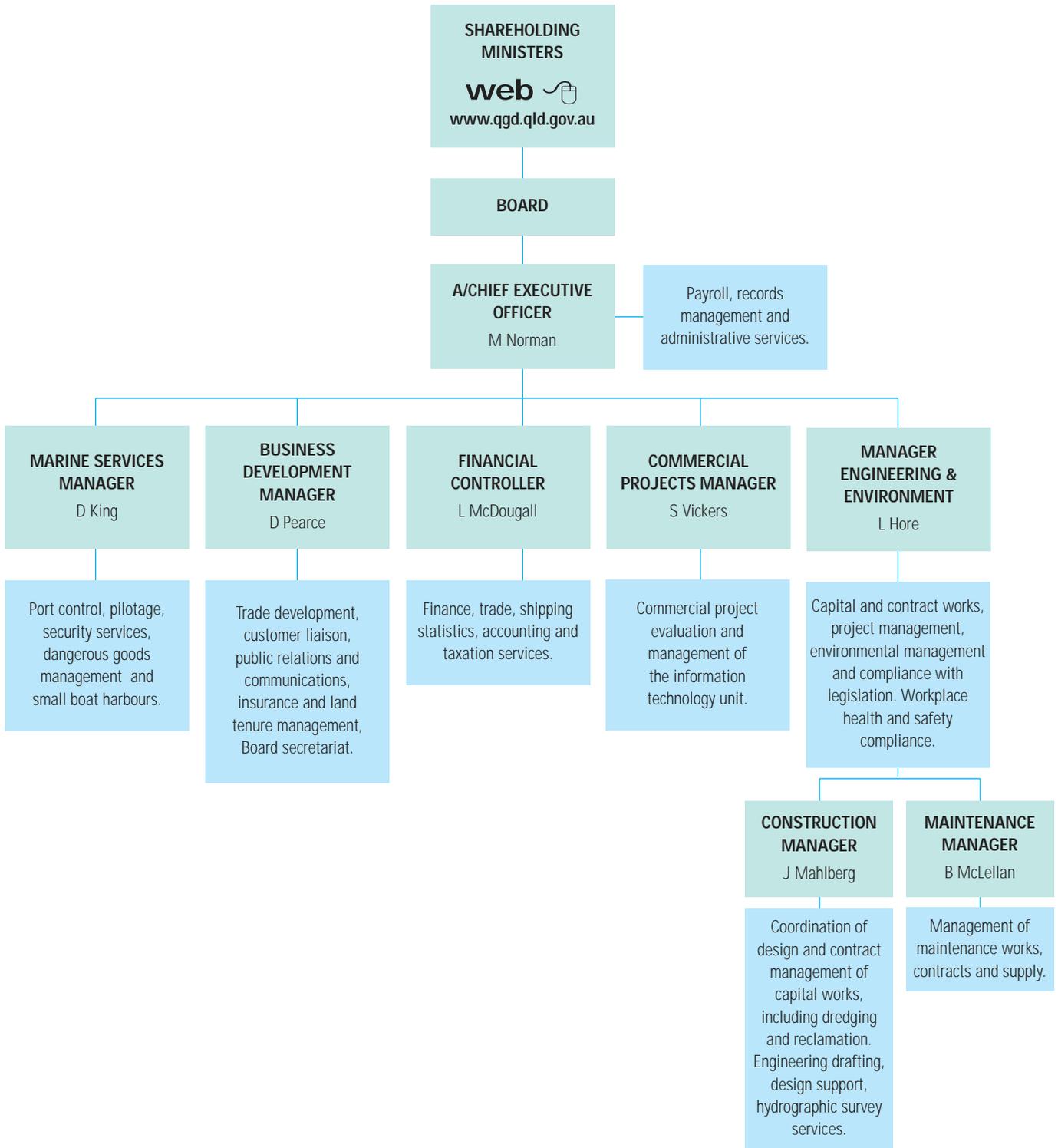
Dave has 17 years experience in the port industry and has extensive knowledge of port operations and procedures.

Dave is a Master Class 5 for the Port of Townsville, Workplace Health and Safety in construction and manufacturing, and was trained in the International Maritime Dangerous Goods Code by the Australian Maritime College. Age 39 years.



# our structure

web  [www.townsville-port.com.au/about us/our staff](http://www.townsville-port.com.au/about-us/our-staff)



# our safety performance

## web

Safety of all employees, customers and visitors to the Port of Townsville is of critical importance. Port Notices and Emergency Procedures details legislative obligations, safety issues and other requirements for the use of port facilities. Find this information at [www.townsville-port.com.au/doing-business/notices-and-safety](http://www.townsville-port.com.au/doing-business/notices-and-safety)



1 Yvonne Banks, Quality & Safety Officer checking a safety harness.

## our safety culture

Port customers are striving to achieve fast load rates to give greater efficiencies in their shipping operations. Our continued growth provides additional challenges. As the port becomes increasingly busy, the opportunities available to us to perform vital maintenance works on port infrastructure are increasingly being narrowed. This in turn leads to a greater emphasis being placed on speed. The balance between safety, speed of service delivery and operational efficiency is fine.

In a port environment, emphasis is on the speed of delivery of service. The environment in which we operate is virtually littered with heavy lift machinery, pipelines, shiploaders and conveyor systems, and mobile cargo handling and earth moving equipment.

Accidents however can be prevented. All employees are responsible for setting standards and improvement initiatives. We will continue to adopt initiatives to improve our safety performance.

## objective

It is our aim to minimise exposure to risks and reduce the frequency of injury or incidence to employees, contractors and visitors to our port. We will achieve this by promoting awareness of our workplace health and safety policy to all employees and port customers.

The policy encourages a pro-active approach to the prevention of work related illness or injury due to exposure to workplace hazards. We require all employees and contractors to comply with relevant legislation and with this policy.

## achievements

During the 2000/2001 period we achieved a greater acceptance by employees of workplace health and safety as an integral part of their role. We also introduced a safety induction video. This ensures a consistent approach to workplace health and safety for all employees, contractors and visitors to the port. A total of 389 safety inductions were completed during this period.

## looking ahead

We will ensure that workplace health and safety remains an important part of our day-to-day work processes. This will be achieved in a number of ways including:

- incorporating safety notes into our maintenance system; and
- ensuring employees continue to receive appropriate training to enable them to continually work safe and meet their obligations under the Workplace Health and Safety Act.

This coming year will also see the integration of workplace health and safety into our Business Management System. Our aim is to achieve third party accreditation against AS 4801 by June 2002.

We will continue to set challenging objectives and measure our progress to ensure the continued improvement of our health and safety management.

We will continue to encourage communication between all port customers to ensure a safe working environment.

## statistics

### lost time injuries

Lost time injury frequency rate	20.28
Average lost time rate	62 days
Incidence rate	12.09

### Lost time injury frequency rate compared to the previous two periods

2000/01	20.28
1999/00	16.60
1998/99	12.80

Three lost time injuries were reported for the 2000/2001 period. The increase in rate reflects the severity of the injuries which required 113, 62 and 11 days respectively. Although this rate has risen, the number of lost time incidents has remained constant.

### recorded incident over the last three periods

2000/01	13
1999/00	7
1998/99	12

## workcover claims

Workcover claims for 2000/2001 rose slightly from the previous period to five. Three claims were for lost time with two claims for medical expenses only.

Average claim duration and average claim cost were again above the industry standard. This was due to the nature of the injuries and the number of lost days.

Number of workcover claims accepted	5
Claims incurring lost time and medical expense	3
Medical expenses only	2
Number of claims made during the period	6

# our safety performance



## rehabilitation

Following on from the previous period we have an ongoing case that is being managed through our rehabilitation program. Three new cases also participated in workplace rehabilitation programs this period and these three employees have now returned to full duties.

It is our ongoing aim to provide assistance to the injured worker and the worker's family in a manner that will lessen the stress and financial burden.



## incident/accident statistics for the period 1 July 2000 to 30 June 2001

No. of employees (excluding temporary)	75
No. of hours worked	147,922
No. of lost time incidents	3
No. of no lost time incidents reported	10
No. of near miss/dangerous events reported	0
Total number of incidents reported	13

principal location of injuries	%
Shoulder and Arm	15
Hand	15
Neck	8
Eye	24
Leg	15
Back	15
Hip	8

injury type	%
Crush	8
Dislocation	8
Strain	39
Burn	15
Cut	15
Bruise	15

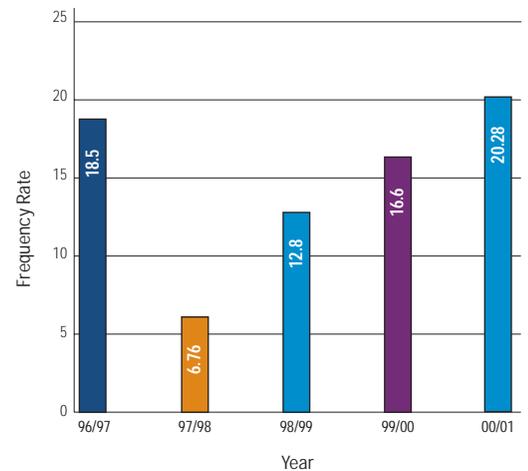
mechanism of injuries	
Slips, falls	2
Body stressing	3
Chemical or other substance	2
Hitting objects with body parts	5
Other and unspecified	1

## agency of injuries

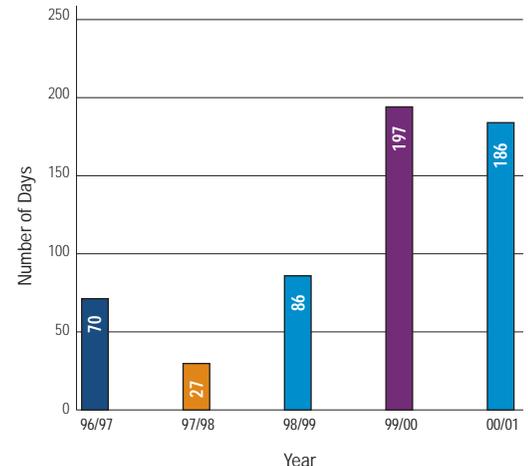
Mobile plant and transport	2
Materials and substances	2
Environmental agencies	1
Machinery and fixed plant	2
Non-powered hand tools	1
Powered hand tools	1
Other and unspecified	4

- 1 L-R: Tony Paroz, Engineering Supervisor with Bob McLellan, Maintenance Manager and Ross Markham, Contract Supervisor.
- 2 Wayne Connell, Leading Hand and Brian Arthur, Operator/Labourer on barge at berth 3.

lost time injury frequency rate 1996/97 - 2000/01



number of days lost 1996/97 - 2000/01



# dredging & maintenance



- 1 Wayne Connell and Tony Paroz at berth 3.
- 2 Aerial view of berth 10. Extensions will be made to this wharf in the future.
- 3 Scott Ingham in workshop.

The requirement to provide appropriate infrastructure that meets our shipping needs of today and the future continues to challenge the port. Efforts to secure the longevity of existing assets and undertake new developments has been increased through the appointment of new staff, further evolution of the organisational structure and the momentum of previous gains resulting from the focus on core activities.

## achievements

### capital works

The port has completed some \$4 million of capital improvements in equipment and services upgrades to ensure a positive contribution to long term growth. Upgrades to cathodic protection and fresh water have ensured that now, after a 3 year effort, the port has the best possible lighting, power, water and sewage systems to meet the needs of our customers.

However, not all aspects of the capital works program undertaken in the previous year have been completed. Although nearing conclusion, still in progress is the \$0.8 million project to replace the 'Perc Tucker' with a contract for construction having recently been awarded. The new vessel will be more powerful and versatile allowing a greater range of tasks to be completed efficiently and effectively. Also still in progress are the \$1.1 million extensions to wharf 10, designed to meet the needs of the Royal Australian Navy. This is also at a stage whereby contracts for construction have recently been awarded.

### maintenance works

Perhaps one of the greatest gains in the previous year is captured by the simple fact that we have implemented greater than 95% of our maintenance program for sea and land-side works for the third consecutive year. This achievement is underpinned by a multi-skilled workforce, greater cohesion within the organisation resulting in a significant reduction in unplanned jobs and the flexibility allowing the appropriate amount of contractor assistance.

Specifically, some of the maintenance projects completed during the year include \$320,000 of repairs to concrete piles and soffit in conjunction with the installation of cathodic protection systems under wharves 1, 8 and 9. Also completed during the year were some \$225,000 of steel pile painting under various wharves undertaken from floating platforms amid the difficult constraints of shipping and tidal windows. This was matched with some notable above deck maintenance such as Suter Pier Shed electrical, lighting and painting works being carried out to the tune of some \$250,000.

Because of where Townsville is situated in Cleveland Bay, as is the case every year, a large amount of maintenance dredging was carried out which removed about 340,000m<sup>3</sup> to the sea dump grounds and cost \$1.5 million in an effort of ensure

access to the inner and outer harbour.

## web

The port has 9 operational berths. Berths are equipped with bulk handling facilities including pipelines for oil, gas, chemicals and molasses; shiploaders for sugar and metal concentrates; and cranes for containers, metals, nickel ore and breakbulk cargo. For more detailed information on our berths please visit us at [www.townsville-port.com.au/the port/cargo berths](http://www.townsville-port.com.au/the_port/cargo_berths)

## looking ahead

### capital works

For the coming year, a significant fender and spill plate upgrade to the value of \$1.5 million is planned for wharves 2 and 3. The replacement of the old timber system will result in a steel structure that not only is more maintenance friendly, but also of greater berthing capacity.

Dredging is very close indeed to the heart of the port and has been identified as a strategic issue to be addressed over the coming period. A \$1 million upgrade to the split hopper barge 'Eric Netterfield' is planned to allow pump ashore capability. This will allow the port to undertake localised dredging of areas considered to be contaminated or suitable only to a grabbing type operation.

A \$450,000 vessel to conduct hydrographic survey work will also provide a backup to our pilot vessel Petrel II. This purpose-built craft will be constructed this year, incorporating the latest hull design and featuring the most recent technologies in electronic equipment, making her the most advanced craft of this sort in our region.

### maintenance works

Funding for annual maintenance dredging has been boosted by 100% to allow much needed dredging to be undertaken in all areas of port jurisdiction including Ross River. The total budget of \$4.5 million will ensure that access to the port and leased areas is maintained as a basic requirement for long term business viability.

