
9.6 GTE performance reports

Newcastle Port Corporation (NSW)
Port Kembla Port Corporation (NSW)
Sydney Ports Corporation (NSW)
Port of Melbourne Corporation (Victoria)
Victorian Regional Channels Authority (Victoria)
Central Queensland Ports Authority (Queensland)
Port of Brisbane Corporation (Queensland)
Cairns Port Authority (Queensland)
Ports Corporation of Queensland (Queensland)
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Townsville Port Authority (Queensland)
Fremantle Port Authority (WA)
Bunbury Port Authority (WA)
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Albany Port Authority (WA)
Dampier Port Authority (WA)
Geraldton Port Authority (WA)
Tasmanian Ports Corporation (Tasmania)
Darwin Port Corporation (NT)

Newcastle Port Corporation (NPC) operates under the *State Owned Corporations Act 1989* and the *Ports Corporatisation and Waterways Management Act 1995*. NPC has responsibility for the management of port facilities and provides pilotage services.

Newcastle Port Corporation recorded a total throughput of 85.6 million tonnes in 2006-07. Coal accounted for around 94.0 per cent of this throughput.

Total income held steady at almost \$53.7 million in 2006-07. Of this, income from actuarial gains on defined benefit superannuation accounted for \$2.3 million — a \$2.4 million decline from 2005-06. Before fair value movements, profit before tax increased by 15.9 per cent (\$2.0 million) to \$14.3 million in 2006-07. This was largely attributable to a \$2.7 million increase in gains from revaluations of investment property and a \$1.0 million increase in sundry income. Total expenses increased slightly to \$37.1 million.

Total assets were \$170 million in 2006-07, an increase of 6.7 per cent (\$10.7 million) from 2005-06. This was mostly due to a \$5.0 million increase in cash assets and a \$5.7 million fair value adjustment to investment property. As a result of increases in cash assets, the current ratio increased from 327 per cent in 2005-06 to 341 per cent in 2006-07. Property, plant and equipment declined in value by \$540 000 because depreciation and disposals more than offset \$2.1 million of capital works expenditure. Total liabilities grew by 4.9 per cent (\$3.0 million) in 2006-07, primarily through increases to deferred tax liabilities, and trade and other payables. The higher profit resulted in slight improvements in return on assets and on equity, which were 10.0 per cent and 0.7 per cent respectively in 2006-07.

The level of debt remained steady at \$30.8 million, which was reflected in correspondingly steady finance costs of \$2.1 million. Debt to equity and debt to assets improved to 24.8 per cent and 18.8 per cent respectively in 2006-07. The improvement was largely attributable to the combined effect of the stable debt levels and increased total assets.

Newcastle Port Corporation is required to make dividend and income tax-equivalent payments to the NSW Government. NPC provided for a \$3.8 million dividend payment and recorded an income tax-equivalent expense of \$5.1 million in 2006-07.

Newcastle Port Corporation does not receive community service obligation funding.

NEWCASTLE PORT CORPORATION (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	161	150	160	170
Total income	\$m	43	42	54	54
<i>Profitability</i>					
Profit before tax	\$'000	10 994	10 735	12 341	14 309
Operating profit margin	%	24.9	24.3	14.3	14.2
Cost recovery	%	133.2	132.1	116.7	116.6
Return on assets	%	8.3	8.7	9.4	10.0
Return on total equity	%	6.0	6.7	0.3	0.7
Return on operating equity ^c	%	5.8	5.8	0.2	0.6
<i>Financial management</i>					
Debt to equity	%	26.5	28.7	26.9	24.8
Debt to assets	%	19.4	20.6	20.0	18.8
Total liabilities to equity	%	42.8	59.7	60.4	58.8
Operating liabilities to equity ^d	%	36.4	39.1	38.5	36.4
Interest cover	times	6.0	5.9	6.8	7.8
Current ratio	%	427.0	318.3	326.6	341.2
Leverage ratio	%	136.4	139.1	138.5	136.4
<i>Payments to and from government</i>					
Dividends	\$'000	3 057	3 057	6 024	3 808
Dividend to equity ratio	%	2.6	2.8	5.4	3.2
Dividend payout ratio	%	45.3	48.9	2 489.3	540.1
Income tax expense	\$'000	2 998	3 236	5 509	5 094
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Newcastle Port Corporation (NPC) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for NPC.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. – Zero or rounded to zero.

