

# Ports North Annual Report 2024 | 2025

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## About Our Report

This report details our activities and financial performance for the financial year ending 30 June 2025. It fulfils Queensland Government requirements pursuant to section 50 of the *Government Owned Corporations Regulation 2014*.

The report is available online at [www.portsnorth.com.au](http://www.portsnorth.com.au).

Ports North welcomes your feedback on the Report and this can be sent to [enquiries@portsnorth.com.au](mailto:enquiries@portsnorth.com.au).



# About Us

Far North Queensland Ports Corporation Limited, trading as Ports North, is a Queensland Government Owned Corporation responsible for the development and management of the declared Ports of Cairns, Cape Flattery, Karumba, Mourilyan, Skardon River, Quintell Beach, Thursday Island, Burketown and Cooktown.

Ports North's operations and facilities are vital to the economic development of the regional centres they service and the State's tourism and export performance.

Our ports handle bulk shipments of sugar, molasses, silica sands, zinc, fuel, fertilisers, minerals, and general and project cargo.

Ports North also has extensive marina and tourism facilities, particularly in Cairns.

Our range of strategic land holdings include approximately 283 hectares of freehold and 635 hectares of leasehold Strategic Port Land and properties across its ports.

The shareholding Ministers are the Honourable Rosslyn Bates, Minister for Finance, Trade, Employment and Training and the Honourable Brent Mickelberg, Minister for Transport and Main Roads.

## The Corporation's Vision

To be a successful, sustainable Port authority and a valued contributor to regional economic growth.

## The Corporation's Mission

To enable business and trade growth by:

- Providing and facilitating infrastructure
- Growing opportunities through sustainable business and regional economic development
- Connecting locally and globally

## The Corporation's Values

### Safe

- We are committed to providing the highest standard of safety for our workplace.

### Reliable

- We will be professional and responsive in seeking to deliver excellent service to all of our internal and external customers.
- We will seek to build effective relationships with the community and our stakeholders by being a responsible corporate citizen fostering social value and economic benefit to the region.
- We are committed to compliance with governance structure and procedure, transparent and accountable reporting and management of risk.

## Value Driven

- We will promote co-operation and teamwork, ethical and honest behaviour, respect and integrity while providing opportunities for staff to develop and acquire skills needed to meet our objectives.
- We are committed to sustainable outcomes by acting in a commercially astute manner whilst considering risk and environmental and social impacts of our activities to deliver sustainable commercial returns to shareholders.

## Corporate objectives are to:

- Identify and develop new trade and business opportunities and retain and grow existing business to provide value to Ports North and its shareholders.
- Manage and develop Port property to provide sustainable operations and commercial return to Ports North and its shareholders.
- Plan, develop and manage Port infrastructure and assets to improve Port efficiency, meet the needs of customers and contribute to sustainable regional development.
- Maintain organisational capability and a governance system to deliver the business requirements and maintain the organisation's reputation.

# Year at a Glance

## Financial Summary for the Year Ending 30 June 2025

	2025 \$'000	2024 \$'000
Continuing Operations		
Operating Revenue	87,423	87,892
Operating Expenditure	79,769	76,154
EBIT	7,654	11,738
Net Profit / (Loss) from Ordinary Operations (\$'000)	5,302	8,573
Total Assets	503,479	466,877
Total Liabilities	53,952	54,652
Net Assets	449,527	412,225
Accounting Rate of Return	1.58%	2.59%
Current Ratio	3.07	3.42

# Our Ports

## Port of Cairns

Cairns Seaport is a multi-purpose regional port that caters for a diverse range of customers from bulk, project and general cargo, cruise shipping, fishing fleet and reef vessel operations.

The Port's bulk cargo includes petroleum products, sugar, fertiliser and liquid petroleum gas.

The Port has long been the natural consolidation and redistribution centre for supplies that are shipped to the coastal communities north of Cairns as well as the Torres Strait Islands and the Gulf of Carpentaria.

As one of the top four Australian cruising destinations Cairns has major international and domestic cruise ships operating out of the Port.

The Cairns Marlin Marina is a 261-berth Marina accommodating a variety of cruising vessels, superyachts and reef vessel operations servicing the Great Barrier Reef.

The Reef Fleet Terminal provides the gateway to the Great Barrier Reef for passengers who visit the Reef from Cairns each year.

Sailfish Quay, within the Cairns Marlin Marina, provides world-class superyacht berths for vessels up to 140m.

Cityport, located immediately adjacent to the Cairns CBD, provides a range of unrivalled waterfront tourism, commercial and residential property development opportunities.

The Port has widespread land holdings that are leased to port customers and is home to one of Australia's largest fishing fleets. The Port offers extensive and experienced ship building and repair services with a number of slipways and dry docks up to 3,000 tonne capacity for a diverse range of ship maintenance requirements.

## Port of Mourilyan

The Port of Mourilyan exports raw sugar and molasses from the Innisfail, Babinda, Tully and Atherton Tableland sugar growing districts. It comprises onshore sugar and molasses handling and storage facilities and a single sugar loader and associated wharf located within a sheltered natural harbour.

Other facilities at the Port include a state-of-the-art stockpile facility used in the export of minerals as well as a livestock facility.

## Port of Cape Flattery

The Port of Cape Flattery is situated more than 200 kilometres north of Cairns on the east coast of Cape York Peninsula. It is used for the export of silica sand from the Cape Flattery mine and is operated by Cape Flattery Silica Mines Pty Ltd (CFSM).

The company is a large producer and exporter of silica sand. There are onshore silica sand handling and stockpiling facilities and a 500 metre single trestle jetty and conveyor running from the mine to an offshore berth and ship loader. There is also a small general purpose wharf and barge ramp for the import of fuel and other supplies for the mine and for the mooring of small vessels.

## Port of Karumba

The Port of Karumba is positioned at the mouth of the Norman River in the Gulf of Carpentaria. It is nestled in the small town of Karumba, which largely revolves around the fishing industry.

The Port largely services exports from the Century Mine. A 300 kilometre pipe transports zinc slurry from the mine to a transfer vessel that travels 40 kilometres to export ships that anchor in deep water.

## Port of Skardon River

Skardon River is located north of Weipa in the Gulf of Carpentaria. The Port is home to Metro Mining's bauxite export operation under a transshipping arrangement.

## Port of Quintell Beach

Quintell Beach is a community port with a barge facility located on the east coast of northern Cape York that services the needs of the Lockhart River community and remote grazing properties.

## Port of Thursday Island

The Port of Thursday Island is a community port located in a natural harbour in the Torres Strait at the most northern part of Australia. Ports North owns the wharf facilities, which are established on both Thursday Island and Horn Island. The Port services the needs of the two islands and also operates as a major transshipment point for the supply of essential cargo to other islands of the Torres Strait.

The Port's strategic location means that a number of government agencies, including Australian Border Force, Queensland Water Police and Fisheries patrols, are based there.

## Ports of Cooktown and Burketown

The Ports of Cooktown and Burketown are declared ports; however, no commercial trade takes place.

# Chair & Chief Executive Officer's Report

## Overview

Ports North's underlying operating result (excluding asset valuation transactions) for the year ended 30 June 2025 is a profit of \$7.9 million compared to a profit of \$10.4 million in the previous year, a decrease in the underlying operating result of \$2.5 million.

The operating result after tax for the year ended 30 June 2025 was a profit of \$5.3 million, compared to a profit of \$8.6 million in the previous year. The operating result before tax for the year ended 30 June 2025 was a profit of \$7.6 million, compared with a profit of \$11.7 million for the previous year. Asset valuation transactions decreased operating result before tax by \$0.3 million in the year ended 30 June 2025 compared with an increase of \$1.3 million in the previous year.

## Tourism

Ports North is a key partner in, and supporter of, Far North Queensland's tourism industry with the Reef Fleet Terminal and Cruise Liner Terminal facilities in Cairns facilitating high quality passenger experiences in the region and the Great Barrier Reef. Cairns remains a sought-after destination with solid numbers again being recorded during 2024-25 for cruise ship and superyacht visitations to the region. We have continued to work with the international cruise industry and tourism agencies to ensure the region is well placed to benefit from future growth in these sectors.

In response to extreme weather events experienced in the region during December 2023 and the impact it had on commercial tourism operators at the Cairns Marlin Marina, Ports North and the Queensland Government agreed to introduce a fee relief program for existing full time commercial operators. The program ran from 1 January 2024 to 31 December 2024 and was aimed at supporting existing full-time commercial tourism operators with vessels berthed at the Cairns Marlin Marina. Total fee relief provided by Ports North was \$3.47 million, with \$1.9 million provided in FY2025.

## New Business and Trade Development

Ports North's mission is to enable business and trade growth by providing and facilitating infrastructure; growing opportunities through sustainable business and regional economic development and connecting locally and globally with port stakeholders.

Our trade performance has remained solid throughout the year with more than 10.6 million tonnes of cargo making its way through Far North Queensland's ports bound for domestic and international markets.

In our regional ports Sibanye-Stillwater's transshipping operations through the Port of Karumba are continuing and Metro Mining's bauxite exports through the Port of Skardon River remain strong.

Cape Flattery export opportunities and port development projects in Cape York continue to be pursued with Ports North working with interested parties to progress their relevant projects.

The upgraded Horn Island Passenger Facilities were completed in November 2024, following a \$4 million equity contribution received from the Queensland Government. Ports North contributed an additional \$7.1 million, bringing the total project cost to \$11.1 million.

## Port Planning

The expansion and development of the Cairns Marine Precinct has been a key focus for Ports North, and we are continuing to work with the Queensland Government to progress the Cairns Marine Precinct (CMP) Common User Facility (CUF). The project aims to address infrastructure constraints and optimise waterfront land use, catering to the growing demand for marine maintenance, repair and overhaul services in Australia and internationally.

## Environment

Environmental management and maintaining safe port operations is critical to Ports North as we operate ports located in or adjacent to areas of high conservation value. We continue to work closely with port customers, the business community and regulatory agencies and other stakeholders to promote leading environmental practice and management at our ports to meet community and industry needs.

Our Environmental Management System (EMS) focuses on both regulatory requirements and improving performance through the implementation of best practice environmental management and monitoring programs, including sampling of sediment and water quality and marine pests and seagrass. We also remain an active participant in the Wet Tropics Healthy Waterways Partnership, the Local Marine Advisory Committee and both State and National Port Environmental Working Groups.

We continue to maintain strong awareness of potential environmental risks to our port waters. We have continued to work collaboratively with agencies, operators, and port users to improve port operations.

We are also partnering with TROPWater and North Queensland Bulk Ports on a research project exploring restoration techniques for key tropical seagrass species in the Great Barrier Reef. Separately, our environmental restoration project with Green Collar is progressing, with on-ground works scheduled to begin in late 2025.

## Sustainability

Our role in connecting the communities of Far North Queensland to each other and the world means we are in an enviable position to influence change. Our network of industry stakeholders includes tourism, property, defence, cargo and marine maintenance services, which ideally places us to bring together multiple parties and lead sustainability initiatives.

We continue to foster strong local and global partnerships, moving our region towards a more sustainable and interconnected future. Our Sustainability Strategy provides Ports North with a strategic framework to support environmental stewardship, community partnerships and economic prosperity throughout Far North Queensland.

Throughout the year we have focused on several key opportunities in relation to climate change, water, waste, energy, technology, infrastructure development, asset management, safety and First Nations partnerships.

Ports North continues to collaborate with the Queensland Government, who are finalising a consistent framework for future reporting and disclosures on sustainability, ESG and climate risk.



## Community

Throughout the year our continued support for community and regional organisations continued with Ports North engaging in partnerships and sponsorship events that deliver significant economic and social benefits across the regions we serve.

We remain committed to supporting key regional stakeholders including Tourism Tropical North Queensland and the Great Barrier Reef Superyacht Group to promote the region through destination marketing initiatives.

Our long-term partnership with the Cairns Indigenous Art Fair (CIAF) continues alongside our ongoing support for the Business Liaison Association School Environmental Awards as well as various charitable and cultural events.

In June 2024, Ports North launched its inaugural Community Investment Fund. This initiative is designed to foster growth in the maritime sector, enhance community safety and wellbeing, strengthen cultural ties, and support environmental conservation efforts.

## Stakeholders

Ports North would like to record its appreciation to our customers and facility users for their support and commitment and look forward to continuing to grow our relationship.

We also thank the staff of Ports North for their efforts and engagement over the past year. Their commitment to exceptional safety performance and environmental stewardship are fundamental to our shared success as an organisation and as a facilitator of regional prosperity.

The Ports North Board farewell and thank Board Directors Robin Giason, Michael Clifford, John Hogg, Julia Leu and Donna-Maree O'Connor who recently retired from the Board and welcome new Directors Susan Casey, Justin Parer, Hon. Curtis Pitt, David Edwards and Georgina Twomey who joined the Board in February 2025.

## Cyber Security

Cyber security threats continue to grow and evolve in frequency, vector, and complexity. To manage and mitigate the risk of cyber security incidents Ports North has a number of controls in place as documented in Ports North Information Security Management System (ISMS). Cyber security risks and controls are managed and monitored through the Ports North Risk Management Framework and our cyber security framework has been aligned with ISO27001/2 and Australian Signals Directorate (ASD) Essential 8. Ports North continues to advance its cyber security program to address operational vulnerabilities and ensure compliance with the *Security of Critical Infrastructure Act 2018* and the Data Privacy Act.

# Community & Stakeholders

Ports North is a major contributor to economic output in the region with benefits impacting on many industry sectors including tourism, marine industry, transport, property and business services.

During FY2025 Ports North continued its partnerships with other local organisations and the community in a range of initiatives including sponsorship arrangements, establishment of consultative committees and collaboration with local cluster groups.

Ports North have supported a range of initiatives during FY2025 including:

- Community and regional events
- Arts, cultural and sporting events
- Tourism initiatives
- Environmental education awards
- Marine industry environmental initiatives and programs
- Charity events

As a key stakeholder in the region Ports North supports and participates in a number of consultative forums and cluster groups that are beneficial to the community and our operations. These forums include:

- Advance Cairns
- Cairns Chamber of Commerce
- Regional Development Australia (Far North Queensland and Torres Strait)
- Tourism Tropical North Queensland
- Port Advisory Groups in Cairns, Mourilyan, Karumba and Thursday Island
- Environmental Committees (local, state, national)
- Super Yacht Group - Great Barrier Reef
- Port Security Committees for Cairns, Thursday Island, Cape Flattery and Mourilyan
- Gulf Savannah Development

# Corporate Entertainment & Stakeholders

Ports North maintains policies, procedures and controls over expenditure on entertainment and hospitality to ensure that such expenditure constitutes an acceptable use of funds to advance our business interests and is properly accounted for in accounting records.

Ports North held one corporate event that cost more than \$5,000 in FY2025, the employee end of year function for \$6,455 held on 13 December 2024. The end of year function recognises employees' combined effort throughout the year, contributing to building a positive organisational culture. Acknowledging these efforts and reflecting on the past year provides valuable insights and reinforces the employees' connection to the organisation.

# Our People

Ports North is committed to being an employer of choice with a work environment that attracts, develops and retains motivated capable people who can deliver on the business objectives.

Our workforce of 93 full-time equivalent employees spans across a variety of professional, operational, technical, trade and administrative roles. As a regional organisation we have employees based in Cairns, Mourilyan, Thursday Island and Weipa.

Ports North recognise that to achieve the best outcomes for the business it is important to have an environment that supports initiative, innovation and sound performance. To assist in this area the Employee Consultation Group provides a forum for management and staff to share information, discuss issues and work proactively towards enhancing the performance of Ports North and job satisfaction for staff.

## Safety Performance

Ports North adopts a proactive approach to port safety management and is committed to developing and implementing safety systems that ensure good practice is achieved in both workplace health and safety and the conduct of safe marine operations.

A strong safety culture has been developed across the organisation over the years and our Port Safety Management System is under continuous review to ensure good safety performance is achieved.

Ports North recorded two minor lost time injuries during FY2025.

## Senior Management Team

**Richard Stevenson**  
*Chief Executive Officer*

**Chris Tabe**  
*Chief Financial Officer*  
Financial management, accounting, procurement, company secretary, corporate governance, risk management, development assessments and safety.

**Jason Ledbury**  
*Chief Operating Officer CMP CUF*  
Cairns Marine Precinct Common User Facility project development, management and delivery, information systems and systems transformation project.

**Kevin Malone**  
*General Manager Commercial*  
Commercial business development and management and property management.

**Ash Sinha (commenced August 2024)**  
*General Manager Operations*  
Port operations, security and emergency management, dredging and surveying and marine pilotage.

**Colin Devenish (commenced January 2025)**  
*General Manager Infrastructure & Sustainability*  
Engineering, capital works, major projects, asset strategy and maintenance, contract management, environment and sustainability.

# Our Environment

*Port North operates nine ports in Far North Queensland, the Torres Strait and Cape York. Five of these ports are located within the Great Barrier Reef World Heritage Area. The Port of Cairns is uniquely positioned between a World Heritage listed rainforest and reef and serves as the gateway for visitors to the Great Barrier Reef Marine Park.*

*Consequently, a strong commitment to environmental leadership underpins everything that we do.*

## Comprehensive Environmental Monitoring

Areas surrounding our ports are of great importance to port users and the broader community and we have continued our focus on regular checks of the general environmental health at each of our main port locations. This work is critical to understanding the physical, biological, and cultural attributes of the areas surrounding our ports.

Ports North continues to deliver long term environmental monitoring programs, including some of the world's longest-running seagrass monitoring initiatives. At our ports, several of these programs have been in place for over 30 years.

## Long Term Seagrass Monitoring

Ports North's long-standing partnership with TropWATER at James Cook University continues, with our long-term seagrass monitoring program providing an understanding of the condition and trends within our port environments. Information from this program is also used by a number of key stakeholders, including the Wet Tropics Healthy Waterways Partnership, traditional owner groups in the Torres Strait and State and Commonwealth governments.

Ports North's partnership with TROPWater at James Cook University continues. Our long-term seagrass monitoring program provides critical data on ecosystem health and trends within our ports, guiding the management of dredging and development activities near sensitive seabed habitats. Findings are shared with key stakeholders including the Wet Tropics Waterways Partnership, Traditional Owner groups in the Torres Strait, and government agencies.

## Biosecurity Monitoring

Ports North continues to promote awareness of biosecurity matters amongst port users and work collaboratively with State and Commonwealth biosecurity jurisdictions. We also use emerging technologies like environmental DNA (eDNA) to detect marine pests through the Queensland Ports Program. Ports North also supports Biosecurity Queensland's Marine Pest Preparedness and Awareness Program and actively contributes to the Queensland Seaports e-DNA Surveillance (Q-SEAs) program at the Port of Cairns. These efforts help identify threats and guide pest prevention strategies.

