

ANNUAL REPORT

2025 - 2026

Australia's Port for the Future

Creating prosperity for our communities and value for our customers
and shareholders through world-leading sustainable operations

This page left blank intentionally

ABOUT THIS REPORT

Port of Townsville Limited (the Port) is a Queensland Government Owned Corporation (GOC) established under the *Government Owned Corporations Act 1993* (Qld). It is the declared port authority for both the Port of Townsville and Port of Lucinda under the *Transport Infrastructure Act 1994* (Qld).

This Annual Report presents Port of Townsville Limited's performance for the year ended 30 June 2026. It brings together the Port's strategic, operational, environmental, community, workforce and governance performance, and incorporates the 2025–26 financial results.

The report has been written to tell a clear story about the Port's broader significance as critical regional and national infrastructure: a trade gateway, an enabler of future industries, a steward operating in the Great Barrier Reef World Heritage Area, and a long-standing contributor to North Queensland's prosperity.

ACKNOWLEDGMENT OF COUNTRY

The Port acknowledges the Wulgurukaba people as the Traditional Custodians of Gurambilbarra, the Country on which the Port of Townsville operates. "Wulgurukaba" means "canoe people", reflecting a deep and enduring connection to the sea, rivers and waterways of the region.

The Port also acknowledges the Bindal people, Traditional Custodians of the western banks of Ross River within the Port limits, and the Bandjin, Nywaigi and Warrgamay people, Traditional Custodians of the Lucinda area where the Port of Lucinda is located.

The Port further acknowledges the Traditional Owners of the lands from which products move through our ports and the waterways that connect our region to the world. The Port pays respect to Elders past, present and emerging, and to all First Nations people across its hinterland and coastal communities.

PUBLIC AVAILABILITY

An online version of this Annual Report, together with previous annual reports, can be made available on the Port of Townsville website. The Port is committed to providing accessible information and services to stakeholders from culturally and linguistically diverse backgrounds.

© Port of Townsville Limited. ACN 130 077 673. ABN 44 411 774 236.

CONTENTS

ABOUT US	5
OUR PORTS AND CAPABILITIES.....	6
KEY HIGHLIGHTS 2025-26.....	8
CHAIR'S REPORT	9
CEO'S REPORT.....	10
ORGANISATIONAL STRUCTURE.....	11
OUR BOARD	12
OUR LEADERSHIP TEAM	13
OUR STRATEGY.....	14
2026 PERFORMANCE RESULTS	16
PROSPERITY.....	18
PLANET.....	24
COMMUNITY.....	26
PEOPLE.....	28
CORPORATE GOVERNANCE AND RISK MANAGEMENT.....	32
FINANCIAL STATEMENTS.....	37

Our ports connect one of Australia's most resource-rich and strategically significant regions with domestic and international markets.

For more than 160 years, the Ports of Townsville and Lucinda have supported the growth and prosperity of North Queensland, providing the infrastructure, services and connections that enable industries, businesses and communities to thrive. Today, the Port serves more than 70% of Northern Australia's population and plays a critical role in supporting the economic activity, supply chains and trade that underpin life across the region.

The Port's significance is shaped as much by the region it serves as the infrastructure it operates. North and North West Queensland is home to more than \$700 billion of known resource value, some of the world's most prospective critical and strategic mineral deposits, globally significant wind and solar resources, more than 200,000 square kilometres of productive agricultural land and over \$40 billion of planned regional investment. Together, these advantages position the region to play an increasingly important role in Australia's future prosperity and in meeting the growing demands of the global economy.

The Port exists to connect these opportunities with the world.

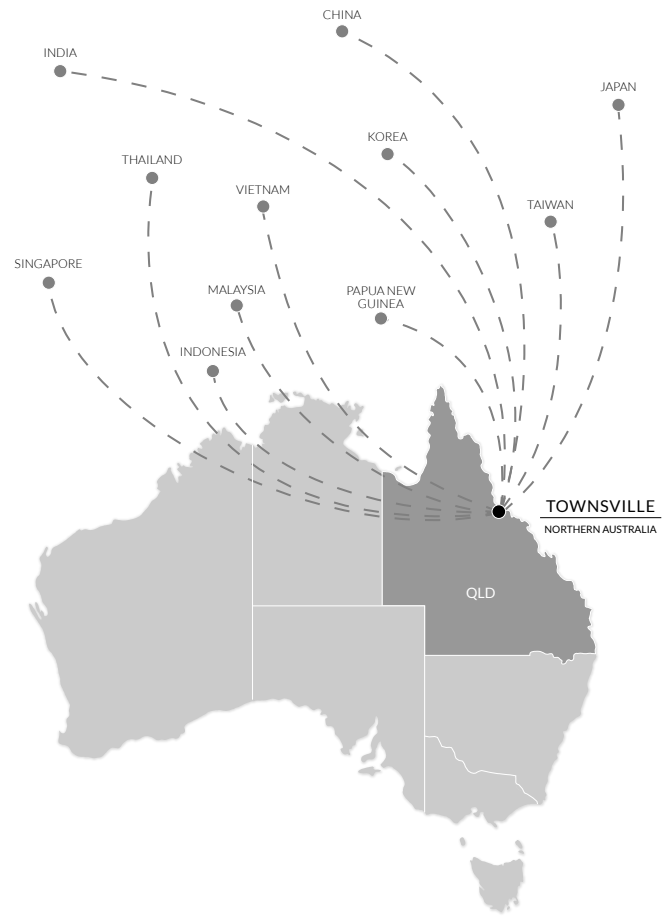
Operating from Townsville, the largest city in Northern Australia, the Port provides the trade, logistics and marine infrastructure that links regional industries with customers and markets throughout the Asia-Pacific and beyond. Its strategic location, established road and rail connections and proximity to key trading partners provide an important competitive advantage for industries across the region.

The Port's capabilities are diverse. As Northern Australia's largest container and automotive port, and Australia's largest export gateway for zinc, refined copper, lead, fertiliser and sugar, it supports a broad range of industries and supply chains. From minerals, metals and agricultural products to fuel, project cargo, vehicles, containers and essential consumer goods, the Port helps connect miners, farmers, manufacturers and businesses with domestic and international markets while ensuring communities have access to the goods and services they rely upon every day.

Supporting this trade task is a substantial and growing infrastructure platform. The Port's marine, logistics, property and trade infrastructure has been developed over generations and continues to evolve to meet changing customer and industry needs. Through ongoing investment, strategic planning and approved expansion opportunities, the Port is building the capacity and capability required to support future growth while maintaining the reliability and efficiency upon which customers depend.

Guided by its vision of Australia's Port for the Future, the Port continues to invest with a long-term perspective, recognising that the opportunities emerging across Northern Australia will require strong infrastructure, trusted partnerships and sustainable operations. As the region continues to grow in economic and strategic importance, the Port remains focused on creating prosperity for communities and value for customers and shareholders through world-leading sustainable operations.

By connecting regional strengths with global opportunity, the Port helps transform Northern Australia's potential into lasting economic, social and community value for Queensland and Australia.



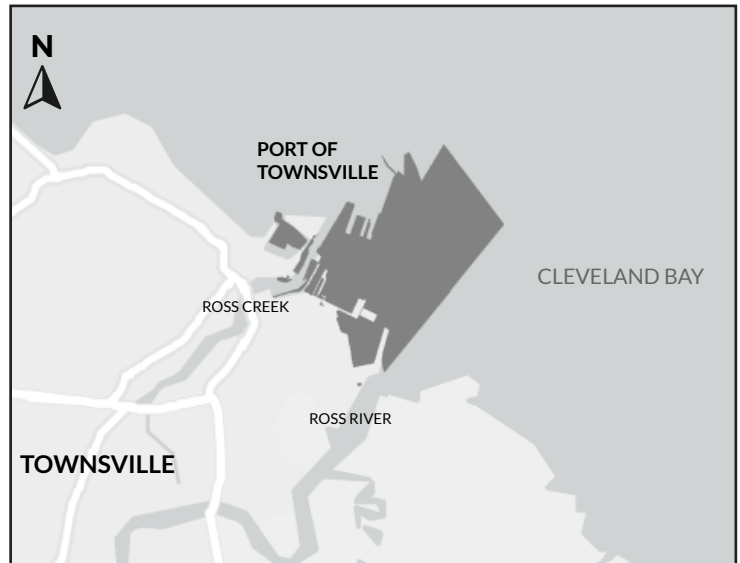
OUR PORTS AND CAPABILITIES

PORT OF TOWNSVILLE

Townsville Port is the nation's largest exporter of copper, zinc, fertiliser, lead, sugar and molasses, and the largest container and automotive port in Northern Australia. Handling approximately 6.7 million tonnes of trade each year, the Port serves as a key gateway connecting customers to more than 270 ports across 58 countries. Asia remains our largest trading partner, accounting for approximately 65% of total trade.

Supported by established road and rail connections to the North West Minerals Province, the Port is uniquely positioned to support growing global demand for critical minerals, renewable energy products, fuels and agricultural commodities.

Beyond trade, the Port plays an important role in supporting national defence operations and regional tourism. The Port's modern cruise terminal provides a welcoming gateway for visitors to experience North Queensland's world-class destinations and unique natural attractions.



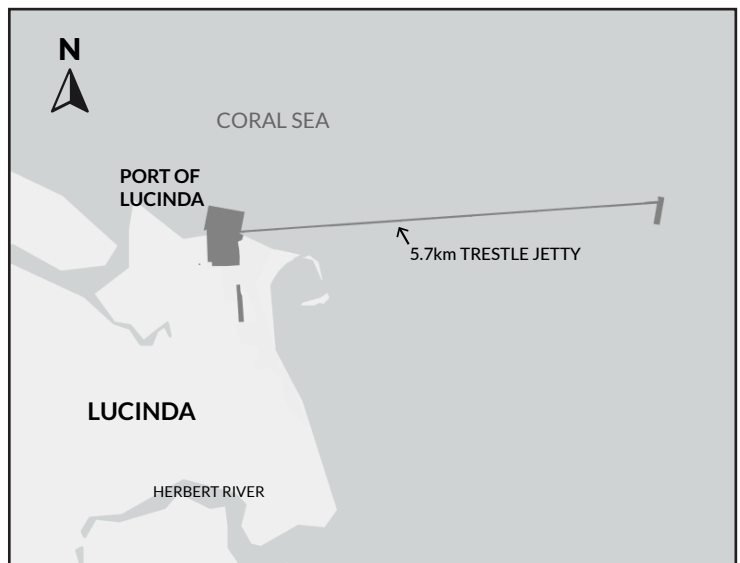
PORT OF LUCINDA

The Port of Lucinda plays a vital role in Queensland's sugar export industry. Located about 100km north of Townsville, the Port hosts one of Queensland's six bulk sugar terminals and serves as the primary export gateway for raw sugar produced throughout the Herbert River district.

The Port is equipped with fully enclosed sugar storage and handling facilities, linked to an offshore loading berth by a 5.7km trestle jetty - one of the longest structures of its kind in the world.

In addition to supporting sugar exports, the Port of Lucinda provides an important logistics link for local communities through regular general cargo barge services to nearby islands.

By connecting the Hinchinbrook region's agricultural production to global markets, the Port supports local jobs and ensures the long-term viability of one of North Queensland's most significant industries.



\$14 billion

value of
trade

8,000

jobs in the region
supported by
port activities

270+

port connections
to 58 countries

>70%

of Northern Australia's
population serviced

Strategic

Defence port for
Australian and
allied navies

6.7 million

tonnes of trade and
> 45 commodities



2 ports and 500km²
port jurisdiction



9 operational
berths
(inc. Lucinda)



2,184m
quayline



6 cargo
cranes



container and
refrigerated
cargo facilities



roll-on, roll-off
and lift-on, lift-off
facilities



400ha of land
or storage area



Quayside
Cruise Terminal



4 dry bulk
shiploaders



306m LOA
vessels

KEY HIGHLIGHTS 2025-26

\$15.8 Million
Net Profit
After Tax



\$14 Billion
Trade Value
Enabled



6.7 Million
Tonnes of Trade



\$40 Million
East Port
Cargo Precinct
Delivered



96%
Customer
Satisfaction



Digital
Transformation &
Enterprise Platform
Delivered



Record Cruise
Season
23 Ships and
>40,000
Passengers & Crew



Zero Lost
Time Injuries



77% Employee
Engagement
Rating



44.61%
Female
Workforce
Representation



\$50,000
in Community
Partnerships



\$108 Million
Revenue



The Port of Townsville plays a unique role in Queensland and Northern Australia.

We are critical infrastructure. We are a trade gateway. We are a strategic enabler of regional growth and, increasingly, we are an important part of Australia's future economic and security landscape.

This year demonstrated both the importance of that role and the opportunities that lie ahead.

Global markets remained volatile. Supply chains continued to adjust to geopolitical and economic uncertainty. North Queensland experienced significant weather-related disruptions affecting key export corridors and industries. Despite these challenges, the Port continued to perform strongly, maintaining safe and reliable operations while supporting the industries and communities that depend on us.

The long-term outlook for Northern Australia remains compelling. The region sits at the centre of some of the nation's most significant economic opportunities, including critical minerals, renewable energy, advanced manufacturing, defence capability and agricultural growth. Unlocking these opportunities will require infrastructure, investment and careful planning. The Port has an important role to play in each.

The Board remains focused on ensuring the Port is positioned to meet these future demands.

Our responsibility extends beyond current performance. We must ensure the Port has the capacity, capability and resilience to support growth over coming decades while continuing to deliver value to our shareholders, customers and communities.

During the year, the Board also oversaw a significant period of renewal. I would like to acknowledge the contribution of former Chair Ann Sherry AO and departing Directors whose leadership helped guide the organisation through one of the most significant infrastructure investment periods in its history. Their contribution has positioned the Port strongly for the future.

I would also like to welcome the new Directors appointed during the year. Together, the Board brings deep expertise across maritime industries, infrastructure, law, regional development, planning and governance. This breadth of experience will be invaluable as we navigate the opportunities ahead.

The Port enters the next decade from a position of strength.

The Channel Upgrade has transformed our capability. Strategic infrastructure planning is progressing. New trade and industry opportunities are emerging across our catchment. Demand for the region's resources and capabilities continues to grow.

The challenge now is to convert that potential into long-term economic outcomes for Queensland and Northern Australia.

On behalf of the Board, I thank our customers, stakeholders, government partners, Traditional Owners and the communities we serve. I also thank the Executive Leadership Team and all employees for their professionalism, commitment and performance throughout the year.

The Port of Townsville has never been more important to the region it serves. I am confident it is well positioned for the opportunities ahead.

PETER COURT
Board Chair

CEO'S REPORT

Every day, the Port of Townsville connects North Queensland businesses and communities with domestic and global markets. It is a role the Port has performed for more than 160 years and one that will become increasingly important as Northern Australia enters its next phase of growth.

During 2025-26, 6.7 million tonnes of trade moved through the Ports of Townsville and Lucinda. Despite significant weather impacts and disruptions across parts of the broader supply chain, the Port continued to provide safe, reliable and efficient operations while maintaining a strong focus on safety, asset stewardship and customer service.

The Port also delivered a strong financial result, with revenue increasing to \$108.1 million and net profit after tax increasing to \$15.8 million. These outcomes reflect the strength of the business, the value of a diversified trade base and a disciplined approach to both financial management and long-term investment.

Reliability remains fundamental to the Port's success. Customers need confidence that critical infrastructure will perform when required, capacity will be available when needed, and supply chains can operate efficiently. Maintaining that confidence requires disciplined asset management, ongoing investment and a commitment to continuous improvement across every aspect of the business.

While operational performance remains essential, the Port's focus extends well beyond today's trade task. Across Northern Australia, significant opportunities are emerging in critical minerals, renewable energy, defence, advanced manufacturing and agriculture. These industries will require efficient supply chains, strategic infrastructure and reliable access to global markets.

Throughout the year, the Port continued to invest in capability, capacity and competitiveness. The completion of the East Port Cargo Precinct strengthened the Port's ability to support major industrial, mining and renewable energy projects, while ongoing investment in trade infrastructure, digital capability, cyber security and enterprise systems enhanced organisational performance and resilience.

Safety remains the Port's highest priority. Achieving zero lost time injuries during the year reflects the commitment of employees, contractors and leaders across the organisation and the culture that underpins everything we do. Equally important is the contribution of our people, whose capability, professionalism and dedication continue to drive the Port's success.

The Port also recognises its responsibilities beyond trade. Through environmental stewardship, community partnerships, reconciliation initiatives and support for regional organisations, the Port continues to contribute to the prosperity, liveability and sustainability of North Queensland.

Few regions are better placed than Northern Australia to contribute to Australia's future prosperity. Rich in natural resources, expanding industries and strategic advantages, the region is entering a period of significant opportunity.

With a strong asset base, capacity for growth and a clear long-term vision, the Port is well positioned to support that future, helping connect regional strengths with global opportunity and creating enduring value for customers, communities, shareholders and future generations.

RANEE CROSBY

Chief Executive Officer

ORGANISATIONAL STRUCTURE

SHAREHOLDING MINISTERS

Minister for Transport and Main Roads
The Honourable Brent Mickelberg MP
(effective 1 November 2024)

Minister for Finance, Trade, Employment and Training
The Honourable Rosslyn Bates MP
(effective 1 November 2024)

BOARD OF DIRECTORS

Peter Court
(Chairperson)

Connie Navarro

Heidi Turner

Stephen Motti

Carla Polson

Scott Stewart

COMPANY SECRETARY

Ronette Druskovich & Stevie Moffat

CHIEF EXECUTIVE OFFICER

Ranee Crosby

GENERAL MANAGER
Business
Development¹

Drew Penny

- Trade & Business Development
- Leasing & Property Development
- Waterfront Developments

GENERAL MANAGER
Assets
& Environment

Jackie Dalton

- Master Planning
- Land Use Planning & Development Assessment
- Climate & Environmental Management
- Engineering & Asset Maintenance
- Dredging & Hydrographic Survey

GENERAL MANAGER
Operations,
Projects & Safety²

David McLoughlin

- Project Delivery
- Project Management Office
- Marine Pilotage
- Shipping & Marine Services
- Safety, Security & Resilience

GENERAL MANAGER
Corporate
Services

Katrina Small

- Treasury Management
- Finance & Accounting
- Procurement & Contracts
- Governance, Legal & Risk
- Enterprise Strategic Planning
- Corporate Affairs

GENERAL MANAGER
People, Technology
& Performance

Vikki Brown

- People & Culture
- Information & Digital
- Business Excellence
- Cyber Security

¹ Acting General Manager Business Development since 27 May 2025. Substantive role: General Manager, Customer, Operations & Safety.

² Acting General Manager Operations, Projects & Safety since 27 May 2025. Substantive role: General Manager, Project Delivery.

OUR BOARD

MR PETER COURT **NON-EXECUTIVE CHAIRPERSON**

(appointed 1 October 2025 – 31 May 2029)

Peter Court is a master mariner and senior maritime executive with extensive experience across global shipping, offshore energy and port operations. He began his career at sea as a BHP Transport cadet, later serving on LNG carriers, bulk carriers, Antarctic support vessels and deep-water exploration ships, before moving into senior leadership roles in Australia's offshore energy and maritime services sectors.

Peter has served as a marine pilot and as Chairman & Managing Director of Port Phillip Sea Pilots and holds directorships with Offshore Specialist Ships Australia and Australian Overseas Marine. In 2020, he founded Court Marine Consultancy, advocating for a stronger Australian-controlled maritime and shipping capability.

As Chair of Port of Townsville, Peter is committed to strengthening Australia's maritime resilience while ensuring the port continues to drive regional prosperity - supporting trade, enabling commerce, creating jobs and fostering sustainable community growth in Northern Queensland.

MS CARLA POLSON **NON-EXECUTIVE DIRECTOR**

(appointed 2 October 2025 – 31 May 2029)

Carla is a dual-qualified Australian/New York lawyer with more than two decades of experience advising boards, executive teams and financial institutions in Australia and New Zealand on complex corporate transactions, including debt and equity capital raisings, restructurings and M&A. Throughout her career with leading Australian and international law firms, she has advised across a broad range of sectors, including energy and resources, infrastructure, transport, financial services and technology. Carla brings extensive experience in disclosure, corporate reporting, regulatory compliance and corporate governance across multiple jurisdictions.

Carla holds a Bachelor of Laws and Bachelor of Arts (International Relations/German) from The University of Queensland and is admitted in New York, the High Court of Australia and the Supreme Court of Queensland. She is a Graduate of the Australian Institute of Company Directors.

MR STEPHEN MOTTI **NON-EXECUTIVE DIRECTOR**

(appointed 2 October 2025 – 31 May 2029)

Stephen has over 30 years of experience in the town planning, development, and construction sector. He has provided expert planning advice on diverse matters and contributed to the delivery of a number of significant projects across the North. He understands the capacity of the region and is a passionate advocate for investment in it.

Stephen backs his city with longstanding contributions to professional and community organisations. This has included as a past President of the Townsville Chamber of Commerce, and service on Boards including the Queensland Reconstruction Authority, the Townsville Industrial Development Board and the Townsville Fire.

A qualified town planner who graduated from the University of New England (Australia), he is a Fellow of the Planning Institute of Australia (PIA) and of the Australian Institute of Company Directors (FAICD).

MS CONNIE NAVARRO **NON-EXECUTIVE DIRECTOR**

(appointed 1 October 2023 – 30 September 2027)

Connie is a legal practitioner with over 20 years' experience in the legal industry. She is a born-and-bred North Queenslander and an advocate for rural and regional development. Connie is the Director of Connie Navarro Legal.

With extensive experience and expertise in the areas of commercial, property and business law, Connie has a particular focus on agribusiness, mining, energy and resources, infrastructure and major projects.

Connie holds a Bachelor of Economics and Bachelor of Laws (Hons) from James Cook University and is admitted in the High Court of Australia, Supreme Court of Queensland and Supreme Court of Northern Territory. She is also a Graduate of the Australian Institute of Company Directors.

MS HEIDI TURNER **NON-EXECUTIVE DIRECTOR**

(appointed 1 October 2025 – 31 May 2029)

Heidi is a business leader and strategic communications adviser with a strong reputation for advocacy. Her 30-year career spans marketing, communications, corporate affairs, stakeholder engagement, government relations and regional development across Australia, New Zealand, the United Kingdom and Europe, including roles with the UK Government in London and Brussels.

Based in North Queensland for 18 years, Heidi founded Crystal Clear Advisory in 2009, where she is Principal Consultant. She also served for two years as Chief Executive Officer of the Townsville Chamber of Commerce, leading the organisation through a period of significant growth in size and profile.

A Graduate of the Australian Institute of Company Directors, Heidi has 17 years' experience serving on government and not-for-profit boards and committees. She is currently Treasurer of Regional Development Australia Townsville and North West Queensland.

MR SCOTT STEWART **NON-EXECUTIVE DIRECTOR**

(appointed 2 October 2025 – 31 May 2029)

Scott Stewart was a former Queensland politician. He served as the Labor Member for Townsville in the Queensland Legislative Assembly from 2015 - 2024. Prior to politics, Scott was a high school principal and educator for almost 30 years and spent most of that time in the Townsville region.

During his time in politics, Scott served as the Chair of the Education and Tourism Parliamentary Committee overseeing several bills through parliament. In his second term in office, he served as Deputy Speaker of the Legislative Assembly. More recently, Scott served as the Minister for Resources and Critical Minerals in his third term in office where he developed the Queensland Resource Industry Development Plan creating the vision for the resource sector of the next 30 years. Additionally, Scott developed the Critical Minerals Queensland Plan to help unlock the resource rich North West Queensland province. Scott undertook a number of international trade missions for the State Government to enhance trade partnerships and create investment opportunities in the mining industry.

Scott holds a Bachelor of Education and a Master of Education in Leadership and Management from the Queensland University of Technology.

OUR LEADERSHIP TEAM

MS RANEE CROSBY CHIEF EXECUTIVE OFFICER

With 30 years' experience in the port and maritime industry, Ranees has held executive leadership roles spanning strategy, commercial operations, business development, infrastructure planning, property development and governance. Her experience provides a deep understanding of the opportunities and challenges shaping ports, supply chains and regional prosperity.

Ranees has played a key role in shaping the Port's growth and development through periods of significant trade expansion, infrastructure investment and organisational transformation. She builds strong partnerships with stakeholders to secure the infrastructure and capability that are essential for enabling Northern Queensland's future growth.

Ranees holds a Bachelor of Laws from James Cook University and is a Graduate of the Australian Institute of Company Directors. She serves on a number of industry boards including Ports Australia, the Queensland Ports Association and Townsville Enterprise Limited.

MR DREW PENNY¹ GENERAL MANAGER BUSINESS DEVELOPMENT

Drew brings a wealth of industry, operational and leadership experience gained over 20 years in the mining and ports sectors to the Port of Townsville. As General Manager Business Development his focus is on leading growth for the Port in areas such as Trade, Cruise, Defence and Property Development.