Port Kembla Port Corporation (PKPC) operates under the *State Owned Corporations Act 1989* and the *Ports Corporatisation and Waterways Management Act 1995*. As well as managing the port, PKPC offers pilotage services and provides berths and equipment for private-sector lease or common use.

Total throughput recorded by PKPC was 25.4 million revenue tonnes in 2006-07, a 2.0 per cent decrease on 2005-06.¹ According to PKPC, the decline was due to a fall in grain exports because of the drought. The fall in grain exports outweighed growth of 10.0 per cent in coal exports. The other major cargoes that move through Port Kembla are steel products, copper ore and copper concentrates.

Total income fell by 14.5 per cent (\$4.7 million) in 2006-07. However, this included a \$0.9 million decrease in income from actuarial gains on defined benefit superannuation. PKPC more than doubled its profit before tax from \$4.6 million in 2005-06 to \$9.4 million in 2006-07. Revenue fell by \$3.8 million, primarily because of reduced revenue from berth services and finance leases. However, the \$8.5 million fall in total expenditure — mostly due to the absence of an \$8.7 million impairment incurred in 2005-06 — outweighed the fall in revenue.

Total assets increased by 15.2 per cent (\$24.0 million) to \$182 million in 2006-07. This included \$48.8 million of capital works expenditure and an increase of \$27.6 million in investment property. The capital works program included expansion of the port's infrastructure to facilitate the 2006-07 relocation to Port Kembla of bulk cargo shipping from Sydney Ports Corporation's Darling Harbour. Total debt was steady at \$49.3 million. Return on assets increased to 7.8 per cent in 2006-07, due to the higher profit before tax.

Current operating assets declined by 42.0 per cent, mainly due to a fall in cash assets. Current operating liabilities increased by 49.2 per cent, reflecting higher trade payables and short-term debt. As a result, PKPC's current ratio decreased from 495 per cent in 2005-06 to 192 per cent in 2006-07.

Port Kembla Port Corporation is required to make dividend and income tax-equivalent payments to the NSW Government. PKPC made no dividend provision, but recorded an income tax-equivalent expense of \$2.8 million in 2006-07. PKPC does not receive community service obligation funding.

¹ A revenue tonne is a mass of 1000 kg or a volume of one cubic metre, whichever gives the largest number of units of cargo.

PORT KEMBLA PORT CORPORATION (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	163	166	158	182
Total income	\$m	38	28	33	28
<i>Profitability</i>					
Profit before tax	\$'000	18 244	3 391	4 649	9 353
Operating profit margin	%	56.7	-5.5	-11.1	19.3
Cost recovery	%	231.1	94.8	90.0	123.9
Return on assets	%	13.8	4.8	5.6	7.8
Return on total equity	%	16.8	-3.0	-5.0	0.5
Return on operating equity ^c	%	15.2	-2.7	-4.6	0.4
<i>Financial management</i>					
Debt to equity	%	51.4	54.1	53.0	41.3
Debt to assets	%	30.6	31.9	32.6	30.0
Total liabilities to equity	%	88.5	103.1	80.9	63.6
Operating liabilities to equity ^d	%	68.0	69.4	59.4	50.7
Interest cover	times	5.6	1.9	2.2	3.7
Current ratio	%	173.9	248.1	494.9	192.3
Leverage ratio	%	168.0	169.4	159.4	150.7
<i>Payments to and from government</i>					
Dividends	\$'000	6 233	6 233	–	–
Dividend to equity ratio	%	6.5	6.8	–	–
Dividend payout ratio	%	43.0	..	..	–
Income tax expense	\$'000	5 779	1 382	2 050	2 844
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Port Kembla Port Corporation (PKPC) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for PKPC.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. .. Not applicable. – Zero or rounded to zero.