A summary of the results over the last year is provided below:

Monitoring Program	Summary of Results
Cairns	<p>Seagrass meadows within Trinity Bay have continued to remain in a robust and productive condition, returning to levels seen prior to the 2009-2011 disturbance events. However, the influence of the late 2023 tropical cyclone and associated record flooding became apparent during the annual surveys in late 2024.</p> <p>To support maintenance dredging at the Port of Cairns, annual sampling of marine sediment was undertaken and the results assessed against the National Assessment Guidelines for Dredging (NAGD, 2009). All material has been found to be suitable for dredging and disposal at the marine placement areas.</p>
Mourilyan Harbour	<p>Seagrass meadows within the Harbour remain in a very poor overall condition and have not substantially recovered from the significant declines in biomass and distribution due to cyclone and flooding impacts in 2009-2011. In response James Cook University continues restoration activities.</p>
Karumba	<p>Late 2024 survey confirmed seagrass meadows remain in particularly good condition, despite recording the lowest biomass to date.</p> <p>Five-year sediment sampling found all material suitable for dredging and marine placement under NAGD (2009) guidelines. An ethnic habitat survey was also completed at the placement site.</p> <p>Water quality during maintenance dredging was monitored remotely with results remaining within approved trigger levels.</p>
Thursday Island	<p>Seagrass meadows remain in good condition, with above average total area and biomass observed.</p>

## Partnering with Government, Industry, and the Community

Ports North recognises that healthy ecosystems underpin the economy and unique lifestyle on offer in Far North Queensland. Accordingly, our strong support for the Wet Tropics Healthy Waterways Partnership continues. Ports North are active members of the Management Committee and support the regional water quality report card through participation in the Technical Working Group.

Ports North continues to work closely with TROPWater and North Queensland Bulk Ports on a four-year research project that focuses on investigating restoration techniques for key tropical seagrass species in the Great Barrier Reef area, including community restoration events at Cairns and Mourilyan.

We continue to work closely with industry, government, and other Queensland ports on policy initiatives, including the Reef 2050 Long Term Sustainability Plan and Maintenance Dredging Strategy for Great Barrier Reef World Heritage Area Ports.

Local community activities also remain a key focus. Ports North again sponsored the Ports North Environment Awards for Far North Queensland secondary school students through the Business Liaison Association. Our Port Advisory Groups and Technical Advisory Consultative Committees (TACCs) continued to meet throughout the last 12 months to discuss port planning and management.

Ports North also maintained ongoing involvement in the Cairns Local Marine Advisory Committee.

## Environmental Restoration

Ports North continues to work with Green Collar on an environmental restoration project that will result in a significant reduction in sediment entering the Great Barrier Reef. This long-term project has seen Green Collar and Ports North partner with local landholders and Natural Resource Management Groups to undertake restoration works in Great Barrier Reef catchment areas.

## Environmental Management and Compliance

Consistent with the ISO 14001 guidance, our Environmental Management System (EMS) focuses on both regulatory requirements and improving performance through the implementation of best practice environmental management measures across our operations. We continued to maintain compliance with all environmental approvals for our operations, maintenance and major capital works and undertook these compliance activities in consultation with Local, State and Commonwealth agencies.

Management of legacy contamination across our port land holdings remains ongoing. Ports North remains engaged and aware of agency and industry response to management of Per- and Poly-fluoroalkyl Substances (PFAS), and the work of Department of Defence at HMAS Cairns. We also continued our use of entry and exit contamination assessments of leased land. Remediation activities continue for one of the vessel maintenance facilities at Cairns.



There were no serious or material level environmental events recorded across our operations, with one (1) nuisance incident event attributable to contractors engaged by Ports North during major maintenance project works, that was thoroughly investigated and closed out, with minimal environmental harm identified.

## Maintenance Dredging

Ports North has a long history of successfully delivering maintenance dredging campaigns at our ports, and the Long-term Maintenance Dredging Management Plans (LMDMPs) developed for all of our GBR port locations continue to provide valuable guidance on the implementation of dredging activities. The LMDMPs present the results of a considerable number of studies, capture valuable feedback from stakeholders and present a leading-practice framework for the long-term management of dredge sediment.

Consistent with the requirements of the Maintenance Dredging Strategy for Great Barrier Reef World Heritage Area Ports, Ports North:

- Prepared environmental risk assessments to inform our maintenance dredging schedule.
- Conducted dredging activities in accordance with our LMDMPs.
- Reported on environmental outcomes following dredging activities to inform regular reporting to Department of Transport and Main Roads (TMR).

Maintenance dredging at both the Port of Cairns and Karumba was completed safely and without any environmental incidents. Technical Advisory Consultative Committees (TACCs) at both Cairns and Karumba were kept informed of the outcome of maintenance dredging activities.

# Board of Directors & Corporate Governance

## Corporate Governance

The Board of directors is responsible to shareholding Ministers to establish Ports North's strategic direction, set corporate objectives and maintain oversight of business performance.

Directors pursue best practice corporate governance principles and commit to conducting operations with integrity.

The Board adopts the Directors and Senior Executives Code of Conduct, which outlines expected standards of conduct. Further, the Board has adopted a Code of Employee Conduct to set out clear guidelines and expectations of behaviour for Ports North employees.

## Shareholders

The Board of directors is appointed by the Governor in Council and is accountable to the Minister for Finance, Trade, Employment and Training and Minister for Transport and Main Roads.

Shareholding Ministers throughout FY2025 were:

- the Honourable Rosslyn Bates MP – Minister for Finance, Trade, Employment and Training (commenced office 1 November 2024);
- the Honourable Brent Mickelberg MP – Minister for Transport and Main Roads (commenced office 1 November 2024);
- the Honourable Bart Mellish MP – Minister for Transport and Main Roads and Minister for Digital Services (departed office 27 October 2024); and
- the Honourable Cameron Dick MP – Deputy Premier, Treasurer and Minister for Trade and Investment (departed office 27 October 2024).

At 30 June 2025, all shares in Ports North were held by its shareholding Ministers on behalf of the Queensland Government. In accordance with the Auditor General Act 2009 Ports North's, audit is carried out by the Queensland Audit Office or its delegate.

Ports North delivers the Corporate Plan and Statement of Corporate Intent to shareholders annually. Once approved, the Plan and Statement outlines targeted financial and non-financial performance.

The shareholding Ministers can also direct Ports North to meet community service obligations and apply specific public sector policies to its operations. The Board has established internal policies and procedures, quarterly and annual reporting procedures, including a Disclosure to Shareholders Policy, to ensure that shareholders have ongoing oversight of performance.

## Board of Directors – role and responsibility

The role of the Board is to represent shareholders and accept responsibility for the management of the business and its affairs.

The Board's responsibilities include:

- determining strategic direction, vision and corporate objectives;
- approving policies, business plans, corporate plans and statements of corporate intent that realise Ports North' vision and corporate objectives;

- overseeing Ports North's financial position, and monitoring performance, risk management and internal control systems;
- evaluating and approving major capital expenditure and business transactions;
- ensuring adequate systems exist to monitor:
  - o compliance with legislation and relevant government guidelines and directives;
  - o performance against plans and forecasts; and
  - o long term planning and risk management to ensure operational sustainability.
- appointing the Chief Executive Officer with the prior written approval of shareholding Ministers and clearly defining the roles and responsibilities of that position;
- approving the appointment of other senior executives and managing succession for all senior positions; and
- modelling and driving an ethical organisational culture.

The Board of Directors Charter defines the roles and responsibilities of the Board and individual directors and the matters that have been delegated to management. The Charter also provides the framework in which the operations of the Board are conducted.

## Board of Directors

**Russell Beer** LLB, GDLP

*Chair*

*Independent director*

*Member, Audit and Risk Committee*

*Member, People & Culture Committee*

*Member, Strategic Projects and Initiatives Committee*

**Justin Parer**

*Deputy Chairperson*

*Independent Director*

*Chair, Strategic Projects and Initiatives Committee*

**Susan Casey**

BA/LLB, GradDipLegal Practice, GradCertLaw(PlanRes),

GradDipCompany Secretarial Practice, GAICD

*Independent Director*

*Member, Audit and Risk Committee*

**David Edwards** BEcon, BA

*Independent Director*

*Member, Strategic Projects and Initiatives Committee*

**Hon. Curtis Pitt** BA (Politics/International Relations)

*Independent Director*

*Chair, People & Culture Committee*

**Georgina Twomey**

BPharm (hons) MBA GAICD GCertAdvPracPresPharm

*Independent Director*

*Member, People & Culture Committee*

*Member, Strategic Projects & Initiatives Committee*

**Margot Richardson**

F CPA, GAICD, FGIA, BEc / BA (Asian Studies), GDipFinPlan

*Independent Director*

*Chair, Audit and Risk Committee*

## Board of Directors – Independence

The Board is appointed by the Governor in Council and all members are non-executive directors. Director independence is assessed individually with regard to each director's circumstances and referencing the materiality guidelines outlined in the Corporate Governance Framework which requires an assessment of materiality thresholds.

The guidelines include:

- a professional advisor whose fees to Ports North in a financial year exceed \$150,000 or exceed 5% of their annual revenue;
- a supplier whose sales to Ports North in a financial year exceeds \$150,000 or exceed 5% of their annual revenue;
- a customer whose payments to Ports North in a financial year exceeds \$150,000 or exceed 5% of their annual operating costs; and
- a contractual relationship where the amount payable under the contract exceeds \$150,000 in any financial year.

An assessment of independence has been undertaken and all current directors are considered to be independent. The Board of Directors Charter, Directors and Senior Executives Code of Conduct and Corporate Governance Framework outline how directors' interests must be disclosed and the way interests will be dealt with by the Board.

## Board of Directors – Professional Advice

The Board and Board Committees may seek independent professional advice whenever it is considered appropriate. Ports North will fund professional advice for individual directors, provided it relates to their responsibilities as a director and they receive prior approval from the Chair.

## Board of Directors – Structure and Process

Board meetings are conducted regularly, and aligned to an agenda that allocates appropriate time to the principal functions of the Board. An annual Activity Plan has been developed which ensures that all necessary matters are addressed.

Each year the Board holds a special meeting to consider strategy formulation and develop a strategic outlook report. This report is then used by management as input to the annual business planning cycle. The Board approves the Annual Business Plan.

Each year, consistent with the *Government Owned Corporations Act 1993*, the Board submits a Corporate Plan and Statement of Corporate Intent for approval by the shareholding Ministers.

The primary source of information for directors is the monthly performance reports of the Chief Executive Officer and Executive Management Team. In addition, the Board receives regular briefings and presentations on Ports North operations and conducts site visits of operations as required. The Chair regularly meets with the Chief Executive Officer to review business issues.

At the conclusion of each meeting the Board reflects and comments on the efficiency and effectiveness of the meeting. This extends to an assessment of the time allocated for the meeting, reporting quality, strategic issues and approval matters, as well as the general conduct of the meeting.

The effectiveness of the Board and each of the Board Committees is reviewed annually. The Board is assessed according to progress against primary responsibilities and the preparation of a formal Board Performance Report for consideration. A similar process has been implemented for each of the Board Committees.

Periodically, the Board meets without management in attendance to consider Board effectiveness and progress.

The People & Culture Committee, on behalf of the Board, assesses the performance of the Chief Executive Officer and sets performance measures and targets linked to the strategic objectives of Ports North. This performance system applies to all management positions where key result areas and performance targets are agreed (at a corporate, business unit and individual level) and performance is measured in achieving the agreed targets. Reviews for all management positions were undertaken during 2024-25.

## Risk Management & Compliance

Ports North has a system and processes to identify, assess and manage risks to its operations to minimise the impact of unplanned events. This approach is articulated in the Risk Management Framework.

The Audit and Risk Committee oversees the implementation of the Risk Management Framework including the identification of appropriate controls to protect Ports North's interests. Safety and Environmental Management Frameworks, Financial Risk Policies, Fraud Control and Corruption Policies and Security and Emergency Plans address specific risks.

Before approving the financial statements, the Board receives a formal statement from the Chief Executive Officer and Chief Financial Officer that:

- the financial position and financial performance reports have been prepared and present a true and fair view in accordance with the Australian Accounting Standards, *Corporations Act 2001* and *Corporations Regulations 2001*;
- financial records have been properly maintained in accordance with internal risk management and internal controls and compliance requirements; and
- the risk management and internal control system is operating efficiently and effectively in all material respects.

## Remuneration

Director remuneration is affected by the provisions of the *Government Owned Corporations Act 1993*. Executive remuneration is approved by the Board in accordance with the Policy for Government Owned Corporations Chief and Senior Executive Employment Arrangements July 2024.

Remuneration policies for management and staff are overseen by the People & Culture Committee which operates under the People & Culture Committee Terms of Reference.

Ports North remuneration policies recognise a balance between the needs of the organisation, individuals and shareholders. Guiding principles that underpin the remuneration strategy include:

- Contribution to achievement of vision and corporate objectives
- Promotion of sustained superior performance
- Remuneration is competitive within the labour markets in which Ports North operates
- Transparency and fairness.

An individual's remuneration is determined on appropriate market competitiveness and also having regard to the accountabilities and responsibilities of the position they hold. Remuneration may vary from year to year depending on how the individual and the organisation perform. An 'at-risk' or incentive component of 5%, 10% or 15% (dependent on position) may be awarded to non-award staff for their performance in meeting set annual performance targets.

In addition, minimum corporate standards of financial performance will need to be met before any performance payments are made. These standards are determined by the Board annually, considering organisational and individual performance objectives, standards and achievements. The incentive component is paid in the form of a one-off lump sum payment and employees are re-assessed each year.

## Board Committees

To increase its effectiveness the Board has established an Audit and Risk Committee, a People & Culture Committee and a Strategic Projects and Initiatives Committee. Each Committee operates according to terms of reference approved by the Board and the Committee Chair will provide a report and meeting minutes in the next Board meeting papers.

## Audit and Risk Committee

The Audit and Risk Committee is comprised of three non-executive directors. The Chief Executive Officer and the Chief Financial Officer, who are not members of the Committee, also attend meetings.

The Committee's role and functions are detailed in an Audit and Risk Committee Charter. The objectives of the Committee are to:

- assist the Board in discharging its responsibilities in respect of financial reporting, other accounting requirements and regulatory compliance;
- assist the Board with ensuring that the ability and independence of the external auditor to carry out its statutory audit role is not impaired;
- ensure an effective internal audit and internal control system is maintained;
- oversee, monitor and review the performance of the internal and external auditors and the integrity of the audit process as a whole;
- review the financial reporting process, the system of internal financial control and the external audit process;
- review and ratify Ports North's systems of internal compliance and control, risk management and legal compliance, to determine the integrity and effectiveness of those systems;
- act as a formal forum for free and open communication between the Board, internal and external auditors and management; and
- ensure an appropriate framework is maintained for the management of strategic and operational risk.

## People & Culture Committee

The People & Culture Committee is comprised of three non-executive directors. The Chief Executive Officer and the Executive Manager Corporate Services, who are not members of the Committee, also attend meetings.

The Committee's role and functions are detailed in the People & Culture Charter. The objectives of the Committee are to:

- review and make recommendations to the Board, related to industrial relations strategies, enterprise bargaining agreements and remuneration structures for senior executives and others covered by the Remuneration Policy;
- review and make recommendations to the Board related to the Remuneration Policy and practices;
- consider and approve appointments for all senior executives and make recommendations to the Board related to the performance and conduct of the Chief Executive Officer;
- obtain external advice, either independently or via management, on remuneration, risk and any other related matter to supplement members' knowledge and expertise; and
- obtain information necessary to enable the Committee to perform its function.

## Strategic Projects and Initiatives Committee

The Strategic Projects and Initiatives Committee is comprised of four non-executive directors. The Chief Executive Officer and the Chief Operating Officer CMP CUF, who are not members of the Committee, also attend meetings.

The Committee's role and functions are detailed in a Strategic Projects and Initiatives Committee Charter. The objectives of the Committee are to:

- review and advise on the appropriateness of major projects to be undertaken on Port-owned lands having regard to Ports North's risk appetite, applicable statutory planning legislation and policies and Ports North's planning codes and guidelines;
- provide oversight of infrastructure projects and waterfront developments managed by Ports North and advise the Board on the effectiveness in meeting Ports North's strategic objectives and delivery of projects;
- monitor and evaluate the effectiveness of strategic initiatives for trade and business growth and sustainability and ensure that these are aligned with Ports North's strategic objectives;
- evaluate the status of proponent-led major projects at Ports North's ports and provide advice on whether Ports North's facilitation role on these projects encourages sustainable port growth; and
- review Ports North's strategic planning, Corporate Plan and Statement of Corporate Intent and ensure compliance with relevant legislation and government policies.

## Summary of Directions and Notifications Received Under the Government Owned Corporations Act

As per s120 (1) (e) of the *Government Owned Corporations Act 1993*, Government Owned Corporations are to include particulars of any directions and notifications given to their Board by the shareholding Ministers that relate to the relevant financial year. During Financial Year 2024-25 Ports North were given the following directions and notifications;

### Notifications

- No notifications were issued to Ports North during the Financial Year 2024-25.

### Directions

- Shareholding Ministers issued a direction to Ports North on 17 July 2024 to manage and deliver the design and construction of the Cairns Marine Precinct Common User Facility (CMP-CUF) in collaboration with the State along with ownership of the CMP-CUF;

### Summary of Overseas Travel

- No overseas travel was undertaken this year.



# Key Performance Indicators

## General

The underlying operating result (excluding asset valuation transactions) for the year ended 30 June 2025 is a profit of \$7.9 million compared to a profit of \$10.4 million in the previous year (refer to reconciliation on page 14), a decrease in the underlying operating result of \$2.5 million. The operating result after tax for the year ended 30 June 2025 was a profit of \$5.3 million, compared to a profit of \$8.6 million in the previous year.

The operating result before tax for the year ended 30 June 2025 was a profit of \$7.6 million, compared to a profit of \$11.7 million for the previous year. Asset valuation transactions decreased operating result before tax by \$0.3 million in the year ended 30 June 2025 compared with an increase of \$1.3 million in the previous year.

Overall trade related revenues at Cairns and in regional ports remained stable. Higher fertiliser imports and petroleum products at Cairns, higher molasses exports at Mourilyan, higher general cargo at Thursday Island and higher bauxite exports at Skardon River, were partially offset by lower sugar and molasses exports at Cairns, lower sugar exports at Mourilyan and lower silica sand exports at Cape Flattery. There were 76 large cruise ship visits during the year.

## Statement of Financial Position

Total current assets have decreased to \$77.2 million at 30 June 2025 from \$80.7 million in the previous year, which reflects a lower cash balance driven by higher capital expenditure.

Property, Plant and Equipment has increased to \$186.8 million at 30 June 2025 from \$176.5 million in the previous year.