A review of most recent information on our concrete wharves has prompted the port to inject significant effort into our repair program. \$2 million will be spent on pile, deck and retaining wall remediation works at wharves 8 and 9 with similar projects to be undertaken at wharf 1. It is anticipated that this work will extend the life of these structures a minimum of an additional 10 years.

Blasting and painting of steel structural piles under wharf 3 to the tune of \$190,000 will follow on from the removal of the old timber wharf in this area, making this a safe zone to conduct maintenance.

# planning & development

1 L-R: Lauren Spinks, Public Affairs Officer, Marjorie Walker, Admin. Clerk and Raneë King, Corporate Services Officer.



## achievements

### new port tenants

In February this year, the Authority and Townsville Warehousing and Container Services agreed to terms which saw the construction of a \$1.8 million warehouse and hardstand facility within the area formerly occupied by Queensland Phosphate. We obtained the land back from Queensland Phosphate (now Western Mining Fertilizers - WMCF) in late 1999 after reaching agreement with the company who constructed purpose-built facilities in our Eastern Port Development area.

### web

For the full story on this development go to [www.townsville-port.com.au/publications/media releases](http://www.townsville-port.com.au/publications/media_releases)

The agreement was a departure from how we have traditionally approached development opportunities. In the past, the developer would have been responsible for development costs with our revenue being restricted to a land rental component.

This new approach provides significant flexibility for potential new customers.

We are currently working with Queensland Transport and the Department of Natural Resources to complete the conversion of non-strategic vested lands.

### integrated planning act 1997

The Integrated Planning Act 1997 (the Act) seeks to achieve ecological sustainability by providing a whole-of-government framework through which a wide array of regulatory controls are exercised.

A key feature of the Act is the Integrated Development Assessment System, which is a common regulatory system for making, assessing and deciding development applications.

Strategic port land became subject to the Integrated Planning Act 1997 and the Integrated Development Assessment System on 31 December 2000. We are the Assessment Manager for developments that take place wholly on strategic port land. Strategic port lands are exempt from local government planning schemes under the provisions of the Transport Infrastructure Act 1994. Townsville City Council remains the Assessment Manager for developments on non-strategic port lands.

To ensure appropriate compliance with the Act, port-specific training in conjunction with the Department of Local Government and Planning was undertaken in 2000.

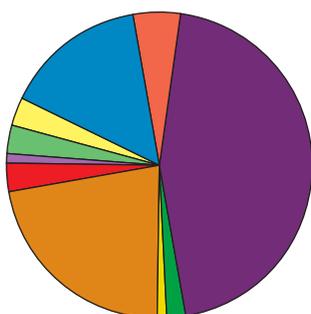
### land use plan & land use strategy

Pursuant to the Transport Infrastructure Act 1994, we are required to prepare a Land Use Plan defining strategic port lands and land uses. Our current plan was approved in 1996 by the Minister for Transport, Minister for Main Roads and Deputy Premier. A review of this plan was undertaken in the first half of 2001 to include the new tenure arrangements arising from the Land Tenure Rationalisation Program, and also to ensure that the plan met the requirements of the Integrated Planning Act 1997.

A revised plan will be released in the second half of 2001, which will incorporate a Land Use Strategy. The Land Use Plan and Strategy will be reviewed every three years to ensure the integrity of land holdings, and to ensure consistency with future port planning objectives as defined in the Port Development Plan.

The Land Use Plan details all strategic land owned or controlled by the Authority, and defines the land uses (current and proposed) which are considered when assessing development applications under the Integrated Planning Act 1997. The Land Use Strategy establishes guidelines for developments on port lands to ensure compliance with the Integrated Planning Act 1997 and to maintain consistency with local council planning objectives.

vessel calls 2000/01



### land tenure rationalisation program

To ensure we continue to have access to land that is required to achieve future planning objectives, we established an ongoing Land Tenure Rationalisation Program.

The first component of the program involved the conversion of strategic vested lands to alternative tenures, and the surrender of non-strategic vested land considered as not being essential to port operations, to the State for further dealing. The conversion of all strategic vested lands to alternative tenures was completed last year.

# planning & development

## web

Our port and shipping directory provides reference information on our capabilities. Go to [www.townsville-port.com.au/doing-business/shipping-directory](http://www.townsville-port.com.au/doing-business/shipping-directory)

Extensive consultation with relevant government agencies and the public will be undertaken once both documents are completed in final draft. Following the public consultation process, we will apply for approval of the Land Use Plan & Land Use Strategy by the Minister for Transport, Minister for Main Roads and Deputy Premier as required under the Transport Infrastructure Act 1994.

### tenancy risk management

During the period, we established a tenancy risk management and compliance strategy. The strategy involves an initial assessment of all tenancies through questionnaires to ascertain compliance with the conditions of agreements between ourselves and the respective tenant. The document is also designed to receive information in respect to the level of compliance in relation to our port notices and policies and any relevant legislation applying to the land occupied. The questionnaires have been forwarded to all tenants and we have commenced collation procedures.

### port rationalisation

As highlighted in the Chairman's report, we continued to negotiate with major port customers with respect to solving issues associated with port congestion. The outcome from these discussions have been extremely positive with a general willingness being displayed to work together to solve the issues.

Previously we had been focussed on the perception that the only way to relieve inner harbour congestion was to construct an additional outer berth. This would have enabled all bulk concentrate material to be exported through outer harbour facilities, freeing up inner harbour wharves for breakbulk and container operations. Whilst the idea had considerable merit from a development angle, it was not considered to be a wise investment from the perspective of our customers who were concerned that we may well have been providing unnecessary infrastructure.

Following a number of meetings with our customers, it has emerged that there appears to be an opportunity to increase the utilisation of the existing inner harbour without going to the considerable expense of constructing an additional outer berth. Whilst the substance of discussions to date are of a commercial-in-confidence nature, we are extremely pleased with the progress being made.

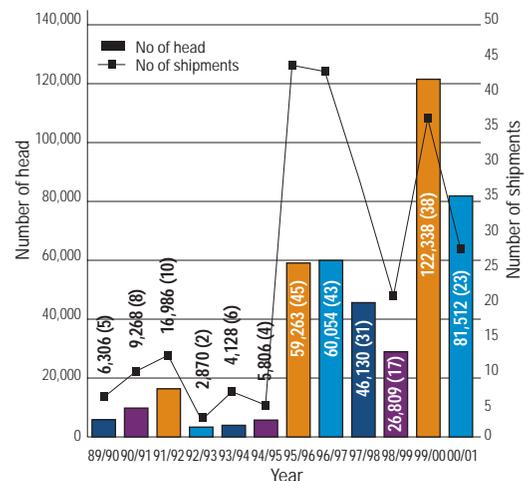
The revised plan would involve the relocation of some bulk handling operations to adjacent facilities in the inner harbour and the realignment of existing wharf infrastructure. These modifications would achieve, based on future trade forecasts, enough capacity for the port to operate efficiently for the next two decades.

## looking ahead

In the next period we will continue to work towards completing a number of initiatives including:

- our Land Use Plan and Land Use Strategy, with an anticipated gazettal by the end of the 2001 calendar year;
- the completion of the divesting of non-strategic vested lands following the enactment of legislation enabling this process by parliament;
- the assessment of tenancy questionnaires and finalisation of initial lease audits under the Tenancy Risk Management and Compliance Strategy, and ongoing random audits of lease sites to minimise risks and reduce any exposure to liability;
- the finalisation of land tenure arrangements to facilitate the construction of the third sugar shed including the acquisition of an additional 2 hectares of land, and facilitate the development applications required under the Integrated Planning Act 1997 in conjunction with Queensland Sugar Limited; and,
- continuing negotiations with stakeholders in relation to the rationalisation project. We would anticipate entering into development agreements with those concerned in the next period.

live cattle exports 1989/90 to 2000/01



Live cattle exports decreased by 40,826 head or 33% due to increased demand in the Australian markets.

# summary table

## summary of imports - tonnes 1991/92 - 2000/01

	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
GENERAL	36,598	46,248	72,873	106,292	71,768	66,360	90,684	116,477	123,846	109,625
OIL										
General Purpose	716,323	748,919	786,140	892,980	842,865	878,633	915,821	872,671	857,930	874,546
Liquid Gas	19,355	23,926	24,186	21,608	19,445	18,013	21,045	19,978	19,781	20,330
	<b>735,678</b>	<b>772,845</b>	<b>810,326</b>	<b>914,588</b>	<b>862,310</b>	<b>896,646</b>	<b>936,866</b>	<b>892,649</b>	<b>877,711</b>	<b>894,876</b>
FERTILISER										
Bulk	1,016	-	18,020	48,058	75,604	80,262	129,898	94,631	105,130	92,137
NICKEL ORE	2,303,687	2,572,571	2,952,403	2,927,383	3,017,977	3,429,445	3,224,442	3,439,217	3,309,831	3,540,218
GYPSUM	14,133	5,761	-	-	-	-	-	-	-	-
STEEL PIPE	-	-	-	-	-	22,176	-	-	-	-
ZINC CONCENTRATES	-	-	-	-	-	-	-	-	183,898	270,906
COPPER CONCENTRATES	-	11,185	-	10,896	-	-	-	-	-	-
SULPHUR	-	-	-	-	-	-	-	7,010	34,151	35,458
CEMENT	-	-	166,440	303,335	274,662	266,536	273,698	290,210	279,660	253,045
SULPHURIC ACID	-	-	-	-	9,461	28,479	29,314	16,035	3,001	-
TOTAL (Mass Tonnes)	3,091,112	3,408,610	4,020,062	4,310,552	4,311,782	4,789,904	4,684,902	4,856,229	4,917,228	5,196,265

## summary of exports - tonnes 1991/92 - 2000/01

	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
GENERAL	99,566	115,113	143,016	150,997	189,508	145,530	167,583	163,644	165,895	155,567
MEAT & ASSOCIATED PRODUCTS										
Frozen	15,664	23,576	31,790	41,179	24,891	15,480	17,437	34,663	40,542	32,559
Hides	1,173	1,571	1,671	4,623	1,387	2,075	944	669	125	42
Tallow	11,340	9,953	7,512	10,488	10,744	8,286	10,882	24,490	11,250	12,888
By-Products	8,806	3,774	3,057	2,358	11,912	13,704	12,683	11,864	13,134	15,108
	<b>36,983</b>	<b>38,874</b>	<b>44,030</b>	<b>58,648</b>	<b>48,934</b>	<b>39,545</b>	<b>41,946</b>	<b>71,686</b>	<b>65,051</b>	<b>60,597</b>
MINERALS										
Refined Copper	123,144	122,191	142,768	85,732	72,731	76,732	71,931	102,916	161,926	152,285
Concentrates:										
Copper	53,780	47,365	75,419	106,504	266,107	362,224	494,924	693,085	475,756	676,247
Zinc	458,161	457,615	661,692	418,451	495,092	450,739	402,365	453,801	389,042	373,826
LGM	181,565	129,921	151,227	85,545	69,539	20,301	-	-	-	-
Lead	14,803	22,083	21,228	26,269	22,047	21,444	112,001	245,801	296,398	310,780
Copper Ore	-	-	-	-	-	-	-	39,964	20,091	10,209
Lead Ingots	182,793	210,466	187,609	155,982	156,599	161,916	147,499	130,829	135,562	117,717
Zinc Ingots	-	-	-	-	-	-	-	-	44,851	183,113
Nickel	21,812	23,247	28,176	29,008	22,402	11,637	11,439	18,850	11,350	11,981
	<b>1,036,058</b>	<b>1,012,888</b>	<b>1,268,119</b>	<b>907,491</b>	<b>1,104,517</b>	<b>1,104,993</b>	<b>1,240,159</b>	<b>1,685,246</b>	<b>1,534,976</b>	<b>1,836,158</b>
HIGH ANALYSIS FERTILISER	-	-	-	-	-	-	-	-	108,080	530,761
SULPHURIC ACID	-	-	-	-	-	-	-	-	65,392	124,049
MOLASSES	81,929	196,441	129,097	222,093	332,104	354,749	321,941	306,371	348,593	212,881
SUGAR	570,810	895,513	950,818	1,003,073	1,098,822	1,124,599	1,281,994	1,051,428	1,254,893	1,079,088
CATTLE	(16,986)	(2,870)	(4,128)	(5,806)	(59,264)	(60,054)	(46,130)	(28,416)	(122,338)	(81,512)
	Head	Head	Head	Head	Head	Head	Head	Head	Head	Head
	8,493	1,435	2,064	2,903	29,632	30,027	23,065	14,208	61,169	40,756
LIVE SHEEP	-	-	(200 Head)	-	(80 Head)	-	-	-	-	-
			10		4					
TOTAL (Mass Tonnes)	1,833,839	2,260,264	2,537,154	2,345,205	2,803,521	2,799,443	3,076,688	3,292,583	3,604,049	4,039,857

# summary table

web 

For operational statistics please access our website at [www.townsville-port.com.au/commercial info/statistics](http://www.townsville-port.com.au/commercial%20info/statistics)

## total throughput - tonnes 1991/92 - 2000/01

	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
Tonnages (Mass Tonnes)	4,924,951	5,668,874	6,557,216	6,655,757	7,115,303	7,589,347	7,761,590	8,148,812	8,521,277	9,236,122

## shipping information 1991/92 - 2000/01

Only vessels over 200 tons included

	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01
Cargo Vessels	376	463	523	585	633	623	653	624	651	673
<b>Gross Tonnage</b>	<b>5,381,454</b>	<b>6,668,539</b>	<b>7,392,834</b>	<b>7,889,576</b>	<b>8,351,985</b>	<b>8,609,140</b>	<b>9,401,354</b>	<b>9,865,591</b>	<b>10,149,228</b>	<b>10,873,965</b>
Passenger Vessels	12	9	14	11	7	2	6	13	9	7
<b>Gross Tonnage</b>	<b>151,238</b>	<b>116,626</b>	<b>226,490</b>	<b>197,487</b>	<b>144,345</b>	<b>36,293</b>	<b>93,381</b>	<b>181,619</b>	<b>188,337</b>	<b>106,146</b>
Naval Vessels	68	59	46	41	49	48	30	29	24	32
<b>No GRT Recorded</b>										
Bunkers	1	2	2	8	5	1	2	50	48	55
<b>Gross Tonnage</b>	<b>21,619</b>	<b>2,282</b>	<b>55,477</b>	<b>58,365</b>	<b>93,075</b>	<b>10,511</b>	<b>3,544</b>	<b>18,300</b>	<b>36,426</b>	<b>60,012</b>
Other Vessels	47	45	28	33	26	29	25	13	21	17
<b>Gross Tonnage</b>	<b>37,312</b>	<b>26,530</b>	<b>9,129</b>	<b>10,953</b>	<b>38,045</b>	<b>18,702</b>	<b>36,438</b>	<b>19,417</b>	<b>77,391</b>	<b>39,392</b>
Total No. of Vessels	504	578	613	678	720	703	716	729	753	784
Total Gross Tonnage	5,591,623	6,813,977	7,683,930	8,156,381	8,627,450	8,674,646	9,534,717	10,084,927	10,451,382	11,079,515

## cargo records 1976 - 2001

	date	vessel	record
Imports	18-Jun-01	Asian Nova	discharged 67,360 tonnes of Nickel Ore
Exports	6-Oct-99	Ever Mighty	loaded 63,000 tonnes of Raw Sugar - World Record Shipment for Sugar
Deepest Draft Vessel	26-Jun-97	Maersk Taurus	13.05 metres loaded with 66,804 tonnes of Nickel Ore
Longest Vessel	19-Jun-89	Taiko	262.08 metres
Highest D.W.T. Tonnage	26-Mar-76	Capetan Carras	85,108 tonnes
Widest Beam	12-May-81	Tokurasan Maru	37.57 metres



1 Mandy Mackenzie, Statistics and Revenue Officer and Len McDougall, Financial Controller.

# marine services



## achievements

### integrated services

During the year we successfully negotiated an Enterprise Bargaining Agreement with the AMOU in respect to our Marine Services and pilotage personnel. The pilot boat crew (formerly employed as a contract service) have also been included in this agreement.