Sydney Ports Corporation (SPC) was established in 1995 and operates under the *State Owned Corporations Act 1989* and the *Ports Corporatisation and Waterways Management Act 1995*. SPC manages the commercial ports of Sydney Harbour and Botany Bay, and leases land to private stevedores. SPC also owns Sydney Pilot Service Pty Ltd, which provides pilot services for Sydney Harbour and Port Botany.

Sydney Ports Corporation handled container throughput of 1.6 million twenty-foot equivalent units in 2006-07, a 12.1 per cent increase on 2005-06. Total throughput increased by 4.0 per cent to 27.8 million tonnes in 2006-07. SPC's major cargoes are chemicals, paper, manufactures and machinery. Sydney Harbour is also regularly visited by cruise ships. Darling Harbour ceased trading bulk cargo in 2006-07.

Total income increased by \$5.3 million in 2006-07, despite a \$3.9 million decline in actuarial gains from defined benefit superannuation. SPC recorded a profit before tax of \$78.5 million in 2006-07, a 3.2 per cent (\$2.6 million) decrease on 2005-06. Increases in port revenue and other revenue of \$8.8 million and \$12.2 million respectively were outweighed by a \$9.9 million decrease in investment property revaluation gains, and an \$11.8 million increase in total expenses. The higher expenses included increased service contractors, indirect taxes, and other expenses.

Total assets grew by 5.6 per cent (\$57.5 million) to \$1.1 billion in 2006-07, partly because of asset revaluations (\$14.4 million) and capital works (19.2 million). Combined with the lower profit, the increased total assets caused return on assets to decline to 8.7 per cent in 2006-07.

Debt was steady at \$172 million. When combined with increased total assets, the steady debt was reflected in a decline in debt to assets to 16.4 per cent in 2006-07.

Sydney Ports Corporation is required to make dividend and income tax-equivalent payments to the NSW Government. It made a provision for a \$29.0 million dividend and recorded an income tax-equivalent expense of \$25.6 million in 2006-07. SPC does not receive community service obligation funding.

SYDNEY PORTS CORPORATION (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	965	953	1 026	1 084
Total income	\$m	152	229	188	194
<i>Profitability</i>					
Profit before tax	\$'000	61 415	140 380	81 095	78 504
Operating profit margin	%	48.1	48.0	47.1	45.9
Cost recovery	%	192.8	192.3	189.1	185.0
Return on assets	%	7.8	16.3	9.5	8.7
Return on total equity	%	7.2	4.9	7.6	8.5
Return on operating equity ^c	%	7.1	4.0	6.2	6.9
<i>Financial management</i>					
Debt to equity	%	23.2	23.5	21.9	20.7
Debt to assets	%	17.9	18.1	17.5	16.4
Total liabilities to equity	%	31.1	61.4	61.3	60.0
Operating liabilities to equity ^d	%	29.5	30.0	29.9	29.6
Interest cover	times	5.5	11.4	7.8	7.5
Current ratio	%	238.3	206.8	148.3	172.2
Leverage ratio	%	129.5	130.0	129.9	129.6
<i>Payments to and from government</i>					
Dividends	\$'000	18 910	18 910	22 160	28 964
Dividend to equity ratio	%	2.6	2.6	2.9	3.6
Dividend payout ratio	%	35.9	65.6	47.4	51.8
Income tax expense	\$'000	18 864	42 480	28 308	25 644
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Sydney Ports Corporation (SPC) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for SPC.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. – Zero or rounded to zero.

Port of Melbourne Corporation (PoMC) commenced operations on 1 July 2003, and operates under the *Ports Services Act 1995*. PoMC is responsible for managing and developing the Port of Melbourne, ensuring the availability of essential port services and managing channels. Total trade was 70.9 million revenue tonnes in 2006-07, a 10.4 per cent increase on 2005-06.¹ PoMC is subject to price regulation by the Essential Services Commission.

Total income increased by 2.7 per cent (\$3.7 million) in 2006-07, despite a \$3.0 million decline in income from actuarial gains on defined benefit superannuation. PoMC recorded a profit before tax of \$31.8 million in 2006-07, a decrease of 20.9 per cent (\$8.4 million) from 2005-06. This was mainly the result of a 16.0 per cent (\$15.1 million) increase in total expenses, reflecting higher contractor, consultant and salaries expenses. Total revenue increased by a comparatively small 5.0 per cent (\$6.7 million) from 2005-06.