The increase of \$10.3 million in the carrying amount was due to:

- \$40.6 million in additional new assets and works in progress (principally Cairns Marine Precinct Common User Facility (CMP CUF) and Horn Island Passenger Jetty Upgrade) net of disposals, write offs and transfers
- \$23.2 million revaluation decrease; and
- \$7.1 million of depreciation expense.

At 30 June 2025, Ports North recognised a net revaluation decrease of \$23.2 million to the carrying value of Property, Plant and Equipment. This is principally made up of a revaluation decrease to Cairns of \$13.3 million and to Cape Flattery of \$16.8 million partially off-set by revaluation increases of \$6.1 million to Thursday Island due to general cargo increases and \$3.0 million to Skardon River due to increased future trade revenue.

Investment property value has increased to \$238.6 million at 30 June 2025 from \$209.2 million in the previous year. The increase of \$29.4 million in the carrying amount was due to:

- \$16.8 million of acquisitions and transfers and \$12.6 million revaluation increase of existing investment Properties.

Current liabilities have increased to \$25.1 million at 30 June 2025 from \$23.6 million in the previous year. This is principally due to an increased dividend provision. Non-current liabilities have decreased to \$28.8 million at 30 June 2025 from \$31.0 million in the previous year. This is principally due to lower deferred tax liabilities arising from a net revaluation decrease of property, plant and equipment. This means that less tax would be due should the company sell its assets.

Total Equity as at 30 June 2025 was \$449.5 million compared to \$412.2 million for the previous year. The change was due to a \$43.8 million equity contribution from the Queensland Government and an increase in the accumulated surplus of \$0.7 million reflecting this year's operating profit less dividend provision, partially offset by a decrease in the asset revaluation surplus of \$7.2 million.

## Dividends

A dividend of \$4.6 million has been included in the Statement of Financial Position as at 30 June 2025. Shareholding Ministers have approved the board's recommendation of a final dividend payment of 100% of adjusted net profit after tax, which excludes the components of other comprehensive income, material non-cash items, non-cash adjustments from asset revaluations (included any associated tax benefit or expense), and profits from Community Ports (Thursday Island and Quintell Beach).

## Current Ratio

The current ratio at 30 June 2025 is 3.1 compared with 3.4 in the prior year.

## Debt to Equity Ratio

The Company had no debt as at 30 June 2025.

## Interest Cover Ratio

There was no interest expense incurred during the year.

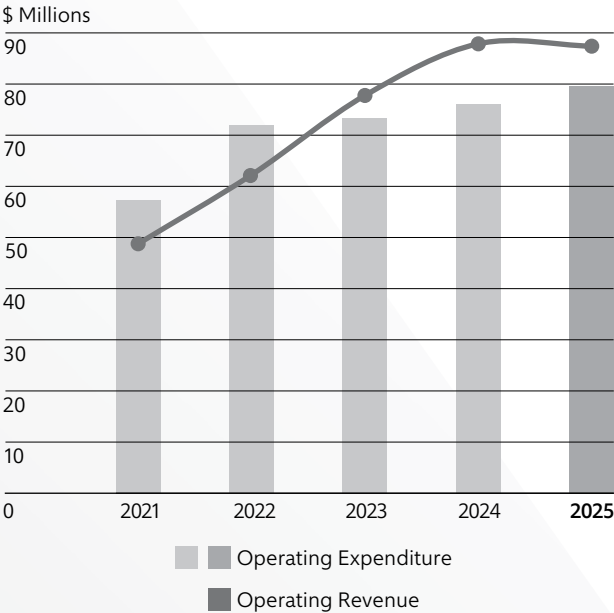


Financial KPIs	FY2025 Plan	FY2025 Actual	FY2024 Actual
Earnings Before Interest and Tax (\$'000)	3,698	7,654	11,738
EBITDA (\$'000)	9,614	14,908	17,133
Net Profit After Tax (\$'000)	2,402	5,302	8,573
Return on Assets	0.83%	1.58%	2.59%
Return on Operating Assets	0.90%	1.64%	2.61%
Debt to Debt + Equity	0.00%	0.00%	0.00%
Return on Equity	0.63%	1.28%	2.17%
Interest Cover	0.00%	0.00%	0.00%
Current Ratio	2.71	3.07	3.42
Capital Expenditure (\$'000)	21,335	57,525	8,638
Planned Maintenance Performed (%)	100%	112%	113%

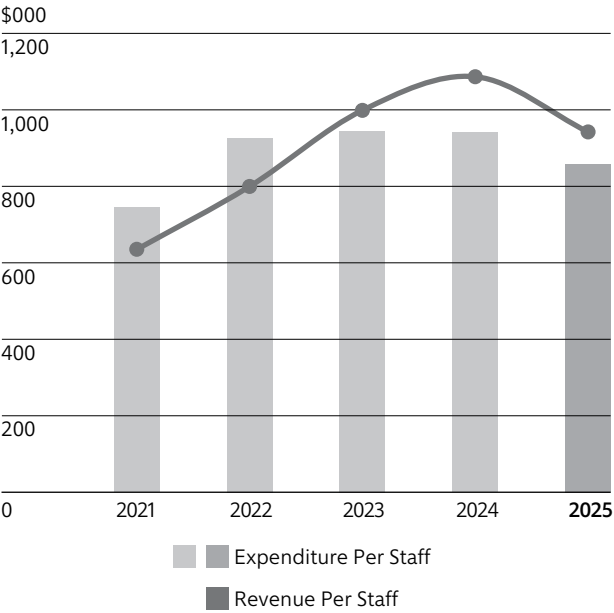
Non Financial KPIs	FY2025 Plan	FY2025 Actual	FY2024 Actual
<b>Operational</b>			
Trade ( tonnes)	10,789,653	10,684,980	9,792,651
No. of Vessels to Port (excluding internal movements)	3,046	2,465	2,421
Marina Berth Occupancy (%)	48%	52%	49%
<b>Reputation</b>			
No. of Environmental - reportable breaches	0	0	0
No. of Security issues reported	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0	13	30
Lost Time Injury Duration Rate (LTIDR)	0	14	15
Staff Turnover (annualised %)	<15%	22%	24%
No. of Net FTE Staff numbers	90	93	81
No. of Community Complaints	<10	4	6
Compliance with Reporting Requirements (%)	100%	100%	100%

Reconciliation to Underlying Operating Result	Ports North		Port of Cairns		Regional Ports	
	FY2025 Actual	FY2024 Actual	FY2025 Actual	FY2024 Actual	FY2025 Actual	FY2024 Actual
Earnings Before Interest and Tax (\$'000)	7,654	11,738	4,429	10,119	3,226	1,619
Asset Valuation Transactions (\$'000)	300	(1,334)	610	699	(310)	(2,033)
Underlying Operating Result (\$'000)	7,954	10,404	5,039	10,818	2,916	(414)

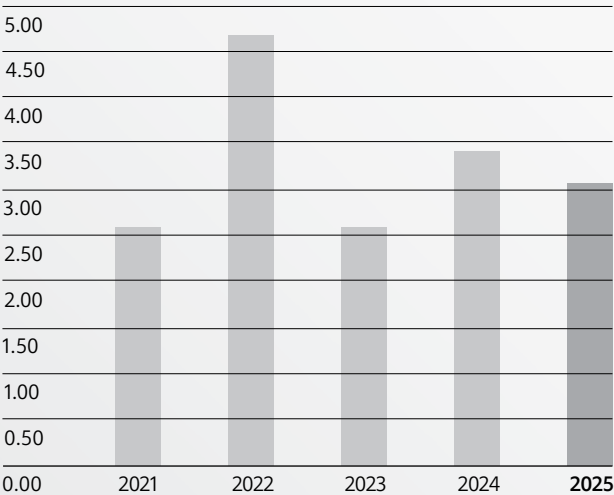
Operating Revenue & Expenditure



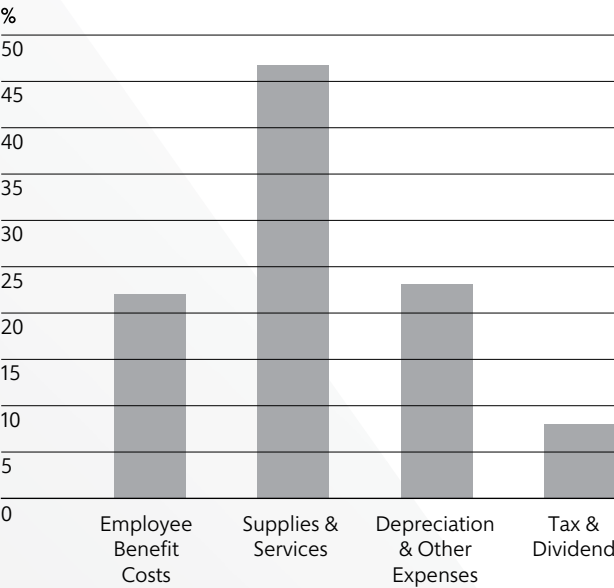
Revenue & Expenditure Per Staff



Current Ratio



Expense Allocation



# Port Results

## Port of Cairns (including Port Pilotage) Results

The operating result before tax from Cairns port activities was a profit of \$4.4 million for the year ended 30 June 2025 compared with a profit of \$10.1 million in the previous year, a decrease of \$5.7 million.

The underlying operating result before tax (excluding asset valuation transactions) was a profit of \$5.0 million for the year ended 30 June 2025 compared with a profit of \$10.8 million in the previous year (refer to reconciliation on page 14).

Overall trade volumes were close to the previous year. Principal variances include higher fertiliser imports and petroleum products and lower sugar and molasses exports. Marina revenue was slightly higher than the previous year with higher passenger numbers through the reef fleet.

Property revenue increased on the previous year due to the acquisition of new investment properties and improved rental returns. Pilotage revenue decreased on the previous year due to decreased pilotage activity in Cairns and the regional ports.

## Regional Ports Results

The operating result before tax from regional port activities was a profit of \$3.2 million for the year ended 30 June 2025 compared with a profit of \$1.6 million in the previous year, an increase of \$1.6 million. The underlying operating result before tax (excluding asset valuation transactions) was a profit of \$2.9 million for the year ended 30 June 2025 compared with a loss of \$0.4 million in the previous year (refer to reconciliation on page 14).

The increase in underlying operating result from regional port activities was principally due to higher general cargo at Thursday Island and higher bauxite exports at Skardon River, partially offset by lower silica sand exports at Cape Flattery and lower molasses exports at Mourilyan.

## Our Performance

The underlying operating result (excluding asset valuation transactions) for the year ended 30 June 2025 is a profit of \$7.9 million compared to a profit of \$10.4 million in the previous year (refer to reconciliation on page 14), a decrease in the underlying operating result of \$2.5 million. The operating result after tax for the year ended 30 June 2025 was a profit of \$5.3 million, compared to a profit of \$8.6 million in the previous year.

The operating result before tax for the year ended 30 June 2025 was a profit of \$7.6 million, compared to a profit of \$11.7 million for the previous year.

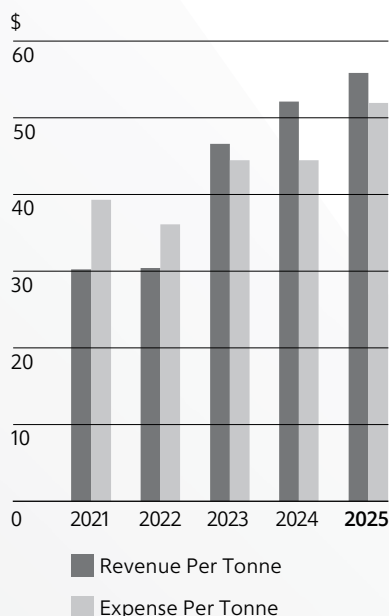
Overall trade related revenues at Cairns and in regional ports remained stable. Higher fertiliser imports and petroleum products at Cairns, higher molasses exports at Mourilyan, higher general cargo at Thursday Island and higher bauxite exports at Skardon River, were partially offset by lower sugar and molasses exports at Cairns, lower sugar exports at Mourilyan and lower silica sand exports at Cape Flattery. There were 76 large cruise ship visits during the year.

Maintenance spending across all ports decreased by \$0.5 million compared to the previous year, principally due to the completion of significant maintenance expenditure at Thursday Island in the previous year, partially offset by concrete repair works completed in Cairns on the wharves. During the year ended 30 June 2025 Ports North completed one dredging program in Cairns (July-August 2024).

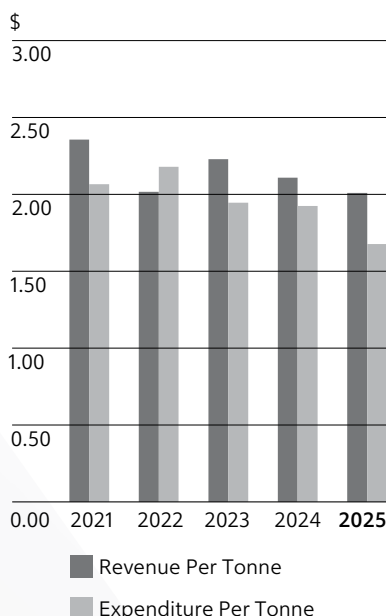
Asset valuation transactions decreased operating result before tax by \$0.3 million in the year ended 30 June 2025 compared with an increase of \$1.3 million in the previous year.

The market value of the Company's Investment Property increased following an independent revaluation, resulting in a gain of \$12.6 million. The overall carrying values of property, plant and equipment across all ports has decreased for the year ended 30 June 2025, with the impact of increased forecast maintenance activity and decreased revenue in Cairns resulting in a revaluation profit decrease of \$12.8 million.

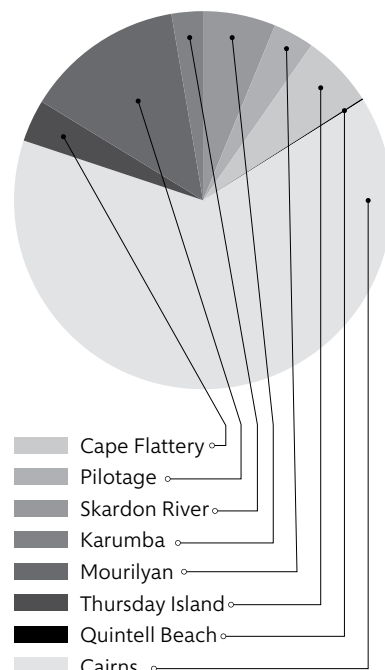
### Port of Cairns Revenue and Expenses Per Tonne



### Regional Revenue and Expenses Per Tonne



### Revenue by Port



### Port of Cairns Cargo Movements (Tonnes)

Year	EXPORTS					IMPORTS						
	Sugar	Molasses	Petroleum Products	Other	Total Exports	Petroleum Products	Fertiliser	LPG	Other	Total Imports	Total Cargo	
FY2020	264,800	60,977	13,116	105,026	443,920	502,788	44,903	25,903	59,532	633,126	1,077,046	
FY2021	187,561	64,731	14,639	115,592	382,523	437,890	49,556	25,576	48,550	561,572	944,095	
FY2022	282,200	56,644	24,502	123,998	487,343	500,903	33,874	27,477	277,844	840,098	1,327,442	
FY2023	239,000	64,848	49,870	107,984	461,702	536,593	27,799	27,140	56,143	647,675	1,109,377	
FY2024	221,000	62,726	38,620	114,147	436,493	535,837	39,066	28,677	49,832	653,412	1,089,905	
FY2025	173,293	36,111	44,387	104,849	358,639	533,847	45,072	26,825	38,657	644,401	1,003,040	

#### Average Annual Growth

	Sugar	Molasses	Petroleum Products	Other	Total Exports	Petroleum Products	Fertiliser	LPG	Other	Total Imports	Total Cargo
1 Year	-21.59%	-42.43%	14.93%	-8.15%	-17.84%	-0.37%	15.37%	-6.46%	-22.42%	-1.38%	-7.97%
5 years	-6.91%	-8.16%	47.68%	-0.03%	-3.84%	1.24%	0.08%	0.71%	-7.01%	0.36%	-1.37%

### Regional Ports Cargo Movements (Tonnes)

Year	EXPORTS							IMPORTS			
	Sugar	Molasses	Lead/Zinc	Silica Sand	Livestock	Minerals	Other	Total Exports	Other	Total Imports	Total Cargo
FY2020	576,900	41,275	208,640	2,694,652	-	3,999,619	11,591	7,532,677	62,817	62,817	7,595,494
FY2021	544,980	77,594	265,896	3,027,964	-	1,792,059	10,554	5,719,047	62,548	62,548	5,781,595
FY2022	533,125	98,104	227,551	3,060,661	-	3,214,723	19,752	7,153,915	76,901	76,901	7,230,816
FY2023	596,000	128,567	261,488	3,031,331	-	3,507,102	12,231	7,536,719	82,273	82,273	7,618,992
FY2024	517,479	91,845	231,129	2,912,995	-	4,847,348	17,433	8,618,229	84,517	84,517	8,702,746
FY2025	457,037	101,468	271,991	2,488,346	-	6,232,985	16,951	9,568,777	113,161	113,161	9,681,939

## Seaport Vessel Movements

		FY2025	FY2024	FY2023	FY2022	FY2021
<b>BULK TRADING VESSELS</b>						
Petroleum		39	42	56	43	42
LPG		23	23	21	20	18
Sugar	- Cairns	8	8	10	10	7
	- Mourilyan	16	15	18	14	14
Fertiliser		8	8	4	5	11
Molasses	- Cairns	3	6	7	7	8
	- Mourilyan	8	10	14	10	12
Silica Sand		45	52	58	59	59
Minerals	- Skardon River	1,137	988	637	755	451
<b>Sub Total Bulk</b>		<b>1,287</b>	<b>1,152</b>	<b>825</b>	<b>923</b>	<b>622</b>
<b>OTHER TRADING VESSELS</b>						
<b>General Cargo (Cairns)</b>	- Cairns	473	557	545	566	523
	- Regional Ports	581	597	519	589	593
<b>Sub Total Trading</b>		<b>1,054</b>	<b>1,154</b>	<b>1,064</b>	<b>1,155</b>	<b>1,116</b>
<b>OTHER VESSELS</b>						
<b>Cruise Vessels (Cairns)</b>	- Large >150m	76	68	91	2	-
	- Small <150m	12	18	7	17	46
		88	86	98	19	46
<b>Cruise Vessels (Regional Ports)</b>	- Large >150m	12	6	23	-	-
	- Small <150m	7	5	30	-	-
		19	11	53	-	-
<b>Navy (Cairns)</b>		17	18	11	8	8
<b>Sub Total Other</b>		<b>124</b>	<b>115</b>	<b>162</b>	<b>27</b>	<b>54</b>
<b>Total</b>		<b>2,465</b>	<b>2,421</b>	<b>2,051</b>	<b>2,105</b>	<b>1,792</b>



# Statement of Corporate Intent

Ports North is required under the *Government Owned Corporations Act 1993* to include a summary of its Statement of Corporate Intent (SCI) in its annual report for the relevant year.

