

Independent Auditor's Report

FOR THE YEAR ENDING 30 JUNE 2012

To the Members of Port of Townsville Limited

Matters Relating to the Electronic Presentation of the Audited Financial Statements The audit report relates to the financial statements of Port of Townsville Limited for the financial year ending 30 June 2012 included on Port of Townsville Limited's web site. The directors are responsible for the integrity of Port of Townsville Limited's web site. We have not been engaged to report on the integrity of Port of Townsville Limited's web site. The audit report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial statements are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial statements, available from Port of Townsville Limited, to confirm the information included in the audited financial statements presented on this web site.

These matters also related to the presentation of the audited financial statements in other electronic media including CD Rom.

Report on the Financial Statements

I have audited the accompanying financial statements of Port of Townsville Limited which comprises the statement of financial position as at 30 June 2012, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Standard 2009*, including compliance with applicable Australian Accounting Standards including the *Australian Accounting Interpretations* and the *Corporations Act 2001*.

This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on the audit. The audit was conducted in accordance with *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. These Auditing Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures

selected depend on the auditor's judgement, including the assessment of risks of material misstatement in the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control, other than in expressing an opinion on compliance with prescribed requirements. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements including any mandatory financial reporting requirements as approved by the Treasurer for application in Queensland.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and QAO authorised auditors. The Auditor-General is the auditor of all Queensland government owned corporations and their controlled entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised.

The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Auditor's Opinion

In accordance with section 40 of the *Auditor-General Act 2009* -

- (a) I have received all the information and explanations which I have required; and
- (b) in my 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 financial statements have been drawn up so as to present a true and fair view, in accordance with the prescribed Australian Accounting Standards including Australian Accounting Interpretations and the *Corporations Regulation 2001* of the transactions of Port of Townsville Limited for the financial year 1 July 2011 to 30 June 2012 and the financial position as at the end of that year; and
 - (iii) the financial statements also comply with International Reporting Standards as disclosed in Note 1.



Philip Clarke

As delegate of the Auditor-General of Queensland, Townsville
20 August 2012