Total assets were \$1.0 billion in 2006-07, a 3.3 per cent (\$32.6 million) increase on 2005-06, mainly due to \$60.1 million of infrastructure investment. The lower profit was reflected in a decline in PoMC's return on assets and on equity, to 3.5 per cent and 3.0 per cent respectively in 2006-07.

Total debt increased by 16.9 per cent (\$13.3 million) to \$91.9 million in 2006-07. As a result, finance costs were 66.4 per cent (\$1.4 million) higher than in 2005-06, despite fair value adjustments to borrowings, which reduced total finance expenses by \$2.4 million in 2006-07. The higher level of debt caused debt to assets and debt to equity to rise to 9.2 per cent and 10.7 per cent respectively in 2006-07.

Port of Melbourne Corporation made dividend payments of \$20.4 million in 2006-07.² It also recorded income tax-equivalent payments of \$9.0 million. PoMC does not receive community service obligation funding.

¹ A revenue tonne is a mass of 1000 kg or a volume of one cubic metre, whichever gives the largest number of units of cargo.

² Dividend payments included a final dividend of \$17.1 million for 2005-06, and an interim dividend of \$3.3 million for 2006-07.

PORT OF MELBOURNE CORPORATION (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	958	943	992	1 024
Total income	\$m	124	125	137	140
<i>Profitability</i>					
Profit before tax	\$'000	32 746	30 103	40 205	31 819
Operating profit margin	%	28.4	26.3	28.6	23.0
Cost recovery	%	139.7	135.7	140.0	129.9
Return on assets	%	3.9	3.8	4.4	3.5
Return on total equity	%	2.8	2.8	5.8	3.0
Return on operating equity ^c	%	2.7	2.5	5.1	2.7
<i>Financial management</i>					
Debt to equity	%	7.3	7.9	9.3	10.7
Debt to assets	%	6.6	7.0	8.2	9.2
Total liabilities to equity	%	13.9	30.1	30.8	33.8
Operating liabilities to equity ^d	%	11.4	12.6	16.0	18.3
Interest cover ^{e,f}	times	8.7	6.7	20.3	10.2
Current ratio	%	103.7	89.3	34.8	29.1
Leverage ratio	%	111.4	112.6	116.0	118.3
<i>Payments to and from government</i>					
Dividends	\$'000	–	–	18 800	20 400
Dividend to equity ratio	%	–	–	2.2	2.4
Dividend payout ratio	%	–	–	43.6	89.7
Income tax expense	\$'000	11 169	11 169	-6 206 ^g	8 968
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Port of Melbourne Corporation (PoMC) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for PoMC.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. ^e Net interest expense included a gain from amortisation of discount or premium on borrowings. This gain was \$37 000 in 2004-05, \$41 000 in 2005-06 and \$15 000 in 2006-07.

^f Under AIFRS, net interest expense included a fair value adjustment to borrowings expense. This expense was \$1.1 million in 2004-05, -\$1.9 million in 2005-06 and -\$2.4 million in 2006-07. ^g PoMC recorded a net income tax-equivalent benefit of \$6.2 million in 2005-06. The initial income tax-equivalent expense of \$12.7 million was adjusted for \$18.9 million in research and development tax concessions, including \$6.6 million for 2004-05 and \$12.4 million for 2005-06. – Zero or rounded to zero.

Victorian Regional Channels Authority (VRCA) was established under the *Port Services Act 1995*, and commenced operations on 1 April 2004. It manages channels in the port waters of Geelong and oversees channel operations in the ports of Hastings and Portland.

Victorian Regional Channels Authority is directly responsible for shipping control in the port waters of Geelong and contracts out the shipping control and navigation services for the ports of Hastings and Portland. Geelong Port handled cargo throughput of 12.9 million tonnes in 2006-07, a 4.9 per cent increase on 2005-06. The major cargoes passing through Geelong Port were petroleum products, fertiliser, woodchips and grain.