A summary of corporate strategies is presented here, with a full SCI laid before the Legislative Assembly at the same time as the tabling of the Annual Report.

## Strategies

## Progress Against Strategies

### 1. Identify and develop new trade and business opportunities and grow existing business to provide value to Ports North and its shareholders

- Ports North is exploring opportunities for new mineral trades through regional ports, particularly silica sand expansions.
- Ports North has negotiated cruise price schedules with operators and is supporting growth in visitation.
- Through Super Yacht Group Great Barrier Reef and other industry partners, Ports North is promoting Cairns as a superyacht destination and refit area.
- Ports North is working with proponents and TMR on new Gulf mine export opportunities.

### 2. Manage and develop Port property to provide sustainable commercial return to Ports North and its shareholders

- Ports North waived berthage and passenger levies for eligible tourism operators impacted by the December 2023 floods for January to December 2024.
- Ports North is developing a strategy to optimise the use of port land surrounding Tingira Street.
- Land Acquisition strategies for Cairns and Mourilyan have been updated to incorporate outcomes of the 30-Year Two-Port Master Plan.
- Land Use Plans (LUPs) are in place for all Ports North property.
- Work has commenced to update LUPs for all ports.
- Ports North continues to support the Queensland Government in the development of the Cairns Marine Precinct Common User Facility (CUF).

### 3. Plan, develop and manage Port Infrastructure and assets to improve Port efficiency, meet the needs of customers and contribute to sustainable regional development

- Ports North is working with the Queensland Government and Department of Defence to support the development of Cairns Marine Precinct Common User Facility and HMAS Cairns growth.
- Ports North is negotiating silica sand expansion opportunities for Cape Flattery, including assessment of infrastructure requirements.
- Ports North has completed a major upgrade for Horn Island including a new passenger pontoon.
- Ports North is assessing climate risk, energy, waste and water consumption to determine a baseline for future sustainability actions.

## Strategies

## Progress Against Strategies

### 4. Maintain organisational capability and governance system to deliver the business requirements and maintain the organisation's reputation

- Effective environmental, safety and risk management systems in place.
- Emergency Plans, Crisis Management Plan, Cyber Incident Response Plan and Business Continuity Plans are in place and an exercise program established.
- Strategic communications plan in place to improve corporate reputation with internal and external stakeholders.
- Employee Consultation Group provides a forum for management and staff to share information, discuss issues and work proactively towards enhancing the performance of Ports North and job satisfaction for staff.
- Equity, Diversity, Respect and Inclusion Plan developed.
- Community Investment Program established and implemented.
- Active participation in the Great Barrier Reef Superyacht Group, Tourism Tropical North Queensland, Advance Cairns and with close working relationships with the Cairns Chamber of Commerce and the Cairns Regional Council.
- Ports North's Board and Audit and Risk Committee receive quarterly updates outlining the status of the Risk Management System and key Strategic Risks.

# Ports North Annual Director's Report and Annual Report

**for the year ended June 30 2025**

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# Purpose & Scope

Far North Queensland Ports Corporation Limited (the Company / Ports North) is a Company Government Owned Corporation (GOC) reporting under the *Government Owned Corporations Act 1993* (the Act). Under section 118 of the Act the Company must comply (as if it were a statutory body) with the requirements of the *Financial Accountability Act 2009* in relation to the preparation, giving to the appropriate Minister and tabling of annual reports.

These financial statements of the Company as at and for the year ended 30 June 2025 provide information relating to the financial position as at 30 June 2025 and the financial performance for the year ended on that date.

These statements have been prepared:

- To satisfy the requirements of the *Corporations Act 2001*, and other prescribed requirements; and
- To communicate information concerning the entity's financial performance for the year and its financial position at year end to a variety of information users, including:
  - Its shareholding Ministers,
    - Minister for Finance, Trade, Employment and Training; and
    - Minister for Transport and Main Roads.
- Members of the Legislative Assembly;
- The maritime industry;
- The business community in general;
- Various government and semi-government instrumentalities; and
- Other interested parties.

The statements are general purpose in nature and provide a full presentation of all of the entity's financial activities.

Amounts shown in these financial statements may not add to the correct sub-totals or totals due to rounding.

## PRINCIPAL PLACE OF BUSINESS

Corner of Grafton and Hartley Streets  
Cairns, Queensland, Australia

PO Box 594  
Cairns, Queensland, 4870



# Directors' Report

for year ended 30 June 2025

The Directors present their report, together with the financial report, of Far North Queensland Ports Corporation Limited (the Company / Ports North) for the financial year ended 30 June 2025.

## DIRECTORS

The Directors of the Company at any time during or since the end of the financial year are:

### Name and qualifications

#### **Russell Beer**

LLB, GDLP

Independent Director

*Chairperson*

Member, Audit and Risk Committee

Member, People & Culture Committee

Member, Strategic Project and Initiatives Committee

### Experience and special responsibilities

Russell is a former Director and Shareholder of and now consultant to MacDonnells Law, one of Queensland's largest and longest established independent law firms. Russell specialises in corporate and government advisory law and has been involved in the development of many major projects and pieces of infrastructure in regional Queensland. Russell was a founding Director and long-term Chair of Advance Cairns and has served on many not-for-profit boards. In 2009 Russell was awarded a Certificate of Outstanding Achievement by a Legal Practitioner by the Queensland Law Society, and in 2012 was named as Cairns Regional Council's Citizen of the Year.

Appointed October 2015

Current term: 1 October 2023 – 30 September 2025

#### **Justin Parer**

Independent Director

*Deputy Chairperson*

Chair, Strategic Projects & Initiatives Committee

Justin has over 20 years of experience in the maritime industry and is a skilled business operator who cares passionately about Far North Queensland. He commenced his career at Ernst and Young where he worked in tax, corporate advisory and audit services while gaining his qualifications as a Chartered Accountant. In 2000 he became the owner operator of a small ship repair facility, which he grew over the next 2 decades into one of Australia's leading, independent commercial service providers. He was actively involved in promoting the industry, served on numerous industry groups and in 2017 was awarded Industry Champion for the Commercial Sector. After commissioning and installing the world's largest mobile boat hoist in Cairns he successfully exited from the operating business in 2020. He then spent his time investing in and developing start up and early-stage companies. Justin is a quiet philanthropist with a dedicated and active interest in supporting local sports clubs, marginalised children, and young adults with disabilities.

Appointed February 2025

Current Term: 13 February 2025 – 31 May 2028

#### **Susan Casey**

BA/LLB, GradDipLegal Practice,  
GradCertLaw(PlanRes), GradDipCompany  
Secretarial Practice, GAICD

Independent Director

Member, Audit and Risk Committee

Susan has extensive corporate governance and compliance experience, in both the resources and media sector. From experience working with resources operations based in remote and regional Queensland she understands the impact a reliable, safe and value driven port infrastructure business has on regional economic development, in connecting communities; and in making a significant contribution to the success of businesses whether private or public, locally focused, or global in operation. Susan is a practising solicitor; has completed the Queensland Law Society practice management course; and is currently employed at Coronado Global Resources Inc, an ASX listed producer of metallurgical coal and supplier to the steel industry worldwide. She has postgraduate qualifications in resources and planning law, is a graduate of the Australian Institute of Company Directors and the Governance Institute of Australia and a member of Transparency International Australia and the Energy & Resources Law Association.

Appointed February 2025

Current Term: 13 February 2025 – 31 May 2028

## Name and qualifications

### David Edwards

BEcon, BA

Independent Director

Member, Strategic Project and Initiatives Committee

## Experience and special responsibilities

For over 30 years, David has had a distinguished career in chief executive and senior positions in both the private and public sectors. David's expertise is in economics, infrastructure planning and delivery, commercial advice and transaction management, public policy, organisation development and process improvement.

David was formerly Director-General of the Department of State Development, Infrastructure and Planning and on behalf of the Queensland Government, led the commercial transaction and delivery of the \$3.6B Queens Wharf Brisbane integrated resort development, and planned and delivered all Commonwealth Games venue infrastructure and athletes village on the Gold Coast.

David currently consults to a range of public and private sector clients providing commercial and transaction management advice on infrastructure projects. He is also active in corporate governance in the roles of Chair of Ipswich Grammar School Board of Trustees, Chair of Greenovate, a jointly owned Council company that is building and operating a Materials Recycling Facility, and Chair of LifeTec Australia, a disability services company.

Appointed February 2025

Current Term: 13 February 2025 – 31 May 2028

### Hon. Curtis Pitt

BA (Politics/International Relations)

Independent Director

Chair, People & Culture Committee

For 20+ years, the Honourable Curtis Pitt worked at the most senior levels of government and with the private sector to develop and implement effective economic and social policies for the benefit of Queensland. Of note was his work in the areas of trade, investment, infrastructure, resources, energy, and media and entertainment. Honourable Pitt served in the Queensland Parliament 2009-2024 in key roles of Speaker of the House and Treasurer of Queensland. He was also Minister for portfolios including Trade and Investment, Employment and Industrial Relations, Energy, Aboriginal and Torres Strait Islander Partnerships, Disability Services and Mental Health. Since his retirement from politics, Honourable Pitt continues to develop the media and entertainment landscape via his company Australian Screen Network in areas including film and television, screen infrastructure, gaming, education, and training.

Appointed February 2025

Current Term: 13 February 2025 – 31 May 2028

### Georgina Twomey

BPharm (hons) MBA GAICD

GCertAdvPracPresPharm

Independent Director

Member, People & Culture Committee

Member, Strategic Projects & Initiatives Committee

Georgina Twomey is a community pharmacist and pharmacy owner based in Cairns, Far North Queensland. As Managing Director of Alive Pharmacy Group, she is responsible for overseeing clinical governance, purchasing/marketing, HR, change management, finance and strategy across a number of small businesses in the TNQ region.

Georgina is the Chair of Rural Pharmacists Australia and a council member of the National Rural Health Alliance, through which she advocates for improved regional, rural, remote and indigenous health outcomes.

Georgina has been treasurer for the Cairns Art Gallery Foundation since 2018 by means of supporting the local community through investment and sharing of art.

Appointed February 2025

Current Term: 13 February 2025 – 31 May 2028

## Name and qualifications

### Margot Richardson

F CPA, GAICD, FGIA, BSc/BA (Asian Studies),  
GDipFinPlan

Independent Director  
Chair, Audit and Risk Committee

## Experience and special responsibilities

Margot is a highly qualified and extremely motivated professional. Using her experience in industry as a CPA Public Accountant and CFO, Margot expanded her focus to include governance, directorships, and organisational leadership. She has worked with the communities of all the regions serviced by Ports North for over twenty years. Margot has served on a number of boards including Dietitians Australia, Queensland Rural Regional and Remote Women's Network and Community Enterprise Queensland. She is also a director on Australian College of Rural and Remote Medicine, a large Indigenous Corporation and is a member of the Queensland Ombudsman Audit and Risk Committee and a member of the Aged Care Quality and Safety Advisory Council. Margot is passionate about creating great social and economic values for our Far North Queensland communities.

Appointed October 2023  
Current Term: 1 October 2023 – 30 September 2026

### Robin Giason

Fellow AMI, Fellow & Life Member AITO, MAICD

Independent Director  
Deputy Chairperson  
Chair, Strategic Project and Initiatives Committee

Appointed October 2020  
*Term Ceased February 2025*

### Michael Clifford

Independent Director  
Member, Strategic Project, and Initiatives  
Committee

Appointed October 2023  
*Term Ceased February 2025*

### John Hogg

BSc

Independent Director  
Chair, Audit and Risk Committee

Appointed October 2018  
*Term Ceased December 2024*

### Julia Leu

MBA, BA, GradDipED, GradDipComm, MAICD

Independent Director  
Chair, People & Culture Committee

Appointed October 2020  
*Term Ceased February 2025*

### Donna-Maree O'Connor

BA (Econ), Dip Ed, MA, Grad Cert Management

Independent Director  
Member, People & Culture Committee

Appointed October 2023  
*Term Ceased February 2025*

COMPANY SECRETARY

Richard Stevenson

Richard has over 30 years of experience in maritime and port operations. Richard is currently the Chief Executive Officer of Ports North having previously held the position of General Manager Operations in the organisation for three years.

Appointed 14 August 2023

Chris Tabe BCom CPA GAICD

Chris has twenty years' experience in port management in both Tasmania and Cairns. Prior to this Chris spent over ten years in a corporate treasury and the electricity industry. Chris is currently Chief Financial Officer with a broad range of responsibilities.

Appointed 28 July 2023

PRINCIPAL ACTIVITIES

During the reporting period, Ports North was the owner and operator of the Port of Cairns, with responsibility for the management and development of the Cairns Seaport and Strategic Port Land including planning and implementation of the Cityport Project. Ports North was also the owner and operator of the Ports of Burketown, Cape Flattery, Cooktown, Karumba, Mourilyan, Skardon River, Thursday Island and Quintell Beach. Also, during the reporting period, Ports North provided Marine Pilotage to each of its Ports as well as the Port of Weipa.

OPERATING AND FINANCIAL REVIEW

The Company's operating result for the year after income tax was a profit of \$5.302 million (2024: \$8.573 million). The result for the year ended 30 June 2025 included the following major transactions:

	2025 \$'000	2024 \$'000
Increase in Fair Value of Investment Property	12,565	14,421
Revaluation of Property Plant & Equipment	(12,861)	(13,100)
	(296)	1,321

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the Company during the year.

## DIVIDENDS

Ports North's policy is to recommend and pay a dividend amount equivalent to 100% (2024: 100%) of Ports North's adjusted net profit after tax for the year. For the 2023-24 year, shareholding Ministers approved the Board's recommendation for the retention of dividends otherwise payable from final audited net profits after tax. The dividend retention was to be used by Ports North for reinvestment in the business for essential infrastructure.

Based on Ports North's operating profit for 2024-25, the company has declared a dividend of \$4.591 million. Dividends paid or declared by the Company since the end of the previous financial year were:

	2025 \$'000	2024 \$'000
Dividends Declared	4,591	-
Dividends Paid	-	7,873

## EVENTS AFTER THE REPORTING PERIOD

There has not been any matter or circumstance occurring after the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

## LIKELY DEVELOPMENTS

The Company will continue to pursue its principal activities during the next financial year.

## DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of Committees of Directors) and number of meetings attended by each of the Directors of the Company during the financial year are:

	Board Meetings		Audit and Risk Committee Meetings		People & Culture Committee Meetings		Strategic Project Initiatives Committee	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
<b>Directors</b>								
Mr R Beer	9	8	4	4	4	4	5	5
Mr J Parer	5	5	-	-	-	-	2	2
Ms M Richardson	9	9	4	4	-	-	-	-
Hon. C Pitt	5	5	-	-	2	2	-	-
Ms G Twomey	5	5	-	-	2	2	2	2
Mr D Edwards	5	4	-	-	-	-	2	2
Ms S Casey	5	5	2	2	-	-	-	-
Mr R Giason	4	4	-	-	-	-	3	3
Mr M Clifford	4	4	-	-	-	-	3	3
Mr J Hogg	4	4	2	2	-	-	-	-
Ms J Leu	4	4	-	-	2	2	-	-
Ms D O'Connor	4	3	-	-	2	2	-	-

## PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.



## ENVIRONMENTAL REGULATION

Ports North's operations are subject to environmental regulations under both Commonwealth and State legislation in relation to its port management activities. There are many environmental regulations under legislation, including licence requirements relating to dredging, potential water and air, noise and land pollution, and waste management in relation to Ports North's operations.

All environmental performance obligations are reviewed as part of our Environmental Management System (EMS) so as to ensure audit processes and consistency with ISO 14001:2015 *Environmental management systems – requirements with guidance for use*. Our system ensures that management remains relevant to our operations, that we identify and manage aspects and impacts of our operations and implement strategies to minimise potential impacts on the environment surrounding our ports. These processes and management practices are subject to government agency, internal and external professional agency audit, as well as ongoing review to ensure compliance.

The State of Queensland, as the ultimate parent of Ports North, has published a wide range of information and resources on climate related risks, strategies and actions accessible via <https://www.energyandclimate.qld.gov.au/climate>.

The Queensland Sustainability Report (QSR) outlines how the Queensland Government measures, monitors and manages sustainability risks and opportunities, including governance structures supporting policy oversight and implementation. To demonstrate progress, the QSR also provides time series data on key sustainability policy responses. The QSR is available via Queensland Treasury's website at <https://www.treasury.qld.gov.au/programs-and-policies/queensland-sustainability-report>.

Ports North is currently undertaking technical studies which will support an organisation wide climate change risk assessment. The climate change risk assessment will consider risks to existing infrastructure and inform a future climate change resilience and adaptation plan. Ports North continues to engage with the Queensland Government to ensure that any future ESG reporting is consistent with Queensland Government requirements as informed by the Queensland Government's Energy Plan due to be released by the end of 2025, and the State's Net Zero Roadmap in 2026.

## INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

During the financial year the Company maintained Directors and Officers Liability insurance cover and indemnified all Directors of the Company and named Senior Officers, in respect of any liability incurred in their capacities as an Officer of the Company and any related company and defence costs incurred in connection with an investigation or in a proceeding or action for liability incurred as an Officer of the Company and any related company. There were no known claims during the financial year. Directors' and Officers' insurance premium paid during the financial year was \$98,305.


## LEAD AUDITOR'S INDEPENDENCE DECLARATION

The Auditor's independence declaration, as required under section 307C of the *Corporations Act 2001*, is set out on the following page.

## ROUNDING OFF

The Company is of a kind referred to in ASIC Legislative Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report and Directors' Report. Amounts have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the Directors:



**R Beer**  
Chairman

Dated at Cairns this 29th day of August 2025

# Auditor's Independence Declaration

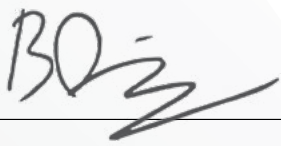
To the Directors of Far North Queensland Ports Corporation Limited

This auditor's independence declaration has been provided pursuant to s.307C of the *Corporations Act 2001*.