Drew's management experience covers various areas including operations, logistics, maintenance, projects, organisational change and commercial. He believes in building collaborative relationships, driving process discipline, and delivering safe successful outcomes for the business.

Drew holds a Bachelor of Engineering – Mechatronics (Hons) from James Cook University. Drew is also a Director of the Townsville Maritime Museum.

MR DAVID MCLOUGHLIN² GENERAL MANAGER OPERATIONS, PROJECTS AND SAFETY

David has significant experience as a senior executive, leading critical infrastructure teams in both Victoria and Queensland. He has worked extensively in operations, maintenance, engineering and asset management across aviation, communication, information technology and transportation fields. David is a strong believer in cross-functional collaboration to achieve good, sustainable outcomes for both the community and investors alike.

David holds a Bachelor of Engineering Management (Hons) from the University of Lincoln, is a Graduate of the Australian Institute of Company Directors and is a Fellow of both Engineers Australia and the Institute of Leadership and Management.

¹ Acting General Manager Business Development since 27 May 2025.
Substantive role: General Manager, Customer, Operations & Safety.

² Acting General Manager Operations, Projects & Safety since 27 May 2025.
Substantive role: General Manager, Project Delivery.

MS VIKKI BROWN GENERAL MANAGER PEOPLE, TECHNOLOGY AND PERFORMANCE

Vikki Brown brings more than two decades of experience across the government and mining sector, spanning coal, iron ore, and potash operations.

She lived and worked in South America, with her roles also taking her across Kuala Lumpur and the Philippines while leading a global team spanning North and South America. Most notably, during her tenure at BHP, she led transformation initiatives focused on operational cost efficiency and business productivity uplift across multiple continents.

Vikki holds a Bachelor's degree in Organisational Learning and a Bachelor's degree in Global Business Administration. In her role at the Port, she draws upon this cross-industry, cross-border experience to strengthen the port's technology and digital footprint, maintain the safety and continual growth of its people, and improve productivity through innovation and continuous improvement.

MS JACKIE DALTON GENERAL MANAGER ASSETS AND ENVIRONMENT

Jackie is a senior infrastructure and operations executive with more than 20 years' experience across ports, logistics, mining and supply chain.

She brings deep expertise in asset strategy, capital investment and governance, and was instrumental in developing and delivering Aurizon's ports and terminals asset management framework. Jackie has led major operational transformations, including new port developments and asset turnarounds that support regional growth.

She works closely with executive teams and boards to align long-term asset performance, risk and environmental stewardship with strategic outcomes.

Jackie holds a Bachelor of Engineering (Materials) (Hons) and is a Graduate of the Australian Institute of Company Directors.

MS KATRINA SMALL GENERAL MANAGER CORPORATE SERVICES

With over 20 years' experience leading commercial and strategic functions across the infrastructure, resources, and energy sectors, Katrina brings extensive expertise in financial management, governance, and organisational performance.

Her experience spans both Australian and international operations, where she has led enterprise planning, commercial strategy, and business case development for major capital programs. Katrina has a strong focus on driving organisational performance through sound governance, commercial discipline, and effective project delivery, and has worked closely with government and industry partners to deliver complex infrastructure initiatives that create lasting regional and economic value.

She holds a Bachelor of Laws and Commerce from James Cook University, is a Certified Practising Accountant (CPA), and a Graduate of the Australian Institute of Company Directors (GAICD).

OUR STRATEGY

OUR VISION

Australia's Port for the Future

OUR MISSION

Creating prosperity for our communities and value for our customers and shareholders through world-leading sustainable operations

OUR VALUES



PARTNERSHIPS

We build meaningful and lasting relationships



OPPORTUNITIES

We continuously innovate



RESPECT

We respect each other



TRUST

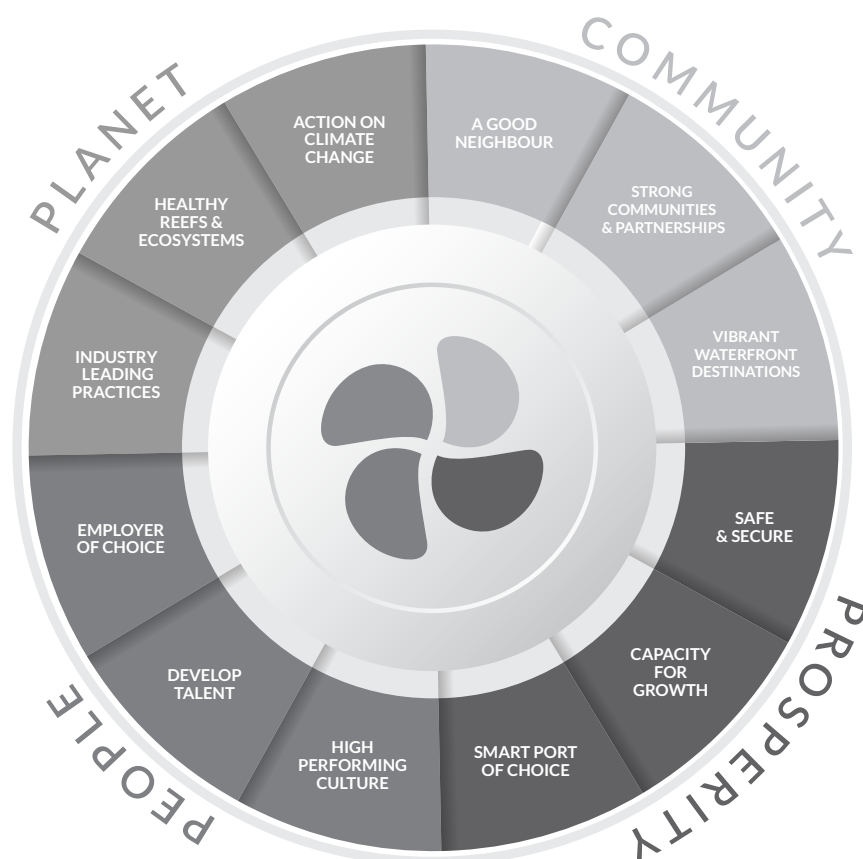
We do the right thing

Our strategic framework provides the foundation for decision-making across the organisation and guides how we invest, operate and grow. It ensures the Port remains focused on creating long-term prosperity while balancing commercial performance, environmental stewardship, community outcomes and organisational capability.

Guided by our vision of being Australia's Port for the Future, we are delivering this through four interconnected strategic priorities: Prosperity, Planet, Community and People. Together, these priorities define how we create value for Queensland and support the sustainable growth of Northern Australia.

Our strategic framework provides a clear link between our long-term vision and the decisions we make every day. It ensures our investments, operations and partnerships remain aligned with the outcomes that matter most to our customers, communities, employees and shareholders.

Performance throughout this Annual Report is reported against our four strategic priorities.



PROSPERITY

Creating prosperity remains at the heart of the Port's purpose.

We continue to invest in infrastructure, trade growth and operational excellence to ensure Queensland producers, exporters and industries remain connected to domestic and international markets. Through the safe and efficient movement of cargo, strategic infrastructure development and the facilitation of new economic opportunities, the Port supports employment, investment and regional growth across North Queensland and beyond. Our focus is on strengthening supply chains, enabling future industries and ensuring the Port has the capacity, capability and resilience to support the region's long-term economic future.

PLANET

Protecting the environment is fundamental to the Port's long-term success.

Operating within the Great Barrier Reef World Heritage Area carries a responsibility to manage our activities carefully and sustainably. We are committed to reducing environmental impacts, improving resource efficiency and supporting the health and resilience of the ecosystems in which we operate. Through environmental stewardship, climate action, sustainable operations and science-based decision-making, we are working to ensure future generations continue to benefit from both a thriving environment and a prosperous economy.

COMMUNITY

Strong communities are essential to a successful and sustainable port.

For more than 160 years, the Port has been part of the social and economic fabric of North Queensland. Today, we continue to build trusted relationships with Traditional Owners, customers, industry partners, neighbouring communities and regional stakeholders. Through meaningful engagement, strategic partnerships, community investment and the creation of vibrant waterfront destinations, we seek to deliver lasting value beyond our operational boundaries and contribute positively to the liveability and prosperity of the region.

PEOPLE

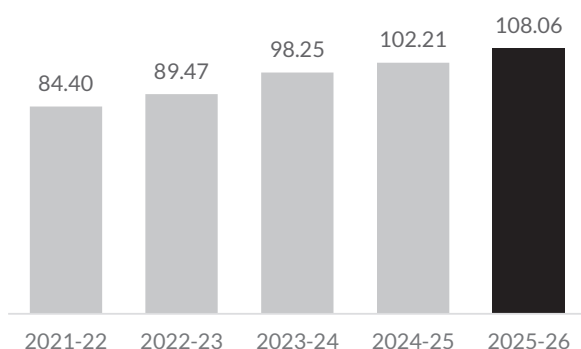
Our people are central to everything we do.

The Port's success depends on a skilled, engaged and future-ready workforce capable of operating increasingly complex infrastructure while responding to a rapidly changing environment. We are committed to creating a safe, inclusive and high-performing workplace where employees are empowered to contribute, innovate and grow. By investing in leadership, capability development, diversity and wellbeing, we are building the workforce required to deliver our long-term vision and support the future success of the Port.

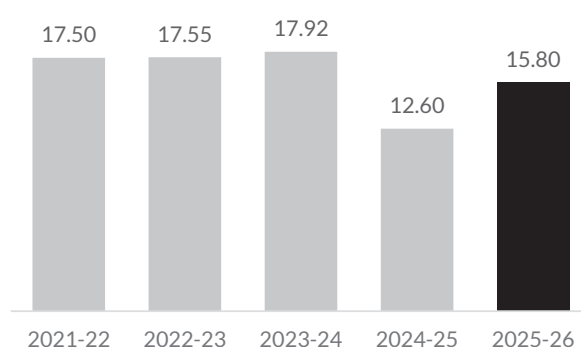
2026 PERFORMANCE RESULTS

FINANCIAL PERFORMANCE

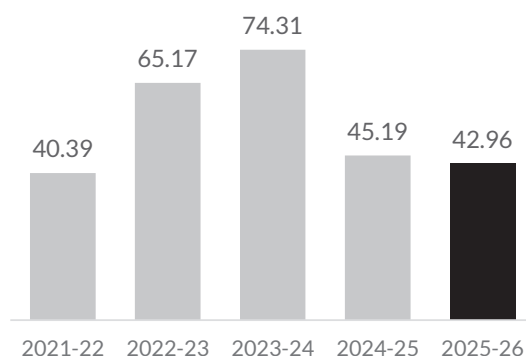
TOTAL REVENUE (million)



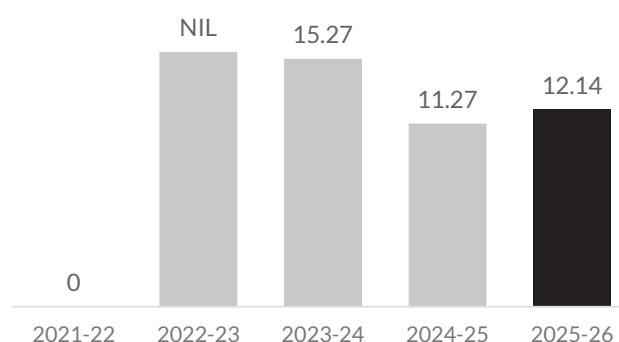
NET PROFIT AFTER TAX (million)



CAPITAL EXPENDITURE (million)

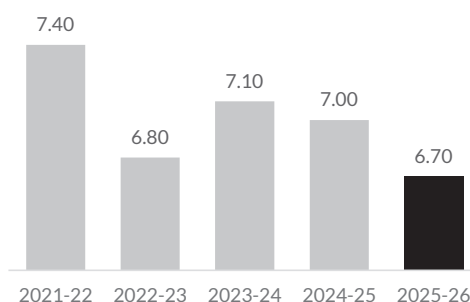


ORDINARY DIVIDENDS DECLARED (million)



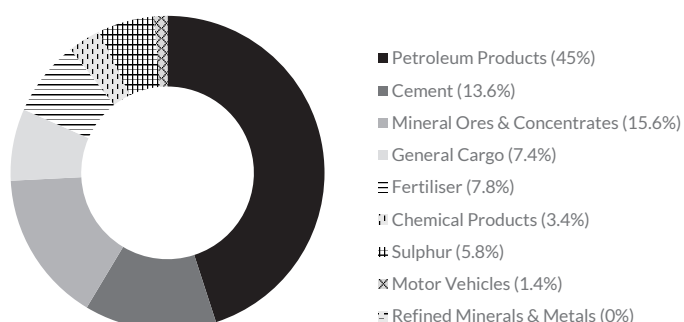
TRADE PERFORMANCE

TOTAL THROUGHPUT (million tonnes)

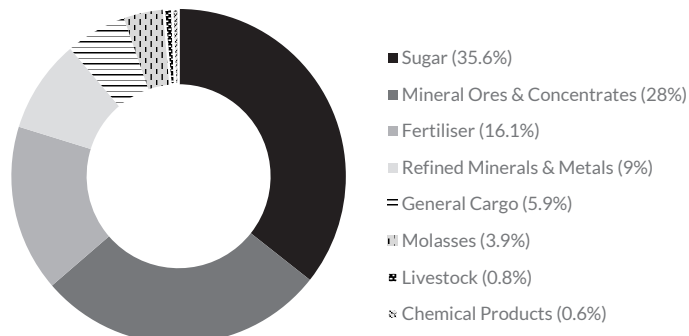


THROUGHPUT BY COMMODITY 2025-26

IMPORTS



EXPORTS



PERFORMANCE INDICATORS	2024-25 ACTUAL	2025-26 TARGET	2025-26 ACTUAL
FINANCIAL MEASURES			
Operating Revenue (\$M)	102.21	102.35	108.06
Operating Expenditure (\$M)	80.69	78.88	81.33
Trade Income (\$M)	79.63	81.90	82.94
Property & Facilities Income (\$M)	16.46	17.03	16.91
EBIT (\$M)	21.52	23.47	26.74
NPAT (\$M)	12.60	13.56	15.80
Dividend (\$M)	11.27	12.81	12.14
Return on Assets EBIT (%)	2.43	2.78	3.14
Return on Equity (%)	2.02	2.36	2.65
Current Ratio	1.42	1.31	1.59
Interest Cover Ratio (EBIT)	4.92	5.73	6.45
Debt to Debt + Equity Ratio	0.31	0.40	0.35
Capital Investments (\$M)	45.19	60.86	42.96
Overall Asset Maintenance (\$M)	11.38	11.21	11.30
NON-FINANCIAL MEASURES			
Trade Throughput (million tonnes)	7.0	7.38	6.7
Cruise Ship Visits	21	26	23
Reportable Security Incidents	0	0	0
Reportable Environmental Incidents	5	0	3
Lost Time Injury Frequency Rate	12.7	6	0
Customer Satisfaction Rating	92.6%	>90%	96%
Community Satisfaction Rating	90.6%	>85%	68.9%*
Employee Engagement Rating	80%	>85%	77%
Full-Time Equivalents	187.97	201.06	183.97

* Community Satisfaction Rating impacted by negative sentiment related to the Port's proposed application for a 10-year Sea Dumping Permit. The survey attracted record participation, with more than a quarter of respondents identifying as living on Magnetic Island. Many references were made to dredging in the comments section of the survey.

TRADE

Northern Australia is entering a period of significant economic opportunity. Growth across critical minerals, renewable energy, defence, agriculture and advanced manufacturing is expected to drive future trade demand. As the region's primary trade gateway, the Port of Townsville is investing in the infrastructure, capability and capacity required to support this growth and diversify the region's trade base.

Diversification remains a key strategic focus. Alongside traditional bulk exports, the Port is growing containerised freight, automotive logistics, project cargo and emerging industry supply chains. During 2025-26, this included upgrades to support future container growth at Berth 3, growth in transshipment motor vehicle imports, further development of the East Port precinct, and investment in logistics, warehousing and intermodal infrastructure.

Total trade throughput across the Ports of Townsville and Lucinda was approximately 6.7 million tonnes in 2025-26. While overall throughput decreased by 4.2% due to weather-related disruptions affecting key export supply chains, import volumes remained strong and container trade increased by approximately 5%, highlighting the resilience created through a more diversified trade mix.

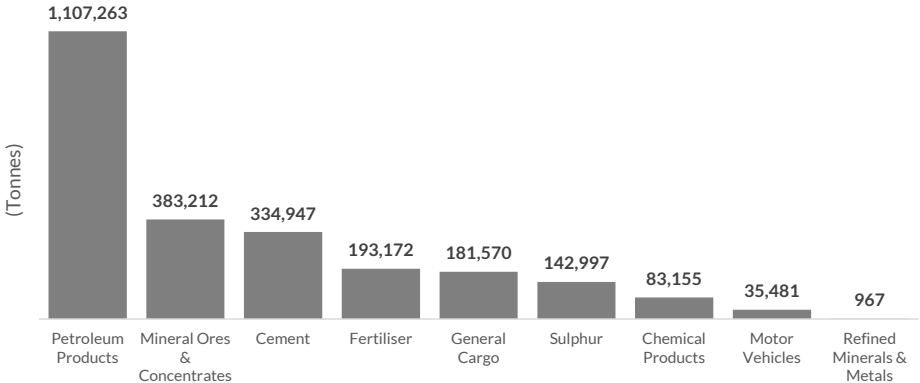
IMPORTS

In 2025-26, imports through the Port of Townsville totalled approximately 2.46 million tonnes, representing an increase on 2024-25 and reflecting continued demand across key resource, agricultural and industrial sectors.

Petroleum products remained the largest import category at approximately 1.11 million tonnes, accounting for 45% of total import volumes, with record diesel imports reinforcing the Port's role in supporting regional energy and industry requirements. Mineral ores and concentrates, fertiliser and sulphur collectively accounted for approximately 29% of total imports, reflecting the Port's critical role in supporting North Queensland's mining, construction and agricultural industries. Import demand for key agricultural and resource sector inputs remained strong, with fertiliser and sulphur volumes also reaching record levels during the year, supported by ongoing activity across regional production and processing industries.

Beyond the major import commodities, the Port continued to handle a diverse range of cargoes supporting industrial, construction and resource sector activity across North Queensland. General cargo volumes remained stable, while variations in chemical and refined mineral imports reflected normal fluctuations in customer demand and supply chains.

Motor vehicle imports totalled 35,481 units in 2025-26, with vehicles primarily sourced from Japan and Thailand. Transshipment volumes continued to grow during the year, supported by infrastructure upgrades that expanded laydown capacity and strengthened Townsville's position as Northern Australia's primary motor vehicle import hub.



EXPORTS

Exports totalled approximately 4.19 million tonnes across the Ports of Townsville and Lucinda in 2025-26, representing a decline of 9.5% compared to 2024-25.

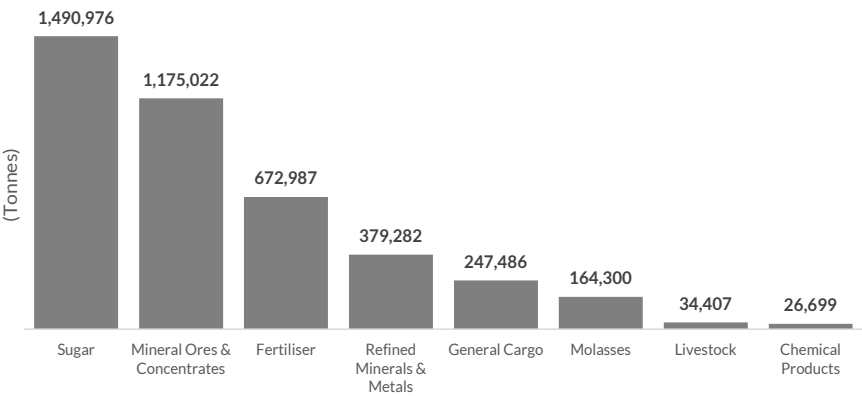
Export performance was impacted by adverse seasonal conditions and significant supply chain disruptions affecting both rail infrastructure and upstream mining operations. In particular, the Mount Isa rail corridor experienced two sequential disruption events in December 2025, including a derailment in early December and a prolonged closure from 29 December 2025 to 1 February 2026 due to severe monsoonal flooding associated with ex Tropical Cyclone Koji. Concurrent flooding at key mining operations, including Ernest Henry and Capricorn Copper, further constrained production.

These events impacted the movement of concentrate and reduced smelter and refinery feedstock availability, contributing to lower export volumes, particularly for copper cathode, with zinc concentrate movements also affected during the period. Smelter throughput was impacted during the disruption period, and bulk commodity exports were intermittently affected. Despite disruptions affecting the Mount Isa supply chain, mineral ores and concentrates remained a key export commodity, accounting for more than a quarter of total export volumes.

Dry bulk commodities, including sugar, mineral ores and concentrates, and fertiliser, continued to comprise the majority of export volumes, collectively accounting for almost 80% of total exports.

Sugar remained the Port's largest export commodity in 2025-26, accounting for more than one-third of total export volumes. Fertiliser exports remained a significant component of the export task, supported by continued demand from key international markets including India and Pakistan.

General cargo exports totalled approximately 247,500 tonnes in 2025-26, with containerised trade, including recycled materials exported to Asian markets, continuing to diversify the Port's export profile.



CRUISE AND QUAYSIDE TERMINAL

Cruise tourism continues to play an important role in the Port of Townsville's contribution to regional economic growth, tourism development and community activation.

2025-26 CRUISE SEASON

The 2025-26 cruise season represented a record year for the Port, with 23 cruise ships and more than 27,000 passengers welcomed, along with approximately 13,000 crew.

The season also included visits from residential cruise vessels, delivering longer-stay visitation and increasing the depth of economic contribution to the region. This growth highlights the increasing demand for Townsville as a destination and reinforces its role within broader Queensland cruise itineraries.

Cruise visitation continues to provide a direct economic benefit, with passengers contributing significantly to local businesses, tourism operators and hospitality providers during their time ashore.

QUAYSIDE TERMINAL

Quayside Terminal remains a critical piece of infrastructure supporting the Port's cruise capability and the broader activation of the Townsville waterfront. Recent upgrades to the terminal and associated landside facilities have enhanced operational efficiency and improved the experience for passengers, from arrival through to departure. These upgrades ensure the Port can cater to a broader range of vessels, while delivering a seamless and welcoming interface between ship and shore.

Through continued investment and collaboration, the Port is positioning the Quayside Terminal not only as critical infrastructure for cruise operations, but also as an important asset supporting tourism, defence, community engagement and long-term regional growth.

CRUISE ATTRACTION

Townsville is increasingly recognised as a strategic destination within Queensland's cruise offering due to its unique positioning, with a diverse and complementary coastal itinerary. The region offers access to a range of experiences – from reef and island environments to outback, cultural and urban attractions.

The completion of the Channel Upgrade Project has been a key enabler of this growth, allowing the Port to accommodate larger, next generation vessels and expand its attractiveness to a wider segment of the global cruise market.

The Port continues to work closely with Townsville City Council, Townsville Enterprise and tourism operators to promote the region and strengthen its cruise proposition. This collaborative approach ensures alignment between infrastructure, tourism experiences and destination marketing.

MARINE SERVICES

Marine services are fundamental to the safe, secure and efficient operation of the Ports of Townsville and Lucinda. Through the delivery of pilotage, vessel traffic management and marine safety services, the Port plays a critical role in supporting trade, protecting the marine environment and maintaining supply chain reliability across Northern Australia. During 2025–26, the Port continued to provide safe and efficient access for commercial shipping, while strengthening the capability, resilience and readiness of its marine operations to support future growth.

PILOTAGE

The Port provides pilotage services to ensure the safe navigation of vessels through the Ports of Townsville and Lucinda, supporting the efficient movement of trade and maintaining the highest standards of marine safety. During 2025–26, the Ports of Townsville and Lucinda accommodated a combined 552 vessel arrivals, resulting in 1,194 vessel movements. The Port also continued to provide pilotage services at the Port of Abbot Point on behalf of Maritime Safety Queensland, facilitating a further 733 vessel movements.

The year included preparations for the implementation of Maritime Safety Queensland's new Statewide Pilotage Standards, which commenced in July 2026 with a 12-month transition period. Training and capability development activities were undertaken to ensure the Port's pilotage team remains well positioned to support future operational requirements.

Through ongoing investment in capability and safety, the Port remains committed to delivering reliable pilotage services that support trade growth while maintaining safe navigation across its port limits.

TOWAGE SERVICES

Towage services remain a critical component of the Port's marine operations, supporting the safe arrival, departure and manoeuvring of vessels.

Throughout the year, Engage Marine continued to provide dedicated harbour towage services to the Port. The introduction of additional modern towage assets has further strengthened operational capability and enhanced the Port's capacity to accommodate larger vessels while improving service reliability and resilience. These investments support the Port's long-term growth objectives and ensure marine services continue to meet the needs of customers operating in an increasingly complex and dynamic shipping environment.