The agreement has enabled us to rationalise our workforce in these areas.

This rationalisation of personnel will allow for significant efficiency gains in the provision of marine services to our customers. We anticipate having a multi-skilled marine services workforce who will be able to perform core functions including:

- port control – ship scheduling, berth allocation, dangerous goods approval, port operations;
- pilotage services – we have 6 marine pilots servicing the shipping industry;
- pilot transfer – Marine Services is equipped with a 13 metre vessel for the transfer of pilots; and,
- small boat harbour management – mooring management, harbour due collection.

In addition, we will further determine training requirements with respect to our marine pilots in relation to our oil spill response capabilities.

### review of port procedures manual

In conjunction with the Regional Harbour Master's office, the Marine Services Manager, Pilot Superintendent and marine pilots participated in a review of the port procedures manual for Townsville. The review resulted in a number of changes and simplification to navigation procedures in Townsville.

Marine Services participated in the development of the standards for pilotage in Queensland, and more specifically Townsville. The Pilot Superintendent was nominated to sit on a sub-committee to assist with this process. The document sets the new minimum standards for pilotage and forms the basis of our internal procedures, which were developed and implemented throughout the year.

### devolution of pilotage

During the previous 12 months, Marine Services has undergone a further transition. We have seen the finalisation of the devolution of pilotage from Queensland Transport to port authorities. This was finalised and effected on 1 July 2001.

Part of the devolution of pilotage has seen the port engage the services of the pilot transfer crew, who have become permanent employees. To ensure a smooth transition of the pilots and transfer crew becoming permanent employees within the Marine Services division, negotiations between the

Authority and the AMOU resulted in a certified agreement covering the working conditions for employees in Marine Services.

These conditions will allow all employees to upgrade their skills as a direct result of each employee becoming totally familiar with all aspects of the operation from the existing Port Services Officers (PSOs's) duties to the transfer of pilots to and from ships.

All PSO's are required to have a medical to clear the way to obtain their Master Class 5 certificate of competency.

### port towage contract up for renewal

The current ten year licence with our contracted towage provider, North Queensland Marine Towage expires in December 2003. Our customers have made it very clear to us that they expect value for money in terms of the provision of towage services.

To date we have commenced informal discussions with a number of potential service providers. We intend to formalise these negotiations in the months ahead and we will be looking for innovative approaches with respect to the provision of towage and lines and launch services.

### berth 11 simulation study

The simulation study of ship manoeuvrability to and from berth 11 was not completed during the year as result of budget constraints. This training and study will be completed in the coming financial year.

### port security audit

Questions relating to the port security system formed part of this year's external customer audit. The result showed that 91% of our customers were satisfied with the level of service currently provided.

## looking ahead

We will:

- continue to develop the skills of all Marine Services employees through the appropriate training, providing a multi-skilled workforce trained to perform all aspects of the job including marine pollution response;
- provide assistance to the engineering division in the implementation of the backup pilot/hydrographic survey vessel, ensuring a 100% capability to manoeuvre ships in and out of the port;
- complete the simulation study of ship manoeuvrability in and out of berth 11, to increase the overall efficiency of the port. Currently vessels are required to transit the full length of the channel; and,
- commence the analysis of options and costs of alternative structures and management for towage services in the port, as the current contract expires on 31 December 2003.



- 1 Pilot transfer with Ben Harrington, Port Services Officer and Hugh Ripley, Pilot.
- 2 This facility was constructed to provide a place for small craft operators to dispose of their waste oil containers for recycling. Pictured: Gary Feil, Port Services Officer.



# external communications

1 Right: Susan Vickers and Kelly Jorgensen, Financial Accountant.



- 1 Over \$35,000 has been raised for charities since 1996 as a result of our charity golf days.
- 2 Ron McLean farewells Caryn Anderson, Environmental Services Manager.
- 3 Prof. Paul Ryder, Executive Dean, Faculty of Law, Business and the Creative Arts, presenting the TPA prize in tourism to Catherine Guilfoyle.
- 4 Kellie Constantine, Receptionist and Anne-Maree Peters, Secretary.
- 5 Ron McLean congratulates Melanie McEvoy-Bowe on 15 years of service.

## achievements

### external communications

We are conscious that our customers expect to receive information from us regarding matters that have the potential to impact on how they carry out their business in a timely manner.

During the year we commenced the publication of our external newsletter 'in depth' and expanded information on our website.

### web

Go to [www.townsville-port.com.au/publications/corporate\\_newsletters](http://www.townsville-port.com.au/publications/corporate_newsletters)

These changes have seen hits on our site increase as we place the sort of information on the site that our customers find useful.

We have also maintained more formal information exchange forums such as the Port Advisory Body, which is chaired by a representative of the port community.

The issue of maintaining meaningful communication channels with the wider community remains one of our challenges. We will continue to attend regular community forum meetings.

### internal communications survey

In an effort to more fully understand how our employees viewed our internal operations we commissioned an external consultant to undertake a survey. The survey was extremely thorough in that it canvassed all aspects of our internal operations from Board level down.

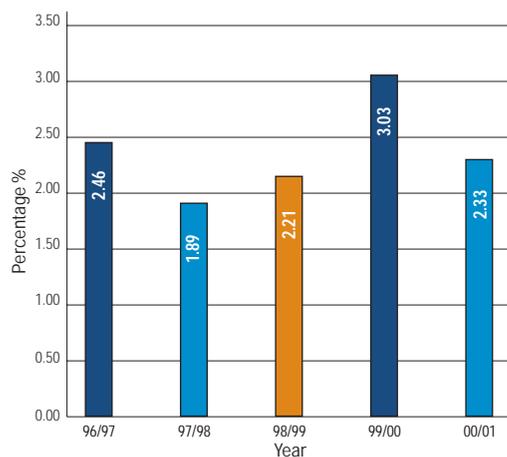


Some results of the survey were of concern to senior management, particularly from an internal communications perspective. Some of our employees commented that they found it hard to determine how their jobs were related to the overall effectiveness of the Authority.

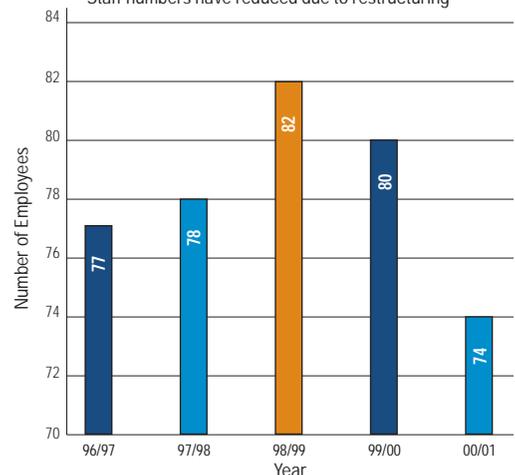
Management utilised the results of the survey when formulating plans and strategies in a formal corporate planning session held in November 2000.

In addition, management has implemented formal performance appraisal systems with tangible links between employee goals and organisational objectives. This is part of our new approach to goal attainment.

sick leave as % of total hours worked - 1996/97 to 2000/01  
Reduction in % due to less staff and less sick leave taken



employee numbers - 1996/97 to 2000/01  
Staff numbers have reduced due to restructuring



# external communications

## long serving employees

employee	occupation	period of employment	completed years of service
John Neal	Engineering Support Officer	5 Aug 1968 – 4 May 2001	32
Robert King	Planning & Estimating Officer	25 Mar 1974 – 25 May 2001	26
Cecil Denham	Tradesperson	13 May 1975 – 3 Jul 2000	24
Ronald Marsh	Workplace Health & Safety Officer	14 Jun 1977 – 4 May 2001	23
John Sherriff	Finance Manager	12 Oct 1977 – 27 Nov 2000	23
Frederick Porter	Labourer	19 Feb 1981 – 6 Jul 2000	18
Melanie McEvoy-Bowe	Statistics & Revenue Officer	3 Feb 1986 – 22 Jun 2001	15
Ebeda Kanai	Labourer	21 Jan 1985 – 14 Jun 2001	15



## external stakeholder survey

As highlighted in the management review & analysis, the stakeholder survey highlighted some issues in relation to how our customers viewed our planning activities.

In order to address specific issues we subsequently formed a number of smaller informal working groups consisting of interested port user representatives and Authority staff. Outcomes from these meetings have led to a number of planning initiatives being revisited. The working groups have also proved to be an excellent forum of information exchange on wider port issues.

## looking ahead

During the twelve months ahead we have put in place a number of processes to ensure that the momentum we have gained with the above initiatives will not be lost. These include:

- our commitment to further refining our performance appraisal process to focus employee effort towards goal attainment, where the individual goals are linked directly back to organisational objectives;
- ensuring that employees continue to receive adequate training to assist in career development and goal attainment;
- maintaining an internal culture, which enhances employee involvement in decision making, motivation and job satisfaction; and,
- continuing to refine and enhance internal and external communication systems and mechanisms.



## port open day

The community were given a rare opportunity to inspect our facilities and operations when we held a port open day on 22 October 2000. The open day was a huge success with an estimated 5000 people participating in guided tours of the port including tours of major operations such as Queensland Sugar, Mount Isa Mines, WMC Fertilizers and Queensland Cement Limited.

It was an exercise aimed at increasing awareness to local and regional communities of why the port is here and what it does.

The success of the open day would not have been possible without the cooperation of many of our employees, customers and community organisations and we would like to thank everyone for their involvement in the day.

1 A real tug-of-war competition, proudly sponsored by North Qld Marine Towage.

2 The 'Croc'.

# information & systems

## achievements

### new financial and maintenance software system implemented

Substantial information technology resources were invested in migrating our financial, payroll and maintenance systems to a single integrated system. This was primarily achieved through the implementation of an enterprise information system called Pronto.

With the implementation of Pronto, a number of goals were achieved, particularly:

- migration to lower cost software suitable to our data volumes and information requirements; and,
- the reduction of multiple database management systems – from Maximo (Maintenance Management System), Oracle (Financials) and Port Management System (Shipping). The current Port Management System is being replaced with a new shipping system called SPOT - Shipping Port of Townsville.

Our systems are now fully integrated, particularly finance, payroll and maintenance applications.

We expect to achieve immediate efficiency gains and cost reductions as a result of these new applications. A reduction in future costs with respect to software upgrades, as the need for separate upgrades has been eliminated, is also expected. Also more cost-effective hardware has been used in the implementation of Pronto.

The implementation of Pronto was an Authority-wide project. Assistance from the finance, supply, engineering and human resources sections, saw the implementation completed on time.

### geographic information system

Significant analysis has taken place to date in relation to the implementation of a geographic information system for our port

lands and services on those lands. The implementation of this system will provide our employees with the ability to have access to real time information concerning our land holdings. Thus providing us with the opportunity to more immediately respond to customer enquiries.

It is envisaged that analysis of a suitable software package will be finalised in the coming months. Upon finalisation of the software, an implementation program will commence.

### website

Our website has proven to be extremely popular with many of our customers. During the year we have identified that it may now be appropriate for us to host our own site as opposed to the current system which sees the site hosted by Telstra. The necessary equipment and software to allow the site to be relocated from a Telstra site to a TPA site has been identified. It is anticipated that the site will be relocated early within the next period.

**web**  Go to [www.townsville-port.com.au](http://www.townsville-port.com.au)



### looking ahead

In the coming financial year, the following projects are expected to be finalised:

- implementation of a geographic information system;
- expansion of a TPA-hosted web site. Work will then commence on extending the site to better serve internal and external customers. Potential extensions will include the ability to book berths, to transmit manifests, respond to debtor and creditor enquiries and process dangerous goods applications; and,
- implementation of a document handling system. Our current manual system is showing signs of inefficiency and investigations into alternative systems is expected to commence within the period.



1 Seated: Amanda Cox, IT Applications Officer with Geoff Payne, IT Projects Officer and Chris Lynch, Informations System Support.

2 Bottom left: Greg MacDonald, Accounts Payable Clerk.

3 Bottom right: Ian Evans, IT Consultant and Scott Martin, Finance Officer.



# environmental regulation



- 1 Divers taking pile scrapings as part of the Baseline Survey for introduced marine pests.
- 2 Abandoned prawn farms on Ross River South Bank. Remediation plans are underway.