## Independence Declaration

As lead auditor for the audit of Far North Queensland Ports Corporation Limited for the year ended 30 June 2025, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



**Bhavik Deoji**

as delegate of the Auditor-General

29 August 2025

Queensland Audit Office

Brisbane

# Statement of Comprehensive Income

for year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>INCOME</b>			
<b>Revenue</b>			
User charges	A1.1	71,480	69,758
Interest revenue		3,345	2,708
Other revenue		33	827
Gain on sale of property, plant and equipment		-	178
Increase in Fair Value of Investment property	B5	12,565	14,421
<b>Total Income</b>		<b>87,423</b>	<b>87,892</b>
<b>EXPENSES</b>			
<b>Expenses</b>			
Supplies and services	A2.1	40,496	39,783
Employee expenses	A2.2	19,105	17,550
Finance Costs	B9	53	36
Depreciation	B4.1 / B9	7,254	5,395
Write-off of property, plant and equipment work in progress	B4.1	-	39
Write-off of Investment property work in progress	B5	-	251
Revaluation of property, plant and equipment	B4.1	12,861	13,100
<b>Total Expenses</b>		<b>79,769</b>	<b>76,154</b>
<b>Operating Result before Income tax (equivalent) expense</b>		<b>7,654</b>	<b>11,738</b>
Income tax equivalent expense/(benefit)	A3	2,352	3,165
<b>Operating Result for the year</b>		<b>5,302</b>	<b>8,573</b>
<b>Other Comprehensive Income</b>			
<b>Items that will not be reclassified to operating result</b>			
Increase/(decrease) in asset revaluation surplus	B11.2	(10,380)	18,424
Other deferred tax adjustments	B11.2	3,114	(5,527)
<b>Total Other Comprehensive Income for the period, net of income tax</b>		<b>(7,266)</b>	<b>12,897</b>
<b>Total Comprehensive Income</b>		<b>(1,964)</b>	<b>21,470</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

as at 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	B1	5,738	4,583
Advances	B2	53,937	60,442
Receivables	B3	15,332	13,004
Current tax asset	B10.1	1,425	1,839
Inventories		35	449
Prepayments		739	468
<b>Total current assets</b>		<b>77,206</b>	<b>80,785</b>
<b>Non-current assets</b>			
Property, plant and equipment	B4.1	186,882	176,504
Investment property	B5	238,622	209,209
Right-of-use assets	B9	769	379
<b>Total non-current assets</b>		<b>426,273</b>	<b>386,092</b>
<b>Total assets</b>		<b>503,479</b>	<b>466,877</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables	B6	12,194	16,309
Employee benefits	B7	4,209	3,778
Provisions	B8	5,190	459
Income in advance		3,406	3,066
Lease liabilities	B9	143	20
<b>Total current liabilities</b>		<b>25,142</b>	<b>23,632</b>
<b>Non-Current Liabilities</b>			
Deferred tax liabilities	B10.2	27,349	29,835
Employee benefits	B7	309	380
Lease liabilities	B9	1,152	805
<b>Total non-current liabilities</b>		<b>28,810</b>	<b>31,020</b>
<b>Total liabilities</b>		<b>53,952</b>	<b>54,652</b>
<b>Net assets</b>		<b>449,527</b>	<b>412,225</b>
<b>EQUITY</b>			
Contributed equity	B11.1	333,035	289,178
Asset revaluation surplus	B11.2	104,397	111,663
Accumulated surplus		12,095	11,384
<b>Total equity</b>		<b>449,527</b>	<b>412,225</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

# Statement of Changes in Equity

for year ended 30 June 2025

	Note	Contributed Equity \$'000	Asset Revaluation Surplus \$'000	Accumulated Surplus \$'000	Total \$'000
<b>Balance at 30 June 2023</b>		<b>279,178</b>	<b>98,766</b>	<b>2,811</b>	<b>380,755</b>
Operating Result		-	-	8,573	8,573
Other Comprehensive Income		-	12,897	-	12,897
<b>Total Comprehensive Income for the year</b>		<b>-</b>	<b>12,897</b>	<b>8,573</b>	<b>21,470</b>
<i>Transactions with owners in their capacity as owners</i>					
Equity Contribution	B11.1	10,000	-	-	10,000
<b>Balance at 30 June 2024</b>		<b>289,178</b>	<b>111,663</b>	<b>11,384</b>	<b>412,225</b>
Operating Result		-	-	5,302	5,302
Other Comprehensive Income		-	(7,266)	-	(7,266)
<b>Total Comprehensive Income for the year</b>		<b>-</b>	<b>(7,266)</b>	<b>5,302</b>	<b>(1,964)</b>
<i>Transactions with owners in their capacity as owners</i>					
Dividend	B11.3	-	-	(4,591)	(4,591)
Equity Contribution	B11.1	43,857	-	-	43,857
<b>Balance at 30 June 2024</b>		<b>333,035</b>	<b>104,397</b>	<b>12,095</b>	<b>449,527</b>

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# Statement of Cash Flows

for year ended 30 June 2025

	Note	2025 \$'000	2024 \$'000
<b>Cash flows from operating activities</b>			
<i>Inflows:</i>			
Receipts from customers		70,121	69,017
Interest received		3,345	2,708
GST input tax credits from ATO		8,209	4,720
GST collected from customers		7,399	7,229
<i>Outflows:</i>			
Payments to suppliers and employees		(62,735)	(51,803)
GST remitted to ATO		(7,336)	(7,136)
GST paid to suppliers		(8,201)	(4,606)
Income Tax (equivalent) paid		(1,310)	(8,391)
<b>Net cash provided by operating activities</b>	CF1	<u>9,492</u>	<u>11,738</u>
<b>Cash flows from investing activities</b>			
<i>Inflows:</i>			
Sales of property, plant and equipment		25	655
Advances from Queensland Treasury		6,505	-
<i>Outflows:</i>			
Payments for property, plant and equipment and Investment property		(51,654)	(10,984)
Advances to Queensland Treasury	B2	-	(3,695)
<b>Net cash provided/(used) in investing activities</b>		<u>(45,124)</u>	<u>(14,024)</u>
<b>Cash flows from financing activities</b>			
<i>Inflows:</i>			
Proceeds from Equity Contribution		37,000	10,000
<i>Outflows:</i>			
Dividend paid		-	(7,873)
Payment of principal and interest of lease liabilities	B8	(213)	(55)
<b>Net cash provided by/(used) in financing activities</b>		<u>36,787</u>	<u>2,072</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<u>1,155</u>	<u>(214)</u>
<b>Cash and cash equivalents – opening balance</b>		<u>4,583</u>	<u>4,797</u>
<b>Cash and cash equivalents – closing balance</b>	B1	<u><u>5,738</u></u>	<u><u>4,583</u></u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Notes to Statement of Cash Flows

### CF1 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES

	2025 \$'000	2024 \$'000
Operating surplus/(deficit)	5,302	8,573
<b>Non-Cash items included in operating result:</b>		
Net (gain)/loss on disposal of Property, Plant and Equipment	-	(178)
Depreciation expense	7,254	5,395
Fair value (increase)/decrease to Property, Plant and Equipment	12,861	13,100
Fair value (increase)/decrease to Investment Property	(12,565)	(14,421)
Write off of Property, Plant and Equipment work in progress	-	39
Write off of Investment Property work in progress	-	251
Interest on lease liabilities	53	36
<b>Changes in assets and liabilities:</b>		
(Increase)/decrease in right-of-use assets	(390)	(342)
(Increase)/decrease in trade and other receivables	(2,328)	(1,147)
(Increase)/decrease in inventories	414	6
(Increase)/decrease in prepayments	(271)	160
(Increase)/decrease in deferred tax assets	(299)	(31)
Increase/(decrease) in trade and other payables	(3,108)	4,892
Increase/(decrease) in current tax liabilities	414	(5,319)
Increase/(decrease) in employee benefits	360	168
Increase/(decrease) in provisions	140	132
Increase/(decrease) in income in advance	12	(114)
Increase/(decrease) in lease liabilities	470	(4)
Increase/(decrease) in deferred tax liabilities	1,173	542
Net Cash Provided by Operating Activities	9,492	11,738



# Notes to Financial Statements

for year ended 30 June 2025

## BASIS OF FINANCIAL STATEMENT PREPARATION

### STATEMENT OF COMPLIANCE

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board (AASB), the *Corporations Act 2001* and *Government Owned Corporations Act 1993* (including amendments). The report also complies with the applicable provisions of the *Financial Accountability Act 2009* and Financial and Performance Management Standard 2019. The Company is a for-profit entity for the purposes of preparing the financial statements.

### PRESENTATION AND MEASUREMENT MATTERS

#### Historical Cost Convention

The financial statements have been prepared under the historical cost convention, except for the revaluation of certain classes of property, plant and equipment and investment property measured at fair value.

#### Functional and Presentation Currency

The financial statements are presented in Australian dollars, which is the company's functional currency.

#### Rounding

Amounts included in the financial statements are rounded to the nearest \$1,000 or, where that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

#### Comparatives

Comparative information has been adjusted to conform to changes in presentation for the current financial year. The accounting policies have been consistently applied to all the years presented, unless otherwise stated.

#### Current/Non-Current Classification

Assets and liabilities are classified as either 'current' or 'non-current' in the Statement of Financial Position and associated notes.

Assets are classified as 'current' where their carrying amount is expected to be realised within 12 months after the reporting date. Liabilities are classified as 'current' when they are due to be settled within 12 months after the reporting date, or the Company does not have the right at the end of the reporting period to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements requires the determination and use of certain management judgements, estimates and assumptions that affect the application of policies and resulting reported amounts. The Directors evaluate estimates and associated assumptions incorporated into the financial statements based on historical knowledge, best available current information, and other factors that are considered relevant. Such estimates, judgements and underlying assumptions assume a reasonable expectation of future events and are based on current trends and economic data. The areas involving a higher degree of judgement and complexity, or areas where assumptions and estimates significant to the financial statements are disclosed in the following notes:

Expected credit loss of receivables - Note B3.1	Valuation of property, plant and equipment - Note B4.3
Assessment of useful lives - Note B4.4	Depreciation - Note B4.4
Valuation of investment properties - Note B5	Provision for long service leave - Note B7
Leases Note – B9	Income Tax Expense Recognised Directly in Equity – Note A3.3
Recognised Deferred Tax Assets and Liabilities – Note B10.2	

## AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue by the Directors on 29th August 2025. The Directors have the power to amend and reissue the financial statements.

## Section 1 - Notes About Our Financial Performance

### A1 REVENUE

#### A1.1 USER CHARGES

	2025 \$'000	2024 \$'000
Charges for rentals and leases	16,019	14,453
Charges for use of facilities	30,629	28,441
Charges for services	24,832	26,864
	<b>71,480</b>	<b>69,758</b>

#### Accounting Policy – Revenue

Revenue is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expected to be entitled in exchange for those goods or services. Invoices issued to customers are usually payable within 30 days.

As a result of the regional impacts of the major flooding event post Tropical Cyclone (TC) Jasper, Ports North received a request from the Queensland State Government to provide fee relief to full time commercial tourism vessel operators for January to December 2024. A price freeze on berthage and passenger levy charges for full time commercial tourism vessel operators has been applied from January 2025, leaving charges at 2024 prices whilst an independent review is completed by the State Government on marina pricing. The rebate relief package provided in the current year is \$1.905 million. This has been recognised as a reduction in user charges.

#### Charges for rentals and leases

Revenue is recognised on a periodic straight-line basis over the lease term with invoices issued in advance on a monthly basis. Rentals and leases invoiced in advance at the end of the reporting period are recognised as a liability (Income in Advance) and generally expected to be recognised as revenue within one year. The performance obligation is satisfied upon completion of the lease term and recognised progressively upon completion of each periodic term (generally monthly).

#### Charges for use of facilities

Revenue is recognised over time as the port facilities are used, with the amount calculated using a schedule of charges, or contracted rates, associated with each performance obligation. The performance obligation is satisfied upon departure from the port facility with customers invoiced after departure.

#### Charges for services

Revenue is recognised over time as the services are provided, with the amount calculated using a schedule of charges, or contracted rate, associated with each performance obligation. The performance obligation is satisfied upon completion or delivery of service with customers generally invoiced after the service has been provided. Charges for services invoiced in advance at the end of the reporting period are recognised as a liability (Income in Advance) and generally expected to be recognised as revenue within one year.

### A2 EXPENSES

#### A2.1 SUPPLIES AND SERVICES

	2025 \$'000	2024 \$'000
<b>Supplies and services</b>		
Consultants and contractors	25,313	23,667
Electricity	2,320	2,041
Rates, utilities and land tax	4,007	3,345
Insurance	3,562	3,089
Bad debts	91	-
Other supplies and consumables	5,203	7,641
	<b>40,496</b>	<b>39,783</b>

During the year, fees included in supplies and services of \$130,000 (2024: \$143,000) were paid or payable for services provided by the auditor of the entity in relation to the audit of the financial report. No other services were provided.

## Section 1 - Notes About Our Financial Performance continued

### A2 EXPENSES continued

#### A2.2 EMPLOYEE EXPENSES

	2025 \$'000	2024 \$'000
Wages and salaries	14,813	12,448
Directors' fees	340	309
Wage and salary on-costs	3,011	4,049
Other employee costs and benefits	941	744
	<u>19,105</u>	<u>17,550</u>

#### Accounting Policy – Employee Benefits

Employee expenses include all costs relating to employment including wages and salaries, fringe benefits tax, leave entitlements, redundancy payments, WorkCover premiums and superannuation.

Key management personnel and remuneration disclosures are detailed in Note D1.

## A3 INCOME TAX EQUIVALENTS AND OTHER TAXES

### A3.1 INCOME TAX EXPENSE

	Note	2025 \$'000	2024 \$'000
The components of tax equivalents expense / (benefit) comprise:			
Current tax		1,724	2,654
Deferred tax		628	511
<b>Income tax</b>		<u>2,352</u>	<u>3,165</u>

Deferred income tax expense / (benefit) included in income tax expense comprises:

Decrease / (increase) in deferred tax assets	B10.2	(299)	(31)
Increase / (decrease) in deferred tax liabilities	B10.2	927	542
		<u>628</u>	<u>511</u>

### A3.2 NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE INCOME TAX PAYABLE

	2025 \$'000	2024 \$'000
Operating result before income tax expense	7,654	11,738
Tax expense / (benefit) at the Australian tax rate of 30% (2024: 30%)	2,296	3,521
<b>Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:</b>		
Fair Value adjustment	(39)	(449)
Entertainment	2	1
Depreciation adjustments	93	92
<b>Income tax expense / (benefit)</b>	<u>2,352</u>	<u>3,165</u>

## Section 1 - Notes About Our Financial Performance continued

### A3 INCOME TAX EQUIVALENTS AND OTHER TAXES continued

#### A3.3 INCOME TAX EXPENSE RECOGNISED DIRECTLY IN EQUITY

	Note	2025 \$'000	2024 \$'000
Revaluation of Property, Plant and Equipment	B11.2	(3,114)	5,527

#### Accounting Policy – Income Tax (Equivalents)

Ports North is exempt from income tax. However, pursuant to section 129 of the *Government Owned Corporations Act 1993*, Ports North is liable for income tax equivalents under the National Tax Equivalents Regime (NTER).

The income tax (equivalents) expense or benefit for the period is the tax payable on the current period's taxable income based on the notional income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities information is outlined in Note B10.

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

#### Accounting Policy – Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of associated Goods and Services Tax (GST), unless the GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Trade receivables and trade payables are stated inclusive of the amount of GST receivable or payable. The amount of GST recoverable from, or payable to, the ATO is included with other receivables or other payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

## Section 2 - Notes About Our Financial Position

### B1 CASH AND CASH EQUIVALENTS

	2025 \$'000	2024 \$'000
Cash at bank and on hand	5,367	4,229
Deposits at call	371	354
	<u>5,738</u>	<u>4,583</u>

#### Accounting Policy – Cash and Cash Equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June 2025 as well as deposits at call and other short-term, highly liquid investments with original maturities of six months or less, with financial institutions.

### B2 ADVANCES

	2025 \$'000	2024 \$'000
Advances	53,937	60,442

#### Accounting Policy – Advances

Under the Queensland Government's Code of Practice for Government Owned Corporations (GOC's) Financial Arrangement 2017, GOC's are required to advance surplus cash to Queensland Treasury. Queensland Treasury pays interest on these advances at the Queensland Treasury Corporation (QTC) Cash Fund rate. Access to the advances is generally subject to negotiation periods of 24 to 48 hours.

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, advances include amounts deposited as an advance receivable from Queensland Treasury. The advance is managed by QTC on a whole of state basis.

Because of the short-term nature of the advances, their carrying amount represents fair value.

### B3 RECEIVABLES

	2025 \$'000	2024 \$'000
<b>Current</b>		
Trade receivables	11,280	7,482
Less: Allowance for expected credit losses	(245)	(159)
	<u>11,035</u>	<u>7,323</u>
Other receivables	4,297	5,681
	<u>15,332</u>	<u>13,004</u>
<b>Movements in the allowance for impairment loss</b>		
Balance at the beginning of the year	159	328
Expected credit loss recognised/(reversed)	86	(169)
<b>Balance at the end of the year</b>	<u>245</u>	<u>159</u>

## Section 2 - Notes About Our Financial Position continued

### B3 RECEIVABLES continued

#### Accounting Policy – Receivables

Trade receivables are recognised at the amounts due at the time of sale or service delivery (i.e. the agreed purchase/contract price). Normal settlement of these amounts is required within 30 days from invoice date.

There are no significant concentrations of credit risk. The trade receivables balance is spread across a large number of different customers. Management have assessed the expected credit loss of receivables.

Other receivables generally arise from transactions outside the usual operating activities of the Company and are initially recognised at their fair value and subsequently measured at amortised cost.

All known bad debts were written off at 30 June 2025.

### B3.1 IMPAIRMENT OF RECEIVABLES

#### Accounting Policy – Impairment of Receivables

The allowance for expected credit loss of trade receivables reflects estimates of historical credit losses, the subsequent historical default rate and adjustments for forward looking estimates resulting in expected losses per ageing category. In determining this allowance for expected credit loss, the Company has adopted a simplified approach using a provision matrix.

The company sees no significant increase in credit risk and will continue to make on-going judgments, assumptions, and estimates in areas such as what constitutes a significant increase in credit risk, when a significant increase in credit risk has occurred and determining expected future cash flows in order to calculate expected credit loss charges.

The most readily identifiable loss event is where a debtor is overdue in paying a debt to the company, according to the due date (generally terms of 30 days). Economic changes impacting the Company's debtors, and relevant industry data, also form part of the Company's documented risk analysis. If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for expected credit loss is made in respect of that debtor or group of debtors. If the Company determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written off directly against Receivables.

Allowance for expected credit loss for the current year has been recognised of \$0.245 million. This is an increase of \$0.086 million from 2024. The company's provision for expected credit losses represents approximately 2.2% of trade receivables (2024: 2.2%).