SECURING OUR OPERATING ENVIRONMENT

As Security Regulated Ports and operators of critical infrastructure, the Ports of Townsville and Lucinda maintain a comprehensive security framework designed to safeguard people, assets, information and operations. The Port operates in accordance with national and state legislative requirements and continues to work closely with government agencies, law enforcement authorities, customers and port users to maintain a secure operating environment.

Security relies not only on systems and technology, but also on strong partnerships and a culture of awareness. Through proactive engagement, information sharing and training, the Port continues to strengthen its ability to identify, assess and respond to potential security risks and emerging threats.

During 2025–26, the Port maintained compliance with all applicable maritime, security and critical infrastructure obligations and continued to invest in initiatives that enhance operational resilience.

PORT INFRASTRUCTURE PLANNING & DELIVERY

North Queensland is well placed to play a leading role in Australia's economic future, with opportunities emerging across critical minerals, mining and mineral processing, agriculture, renewable energy, transmission infrastructure and advanced manufacturing. Together, these industries are expected to drive significant investment, employment and economic growth across the region.

As Northern Australia's largest trade gateway, the Port of Townsville is investing in the infrastructure and planning required to support this growth. Through key projects and strategic development, the Port is helping unlock more than \$40 billion in proposed regional investment by providing essential import and export pathways that connect North Queensland industries to domestic and international markets, strengthen supply chains and support long-term regional prosperity.

DELIVERING MAJOR INFRASTRUCTURE PROJECTS

The Port completed the \$40 million East Port Cargo Precinct during the year, delivering a significant expansion of logistics, storage and cargo handling capacity. The project included the East Port Connection Road, a 14-hectare Dedicated Laydown Area and associated infrastructure designed to support oversized and heavy project cargo, including renewable energy components, major industrial equipment and future large-scale construction projects. The precinct strengthens the Port's ability to facilitate emerging industries, improve supply chain efficiency and support future trade growth across Northern Australia.

The Port also progressed a range of infrastructure initiatives aimed at supporting future trade growth and diversification. This included upgrades and planning activities across the Berth 3 container terminal precinct, enhancements to container handling capability and supporting infrastructure, and development of additional backing land to improve terminal efficiency and capacity. Together with investments supporting the continued growth of motor vehicle imports and transshipment trade, these projects are helping position the Port to capitalise on opportunities emerging across containerised freight, automotive logistics, project cargo, renewable fuels, and new mining and agricultural developments across the region.

ASSET STEWARDSHIP AND INFRASTRUCTURE RELIABILITY

Maintaining critical infrastructure is fundamental to safe, reliable and efficient port operations. During 2025-26, the Port continued to mature its asset management framework, strengthening the systems, processes and information that support long-term infrastructure planning, maintenance and investment decision-making. This included continued enhancement of enterprise asset information, lifecycle planning, asset condition assessment and risk-based investment prioritisation.

STRATEGIC LAND AND WATERFRONT DEVELOPMENT

Long-term planning remains critical to the Port's ability to support future industry demand while creating value for the community. During the year, the Port finalised the Townsville Waterfront Masterplan and supporting Asset Infrastructure Plan in collaboration with major waterfront landholders. The Port also completed the final works to secure HMAS Townsville at its permanent Ross Creek location and progressed delivery planning for public realm and transit corridor improvements that will enhance connectivity, accessibility and activation of the waterfront precinct.

PLANNING FOR LONG-TERM GROWTH

The Port continues to assess future trade demand, land use opportunities, logistics requirements and supply chain trends to ensure infrastructure investment remains aligned with customer needs and regional economic development. Importantly, the Port has secured both Commonwealth and Queensland Government environmental approvals for the Port Expansion Project, providing a clear pathway for future growth when required. These approvals position the Port to respond efficiently to increased trade demand and support the next generation of industrial, resources, renewable energy and defence opportunities emerging across Northern Australia.

With more than \$40 billion of proposed regional investment and increasing demand for trade infrastructure across Northern Australia, the Port is focused on ensuring the capacity, capability and resilience required to support future growth is available when needed. By continuing to plan, invest, maintain and deliver, the Port is building the infrastructure platform that will underpin regional prosperity, industrial development and Australia's economic resilience for decades to come.

PROJECT CARGO LAYDOWN PRECINCT

The \$40 million Cargo Laydown Precinct project completed in early 2026 provides infrastructure to support the Port of Townsville's future growth in project cargo, renewable energy and industrial supply chains. The project delivered a 14-hectare dedicated hardstand laydown area, the East Port Connection Road and associated road upgrades, creating a purpose-built logistics precinct capable of handling oversized and heavy cargo such as wind turbine components and major project equipment.

Constructed on reclaimed land within the East Port precinct, the development enhances cargo storage and transport capability, improves access for over-size, over-mass movements. It positions the Port to capture new trade opportunities associated with regional industrial, mining and renewable energy projects while supporting long-term port expansion and economic development in North Queensland.

DIGITISATION AND INNOVATION

Digital capability is a key enabler of the Port's long-term strategic objectives. During 2025–26, the Port continued to strengthen the technology, information and cyber security foundations that support safe, secure and efficient operations across the Ports of Townsville and Lucinda.

Guided by Port Vision 2050 and the Smart Port Strategy, investment during the year focused on improving organisational resilience, strengthening cyber security, enhancing digital capability and positioning the Port to leverage emerging technologies that support future growth.

CYBER SECURITY AND DIGITAL RESILIENCE

Protecting the Port's critical infrastructure, operational technology and information assets remains a key priority. During 2025–26, the Port further strengthened its cyber security capability through a range of initiatives designed to enhance network visibility, improve threat detection and support compliance with recognised industry standards.

Significant upgrades were completed to the Port's cyber security monitoring and threat detection capabilities, providing greater oversight of activity across the organisation's technology environment. Independent reviews and security assessments were also undertaken during the year, helping identify opportunities for improvement and further strengthen cyber resilience.

The Port successfully completed recertification against ISO 27001:2022, demonstrating its ongoing commitment to international best practice in information security management. To further enhance security capability, arrangements were finalised for the introduction of 24-hour security monitoring services, supporting rapid detection and response to emerging cyber threats.

CONNECTIVITY AND TECHNOLOGY INFRASTRUCTURE

Maintaining reliable and resilient technology infrastructure is essential to supporting safe and efficient port operations.

During the year, the Port delivered a number of improvements to its communications network and supporting infrastructure, including upgrades that provide greater redundancy and operational resilience across critical facilities. Investments were also made to modernise core technology infrastructure, reducing the risk of service interruptions and ensuring systems remain fit for purpose as the Port's digital capability continues to mature.

SMART PORT CAPABILITY

The Port continued to progress its Smart Port Strategy through investments in digital platforms, operational technology and data management capabilities.

During the year, enhanced geospatial information and mapping capability was established, supporting improved planning, asset management and operational decision-making. The Port also progressed the deployment of new digital monitoring technologies that will provide greater visibility of operational performance and asset condition across key infrastructure.

BUSINESS SYSTEMS AND INFORMATION

Following the successful implementation of the Port's Enterprise Resource Planning (ERP) platform, activities during 2025–26 focused on embedding capability, improving user adoption and maximising the long-term value of the investment.

A key priority was the development of internal capability to ensure the organisation can effectively manage and optimise the platform into the future. Cross-functional collaboration and knowledge-sharing initiatives helped strengthen organisational capability while reducing reliance on external service providers. In addition, the Port continued to enhance business processes and service delivery through greater utilisation of digital platforms to improve efficiency, responsiveness and governance capability.

Information is a strategic asset that supports effective decision-making, governance and risk management.

During the year, the Port strengthened its information governance framework through the development of an enterprise-wide information asset register, providing greater visibility and accountability for critical information holdings across the organisation.

This work supports improved risk management, regulatory compliance and information security while establishing stronger foundations for future digital initiatives.

EMPOWERING INNOVATION FROM WITHIN

Ongoing continuous improvement and innovation initiatives strengthened internal capability and supported the optimisation of business processes across the organisation.

- **Process Mapping and Engineering:**
Targeted process mapping and re-engineering activities were undertaken across key functions to improve efficiency, standardise workflows, and reduce operational risk. These efforts enhanced clarity of roles and responsibilities, minimised duplication, and established a strong foundation for system-enabled optimisation.
- **Geospatial Information Systems (GIS) and Digital Mapping:**
Enhanced GIS capability supported improved digital mapping and spatial analysis, enabling more informed planning, asset management, and operational decision-making across the Port.
- **Artificial Intelligence – Foundational Capability Development:**
The Port introduced initial, enterprise-supported artificial intelligence tools to support productivity and insight generation. This represents an early step in building organisational capability, with a focus on safe, responsible use, and practical application. Foundational awareness and upskilling activities were undertaken to support employees to effectively partner with these tools, establishing a strong base for future capability uplift.

These initiatives are helping to build a smarter, safer, and more agile Port, driven from the ground up.

PLANET INITIATIVES

The Port is committed to responsible environmental stewardship and recognises that the long-term success of our operations is closely linked to the health and resilience of the natural environment.

Operating within the Great Barrier Reef World Heritage Area, we play an important role in balancing economic development with environmental protection. Through careful planning, scientific monitoring and targeted environmental initiatives, we continue to support sustainable trade while protecting the ecosystems and waterways that make North Queensland unique.

Our environmental management approach is guided by a certified Environmental Management System aligned with ISO 14001:2015, providing a structured framework for environmental risk management, compliance and continual improvement.

During 2025–26, the Port continued to invest in environmental initiatives that support climate resilience, healthy waterways, biodiversity protection and responsible resource management.

PROTECTING WATERWAYS AND MARINE ECOSYSTEMS

Healthy waterways are fundamental to the environmental, social and economic wellbeing of North Queensland.

The Port continued its long-standing support of the Healthy Waters Partnership for the Dry Tropics, contributing environmental data and expertise to help improve understanding of regional waterway health and inform future management actions.

Our commitment to protecting waterways extends beyond compliance. Through targeted litter management and collection programs, approximately 10,000 litter items were removed from the environment during 2025–26. Since 2021, more than 57,000 items have been prevented from entering local waterways and marine ecosystems.

By working collaboratively with government agencies, researchers and community organisations, the Port continues to support the long-term health of the region's waterways and coastal environments.

SUPPORTING GREAT BARRIER REEF HEALTH

The Port continues to contribute to scientific programs that improve understanding of ecosystem health within Cleveland Bay and the broader Great Barrier Reef region.

For more than 18 years, the Port has partnered with James Cook University's TropWATER program to monitor seagrass meadows in Cleveland Bay. Seagrass is a critical indicator of marine ecosystem health and provides important habitat and food sources for species including turtles and dugongs.

While environmental conditions continue to present challenges across the region, the monitoring program provides valuable long-term data that supports environmental management, scientific research and informed decision-making.

This commitment to science-based monitoring helps ensure environmental outcomes are measured, understood and continuously improved over time.

RESPONSIBLE DREDGING AND PORT OPERATIONS

Maintenance dredging is an essential activity that supports the safe and efficient operation of the Port's navigation channels and marine infrastructure.

During 2025–26, routine maintenance dredging was undertaken in accordance with strict environmental approvals and operational requirements. The Port also progressed the technical studies and environmental assessments necessary to support future regulatory approvals.

Our approach is founded on rigorous environmental monitoring, transparent reporting and ongoing engagement with regulators and stakeholders to ensure dredging activities are managed responsibly and sustainably.

CLIMATE RESILIENCE AND OPERATIONAL EFFICIENCY

The Port continues to take practical action to improve energy efficiency, reduce emissions and strengthen resilience to changing environmental conditions.

During the year, energy efficiency upgrades were delivered across operational areas, including improvements to lighting infrastructure and expanded monitoring of electricity consumption. These initiatives provide greater visibility of energy use and support more informed decision-making across the organisation.

The Port also continued to invest in technology that improves the performance and efficiency of marine operations. Enhanced operational data and analytics are helping optimise vessel utilisation, improve maintenance planning and identify opportunities to reduce fuel consumption and emissions over time.

RESTORING LANDSCAPES AND REDUCING SEDIMENT

The Port continues to support initiatives that improve environmental outcomes beyond its operational boundaries. During 2025–26, the Gumlow South sediment reduction project reached a significant milestone, with construction works completed and the project transitioning into its long-term maintenance phase.

Delivered in partnership with environmental specialists and regional stakeholders, the project is expected to prevent significant volumes of sediment entering local waterways and the Great Barrier Reef over coming decades while supporting biodiversity outcomes through habitat restoration.

This initiative demonstrates the Port's commitment to supporting practical, science-based environmental improvements that contribute to healthier catchments and reef ecosystems.

ENVIRONMENTAL COMPLIANCE AND TRANSPARENCY

Environmental stewardship is embedded across all Port activities through a comprehensive framework of legislation, approvals and licence conditions. This framework ensures operations undertaken by the Port, its tenants, lessees and contractors are conducted responsibly and in accordance with environmental and statutory requirements.

MONITORING IN ACTION

Comprehensive environmental monitoring program are in place across the Port of Townsville and surrounding areas to assess environmental performance and support regulatory compliance. Several monitoring programs provide real-time data through publicly available online dashboards, promoting transparency and community confidence. Routine monitoring includes:

- Air quality monitoring from three fixed stations (Coast Guard, Lennon Drive, Environmental Park)
- Groundwater, stormwater, marine water and sediment sampling
- Real time public dashboards that communicate key environmental indicators

During 2025–26, the annual rolling average for lead remained below guideline levels at all monitoring locations. One exceedance of the 24-hour lead investigation threshold triggered further assessment and statutory reporting by Port operators. Additionally, one monthly insoluble matter result required statutory reporting by Port customers and operators. These responses demonstrate the effectiveness of the Port's monitoring framework and its commitment to proactive environmental management, regulatory compliance and continuous improvement.

INCIDENT REPORTING

One marine fauna incident and two potable water events were reported to regulators during the 2025-26 reporting period.

A green turtle was found deceased in a weir box. The incident was reported to the Department of the Environment, Tourism, Science and Innovation's marine stranding hotline and the Port completed the required removal and marine stranding documentation, in line with statutory reporting obligations.

Two potable water events were also investigated. In the first, a Port tenant identified a potential contaminant while undertaking works on their site. The Port conducted additional testing across the drinking-water network, with all results confirming no detection. The investigation was reported to the regulator, which confirmed no further action was required.

In the second event, routine monitoring identified a low-level result in the main supply to the Port. Additional sampling was undertaken across the network and all results were provided to the regulator.

PROTECTING OUR BORDERS

Marine Pest Surveillance

Participation in the Queensland Seaport eDNA Surveillance (Q-SEAS) program continued during 2025–26, enhancing the Port's biosecurity capability through the early detection of invasive marine species and supporting the long-term health of marine ecosystems. The program uses environmental DNA technology to detect invasive marine species and prevent their establishment and spread.

Bee Pest Monitoring

The Port continued its partnership with Biosecurity Queensland to support early detection and prevention of Varroa mite, a significant threat to bee populations and pollination services. Through this collaboration, BeeRight AI monitoring technology was deployed at the Port's onsite hive, with no Varroa mite was detected during the reporting period.

The Port also participated in a Department of Primary Industries tour highlighting bee health innovation and Varroa mite prevention initiatives in Townsville.

Mosquito Management

Mosquito control activities continued in the areas behind the berths, supporting national biosecurity efforts to limit the movement of native and invasive mosquito species via shipping pathways. Delivered in close collaboration with the Department of Fisheries and Forestry, the program has been effective in preventing invasive mosquito incursions.

COMMUNITY

- Strong communities are essential to a successful and sustainable port.

For more than 160 years, the Port of Townsville has played a vital role in supporting the prosperity and wellbeing of North Queensland, creating lasting economic, social and environmental value for the region. As a modern city-port, the Port actively contributes to vibrant and connected communities through meaningful engagement, strategic investment and trusted partnerships with customers, Traditional Owners, neighbouring communities and regional stakeholders.

COMMUNITY INITIATIVES

MARITIME MUSEUM OF TOWNSVILLE

The Port continued its support of the Maritime Museum of Townsville in 2025-26, recognising the importance of preserving and sharing the region's rich maritime history.

The Port's contribution helps to maintain a strong connection between the Port, the community, and the legacy of trade, exploration and industry that has shaped North Queensland. The Port's support for the Museum enables greater community access to local maritime heritage and reinforces the Port's longstanding role in the region's development.

COMMUNITY LIAISON GROUP (CLG)

The Port facilitated quarterly meetings of its Community Liaison Group (CLG), providing a structured forum for ongoing engagement with key stakeholders including residents, community representatives, and interest groups.

The CLG serves as an important channel for transparent, two-way communication between the Port and the community on matters such as operations, development projects and environmental management. Feedback and insights gathered through the group help inform decision-making, strengthen stakeholder relationships and support the Port's commitment to continuous improvement.

URBAN INTERFACE

The Port finalised the Townsville Waterfront Masterplan and supporting Asset Infrastructure Plan together with other major waterfront land holders in December 2025.

The Port, working with the Maritime Museum of Townsville, has completed the final works to secure the HMAS Townsville at the display site on Ross Creek. The Port has finalised design and awarded the construction contract for phase 1 of the transit corridor and public realm upgrades along Ross Street – starting at the HMAS Townsville display site. On-site construction will commence in July 2026 and continue over an anticipated 12-week program.

The transit corridor enhancements will not only ensure improved safety but also provide a place for the community and cruise visitors to connect with the Port and HMAS Townsville's heritage. This delivers on the Port's commitment to create vibrant and accessible waterfront destinations. To date, the Port has received positive support for the project from surrounding businesses, residents, and the broader community.

COMMUNITY BBQ

The Port's fifth annual Community BBQ Breakfast provided an informal and accessible forum for engagement with neighbouring South Townsville residents and stakeholders. The free event included a barbecue breakfast (cooked by members of the Townsville South State School P&C), jumping castle, face painting, and Port tours.

The initiative provides an opportunity for open conversation in a relaxed, local setting, allowing Port representatives to share information about current activities and future developments, while also listening to community feedback.

PORT TOURS

Port tours continued to play an important role in building community understanding of the Port's operations, infrastructure and contribution to the regional economy. By welcoming schools, community groups, stakeholders and industry partners, the Port provides firsthand insights into its activities, safety practices and future development plans.

RECONCILIATION

RECONCILIATION ACTION PLAN (RAP)

The Port of Townsville is committed to advancing reconciliation through meaningful engagement, strengthened partnerships and a growing understanding of Aboriginal and Torres Strait Islander cultures, histories and contributions.

During 2025-26, this commitment was supported through various cultural awareness initiatives and ongoing guidance from the RAP Working Group.

While the Port's Reflect RAP represents the first stage of a longer journey, it has established a strong foundation for continued progress.

The Port remains committed to listening, learning and working in partnership with Aboriginal and Torres Strait Islander peoples to contribute to a more inclusive, connected and respectful community.

CULTURAL AWARENESS TRAINING

Two cultural awareness workshops were delivered in January and June 2026 to support new employees in understanding the cultural responsibilities of First Nations employees and stakeholders. This training forms a key action under both the Port's Reconciliation Action Plan and the Port's Diversity, Equity and Inclusion Strategy.

NATIONAL RECONCILIATION WEEK AND NAIDOC WEEK

The Port of Townsville recognises National Reconciliation Week (NRW) and NAIDOC Week as important opportunities to celebrate Aboriginal and Torres Strait Islander cultures, histories and contributions.

In July 2025, employees gathered for a NAIDOC Week breakfast featuring guest speaker Krissy Regan, CEO of Set to Succeed, an organisation that received funding through the Port's 2025 Community Fund.

The Port's all-staff National Reconciliation Week lunch was attended by representatives from NQ Dry Tropics and TAFE Queensland. Reflecting the Port's commitment to collaborating with like-minded organisations, members of the RAP Working Group also attended National Reconciliation Week events hosted by both of these organisations. The engagements fostered knowledge sharing, strengthened relationships and supported the Port's ongoing commitment to reconciliation.

PARTNERSHIPS, SPONSORSHIPS AND COMMUNITY SUPPORT

The Port remains committed to fostering strong connections with the community and industry through strategic partnerships, sponsorships, memberships and targeted investment. Throughout the year, support was provided to initiatives that advance education, innovation, culture, sustainability and regional development.

The annual Community Fund remained a cornerstone of the Port's commitment, with \$50,000 allocated to community organisations and projects across the region. Enhanced governance arrangements and a revised funding model were introduced to support a broader and more equitable distribution of funding, while maintaining a focus on long-term community benefit. Funding supported a range of grassroots initiatives spanning community safety, environmental sustainability, youth development, mental health and social inclusion, helping to strengthen regional resilience and wellbeing.

Beyond the Community Fund, the Port maintained partnerships with key organisations and industry bodies, while supporting local events, programs and educational opportunities through sponsorships and donations. This included sponsorship of the VP80 Sky Salute, a tribute to World War II veterans held in Townsville as party of the city's VP80 commemorations.

Stakeholder engagement remained a priority, with the annual Stakeholder Breakfast, held in February 2026, bringing together representatives from government, industry, the supply chain and members of the Port's Board to discuss strategic priorities, major projects and future opportunities. The Port also participated in Meet the Buyer events to connect local businesses with procurement opportunities, supporting regional capability and economic development.

Together, these initiatives reflect the Port's role as a trusted community and industry partner, creating shared value and supporting North Queensland's long-term prosperity.

The Port of Townsville did not hold any corporate or hospitality events during 2025-26 that cost more than \$5,000.

COMMUNITY SERVICE OBLIGATIONS

No Community Service Obligation payments were received from the Queensland Government this financial year.

PEOPLE

- Our people are central to everything we do.

The Port's success is built on the capability, commitment and expertise of its people.

As the organisation continues to grow and evolve, our focus remains on attracting, developing and retaining a highly skilled workforce capable of supporting the long-term needs of North Queensland's largest trade gateway.

Guided by our People Strategy, Diversity, Equity and Inclusion Strategy, and Reconciliation Action Plan, we are committed to creating a workplace where our people feel safe, valued and empowered to contribute. Through investment in capability, leadership, wellbeing and culture, we continue to strengthen our workforce and position the Port for future success.

During 2025-26, we made significant progress in developing organisational capability, fostering an inclusive and high-performing culture, and equipping our people with the skills required to support a changing operating environment.

BUILDING A MODERN CONNECTED TEAM

DIVERSE ROLES SUPPORTING A DYNAMIC PORT

In line with sustainable people management, the Port is focused on upskilling and enhancing the capability of its current workforce. This ensures our people remain equipped to drive innovation, support growth and embed smart technologies.

NUMBER OF EMPLOYEES

FINANCIAL YEAR	NUMBER OF EMPLOYEES
2020-21	151
2021-22	154
2022-23	162
2023-24	183
2024-25	195
2025-26	196

AGE PROFILE OF WORKFORCE

AGE GROUP	% OF WORKFORCE
17-29	6.6%
30-39	15.8%
40-49	26.5%
50-59	30.6%
60-69	17.3%
70+	3.1%
Total	100%

TENURE PROFILE OF WORKFORCE

LENGTH OF SERVICE	EMPLOYEES	% OF WORKFORCE
< 1 year	43	21.5%
1-5 years	86	43.0%
5-10 years	32	16.0%
10-15 years	12	6.0%
15-20 years	13	6.5%
20-25 years	2	1.0%
25+ years	12	6.0%
Total	200	100%

EMBEDDED IN NORTH QUEENSLAND

- Over 96% of staff live in North Queensland.
- Sustaining a workforce that is stable, capable and strongly connected to North Queensland's identity and future.
- Fostering a culture where employees are personally invested in the Port's success and the economic and social wellbeing of the region.

BALANCING EXPERIENCE WITH FRESH PERSPECTIVES

- 51% of employees are over 50, bringing deep operational and technical expertise and leadership.
- 16.41% of employees joined the Port in 2025-26, reflecting growth and new perspectives.
- Promoting a collaborative culture with a strong focus on knowledge sharing.

EMPLOYEE VALUE PROPOSITION: A FOUNDATION FOR ENGAGEMENT

The Port continues to strengthen its Employee Value Proposition (EVP), building on the experiences, opportunities and support that make it a rewarding place to work.

The EVP reflects the reasons employees choose to join, stay and grow their careers with the Port, shaping a workplace where people feel valued, connected and empowered to make a meaningful contribution to regional prosperity.

Underpinned by purposeful work, regional pride, and opportunities for professional and personal development, the EVP is supported by a culture that prioritises wellbeing, inclusion and collaboration.

As the Port continues to evolve its employee experience, the EVP remains central to attracting, developing and retaining talented employees, while reinforcing the Port's position as an employer of choice in North Queensland.

AN INCLUSIVE, HIGH PERFORMANCE CULTURE

EMBEDDING DIVERSITY, EQUITY AND INCLUSION (DEI)

During 2025–26, Diversity, Equity and Inclusion (DEI) progress remained steady and meaningful across key workforce indicators, with clearer evidence that recent initiatives are translating into measurable outcomes. Improvements are visible in workforce representation, recruitment balance, leadership participation, and access to development opportunities.