## achievements

### baseline survey for introduced marine pests

CRC Reef was commissioned to undertake a baseline survey for introduced marine pests at the Port of Townsville. Introduced marine pests have the potential to impact on the high recreational, commercial and natural values of the port and the surrounding coast. Introduced marine pests often disrupt the natural ecosystems by introducing disease and competing with native species for space and food.

The aim of the survey was to describe the existing marine communities and determine whether any non-indigenous species, of pest status or otherwise, were present within the port or adjacent marine areas. In addition, the results of the survey will be used in Australia's Decision Support System (DSS), developed by the Australian Quarantine and Inspection Service (AQIS) for the effective management of ballast water within Australian waters.

The project commenced in September 2000, with the sampling program undertaken in October 2000. Following the sampling, organisms were sorted into

family groups and sent to taxonomic experts for identification. The project also includes a community awareness program, including the publication of three public awareness brochures.

The final report is yet to be completed however early reports confirm no organisms of concern within the port. The final report should be finalised by October 2001 and will be accompanied by the final community awareness brochure.

## web

Go to [www.townsville-port.com.au/publications/environmental newsletters](http://www.townsville-port.com.au/publications/environmental_newsletters)

### review of environmental management strategy

The Environmental Management Strategy was developed in October 1998, through a cooperative approach including participation from port customers, as a tool to effectively manage the port environment and provide unified environmental management aims, objectives and targets. During the initial development of the strategy it was determined that the document would be reviewed every two years.

The strategy underwent a review process in October 2000 in an effort to better focus the document towards current environmental management objectives and initiatives. The main concern with the document was the lack of measurable key performance indicators.

The document was updated to include measurable key performance indicators and distributed to all port customers. Port-wide environmental performance will now be monitored and assessed against key performance indicators within the strategy. Achievements will be reported at Environmental Working Group meetings. These meetings are held quarterly and are made up of members from the port community. The purpose of these meetings is to communicate changes in environmental legislation and management initiatives and to update members on environmental issues.

### iso 14000 certification

We have continued to develop an Integrated Environmental Management System with the key focus of obtaining ISO14000 certification. A preliminary audit of the system against the ISO14000 standard was undertaken in August 2000.

The aim of the audit was to gauge at what stage the system is at by identifying any non-conformances. Recommendations from the audit will be adopted and the system modified to ensure compliance.

Recommendations include:

- further development of the Environmental Policy and sign off by the Board;
- development of a system for identifying significant environmental aspects associated with routine planned maintenance activities;
- develop suitable objectives and targets for the above identified significant environmental aspects;
- develop programs and operational controls, including standard operating procedures for activities undertaken that have the potential to impact on the receiving environment;
- implement an environmental training and awareness program for employees and contractors;
- further develop emergency response procedures to deal with environmental incidents;
- further improve document control procedures; and,
- develop and implement an audit schedule for both the management system and port activities.

A number of these recommendations have already been implemented and the system is still undergoing changes with respect to the preliminary audit. It is anticipated that we will receive ISO14000 certification prior to June 2002.

### environmental park concept design

The close proximity of neighbouring residential communities to the port have historically been a cause for concern. Port activities have the potential to impact on sensitive residential areas through issues such as dust, noise, light and aesthetic



# environmental regulation



1 Sensitive marine environments in close proximity to the port.

impacts. In an effort to address the above issues and to provide a physical buffer between the port and adjacent residential areas, we have commissioned the C&B Group to design an environmental buffer zone concept.

The concept plans for the environmental park were presented in draft format to members of local residential areas in an effort to gain feedback on the design of the park and to obtain the community's input on the final design. An official launch day was held on 5 November 2000 to formally present the plans to the local community and to explain the park concept. The community consultation period was held over a couple of months and a number of comments were received and incorporated into the final design.

The final design and report have since been completed and assessed. An implementation schedule and planning process will be developed to ensure the best possible outcomes for both the port and the local residents.

## renewal of five year sea dumping permit

All sea dumping activities are assessed under the Commonwealth Environmental Protection (Sea Dumping) Act 1981 and to have the authority to dispose dredge material at sea, a sea dumping permit is required. Our previous permit expired earlier this year and an application was made for a new five year permit.

In order to receive the permit, we must satisfy both the provisions of the Environmental Protection (Sea Dumping) Act 1981 and the ANZECC Interim Sea Disposal Guidelines 1998. The application was reviewed by our Technical Advisory and Consultative Committee (TACC) for dredging which includes

members from Environment Australia, the Great Barrier Reef Marine Park Authority, Queensland Environmental Protection Agency, Queensland Department of Primary Industries and Queensland Department of Transport.

Following this review, the application was then sent to Environment Australia where it received sign off on 23 February 2001. Whilst we now have a permit to dispose dredge material at sea for a further 5 years, a number of provisions must be met, such as a limit

on the amount of material to be disposed at sea and specific monitoring and reporting requirements.

## implementation of noise monitoring program

Increases in noise complaints, coupled with continual record growth figures at the port and subsequent developments, has resulted in the need for regular noise monitoring. We have designed and implemented a program with the specific aim of assessing the impact of port activities on sensitive adjacent land uses.

The program involves the collection of noise levels from 24 locations around the port and throughout the South Townsville community over 6 time periods, twice per year. The data gathered is entered into a GIS system and noise contour maps are produced. The data is also assessed against relative legislation and guidelines to ensure that we are meeting regulatory requirements.

Results from the noise sampling will be used to assess problem areas and assist in future planning of port developments to ensure that activities are not situated adjacent to noise sensitive areas.

## 'ship to shore' newsletter and community survey

In a continual effort to maintain good communications with the community on environmental matters at the port, an environmental awareness newsletter is produced annually.

The second edition of 'Ship to Shore' was published in February 2001 and approximately 4000 copies were distributed to residents of South Townsville and Railway Estate, government organisations, community groups and industry.

The newsletter included a number of articles on environmental management initiatives at the port

including the proposed environmental park, the urban stormwater initiative project, environmental management initiatives of BHP, Bulk Sugar Terminals, QNI, WMC Fertilizers, MIM port operations, Pacific Marine Group and information on the proposed prawn farm remediation and the proposed Ross River recreational boat ramp facility.

A survey form accompanied the newsletter in an attempt to gauge the public's perception. A high number of responses were received with the majority of the feedback indicating interest in the newsletter and favourable comments.

The newsletter will continue to be produced annually, updating issues from previous newsletters and highlighting further advances in environmental management at the port.

web 

Go to [www.townsville-port.com.au/publications/environmental-newsletters](http://www.townsville-port.com.au/publications/environmental-newsletters)

## inner harbour sediment contamination modelling

Initial studies of sediments within the inner harbour undertaken in 1993 revealed concentrations of heavy metals exceeding dredge material disposal guidelines. Since this time we have commissioned a Long Term Sediment Monitoring Program to regularly gauge the levels of heavy metals contained within sediments.

Recent concerns with decreases in declared depths and the need to deepen the port to accommodate larger ships has placed urgency on the need to dredge the inner harbour. In order to gain a more complete understanding of the heavy metal contamination within the inner harbour, and in cooperation with QNI and MIM, we have contracted Douglas Partners to undertake a modelling study.

The aim of the study was to model heavy metal levels within the inner harbour in respect to various dredge disposal methods. This was undertaken to determine the appropriate disposal options for sediments within the inner harbour to ensure environmentally safe disposal options.

## looking ahead

### port buffer zone

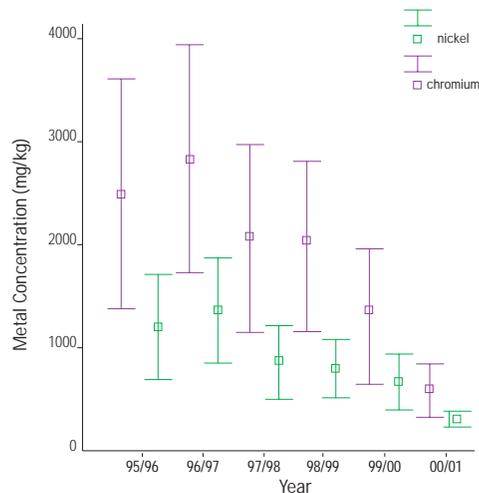
Following the completion of concept plans for the environmental park and the subsequent community

# environmental regulation

## sediment

The Long Term Sediment Monitoring Program was implemented to examine the level of heavy metal contamination within the sediments at the port. The program began in 1995 and involves the collection of 242 sediment samples every 3 months. The samples are sent to a laboratory for the analysis of 13 heavy metals.

This graph illustrates the changes in nickel and chromium concentrations within the sediments of berth 2 over time. Nickel handling operations were moved from berth 3 to berth 2 in 1996 and berth 2 has since become a designated nickel handling berth. The graph illustrates a marked decline in the level of both nickel and chromium within berth 2 sediments over time. This coincides with a significant improvement in the environmental management of nickel handling operations at the port.



consultation period and review, we will begin initial planning and works on the proposed buffer zone.

The Port of Townsville is in close proximity to residential land and as such, port activities have the potential to impact on the quality of life of neighbouring residents. Issues such as noise, dust, visual intrusions and aesthetics can be potential problems and can influence future port development and management opportunities.

In an effort to minimise the impact of port activities on neighbouring residential communities, we have devised the concept of a vegetative buffer zone to act as a physical buffer between the two land uses.

The initial concept plan was based on a large scale environmental park idea including community facilities such as walking tracks, seating, boardwalks, open space areas and bicycle tracks. We have opted for a staged approach to the development, with the idea of undertaking works over a period of time to ensure that the main objectives of the buffer zone are met.

The first stage of the buffer zone development will be to undertake initial tree planting and landscaping works. This will allow for the successful propagation of the vegetation with minimal human impact whilst providing an essential buffer between port activities and residential areas. Further concepts will be included following the successful implementation of Stage 1 of the project.

## integrated environmental monitoring system

In an effort to better gauge a number of environmental parameters at the port, Greenspan Technology have been commissioned to implement an Integrated Environmental Monitoring System.

The contract, to the value of \$200,000, involves the purchase and installation of a number of environmental monitoring

equipment including:

- a stormwater monitoring station;
- automatic tipping bucket rainfall gauge;
- water quality monitoring sensors; and,
- acoustic doppler system.

The stormwater monitoring station will be a portable unit with the ability to relocate it to a number of stormwater drains within the port. The stormwater monitoring station will be utilised to examine first flush episodes within the port and determine contaminant levels within stormwater run-off.

An acoustic doppler system with associated water quality monitoring sensors will be installed at berth 11 for the monitoring and recording of current and wave data and water temperature, salinity and suspended sediment data. The aim of this equipment is to gain an understanding of hydrodynamic processes within the outer harbour. This will in turn assist in the development of improved sediment control management and subsequently minimise maintenance dredging volumes within the outer harbour.

All of the above monitoring equipment, and other environmental monitoring equipment already in place, will be equipped with remote communication devices and linked as an integrated system to provide real time data on a number of environmental parameters at the port.

## outer harbour modelling

Since the development of berth 11 within the outer harbour, maintenance dredging volumes have increased beyond predicted levels. Not only does this result in an increase in dredging costs but this also has the potential to impact on the environment. The increase in dredging volumes has resulted in a greater volume of dredged material being disposed at the sea disposal site.

In an effort to better understand the hydrodynamic processes within the outer harbour and to examine the effects of a number of hypothesised sediment management techniques, we have contracted Gutteridge, Haskins and Davey Pty Ltd to undertake a hydrodynamic modelling study of the outer harbour.

The project, valued at \$115,000, will involve the modelling of sediment transport mechanisms within Cleveland Bay to determine the path of sediment movement into the outer harbour basin. Following the completion of the model, a number of sediment management techniques, such as modifications to the outer harbour, construction of a breakwater and silt trenches, will be examined to determine their potential effect on the sediment movements within the area.

It is anticipated that following the modelling work and assessment of the various management techniques, a set of recommendations



1 Craig Wilson monitors noise levels in the port.

# environmental regulation

## noise

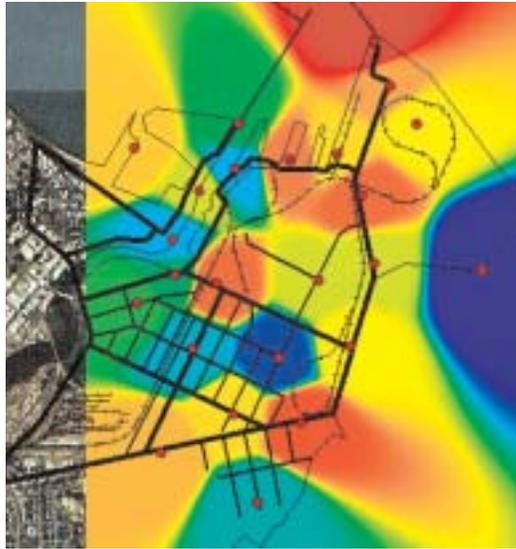
A Noise Monitoring Program was implemented during 2000 in an attempt to determine the noise impact of port operations on neighbouring residential communities. Our aim of the program was to develop noise contour maps to identify areas that may be effected by port-related noise.

This contour map is a map of noise data collected during the weekday night sampling period in November 2000. As can be seen in the legend, the blue colours are low noise levels and the red colours are high noise levels.

The higher noise levels are generally located within the port area. There are other areas where moderate noise levels were detected, especially along the major transport corridors of Benwell Road and Boundary Street. In all of the cases however, noise levels recorded did not exceed legislative guidelines.

In the majority of sampling locations outside the port area, port noise was virtually undetectable with traffic noise and general noise such as fauna being the major noise sources.

## weekday night noise levels - November 2000



Weekday Night (LAeq)

70	60	50	40
65	55	45	35

will be made, that if implemented, will substantially reduce our dredging requirements within the outer harbour.

## water quality monitoring program

In addition to our stormwater monitoring equipment and environmental monitoring programs, a water quality monitoring program will also be implemented. The program will focus on the receiving waters at the port and examine a number of potential contaminants.

The program will be based on the Draft 1999 Australian and New Zealand Guidelines for Fresh and Marine Water Quality. At this stage the program will include the collection of a number of water samples within the port on a quarterly basis. Samples will be analysed for a number of contaminants identified as having the potential to be elevated within port waters.

The program will provide a greater understanding of the impact of port operations on the receiving environment.

It will also assist in the identification of possible sources of contamination and assist in the development and assessment of environmental management techniques to effectively manage these operations.