## B4 PROPERTY, PLANT AND EQUIPMENT

### B4.1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT

		2025 \$'000	2024 \$'000
Land	At fair value	40,578	38,568
Buildings	At fair value	1,820	1,921
Wharves	At fair value	79,631	92,701
Channels and swing basins	At fair value	24,035	28,462
Infrastructure and major plant and equipment	At fair value	4,473	8,229
Plant and equipment	At cost	2,657	2,805
	Accumulated depreciation	(308)	(310)
		2,349	2,495
Work in progress	At cost	33,996	4,128
<b>Total Property, plant and equipment</b>		<b>186,882</b>	<b>176,504</b>



## Section 2 - Notes About Our Financial Position continued

## B4 PROPERTY, PLANT AND EQUIPMENT continued

## B4.1 CLOSING BALANCES AND RECONCILIATION OF CARRYING AMOUNT continued

## Movements in property, plant and equipment

Reconciliations of the carrying amounts of each class of Property, Plant and Equipment at the beginning and end of the current financial year are set out below.

2025	Opening Carrying Amount	Additions	Disposals/ Write-offs	Depreciation	Transfers	Revaluations <sup>(1)</sup>		Closing Carrying Amount
						Recognised in Asset Revaluation Surplus	Recognised in Statement of Comprehensive Income	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Land <sup>(2)</sup>	38,568	-	-	-	-	2,010	-	40,578
Buildings	1,921	-	-	(148)	-	2	45	1,820
Wharves	92,701	8,156	-	(3,868)	1,926	(13,263)	(6,021)	79,631
Channels and swing basins	28,462	-	-	(1,293)	-	(78)	(3,056)	24,035
Infrastructure and major plant and equipment	8,229	516	-	(1,392)	-	949	(3,832)	4,473
Plant and equipment	2,495	188	(25)	(309)	-	-	-	2,349
Work in progress	4,128	32,638	-	-	(2,770)	-	-	33,996
	176,504	41,498	(25)	(7,010)	(841)	(10,380)	(12,864)	186,882

(1) Revaluation loss of Property, Plant and Equipment in Statement of Comprehensive Income is \$12.861m (2024: \$13.100m). Variance of \$3 thousand (2024: \$354 thousand) is remeasurement of ROU perpetual lease assets which are carried at fair value. Refer to note B9.

(2) Land includes \$12.752m (2024: \$11.992m) of ROU perpetual lease assets which are carried at fair value. Refer to note B9.

2024	Opening Carrying Amount	Additions	Disposals/ Write-offs	Depreciation	Transfers	Revaluations <sup>(1)</sup>		Closing Carrying Amount
						Recognised in Asset Revaluation Surplus	Recognised in Statement of Comprehensive Income	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Land <sup>(2)</sup>	35,303	-	-	-	-	3,265	-	38,568
Buildings	1,308	-	-	(59)	-	488	184	1,921
Wharves	92,830	-	-	(3,490)	-	10,031	(6,670)	92,701
Channels and swing basins	31,685	-	-	(1,207)	-	1,686	(3,702)	28,462
Infrastructure and major plant and equipment	6,874	1,086	-	(303)	884	2,954	(3,266)	8,229
Plant and equipment	2,167	1,035	(476)	(310)	79	-	-	2,495
Work in progress	1,134	3,997	(40)	-	(963)	-	-	4,128
	171,301	6,118	(516)	(5,369)	-	18,424	(13,454)	176,504

## Section 2 - Notes About Our Financial Position continued

### B4 PROPERTY, PLANT AND EQUIPMENT continued

#### B4.2 RECOGNITION AND ACQUISITION

##### Accounting Policy – Recognition Thresholds

Items of Property, Plant and Equipment with a cost or other value equal to or in excess of the thresholds set out below are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

Asset Type	Recognition Threshold
Land	\$1
Buildings	\$10,000
Wharves	\$10,000
Channels and swing basins	\$10,000
Infrastructure and major plant and equipment	\$10,000
Plant and equipment	\$5,000

##### Accounting Policy – Cost of Acquisition

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Actual cost is the consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

Assets acquired at no cost or for nominal consideration are recognised at their fair value at date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

#### B4.3 MEASUREMENT

##### Accounting Policy – Measurement of Property, Plant and Equipment

All asset classes except plant and equipment are measured at fair value. These assets are reported at their revalued amounts, being the fair value at the date of valuation less, where applicable, any accumulated depreciation and impairment losses. Accumulated depreciation at the date of revaluation is adjusted on a pro-rata basis and the net amount is restated to the revalued amount of the asset.

In respect of the abovementioned asset classes, the cost of items acquired during the financial year has been judged by management of the Company to materially represent their fair value at the end of the reporting period.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All repairs and maintenance are charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The fair values reported by the Company are based on appropriate valuation techniques that maximise the use of available and relevant observable inputs and minimise the use of unobservable inputs (refer to Note C1).

##### Accounting for Changes in Fair Value

Increases in the carrying amounts arising on revaluation of land, buildings and infrastructure assets are credited, net of tax, to Other Comprehensive Income and presented in the asset revaluation surplus in equity. To the extent that the increase reverses a decrease previously recognised in the Statement of Comprehensive Income, the increase is first recognised in the Statement of Comprehensive Income. Decreases that reverse previous increases of the same asset are first charged to the asset revaluation surplus in equity to the extent of the remaining surplus attributable to the asset with any balance charged to the Statement of Comprehensive Income. All other decreases are charged to Statement of Comprehensive Income.

## Section 2 - Notes About Our Financial Position continued

## B4 PROPERTY, PLANT AND EQUIPMENT continued

## B4.1 MEASUREMENT continued

**Carrying Amounts that could have been recognised if Property, Plant and Equipment were carried at cost**

If items of property, plant and equipment that have been revalued were stated on the historical cost basis, the carrying amounts would be as follows:

Asset Type	2025 \$'000	2024 \$'000
Land	67,625	67,625
Buildings	6,816	7,125
Wharves	67,031	60,455
Channels and swing basins	101,312	103,559
Infrastructure and major plant and equipment <sup>0</sup>	31,686	33,597
Plant and equipment	2,579	2,717
<b>Total</b>	<b>277,049</b>	<b>275,078</b>

## B4.4 DEPRECIATION EXPENSE

**Accounting Policy – Depreciation Expense**

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, over their estimated useful life to the Company. The useful life of assets is based on estimates and judgements. Straight line depreciation is used reflecting the progressive, and even, consumption of future economic benefits over the asset's useful life.

Assets under construction (Work In Progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within Property, Plant and Equipment.

**Depreciation Rates**

For each class of depreciable asset, the following ranges of useful life are used.

Class	Useful Life
Buildings	3 - 63 years
Wharves	9 - 61 years
Channels and swing basins	14 - 76 years
Infrastructure and major plant and equipment	3 - 80 years
Plant and equipment	3 - 81 years

## B4.5 NET GAIN AND LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT

**Accounting Policy – Gains and Losses on Disposal**

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Comprehensive Income. When revalued assets are sold, it is the Company's policy to transfer the amounts included in the asset revaluation surplus in respect of those assets to accumulated surplus.

## B5 INVESTMENT PROPERTY

	2025 \$'000	2024 \$'000
Land – at fair value	194,439	181,989
Buildings and Facilities – at fair value	44,076	27,220
Work in Progress – at fair value	107	-
<b>Total</b>	<b>238,622</b>	<b>209,209</b>

## Section 2 - Notes About Our Financial Position continued

## B5 INVESTMENT PROPERTY continued

**Accounting Policy – Investment Property**

Investment Property, which is property held to earn rental income and/or for capital appreciation, is initially recognised at cost including transaction costs. Where Investment Property is acquired at no or minimal cost it is recognised at fair value. Investment Property is subsequently carried at fair value, being revalued at each reporting date. Fair value is based on selling prices in an active market adjusted, if necessary, to reflect the nature, location or condition of the specific Investment Property. If there is no active property market, alternative valuation methods are used, such as recent selling prices in less active markets, or discounted cash flow projections.

Gains or losses arising from changes in the fair value of Investment Property are included in the operating result for the period in which they arise.

**Reconciliation of Movement in Investment Property**

2025	Opening balance	Additions	Disposals / Write-offs	Net Gain / (Loss) from Fair Value Adjustment	Transfers	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land <sup>(1)</sup>	181,989	5,617	-	6,833	-	194,439
Buildings and Facilities	27,220	10,284	-	5,732	840	44,076
Work in progress	-	107	-	-	-	107
	209,209	16,008	-	12,565	840	238,622

(1) Land includes \$50 thousand (2024: \$50 thousand) for an ROU perpetual lease asset which is carried at fair value. Refer to Note B9.

2024	Opening balance	Additions	Disposals / Write-offs	Net Gain / (Loss) from Fair Value Adjustment	Transfers	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land <sup>(1)</sup>	167,619	2,168	-	12,202	-	181,989
Buildings and Facilities	24,730	271	-	2,219	-	27,220
Work in progress	251	-	(251)	-	-	-
	192,600	2,439	(251)	14,421	-	209,209

**Rental of Investment Property**

Investment properties are leased to tenants under operating leases with rentals payable monthly. Rental income and directly associated operating expenditure from investment properties is shown below.

	2025 \$'000	2024 \$'000
Rental income	15,266	13,632
Direct operating expenses from property generating rental income	(7,840)	(6,382)
	7,426	7,250

## Section 2 - Notes About Our Financial Position continued

**B5 INVESTMENT PROPERTY** *continued*

Ports North leases significant assets at the Seaport to third parties under operating leases with varying terms. The method of calculation of amounts payable to Ports North under these leases also varies depending on the terms and conditions of the lease, with the majority being a fixed amount that is reviewed annually.

	2025 \$'000	2024 \$'000
<b>Contingent rental recognised as revenue</b>		
Rentals and leases disclosed in the Statement of Comprehensive Income include the following amounts of contingent rent:		
Contingent rent	822	661
<b>Lease commitments receivable at balance date</b>		
Receivables disclosed in Note B3 include the following lease commitments receivable:		
Lease commitments receivable	6,630	5,929
<b>Future minimum lease payments receivable</b>		
Future minimum lease payments under non-cancellable operating leases at balance date not recognised in the financial statements are receivable as follows:		
Within one year	15,116	16,621
Within two years	13,534	11,872
Within three years	12,450	11,616
Within four years	12,122	10,573
Within five years	10,441	10,500
Later than five years	167,287	168,006
	230,950	229,188

**B6 PAYABLES**

These amounts represent liabilities for goods and services provided to Ports North prior to the end of the financial year which are unpaid. Due to the short-term nature of payables, their carrying value is assumed to approximate their fair value.

	2025 \$'000	2024 \$'000
<b>Current</b>		
Accrued expenses	6,283	13,594
Trade creditors	4,170	969
GST payable	996	621
Other payables	745	1,125
	12,194	16,309

**B7 EMPLOYEE BENEFITS**

	2025 \$'000	2024 \$'000
<b>Current</b>		
Long service leave	1,974	1,758
Annual leave	1,480	1,289
Days in lieu	92	68
Public holidays	609	624
Rostered days off	54	39
	4,209	3,778
<b>Non-current</b>		
Long service leave	309	380
	4,518	4,158

## Section 2 - Notes About Our Financial Position continued

## B7 EMPLOYEE BENEFITS continued

**Accounting Policy – Employee Benefits**

Employee obligations are presented as current liabilities in the balance sheet if the entity does not have the right at the end of reporting period to defer settlement to beyond 12 months after the reporting date, regardless of when the actual settlement is expected to occur. The current provision for long service leave includes all entitlements where employees have completed the required period of service or are expected to reach this threshold in the next 12 months. The non-current portion represents entitlement of those employees that have not yet reached, or are expected to reach, the required period of service in the next 12 months.

**Short-term employee benefits**

Wages, salaries, annual leave and long service leave due but unpaid at reporting date are recognised as an accrual in the Statement of Financial Position at the remuneration rates expected to apply at the time of settlement and include related on-costs such as payroll tax, Work Cover premiums and employer superannuation contributions.

**Long-term employee benefits**

The provision for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. The provision for 2024 includes updated probability factors based on a five-year average of employee departures and periods of service, which are in line with previous averages used. Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

**Termination benefits**

The provision for long service leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. The provision for 2025 includes updated probability factors based on a five-year average of employee departures and periods of service, which are in line with previous averages used. Expected future payments are discounted using interest rates on high quality corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

## B8 PROVISIONS

	2025 \$'000	2024 \$'000
<b>Current</b>		
Dividend	4,591	-
Green and Fitzroy Island Jetty Management	599	459
	<u>5,190</u>	<u>459</u>

**Movements in Provisions**

	Dividend \$'000		Jetty Management \$'000		Total \$'000	
	2025	2024	2025	2024	2025	2024
Balance at beginning of year	-	7,873	459	327	459	8,200
Additional Provisions	4,591	-	627	593	5,218	593
Amounts used / paid	-	(7,873)	(487)	(461)	(487)	(8,334)
Balance at the end of the year	<u>4,591</u>	<u>-</u>	<u>599</u>	<u>459</u>	<u>5,190</u>	<u>459</u>

**Accounting Policy – Provisions**

Provisions are recorded when the Company has a present obligation, either legal or constructive because of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period.

**Green and Fitzroy Island Jetty Management Fund**

A provision has been recognised for monies held for the purposes of maintaining the Green Island and Fitzroy Island Jetties pursuant to the Jetty Management Agreement. The amount held is from the users of the jetty.



## Section 2 - Notes About Our Financial Position continued

**B9 LEASES****Accounting Policy – Leases**

Lessees must recognise all leases on the balance sheet as a right-of-use asset and a lease liability. A lease is a contract, or part of a contract, which conveys the right to use or control an asset (the underlying asset) for a period of time in exchange for consideration. Key judgements are made in applying AASB 16 Leases, including whether there is a right to obtain substantially all the economic benefits from the use of the identified asset, and the right to direct the use of the identified asset.

The company has identified a number of existing operating leases that have been recognised as a right-of-use asset and corresponding lease liability. These leases include permits to use perpetual land/seabed leases. AASB 16 is not applied to short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as office equipment and personal computers).

The company determined that the perpetual lease arrangement for land/seabed assets is within the scope of AASB 16 and the company is the lessee under the arrangement. The underlying asset being the land/seabed is leased by the lessor, being the State Government, with a specific objective to consider the overall development of the geographical area and business infrastructure requirements. There are no practical or feasible substitutions for the underlying asset, therefore the arrangement is non-cancellable. The company has an unconditional obligation to pay for the asset, unless or until the lessor decided to terminate the lease. The company cannot sell the asset or use it for other activities, therefore does not have complete ownership rights over the asset. The arrangement is within the scope of AASB 16. These perpetual lease arrangements are carried at fair value within the Land and Investment Property asset classes. Refer to Notes B4 & B5.

Lease liabilities are measured as the present value of lease payments over the lease term, discounted using the interest rate implicit in the lease contract (if can be readily determined) or the lessee's incremental borrowing rate on transition. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by prepaid or accrued lease payments, except for leases where the underlying asset is classified as investment property prior to transition, where it will be measured at fair value.

The opening balance and recognition of lease liabilities takes into consideration the specific terms of the existing lease contracts. The right-of-use assets are depreciated on a straight-line basis over the lease term.

Set out below are the carrying amounts of the right-of-use assets recognised and the movements during the period:

<b>2025</b>	<b>Opening balance \$'000</b>	<b>Additions \$'000</b>	<b>Adjustments \$'000</b>	<b>Interest \$'000</b>	<b>Depreciation expense \$'000</b>	<b>Closing balance \$'000</b>
Commercial Office Space	361	636	-	-	(228)	769
Mooring Facility	18	-	(4)	-	(14)	-
Right-of-use assets (excl. land and investment property)	379	636	(4)	-	(242)	769
<b>2024</b>	<b>Opening balance \$'000</b>	<b>Additions \$'000</b>	<b>Adjustments \$'000</b>	<b>Interest \$'000</b>	<b>Depreciation expense \$'000</b>	<b>Closing balance \$'000</b>
Commercial Office Space	-	367	-	-	(6)	361
Mooring Facility	37	-	-	-	(19)	18
Right-of-use assets (excl. land and investment property)	37	367	-	-	(25)	379

## Section 2 - Notes About Our Financial Position continued

### B9 LEASES continued

The corresponding lease liabilities and the movements during the period are as follows:

	2025 \$'000	2024 \$'000
<b>Opening Balance</b>	(825)	(829)
Additions	(638)	-
Modifications	-	-
Remeasurement	8	(13)
Lease payments	213	54
Interest on lease liabilities	(53)	(37)
<b>Closing Balance</b>	(1,295)	(825)
Current	(143)	(20)
Non-current	(1,152)	(805)

## B10 TAX ASSETS AND LIABILITIES

### B10.1 CURRENT TAX ASSETS AND LIABILITIES

	2025 \$'000	2024 \$'000
<b>Opening balance</b>	1,839	(3,481)
Tax paid in respect of prior years	(1,839)	3,481
Over/(Under) provision of tax in prior years	-	-
Current year tax provision	(1,723)	(2,654)
Tax paid in respect of current year	3,148	4,493
<b>Closing Balance</b>	1,425	1,839

## Section 2 - Notes About Our Financial Position continued

## B10 TAX ASSETS AND LIABILITIES continued

## B10.2 RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

The Company operates in one tax jurisdiction and have offset the deferred tax asset against the deferred tax liability because:

- i) The entity has a legally enforceable right to do so; and
- ii) The income tax equivalents are levied by the same tax authority.

Deferred tax assets and liabilities for the Company are attributable to the following:

	Assets		Liabilities		Net	
	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Amounts recognised in Statement of Comprehensive Income</b>						
Inventories	-	-	(10)	(135)	(10)	(135)
Investment Property	-	-	(60,032)	(51,389)	(60,032)	(51,389)
Property, Plant and Equipment	75,431	67,853	-	-	75,431	67,853
Allowance for expected credit losses (receivables)	73	48	-	-	73	48
<b>Provisions:</b>						
Annual leave	444	387	-	-	444	387
Long service leave	685	641	-	-	685	641
Rostered days off	226	219	-	-	226	219
Tax losses utilised	-	-	-	-	-	-
Other items	576	397	-	-	576	397
	77,435	69,545	(60,042)	(51,524)	17,393	18,021
<b>Amounts recognised in equity</b>						
Revaluation of Property, Plant and Equipment	-	-	(44,742)	(47,856)	(44,742)	(47,856)
Tax assets (liabilities)	77,435	69,545	(104,784)	(99,380)	(27,349)	(29,835)
Set off of tax	(2,006)	(1,707)	2,006	1,707	-	-
Net tax assets/(liabilities)	75,429	67,838	(102,778)	(97,673)	(27,349)	(29,835)

## B10.3 UNRECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

For the 2024 and 2025 years the Company had no unrecognised deferred tax assets and liabilities.

## Section 2 - Notes About Our Financial Position continued

**B11 EQUITY****B11.1 CONTRIBUTED EQUITY****Accounting Policy**

Where the company receives support by way of equity from the Queensland Government, the amount received is recognised directly as contributed equity by way of share issue.