Employees with a disability:	2.5%
Employees identifying as First Nations:	3%
Employees from culturally or linguistically diverse backgrounds:	16%

While progress continues to develop at different rates across the organisation, the overall results demonstrate the impact of targeted DEI actions implemented in recent years and highlight the growing integration of sustainable, measurable DEI outcomes across the Port. This trajectory reinforces the Port’s commitment to inclusive workforce practices and reinforces the Port’s commitment to building an inclusive and high-performing workforce.

DEVELOPING ADAPTIVE AND PEOPLE-CENTRED LEADERS

In response to the evolving demands of leadership, the Port strengthened its Leadership Development Framework to ensure leaders are equipped to foster psychological safety, effectively lead change, and build inclusive, high-trust teams.

During the reporting period, all people leaders completed mandatory coaching and leadership development programs, supported by peer mentoring and practical learning sessions. This initiative focused on enhancing leaders’ understanding of legislative and regulatory obligations, building on the previous year’s emphasis on human-centred leadership.

DEVELOPING TALENT & FUTURE-READY SKILLS

Throughout 2025–26, the Port continued to invest in workforce capability through targeted learning and development initiatives, ensuring employees are well equipped to meet evolving operational and industry needs.

- Over 44 days of formal, instructor-led training was delivered, focusing on key areas such as:
- Psychological wellbeing and resilience;
 - Change leadership and organisational effectiveness;
 - Cultural capability and reconciliation;
 - Technical operations training; and
 - Emergency preparedness and response.

- Complementing the Port’s instructor-led programs, online training was delivered across these areas:
- Respectful and resilient teams;
 - Building inclusive and culturally safe teams; and
 - Interpersonal skills and workplace relationships.

Access to personal learning has been expanded, incorporating one-on-one coaching, peer mentoring, and cross-functional knowledge-sharing opportunities. This blended approach ensures development is not only targeted and relevant but increasingly embedded in day-to-day practice across the organisation.

STRATEGIC WORKFORCE CAPABILITY PLANNING

Over the past year, the Port has strengthened its strategic workforce planning by undertaking a series of coordinated actions designed to align workforce capability with future operational needs. This has included comprehensive workforce data analysis to identify emerging risks and capability gaps, updated workforce forecasting to reflect changing demand and refreshed role-criticality, and succession assessments.

Engagement with leaders across the Port has ensured workforce insights are embedded into operational planning, while strengthened reporting has improved visibility of key workforce trends. Collectively, these actions have positioned the Port to better anticipate future workforce requirements and respond proactively to shifting operational and industry conditions.

GENDER EQUITY

The Port is committed to advancing gender equity as a core component of a fair, inclusive and high-performing workforce. The Port’s focus is on creating equitable access supported by workplace practices and policies.

Total female representation:	44.61%
Leadership:	42%
Executive Leadership:	66%

- The Port’s inclusive culture is reflected in the 2025-26 Employee Engagement Survey results:
- 83% of employees reported satisfaction working at the Port
 - 90% agreed the Port provides flexibility and supports work/life balance
 - 73% felt the Port fosters an inclusive and respectful workplace

These outcomes affirm the Port’s commitment to equity, reconciliation, and inclusion, creating a culture where everyone feels seen, heard, and empowered to succeed.

GROWING THE TALENT PIPELINE

The Port has strengthened its talent pipelines over the past year through targeted early-career programs, refreshed partnerships with education and training providers, and refined recruitment strategies to reach under-represented groups and priority skills areas. Enhanced employer branding and proactive sourcing have supported external attraction, while internally expanded succession and capability development. Leadership development has helped to retain and grow existing talent. These actions collectively reinforce workforce stability and ensure strong, reliable pipelines for critical roles.

In 2025-26, 70% of employees reported feeling supported in their growth, a reflection of the culture of learning being built across the organisation (+4% growth from July 2025).

OUR SAFETY

The Port is committed to providing a safe, healthy and secure workplace for employees, contractors, customers and visitors. Safety is a core organisational value and underpins every aspect of our operations, from marine services and cargo handling to infrastructure delivery and corporate activities.

Our approach to safety extends beyond compliance. We are committed to fostering a culture where safety is embedded in decision-making, risk management and everyday behaviours, ensuring every person who enters our workplaces returns home safely.

During 2025–26, the Port continued to strengthen its safety systems, leadership capability and workforce engagement, delivering significant improvements in safety performance and reinforcing our commitment to continuous improvement.

STRENGTHENING OUR SAFETY MANAGEMENT SYSTEM

A strong safety culture is supported by robust systems, clear accountability and active workforce participation. During the year, the Port successfully achieved recertification of its Safety Management System to ISO 45001, demonstrating alignment with internationally recognised standards for occupational health and safety management.

The recertification process included the implementation of updated safety procedures and processes across the organisation. A comprehensive communication and consultation program ensured employees and leaders were actively engaged throughout the transition, strengthening understanding of safety responsibilities and reinforcing a consistent approach to risk management.

These initiatives further enhanced the effectiveness of the Port's safety framework and support the delivery of safe, reliable and sustainable operations.

MANAGING CRITICAL RISKS

The Port continued to focus on the proactive management of critical risks associated with its operations.

During 2025–26, Critical Control Verification processes were introduced to strengthen assurance activities across high-risk work areas. These processes provide leaders with a structured approach for confirming that critical risk controls are in place and operating effectively.

The introduction of Critical Control Verification has strengthened field leadership engagement and supported more meaningful conversations about risk in the workplace. By focusing on activities with the greatest potential consequence, the Port has enhanced its ability to identify emerging risks, address control gaps and reinforce accountability at all levels of the organisation.

A PEOPLE-FIRST APPROACH TO SAFETY

At the centre of the Port's safety philosophy is a commitment to supporting the wellbeing of our people.

Throughout the year, the Port continued to strengthen its people-centred approach to injury management and rehabilitation. Employees are provided with tailored support that recognises individual circumstances and promotes positive recovery outcomes, whether an injury occurs within or outside the workplace.

Early intervention and active engagement remain key elements of this approach. Dedicated support is provided throughout the recovery process to ensure employees receive appropriate assistance and can safely and sustainably return to work.

By focusing on both prevention and recovery, the Port continues to foster a workplace culture built on care, trust and shared responsibility.

The Port recorded strong safety outcomes during 2025–26, reflecting the collective efforts of employees, leaders and contractors to maintain safe workplaces and continuously improve safety performance.

Most notably, the Port achieved zero Lost Time Injuries during the reporting period, resulting in a Lost Time Injury Frequency Rate of zero. The Total Recordable Injury Frequency Rate also improved significantly compared with previous years. These results demonstrate the effectiveness of the Port's continued investment in safety leadership, risk management and workforce engagement initiatives.

While encouraged by these outcomes, the Port remains committed to continuous improvement and recognises that maintaining a strong safety culture requires ongoing vigilance, learning and leadership.

HEALTH AND SAFETY STATISTICS

Following the significant reduction in injury frequency rates achieved during 2025–26, the Port will continue to focus on critical risk management, leadership capability, workforce wellbeing and proactive hazard identification. These efforts will support our objective of creating a safe, high-performing workplace where everyone is empowered to contribute to positive safety outcomes.

HEALTH AND SAFETY STATISTICS	2023-24	2024-25	2025-26
Total number of events reported (includes incidents & near miss)	67	58	66
Number of Lost Time Injuries	3	5	0
Number of Recordable Injuries (includes Lost Time Injuries)	5	6	2
Lost Time Injury Frequency Rate (LTIFR)	9.3	12.7	0
Total Recordable Injury Frequency Rate (TRIFR)	15	15	5
Random Drug and Alcohol tests completed	69	162	181

RETURN TO WORK AND REHABILITATION

The Port remains committed to supporting employees through effective rehabilitation and return-to-work practices.

In accordance with legislative requirements, structured return-to-work programs are developed in partnership with employees, healthcare providers and leaders to support safe and sustainable workplace reintegration. Programs are tailored to individual circumstances and regularly reviewed to ensure they remain aligned to recovery goals and medical advice. This collaborative approach supports employee wellbeing, promotes positive recovery outcomes and reinforces the Port’s broader commitment to caring for its people.

By integrating safety, wellbeing and rehabilitation into a unified approach, the Port continues to strengthen its safety culture and support a healthy, resilient and engaged workforce.

CORPORATE GOVERNANCE AND RISK MANAGEMENT

BOARD OF DIRECTORS

The Port's Board of Directors comprises six non-executive Directors as at 30 June 2026 who were appointed by the Governor in Council in accordance with the *Government Owned Corporations Act 1993* (Qld) (GOC Act). Directors' names and tenure details during the 2025-26 financial year are shown below:

NAME	ROLE	CURRENT APPOINTMENT TERM
Mr Peter Court	Chairperson	1 October 2025 – 31 May 2029
Ms Connie Navarro	Director	1 October 2023 – 30 September 2027 (Initial term: 1 October 2020 – 30 September 2023)
Ms Carla Polson	Director	2 October 2025 – 31 May 2029
Mr Scott Stewart	Director	2 October 2025 – 31 May 2029
Mr Stephen Motti	Director	2 October 2025 – 31 May 2029
Ms Heidi Turner	Director	1 October 2025 – 31 May 2029
Ms Ann Sherry AO	Chairperson	1 October 2021 – 30 September 2025
Mr Ben Kidston	Director	2 October 2025 – 31 May 2029 *
Ms Vanessa (Fernandes) Sullivan	Director	13 October 2022 - 30 September 2025
Mr David Waters	Director	1 October 2023 – 30 September 2027 †
Ms Jody Currie	Director	1 October 2023 – 30 September 2027 #
Mr John Lee	Director	1 October 2023 – 30 September 2027 #
Ms Danielle O'Toole	Director	1 June 2024 – 31 May 2028 #

* Ceased on 30 October 2025

† Ceased on 25 September 2025

Ceased on 2 October 2025

The Port's Directors are paid fees for their services, set by shareholding Ministers. The payment of fees is in line with the Department of the Premier and Cabinet approved Remuneration procedures for part-time Chairs and Members of Queensland Government Bodies. In accordance with the disclosure requirements for GOCs, details of Directors' remuneration for the reporting period are located on page 73 and 74 of this report.

BOARD COMMITTEES

The Port has three Board Committees that report to the Board, namely:

1. Audit and Risk Committee

During the 2025-2026 financial year, Committee membership was as follows:

From 1 July 2025:

Chairperson – Ms Vanessa (Fernandes) Sullivan

Members – Ms Danielle O'Toole and Ms Connie Navarro

From 10 November 2025:

Chairperson – Mr Stephen Motti

Members – Ms Connie Navarro, Ms Carla Polson and Ms Heidi Turner

The primary objective of the Audit and Risk Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities in respect to the quality and integrity of financial reporting, the performance of the external audit, effectiveness and objectivity of the internal audit plan, and oversight of the internal control system for financial reporting, accounting records, business risks and compliance activities.

2. Sustainability Committee *(Effective 1 January 2024)*

During the 2025-2026 financial year, Committee membership was as follows:

From 1 July 2025:

Chairperson – Mr David Waters

Members – Ms Jody Currie and Ms Vanessa (Fernandes) Sullivan

From 10 November 2025:

Chairperson – Mr Scott Stewart

Members – Mr Stephen Motti, Ms Heidi Turner and Mr Peter Court

The primary objective of the Sustainability Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities for sustainability and ensuring frameworks, policies, practices and targets are aligned with the Port's goal of being a sustainable organisation for the long-term and aligned with the Queensland Government's Sustainability Reporting requirements. This encompasses governance of board and executive functions, people and culture, safety and security, environment, community engagement and social responsibility.

3. Strategy, Innovation and Development Committee *(Effective 1 January 2024)*

During the 2025-2026 financial year, Committee membership was as follows:

From 1 July 2025:

Chairperson – Ms Connie Navarro

Members – Ms Ann Sherry AO and Mr John Lee

From 10 November 2025:

Chairperson – Ms Connie Navarro

Members – Mr Scott Stewart, Ms Carla Polson and Mr Peter Court

The primary objective of the Committee is to assist the Board in fulfilling its corporate governance and oversight responsibilities by reviewing and providing advice in respect to the Port's strategy, innovation and development frameworks.

The qualifications of Directors on each Board Committee are detailed on page 12 of this report. Board Committee Charters can be viewed on the Port's website.

BOARD EVALUATIONS

Performance evaluations of the Chief Executive Officer and senior executives occurred during the financial year. Performance evaluations were conducted in accordance with the Queensland Government Policy for Government Owned Corporation Chief and Senior Executive Employment Arrangements and key performance criteria approved by the Board.

The Port has in place a corporate governance framework which provides for regular Board evaluations in accordance with the Port's Performance Review Framework.

This review process enables the Board to review individual and whole-of-board performance against duties and responsibilities with a view to focusing on key performance objectives and identifying areas for improvement.

The Chairperson also continuously monitors the performance of individual Directors, the Board and Board sub-committees. The evaluation process focuses on:

- individual Director and collective Board knowledge, experience and performance;
- whether governance and compliance obligations are understood and are being met;
- how well the key indicators and reporting processes have helped the Board in its monitoring role;
- the quality and effectiveness of Board and management relationships; and
- Board processes and efficiency.

Due to significant Board renewal towards the middle of this financial year a performance review of the new Board was not undertaken, however, a new skills matrix was completed and new Board members completed AICD Company Directors qualifications.

The Board may, from time to time, seek an independent appraisal of its performance if it is deemed an independent review would facilitate a more effective evaluation process.

DIRECTOR INDEPENDENCE

The Board has adopted a Disclosure of Interests Policy to ensure the independence of Directors is appropriately assessed and any potential conflicts are identified, disclosed and managed.

The Board has also adopted an Insider Trading Policy which ensures that Directors, senior executives, and employees do not use inside information acquired through their position in the Port to deal in securities or gain personal benefit. This includes trading through a family member or through a trust or company over which a director, senior executive or employee has influence and control.

Directors are required to disclose any direct or indirect interest they have at the commencement of their appointment as a director by submitting a Statement of Interests Form to the Chairperson or Chief Executive Officer as appropriate.

In accordance with the requirements of the Corporations Act 2001 (Cth), if a Director has a direct or indirect interest in a matter being considered, or about to be considered by the Board, the Director is also required to disclose the nature of the interest to the Board as soon as practicable after the relevant facts come to the Director's knowledge.

The Board also regularly assesses the ongoing independence of each Director and the Board, generally to ensure they continue to exercise unfettered and independent judgment. This ensures the interests of the shareholding Ministers and the public are properly protected and that individual vested interests do not have the opportunity to influence decision-making against the interests of the Port as a whole.

The assessment of the independence of a Director, including materiality thresholds, is a matter for the Board to determine on a case-by-case basis from the perspective of both the Port and the relevant Director, having regard to the Director's individual circumstances. The Board has arrangements in place for determining materiality thresholds and for assessing a Director's independence in light of interests disclosed by them.

It is considered by the Board that none of the Directors' interests disclosed during the reporting period interfered with the ability of those Directors to act in the Port's best interests.

On this basis, all members of the Board are considered to be independent.

Disclosure at a meeting of the Board is further dealt with in the Port's Disclosure of Interests Policy found under the Corporate Governance section of the Port's website.

INDEPENDENT ADVICE

Directors are permitted, after discussion with the Chairperson and Chief Executive Officer, to obtain independent professional advice at the Port's expense should they have concerns in relation to a particular issue being considered by the Board. Such advice, once obtained, is made available to all other Directors.

SHAREHOLDING MINISTERS

For the 2025-26 reporting period, the Port's shareholding Ministers were:

- the Honourable Rosslyn Bates, MP – Minister for Finance, Trade, Employment and Training; and
- the Honourable Brent Mickelberg, MP – Minister for Transport and Main Roads.

The Port's shareholding Ministers are also identified as Key Management Personnel (KMP). All Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. 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 KMP of the Queensland Government, aggregate remuneration expenses for all Ministers are disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

The Port is required by the GOC Act to develop a five-year Corporate Plan and an annual Statement of Corporate Intent (SCI) (including an annual Employment and Industrial Relations Plan), which are submitted to shareholding Ministers for approval prior to the commencement of each financial year.

Business performance reports are provided to the Board and shareholding Ministers on a quarterly and annual basis so the Port's performance against agreed targets can be monitored. Moreover, the annual reports are published so the Port's performance can be communicated to external stakeholders. This annual report provides an overview of the Port's performance against its SCI for the 2025-26 reporting period.

DIVIDEND POLICY

The GOC Act requires the Board to recommend the payment of a dividend. The Port's dividend policy considers the return its shareholders expect on their investment.

Provision is made for the amount of any dividend, being appropriately determined or recommended by Directors, on or before the end of the financial year but not distributed at balance date. Directors recommended payment of a final dividend for 2025-26 of 100% (2024-25: 100%) of net profit after tax, excluding the effects of asset revaluations. The final dividend for 2025-26 amounts to \$11,268,230 (2024-25: \$15,266,517).

RISK MANAGEMENT

The Port maintains an Enterprise Risk Management Framework aligned with AS ISO 31000:2018, providing a structured approach to identifying, assessing and managing risk across the organisation.

The Audit and Risk Committee monitors and provides oversight of the effectiveness of the Port's risk management and internal control environment, while the Board regularly reviews material strategic, operational, financial and compliance risks. Management provides ongoing reporting to ensure emerging risks, controls and mitigation strategies are appropriately monitored and addressed.

Maintaining strong governance and assurance processes remains a priority, particularly as the organisation continues to invest in major projects and business transformation initiatives. During the year, the Port continued implementation of its Enterprise Resource Planning (ERP) system, supported by independent project assurance from Scyne Advisory to provide additional oversight commensurate with the scale and complexity of the program.

The Port's financial statements and reporting processes are prepared in accordance with applicable legislative and accounting requirements. The Audit and Risk Committee oversees the integrity of financial reporting, the effectiveness of internal controls and the performance of the internal audit function.

An independent internal audit program provides additional assurance over the effectiveness of governance, risk management and key business processes. During the reporting period, reviews were undertaken in the areas of strategic workforce planning, corporate governance, enterprise risk management and ERP implementation.

Management continues to address audit observations and improvement opportunities identified through these reviews. Progress against agreed actions is monitored by the Audit and Risk Committee to ensure continuous improvement and accountability across the organisation.

The Queensland Audit Office performs the Port's external audit function, providing independent assurance over the Port's financial statements and reporting obligations as a Government Owned Corporation.

BUSINESS MANAGEMENT SYSTEMS

The Port maintained external certification of its integrated management system during the reporting period, which includes Quality (ISO 9001), Information Security (ISO 27001), Occupational Health and Safety (ISO 45001) and Environment (ISO 14001).

CLIMATE-RELATED FINANCIAL DISCLOSURES

The Port has commenced preparations for compliance with the Australian Sustainability Reporting Standards, including AASB S2 Climate-related Disclosures. As a Group 3 reporting entity, the Port has assessed its reporting obligations, completed an initial gap analysis, and established a phased readiness program focused on governance, climate risk assessment, emissions data management, scenario analysis and assurance readiness. Work is being integrated into existing risk management, asset management and financial reporting processes to support future climate-related financial disclosures and ensure timely compliance with legislative requirements.

MODERN SLAVERY

The Port continued to enhance its governance framework for identifying and managing modern slavery risks across its operations and supply chains. During the year, key initiatives included strengthening procurement controls, embedding modern slavery requirements within supplier contracts, progressing a confidential Speak Up reporting mechanism, and increasing organisational awareness of modern slavery obligations. These actions reflect the Port's commitment to responsible business practices, ethical sourcing and continuous improvement in managing human rights risks.

PRIVACY

The Port has an approved Privacy Policy and Plan consistent with the Privacy Act 1988 (Cth). The Privacy Plan is communicated and accessible to all employees and the Privacy Policy is also available on the Port's website. The Port did not have any privacy data breaches during the reporting period.

RELEASE OF INFORMATION

The Right to Information and Information Privacy regime requires GOCs to provide greater proactive and routine disclosure of information to the public and gives individuals the right to apply for access to information held by GOCs. Consistent with the legislation, the Port has a publication scheme and disclosure log on its website which outlines a number of policies and procedures publicly available and requests for information. This information is located on the Port's website.

The Port processed one Right to Information application in October 2025.

PUBLIC INTEREST DISCLOSURES

The Port has a Public Interest Disclosure Policy and a Whistleblower Policy, which set out mechanisms for reporting, investigating, and providing protection in regard to public interest disclosures or whistleblower reports. These policies are available on the Port's website.

The Port did not receive any reports that met the threshold for a Public Interest Disclosure under the *Public Interest Disclosure Act* (Qld) or Protected Disclosure (whistleblower) under the *Corporations Act 2001* (Cth) during the reporting period.

OVERSEAS TRAVEL

The Port funded the following overseas travel during the 2025-26 financial year:

- General Manager Business Development attendance at the Critical Minerals Conference and Exhibition in Tokyo, Japan – Total expenditure \$3,103.72 (excl. GST).

SUMMARY OF DIRECTIONS AND NOTIFICATIONS

As per s120(1)(e) of the GOC Act, GOCs are to include particulars of any directions and notifications given to the GOC's board by the shareholding Ministers that relate to the relevant financial year.

During financial year 2025-26 Port of Townsville were given the following directions and notifications:

Notifications

- A notification was issued in March 2026 to revoke the application of the Ethical Supplier Mandate.

Directions

- No directions were issued to Port of Townsville during the financial year 2025-26.

FINANCIAL STATEMENTS

PORT OF TOWNSVILLE LIMITED

ACN 130 077 673

ANNUAL FINANCIAL STATEMENTS

For the year ended 30 June 2026

Version 5 - August 2026

CONTENTS

DIRECTORS' REPORT	3
AUDITOR'S INDEPENDENCE DECLARATION	10
ANNUAL FINANCIAL STATEMENTS	11
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	12
STATEMENT OF FINANCIAL POSITION	13
STATEMENT OF CHANGES IN EQUITY	14
STATEMENT OF CASH FLOWS	15
NOTES TO THE FINANCIAL STATEMENTS	16
DIRECTORS' DECLARATION	43
INDEPENDENT AUDITOR'S REPORT	44



Directors' Report

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

The Directors present their report together with the financial statements of Port of Townsville Limited (the Port) for the year ended 30 June 2026 and the auditor's report thereon.

DIRECTORS

The names and details of the Directors of the Port in office during the financial year and up to the date of this report are as follows:

Current Directors:

Mr Peter Court (Chair)
Ms Heidi Turner

Ms Connie Navarro
Mr Stephen Motti

Ms Carla Polson
Mr Scott Stewart

Directors whose term ceased or expired during the financial year:

Ms Ann Sherry AO
Ms Danielle O'Toole
Mr Ben Kidston

Mr David Waters
Professor Jody Currie

Mr John Lee
Ms Vanessa (Fernandes) Sullivan

PRINCIPAL ACTIVITIES

The Port's primary role is to facilitate trade growth through the provision and commercial management of efficient and effective port services.

The Port's core business functions are to:

- act commercially and optimise the value of the business whilst endeavouring to achieve sustained long-term business growth;
- establish, manage and operate effective and efficient port facilities and services at its ports;
- make land available for:
 - the establishment, management and operation of effective and efficient port facilities and port services at its ports by other persons; or
 - other purposes consistent with the operation of its ports;
- provide or arrange for the provision of ancillary services or works necessary or convenient for the effective and efficient operation of its ports;
- keep appropriate levels of safety and security in the provision and operation of the port facilities and port services;
- provide other services incidental to the performance of the Port's other functions, or likely to enhance the usage of its ports;
- perform any other functions and exercise any other powers conferred on the Port under the *Transport Infrastructure Act 1994* (Qld), the *Government Owned Corporations Act 1993* (Qld) and Regulations or another Act or under the Port's Statement of Corporate Intent or Corporate Plan;
- provide port services and ancillary services:
 - whether in or outside its ports; and
 - whether in or outside Australia; and
 - whether for another port or for other parties; and
- carry out any activity that is incidental to the attainment of the functions set out above.

REVIEW OF OPERATIONS

During 2025-26, 6.67 million tonnes of trade moved through the ports of Townsville and Lucinda. Despite significant weather impacts and supply chain disruptions across parts of the region, the Port continued to provide safe and reliable operations for customers while maintaining a strong focus on asset integrity, safety and operational performance. Revenue increased to \$108.06 million (2025: \$102.21 million), contributing to an increase in profit before income tax of \$5.44 million to \$22.59 million (2025: \$17.15 million). Increased expenditure of \$0.41 million, primarily associated with implementation of a new Enterprise Resource Planning (ERP) system. The Port's operating result for the year after income tax was \$15.8 million, an increase of approximately 25% on the previous year (2025: \$12.60 million).

A number of key infrastructure upgrades were delivered during the year, helping to shape the Port's future. The East Port Cargo Precinct, future port planning initiatives and ongoing trade infrastructure upgrades are creating the foundations needed to support growth across the region for decades to come. These investments have been guided by strong commercial discipline. Delivering projects safely, on time and on budget, maintaining financial sustainability and ensuring every investment supports long-term value creation remain central to our approach.

The Port also continued to modernise the systems that underpin its operations. Investments in enterprise systems, cyber security, information management and digital capability are improving decision-making, supporting innovation and helping create a smarter, more resilient organisation.