## review of long term dredge material disposal strategy (LTDMDMS)

A condition on the issue of our sea dumping permit was that the current LTDMDMS be reviewed to comply with the current permit

and recent changes in environmental management initiatives.

We have sought the services of an environmental consultant to review the existing strategy and develop a timeframe for the development and implementation of a new strategy. It has been acknowledged that the review process should be undertaken throughout the life of the permit and cannot be undertaken as a basic review.

An implementation schedule for the review has been formulated and will be adopted following approval from the Technical Advisory and Consultative Committee (TACC) for dredge management. The TACC is made up of members from a number of interest groups which meet twice a year and include:

- Townsville Port Authority;
- Environment Australia - Marine and Water Division;
- Queensland Environmental Protection Agency;
- Queensland Department of Transport;
- Queensland Department of Primary Industries;
- Great Barrier Reef Marine Park Authority;
- Port Advisory Body;
- Townsville City Council; and,
- community interest groups including Sunfish and the North Queensland Conservation Council.

The schedule outlines a timeframe for the review over five years with the new strategy due for finalisation prior to the issue of the new permit.

## oil and chemical storage facility

An environmental audit of our workshop area was undertaken in October 1999 in an effort to identify any practices that had the potential to impact on the environment. A number of issues were identified including the incorrect storage of oils and chemicals. A number of drums of paints, thinners, oils and fuels were found to be stored in unbunded areas with high potential for spillage to stormwater. The storage of waste oil and paint drums was also of high concern with the potential for stormwater contamination.

To address the problem, an undercover oil and chemical storage facility will be constructed providing a protected, banded area for the safe storage of oil and chemical drums along with a designated waste material facility.

## prawn farm remediation

Natural Heritage Trust funding from the Coastal Acid Sulfate Soils Program has been approved for the Townsville Southbank Coastal Acid Sulfate Soil Remediation Project.

A former prawn farm site located on the east bank of the Ross River has been the subject of a number of investigations during the year. The site has been identified as having a high presence of acid sulfate soils. Together with Townsville City Council, Sunfish, Sinclair Knight Merz, RIVER, Department of Natural Resources and Mines, Citiwater, Environmental Protection



1 Craig Wilson checking stormwater discharge monitoring probes.

# environmental regulation

## PM10

The Long Term Dust Monitoring Program measures dust levels at the port. The TEOM system continually measures PM10 levels which are presented as 30 minute averages. PM10, or particulate matter, is all dust particles less than 10µm in size. These particles are considered a health concern as they are able to penetrate the lower respiratory tract. This graph illustrates the concentration of PM10 levels measured at the port during the 2000-2001 sampling period and the direction from which the dust originated. As can be seen, the extreme dust events originate from a predominantly easterly direction, however they are also recorded from a general southerly direction. The majority of our operations are located in a easterly direction from the dust monitoring unit so it is expected that the extreme dust events would originate from this direction.

The lack of data from the westerly direction is due to the lack of westerly winds within the Townsville region.

## wind

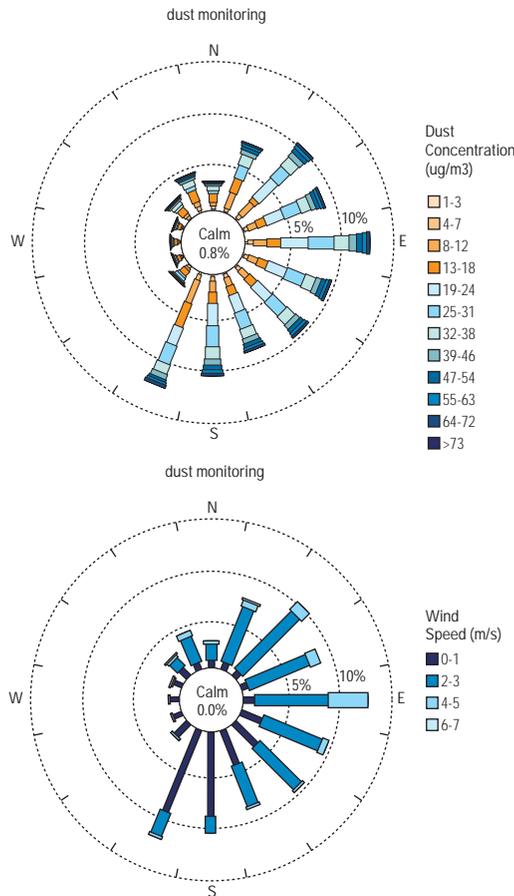
The dust monitoring station includes a wind sensor to record wind speed and direction. Wind data is used to determine whether extreme dust events are associated with high wind events or whether they are source-based. This graph is a wind rose illustrating wind speed and direction during the 2000-2001 sampling period. The majority of the high wind events during this period were recorded from an easterly direction. This data shows some correlation with the PM10 data suggesting the extreme dust events may have been associated with high winds.

## incidents

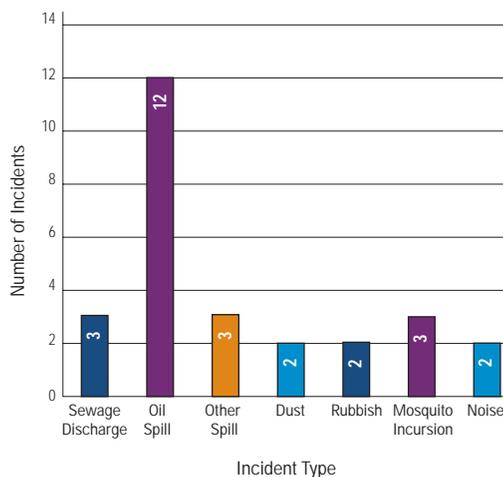
As part of the Authority's Integrated Environmental Management System, we maintain a database of all environmental incidents and complaints that occur at the port.

This graph illustrates the number and types of incidents recorded during the 2000-2001 financial year. Oil spills were by far the most common incident during the reporting year, with 12 oil spill incidents recorded. The high number of oil spills is due to the port's location and the diverse range of activities undertaken within the port area - shipping, small boat harbours and bulk fuel storage.

By examining the environmental incidents data and identifying trends in the data, we are able to focus environmental management initiatives towards problem areas to minimise the number of incidents.



environmental incidents 2000/01



Agency, James Cook University, and CSIRO Land and Water, we have secured \$250,000 from Environment Australia which will go towards remediation works on the site. As yet, a detailed program of works and additional funding sources have not been established.

## trade waste agreement (TWA)

We currently operate a small package sewage treatment plant which treats wastes from a number of port customers. Effluent from the plant is used to irrigate land within the port, and as such, must meet stringent environmental conditions. During the operation of the plant, a number of incidents have occurred which has resulted in a significant decline in the sewage effluent to the extent that licence conditions have been exceeded.

In an effort to minimise the impact of wastes on the optimal functionality of the plant, we will implement a Trade Waste Agreement for all users of the system. The agreement will be based strongly on Townsville City Council's TWA and will stipulate levels of trade waste to be accepted by the plant.

## research and monitoring

In an effort to monitor the impacts of port operations on the receiving environment, and in conjunction with port customers, we have implemented a number of environmental monitoring programs. In addition to the programs discussed above, other monitoring programs include:

- Long Term Sediment Monitoring Program;
- Long Term Dust Monitoring Program; and,
- Dust Deposition Monitoring Program.

We also encourage research programs with a focus on port operations. A number of post-graduate studies have been recently completed or are still underway including:

- natural and anthropogenic influences upon trace metal geochemistry in sediments of Cleveland Bay;
- effects of the dumping of dredged material of Townsville Port on the soft-bottom benthic community of Cleveland Bay;
- arsenic speciation in waters and sediment of Cleveland Bay, and controls on arsenic uptake in a commercial crab species;
- heavy metal transference in a three-level food chain;
- marinas as reservoirs for marine fouling organisms; and,
- inner harbour fine scale modelling

■ complete ● in progress

## web

Dugongs, seagrass beds, fringing coral reefs and mangrove forests are all sensitive natural habitats within the Great Barrier Reef World Heritage Area. Find out about how we care for the environment and our environmental policy at

[www.townsville-port.com.au/the/port/environment](http://www.townsville-port.com.au/the/port/environment)

# statement of corporate intent

Under the Government Owned Corporations Act 1993, we are required to report on our Statement of Corporate Intent (SCI) 2000/2001 in this report. A summary of the SCI can be included in the report, however a full copy of the SCI is laid before the Legislative Assembly at the same time of tabling as the annual report.

## executive summary

### business development strategies

The Port of Townsville has continued to record throughput increases over the preceding twelve months. Whilst the medium term outlook for trade growth is positive with both WMC Fertilizers and Sun Metals Corporation Pty Ltd looking at expansion options, the longer term outlook is less so.

The possibility that the QNI Yabulu Refinery will be upgraded to process intermediate nickel product places at risk the port's current annual import of nickel ore, currently around 3.5 million tonnes per annum, in the longer term.

Faced with the threat of reducing trade throughput in the longer term we will continue to strive for measures that will add value to the organisation and will increase the port's operational efficiency.

We will continue towards implementation of our port rationalisation objective, principally through the establishment of the multi-user bulk facilities centred on berth 12. Rationalisation aims to improve utilisation of Authority assets by moving bulk loading facilities to the outer harbour in the medium term, to avoid the construction of costly duplicated facilities within the next 5 to 10 years. It provides a unique opportunity to stop the ad hoc approach to port development, combined with the habit of making very long term agreements (50 years is common) with individual port users which has characterised development decisions.

### stay-in-business strategies

As part of the process of embedding quality systems (the port has already attained QA accreditation) the Authority has retained the customer feedback mechanisms put in place. Maintaining a customer focus will therefore assist in capturing the maximum amount of trade coming from projects within the region.

We will continue to build on marketing initiatives adopted and implemented over the past twelve months.

Our QA process also calls for systematic asset monitoring. Recent facility condition reports indicate that we are entering a period of relatively heavy expenditure on physical facilities including wharves and roads. Major maintenance programs on these facilities will be staged over a 5 year period.

The emphasis on commercial justification in asset replacement decisions will be intensified in the coming year as part of the long-term effort to raise our rate of return on assets. Simply increasing revenue by increasing port charges is no longer a step that can be taken without carefully considering competitive implications and effects on the customer base. Our financial forecasts assume that prices will rise at a little less than inflation (CPI).

## risk minimisation

### business risk

An objective of our processes is the identification and response to threats from the economic environment.

### operational risk

Our quality systems manuals contain significant elements of risk identification and elimination.

A risk assessment on port operations was conducted during the year. The majority of items identified have been dealt with.

### investments

Surplus funds will be invested to obtain market returns, which are non-speculative.

We have insurance policies in place for:

- Industrial Special Risks;
- Extra-Territorial Workers' Compensation;
- Combined Liability;
- Personal Accident;
- Marine Hull;
- Directors and Officers' Liability;
- Comprehensive Motor Vehicle;
- Marine Liability; and,
- Marine Transit.

## borrowing

All borrowings will be sourced on a competitive basis.

## purchasing policy

The policy stipulates the required action for purchases over certain \$ value thresholds. All purchases are to be authorised in accordance with approved individual expenditure limits.

We also adhere to the principles of the State Purchasing Policy, subject to the Trade Practices Act 1974, National Competition Policy and related legislation and agreements.

# statement of corporate intent



1 Establishing a naturally vegetated buffer zone will provide both a physical and spatial barrier between port operations and adjacent residential suburbs.

## dividend policy

For the year ended 30 June 2001 our dividend policy is 70% of profit after tax. As there is no profit after tax this year, no dividend will be paid.

## employment and industrial relations plan

The purpose of this plan is to enable our Board of Directors, management, Shareholding Ministers and Government to monitor and review the employment and industrial relations policies and practices of the Authority.

The plan also acts as an informative guide for our employees to ensure that management, development and maintenance requirements for the port are adequately met.

## performance targets 2000/2001

	target	actual
1. Accounting Return on Assets	3.07%	0.65%
2. Operating Profit (EBIT)	\$5.88 million	\$0.84 million
3. Current Ratio	> 1.0	1.40
4. Interest Cover Ratio	> 3.0	135.98
5. Payback Period	< 7.0	0.00
6. Debt to Equity Ratio	< 1.0	0.00
7. Trade (million tonnes)	9.71	9.23
8. Nominal Price Index of Authority Charges	107.7	103.85
9. Containers (TEUs*)	> 20,000 TEUs	22,664 TEUs
10. Gross Loading Rate (tonnes/hour)	> 380	396

1 Ratio based on Earnings Before Interest and Tax (EBIT) divided by average assets, with the low EBIT reducing the return for 2000/2001.

2 Revenue was below budget by \$1.97 million due to trade being 479,000 tonnes below budget. Expenditure was \$3.07 million over budget due to higher than budgeted depreciation expense (\$1.1 million), wharves concrete repair program (\$0.53 million), consultancy fees (\$0.45 million) and redundancy payments (\$0.75 million).

3 Average over the 12 month period was greater than 1.0.

4 Favourable due to no new borrowings.

5 All loans paid out in September 2000.

6 No debt as at June 2001.

7 Another year of record trade however total budgeted throughput was not realised. Individual tonnages below budget included high analysis fertiliser 469,000 tonnes, sugar 220,000 tonnes and molasses 107,000 tonnes. These were partially offset by above budget tonnages of copper concentrates 226,000 tonnes, zinc concentrates 151,000 tonnes and nickel ore 140,000 tonnes.

8 There were no increases in charges for harbour dues and tonnage rates.

9 Higher than anticipated container trade.

10 Higher loading rates are a reflection in increased throughput.

\* TEUs = Twenty-foot equivalent unit/s

## reporting arrangements with shareholders

quarterly	yearly
Income and Expenditure Statement	Annual Report
Balance Sheet and Cash Flow	Corporate Plan
Financial and Non-Financial Performance Indicators	Statement of Corporate Intent

We also comply with all statutory and other Shareholding Minister requirements including:

- Guidelines for Overseas Travel for Official Purposes;
- Queensland GOC Local Government General Rates Equivalent Regime;
- Government Owned Corporations Act 1993;
- Leasing in the Queensland Public Sector Policy Guidelines;
- Code of Practice for Government Owned Corporations 'Financial Arrangements';
- Recording and Valuation of Non-Current Physical Assets;
- Financial Administration and Audit Act 1977 and the Financial Management Standard 1997;
- Local Industry Policy;
- Remuneration Guidelines for Senior Executive Staff in Government Owned Corporations;
- State Purchasing Policy (subject to the Trade Practices Act, National Competition Policy and related legislation and agreements);
- Guidelines for Frequent Flyer Schemes; and,
- Information Standard No. 42 and Information Privacy Guidelines.