The Company does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings of the Company. In the event of winding up of the Company, ordinary shareholders rank after all other shareholders and creditors and are fully entitled to any proceeds of liquidation.

	2025 \$'000	2024 \$'000
<b>Share capital</b>		
Ordinary shares of \$1 each, fully paid	333,035	289,178
<b>Movements:</b>		
Balance at the beginning of the year 289,177,528 shares (2024: 279,177,528 shares)	289,178	279,178
Issue of shares 43,857,166 shares (2024: 10,000,000 shares) *	43,857	10,000
Balance at the end of the year 333,034,694 shares (2024: 289,177,528 shares)	333,035	289,178

\* A \$43.8 million equity contribution towards funding of the Cairns Marine Precinct Common User Facility (CMP-CUF) was committed by the Queensland Government in FY2025. The company received \$37 million in October 2024 and \$6.8 million as a works-in-progress (WIP) transfer from the Department of State Development and Infrastructure (DSDI). A \$10 million equity contribution towards funding of the CMP-CUF was committed by the Queensland Government in FY2024. The company received \$10 million in June 2024.

**B11.2 ASSET REVALUATION SURPLUS BY ASSET CLASS****Movements**

2025	Opening balance	Transfer from reserves to accumulated surplus	Revaluation	Other deferred tax adjustments	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000
Land	17,611	-	2,010	(603)	19,018
Buildings	1,493	-	2	-	1,495
Wharves	69,722	-	(13,262)	3,978	60,438
Channels & swing basins	20,305	-	(79)	24	20,250
Infrastructure and major plant and equipment	2,532	-	949	(285)	3,196
<b>Total</b>	<b>111,663</b>	<b>-</b>	<b>(10,380)</b>	<b>3,114</b>	<b>104,397</b>

## Section 2 - Notes About Our Financial Position continued

## B11 EQUITY continued

## B11.2 ASSET REVALUATION SURPLUS BY ASSET CLASS continued

2024	Opening balance	Transfer from reserves to accumulated surplus	Revaluation	Other deferred tax adjustments	Closing balance
	\$'000	\$'000	\$'000	\$'000	\$'000
Land	15,326	-	3,265	(980)	17,611
Buildings	1,152	-	487	(146)	1,493
Wharves	62,698	-	10,031	(3,009)	69,720
Channels & swing basins	19,126	-	1,686	(506)	20,306
Infrastructure and major plant and equipment	464	-	2,955	(886)	2,533
<b>Total</b>	<b>98,766</b>	<b>-</b>	<b>18,424</b>	<b>(5,527)</b>	<b>111,663</b>

**Accounting Policy – Asset Revaluation Surplus**

The asset revaluation surplus represents the net effect of upwards and downwards revaluations of assets to fair value.

## B11.3 DIVIDENDS

	2025 \$'000	2024 \$'000
Dividends provided for	4,591	-

**Accounting Policy – Dividends**

Provisions are made for the amount of dividend as appropriately determined or recommended by Directors, on or before the end of the financial but not yet paid at balance date. In accordance with section 131(3)(a) of the *Government Owned Corporations Act 1993*, the Shareholding Ministers have approved the board's recommendation of a final dividend payment of 100% (2024: nil dividend declared) due to an adjusted net profit after tax, which excludes the components of other comprehensive income, material non-cash items, non-cash adjustments from asset revaluations (including any associated tax benefits or expense) and profits from Community Ports. For the 2023-24-year, shareholding Ministers approved the Board's recommendation for the retention of dividends otherwise payable from final audited net profits after tax. The dividend retention was intended to be used by Ports North for reinvestment in the business for essential infrastructure.

## Section 3 - Notes About Risks and Other Accounting Uncertainties

## C1 FAIR VALUE MEASUREMENT

## C1.1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES

**Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued. Observable inputs used by the Company include, but are not limited to, published sales data for land and buildings.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Significant unobservable inputs used by the Company include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Company's assets/liabilities, internal records of recent construction costs (and/or estimates of such costs) for assets' characteristics/functionality, and assessments of physical condition and remaining useful life. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

## Section 3 - Notes About Risks and Other Accounting Uncertainties continued

### C1 FAIR VALUE MEASUREMENT continued

#### C1.1 ACCOUNTING POLICIES AND INPUTS FOR FAIR VALUES continued

##### **Fair Value Measurement Hierarchy**

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use, which is its current use unless the asset is classified as held-for-sale under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* or it becomes highly probable that the asset will be used for an alternative purpose. All assets and liabilities of the Company for which fair value is measured or disclosed in the financial statements are categorised within the following fair value hierarchy, based on the data and assumptions used in the most recent specific appraisals:

- Level 1 – represents fair value measurements that reflect unadjusted quoted market prices in active markets for identical assets and liabilities;
- Level 2 – represents fair value measurements that are substantially derived from inputs (other than quoted prices included within Level 1) that are observable, either directly or indirectly; and
- Level 3 – represents fair value measurements that are substantially derived from unobservable inputs.

None of the Company's valuations of assets or liabilities are eligible for categorisation into Level 1 of the fair value hierarchy. Investment property includes some assets categorised as level 2 and some as level 3. Property, plant and equipment includes some Land categorised as level 2, all other Property, plant and equipment assets is categorised as level 3. Ports North uses an income-based valuation process for all property, plant and equipment except land which has been valued on a market value approach. In this process the unobservable inputs are projected cash flows amended for probability adjustments and discounted. Under the income-based model all Property, plant and equipment except land are categorised at Level 3.

More specific fair value information about the Company's Property, plant and equipment and Investment property is outlined in Notes B4 and B5, respectively.

#### C1.2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES

The valuation basis for land, buildings, wharves, channels and swing basins, and infrastructure and major plant and equipment, is fair value.

##### **Property Plant and Equipment (Land Asset Class)**

For the year ended 30 June 2025, land held by the Company was valued by independent valuer Herron Todd White (Cairns) Pty Ltd (HTW) on a desktop basis and did not involve a site visit. For the year ended 30 June 2024, a full independent valuation, including site visits where possible, was undertaken by HTW. The valuation was conducted by valuers who are Certified Practising Valuers, registered with the Queensland Valuers Registration Board and are members of the Australia Property Institute. The fair value of land is based on relevant comparable sales of land in the nearby localities in the last 6-12 months prior to the date of the revaluation. In determining the values, adjustments were made to the sales data to consider the location of the Company's land, size, exposure, land use and highest and best use. The extent of the adjustments made varies in significance for each parcel of land – refer to reconciliation table later in this note for information about the fair value classification of the Company's land.

##### **Property Plant and Equipment (All Asset Classes Except Land)**

On 30 June 2025, Property, plant and equipment, as described above, was valued using Ports North's Income Based valuation process. This process determines the carrying value (Fair Values as defined by AASB 13 Fair Value Measurement) of individual assets by grouping the assets into Units of Account (UAs), determining the Net Present Value (NPV) of the cash flows of these UAs and attributing the total NPV of each UA to its individual assets. The key inputs having the most significant impact on the final carrying values of the above assets are the net cash flows and the discount rate (Weighted Average Cost of Capital rate (WACC rate)) adopted.

##### **Assets Valued on Highest and Best Use Basis**

The Company has assessed the current use of its Property, plant and equipment assets and considers that the current use reflects their highest and best use.



## Section 3 - Notes About Risks and Other Accounting Uncertainties continued

## C1 FAIR VALUE MEASUREMENT continued

## C1.2 BASIS FOR FAIR VALUES OF ASSETS AND LIABILITIES continued

**Investment Property**

For the year ended 30 June 2025, Investment Property held by the Company was valued by independent valuer Herron Todd White (Cairns) Pty Ltd (HTW) on a desktop basis and did not involve a site visit. For the year ended 30 June 2024, a full independent valuation, including site visits where possible was undertaken by HTW. The valuation was conducted by valuers who are Certified Practising Valuers, registered with the Queensland Valuers Registration Board and are members of the Australia Property Institute. Values have been determined regarding the assets' current and market net income and a traditional investment approach adopted whereby the estimated net income is capitalised at an appropriate market yield derived from sales of large investment property. A direct comparison approach is used as a check to this method, where appropriate based on available sales evidence. Changes in fair values are recorded in the Statement of Comprehensive Income.

## C1.3 CATEGORISATION AND RECONCILIATION OF ASSETS AND LIABILITIES MEASURED AT FAIR VALUE

Property, Plant and Equipment	As at 30 June 2025			As at 30 June 2024		
	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	33,696	6,882	40,578	31,846	6,722	38,568
Buildings	-	1,820	1,820	-	1,921	1,921
Wharves	-	79,631	79,631	-	92,701	92,701
Channels and swing basins	-	24,035	24,035	-	28,462	28,462
Infrastructure and major plant and equipment	-	4,473	4,473	-	8,229	8,229
Total	33,696	116,841	150,537	31,846	138,035	169,881

Investment Property	As at 30 June 2025			As at 30 June 2024		
	Level 2 \$'000	Level 3 \$'000	Total \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Land	194,389	50	194,439	181,939	50	181,989
Buildings	44,076	-	44,076	27,220	-	27,220
Work in Progress	-	107	107	-	-	-
Total	238,465	157	238,622	209,159	50	209,209

## C1.4 LEVEL 3 FAIR VALUE MEASUREMENT – SIGNIFICANT VALUATION INPUTS AND IMPACT ON FAIR VALUE

**Property, Plant and Equipment (Land Asset Class)**

Description	Fair Value (Carrying amount) at 30 June 2025 \$'000s	Type and amount for significant level 3 inputs affecting Fair Values	Impact of alternative amounts for significant Level 3 inputs on Fair Values
Land	6,882	\$/m <sup>2</sup>	An increase or decrease in the \$/m <sup>2</sup> value will lead to a proportionate increase or decrease in the value of Freehold Land

## Section 3 - Notes About Risks and Other Accounting Uncertainties continued

## C1 FAIR VALUE MEASUREMENT continued

## C1.4 LEVEL 3 FAIR VALUE MEASUREMENT – SIGNIFICANT VALUATION INPUTS AND IMPACT ON FAIR VALUE continued

**PROPERTY, PLANT AND EQUIPMENT (All Asset Classes Except Land)**

In relation to the asset classes of buildings, wharves, harbours and facilities, channels and swing basins, access roads and carparks and plant and equipment infrastructure, the most significant variable inputs affecting the calculation of the carrying values are the discount rate (WACC) and operational income. Most of the Company's operational costs do not vary significantly in response to changes in the volume of business.

At 30 June 2025, the Company recognised a \$25.254 million revaluation decrease to the total carrying value of Property, plant and equipment (all asset classes except land). This revaluation decrease is principally due to increased maintenance expenditure, reduced revenue (cruise and maritime – Mourilyan and Cape Flattery) and a higher discount rate (WACC), partially offset by increased maritime revenue at Thursday Island and Skardon River.

**Overall Sensitivity Analysis**

An increase in the WACC rate of 1% (from 8.76% to 9.76%) decreases the carrying value of the assets by 15.0%. A decrease in the WACC rate of 1% (from 8.76% to 7.76%) increases the carrying value of the assets by 20.9%.

An increase in the operational income of 5% increases the carrying value of the assets by 37.5%. A decrease in the operational income of 5% decreases the carrying value of the assets by 37.5%.

**Summary of Key Inputs and Assumptions Used in the Valuation Process**

Unobservable Input Description	Input Value	Impact on Fair Value
Discount Rate (Post-Tax WACC Rate)	8.76%	A higher discount rate will reduce fair values
Annual CPI	2.5% to 3%	A higher CPI will reduce fair values
Annual Price Growth	3% to 5%	Higher prices will increase fair values
Annual Marina and Passenger Volume	0% to 1.5%	Higher business volume will increase fair values
Business Volume Growth Other Areas	Stable at Present levels	Higher business volume will increase fair values
Operational Expenses	In line with Corporate Plan	Higher operating expenses will reduce fair values
Capital Expenditure	Replacement	Higher Capital expenditure will reduce fair values
Terminal Values	Based on Year 10 cash flow	Higher Terminal Values will increase fair values

Property, plant and equipment were valued using Ports North's Income Based valuation using the following key assumptions:

- Future cash flows are denominated in Australian dollars and are projected on a nominal, ungeared, post-tax basis.
- Mid-period discounting (to discount future cash flows to their net present value) adopted.
- The valuation model groups assets into eight cash generating units of account: Port of Cairns, Port of Mourilyan, Port of Cape Flattery, Port of Karumba, Port of Thursday Island, Port of Quintell Beach, Port of Skardon River and Port of Cooktown.
- Future cash flows for revenues, operational expenditure and capital expenditure in years 1 to 5 (FY2026 to FY2030) are based on the FY2026 Corporate Plan, with cash flows beyond this period projected accordingly. Cash flows for future capital expenditure is limited to the replacement of minor capital acquisitions.
- Forecast revenue assumptions have been based on advice from customers, global market conditions, historical trade patterns and assessment of probability around new trade projects.
- Major revenue cash flows for all ports are based on annual price growth between CPI and 5%, unless otherwise identified for certain commodities or revenue items.
- Expenditure cash flows are assumed to be largely fixed in nature with an assumption of CPI price increases, unless otherwise identified for certain expenditure items.
- Net cash flows assume a discount rate equal to the relevant WACC, with a CPI for the terminal growth rate equivalent to the RBA inflation target of 2 – 3%, on average, over time.
- Working capital balances are assumed to increase in line with the growth in revenues.
- Tax calculations in the cash flow projections assume a corporate tax rate of 30%.

## Section 3 - Notes About Risks and Other Accounting Uncertainties continued

### C2 FINANCIAL RISK DISCLOSURES

#### Accounting Policy – Financial Instruments

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Company becomes party to the contractual provisions of the financial instrument.

Financial instruments comprise the following:

- Cash and cash equivalents – held at amortised cost;
- Receivables (including Advances) – held at amortised cost; and
- Payables – held at amortised cost.

#### Overview of measurement and financial risk management of financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk;
- Capital risk; and
- Market risk, in the form of interest rate risk.

This Note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout this financial report.

The Board of Directors have overall responsibility for the establishment and oversight of the Risk Management Framework.

Risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit and Risk Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the Risk Management Framework in relation to the risks faced by the Company. The Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the result of which are reported to the Audit and Risk Committee.

#### C2.1 CREDIT RISK

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, cash advance facility, and trade and other receivables. The Company is exposed to credit risk from the possibility of counterparties to cash and cash equivalents, cash advance facility, and trade and other receivables failing to perform their obligations. The balance of cash is disclosed in Note B1 and the balance of the Cash Advance Facility is disclosed in Note B2. The Company does not hold any credit derivatives to offset its credit exposure. The level of exposure is disclosed in the Statement of Financial Position and in Note B3 with the carrying amount stated net of any provision for expected credit losses.

#### Exposure to credit risk

The carrying amount of the Company's financial assets represents the maximum credit exposure. The Company's maximum exposure to credit risk at the reporting date was:

Financial assets	Note	2025 \$'000	2024 \$'000
Cash and cash equivalents	B1	5,738	4,583
Advances	B2	53,937	60,442
Receivables	B3	15,332	13,004
		<u>75,007</u>	<u>78,029</u>

## Section 3 - Notes About Risks and Other Accounting Uncertainties continued

## C2 FINANCIAL RISK DISCLOSURES continued

## C2.2 LIQUIDITY RISK

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages liquidity risk by continuously monitoring forecast and actual cash flows and matching maturity profiles of the financial assets and liabilities.

The following table sets out the liquidity risk of financial liabilities held by the Company. It represents the contractual maturity of financial liabilities including estimated interest payments.

	1 year or less	Payable in:		Total
	\$'000	1-5 years \$'000	More than 5 years \$'000	\$'000
<b>30 June 2025</b>				
<b>Financial liabilities</b>				
Trade and other payables	12,194	-	-	12,194
Lease Liabilities	143	350	802	1,295
	12,337	350	802	13,489
<b>30 June 2024</b>				
<b>Financial liabilities</b>				
Trade and other payables	16,309	-	-	16,309
Lease Liabilities	20	-	805	825
	16,329	-	805	17,134

## C2.3 CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern, while maximising the return to shareholding Ministers.

The Company reviews its capital structure annually to determine the optimal structure to reflect changes in its business and operating environment.

**Capital Structure**

The Company currently has no debt. Based on a review of the Company's capital structure in 2021 by the Queensland Treasury Corporation, the benchmark Debt to Capital (%) ratio for the Company was established at less than 60.0, with the EBITDA/Interest ratio remaining above 4.0.

Capital structure ratios are reported to the Board quarterly and are forecast as part of the 5-year forecasts in the Corporate Plan. The Company reviews its WACC on an annual basis.

## Section 3 - Notes About Risks and Other Accounting Uncertainties continued

## C2 FINANCIAL RISK DISCLOSURES continued

## C2.4 MARKET RISK

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters.

**Interest rate risk**

The Company's exposure to interest rate risk arises predominantly from borrowings bearing variable interest rates. The Company currently has no borrowings.

At the reporting date the interest rate profile and carrying amounts of the Company's interest-bearing financial instruments was:

	Note	2025 \$'000	2024 \$'000
<b>Variable rate instruments</b>			
Financial assets – Cash and cash equivalents	B1	5,738	4,583
Financial assets – Advances	B2	53,937	60,442
		<u>59,675</u>	<u>65,025</u>

Cash is held with Queensland Treasury Corporation and other financial institutions. Variable interest rates are applicable. The nature of these financial instruments is short-term therefore changes in interest rates will not have a material impact on the value of the investments.

## C3 CONTINGENCIES

Ports North has no contingent assets and liabilities at 30 June 2025 (at 30 June 2024: nil).

**Native Title Claims over Company Land**

The Company is a respondent party to four native title claims, namely the Kaurareg People #2 Claim; Kaurareg People #3 Claim; the Gimuy Walubara Yidinji People Claim; and the Cape York United #1 Claim.

The Company has interests in the Gimuy Walubara Yidinji claim to the extent that it contains the Port of Cairns. It is likely that the Gimuy Walubara Yidinji People's Claim will proceed to a determination once the State is satisfied regarding connection issues. The Company has not taken an active role in connection issues but has been monitoring the claims. As the claim progresses closer to a consent determination, more active involvement will be required, to address matters of tenure analysis and ensuring that the company's interests are protected in the wording of the determination.

With respect to the Kaurareg claims, the Company has interests within these claim areas. Parts of the Kaurareg claims were determined on 30 November 2022. The remaining parts of two Kaurareg claims are presently proceeding through the tenure analysis process, in which the company is participating in order to protect its interests in five parcels within the claim areas. Once those parcels have been dealt with, the main involvement of the Company will be to ensure that the wording of the proposed determinations adequately accommodates the Company's interest as a port authority.