The Port maintained external certification of its Integrated Business Management Systems for the Ports of Townsville and Lucinda to international standards (Environment AS/NZS ISO 14001:2015, Safety OHSAS 18001:2007 and AS 4801:2001, Quality ISO 9001:2015 and Information Security ISO/IEC 27001:2013). The Port's environmental, social and governance objectives will continue to be advanced to ensure they reflect shareholder and stakeholder expectations and align with regulatory requirements and government policy objectives.

Below is a summary of the Port's underlying ratios over the past 2 years:

		2026	2025
Return on Assets	Net Profit After Tax / Total End of Year Assets	1.78%	1.55%
Return on Equity	Net Profit After Tax / Total End of Year Equity	2.65%	2.22%
Interest Cover Ratio	Earnings Before Interest and Tax / Total Finance costs (inclusive of capitalised costs)	2.82	2.82
Debt to Equity	Total Debt / Total Equity	0.35	0.31

DIVIDENDS

The Directors recommend payment of a final dividend equivalent to 100% of adjusted profits (2025: 100%). The proposed final dividend amounts to \$12,144,307 (2025: \$11,268,230).

Directors' Report

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors there were no significant changes in the state of affairs of the Port that occurred during the financial year.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has not been any matter or circumstance that has arisen since 30 June 2026 that has significantly affected, or may significantly affect:

- the Port's operations in future financial years, or
- the results of those operations in future financial years, or
- the Port's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Further information on likely developments in the operations of the Port, and the expected results of operations, has been included in the Port's Annual Report.

ENVIRONMENTAL REGULATION

The operations of the ports of Townsville and Lucinda, which are both located in the Great Barrier Reef World Heritage Area, are subject to significant regulation under both Commonwealth and State environmental legislation. There are many environmental regulations under legislation, including master planning requirements for the Port of Townsville and licence requirements relating to dredging, potential water, air, noise and land pollution, and waste management that apply to operations at both ports.

Environmental stewardship and sustainability of operations is a key priority for the Port. The Port operates under an Environmental Management System certified to ISO 14001:2015 which is audited annually, with a more comprehensive external recertification audit required every three years.

It is noted that sustainability and Environmental, Social and Governance reporting frameworks are changing and that the Port is engaging with the Queensland Government on a consistent reporting approach in line with national and international standards for future reporting.

INFORMATION ON DIRECTORS

The following information is current at the date of this report.

Mr Peter Court, Non-executive Chair

Appointment 1 October 2025, Term of Office - to 31 May 2029

EXPERIENCE AND EXPERTISE

Peter is a master mariner and senior maritime executive with extensive experience across global shipping, offshore energy and port operations. He began his career at sea as a BHP Transport cadet, later serving on LNG carriers, bulk carriers, Antarctic support vessels and deep-water exploration ships, before moving into senior leadership roles in Australia's offshore energy and maritime services sectors.

Peter has served as a marine pilot and as Chairman & Managing Director of Port Phillip Sea Pilots, and holds directorships with Offshore Specialist Ships Australia and Australian Overseas Marine. In 2020, he founded Court Marine Consultancy, advocating for a stronger Australian-controlled maritime and shipping capability.

As Chair of Port of Townsville, Peter is committed to strengthening Australia's maritime resilience while ensuring the port continues to drive regional prosperity - supporting trade, enabling commerce, creating jobs and fostering sustainable community growth in Northern Queensland.

SPECIAL RESPONSIBILITIES

Chair of the Board

Member of the Sustainability Committee

Member of the Strategy, Innovation and Development Committee

Ms Connie Navarro, Non-executive director

Initial appointment 1 October 2020, Last re-appointment 1 October 2023, Term of Office - to 30 September 2027

EXPERIENCE AND EXPERTISE

Connie is a legal practitioner with over 20 years' experience in the legal industry. Connie is a born and bred North Queenslander and an advocate for rural and regional development. Connie is the Director of Connie Navarro Legal.

With extensive experience and expertise in the areas of commercial, property and business law, Connie has a particular focus on agribusiness, mining, energy and resources, infrastructure and major projects.

Connie holds a Bachelor of Economics and Bachelor of Laws (Hons) from James Cook University and is admitted in the High Court of Australia, Supreme Court of Queensland and Supreme Court of Northern Territory. Connie is also a Graduate of the Australian Institute of Company Directors (AICD).

SPECIAL RESPONSIBILITIES

Chair of the Strategy, Innovation and Development Committee

Member of the Audit and Risk Committee

Directors' Report

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

Ms Heidi Turner, Non-executive director

Appointed 1 October 2025, Term of Office - to 31 May 2029

EXPERIENCE AND EXPERTISE

Heidi is a business leader and strategic communications adviser with a strong reputation for advocacy. Her 30-year career spans marketing, communications, corporate affairs, stakeholder engagement, government relations and regional development across Australia, New Zealand, the United Kingdom and Europe, including roles with the UK Government in London and Brussels.

Based in North Queensland for 18 years, Heidi founded Crystal Clear Advisory in 2009, where she is Principal Consultant. She also served for two years as Chief Executive Officer of the Townsville Chamber of Commerce, leading the organisation through a period of significant growth in size and profile.

A Graduate of the Australian Institute of Company Directors, Heidi has 17 years' experience serving on government and not-for-profit boards and committees. She is currently Treasurer of Regional Development Australia Townsville and North West Queensland.

SPECIAL RESPONSIBILITIES

Member of the Audit and Risk Committee

Member of the Sustainability Committee

Ms Carla Polson, Non-executive director

Appointed 2 October 2025, Term of Office - to 31 May 2029

EXPERIENCE AND EXPERTISE

Carla is a dual-qualified Australian/New York lawyer with more than two decades of experience advising boards, executive teams and financial institutions in Australia and New Zealand on complex corporate transactions, including debt and equity capital raisings, restructurings and M&A. Throughout her career with leading Australian and international law firms, she has advised across a broad range of sectors, including energy and resources, infrastructure, transport, financial services and technology. Carla brings extensive experience in disclosure, corporate reporting, regulatory compliance and corporate governance across multiple jurisdictions.

Carla holds a Bachelor of Laws and Bachelor of Arts (International Relations/German) from The University of Queensland and is admitted in New York, the High Court of Australia and the Supreme Court of Queensland. She is a Graduate of the Australian Institute of Company Directors.

SPECIAL RESPONSIBILITIES

Member of the Audit and Risk Committee

Member of the Strategy, Innovation and Development Committee

Mr Stephen Motti, Non-executive director

Appointed 2 October 2025, Term of Office - to 31 May 2029

EXPERIENCE AND EXPERTISE

Stephen has over 30 years of experience in the town planning, development, and construction sector.

He has provided expert planning advice on diverse matters and contributed to the delivery of a number of significant projects across the North. He understands the capacity of the region and is a passionate advocate for investment in it.

Stephen backs his City with longstanding contributions to professional and community organisations. This has included as a past President of the Townsville Chamber of Commerce, and service on boards including the Queensland Reconstruction Authority, the Townsville Industrial Development Board and the Townsville Fire.

A qualified town planner who graduated from the University of New England (Australia), he is a Fellow of the Planning Institute of Australia (PIA) and a Fellow of the Australian Institute of Company Directors (AICD).

SPECIAL RESPONSIBILITIES

Chair of the Audit and Risk Committee

Member of the Sustainability Committee

Mr Scott Stewart, Non-executive director

Appointed 2 October 2025, Term of Office - to 31 May 2029

EXPERIENCE AND EXPERTISE

Scott is a former Queensland politician. He served as the Labor member for Townsville in the Queensland Legislative Assembly from 2015 until his defeat in the 2024 state election.

Prior to politics, Scott was a high school principal and educator for almost 30 years and spent most of that time in the Townsville region. He was the principal of Pimlico State High School when he contested the seat of Townsville.

During his time in education, Scott established a boxing program, aimed at helping under-achieving Indigenous students re-engage with schooling through sport.

During his time in politics, Scott served as the Chair of the Education and Tourism Parliamentary Committee overseeing several bills through parliament. In his second term in office, he served as Deputy Speaker of the Legislative Assembly.

Directors' Report

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

More recently, Scott served as the Minister for Resources and Critical Minerals in his third term in office. During that time he developed the Queensland Resource Industry Development Plan creating the vision for the resource sector of the next 30 years. Additionally, Scott developed the Critical Minerals Queensland Plan to help unlock the resource rich North West Minerals Province and connect its critical minerals to the rest of the world.

Scott travelled to London, South Korea, Washington DC and New York on trade missions for the state government to enhance trade partnerships and create investment opportunities in the mining industry.

Scott holds a Bachelor of Education and a Master of Education in Leadership and Management from the Queensland University of Technology.

SPECIAL RESPONSIBILITIES

Chair of the Sustainability Committee

Member of the Strategy, Innovation and Development Committee

During the year and through to the date of the report, the following director(s) retired or their Term of Office ceased or expired:

Ms Ann Sherry AO, Non-executive Chair

Appointment 1 October 2021, Term of Office ceased 30 September 2025

EXPERIENCE AND EXPERTISE

Ann is one of Australia's leading business executives with a career that spans government, banking and tourism.

Beginning her working life as a Radiographer, Ann became First Assistant Secretary of the Office of the Status of Women in Canberra before moving to the banking sector initially in HR roles, then held CEO roles with Westpac NZ and the Bank of Melbourne, and was CEO and Chairperson of Carnival Australia for more than a decade.

Ann has been a Non-executive Director across many sectors and is currently Chairperson of UNICEF Australia, Queensland Airports Limited, Circa and Super Members Council (SMC) Australia. She is the Chancellor of Queensland University of Technology, a Non-executive Director of National Australia Bank and a Member of Sydney Harbour Federation Trust.

The Australian Government awarded Ann the Centenary Medal in 2001 and in 2004 she was awarded an Order of Australia. In 2015 Ann was named as the overall winner of the Australian Financial Review 100 Women of Influence Award.

SPECIAL RESPONSIBILITIES

Chair of the Board

Member of the Strategy, Innovation and Development Committee

Ms Danielle O'Toole, Non-executive director

Appointed 1 October 2021, Last re-appointment 1 June 2024, Term of Office ceased 2 October 2025

EXPERIENCE AND EXPERTISE

Danielle is a Chartered Civil Engineer with over 30 years' experience in consultancy and operations across the mining and civil industries. Danielle has worked Australia-wide and internationally to deliver large scale civil, mining and environmental projects, which has seen Danielle become a specialist dams engineer, working with industry to implement and drive improved dam safety, risk management and governance practices.

Danielle holds a Bachelor of Engineering (Civil) and Master of Engineering Science from the University of Queensland, is a Fellow of The Institute of Engineers Australia, a Registered Professional Engineer of Queensland, a professional member of the Australian Institute of Mining and Metallurgy and a Graduate of the Australian Institute of Company Directors (AICD).

Danielle is a Technical Director at SLR Consulting – a global environmental and advisory solutions firm, and has called Townsville home since 2013.

SPECIAL RESPONSIBILITIES

Member of the Audit and Risk Committee

Mr David Waters, Non-executive director

Appointed 1 October 2023, Term of Office ceased 25 September 2025

EXPERIENCE AND EXPERTISE

Dave is an experienced senior executive with a proven record in leading human resources functions across the Queensland public sector for the past 15 years.

Born and raised in Townsville, Dave returned 'home' in 2022 to take up the role of Director Human Resources with James Cook University. He has previously held roles as Chief Human Resources Officer with the Department of Health and Department of Transport & Main Roads, and most recently Executive Director, Human Resources at Metro South Hospital and Health Service. Dave has had earlier careers as a Journalist and Union Official.

Dave holds a Bachelor of Arts (Government and Economics) from the University of Queensland and Bachelor of Business (Economics and Human Resources) from the Queensland University of Technology. He is a Professional Certified Member with the Australian HR Institute and a Graduate of the Australian Institute of Company Directors (AICD).

SPECIAL RESPONSIBILITIES

Chair of the Sustainability Committee

Directors' Report

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

Professor Jody Currie, Non-executive director

Appointed 1 October 2023, Term of Office ceased 2 October 2025

EXPERIENCE AND EXPERTISE

Jody is a Professor of Practice at the Queensland University of Technology in the Health Faculty. Jody has over 20 years' experience in health, housing and human service delivery, with a particular focus on vulnerable families and Aged Care, working in several executive positions in both the community and government sector. Jody is a Yugambah person from South East Queensland and has family connections to Palm Island.

Jody was most recently Chief Executive Officer of the Aboriginal and Torres Strait Islander Community Health Service (ATSICHS) Brisbane. She established ATSICHS Brisbane as a Nationally Registered Early Childhood Education provider, a Nationally Registered Housing Provider, and a Registered National Disability Insurance Scheme Provider.

Jody is a member of the Federal Government's National Aged Care Advisory Council and currently a Non-executive Director on Cape York Partnership, Brisbane North Primary Health Care Network, Opera Queensland and Hearing Australia and has expertise in workforce strategy, government and stakeholder engagement.

SPECIAL RESPONSIBILITIES

Member of the Sustainability Committee

Mr John Lee, Non-executive director

Appointed 1 October 2023, Term of Office ceased 2 October 2025

EXPERIENCE AND EXPERTISE

John Lee has enjoyed a highly successful career leading both private sector organisations and government departments. He has extensive experience in the Transport, Tourism, and the Sport sectors.

John consults to ASX and privately owned companies in the areas of strategy and development. He is a strategic advisor to Egis, which is a global construction engineering company.

John is Chairman of SportsGrid a sports data, membership and event technology company and a Director of Aus Triathlon a national sporting organisation.

Over the past two decades John has been the Director-General of multiple government departments including: the Qld Department of Tourism, Innovation and Sport, the NSW Department of Premier & Cabinet, the Department of Commerce and Transport for NSW.

He has a strong attachment to North Queensland having lived and worked in the region in the first part of his career as well as serving on the North Queensland Cowboys Board.

SPECIAL RESPONSIBILITIES

Member of the Strategy, Innovation and Development Committee

Ms Vanessa (Fernandes) Sullivan, Non-executive director

Appointed 13 October 2022, Term of Office ceased 30 September 2025

EXPERIENCE AND EXPERTISE

Vanessa is an experienced board member for large corporations. Vanessa's board and executive experience demonstrate deep financial, commercial and strategic skills including both corporate and government experience in regulated and competitive markets.

Vanessa currently serves as Non-executive Director with ASX-listed AGL Energy Limited, Independent Director for Future Energy Exports CRC Limited and Board Member for CSIRO.

Vanessa also works in a number of pro bono roles including chairing the Advisory Board of Centacare, a large NFP social services provider, and is a member of a Griffith University Business School Advisory Board.

Vanessa holds a Bachelor of Economics (Hons), Graduate Diploma (Finance and Investment), is a Graduate of the Australian Institute of Company Directors (AICD) and was previously a NGER Scheme registered auditor.

SPECIAL RESPONSIBILITIES

Chair of the Audit and Risk Committee

Member of the Sustainability Committee

Mr Ben Kidston, Non-executive director

Appointed 2 October 2025, Resigned 30 October 2025

EXPERIENCE AND EXPERTISE

Mr Kidston is a distinguished Barrister-at-Law with over two decades of experience in commercial and corporate law across Queensland. Admitted to the private bar in 2004, he practices out of Cedric Hampson Chambers in Brisbane, specialising in corporate regulation, contractual disputes, banking and finance, insolvency, and administrative law. Mr Kidston holds a law degree from the Queensland University of Technology (QUT).

SPECIAL RESPONSIBILITIES

None

Directors' Report

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

COMPANY SECRETARY

Ms Ronette Druskovich

Ronette was appointed Company Secretary on 17 February 2025 and is Head of Legal, Governance and Risk at the Port. Ronette has more than 25 years' experience practising as a solicitor internationally, both in-house and in private practice, and has prior experience at executive and company secretary level.

Ronette is a current member of the Queensland Law Society and the Australian Institute of Company Directors (AICD).

Ms Stevie Moffat

Stevie was appointed Deputy Company Secretary on 17 February 2025 and also serves as Governance and Legal Advisor at the Port. Prior to joining the Port in 2022, Stevie held governance, risk and regulatory compliance roles in the local government and financial services sectors.

Stevie holds a Bachelor of Laws and Bachelor of Business with a major in Accounting.

MEETINGS OF DIRECTORS

The number of meetings of the Port's Board of Directors and of each Board Committee held during the year ended 30 June 2026, and the number of meetings attended by each Director were:

Director	Board Meetings		Audit & Risk Committee		Sustainability		Strategy, Innovation & Development	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr Peter Court	8	8	N/A	2*	2	2	2	2
Ms Connie Navarro	10	10	3	3	N/A	1*	3	3
Ms Heidi Turner	8	8	2	1	2	2	N/A	2*
Ms Carla Polson	8	8	2	2	N/A	2*	2	2
Mr Stephen Motti	8	8	2	2	1	1	N/A	N/A
Mr Scott Stewart	8	8	N/A	2*	2	2	2	2
Ms Ann Sherry AO	2	2	N/A	N/A	N/A	N/A	1	1
Ms Danielle O'Toole	2	2	1	1	N/A	N/A	N/A	N/A
Mr David Waters	2	2	N/A	N/A	1	1	N/A	N/A
Professor Jody Currie	2	2	N/A	N/A	1	1	N/A	1*
Mr John Lee	2	2	N/A	N/A	N/A	N/A	1	1
Ms Vanessa (Fernandes) Sullivan	2	2	1	1	1	1	N/A	N/A
Mr Ben Kidston	1	1	N/A	N/A	N/A	N/A	N/A	N/A

* Attendance as observer only

REMUNERATION OF KEY MANAGEMENT PERSONNEL

Note 4(E) of the financial statements provides detailed disclosures relating to the remuneration of key management personnel. The term key management personnel refers to those persons having authority and responsibility for planning, directing and controlling the activities of the Port, directly or indirectly, including any director (whether executive or otherwise) of the Port.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year, a policy was held to insure all Directors and Officers of the Port against liabilities incurred in their capacity as Director or Officer. The provisions of this policy prohibit the disclosure of the nature of the liabilities insured. The *Corporations Act 2001* (Cth) does not require disclosure of this information in these circumstances.

INDEMNIFICATION AND INSURANCE OF AUDITORS

The Port has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the Port has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

DIRECTORS' SHAREHOLDING

No Directors held any beneficial interest in the shares of the Port. All issued shares are held by the shareholding Ministers on behalf of the Queensland Government.

PROCEEDINGS ON BEHALF OF THE COMPANY

No proceedings have been brought or intervened in on behalf of the Port with leave of the Court under section 237 of the *Corporations Act 2001* (Cth).

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* (Cth) is set out on page 10.

Directors' Report

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

ROUNDING OF AMOUNTS

The Port is of a kind referred to in Legislative Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements and Directors' Report. Amounts in the financial statements and Directors' Report have been rounded off to the nearest dollar in accordance with that Legislative Instrument.

This report is made in accordance with a resolution of the Directors on 31 August 2026.



Mr Peter Court
Chair
31 August 2026



Mr Stephen Motti
Director
31 August 2026

AUDITOR'S INDEPENDENCE DECLARATION

To the Directors of Port of Townsville 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 Port of Townsville Limited for the financial year ended 30 June 2026, 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.



Vaughan Stemmett
as delegate of the Auditor-General

31 August 2026

Queensland Audit Office
Brisbane

Annual Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

PURPOSE AND SCOPE

Port of Townsville Limited (the Port) is a company limited by shares, incorporated and domiciled in Australia and is a Government Owned Corporation (GOC) reporting under the *Government Owned Corporations Act 1993* (Qld). Its registered office and place of business is:

Port of Townsville Limited
Benwell Road
Townsville QLD 4810.

The Port is required to comply with the requirements of the *Corporations Act 2001* (Cth). Under the terms of Section 118 of the *Government Owned Corporations Act 1993* (Qld), specified sections of the *Financial Accountability Act 2009* (Qld) apply as if the Port were a statutory body. The Port is responsible as a port authority under the *Transport Infrastructure Act 1994* (Qld) for the management and control of the port of Townsville and port of Lucinda.

These Statements have been prepared:

- to satisfy the provisions of the *Corporations Act 2001* (Cth), the *Financial Accountability Act 2009* (Qld) and other prescribed requirements; and
- to communicate information concerning the Port's financial performance for the year and its financial position at year-end to a variety of information users, including:
 - its shareholding Ministers: the Minister for Transport and Main Roads and Minister for Finance, Trade, Employment and Training
 - users and potential users of the Port of Townsville and Port of Lucinda;
 - the community in general; and
 - other interested parties.

A description of the nature of the Port's operations and its principal activities is included in the Directors' Report which is not part of these financial statements.

These are general purpose financial statements and present the financial activities of the Port. Amounts shown in the financial statements may not add to the correct subtotals or totals due to rounding.

Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	Notes	2026 \$	2025 \$
REVENUES			
Revenue from Contracts with Customers	2(A)	99,855,300	96,022,818
Interest Revenue		838,874	1,041,059
Other Revenue	2(A)	2,151,403	3,247,683
Fair Value Gains on Investment Properties	3(I)	5,218,195	1,899,828
Total Revenue		108,063,771	102,211,389
EXPENSES			
Employee Expenses	2(B)	31,851,679	30,024,830
Supplies and Services	2(B)	30,623,273	32,558,232
Depreciation and Amortisation Expense	2(B)	15,172,521	15,492,961
Finance Costs	2(B)	4,147,923	4,370,257
Other Expenses	2(B)	3,679,258	2,616,294
Total Expenses		85,474,655	85,062,575
OPERATING RESULT BEFORE INCOME TAX EXPENSE		22,589,116	17,148,814
Income Tax Expense	2(C)	(6,792,073)	(4,550,704)
OPERATING RESULT FOR THE YEAR		15,797,044	12,598,110
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL NOT BE RECLASSIFIED TO OPERATING RESULT			
Increase/(Decrease) in Revaluation Surplus	3(F)	24,657,584	(135,142,912)
TOTAL COMPREHENSIVE INCOME		40,454,628	(122,544,802)

The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.

Statement of Financial Position

as at 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	Notes	2026 \$	2025 \$
CURRENT ASSETS			
Cash and Cash Equivalents	3(A)	11,864,671	19,945,084
Receivables	3(B)	23,352,745	18,501,114
Cash Advance Facility	3(C)	20,349,216	15,375,649
Current Tax Receivable	2(C)	2,525,162	3,819,514
Other Current Assets	3(D)	2,358,269	2,290,264
Inventories	3(E)	707,010	695,978
TOTAL CURRENT ASSETS		61,157,073	60,627,602
NON-CURRENT ASSETS			
Property, Plant and Equipment	3(F)	752,272,153	683,708,421
Intangible Assets	3(G)	646,239	819,773
Investment Property	3(I)	70,445,627	65,227,433
Right-of-Use Assets	3(J)	3,151,049	3,314,151
TOTAL NON-CURRENT ASSETS		826,515,069	753,069,778
TOTAL ASSETS		887,672,142	813,697,380
CURRENT LIABILITIES			
Payables	3(K)	14,539,072	20,251,990
Lease Liabilities	3(J)	446,861	398,560
Current Tax Liabilities	2(C)	-	-
Provisions	3(M)	12,215,599	11,316,562
Employee Benefits	3(N)	5,456,567	4,776,737
Contract and Other Current Liabilities	3(O)	5,825,210	5,998,699
TOTAL CURRENT LIABILITIES		38,483,309	42,742,548
NON-CURRENT LIABILITIES			
Payables	3(K)	2,000,000	2,000,000
Borrowings	3(L)	206,137,543	171,137,543
Lease Liabilities	3(J)	2,862,769	2,951,891
Deferred Tax Liabilities	2(C)	27,212,760	11,212,709
Employee Benefits	3(N)	1,455,447	1,110,943
Contract and Other Non-Current Liabilities	3(O)	13,679,166	15,004,156
TOTAL NON-CURRENT LIABILITIES		253,347,685	203,417,242
TOTAL LIABILITIES		291,830,994	246,159,789
NET ASSETS		595,841,148	567,537,590
EQUITY			
Contributed Equity	3(P)	267,879,706	267,879,706
Accumulated Surplus		173,668,486	170,022,512
Asset Revaluation Surplus	3(Q)	154,292,957	129,635,372
TOTAL EQUITY		595,841,148	567,537,590

The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.

Statement of Changes in Equity

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	Notes	2026 \$	2025 \$
CONTRIBUTED EQUITY			
Balance at beginning of the year		267,879,706	247,879,706
Shares issued		-	20,000,000
Balance at the end of the year	3(P)	267,879,706	267,879,706
ACCUMULATED SURPLUS			
Balance at beginning of the year		170,022,512	168,535,243
Operating result for the year		15,797,044	12,598,110
Transfer from reserves on disposal/derecognition of property, plant and equipment		(9,660)	224,841
Deferred tax adjustment for disposal of property, plant and equipment		2,898	(67,452)
Dividends provided for	3(R)	(12,144,307)	(11,268,230)
Balance at the end of the year		173,668,487	170,022,512
ASSET REVALUATION SURPLUS			
Balance at beginning of the year		129,635,372	264,778,284
Property, plant and equipment revaluation increment/(decrement) - gross		35,215,460	(192,836,461)
Deferred tax adjustment for assets		(10,567,536)	57,918,391
Transfer to accumulated surplus on disposal/derecognition of property, plant and equipment		9,660	(224,841)
Balance at the end of the year	3(Q)	154,292,956	129,635,372

The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.