# port development plan



# annual financial report

for the year ended 30 June 2001

## **purpose and scope**

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). Under the terms of Section 127 of the GOC Act, the Financial Administration and Audit Act 1977 applies to the Authority as if it were a Statutory Body.

These statements have been prepared:

- (i) to satisfy the provisions of the Financial Administration and Audit Act 1977 and other prescribed requirements; and,
- (ii) to communicate information concerning the Authority'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 the Minister for Transport and Minister for Main Roads of Queensland and the Honourable the Treasurer of Queensland;
  - 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 the Authority.

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# statement of financial performance

for the financial year ended 30 June 2001

	note	2001 \$	2000 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>			
Revenue from Operating Activities			
Service Revenue	2	24,596,629	22,669,550
Revenue from Non-Operating Activities			
Interest Received		254,404	257,321
Other Revenue	2	28,704	81,143
<b>TOTAL REVENUE FROM ORDINARY ACTIVITIES</b>		<b>24,879,737</b>	<b>23,008,014</b>
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS</b>			
Employee Benefits Expense			
Depreciation Expense		5,281,128	4,483,830
Other Expenses	2	7,123,814	6,357,840
		11,638,510	30,756,903
<b>TOTAL EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS</b>		<b>24,043,452</b>	<b>41,598,573</b>
<b>BORROWING COSTS EXPENSE</b>			
		6,150	165,047
<b>PROFIT / (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE / (INCOME TAX REVENUE)</b>			
		830,135	(18,755,606)
Income Tax Revenue (Income Tax Expense) relating to Ordinary Activities	4	(1,208,237)	4,275,369
<b>PROFIT / (LOSS) FROM ORDINARY ACTIVITIES AFTER INCOME TAX EXPENSE / (INCOME TAX REVENUE)</b>	3	<b>(378,102)</b>	<b>(14,480,237)</b>
<b>NET PROFIT / (LOSS)</b>			
		<b>(378,102)</b>	<b>(14,480,237)</b>
Increase / (Decrease) in Asset Revaluation Reserve	5	2,265,691	(2,980,699)
Increase / (Decrease) in Berth 11 Reserve	5	-	(31,354,867)
<b>TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY</b>		<b>2,265,691</b>	<b>(34,335,566)</b>
<b>TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS</b>	6	<b>\$1,887,589</b>	<b>(\$48,815,803)</b>

The accompanying notes form part of these financial statements

# statement of financial position

as at 30 June 2001

	note	2001 \$	2000 \$
<b>CURRENT ASSETS</b>			
Cash Assets	7	4,228,416	846,750
Receivables	8	3,231,915	2,424,297
Other	9	136,827	139,528
<b>TOTAL CURRENT ASSETS</b>		<b>7,597,158</b>	<b>3,410,575</b>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	10	123,040,582	124,003,202
Deferred Tax Assets		499,158	527,084
Other	9	13,977	16,359
<b>TOTAL NON-CURRENT ASSETS</b>		<b>123,553,717</b>	<b>124,546,645</b>
<b>TOTAL ASSETS</b>		<b>\$131,150,875</b>	<b>\$127,957,220</b>
<b>CURRENT LIABILITIES</b>			
Payables	11	4,392,769	2,579,308
Interest-Bearing Liabilities	12	-	361,476
Current Tax Liabilities		235,014	1,043,104
Provisions	13	802,146	636,148
<b>TOTAL CURRENT LIABILITIES</b>		<b>5,429,929</b>	<b>4,620,036</b>
<b>NON-CURRENT LIABILITIES</b>			
Payables	14	815,089	875,730
Deferred Tax Liabilities		1,249,826	653,343
Provisions	13	393,312	432,981
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>2,458,227</b>	<b>1,962,054</b>
<b>TOTAL LIABILITIES</b>		<b>\$7,888,156</b>	<b>\$6,582,090</b>
<b>NET ASSETS</b>		<b>\$123,262,719</b>	<b>\$121,375,130</b>
<b>EQUITY</b>			
Contributed Equity	15	121,935,028	121,935,028
(Accumulated Losses)	3	(11,097,648)	(10,741,915)
Reserves	5	12,425,339	10,182,017
<b>TOTAL EQUITY</b>		<b>\$123,262,719</b>	<b>\$121,375,130</b>

The accompanying notes form part of these financial statements

# statement of cash flows

for the financial year ended 30 June 2001

	note	2001 \$	2000 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		23,740,551	22,798,031
Payments to suppliers and employees		(16,113,352)	(12,612,918)
GST collected from sales and services provided		2,285,087	-
GST paid in respect of acquisitions		(1,293,087)	-
GST paid to Australian Taxation Office		(1,148,623)	-
Interest received		254,404	257,321
Dividend paid		-	(1,560,830)
Income tax equivalents paid		(1,391,918)	(633,296)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	B	<b>\$6,333,062</b>	<b>\$8,248,308</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(4,214,443)	(12,150,995)
Proceeds from sale of property, plant and equipment		344,426	1,651,719
Proceeds from loan repayment and agreement with casino developers		16,523	273,822
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>		<b>(\$3,853,494)</b>	<b>(\$10,225,454)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		(361,476)	(3,066,333)
Advance from Department of Defence		1,269,724	-
Interest paid		(6,150)	(165,047)
<b>NET CASH INFLOW (OUTFLOW) FROM FINANCING ACTIVITIES</b>		<b>\$902,098</b>	<b>(\$3,231,380)</b>
Net (Decrease) / Increase in cash held		3,381,666	(5,208,526)
Cash at beginning of the financial year		846,750	6,055,276
<b>CASH AT END OF FINANCIAL YEAR</b>	A	<b>\$4,228,416</b>	<b>\$846,750</b>

The accompanying notes form part of these financial statements

# notes to the statement of cash flows

for the financial year ended 30 June 2001

	2001	2000
	\$	\$
<b>A. Reconciliation of Cash</b>		
For the purposes of this statement of cash flows, 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	1,300	1,800
Cash at Bank	726,345	236,676
Term Deposits	2,231,047	608,274
Department of Defence Trust Account	1,269,724	-
	<b>\$4,228,416</b>	<b>\$846,750</b>
<b>B. Reconciliation of Profit (Loss) from Ordinary Activities After Income Tax Equivalents Expense to Net Cash Inflow from Operating Activities</b>		
Operating (Loss) / Profit after Income Tax Equivalents Expense and Abnormal Items	(378,102)	(14,480,237)
Depreciation	7,123,814	6,357,840
Interest Expense	6,150	165,047
Profit on Disposal of Non-Current Assets	-	(64,507)
Loss on Disposal of Non-Current Assets	11,769	536,375
Revaluation Decrement - Non-Current Assets	-	19,481,445
Income Tax Equivalents Expense	1,208,237	(4,275,369)
Changes in Assets and Liabilities		
(Increase) Decrease in Trade Debtors	(824,141)	169,229
(Increase) Decrease in Utility Deposits	2,382	9,214
(Increase) Decrease in Prepayments	2,701	1,859,973
Increase (Decrease) in Operating Trade Creditors	340,321	454,953
Increase (Decrease) in Operating Retention	(7,589)	5,187
Increase (Decrease) in Other Operating Creditors	113,109	213,715
Increase (Decrease) in Provision for Dividend	-	(1,560,830)
Increase (Decrease) in Provisions	126,329	9,569
Increase (Decrease) in Provision for Taxation (tax paid in year)	(1,391,918)	(633,296)
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>\$6,333,062</b>	<b>\$8,248,308</b>

## C. Financing Facilities

The Authority has available a bank overdraft limit of \$100,000. At 30 June 2001 no amount was drawn on this overdraft. Loan facilities as shown in note 12 to the accounts are provided by the Queensland Treasury Corporation. New borrowings are subject to the approved Loan Program with the sanction of the Treasurer of Queensland.

# notes to the financial statements

for the financial year ended 30 June 2001

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

### (a) Basis of Preparation of the Accounts

This financial report is a general purpose financial report that has been prepared in accordance with the Australian Accounting Standards and the Financial Administration and Audit Act 1977. The financial report has been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. The accounting policies have been consistently applied unless otherwise stated. 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). Under the terms of Section 127 of the GOC Act, the Financial Administration and Audit Act 1977 applies to the Authority as if it were a Statutory Body.

### (c) Taxation

As a Government Owned Corporation, the entity is not subject to Commonwealth income tax but as from 1 July 1995 the Authority has been required to pay tax equivalents under the Queensland Tax Equivalents Regime. The Authority, in accordance with Accounting Standard AAS 3 'Accounting for Income Tax', is required to adopt tax effect accounting. Future income tax benefits are not brought to account unless realisation of the asset is assured beyond reasonable doubt. Future income tax benefits in relation to tax losses are not brought to account unless there is virtual certainty of realisation of the benefit. The amounts of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation equivalents legislation, and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law. Adjustments have been made to deferred tax balances to reflect the change in company tax rate from 34% to 30% from 1 July 2001 as per Note 4(i).

### (d) Cash Investments

All monies invested at 24 hour call and other short term deposits are recorded as cash for financial statement purposes due to the liquidity of these assets. The carrying amount approximates fair value because of their short term to maturity.

### (e) Revaluations of Non-Current Assets

With regard to Treasury's policy 'Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector' a threshold value of \$500 has been adopted for the recognition of non-current physical assets in the accounts. All such assets other than minor plant and equipment below the revaluation threshold of \$500,000 are independently revalued at least every five years. In intervening years the values are reviewed and where relevant

they are revalued by management by application of appropriate indices as provided by independent valuers.

As at 1 January 2001 revaluation indices were applied to the recognised current cost of all non-current physical assets except motor vehicles, beacons, and minor plant and equipment under \$500. Independent revaluation indices for land were provided by the Australian Valuation Office, and indices for other property plant and equipment were provided by Edward Rushton Australia Pty Limited.

As at 1 January 2000, independent valuations and estimates of remaining economic useful life for non-current physical assets were provided by Edward Rushton Pty Limited. A recoverable amount test was performed by management on a discounted cash flows basis applying a discount rate of 14.7%, being the weighted average cost of capital before tax. The reported value of assets subject to revaluation does not exceed their recoverable amount.

An election has been made to continue to use deprival value as the basis of valuation until 30th June 2001. However, from 1 July 2001 non-current physical assets will be revalued using fair value principles in accordance with AAS 38 Revaluation of Non-Current Assets. In accordance with the Queensland Treasury guidelines 'Non-Current Asset Accounting Guidelines for the Queensland Public Sector', assets will be reported at fair value or revert to the cost basis. Land, building and infrastructure assets will be recognised at fair value while all other classes will be reported at cost from 1 July 2001.

Potential Capital Gains tax has not been taken into account in determining revaluation amounts, unless there is an intention to realise the assets concerned.

### (f) Property, Plant & Equipment

Property, plant & equipment are carried at cost, or at independent valuation, less where applicable, any accumulated depreciation or amortisation. The cost of fixed assets constructed within the Authority includes the cost of materials, direct labour and an appropriate proportion of fixed and variable overheads. The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding land and work in progress, are depreciated over their remaining useful lives commencing from the time the asset is ready for use or subject to a full independent revaluation.

#### Depreciation rates are based on the following:

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

# notes to the financial statements

for the financial year ended 30 June 2001

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

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in profit (loss) from ordinary activities of the Authority in the year of disposal. Assets held by the antecedent body at 30 June 1995 had been revalued from cost. This has been regarded as cost by this Authority.

### (g) Employees' Provisions

Provision is made for the Authority's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements, discounted by an average Commonwealth Bond rate which matches the term of the related liabilities.

The amount calculated for Long Service Leave entitlements in accordance with AAS30 is \$424,858 (2000 was \$473,269). Payroll Tax and Workers Compensation are included in the total. No allowance is made for Superannuation, as the amount cannot be reliably calculated based on ordinary time.

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. Contributions are made by the Authority to a superannuation scheme for employees and are charged as expenses when incurred.

### (h) 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.

### (i) Inventories

All stores have been expensed and accounted for in the Statement of Financial Performance.

### (j) Receivables

Revenue is recognised when the invoice is raised and is payable in 30 days. Collections are reviewed monthly. The carrying amount approximates fair value.

### (k) Payables

Expenditure is recognised when the goods/services are received. Usual payment is 30 days. The carrying amount approximates fair value.