The Company has interests in the Cape York United #1 Claim, specifically in relation to two Areas. The first Area, the Thompson Report Area, has been the subject of a determination. The second Area in which the Company has interests is likely to become the subject of a timetable for progression over the next year, with a view to a determination being made in mid-2026. The Company is adopting a course in negotiation of the claim which may lead to the areas in which it holds interests being excluded from the claim area, thus removing the need for the Company to be further involved.

## Section 3 - Notes About Risks and Other Accounting Uncertainties continued

**C4 COMMITMENTS**

	2025 \$'000	2024 \$'000
<b>Capital commitments</b>		
Contracted for at reporting date but not recognised as liabilities:		
Within one year	6,311	1,782
Later than one year but not later than five years	-	-
	<u>6,311</u>	<u>1,782</u>
<b>Breakdown:</b>		
Within one year		
Within one year		
Cairns Marine Precinct – Common User Facility	6,311	1,045
Shed Deconstruction	-	55
Wharf 7&8 Southern Approach	-	642
Horn Island Cargo Facilities Upgrade	-	40
	<u>6,311</u>	<u>1,782</u>

**C5 EVENTS AFTER THE REPORTING PERIOD**

There has not been any matter or circumstance occurring after the end of the financial year that has significantly affected or may significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

**C6 FUTURE IMPACT OF ACCOUNTING STANDARDS NOT YET EFFECTIVE**

All Australian accounting standards and interpretations with future effective dates are either not applicable to Ports North's activities or have no material impact on the company.

**Section 4 - Other Information****D1 KEY MANAGEMENT PERSONNEL DISCLOSURES**

The Company's shareholding Ministers are identified as Key Management Personnel. Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The company does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as Key Management Personnel of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements, which are published as part of Queensland Treasury's Report on State Finances.

**Directors**

The names of persons who were Directors of Far North Queensland Ports Corporation Limited at any time during the year ended 30 June 2025 were:

Mr R Beer	Chair
Mr Justin Parer	Director (term commenced February 2025)
Ms M Richardson	Director
Ms Susan Casey	Director (term commenced February 2025)
Mr David Edwards	Director (term commenced February 2025)
Hon. Curtis Pitt	Director (term commenced February 2025)
Ms Georgina Twomey	Director (term commenced February 2025)
Mr Robin Giason	Director (term ceased February 2025)
Mr J Hogg	Director (term ceased December 2024)
Ms Julia Leu	Director (term ceased February 2025)
Mr Michael Clifford	Director (term ceased February 2025)
Ms D O'Connor	Director (term ceased February 2025)



## Section 4 - Other Information continued

### D2 KEY MANAGEMENT PERSONNEL DISCLOSURES continued

#### Executives

The names of executives with greatest authority during the year ended 30 June 2025 were:

Mr R Stevenson	Chief Executive Officer
Mr C Tabe	Chief Financial Officer
Mr K Malone	General Manager Commercial
Mr J Ledbury	Chief Operating Officer Cairns Marine Precinct Common User Facility (CMP CUF)
Mr Colin Devenish	General Manager Infrastructure (commenced January 2025)
Mr P Doyle	General Manager Strategy and External Relations (departed April 2025)
Mr Ash Sinha	General Manager Operations (commenced August 2024)

#### Remuneration Policy

The Company's Remuneration Policies provide for a strategy that balances the needs of the organisation, individuals and shareholders. Policies recognise the need to contain costs to the Company and optimise the return on the Company's investment in its people.

Guiding principles that underpin the remuneration strategy are:

- Contribution to achievement of Ports North's Vision and Corporate Objectives;
- Promotion of sustained superior performance;
- Remuneration is competitive within the labour markets in which Ports North operates;
- Transparency and fairness are achieved by recognising legitimate differences in roles and in an individual's contribution; and
- Policy is able to withstand scrutiny from all stakeholders.

An individual's remuneration is determined on appropriate market competitiveness and having regard to the accountabilities and responsibilities of the position they hold. Remuneration may vary from year to year depending on how the individual and Company perform. In making these determinations, both organisation, and individual performance objectives, standards and achievements are taken into account.

Total remuneration costs for Directors include the following components:

- Short-term employee benefits including Directors' fees and committee fees; and
- Post-employment benefits including amounts expensed in respect of employer superannuation obligations.

Total remuneration costs for executives include the following components:

- Short-term employee benefits including salaries, allowances (if applicable) and leave entitlements expensed (paid) for the entire year, or for that part of the year during which the employee occupied an executive position;
- Post-employment benefits including amounts expensed (paid) in respect of employer superannuation obligations for the entire year, or for that part of the year during which the employee occupied an executive position;
- Performance benefits including performance payments for the previous financial year (as detailed below); and
- Termination benefits - includes payments in lieu of notice on termination and other lump sum separation entitlements (excluding annual leave and long service leave entitlements) payable on termination of employment or acceptance of an offer of termination of employment.

#### Performance payments

An 'at-risk' or incentive component of 5%, 10% or 15% (dependent on position) may be awarded to eligible staff for superior performance. In addition, minimum corporate standards of financial performance will need to be met before any performance payments are made.

These standards are determined by the Board of Directors annually. In making these determinations, organisation and individual performance objectives, standards and achievements will be taken into account.

The incentive is paid in the form of a one-off lump sum payment and employees must 're-earn' the incentive component each year. Performance payments relate to the previous financial year. Performance payments are paid to eligible staff, which include management level and executive staff.



## Section 4 - Other Information continued

## D1 KEY MANAGEMENT PERSONNEL DISCLOSURES continued

## Aggregate at-risk performance incentive remuneration

Year paid	Aggregate performance payment \$	Post Employment \$	Total salaries paid to employees receiving performance payments \$	Number of employees receiving a payment total
2025	281,658	32,391	3,522,162	17
2024	235,876	25,946	2,665,011	14

## Director and Executive remuneration

## Specified Directors

Specified Directors are only remunerated by the Company. Therefore, comparative remuneration disclosures set out below are applicable to the Company.

Specified Directors	Short-term employee benefits	Post employment	Total
Mr R Beer, Chair			
2025	68,290	29,999	98,289
2024	59,630	26,752	86,382
Mr J Parer, Director			
2025	16,396	1,885	18,281
2024	-	-	-
Ms S Casey, Director			
2025	15,520	1,785	17,305
2024	-	-	-
Mr D Edwards, Director			
2025	15,520	1,785	17,305
2024	-	-	-
Hon. C Pitt, Director			
2025	16,396	1,886	18,282
2024	-	-	-
Ms G Twomey, Director			
2025	16,977	1,952	18,929
2024	-	-	-
Mr R Giason, Director			
2025	27,812	3,263	31,075
2024	36,503	3,951	40,454
Mr J Hogg, Director			
2025	22,250	2,559	24,809
2024	22,934	22,228	45,162
Ms J Leu, Director			
2025	27,812	3,198	31,010
2024	40,686	4,476	45,162
Mr M Clifford, Director			
2025	26,170	3,050	29,220
2024	28,489	3,094	31,583
Ms M Richardson, Director			
2025	42,748	4,864	47,612
2024	31,040	3,031	34,071
Ms D O'Connor, Director			
2025	26,170	2,968	29,138
2024	31,040	3,414	34,454
Ms V Cuda, Director			
2025	-	-	-
2024	7,895	868	8,763
Ms V Maruna, Director			
2025	-	-	-
2024	7,895	868	8,763
Total Remuneration			
2025	322,061	59,194	381,255
2024	266,112	68,682	334,794

## Section 4 - Other Information continued

## D1 KEY MANAGEMENT PERSONNEL DISCLOSURES continued

## Specified Executives

Specified Executives	Short-term employee benefits	Post employment	Performance benefits (relates to previous financial year)	Termination benefits	Total
Chief Executive Officer (Mr R. Stevenson)					
2025	413,468	53,474	50,658	-	517,600
2024 <sup>(1)</sup>	373,741	44,628	30,803	-	449,172
Chief Executive Officer (Mr C. Boland) <sup>(2)</sup>					
2025	-	-	-	-	-
2024	201,574	44,267	54,572	-	300,413
General Manager Commercial					
2025	289,207	37,653	38,206	-	365,066
2024	277,207	34,503	36,459	-	348,169
Chief Operating Officer CMP CUF <sup>(3)</sup>					
2025	342,868	44,096	40,572	-	427,536
2024	-	-	-	-	-
Chief Financial Officer					
2025	245,923	31,941	31,820	-	309,684
2024	229,730	34,815	29,625	-	294,170
General Manager Operations					
2025 <sup>(5)</sup>	214,596	27,361	-	-	241,957
2024 <sup>(4)</sup>	135,099	17,225	-	-	152,324
General Manager Strategy & External Relations <sup>(6)</sup>					
2025	183,540	24,312	29,929	-	237,781
2024	222,838	27,278	25,146	-	275,262
General Manager Infrastructure					
2025 <sup>(7)</sup>	117,585	14,992	-	-	132,577
2024	227,509	25,026	-	-	252,535
Chief of Staff <sup>(8)</sup>					
2025	-	-	-	-	-
2024	372,002	-	-	-	372,002
Total Remuneration					
2025	1,807,187	233,829	191,185	-	2,232,201
2024	2,039,700	227,742	176,605	-	2,444,047

(1) Commenced August 2023.

(2) Departed July 2023.

(3) Role commenced in July 2024.

(4) Mr S. Vedamuttu - Commenced November 2023, departed June 2024.

(5) Mr A. Sinha - Commenced August 2024.

(6) Departed April 2025. Role no longer exists.

(7) Commenced January 2025. Role previously called General Manager Infrastructure &amp; Technology.

(8) Role no longer exists.

## Service agreements

## Chief Executive Officer

- Tenured agreement
- Payment of separation benefit, other than for gross misconduct, equal to the base salary for six months

## All Other Senior Executives

- Tenured agreement

Payment of separation benefit, other than for gross misconduct, equal to the base salary for three months

## Other Transactions with Key Management Personnel

For details regarding any other transactions other than remuneration paid refer to Related Party Transactions in Note D2.

## Section 4 - Other Information continued

**D2 RELATED PARTY TRANSACTIONS****Key Management Personnel**

Disclosures relating to Key Management Personnel are set out in Note D1.

**Transactions with shareholding Ministers**

As a GOC, Ports North's shareholding Ministers for the current reporting period were:

- the Honourable Rosslyn Bates MP – Minister for Finance, Trade, Employment and Training (commenced office 1 November 2024);
- the Honourable Brent Mickelberg MP – Minister for Transport and Main Roads (commenced office 1 November 2024);
- the Honourable Bart Mellish MP – Minister for Transport and Main Roads and Minister for Digital Services (departed office 27 October 2024); and
- the Honourable Cameron Dick MP – Deputy Premier, Treasurer and Minister for Trade and Investment (departed office 27 October 2024).

There was no income received, or due and receivable, by the shareholding Ministers from Ports North during the year. No shareholding Minister has received or become entitled to receive any benefit by reason of a contract made with Ports North.

**Transactions with Related Parties**

All transactions between Ports North and entities controlled by key management personnel are conducted at arm's length under normal commercial terms and conditions. Senior Executives and Directors declare their interest on commercial dealings at Board meetings.

Entity	Services	2025 \$'000	2024 \$'000
MacDonnells Law	Legal Fees - paid	141	142
The Company used the legal services of MacDonnells Law, of which Russell Beer, an Independent Director appointed on 01 October 2015, is a former Director and Shareholder and now consultant. Amounts paid were based on normal market rates for such services and were due and payable under normal payment terms.			
Outstanding balance as at 30 June 2025 is nil			
BDO		214	-
The Company used the services of BDO, of which David Edwards, an Independent Director appointed on 13 February 2025, is an independent contractor. Since appointment as an Independent Director Mr Edwards has withdrawn all involvement in BDO projects where the Company has been involved. Amounts paid to BDO were based on normal market rates for such services and were due and payable under normal payment terms.			
Outstanding balance as at 30 June 2025 is nil.			
Kerry Patricia Egerton	Consultancy Fees – paid	-	409
The Company used the services of Kerry Patricia Egerton in 2024, a previous employee of the Company. Amounts paid were based on normal market rates for such services and were due and payable under normal payment terms.			

## Section 4 - Other Information continued

## D2 RELATED PARTY TRANSACTIONS continued

## Transactions with State of Queensland Controlled Entities

The Company transacts with other State of Queensland controlled entities. All material transactions are negotiated on terms equivalent to those that prevail in arm's length transactions.

Entity	Services	2025 \$'000	2024 \$'000
Queensland Treasury	Tax equivalents - paid	3,858	7,974
	Tax equivalents (refund)	(2,548)	-
	Rates equivalents - paid	255	243
	Dividends - paid	-	7,873
Queensland Treasury Corporation	Interest (received)	(3,087)	(2,397)
Department of Transport & Main Roads	Piloted Ship movements and other ancillary services (received)	(13,284)	(14,041)
	Services & Licences - paid	504	402
Office of State Revenue	Taxes – paid (land tax and payroll)	12,952	630
Q Super	Superannuation contributions - paid	2,192	1,933
Ergon Energy	Electricity supply and ancillary services - paid	2,469	1,895
Other Queensland Government Departments	Property leases and other ancillary services (received)	(1,007)	(1,219)
	Audit and other fees - paid	665	168
Other Non-Departmental Queensland Government entities	Other Services - paid	177	197

## Outstanding balance arising from provision of user charges

The following balance remains outstanding at the end of the reporting period in relation to transactions with related parties. All outstanding balances are priced on an arm's length basis and are to be settled within 30 days of the reporting date. None of the balances are secured.

	2025 \$'000	2024 \$'000
Trade Receivables	714	108

## Outstanding balance arising from purchase of goods and services

The following balance remains outstanding at the end of the reporting period in relation to transactions with related parties. All outstanding balances are priced on an arm's length basis and are to be settled within 30 days of the reporting date. None of the balances are secured.

	2025 \$'000	2024 \$'000
Trade Payables	-	71

## D3 FIRST YEAR APPLICATION OF NEW ACCOUNTING STANDARDS OR CHANGE IN POLICY

## Accounting Standards Early Adopted for 2024-25

No Australian Accounting Standards have been early adopted for 2024-25.

## Accounting Standards Applied for the First Time

No new accounting standards or interpretations that apply to the company for the first time in 2024-25 had any material impact on the financial statements.

## Section 5 - Consolidated Entity Disclosure Statement

## E1 CONSOLIDATED ENTITY DISCLOSURE STATEMENT AS AT 30 JUNE 2025

Subsection 295(3A)(a) of the *Corporations Act 2001* does not apply to the company as the company is not required to prepare consolidated financial statements by Australian Accounting Standards.

# Directors' Declaration

In the opinion of the Directors of Far North Queensland Ports Corporation Limited (the Company):

- (a) the financial statements and notes, set out on pages 30 to 64, are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Company's financial position as at 30 June 2025 and of its performance, for the financial year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*;
- (b) the Consolidated entity disclosure statement as at 30 June 2025 set out on page 64 is true and correct; and
- (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

R Beer  
Chair

A large, stylized handwritten signature in black ink, consisting of a large loop and a trailing stroke.

J Parer  
Deputy Chair

A handwritten signature in black ink that reads "Justin Parer" in a cursive style.

Dated at Cairns, 29th August 2025

# Independent Auditor’s Report

To the Members of Far North Queensland Ports Corporation Limited

## Report on the audit of the financial report

### Opinion

I have audited the accompanying financial report of Far North Queensland Ports Corporation Limited.

The financial report comprises the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including material accounting policy information, the consolidated entity disclosure statement and the directors’ declaration.

In my opinion, the accompanying financial report is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company’s financial position as at 30 June 2025, and its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulations 2001.

### Basis for opinion

I conducted my audit in accordance with the *Auditor-General Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board’s APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General Auditing Standards*. I am also independent of the entity in accordance with the auditor independence requirements of the *Corporations Act 2001*.

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

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial report of the current period. I addressed these matters in the context of my audit of the financial report as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

### Valuation of property, plant and equipment – Note B4 and C1

Key audit matter	How my audit addressed the key audit matter
<p>Property, plant and equipment is reported at fair value and where applicable at cost. Approximately 81 per cent of the property, plant and equipment was valued at fair value which was determined using the income-based valuation model.</p> <p>The fair value estimation used in the valuation model involved significant assumptions and judgements for::</p> <ul style="list-style-type: none"><li>• forecasting operating revenue</li><li>• estimating future operating and capital costs</li><li>• determining the terminal values</li><li>• formulating the discount rate applied to future cashflows.</li></ul>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"><li>• Obtaining an understanding of the discounted cash flow model, and assessing its design, integrity and appropriateness with reference to common industry practices.</li><li>• Evaluating the independent external expert’s competency, capabilities and objectivity.</li><li>• Checking, on a sample basis, the accuracy and relevance of the input data used, including reconciling input data to supporting evidence such as approved budgets.</li><li>• Performing a sensitivity analysis to establish that management’s assumptions for fair value including cash flows, terminal values, discount rates, expansionary capital expenditure and inflation adjustments are within a reasonable range of audit expectations for fair value.</li><li>• Assessing the reasonableness of cash flow forecasts and terminal value estimates relative to board approved budgets, historical growth trends and other relevant internal and external evidence. The reasonableness of board approved budgets was assessed with reference to their historical accuracy and the budget preparation process.</li><li>• Evaluating whether the discount rate applied was within a reasonable range, with reference to market data and industry research.</li><li>• Challenging the reasonableness of key assumptions based on my knowledge of the entity and industry.</li><li>• Verifying the mathematical accuracy of net present value calculations.</li></ul>



### Useful lives estimated for depreciation expense – Note B4

Key audit matter	How my audit addressed the key audit matter
<p>The straight-line depreciation method used requires significant judgements for:</p> <ul style="list-style-type: none"> <li>Identifying the significant parts of assets that have different useful lives</li> <li>Estimating the remaining useful lives of those significant parts.</li> </ul>	<p>My procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>Evaluating management's approach for identifying the parts of property, plant and equipment with different useful lives for reasonableness, having regard to recent replacement projects and changes in estimates over time.</li> <li>Evaluating remaining useful life estimates for reasonableness with reference to historical disposal rates, condition assessments for older assets, internal consistency.</li> </ul>

### Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

### Responsibilities of the Directors for the financial report

The directors of the company are responsible for the preparation of:

- a) the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*, and for such internal controls as the directors determine is necessary to enable the preparation of:
  - i. the financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
  - ii. the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial report

My objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of my responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[https://www.auasb.gov.au/auditors\\_responsibilities/ar6.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar6.pdf)

This description forms part of my auditor's report.



**Bhavik Deoji**

as delegate of the Auditor-General

29 August 2025

Queensland Audit Office

Brisbane