Statement of Cash Flows

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	Notes	2026 \$	2025 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers		103,723,979	112,221,574
Payments to Suppliers and Employees		(76,683,875)	(65,518,295)
GST received from/(paid to) the Australian Taxation Office		(1,937,210)	(1,461,297)
Interest Received		838,874	1,041,059
Finance Costs		(8,178,212)	(6,888,424)
Income Tax Equivalents received from/(paid to) Queensland Treasury		(1,649,682)	(9,181,273)
Net Cash Inflow (Outflow) from Operating Activities		16,113,874	30,213,342
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Property, Plant and Equipment		(42,957,416)	(45,192,139)
Proceeds from Sale of Property, Plant and Equipment		256,950	144,691
Loans and advances redeemed from/(made to) Queensland Treasury		(4,973,567)	(14,935,052)
Net Cash Inflow (Outflow) from Investing Activities		(47,674,033)	(59,982,500)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		35,000,000	30,000,000
Payment of Lease Liabilities		(252,024)	(286,441)
Proceeds from Share Issue		-	20,000,000
Dividends Paid		(11,268,230)	(15,266,517)
Net Cash Inflow (Outflow) from Financing Activities		23,479,746	34,447,042
Net (Decrease)/Increase in Cash and Cash Equivalents		(8,080,413)	4,677,884
Cash and Cash Equivalents at Beginning of the Financial Year		19,945,084	15,267,200
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	3(A)	11,864,671	19,945,084

Notes to the Statement of Cash Flows

Reconciliation of Operating Result from Continuing Operations After Income Tax Expense to Net Cash Inflow from Operating Activities			
Operating Result for the Year		15,797,044	12,598,110
Depreciation and Amortisation	2(B)	15,172,521	15,492,961
(Gain)/Loss on Disposal of Non-Current Assets		(137,205)	(140,042)
Net Revaluation Increments - Non-Current Assets		(5,218,195)	(1,899,828)
Changes in Assets and Liabilities			
(Increase)/Decrease in Trade and Other Receivables		(3,710,095)	5,596,184
(Increase)/Decrease in Other Assets		(68,005)	282,388
Increase/(Decrease) in Trade and Other Payables		(11,911,876)	2,565,662
Increase/(Decrease) in Provisions		1,047,294	348,476
Increase/(Decrease) in Current and Deferred Tax balances		5,142,391	(4,630,569)
Net Cash Inflow from Operating Activities		16,113,874	30,213,342
Reconciliation of Liabilities Arising from Financing Activities			
Opening Balance		174,487,993	145,326,317
Cash Flows:			
Proceeds from borrowings		35,000,000	30,000,000
Repayment of borrowings/payments of leases		(48,301)	(286,441)
Non-cash Changes			
Revaluation Adjustments		29,500	(600,455)
Other Adjustments		(22,019)	48,572
Closing Balance		209,447,173	174,487,993

The above statement should be read in conjunction with the accompanying notes forming part of the financial statements.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

NOTE 1. BASIS OF FINANCIAL STATEMENT PRESENTATION

(A) GENERAL

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

These financial statements are for Port of Townsville Limited as an individual entity. The Port has assessed its relationship with Townsville Maritime Museum Limited and determined that it has control over the entity. The controlled entity has not been consolidated on the basis that its financial effect is not material to the financial statements. Management has assessed the impact of non-consolidation on assets, liabilities, equity, income, expenses and cash flows.

The financial statements were authorised for issue by the Directors on 31 August 2026. The Directors have the power to amend and reissue the financial statements.

These general purpose financial statements have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), *Government Owned Corporations Act 1993* (Qld), Australian Accounting Standards, other authoritative pronouncements and interpretations issued by the Australian Accounting Standards Board. The Port is a for-profit entity for the purpose of preparing the financial statements.

(B) PRESENTATION AND MEASUREMENT MATTERS

Historical cost convention

These financial statements have been prepared under the historical cost convention, except where otherwise stated.

Functional and presentation currency

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

Rounding of amounts

The Port is of a kind referred to in Legislative Instrument 2026/183, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements and Directors' Report. Amounts in the financial statements and Directors' Report have been rounded off to the nearest dollar in accordance with that Legislative Instrument.

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 Port does not have the right to defer settlement to beyond 12 months after the reporting date.

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

(C) STATEMENT OF COMPLIANCE

The financial statements comply with the requirements of the *Corporations Act 2001* (Cth), *Government Owned Corporations Act 1993* (Qld), Australian Accounting Standards, other authoritative pronouncements and interpretations issued by the Australian Accounting Standards Board.

Standards applied for the first time

The Port has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Port.

The following Accounting Standards and Interpretations are most relevant to the Port:

AASB 2026-1 Amendments to Australian Accounting Standards – Disclosures about Uncertainties in the Financial Statements

The Port applied AASB 2026-1 for the first time in the current reporting period. The Standard amends AASB 136 *Impairment of Assets* and AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* by adding illustrative examples about disclosures relating to uncertainties in the financial statements.

The amendments do not change recognition or measurement requirements. The Port has considered the amendments in preparing these financial statements and determined that they did not have a material impact on the current year disclosures.

Standards early adopted

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Standards and Interpretations in issue not yet adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Port for the annual reporting period ended 30 June 2026. The Port's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Port, are set out below.

AASB 18 Presentation and Disclosure in Financial Statements

AASB 18 is applicable to annual reporting periods beginning on or after 1 January 2027, with early application permitted. The Port will adopt AASB 18 from 1 July 2027. AASB 18 replaces AASB 101 *Presentation of Financial Statements*. Many of the existing presentation and disclosure requirements have been retained, and the Standard is not expected to impact the recognition or measurement of items in the financial statements. However, it will affect presentation and disclosure, particularly in the statement of profit or loss. AASB 18 introduces five categories for income and expenses in the statement of profit or loss: operating, investing, financing, income taxes and discontinued operations. It also introduces two mandatory subtotals: operating profit and profit before financing and income taxes.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026	2025
\$	\$

NOTE 1. BASIS OF FINANCIAL STATEMENT PRESENTATION (continued)

The Standard also introduces new disclosure requirements for management-defined performance measures, being certain subtotals of income and expenses that are used in public communications but are not specified by Australian Accounting Standards. These may include measures such as EBITDA or adjusted profit, where they meet the definition of a management-defined performance measure. AASB 18 also provides enhanced guidance on grouping information, including aggregation and disaggregation, and whether information should be presented in the primary financial statements or disclosed in the notes.

The Port is assessing the impact of AASB 18. Based on the Port's current assessment, the Standard is expected to change the layout and presentation of the statement of comprehensive income, but is not expected to impact recognition or measurement.

(D) 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:

Valuation of property, plant and equipment	Note 3(F)	Employee Benefits	Note 3(N)
Valuation of investment properties	Note 3(I)	Loss Allowance	Note 3(B)
Depreciation and Assessment of Useful Lives	Note 2(B), 3(F)	Income Tax Equivalents and Deferred Taxes	Note 2(C)
Lease Liabilities and Right-of-Use Assets Terms	Note 3(J)	Contract and Other Liabilities	Note 3(O)

NOTE 2. OUR FINANCIAL PERFORMANCE

(A) REVENUE

Revenue arises primarily from charges levied on customers for the use of port facilities. 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 Port expects to be entitled in exchange for those goods or services.

Revenue is recognised for the major business activities as follows:

REVENUE FROM CONTRACTS WITH CUSTOMERS

Cargo Charges / Berthage / Charges for Services

Cargo charges are recognised when the relevant cargo handling services are provided. Depending on the terms of the customer contract, the performance obligation may be satisfied at a point in time based on the tonnage processed, or over time where the customer receives and consumes the benefit of the services over the contract period.

Berthage and harbour dues are recognised when the Port provides access to port infrastructure and related services. The performance obligation is satisfied as the customer receives and consumes the benefit of access to the Port's facilities and services, or when the relevant vessel or port service has been completed.

Other charges for services are recognised when the relevant service is provided to the customer. Customers are typically invoiced after the services are provided, based on a schedule of rates aligned with the stand-alone selling price for each performance obligation. Payment is generally due in accordance with normal commercial terms.

Certain contracts contain take-or-pay arrangements under which customers are required to nominate a minimum annual tonnage or pay a minimum annual charge. Revenue from take-or-pay arrangements is recognised when the Port has satisfied the relevant performance obligation and the amount can be measured reliably. Where customers have the right to carry forward unused take-or-pay tonnage, revenue is deferred to the extent that the Port has a remaining performance obligation and the customer's rights have not been utilised or expired.

Properties and Facilities

Revenue from property and facilities is recognised when entitlement to payment arises under the rental agreement. Amounts received in advance at the end of the financial year are recognised as a liability until the related service period has been provided.

Pilotage Transfer Service Revenue

Pilotage transfer service revenue is recognised when the marine pilot transfer service has been completed. The performance obligation is to provide the pilot transfer service to or from the relevant vessel and is satisfied when that service has been completed. Customers are generally invoiced after the service has been provided. Charges invoiced in advance at the end of the reporting period are recognised as a liability and are generally expected to be recognised as revenue within one year.

INTEREST REVENUE

Interest income is recognised when it is probable that the economic benefits will flow to the Port and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 2. OUR FINANCIAL PERFORMANCE (continued)

(i) REVENUE FROM CONTRACTS WITH CUSTOMERS

Cargo Charges	39,652,701	39,999,984
Berthage	17,332,634	17,132,478
Properties and Facilities	16,914,976	16,397,134
Charges for Services	16,249,798	13,842,325
Pilot Transfer Service	9,705,190	8,650,897
	99,855,300	96,022,818

(ii) OTHER REVENUE

	2026 \$	2025 \$		
Proceeds - Sale of Property, Plant & Equipment & Investment Properties	220,341	144,691		
Carrying Value of Disposed Property, Plant & Equipment	(46,214)	-		
Gain on Sale of Property, Plant & Equipment	174,127	144,691	174,127	144,691
Works Undertaken on Behalf of Other Parties			-	9,594
R&D Tax Refunds			671,307	2,036,271
Bad Debts Recovered			153,580	-
Hosted Entity Cost Recovery Revenue			736,862	677,544
Fuel Tax Credits			155,705	180,413
Other Revenue			259,823	199,172
			2,151,403	3,247,683

(B) EXPENSES

(i) EMPLOYEE EXPENSES

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

Employee benefits		
Salaries & Wages	22,948,308	22,641,421
Annual Leave	2,013,996	1,558,310
Long Service Leave	788,514	467,848
Superannuation	3,294,999	3,027,082
Employee related expenses		
Payroll Tax	1,361,465	1,174,666
Fringe Benefits Tax	233,378	245,886
Workers Compensation	399,863	388,817
Other Employee Related Expenses	811,156	520,801
	31,851,679	30,024,830

WAGES AND SALARIES AND LEAVE

Liabilities for wages and salaries, including non-monetary benefits, annual leave, personal leave and long service leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the Port expects such liabilities to be wholly settled within 12 months of reporting date, the liabilities are recognised at undiscounted amounts.

SUPERANNUATION

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Australian Retirement Trust (QSuper) defined benefit plan as determined by the employee's conditions of employment.

Defined Contribution Plans - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.

Defined Benefit Plan - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 Whole of Government and General Government Sector Financial Reporting. The amount of contributions for defined benefit plan obligations is based upon the rates determined on the advice of the State Actuary. Contributions are paid by the Port at the specified rate following completion of the employee's service each pay period. The Port's obligations are limited to those contributions paid.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 2. OUR FINANCIAL PERFORMANCE (continued)

	2026	2025		
	\$	\$		
(ii) SUPPLIES AND SERVICES				
Payments to Contractors (other than those for Maintenance of Assets or Dredging below)			9,779,755	5,746,285
Payments to Consultants				
Professional/Technical	3,411,868	7,969,622		
Human Resource Management	292,460	959,645		
Finance/Accounting	156,514	291,652		
	3,860,841	9,220,919	3,860,841	9,220,919
Insurance			4,889,584	5,307,352
Maintenance of Assets			2,562,431	3,091,151
Dredging			2,818,819	3,154,939
Reclassified Work in Progress			-	20,549
Lease Payments			197,391	212,096
Utilities and Services			2,114,019	1,856,961
Information Technology			2,471,092	2,071,670
Other Supplies and Services			1,929,342	1,876,311
			30,623,273	32,558,232

Lease payments include lease rentals for short-term leases, leases of low value assets and variable lease payments. Refer to Note 3(J) for breakdown of lease expenses and other lease disclosures.

(iii) DEPRECIATION AND AMORTISATION

	Notes		
Depreciation			
Channels and Swing Basins	3(F)	2,835,429	1,708,080
Wharves	3(F)	4,700,236	5,306,217
Breakwaters	3(F)	1,228,013	1,081,791
Buildings	3(F)	536,026	658,947
Infrastructure	3(F)	2,843,334	3,850,315
Small Boat Harbours	3(F)	138,799	194,410
Plant and Equipment	3(F)	2,524,548	2,308,747
Amortisation			
Intangibles	3(G)	173,534	180,011
Leases	3(J)	192,602	204,444
		15,172,521	15,492,961

(iv) FINANCE COSTS

Finance costs directly attributable to the acquisition, construction or production of qualifying assets that take more than 12 months to prepare for their intended use or sale are added to the cost of those assets. Financing costs that cannot be directly attributable to a qualifying asset are recognised in the statement of comprehensive income in the period they were incurred.

Loan Interest	7,834,700	6,297,521
Interest on Lease Liabilities	305,690	137,427
Competitive Neutrality Fee	1,324,519	1,192,830
Capitalised Finance Costs	(5,316,985)	(3,257,520)
	4,147,923	4,370,257

The capitalisation rate applied to general borrowings is the weighted average interest rate applicable to the Port's outstanding general borrowings during the year, in this case 1.28% quarterly, (2025 - 1.18% quarterly).

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 2. OUR FINANCIAL PERFORMANCE (continued)

	2026	2025		
	\$	\$		
(v) OTHER EXPENSES				
Proceeds from Sale of Property, Plant & Equipment	36,609	-		
Carrying Value of Disposed Property, Plant & Equipment	(73,531)	(4,649)		
Loss on Sale of Property, Plant & Equipment	(36,922)	(4,649)	36,922	4,649
Land Tax			3,623,775	2,299,193
Other Expenses			18,562	312,453
			3,679,258	2,616,294

(C) TAXATION

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

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

Deferred tax equivalent assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on the tax rates which are enacted or substantively enacted. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

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

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

Current and deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities in relation to investment properties that are measured at fair value is determined assuming the property will be recovered entirely through sale.

(i) INCOME TAX EQUIVALENTS

Income tax equivalents expense		
Current Tax Expense/(Benefit)	1,356,660	2,846,017
Deferred Tax Expense/(Benefit)	5,435,413	1,704,687
	6,792,073	4,550,704
 Income Tax Equivalents Expense is attributable to:		
Profit from Operations	6,792,073	4,550,704
	6,792,073	4,550,704
 Deferred Income Tax (Revenue) Expense included in Income Tax Expense comprises:		
Decrease/(Increase) in Deferred Tax Assets	(795,810)	302,960
(Decrease)/Increase in Deferred Tax Liabilities	(4,639,603)	(2,007,647)
	(5,435,413)	(1,704,687)

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026 \$	2025 \$
NOTE 2. OUR FINANCIAL PERFORMANCE (continued)		
Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Profit from Operations before Income Tax Expense	22,589,116	17,148,814
Tax at the rate of 30% (2025 - 30%)	6,776,735	5,144,644
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income: Non-deductible expenses	15,338	(593,940)
Income Tax Equivalents Expense	6,792,073	4,550,704
Amounts Recognised Directly in Equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in the statement of comprehensive income but directly debited or credited to equity.		
Current tax - credited directly to equity	2,898	67,452
Net deferred tax - debited/(credited) direct to equity as a result of net increment in Revaluation Surpluses	(10,570,434)	57,850,938
	(10,567,536)	57,918,391
(ii) DEFERRED TAXES		
Deferred Tax Assets		
The balance comprises temporary differences attributable to:		
<u>Amounts recognised in the statement of comprehensive income</u>		
Allowance for doubtful debts	-	152,891
Accrued payables	191,444	756,537
Provision for annual leave	799,008	662,911
Provision for long service leave - current	837,962	770,110
Provision for long service leave - non current	436,634	333,283
Accrued employee benefits	3,840	16,721
Lease Liabilities	992,889	1,005,135
Deferred grant revenue	4,320,000	4,680,000
Total Deferred Tax Assets	7,581,778	8,377,588
Set-off of deferred tax liabilities pursuant to set-off provisions	(7,581,778)	(8,377,588)
Net Deferred Tax Assets	-	-
Movements:		
Opening balance at 1 July	8,377,588	8,074,628
Credited/(charged) to the statement of comprehensive income	(795,810)	302,960
As at 30 June	7,581,778	8,377,588
Deferred tax assets expected to be recovered within 12 months	2,326,313	2,838,738
Deferred tax assets expected to be recovered after more than 12 months	5,255,465	5,538,850
	7,581,778	8,377,588

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026 \$	2025 \$
NOTE 2. OUR FINANCIAL PERFORMANCE (continued)		
Deferred Tax Liabilities		
The balance comprises temporary differences attributable to:		
Amounts recognised in the statement of comprehensive income		
Accrued Trade Receivables	3,383,996	2,393,335
Property, Plant and Equipment	(24,150,371)	(96,211,990)
Property, Plant and Equipment (revaluation component)	55,560,915	113,408,955
Total Deferred Tax Liabilities	34,794,540	19,590,299
Set-off of deferred tax liabilities pursuant to set-off provisions	(7,581,778)	(8,377,588)
Net Deferred Tax Liabilities	27,212,762	11,212,712
Movements:		
Opening balance at 1 July	19,590,299	75,433,589
Charged/(credited) to the statement of comprehensive income	4,639,603	2,007,647
Charged/(credited) to equity	10,564,638	(57,850,938)
As at 30 June	34,794,540	19,590,299
The Deferred tax liability includes amounts recognised directly in equity as follows:		
Revaluation of Property, Plant and Equipment	66,125,553	55,558,017
Deferred tax liabilities expected to be recovered within 12 months	3,383,996	2,393,335
Deferred tax liabilities expected to be recovered after more than 12 months	31,410,544	17,196,964
	34,794,540	19,590,299

(iii) INCOME TAX EQUIVALENTS REFUNDS

The Port is subject to the National Tax Equivalents Regime (NTER) and as an NTER entity, the Port is liable to pay instalments of its expected income tax equivalent liability for the current income year. The Port pays monthly instalments for the income tax year with the final payment/refund occurring in the following December after year end.

(iv) CURRENT TAX ASSETS AND LIABILITIES

Opening balance at 1 July	3,819,514	(2,515,742)
Tax paid/(refunded) in respect of prior years	(3,819,514)	2,515,742
Over/(Under) provision of tax in prior years	-	-
Current Tax Provision	(1,356,660)	(2,846,017)
Tax paid in respect to current year	3,881,822	6,665,531
Tax Receivable/(Tax Liability) Closing balance at 30 June	2,525,162	3,819,514

NOTE 3. OUR FINANCIAL POSITION

(A) CASH AND CASH EQUIVALENTS

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

Cash at Bank and On Hand	11,864,671	19,945,084
	11,864,671	19,945,084

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026	2025
\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

INTEREST RATE RISK EXPOSURE

The Port's exposure to interest rate risk is discussed in Note 4(D). The maximum exposure to credit risk at the reporting date is the carrying amount of each class of cash and cash equivalents mentioned above. The Port's exposure to interest rate risk and the effective weighted average interest rate for classes of financial assets and financial liabilities is set out in Note 4(D).

(B) TRADE AND OTHER RECEIVABLES

Trade and other receivables are measured at amortised cost which approximates their fair value at reporting date. Trade receivables are due for settlement no more than 30 days from the date of recognition for the Port's debtors, and no more than 30 days for other debtors. If a contractual arrangement exists, settlement is in accordance with the contractual terms.

The collectability of trade receivables is reviewed on an ongoing basis. The simplified approach to the impairment of trade receivables has been elected, as receivables do not contain a significant finance component. A provision matrix is used to assess the expected credit losses of trade receivables.

The Port has undergone an analysis of historical credit losses for a period of 36 months prior to 30 June 2026. The historical loss rates have been deemed immaterial.

A specific loss provision is recognised for individual trade receivables when there is objective evidence the amount due will not be able to be collected under the original terms of receivables. When a trade receivable for which a loss allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Trade and Other Receivables	23,352,745	19,010,749
Loss Allowance	-	(509,636)
	<u>23,352,745</u>	<u>18,501,114</u>

Due to the short term nature of the current receivables, their carrying value is assumed to be the same as their fair value.

The ageing of trade receivables is as follows:

0 - 30 days	20,729,832	17,654,274
30 - 60 days	365,195	96,326
60 - 90 days	1,330,852	23,554
over 90 days	926,867	726,960
	<u>23,352,745</u>	<u>18,501,114</u>

LOSS ALLOWANCE

As at 30 June 2026 nil current trade receivables of the Port were impaired and fully provided for (2025: \$509,636).

Opening Balance	509,636	24,231
Additional loss allowance	-	509,636
Reversal of previous provision	(153,580)	-
Receivables written off as uncollectable	(356,056)	(24,231)
	<u>-</u>	<u>509,636</u>

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The Port does not hold any collateral in relation to these receivables.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

NOTE 3. OUR FINANCIAL POSITION (continued)

(C) CASH ADVANCE FACILITY

Under the Queensland Government's cash management regime, Government Owned Corporations (GOCs) advance all surplus cash to Queensland Treasury. Queensland Treasury pays interest on these advances at the QTC Cash Fund rate.

GOC access to the advances is generally subject to notification periods of 24 to 48 hours. Because of the short term nature of the advances, their carrying amount is assumed to represent fair value.

At 30 June 2026, the balance held in QTC Cash Advance Facility was \$20,349,216 (2025: \$15,375,649).

(D) OTHER CURRENT ASSETS

When payment is made before the goods and/or services have been acquired, or before the particular period of time to which the payment relates has elapsed, a prepayment is to be recognised. Prepayments are amounts paid in advance for goods or services to be received or consumed in later periods. For recognition purposes, prepayments for items less than \$5,000 need not normally be recognised as a current asset. Rather, items below this threshold may be recognised as an expense immediately.

The main types of prepayments made by the Port are part payments, up front payments for goods and services, and insurance premiums.

(E) INVENTORIES

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on first-in first-out principle. Net realisable value is determined on the basis of the Port's normal selling pattern.

Inventories include spares used for the purpose of maintaining assets. Upon use, the spares are either expensed or capitalised, based on the nature of maintenance activities and whether such activities would meet the criteria for capitalisation under AASB 116 *Property, Plant and Equipment*.

(F) PROPERTY, PLANT AND EQUIPMENT AND RELATED DEPRECIATION EXPENSE

INITIAL RECOGNITION

The cost model of accounting is used for all acquisitions of assets, being fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisitions. Assets acquired at no cost or for nominal considerations are recognised at their fair value at date of acquisition.

Where assets are constructed by the Port, the cost at which they are recorded includes the cost of materials, direct labour and other costs directly attributable to the assets and where appropriate, finance costs.

Property, plant and equipment items with a cost or value in excess of the thresholds in the following table are recognised as an asset. All other items of property, plant and equipment are expensed on acquisition.

Asset Class	\$	Asset Class	\$
Channels and Swing Basins	10,000	Buildings	10,000
Land	1	Infrastructure	10,000
Wharves	10,000	Small Boat Harbours	10,000
Breakwaters	10,000	Plant and Equipment	5,000

The Port has a comprehensive annual maintenance program for its major plant and equipment and infrastructure assets, and subsequent costs will be included in the asset's carrying amount or recognised as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Port and the cost of the item can be measured reliably. All other repairs and maintenance that merely restores original service potential (arising from ordinary wear and tear etc) are charged to the statement of comprehensive income during the financial period in which they are incurred.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

NOTE 3. OUR FINANCIAL POSITION (continued)

SUBSEQUENT RECOGNITION

Subsequently, channels and swing basins, wharves, buildings, infrastructure, small boat harbours and facilities, breakwaters and land are measured at fair value. Fair value is estimated using an income approach based on discounted cash flows. The net present value of the cash flows of the asset group are allocated across the individual assets in the group. Valuations are undertaken annually to ensure that the carrying amount of the assets does not differ materially from that which would be determined using fair value at the end of the reporting period. Key assumptions and inputs made in assessing fair value are discussed below.