### (l) 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.

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

### Service Revenue

	2001	2000	2001	2000
	\$	\$	\$	\$
Harbour Dues			16,320,922	15,073,183
Tonnage Rates			3,249,415	3,110,335
Rentals			1,803,988	1,682,373
Pilotage Revenue			1,926,594	1,580,776
Charges for Services				
Boat Harbour Ross River	227,100	214,134		
Water Sales	255,115	154,312		
Services to Shipping	212,352	273,643		
Boat Harbour Ross Creek	161,516	132,396		
Electricity Sales	109,540	112,317		
Picnic Bay Jetty	69,856	71,848		
Breakwater Marina - Mooring Fees	55,332	52,540		
Port Services	30,032	27,359		
Port Security	45,670	27,460		
Main Harbour Fuel Licence Fee	15,313	5,349		
Breakwater Marina - Fuel Licence	21,197	16,526		
Road Contribution Charge	62,545	91,835		
Sewage Treatment Plant	4,710	4,906		
Miscellaneous Plant	25,432	38,258		
			1,295,710	1,222,883
			<b>\$24,596,629</b>	<b>\$22,669,550</b>

# notes to the financial statements

for the financial year ended 30 June 2001

	2001	2000	2001	2000
	\$	\$	\$	\$
<b>2. PROFIT (LOSS) FROM ORDINARY ACTIVITIES BEFORE INCOME TAX EXPENSE (INCOME TAX REVENUE) INCLUDES THE FOLLOWING SPECIFIC REVENUES AND EXPENSES continued</b>				
<b>Other Revenue</b>				
Revenue from Sale of Plant & Equipment	-	1,651,719		
Carrying Value of Plant & Equipment Disposed of	-	(1,587,212)		
Gain on Sale of Plant & Equipment			-	64,507
Miscellaneous Revenue			28,704	16,636
			<b>\$28,704</b>	<b>\$81,143</b>
<b>Other Expenses</b>				
Supplies & Services			11,207,315	10,405,107
Competitive Neutrality Fee			-	20,171
Sales Tax Equivalents			(13,560)	77,251
Land Tax			106,466	184,012
Audit Fees			101,458	52,542
Bad Debt Written Off			225,062	-
Carrying Value of Plant & Equipment Disposed of	356,195	-		
Revenue from Sale of Plant & Equipment	(344,426)	-		
Loss on Sale of Plant & Equipment			11,769	-
Asset Revaluation Decrement				
Breakwaters	-	525,952		
Channels	-	5,202,857		
Wharves	-	13,752,636	-	19,481,445
Revenue from divesting land on Sir Leslie Thiess Dr	-	-		
Carrying value of land on Sir Leslie Thiess Dr	-	62,269	-	
Loss from divesting of land on Sir Leslie Thiess Dr			-	62,269
Revenue from sale of building at 21 Walker Street	-	(1,449,575)		
Carrying value of building at 21 Walker Street	-	1,923,681		
Loss on sale of building at 21 Walker Street			-	474,106
			<b>\$11,638,510</b>	<b>\$30,756,903</b>
<b>3. RETAINED PROFITS (ACCUMULATED LOSSES)</b>				
Retained profits (Accumulated Losses) at the beginning of the year			(10,741,915)	3,765,604
Net Profit (Loss)			(378,102)	(14,480,237)
Transfers to and from Reserves				
Maintenance Reserve Picnic Bay Jetty - Passenger Levy Receipts			92,225	44,566
Maintenance Reserve Picnic Bay Jetty - Maintenance Expenses			(69,856)	(71,848)
<b>RETAINED PROFITS (ACCUMULATED LOSSES) AT THE REPORTING DATE</b>			<b>(\$11,097,648)</b>	<b>(\$10,741,915)</b>

# notes to the financial statements

for the financial year ended 30 June 2001

	2001	2000
	\$	\$
<b>4. INCOME TAX EQUIVALENTS</b>		
(i) Prima facie tax equivalents (benefit) / payable on operating profit (loss) from ordinary activities is reconciled to the income tax provided in the accounts as follows:		
Prima facie tax equivalents (benefit) / payable on operating profit (loss) from ordinary activities before income tax at 34% (2000 was 36%).	282,246	(6,752,018)
<b>Tax effect of permanent differences:</b>		
Non-deductible entertainment	6,207	12,920
Non-deductible legal expenses	1,554	536
Non-deductible consultancy fees	23,436	-
Accounting depreciation on land and buildings	103,269	115,566
Accounting depreciation on non-depreciable items	666,676	901,886
Accounting loss on sale of land and buildings	-	344,148
Accounting loss on sale of non-depreciable items	-	22,892
Write-down in asset values	-	7,013,320
Special building write-off	(98,503)	(97,861)
Sundry permanent differences	(19,435)	(19,423)
Capital losses recouped	-	(171,005)
Adjustment for revaluation decrement of depreciable assets	-	(5,569,605)
Adjustment for prior year revaluation decrement of depreciable assets	265,256	-
Net adjustment to deferred income tax liabilities and assets to reflect the decrease in company tax rate to 34% / 30%	(34,875)	(76,477)
(Over) / Under provision in previous year	-	(248)
Penalties and interest payment	12,406	-
	<b>925,991</b>	<b>2,476,649</b>
<b>INCOME TAX EQUIVALENTS EXPENSE</b>	<b>\$1,208,237</b>	<b>(\$4,275,369)</b>
(ii) Income Tax Expense comprises:		
Provision for deferred income tax	596,483	(5,533,232)
Future income tax benefit	27,926	(20,896)
(Over) / Under provision in previous year	-	(248)
Provision for income tax	571,422	1,279,007
Penalties and interest payment	12,406	-
	<b>\$1,208,237</b>	<b>(\$4,275,369)</b>
<b>5. RESERVES</b>		
Maintenance Reserve Picnic Bay Jetty	297,205	319,574
Asset Revaluation Reserve	11,928,134	9,662,443
Berth 11 Reserve	200,000	200,000
	<b>\$12,425,339</b>	<b>\$10,182,017</b>
<b>Movements During The Year:</b>		
Maintenance Reserve Picnic Bay Jetty		
Amount at beginning of the financial year	319,574	292,292
Passenger Levy Receipts transferred from Retained Profits	69,856	71,848
Maintenance Expenses transferred to Retained Profits	(92,225)	(44,566)
<b>AMOUNT AT THE REPORTING DATE</b>	<b>297,205</b>	<b>319,574</b>

# notes to the financial statements

for the financial year ended 30 June 2001

	2001	2000
	\$	\$
<b>5. RESERVES continued</b>		
Asset Revaluation Reserve		
Amount at beginning of the financial year	9,662,443	12,643,142
2000/2001 Asset Revaluation Increment	2,265,691	-
1999/2000 Asset Revaluation Decrement	-	(2,980,699)
<b>AMOUNT AT THE REPORTING DATE</b>	<b>11,928,134</b>	<b>9,662,443</b>
Berth 11 Reserve		
Amount at beginning of the financial year	200,000	31,554,867
1999/2000 Asset Revaluation Decrement	-	(31,354,867)
<b>AMOUNT AT THE REPORTING DATE</b>	<b>200,000</b>	<b>200,000</b>
<b>6. EQUITY</b>		
Total equity at the beginning of the financial year	121,375,130	170,190,933
Total changes in equity recognised in the statement of financial performance	1,887,589	(48,815,803)
<b>TOTAL EQUITY AT THE REPORTING DATE</b>	<b>\$123,262,719</b>	<b>\$121,375,130</b>
<b>7. CASH ASSETS</b>		
Cash on Hand	1,300	1,800
Cash at Bank	726,345	236,676
Term Deposits	2,231,047	608,274
Department of Defence Trust Account*	1,269,724	-
	<b>\$4,228,416</b>	<b>\$846,750</b>
<p><i>*This amount represents an advance from Department of Defence as a contribution towards the cost of extensions to berth 10 in exchange for future berthing rights. Use of these funds is restricted to payment of costs and expenses in relation to these works only. Any unapplied funds at the completion of works are to be refunded to Department of Defence.</i></p>		
<b>8. RECEIVABLES (CURRENT)</b>		
Trade Debtors	3,237,685	2,411,942
Less Provision for Doubtful Debts**	(5,770)	(4,168)
CSR Limited+	-	16,523
	<b>\$3,231,915</b>	<b>\$2,424,297</b>
<p><i>**There were no bad debts written off against the provision.</i></p> <p><i>+ Repayments on loan raised in respect of the molasses storage tank were paid by CSR Limited on behalf of Australian Molasses Trading Pty Ltd. The loan was for a 10 year period and ended in September 2000.</i></p>		
<b>9. OTHER ASSETS</b>		
Current		
Prepayments	123,574	126,275
Utility Deposits	13,253	13,253
	<b>\$136,827</b>	<b>\$139,528</b>
Non-Current		
Utility Deposits	13,977	16,359
	<b>\$13,977</b>	<b>\$16,359</b>

# notes to the financial statements

for the financial year ended 30 June 2001

				2001	2000
				\$	\$
<b>10. PROPERTY, PLANT &amp; EQUIPMENT</b>					
	Cost	Independent Valuation	Accumulated Depreciation	Net Book Value	Net Book Value
	\$	\$	\$	\$	\$
Channels and Swing Basins	-	62,092,500	32,838,902	29,253,598	29,548,824
Wharves	-	123,124,199	98,569,622	24,554,577	25,915,788
Land	782,044	24,848,384	-	25,630,428	24,602,360
Plant and Equipment	-	26,082,612	13,107,728	12,974,884	6,577,950
Plant and Equipment	1,887,362	-	759,225	1,128,137	8,854,733
Improvements (Land)	-	11,471,809	2,692,045	8,779,764	8,529,734
Improvements (Land)	64,030	-	1,753	62,277	457,747
Breakwaters	-	6,625,920	4,270,611	2,355,309	2,405,333
Buildings	-	14,967,967	7,523,708	7,444,259	6,679,950
Buildings	2,104,587	-	6,835	2,097,752	1,152,268
Small Boat Harbours and Facilities	-	5,777,910	3,103,106	2,674,804	2,798,882
Small Boat Harbours and Facilities	188,688	-	2,270	186,418	-
Motor Vehicles	754,040	-	160,018	594,022	439,063
Access Roads	-	5,639,250	3,547,314	2,091,936	2,309,000
Beacons	-	377,000	299,000	78,000	117,000
Capital Works in Progress*	3,134,417	-	-	3,134,417	3,614,570
	<b>\$8,915,168</b>	<b>\$281,007,551</b>	<b>\$166,882,137</b>	<b>\$123,040,582</b>	<b>\$124,003,202</b>
<b>*Capital Works in Progress</b>					
Harbour Works				1,488,995	1,404,281
Equipment				236,305	658,001
Eastern Port Development				1,340,894	1,235,566
Building				68,223	316,722
				<b>\$3,134,417</b>	<b>\$3,614,570</b>
<b>Reconciliation of the Carrying Amounts by Class</b>					
	2001 At Cost	2001 Independent Valuation	2000 At Cost	2000 Independent Valuation	
	\$	\$	\$	\$	
Channels and Swing Basins					
Carrying amount at the beginning of the financial year	-	29,548,824	-	52,280,587	
Additions	-	-	-	-	
Disposals	-	-	-	-	
Net revaluation increment / (decrement)	-	582,291	-	2,090,774	
Recoverable amounts write-downs	-	-	-	(23,668,883)	
Depreciation expense	-	(877,517)	-	(1,153,654)	
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>-</b>	<b>29,253,598</b>	<b>-</b>	<b>29,548,824</b>	
Wharves					
Carrying amount at the beginning of the financial year	-	25,915,788	213,803	65,002,978	
Additions	-	-	-	-	
Disposals	-	-	-	-	
Net revaluation increment / (decrement)	-	499,890	(213,803)	(4,438,439)	
Recoverable amounts write-downs	-	-	-	(32,831,933)	
Depreciation expense	-	(1,861,101)	-	(1,816,818)	
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>-</b>	<b>24,554,577</b>	<b>-</b>	<b>25,915,788</b>	

# notes to the financial statements

for the financial year ended 30 June 2001

## 10. PROPERTY, PLANT & EQUIPMENT continued

Reconciliation of the Carrying Amounts by Class continued	2001 At Cost \$	2001 Independent Valuation \$	2000 At Cost \$	2000 Independent Valuation \$
<b>Land</b>				
Carrying amount at the beginning of the financial year	-	24,602,360	-	21,408,755
Additions	782,044	-	-	-
Disposals	-	-	-	(257,269)
Net revaluation increment / (decrement)	-	246,024	-	3,450,874
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	-	-	-	-
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>782,044</b>	<b>24,848,384</b>	<b>-</b>	<b>24,602,360</b>
<b>Plant &amp; Equipment</b>				
Carrying amount at the beginning of the financial year	8,854,733	6,577,950	1,968,638	5,078,167
Additions	1,113,440	-	9,063,819	-
Disposals	(143,005)	(2,244)	-	(83,036)
Net revaluation increment / (decrement)	(8,636,390)	9,043,983	(1,657,285)	2,955,981
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	(60,641)	(2,644,805)	(520,439)	(1,373,162)
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>1,128,137</b>	<b>12,974,884</b>	<b>8,854,733</b>	<b>6,577,950</b>
<b>Improvements (Land)</b>				
Carrying amount at the beginning of the financial year	457,747	8,529,734	183,699	8,280,744
Additions	64,029	-	519,774	-
Disposals	-	(2,973)	-	-
Net revaluation increment / (decrement)	(457,747)	662,193	(232,999)	593,353
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	(1,752)	(409,190)	(12,727)	(344,363)
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>62,277</b>	<b>8,779,764</b>	<b>457,747</b>	<b>8,529,734</b>
<b>Breakwaters</b>				
Carrying amount at the beginning of the financial year	-	2,405,333	-	3,360,166
Additions	-	-	-	-
Disposals	-	-	-	-
Net revaluation increment / (decrement)	-	47,145	-	(7,990)
Recoverable amounts write-downs	-	-	-	(861,560)
Depreciation expense	-	(97,169)	-	(85,283)
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>-</b>	<b>2,355,309</b>	<b>-</b>	<b>2,405,333</b>
<b>Buildings</b>				
Carrying amount at the beginning of the financial year	1,152,268	6,679,950	5,882	8,144,772
Additions	2,104,087	-	1,385,308	-
Disposals	-	(60,222)	-	(1,705,492)
Net revaluation increment / (decrement)	(1,152,268)	1,311,260	(225,404)	690,906
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	(6,335)	(486,729)	(13,518)	(450,236)
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>2,097,752</b>	<b>7,444,259</b>	<b>1,152,268</b>	<b>6,679,950</b>