Increases in the carrying amounts arising on revaluation of channels and swing basins, freehold land, wharves, buildings, infrastructure, small boat harbours and breakwaters are credited, net of tax, to asset revaluation surplus in shareholders' equity on a pro rata basis. 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 against revaluation surplus directly in equity to the extent of the remaining surplus attributable to the asset. All other decreases are charged to the statement of comprehensive income.

For assets that are revalued using the income based approach, any accumulated depreciation and accumulated impairment losses are eliminated against the gross amount of the asset prior to restating for the revaluation. This is referred to as the net method and is utilised as the income based approach does not reflect replacement costs or assessment of remaining useful lives, and the net method of revaluation provides more meaningful reported asset figures.

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. A revaluation decrement is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identified cash inflows which are largely independent of the cash flows from other assets or groups of assets (cash generating units).

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income. When revalued assets are sold or derecognised, it is the Port's policy to transfer the amounts included in the asset revaluation surplus in respect of those assets to accumulated surplus.

Fair Value

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date under current market conditions (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 Port 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 Port include, but are not limited to, subjective adjustments made to observable data to take account of the characteristics of the Port'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.

Fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Port recognises transfers into and transfers out of fair value hierarchy levels at the end of the reporting period. There were no transfers during the year.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

NOTE 3. OUR FINANCIAL POSITION (continued)

Channels and swing basins, wharves, buildings, small boat harbours and facilities, infrastructure, breakwaters and land are categorised as Level 3 at 30 June 2026.

The fair value of each asset group has been determined using an income based model. Management reviews and updates estimates of future cash flows in the model annually. The net present value of the cash flows of the asset group are allocated across the individual assets in the group. Changes in the economic environment can cause fluctuations in fair value between periods and as a result, valuations are undertaken annually to ensure that the carrying value of the assets does not differ materially from that which would be determined using fair value at the end of the reporting period.

This section explains the judgements and estimates made in determining the fair values of channels and swing basins, wharves, buildings, small boat harbours and facilities, infrastructure, breakwaters and land assets. The following table summarises the quantitative information about the significant unobservable inputs used in the Level 3 measurements.

Unobservable Input	Input	Relationship of unobservable input to fair value
Discount Rate	8.57%	The higher the discount rate the lower the fair value
CPI/Inflation	2.50%	The higher the CPI rate the higher the fair value
Terminal Value	EBIT multiple (14.2x)	The higher the terminal value the higher the fair value
Forecast Trade	Maximum volumes of 19.8 million tonnes	The higher the trade forecast the higher the fair value
Other Revenue	As per Approved Budget, inflation thereafter	The higher the revenues the higher the fair value
Expenses	As per Approved Budget, inflation thereafter	The higher the expenses the lower the fair value
Capital Expenditure	Limited to replacement of existing assets	The higher the capital expenditure the lower the fair value

The income based valuation was undertaken by the Port as at 30 June 2026 using the following key assumptions:

- Detailed cash flow projections are prepared consisting of projections of nominal after tax cash flows. The future cash flows are denominated in Australian dollars and are projected on a nominal, ungeared, post-tax basis over the expected useful lives of the assets (100 years). Mid-period discounting (to discount future cash flows to their net present value) has been adopted.
- The Port has established the cash generating units of Shipping Operations, Property Management, Port of Lucinda and Pilot and Security Services. Direct revenues and costs are apportioned utilising the most appropriate allocation method for that type of expenditure e.g. the written down value of relevant assets or proportional revenue received.
- Forecast revenue assumptions have been based on customer contracts (where applicable), advice from customers, assessment of feasibility of new trades or increases in capacity of supporting infrastructure, global market conditions for commodities and long-term historical trade patterns. However, forecast trade is limited to capacity of existing infrastructure and volumes subsequent to that are assumed to be constant.
- Determined charges for revenues are based on current established rates, budget rates for the first five year period and increased at a rate of inflation of 2.50% thereafter.
- Expenditure cash flows are based on prudent and efficient operating costs which are assumed to be largely fixed in nature due to the underlying nature of maintenance required on port assets remaining constant, irrespective of volumes.
- Net cash flows assume a discount rate equal to the relevant Corporate Weighted Average Cost of Capital (WACC), with a CPI of equivalent to the RBA average inflation target being utilised for cash flow growth rates (2.50%). This is due to the correlating relationship between WACC and CPI.
- An annually reviewed weighted depreciation rate on written down value is used to calculate depreciation by asset category.
- Due to the nature of the Port's long life assets, the period of assessment covers the maximum life of existing assets of 100 years. Terminal value calculations are also calculated over several periods to determine possible variations.
- Future capital expenditure beyond that already approved in the budget has been limited to the replacement of existing assets. No revenue has been included that would necessitate the expansion of port facilities nor would require additional expenditure above what has been included.
- Working capital balances are assumed to increase in line with the general growth of revenues and expenditures.
- Tax calculations in the cash flow projections assume a corporate tax rate of 30%.
- Assets are not valued above their recoverable value.

Overall sensitivity analysis of the inputs:

- A 1% change in the trade projection results in a 2.37% change in fair value.
- An independent change in either CPI or WACC of 1% can affect total non-current asset values by up to 19%, but an increase of 1% in both indices has a sensitivity of 19%.
- A 1% change in depreciation impacts fair value by 0.035%.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

Carrying Amounts by Measurement Basis

2025-2026 Carrying Amounts		\$ Gross / Fair Value	\$ Accumulated Depreciation	\$ Carrying Amount
Channels and Swing Basins	At Fair Value 2026	211,756,688	-	211,756,688
	At Fair Value 2025	184,927,698	-	184,927,698
Land	At Fair Value 2026	147,766,495	-	147,766,495
	At Fair Value 2025	112,458,541	-	112,458,541
Wharves	At Fair Value 2026	126,452,158	-	126,452,158
	At Fair Value 2025	118,572,059	-	118,572,059
Breakwaters	At Fair Value 2026	107,877,057	-	107,877,057
	At Fair Value 2025	73,863,800	-	73,863,800
Buildings	At Fair Value 2026	14,281,898	-	14,281,898
	At Fair Value 2025	11,992,103	-	11,992,103
Small Boat Harbours	At Fair Value 2026	5,542,904	-	5,542,904
	At Fair Value 2025	5,400,268	-	5,400,268
Infrastructure	At Fair Value 2026	80,379,206	-	80,379,206
	At Fair Value 2025	59,765,324	-	59,765,324
Plant and Equipment	At Cost 2026	48,806,374	22,261,097	26,545,276
	At Cost 2025	47,624,782	20,229,804	27,394,978
*Capital Works in Progress	At Cost 2026	31,670,477	-	31,670,477
	At Cost 2025	89,333,649	-	89,333,649
Total 2026		774,533,256	22,261,097	752,272,158
Total 2025		703,938,226	20,229,804	683,708,421

*Capital Works in Progress

Harbour Works (includes Inner Harbour works, Outer Harbour Development and Channel Upgrade Project)	19,694,682	64,806,101
Port Developments (includes East Port and Townsville Waterfront Developments)	4,479,751	21,921,411
Equipment	7,496,045	2,606,137
	31,670,477	89,333,649

Assessment of Useful Lives

The useful life of an asset is the period in which an asset is expected to be available for use by the Port. The estimation of an asset's useful life requires professional judgement based on management's experiences with similar non-current assets in a similar environment. Changes in these estimates could change significantly as a result of impacts of use or technical innovations or technical and economic obsolescence.

Useful lives and depreciation rates are reviewed at least annually and if necessary adjusted so that they reflect the most recent assessment of the useful life of the depreciable asset, having regard to such factors as asset usage and the rate of technical and economic obsolescence.

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:

Channels and Swing Basins	165,818,286	153,555,187
Land	116,875,180	89,048,963
Wharves	97,697,677	97,843,183
Breakwaters	87,959,262	61,135,487
Buildings	13,814,144	12,501,656
Small Boat Harbours	4,235,940	4,352,217
Infrastructure	74,415,692	59,700,319
	560,816,182	478,137,011

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

NOTE 3. OUR FINANCIAL POSITION (continued)

RECONCILIATION OF CARRYING AMOUNTS

	\$	\$	\$	\$	\$ Revaluations		\$	\$
2025-2026	Carrying Amount at 1 July 2025	Additions	Disposals & Derecognitions	Transfers	Recognised in Statement of Comprehensive Income	Recognised in Revaluation Surplus	Depreciation Expense	Carrying Amount at 30 June 2026
Assets at Fair Value								
Channels and Swing Basins	184,927,700	-	-	18,912,701	-	10,751,715	(2,835,429)	211,756,688
Land	112,458,543	-	-	27,826,218	-	7,481,734	-	147,766,494
Wharves	118,572,059	-	-	6,165,658	-	6,414,676	(4,700,236)	126,452,158
Breakwaters	73,863,801	-	-	29,764,081	-	5,477,188	(1,228,013)	107,877,057
Buildings	11,992,103	-	-	2,102,648	-	723,173	(536,026)	14,281,898
Infrastructure	59,765,324	-	-	19,371,678	-	4,085,539	(2,843,334)	80,379,208
Small Boat Harbours	5,400,268	-	-	-	-	281,435	(138,799)	5,542,903
Assets at Cost								
Plant & Equipment	27,394,978	-	(119,745)	1,794,591	-	-	(2,524,548)	26,545,276
Capital Works in Progress	89,333,649	48,274,401	-	(105,937,575)	-	-	-	31,670,475
	683,708,424	48,274,401	(119,745)	-	-	35,215,460	(14,806,385)	752,272,155

	\$	\$	\$	\$	\$ Revaluations		\$	\$
2024-2025	Carrying Amount at 1 July 2024	Additions	Disposals & Derecognitions	Transfers	Recognised in Statement of Comprehensive Income	Recognised in Revaluation Surplus	Depreciation Expense	Carrying Amount at 30 June 2025
Assets at Fair Value								
Channels and Swing Basins	157,148,020	-	-	90,848,664	-	(61,360,906)	(1,708,079)	184,927,700
Land	80,623,380	-	-	63,059,497	-	(31,224,335)	-	112,458,543
Wharves	159,971,874	-	-	11,423,400	-	(47,516,999)	(5,306,217)	118,572,059
Breakwaters	46,569,432	-	-	51,140,159	-	(22,764,000)	(1,081,791)	73,863,801
Buildings	17,799,618	-	-	(56,039)	-	(5,092,528)	(658,947)	11,992,103
Infrastructure	85,082,127	-	(2,546)	1,251,326	-	(22,715,268)	(3,850,315)	59,765,324
Small Boat Harbours	7,757,103	-	-	-	-	(2,162,426)	(194,410)	5,400,268
Assets at Cost								
Plant & Equipment	27,400,409	-	(2,103)	2,305,419	-	-	(2,308,747)	27,394,978
Capital Works in Progress	260,856,416	48,449,659	-	(219,972,426)	-	-	-	89,333,649
	843,208,379	48,449,659	(4,649)	-	-	(192,836,461)	(15,108,505)	683,708,424

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026
\$

2025
\$

NOTE 3. OUR FINANCIAL POSITION (continued)

(G) INTANGIBLES

Intangible assets of the Port relate to externally acquired software. An intangible asset shall be recognised if, and only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably.

Intangible assets will be measured at cost unless the asset is acquired for no cost or for a nominal amount and then the asset's fair value is deemed to be its cost, and will be subject to amortisation.

Expenditure on research activities is recognised in profit or loss as incurred. Development expenditure is capitalised only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Port intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortisation and any accumulated impairment losses.

Opening balance at 1 July	819,773	999,783
Amortisation	(173,534)	(180,011)
Closing balance at 30 June	646,239	819,773

(H) DEPRECIATION / AMORTISATION OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLES

The depreciable amount of all fixed assets including buildings and capitalised lease assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Port commencing from the time the asset is held ready for use. The useful life over which assets are depreciated and the level at which assets are recognised are significant estimates and judgements. Complex assets are disaggregated into identifiable components.

Computer hardware is included in plant and equipment and is currently depreciated over its expected useful economic life of three years. Associated communications costs such as cabling and leased lines for the Port's wide area network are fully expensed in the year the costs are incurred. Computer software is to be classified as an intangible asset unless it is integral to the related hardware then it will be classified as plant and equipment.

Depreciation / Amortisation Rates used for each class of depreciable assets are:

	Range		Average	
	2026	2025	2026	2025
Channels and Swing Basins	0.93%-1.28%	0.94%-0.96%	0.96%	0.94%
Wharves	1.17%-19.73%	1.19%-20.00%	3.32%	2.97%
Breakwaters	0.99%-2.10%	1.00%-2.08%	1.42%	1.29%
Buildings	1.49%-7.05%	1.52%-7.14%	3.49%	3.51%
Infrastructure	0.00%-14.09%	0.78%-14.29%	2.75%	2.76%
Small Boat Harbours	1.87%-2.55%	1.90%-2.59%	2.21%	2.24%
Plant and Equipment	0.00%-19.74%	0.10%-33.33%	10.35%	10.99%
Intangibles	8.97%-19.73%	9.09%-20.00%	12.14%	13.82%

(I) INVESTMENT PROPERTIES

Investment properties, mainly consisting of buildings and vacant land, are held for either long term rental yields or capital accretion and are not occupied by the Port (including property under construction for such purposes). This category does not include property used in the provision of services and supporting infrastructure for Port customers. Investment properties are carried at fair value, representing open market value determined annually by external valuers. Changes in fair values are recognised in the statement of comprehensive income.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its deemed cost for subsequent accounting.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026	2025
\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

When the use of a property changes such that it is transferred to investment property, the property is re-measured to fair value and reclassified as investment property. Any gain arising on re-measurement is recognised in the statement of comprehensive income to the extent that the gain reverses a previous loss, with any remaining gain recognised directly in the statement of comprehensive income. Any loss is presented in the revaluation surplus in equity to the extent that an amount had previously been included in the revaluation surplus relating to the specific property, with any remaining loss recognised immediately in the statement of comprehensive income.

An investment property is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal of an investment property is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

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

VALUATION BASIS

Fair value estimates for investment properties are in Level 2 for Investment Lands having been based on significant professional judgement at the time using the market based approach; and Level 3 for Investment Buildings due to the specialised nature of the assets and significant professional opinion required.

The Port obtains independent valuations for its investment properties at least every five years with independent desktop valuations between. At the end of each reporting period the Port updates the assessment of the fair value of each property, taking into account the most recent independent valuations including desktop valuations. The Port determines a property's value within a range of reasonable fair value estimates. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available the Port considers information from a variety of sources including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences.
- Capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

Current year revaluations have been based on desktop assessments made by CBRE Valuations Pty Limited, with relevant indices applied for the period 1 July 2025 to 30 June 2026. Valuation conclusions were reached after reviewing recent market activity by the Port, town planning schemes and assessment of the overall health of the Australian and Queensland economies taking into account specific industry conditions likely to impact on asset prices. Qualitative research indicated that the Port investment property values increased on average 8% over the last 12 months (2025: 3.0%).

Limited comparisons can be made between the general industrial land market and the Port's land market. The Port market is characterised by leasehold land occupied by trade orientated companies. Land values are driven by site rental levels and lease terms, and while there has been a deterioration in the mining industry and broader economy, the limited availability of land for development has helped to support land values.

Land		
Opening balance at 1 July	42,256,827	41,026,046
Net gain / (loss) from fair value adjustment	3,380,546	1,230,781
Closing balance at 30 June	45,637,374	42,256,827
Buildings		
Opening balance at 1 July	22,970,605	22,301,558
Net gain / (loss) from fair value adjustment	1,837,648	669,047
Closing balance at 30 June	24,808,253	22,970,605
Total Investment Properties Closing balance at 30 June	70,445,627	65,227,432
Amounts recognised in the Statement of Comprehensive Income for Investment Properties		
Rental income	2,270,483	2,097,080
Direct operating expenses from property that generate rental income	(421)	(685)
Direct operating expenses from property that did not generate rental income	(30,959)	(94,842)
Net gain / (loss) from fair value adjustment	5,218,195	1,899,828
Comprehensive Income	7,457,298	3,901,382

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026 \$	2025 \$
NOTE 3. OUR FINANCIAL POSITION (continued)		
(J) LEASES		
AMOUNTS RECOGNISED IN THE STATEMENT OF FINANCIAL POSITION FOR LEASES		
Right-of-Use Assets		
Opening balance at 1 July	3,314,151	4,119,051
Depreciation	(192,602)	(204,445)
Remeasurement adjustment	29,500	(600,455)
Closing balance at 30 June	3,151,049	3,314,151
Lease Liabilities		
Current	446,861	398,560
Non-Current	2,862,769	2,951,891
Opening balance at 1 July	3,350,450	4,188,774
Remeasurement	(94,486)	(723,635)
Interest on lease liabilities	305,690	137,427
Lease payments	(252,024)	(252,116)
Closing balance at 30 June	3,309,630	3,350,450
AMOUNTS RECOGNISED IN THE STATEMENT OF COMPREHENSIVE INCOME FOR LEASES		
Depreciation charge of right-of-use assets	192,602	204,445
Interest expenses (included in Finance costs)	305,690	137,427
Expenses relating to leases of low-value and short-term assets (included in Supplies and Services)	197,391	212,096
	695,684	553,968

The Port measures right-of-use assets from concessionary leases at cost on initial recognition, and measures all right-of-use assets at cost subsequent to initial recognition.

The Port has elected not to recognise right-of-use assets and lease liabilities arising from short-term leases and leases of low value assets. Short-term leases are those with a lease term of 12 months or less. An asset is considered low value where it is expected to cost less than \$10,000 when new. Lease payments are recognised as expenses on a straight-line basis over the lease term.

Where a contract contains both a lease and non-lease components such as asset maintenance services, the Port allocates the contractual payments to each component on the basis of their stand-alone prices. However, for leases of plant and equipment, the Port will elect not to separate lease and non-lease components and instead accounts for them as a single lease component.

When measuring the lease liability, the Port uses its incremental borrowing rate as the discount rate where the interest rate implicit in the lease cannot be readily determined, which is the case for all of the Port's leases. To determine the incremental borrowing rate, the Port uses loan rates provided by Queensland Treasury Corporation that correspond to the commencement date and term of the lease.

The Port has a number of lease agreements with the Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development for use of government land. The leased land includes land under water, which is used by the Port for port and transport related purposes only.

Assets and liabilities arising from a lease are initially measured on a present value basis. The lease payments are discounted using the Port's incremental borrowing rate. When adjustments to lease payments take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period.

Given the nature of the leases (held in perpetuity), there is no depreciation charge associated with these assets, with the exception of one parcel which is expected to be converted to freehold in the next 2 years.

Maturity analysis of lease liabilities is included in Note 4(D)

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

(K) TRADE AND OTHER PAYABLES

These amounts represent liabilities for goods and services provided to the Port prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within the terms set by the supplier. The carrying amount approximates fair value due to their short term nature and is therefore measured at amortised cost and not discounted.

CURRENT

Trade Payables	12,178,499	18,220,858
Finance Costs	2,017,702	1,696,401
Competitive Neutrality Fee	342,871	320,644
Retention	-	14,088
	<u>14,539,072</u>	<u>20,251,990</u>

The non-current amount represents a security deposit received from a lessee. The deposit is refundable at lease expiry unless applied against a lessee default. The current lease term is until 31 December 2027.

NON-CURRENT

Retention	2,000,000	2,000,000
	<u>2,000,000</u>	<u>2,000,000</u>

(L) BORROWINGS

NON-CURRENT

Borrowings	206,137,543	171,137,543
------------	-------------	-------------

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

The Port borrows from Queensland Treasury Corporation using a Portfolio Linked Loan product. A Portfolio Linked Loan is linked to a portfolio largely comprised of fixed funding instruments with various maturities. Portfolio Linked Loans provide a stable interest rate with maturing fixed rate instruments progressively refinanced at prevailing market rates.

Information pertaining to any associated risks for borrowings can be found in Note 4(D).

Interest rates

This loan is interest bearing with interest paid quarterly in arrears. The average interest rate for 2026 was 4.68% (2025: 4.36%).

Fair values

Unless disclosed below, the carrying amount (book value) of the Port's borrowings approximate to their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates.

	2026		2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Queensland Treasury Corporation loans	206,137,543	203,381,121	171,137,543	171,994,769

The fair value represents the value of the debt if the Port repaid at that date. As it is the intention of the Port to hold the debt for its term, no provision is required to be made in these accounts.

LOAN COVENANTS

Under the terms of the borrowing facilities with Queensland Treasury Corporation, the Port is required to comply with the following financial covenants:

- The EBIT Interest Coverage of greater than or equal to 2.50 times.
- A Total Debt to Total Capital ratio of no more than 40%.

The Port has complied with these covenants throughout the reporting period.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026	2025
\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

(M) PROVISIONS

Provisions are recognised when there is a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events and it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

CURRENT

Fringe Benefits Tax	71,292	48,332
Dividend	12,144,307	11,268,230
	12,215,599	11,316,562

Movements in Provisions

Movements in each class of provision during the financial year are set out below:

	Dividend \$	Fringe Benefits Tax \$
CURRENT		
Carrying amount at start of year	11,268,230	48,332
<u>Charged/(credited) to the statement of comprehensive income</u>		
- additional provisions recognised	12,144,307	244,511
Amounts transferred/reclassified		
Amounts used during the period	(11,268,230)	(221,551)
Carrying amount at end of year	12,144,307	71,292

(N) EMPLOYEE BENEFITS

CURRENT

Employee Benefits - Long Service Leave	2,793,207	2,567,034
Employee Benefits - Annual Leave	2,663,359	2,209,703
	5,456,567	4,776,737

NON-CURRENT

Employee Benefits - Long Service Leave	1,455,447	1,110,943
	1,455,447	1,110,943

Amounts not expected to be settled within the next 12 months

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service, or are expected to reach this threshold in the next 12 months. The non-current portion represents entitlements 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 Obligations

Liabilities for wages and salaries, including non-monetary benefits expected to be settled wholly within 12 months of the reporting date are recognised as current liabilities in respect of employees services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave is recognised as a provision. All other short-term employee benefit obligations are presented as trade payables.

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

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

Other Long-Term Employee Benefit Obligations

The liabilities for long service leave are those not expected to be settled wholly within 12 months after the end of period in which the employees render the related service. They are recognised in provisions and measured as the present value of the expected future payments to be made in respect of services provided by the employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service and includes related on-costs. Expected future payments are discounted at rates determined by reference to market yields at the end of the reporting period on high quality corporate bonds that have maturity dates that match, as closely as possible, the estimated future cash flows.

The current portion of long service leave has been calculated on employees with greater than ten years service. Long service leave provision is presented as current if the Port does not have the right to defer settlement for at least 12 months, otherwise they are presented as non-current.

Retirement Benefit Obligations

A number of employees of the Port are members of the defined benefit fund managed by QSuper. The defined benefit fund was open to many employees across Queensland State Government departments, agencies and government business enterprises. The Port's obligation is limited to its contribution to QSuper. The Treasurer of Queensland, based on advice from the State Actuary, determines employer contributions, and the amount of this contribution is recognised as an expense. No liability is recognised for accruing superannuation benefits, as this liability is held on a whole-of-Government basis and reported in the whole-of-Government financial statements, prepared in terms of AASB 1049 Whole of Government and General Government Sector Financial Reporting.

(O) CONTRACT AND OTHER LIABILITIES

Contract and Other Liabilities include amounts in relation to shipping activities where the performance obligations have not been satisfied, in addition to revenue received in advance relating to long term advances received on contracts for which the deliverables and obligations have not yet been achieved and operating lease revenue on investment properties. The revenue received is recognised as deferred income and is recorded as revenue when the future service or performance to which it relates has been provided. Material contracts included in the statement of financial position totals are detailed below:

- The Berth 10 upgrade project provides a dedicated facility for military vessels. In 2010-2011, the Department of Defence contributed \$30 million towards future licence fees in respect to the new facility to ensure access over 25 years. The licence fees are to be recognised as revenue on a straight line basis over a period of 25 years. The revenue is recognised from completion of the Berth 10 upgrade, which was October 2013. The balance at reporting date is \$14,400,000 (\$1,200,000 current, \$13,200,000 non-current) (2025: \$15,600,000).

In addition, there is a lease arrangement in place for a staging area to accommodate Defence equipment when vessels are in port. The payment in advance of \$1,840,000 covers the period 2011 to 2031 for this staging area. The balance at reporting date is \$604,167 (\$125,000 current, \$479,167 non-current) (2025: \$729,167).

- The Townsville Dry Tropics Partnership for Healthy Waters is a waterways focused initiative made up of stakeholders from industry, scientific research, education, community and all levels of government.

The Partnership produces Report Cards and scientific summaries that provide our community with an independent picture of the ecological, social and economic health of our waterways and reef in the Dry Tropics region. The Report Card will help guide future planning and investment into waterway, marine catchment and reef health.

In 2021-2022, the Port signed on to host the initiative with funding received of \$980,454, to be spent on activities over four years. The Port recently committed to a further two years and 3 months, with the hosting arrangement now ending September 2026. The balance at reporting date is \$788,249 (current) (2025: \$828,552).

- Other current deferred revenues are associated with property contracts, where consideration has been received in advance of the Port satisfying its performance obligations under the relevant agreements. These amounts are recognised as deferred income until such time as the contractual obligations are met, at which point the revenue will be recognised in the statement of profit or loss. The balance at reporting date is \$3,711,961 (2025: \$3,403,138).

(P) CONTRIBUTED EQUITY

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Authorised capital - 500,000,000 ordinary shares of \$1 each	500,000,000	500,000,000
Issued capital		
Opening balance at 1 July - 267,879,706 (2025: 247,879,706) ordinary shares of \$1 each fully paid	267,879,706	247,879,706
Issue of shares	-	20,000,000
Amount at the reporting date - 267,879,706 (2025: 267,879,706) ordinary shares of \$1 each fully paid	267,879,706	267,879,706

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 3. OUR FINANCIAL POSITION (continued)

ISSUED CAPITAL - ORDINARY SHARES

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Port in proportion to the number of and amounts paid on the shares held.

CAPITAL RISK MANAGEMENT

The Port's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Port may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(Q) RESERVES

ASSET REVALUATION SURPLUS

The property, plant and equipment revaluation surplus is used to record increments and decrements on the revaluation of non-current assets, as described in Note 3(F).

Balances of Asset Revaluation Surplus by category are as follows:

Channels and Swing basins	44,631,818	37,105,617
Land	22,400,080	17,162,864
Wharves	37,958,574	33,463,921
Breakwaters	21,039,436	17,195,977
Buildings	5,042,114	4,501,068
Small Boat Harbours	1,618,331	1,421,327
Plant and Equipment	217,666	179,073
Infrastructure	19,270,324	16,490,912
Land and Buildings transferred to Investment Properties	2,114,615	2,114,614
	154,292,957	129,635,372

(R) DIVIDENDS

Provision is made for the amount of any dividend, being appropriately determined on or before the end of the financial year but not distributed at balance date. Directors recommended payment of a final dividend of 100% (2025: 100%) of adjusted profits. The final dividend amounts to \$12,144,307 (2025: \$11,268,230). All dividends are unfranked.

Dividends provided for or paid	12,144,307	11,268,230
Dividends per share	0.045	0.042

NOTE 4. OTHER

(A) GOODS AND SERVICES TAX (GST)

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

Receivables and payables in the Statement of Financial Position are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the taxation authority are presented as operating cash flows.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 4. OTHER (continued)

(B) COMMITMENTS

Capital Expenditure Commitments (Non-recoverable GST inclusive)

Capital expenditure contracted for at the reporting date but not recognised as a liability is as follows:

Not later than one year	8,823,063	35,038,120
Later than one year but not later than five years	-	-
	8,823,063	35,038,120

Operating Commitments (Non-recoverable GST inclusive)

Operating Expenses contracted for at the reporting date but not recognised as a liability are as follows:

Not later than one year	16,116,973	9,841,383
Later than one year but not later than five years	16,197,571	1,233,239
	32,314,543	11,074,623

Future Minimum Lease Commitments Receivable (GST Inclusive)

Future minimum lease amounts receivable under non-cancellable operating leases at balance date. These are the undiscounted lease amounts to be received on an annual basis for the following periods:

Not later than one year	18,149,844	17,187,832
Later than one year but not later than five years	91,559,364	72,481,691
	109,709,208	89,669,523

The Port leases significant assets to third parties under operating leases with varying terms. The method of calculation of amounts receivable 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.

(C) CONTINGENT ASSETS/LIABILITIES

There were no known contingent assets/liabilities of a significant nature at 30 June 2026 (2025: Nil).

(D) FINANCIAL RISK MANAGEMENT

The Port has exposure to credit risk, liquidity risk, market risk and interest rate risk from its use of financial instruments. This note presents information about the Port's exposure to each of these risks, its objectives, policies and processes for measuring and managing risk, and the management of capital.

The Board of Directors has 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 Port, 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 Port's activities. The Port, 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 Port's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Port. The Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes reviews of risk management controls and procedures, and reports the results to the Audit and Risk Committee.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026
\$

2025
\$

NOTE 4. OTHER (continued)

CREDIT RISK

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any loss allowance, as disclosed in the statement of financial position and notes to the financial statements. The Port has major customers, of which the top 10 contribute 57% of revenue. When necessary, the Port will establish a loss allowance that represents estimates of possible incurred losses of trade and other receivables, and is shown in Note 3(B).

LIQUIDITY RISK

The Port is exposed to liquidity risk in respect of its payables and borrowings from Queensland Treasury Corporation for capital works. The Port manages liquidity risk through the use of a liquidity management strategy which aims to reduce the exposure to risk by ensuring the Port has sufficient funds available to meet employee and supplier obligations as they fall due. This is achieved by ensuring maximum levels of cash are at hand to match the expected duration of various employee and supplier liabilities. Funding arrangements are in place with Queensland Treasury Corporation which will allow sufficient funding to cover planned requirements within the Port's corporate planning period.

The following table sets out the liquidity risk of financial liabilities held by the Port.

2026		Payable In		Total Contractual	Carrying
	< 1 year	1-5 years	> 5 years	Cash Flows	Amount
Payables	14,539,072	2,000,000		16,539,072	16,539,072
Borrowings	9,259,933	38,625,228	206,137,543	254,022,703	206,137,543
Lease liabilities	446,861	2,862,769	-	3,309,630	3,309,630

2025		Payable in		Total Contractual	Carrying
	< 1 year	1-5 years	> 5 years	Cash Flows	Amount
Payables	20,251,990	2,000,000	-	22,251,990	22,251,990
Borrowings	7,286,181	29,812,160	171,137,543	208,235,884	171,137,543
Lease liabilities	398,560	2,951,891	-	3,350,450	3,350,450

The Port has available a business card facility with a limit of \$175,000 (2025: \$175,000). Loan facilities as shown in Note 3(L) are provided by Queensland Treasury Corporation. New borrowings are subject to the approved Loan Program with the sanction of the Treasurer of Queensland. The Port has a Working Capital Facility available with Queensland Treasury Corporation, total available funds are \$30 million (2025: \$30 million).

MARKET RISK

As the Port does not trade in foreign currency, the Port is not materially exposed to changes in commodity prices. The Port is exposed to interest rate risk through its borrowings from Queensland Treasury Corporation and cash deposited in interest bearing accounts. The Port does not undertake any hedging in relation to interest rate risk and manages its risk as per the liquidity risk management strategy.

SENSITIVITY ANALYSIS

The following interest rate sensitivity analysis depicts the outcome on operating results if interest rates would change by +/- 1% from the year end rates applicable to the Port's financial assets and liabilities.

2026	Carrying Amount	Interest Rate Risk			
		- 1%		+ 1%	
		Increase/(Decrease)		Increase/(Decrease)	
		Profit	Equity	Profit	Equity
Financial Assets					
Cash and Cash Equivalents	11,864,671	(118,647)	(118,647)	118,647	118,647
Cash Advance Facility	20,349,216	(203,492)	(203,492)	203,492	203,492
Financial Liabilities					
Borrowings	206,137,543	2,061,375	2,061,375	(2,061,375)	(2,061,375)

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026
\$

2025
\$

NOTE 4. OTHER (continued)

2025	Carrying Amount	Interest Rate Risk			
		- 1%		+ 1%	
		Increase/(Decrease) Profit	Equity	Increase/(Decrease) Profit	Equity
Financial Assets					
Cash and Cash Equivalents	19,945,084	(199,451)	(199,451)	199,451	199,451
Cash Advance Facility	15,375,649	(153,756)	(153,756)	153,756	153,756
Financial Liabilities					
Borrowings	171,137,543	1,711,375	1,711,375	(1,711,375)	(1,711,375)

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

NET FAIR VALUES

The net fair value of cash and cash equivalents and non-interest bearing financial assets and financial liabilities of the Port approximates their carrying value.

(E) KEY MANAGEMENT PERSONNEL

The Port's shareholding Ministers are identified as Key Management Personnel (KMP). The shareholding Ministers during the reporting period are, or were:

- the Honourable Rosslyn Bates MP, Minister for Finance, Trade, Employment and Training
- the Honourable Brent Mickelberg MP, Minister for Transport and Main Roads

All Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Port does not bear any cost of remuneration of shareholding 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 KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is 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. Details of persons who held ministerial office during the financial year can be found in the Governance section of the Annual Report.

DETAILS OF DIRECTORS

Directors in office during the year are as follows:

Director	Date of Appointment	Appointment End/Resignation Date
Mr Peter Court	1 October 2025	31 May 2029
Ms Connie Navarro	1 October 2020, Last re-appointment 1 October 2023	30 September 2027
Ms Heidi Turner	1 October 2025	31 May 2029
Ms Carla Polson	2 October 2025	31 May 2029
Mr Stephen Motti	2 October 2025	31 May 2029
Mr Scott Stewart	2 October 2025	31 May 2029
Ms Ann Sherry AO	1 October 2021	30 September 2025
Ms Danielle O'Toole	1 October 2021	2 October 2025
Mr David Waters	1 October 2023	25 September 2025
Professor Jody Currie	1 October 2023	2 October 2025
Mr John Lee	1 October 2023	2 October 2025
Ms Vanessa (Fernandes) Sullivan	13 October 2022	30 September 2025
Mr Ben Kidston	2 October 2025	30 October 2025

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026
\$

2025
\$

NOTE 4. OTHER (continued)

DIRECTORS' REMUNERATION

All remuneration of Directors including Directors' fees and Board Committee fees is determined by Governor in Council. In accordance with the disclosure requirements for Government Owned Corporations, details of remuneration provided to Directors during the year are below.

Remuneration of Specified Directors	Year	Director Fees	Committee Fees	Superannuation	Total Remuneration
Mr Peter Court	2025/2026	50,000	5,829	6,804	62,633
	2024/2025	-	-	-	-
Ms Connie Navarro	2025/2026	37,500	10,424	5,751	53,675
	2024/2025	37,500	11,372	5,620	54,492
Ms Heidi Turner	2025/2026	25,000	5,829	3,757	34,587
	2024/2025	-	-	-	-
Ms Carla Polson	2025/2026	25,000	5,829	3,757	34,587
	2024/2025	-	-	-	-
Mr Stephen Motti	2025/2026	25,000	7,581	3,971	36,552
	2024/2025	-	-	-	-
Mr Scott Stewart	2025/2026	25,000	7,581	5,471	38,052
	2024/2025	-	-	-	-
Ms Ann Sherry AO (Chair) (Cessation of term 30 September 2025)	2025/2026	18,750	1,093	2,381	22,224
	2024/2025	75,000	4,372	9,128	88,500
Ms Danielle O'Toole (Cessation of term 2 October 2025)	2025/2026	9,375	1,093	1,256	11,724
	2024/2025	37,500	4,372	4,815	46,687
Mr David Waters (Cessation of term 25 September 2025)	2025/2026	9,375	1,750	1,335	12,460
	2024/2025	37,500	7,000	5,118	49,617
Professor Jody Currie (Cessation of term 2 October 2025)	2025/2026	9,375	1,093	1,256	11,724
	2024/2025	37,500	4,372	4,815	46,687
Mr John Lee (Cessation of term 2 October 2025)	2025/2026	9,375	1,093	1,256	11,724
	2024/2025	37,500	4,372	4,815	46,687
Ms Vanessa (Fernandes) Sullivan (Cessation of term 30 September 2025)	2025/2026	9,375	2,843	1,466	13,684
	2024/2025	37,500	11,372	5,620	54,492
Mr Ben Kidston (Resigned 30 October 2025)	2025/2026	-	-	-	-
	2024/2025	-	-	-	-
Total Remuneration Specified Directors	2025/2026	253,125	52,040	38,462	343,627
	2024/2025	300,000	47,232	39,932	387,163

Insurance premiums to indemnify liabilities while acting as a Director	2025/2026	70,127
	2024/2025	148,805

EXECUTIVE REMUNERATION

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

The Port's remuneration policy provides for a review of executive salaries each year with any adjustments effective 1 July. Details of executive remuneration are included in the Annual Report and Statement of Corporate Intent in accordance with legislative and policy requirements. Increases in Chief Executive Officer and Senior Executive remuneration are made and approved in accordance with the Policy for Government Owned Corporations Chief and Senior Executives Employment Arrangements 2026.

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

The fixed remuneration on appointment is within a remuneration range approved by the Board, in addition to annual increases, and are in accordance with Governance Arrangements for Chief and Senior Executives.

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

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

2026
\$

2025
\$

NOTE 4. OTHER (continued)

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

Details of remuneration provided to Specified Executives at 30 June 2026 are as follows:

Remuneration of Specified Executives	Year	Short Term Benefits		Post Employment Benefits	Long Term Benefits	Performance Payments *	Termination Payments	Total Remuneration
		Monetary	Non-Monetary					
Ms R. Crosby	2025/2026	455,145	256	58,485	18,858	36,864	-	569,607
Chief Executive Officer	2024/2025	449,347	385	58,994	22,598	43,115	-	574,439
Ms K. Small (commenced November 2025)	2025/2026	213,576	256	25,346	4,968	-	-	244,146
General Manager Corporate Services	2024/2025	-	-	-	-	-	-	-
Mr D. Penny	2025/2026	342,562	620	43,609	9,505	24,159	-	420,456
General Manager Customers, Operations & Safety	2024/2025	341,507	771	44,650	9,997	32,051	-	428,977
Mr D. McLoughlin	2025/2026	341,644	-	44,670	8,527	26,366	-	421,207
General Manager Project Delivery	2024/2025	345,460	960	43,841	8,511	32,086	-	430,857
Ms V. Brown	2025/2026	339,403	226	43,740	8,192	28,733	-	420,294
General Manager People, Technology & Performance	2024/2025	332,604	605	41,010	7,683	13,433	-	395,334
Ms J. Dalton (commenced April 2026)	2025/2026	55,853	-	6,602	1,294	-	-	63,749
General Manager Assets, Planning & Environment	2024/2025	-	-	-	-	-	-	-
Mr D. Sibley (retired November 2025)	2025/2026	80,910	-	11,556	2,734	15,282	-	110,483
General Manager Strategy, Finance & Governance	2024/2025	323,861	1,246	41,972	10,506	28,641	-	406,226
Mr M. McNeil (resigned January 2026)	2025/2026	146,579	103	22,924	3,976	21,553	22,769	217,904
General Manager Assets, Planning & Environment	2024/2025	315,035	1,349	41,202	7,715	30,250	-	395,550
Total Remuneration Specified Executives	2025/2026	1,975,671	1,462	256,932	58,054	152,957	22,769	2,467,845
	2024/2025	2,107,814	5,316	271,669	67,010	179,576	-	2,631,384

* Performance payments are cash payments made in the relevant financial year based on the achievement of key performance objectives and measures for key management personnel with respect to the preceding financial year (ie. Payments shown in current reporting period will relate to performance achievements for the prior financial year).

Benefits

Benefits and expenses for executives include the following:

- Short term benefits include salaries, allowances and leave entitlements earned and expensed for the year, or for that part of the year during which the employee occupied a KMP position.
- Post employment expenses such as employer superannuation and salary sacrifice arrangements.
- Long-term benefits including long service leave accrued, for which an obligation exists.
- Performance payments based on agreed targets set by the Board.
- Termination payments include payments made in lieu of notice on termination and other lump sum separation entitlements (excluding unused leave entitlements) payable on termination.
- Other non-monetary benefits include items such as company provided phone or memberships.

LOANS TO KEY MANAGEMENT PERSONNEL

There are no loans outstanding to the Port from key management personnel.

OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

For details regarding any other transactions other than compensation paid refer to Related Party Transactions below.

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$
NOTE 4. OTHER (continued)		
(F) RELATED PARTY TRANSACTIONS		
CONTROL		
The Port is a Queensland Government Owned Corporation, with all shares held by shareholding Ministers on behalf of the State of Queensland. There was no income received, or due and receivable, by the shareholding Ministers from the Port during the year (2025: \$nil). No shareholding Minister has received or become entitled to receive any benefit by reason of a contract made by the Port.		
KEY MANAGEMENT PERSONNEL		
Disclosures relating to key management personnel are set out in Note 4(E).		
TRANSACTIONS WITH RELATED PARTIES		
From time to time Senior Executives, Directors and related entities may have commercial dealings with the Port. These transactions are conducted on arm's length terms and conditions. Senior Executives and Directors declare their interest on commercial dealings at Board meetings.		
In the ordinary course of business conducted under normal terms and conditions, the Port has dealt with:		
- Townsville Enterprise Limited, of which Ms R. Crosby is a Board Member. The Port made payment for membership fees of \$43,404, Project Services Contribution of \$30,000, Townsville Cruise Welcome Program Contribution \$65,000, Green Energy Forum \$3,000 and Defense Strategy \$5,000. - Ports Australia, of which Ms R. Crosby is a Director and Member. The Port made payment for membership fees of \$43,767. - Queensland Ports Association, of which Ms R. Crosby is a Member. The Port made payment for membership fees of \$36,125. - Brazier Motti, of which Mr S. Motti is a senior Principal. The Port made payment for survey services of \$6,500. - Townsville Maritime Museum Limited, of which Mr D. Penny and Mr D. Sibley were also Directors and Members. The Port made contributions of \$80,000 to the Museum during the year, in addition to \$13,750 for mooring a vessel at their facility. - Mount Isa to Townsville Economic Development Zone (MITEZ), of which Ms C. Navarro is a Member. The Port made payment for membership of \$21,000 during the year. - James Cook University, of which Mr David Waters is a Director. The Port made payment for Seagrass Monitoring Program \$184,525 and provided \$1,800 for academic prizes during the year.		
TRANSACTIONS WITH STATE OF QUEENSLAND CONTROLLED ENTITIES		
All transactions between the Port and other Government Owned Corporations are on an arm's length commercial basis. Port of Townsville Limited, as a Government Owned Corporation, has had arm's length transactions with state government and other government entities.		
Revenue		
Queensland Treasury Corporation:		
- Interest Revenue	248,755	206,560
Department of Transport and Main Roads (Maritime Safety Queensland) - Pilotage transfers	9,685,087	8,650,897
Expenses		
Queensland Audit Office (QAO) - Audit fees	209,000	173,000
Qleave - Portable long service leave	135,307	59,771
Queensland Treasury Corporation:		
- Loan interest expense	7,573,995	6,067,340
- Loan administration charge	260,704	230,181
- Competitive Neutrality Fee	1,324,519	1,192,830
Office of State Revenue:		
- Payroll Tax	1,318,783	1,123,684
- Land Tax	3,623,775	2,299,193
Department of Natural Resources and Mines, Manufacturing and Regional and Rural Development - Land Rent	387,072	386,262
Department of the Environment, Tourism, Science & Innovation - Permit Fees & Equipment Hire/Maintenance	33,378	32,229
Department of Transport and Main Roads		
- Beacon extraction	1,105,398	2,320,399
- Simulation works	-	108,765
- Pilot Training	9,772	34,477
- Abbot Point Licence Fees	15,500	12,824
Queensland Transport - vehicle registrations	56,828	51,316
Ergon Energy - Electricity	923,773	994,908
Townsville City Council		
- Property Charges	1,172,331	761,846
- VP80 Sponsorship	25,000	-
Queensland Fire & Emergency Services - Alarm Management fees	10,326	14,354
Department of Primary Industries - QSEAS Financial Collaboration	29,496	29,496
Australian Institute of Marine Science		
- Channel Upgrade ITAC meetings	115,129	34,584
Contributions to QSuper on behalf of employees	1,774,074	1,821,262

Notes to the Financial Statements

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

	2026	2025
	\$	\$

NOTE 4. OTHER (continued)

Assets

Queensland Treasury		
- Advances Facility	20,349,216	15,375,649

Liabilities

Queensland Treasury Corporation:		
- Borrowings	206,137,543	171,137,543
Provision for Dividend to Queensland Treasury	12,144,307	11,268,230

OUTSTANDING BALANCES ARISING FROM TRANSACTIONS WITH RELATED PARTIES

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

GUARANTEES

As at 30 June 2026 there were no guarantees provided by the Port on behalf of a related party.

(G) CLIMATE RISK DISCLOSURE

In the coming year, the Port will be continuing to review the material climate related physical and transition risks where relevant to the Port's financial statements. No adjustments to the carrying value of recorded assets or other adjustments to the amounts recorded in the financial statements were recognised during the year as a result of climate related risks. The Port will continue to engage with shareholding Ministers and adopt future regulatory requirements, and continue to engage other stakeholders on reporting and climate risk.

(H) EVENTS OCCURRING AFTER THE YEAR END DATE

There has not been any matter or circumstance that has arisen since 30 June 2026 that has significantly affected, or may significantly affect:

- the Port's operations in future financial years, or
- the results of those operations in future financial years, or
- the Port's state of affairs in future financial years.

NOTE 5. CONSOLIDATED ENTITY DISCLOSURE STATEMENT

Pursuant to Subsection 295(3A)(a) of the *Corporations Act 2001* (Cth), the Port acknowledges that it has a degree of influence and therefore control over Townsville Maritime Museum Limited (TMML). However, the entity's financial information has not been consolidated into the Port's financial statements in accordance with AASB 10 Consolidated Financial Statements due to the immateriality of its financial impact on the overall financial position and performance of the Port. This determination is based on an assessment that the inclusion of TMML financial information would not materially affect the decisions of the users of the Port's financial statements.

Name of Entity	Townsville Maritime Museum Limited
Type of Entity	Body Corporate - Company Limited by Guarantee
Trustee, partner or participant in joint venture	n/a
Place formed or incorporated	Australia
Percentage of share capital held	n/a
Australian tax resident or foreign tax resident	Australian
Foreign tax jurisdiction	n/a

Directors' Declaration

for the year ended 30 June 2026

Port of Townsville Limited
Annual Financial Statements
2025-2026

In the Directors' opinion:

- (a) the financial statements and associated notes are in accordance with the *Corporations Act 2001* (Cth) including:
 - (i) complying with Accounting Standards and Interpretations, the *Corporations Regulations 2001* (Cth) and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the financial position of the Port as at 30 June 2026 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the Port will be able to pay its debts as and when they become due and payable.
- (c) the information disclosed in the consolidated entity disclosure statement is true and correct.

This declaration is made in accordance with a resolution of the Directors.



Mr Peter Court
Chair

31 August 2026



Mr Stephen Motti
Director

31 August 2026

INDEPENDENT AUDITOR'S REPORT

To the Members of Port of Townsville Limited

Report on the audit of the financial report

Opinion

I have audited the accompanying financial report of Port of Townsville Limited.

The financial report comprises the statement of financial position as at 30 June 2026, 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 2026, and its financial performance for the year then ended; and
- b) complying with Australian Accounting Standards and the Corporations Regulation 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 (including Independence Standards)* (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 3(F)

Key audit matter	How my audit addressed the key audit matter
Property, plant and equipment is reported at fair value and where applicable at cost. Approximately 92% of the property, plant and equipment was valued at fair value which was determined using the income-based valuation model. The key assumptions used in the income-based valuation model included: • forecasting operating revenue • estimating future capital and operating costs • determining terminal value • formulating the discount rate applied to future cashflows.	My procedures included, but were not limited to: • obtaining an understanding of the discounted cash flow model, and assessing its design, integrity, and appropriateness with reference to common industry practices. • evaluating the independent external expert's competency, capabilities and objectivity. • 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. • performing a sensitivity analysis to establish that management's assumptions for fair value including cash flows, terminal values and discount rates are within a reasonable range of audit expectations for fair value and are appropriately disclosed in the financial statements. • 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. • evaluating whether the discount rate applied was within a reasonable range, with reference to market data and industry research. • challenging the reasonableness of key assumptions based on my knowledge of the entity and industry. • verifying the mathematical accuracy of net present value calculations.

Useful lives estimated for depreciation expense – Note 3(F) and 3(H)

Key audit matter	How my audit addressed the key audit matter
The straight-line depreciation method used requires significant judgements for: • identifying the significant components of assets that have different useful lives • estimating the remaining useful lives of those significant components.	My procedures included, but were not limited to: • evaluating management's approach for identifying the parts of property, plant and equipment with different useful lives for reasonableness. • evaluating management's assessment of remaining useful life estimates for reasonableness with reference to historical disposal rates, condition assessments for older assets and internal consistency. • performed substantive analytical procedures over depreciation expense for each class of assets to determine if actual depreciation expense appears in line with expectation.

Other information

Those charged with governance are responsible for the other information.

The other information comprises the information included in the entity's directors' report for the year ended 30 June 2026, which we obtained prior to the date of this auditor's report, and the annual report (but does not include the financial report and our auditor's report thereon), which is expected to be made available to us after that date.

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 identified above 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 on the other information that I have obtained prior to the date of this auditor's report, 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.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the directors.

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 our 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

This description forms part of my auditor's report.



Vaughan Stemmett
as delegate of the Auditor-General

31 August 2026

Queensland Audit Office
Brisbane

Annual Report 2025-26

PORT OF TOWNSVILLE LTD

www.townsvilleport.com.au