# notes to the financial statements

for the financial year ended 30 June 2001

## 10. PROPERTY, PLANT & EQUIPMENT continued

	2001 At Cost	2001 Independent Valuation	2000 At Cost	2000 Independent Valuation
<b>Reconciliation of the Carrying Amounts by Class continued</b>				
<b>Small Boat Harbours and Facilities</b>				
Carrying amount at the beginning of the financial year	-	2,798,882	-	2,718,712
Additions	188,688	-	-	-
Disposals	-	-	-	-
Net revaluation increment / (decrement)	-	54,213	-	274,530
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	(2,270)	(178,291)	-	(194,360)
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>186,418</b>	<b>2,674,804</b>	<b>-</b>	<b>2,798,882</b>
<b>Motor Vehicles</b>				
Carrying amount at the beginning of the financial year	439,063	-	454,294	-
Additions	545,000	-	222,408	-
Disposals	(213,190)	-	(77,789)	-
Net revaluation increment / (decrement)	-	-	-	-
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	(176,851)	-	(159,850)	-
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>594,022</b>	<b>-</b>	<b>439,063</b>	<b>-</b>
<b>Access Roads</b>				
Carrying amount at the beginning of the financial year	-	2,309,000	40,388	2,254,709
Additions	-	-	-	-
Disposals	-	-	-	-
Net revaluation increment / (decrement)	-	65,100	(40,388)	260,067
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	-	(282,164)	-	(205,776)
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>-</b>	<b>2,091,936</b>	<b>-</b>	<b>2,309,000</b>
<b>Beacons</b>				
Carrying amount at the beginning of the financial year	-	117,000	99,467	-
Additions	-	-	-	-
Disposals	-	-	-	-
Net revaluation increment / (decrement)	-	-	(99,467)	144,654
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	-	(39,000)	-	(27,654)
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>-</b>	<b>78,000</b>	<b>-</b>	<b>117,000</b>
<b>*Capital Works in Progress</b>				
Carrying amount at the beginning of the financial year	3,614,570	-	2,540,474	-
Additions	4,364,579	-	12,265,404	-
Disposals	(4,844,732)	-	(11,191,309)	-
Net revaluation increment / (decrement)	-	-	-	-
Recoverable amounts write-downs	-	-	-	-
Depreciation expense	-	-	-	-
<b>CARRYING AMOUNT AT THE END OF THE FINANCIAL YEAR</b>	<b>3,134,417</b>	<b>-</b>	<b>3,614,570</b>	<b>-</b>

# notes to the financial statements

for the financial year ended 30 June 2001

	2001	2000
	\$	\$
<b>11. PAYABLES (CURRENT)</b>		
Trade Creditors	2,013,768	1,540,179
Revenue in Advance	547,609	572,665
Retention	74,097	180,010
Accrued Wages	52,275	53,228
Pilotage Clearing Account	280,129	217,177
Trust Fund Deposits	155,167	16,049
Advance from Department of Defence	1,269,724	-
	<b>\$4,392,769</b>	<b>\$2,579,308</b>
<b>12. INTEREST BEARING LIABILITIES</b>		
Current	-	361,476
	<b>\$0</b>	<b>\$361,476</b>
<i>All borrowings are with Queensland Treasury Corporation. The Queensland Treasury Corporation recorded a market value adjustment of (\$66,009), (2000 was \$63,537), principally as a result of past movements in the market value of liabilities in the Debt Pools. The loan was finalised in September 2000. (Market debt outstanding in 2000 was \$297,938).</i>		
<b>13. PROVISIONS</b>		
Current		
Employees' Long Service Leave	31,546	40,288
Employees' Annual Leave	425,785	389,379
Sales Tax	-	76,121
Fringe Benefits Tax	21,999	24,081
Provision for Voluntary Early Redundancy	318,916	102,379
Competitive Neutrality Fee	3,900	3,900
	<b>\$802,146</b>	<b>\$636,148</b>
Non-Current		
<b>EMPLOYEES' LONG SERVICE LEAVE</b>	<b>\$393,312</b>	<b>\$432,981</b>
<b>14. PAYABLES (NON-CURRENT)</b>		
Rent in Advance	\$815,089	\$875,730
<b>15. CONTRIBUTED EQUITY</b>		
Authorised capital - 500,000,000 ordinary shares of \$1 each	\$500,000,000	\$500,000,000
Issued capital - 121,935,028 ordinary shares of \$1 each fully paid	\$121,935,028	\$121,935,028

# notes to the financial statements

for the financial year ended 30 June 2001

	2001	2000
	\$	\$
<b>16. DEVELOPMENT BUREAU &amp; COMMUNITY PROJECTS</b>		
The Authority supported the following Development Bureau and community projects:		
Townsville Enterprise Incorporated	60,000	50,000
Townsville City Council - Contribution to the Strand sand replenishment	50,000	50,000
Australian Volunteer Coastguard	-	35,000
Townsville Maritime Museum	35,000	35,000
Pandora Foundation	20,000	20,000
James Cook University of North Queensland Prizes	1,750	1,750
Lower Burdekin Development Council	-	1,200
	<b>\$166,750</b>	<b>\$192,950</b>
<b>17. CONSULTANCY EXPENDITURE</b>		
Professional/Technical	735,430	596,188
Management	51,055	12,938
Human Resource Management	80,012	11,130
Finance/Accounting	20,862	38,523
Information Technology	18,504	33,232
	<b>\$905,863</b>	<b>\$692,011</b>
<b>18. COMMITMENTS</b>		
(a) Capital Expenditure Commitments		
Plant & Equipment		
Depending on works performance these commitments are payable not later than one year.	<b>\$165,419</b>	<b>\$48,195</b>
(b) Operating Leases		
Due not later than one year.	-	<b>\$35,581</b>
<b>19. CONTINGENT ASSETS/LIABILITIES</b>		
There were no known contingent assets/liabilities of a significant nature at 30 June 2001.		
<b>20. SEGMENT REPORTING</b>		
The Authority operates predominantly in one industry being that of seaport management and control. It operates predominantly in one geographic segment being Townsville.		
<b>21. AUDITORS' REMUNERATION</b>		
Amounts received or due and receivable by the auditors for auditing the accounts.	<b>\$29,100</b>	<b>\$23,700</b>
<b>22. SENIOR EXECUTIVES AND DIRECTORS REMUNERATION</b>		
Senior Executives		
Number of senior executives whose remuneration from the Authority were within the bands listed below:		
	2000/2001	1999/2000
\$100,000 - \$109,999	-	2
\$130,000 - \$139,999	1	-
\$160,000 - \$169,999*	-	1

\*Executives may also earn performance based at risk incentive bonus which is not shown above.

The aggregate remuneration of the above executives (excluding any performance based at risk incentive bonus) was \$137,266 (1999/2000 was \$373,623).

# notes to the financial statements

for the financial year ended 30 June 2001

	2001	2000
	\$	\$

## 22. SENIOR EXECUTIVES AND DIRECTORS REMUNERATION *continued*

### Directors Remuneration

Remuneration received or due and receivable by all Directors of Townsville Port Authority from all activities in the economic entity, including insurance premiums to indemnify liabilities while acting as a Director.

	\$112,356	\$111,099
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Number of Directors whose remuneration from the Authority were within the bands listed below:

	2000/2001	1999/2000
\$10,000 - \$19,999	7	7
\$20,000 - \$29,999	1	1

### Directors Retirement Benefits

Amounts paid to prescribed superannuation funds for the provision of retirement benefits for Directors.

	\$7,360	\$6,440
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## 23. RELATED PARTY INFORMATION

From time to time Directors and Director-related entities 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.

## 24. 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	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	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
<b>Financial Assets</b>												
Cash on Hand	-	-	-	-	-	-	1,300	1,800	1,300	1,800	-	-
Cash at Bank	726,345	236,676	-	-	-	-	-	-	726,345	236,676	4.46%	4.42%
Short Term Deposits	2,231,047	608,274	-	-	-	-	-	-	2,231,047	608,274	6.14%	5.71%
Dept of Defence Trust Account	1,269,724	-	-	-	-	-	-	-	1,269,724	-	1.25%	-
Receivables - See note 1(j)	-	-	-	-	-	-	3,231,915	2,424,297	3,231,915	2,424,297	-	-
<b>Financial Liabilities</b>												
Payables - See note 1(k)	-	-	-	-	-	-	5,207,858	3,455,038	5,207,858	3,455,038	-	-
QTC Borrowings	-	361,476	-	-	-	-	-	-	-	361,476	-	8.18%

In the above Financial Instruments, book value equates to net fair value, with the exception of QTC Borrowings. There were no QTC Borrowings as at 30th June 2001 (The market rate of QTC Borrowings at 2000 was \$297,938).

### (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).

## 25. EVENTS OCCURRING AFTER BALANCE DATE

- (i) On 27th June 2001 the Authority was requested by Shareholding Ministers to conduct a capital restructure and equity repayment of \$23 million. This was carried out in August 2001.
- (ii) All events noted in the previous year's Annual Financial Report as occurring after balance date have now been finalised.

# certificate of townsville port authority

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We have prepared the foregoing annual financial statements pursuant to the provisions of the Financial Administration and Audit Act 1977 and certify that:

- (a) the foregoing financial statements and notes to and forming part thereof are in agreement with the accounts and records of Townsville Port Authority; and,
- (b) in our opinion:
  - (i) the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and,
  - (ii) the foregoing annual financial statements have been drawn up so as to present a true and fair view, on a basis consistent with that applied in the financial year last preceding, of the transactions of the Authority for the period 1 July 2000 to 30 June 2001 and of the financial position as at the close of that year.

5 September 2001



L. M. McDOUGALL  
Financial Controller



M. R. NORMAN  
Acting Chief Executive Officer



R. G. McLEAN  
Chairman

## directors statement

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At the date of this statement, in the opinion of the Directors, there are reasonable grounds to believe that the Authority will be able to pay its debts as and when they fall due.

Signed in accordance with a resolution of the Directors.

5 September 2001



R. G. McLEAN  
Chairman



B. K. KEATING  
Deputy Chairperson

# independent audit report

## To the Board of Townsville Port Authority

### scope

I have audited the general purpose financial statements of Townsville Port Authority prepared by the Authority for the year ended 30 June 2001 in terms of section 46F of the Financial Administration and Audit Act 1977. The financial statements comprise the Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows, Notes to and forming part of the financial statements and certificates given by the Chairperson and person responsible for financial administration.

The Authority is responsible for the preparation and the form of presentation of the financial statements and the information they contain. I have audited the financial statements in order to express an opinion on them.

The audit has been conducted in accordance with QAO Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. Audit procedures included the examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with prescribed requirements which include Australian Accounting Standards so as to present a view which is consistent with my understanding of the entity's financial position and the results of its operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

### audit opinion

In accordance with section 46G of the Financial Administration and Audit Act, I certify that I have received all the information and explanations I have required and, in my opinion:

- the prescribed requirements in respect of the establishment and keeping of accounts have been complied with in all material respects; and,
- the statements have been drawn up so as to present a true and fair view in accordance with prescribed accounting standards and other prescribed requirements of the transactions of Townsville Port Authority for the financial year 1 July 2000 to 30 June 2001 and of the financial position as at the end of that year.



P J DAJCZ  
Director of Audit  
(Delegate of the Auditor-General)

Queensland Audit Office  
Brisbane



# glossary

<b>acid sulfate soils</b>	soils or sand that contains sulphides (pyrite) that when exposed to air (oxygen) undergo oxidation to form sulphuric acid	<b>LGM</b>	low grade metals
<b>AMOU</b>	Australian Maritime Officers Union	<b>LPG</b>	liquid petroleum gas
<b>anthropogenic</b>	human or mankind	<b>marine fouling organisms</b>	organisms that live in a marine environment that foul objects/mechanisms by their presence causing a breakdown in protective coatings/object/mechanism
<b>ballast (water)</b>	tanks in the hull of a vessel filled with salt water in order to assist stability	<b>mooring</b>	a vessel is moored when it is held either in the stream or alongside a berth by other than a simple anchor in order to prevent, restrict or control movement
<b>benthic</b>	flora or fauna that live on or in the bottom of the ocean/estuary	<b>piles</b>	beam driven vertically into creek or harbour as a support
<b>cathodic protection</b>	the use of electricity to provide electrochemical protection against the corrosion of steel structures	<b>pilotage</b>	when a pilot is engaged in the transfer of a ship working into and out of a harbour or through a channel or coastwise
<b>draft</b>	the distance from the waterline to the bottom of the keel	<b>PM10</b>	particulate matter – dust particles less than 10 µm in size
<b>dredging</b>	removal of sediment from the sea or river bed using a dredge to allow safe access to shipping	<b>PSO</b>	Port Services Officer
<b>DWT</b>	deadweight tonnage – the number of tons of cargo that a vessel is capable of carrying when floating at her load draft	<b>soffit</b>	underside of wharf deck
<b>emoluments</b>	salary	<b>spill plate</b>	steel plates that abut a vessel so as to catch any loose material whilst unloading bulk materials that might otherwise enter the harbour
<b>fender</b>	section of wharf designed to receive and transfer/dissipate the berthing energy of a vessel	<b>TEOM system</b>	brand of dust monitoring equipment used to measure fine particle dust emissions
<b>GIS</b>	Geographic Information System	<b>TEUs</b>	twenty-foot equivalent units (containers)
<b>GRT</b>	gross registered tonnage – the measure of the internal volume of all enclosed spaces in a ship	<b>tidal windows</b>	time window that coincides with sufficient water to carry out shipping activities which could otherwise limit activities
<b>GST</b>	goods and services tax	<b>tonnage rates</b>	rates based on the gross registered tonnage (GRT) of the vessel and the berthing duration
<b>harbour dues</b>	rates levied in respect of goods brought by sea for landing in the port	<b>TPA</b>	Townsville Port Authority
<b>hardstand</b>	area of land with improved load carrying capacity to facilitate transportation of material	<b>vested (land)</b>	land which is owned by the Government and controlled by TPA under the Transport Infrastructure Act 1994
<b>hydrodynamic</b>	movement of water and material contained within it		
<b>IT</b>	information technology		
<b>KPIs</b>	key performance indicators		

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# corporate information

as at October 2001

chairman	Ron McLean
deputy chairperson	Beth Keating
board directors	Terrence Baxter Jennifer Gleeson Tony Mooney Dale Parker John Pennisi Stephen Graw
ex-officio director	Captain Tony Caldwell A/Regional Harbour Master
chief executive officer a/chief executive officer	to be appointed Martin Norman mnorman@townsville-port.com.au
business development manager	Darrin Pearce dpearce@townsville-port.com.au
commercial projects manager	Susan Vickers svickers@townsville-port.com.au
construction manager	Jason Mahlberg jmahlberg@townsville-port.com.au
financial controller	Len McDougall lmcdougall@townsville-port.com.au
maintenance manager	Bob McLellan bmclellan@townsville-port.com.au
manager engineering & environment	Larry Hore lhore@townsville-port.com.au
marine services manager	Dave King dking@townsville-port.com.au
bankers	Commonwealth Bank of Australia
solicitors	Boulton, Cleary & Kern Roberts, Nehmer McKee Suthers Taylor
auditor	Auditor-General of Queensland
internal auditors	PricewaterhouseCoopers
external auditors	CE Smith & Co
principal office	Administration Building Benwell Road PO Box 1031 Townsville Qld 4810

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## communications materials