Profit before tax was \$1.9 million in 2006-07, an 11.5 per cent increase on 2005-06. According to VRCA, the increased profit was primarily attributable to the lack of need for maintenance dredging. Total expenditure fell by \$286 000, with reductions in maintenance dredging, consultancies and contractors, insurance and special projects. Total revenue fell by \$88 000 to \$5.9 million in 2006-07, which included a \$287 000 net loss on sale of fixed assets.

Despite additions to navigation aids and plant and equipment of \$4.8 million and \$243 000 respectively, total assets increased by only \$739 000 to \$60.6 million in 2006-07. This was due in part to a \$2.5 million decline in cash assets. The improved profit was reflected in a slight increase in return on assets to 3.2 per cent in 2006-07.

Victorian Regional Channels Authority had no debt in 2006-07.

Current operating assets fell by 21.5 per cent (\$2.2 million) in 2006-07, due to a \$2.5 million reduction in cash assets. This was reflected in VRCA's current ratio, which fell from 3453 per cent in 2005-06 to 1378 per cent in 2006-07.

Victorian Regional Channels Authority is required to make income tax-equivalent payments under the *State Owned Enterprises Act 1992*. It is also required to pay dividends to the Victorian Government. VRCA distributed dividends totalling \$454 000 and recorded an income tax-equivalent expense of \$665 000 in 2006-07.

Victorian Regional Channels Authority does not receive community service obligation funding.

VICTORIAN REGIONAL CHANNELS AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	59	59	60	61
Total income	\$m	6	6	6	6
<i>Profitability</i>					
Profit before tax	\$'000	797	805	1 725	1 923
Operating profit margin	%	8.9	9.1	22.3	29.2
Cost recovery	%	109.8	110.0	128.8	141.3
Return on assets	%	1.3	1.4	2.9	3.2
Return on total equity	%	1.0	0.3	1.1	1.7
Return on operating equity ^c	%	1.0	0.3	1.1	1.7
<i>Financial management</i>					
Debt to equity	%	–	–	–	–
Debt to assets	%	–	–	–	–
Total liabilities to equity	%	1.2	5.7	4.0	3.8
Operating liabilities to equity ^d	%	0.5	0.5	0.5	1.0
Interest cover	times	..	..	..	..
Current ratio	%	4 210.5	3 071.5	3 452.7	1 377.9
Leverage ratio	%	100.5	100.5	100.5	101.0
<i>Payments to and from government</i>					
Dividends	\$'000	100	100	542	454
Dividend to equity ratio	%	0.2	0.2	0.9	0.8
Dividend payout ratio	%	17.5	57.1	86.1	46.0
Income tax expense	\$'000	-82	324	603	665
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Victorian Regional Channels Authority (VRCA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for VRCA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. .. Not applicable. – Zero or rounded to zero.

Central Queensland Ports Authority (CQPA) commenced operations on 1 July 2004 following the merger of the Rockhampton Port Authority with the Gladstone Port Authority. CQPA operates under the *Government Owned Corporations Act 1993* and the *Transport Infrastructure Act 1994*. It is responsible for the provision of infrastructure for bulk operations as well as pilotage and stevedoring services.

Central Queensland Ports Authority recorded total combined throughput of 74.4 million tonnes in 2006-07, comprising 74.2 million tonnes at the Port of Gladstone and 167 000 tonnes at Port Alma (formerly Rockhampton).

Profit before tax grew by \$24.6 million to \$39.1 million in 2006-07. Revenue grew by 47.4 per cent (\$72.0 million) to \$224 million in 2006-07, which CQPA attributed primarily to asset revaluations. Of this increase, \$29.2 million was attributable to revaluations of investment property, and \$39.4 million was due to an increase in operating revenue. Total expenditure increased by 34.5 per cent (\$47.3 million), which was mostly due to \$26.2 million of asset revaluations and impairment.

The value of CQPA's assets increased by 19.0 per cent (\$200 million) to \$1.3 billion in 2006-07. This was largely attributable to capital expenditure of \$408 million, which was mainly allocated to the RG Tanna Coal Terminal Expansion Project. Strong growth in profit was reflected in an improved return on assets, which increased from 3.0 per cent in 2005-06 to 4.7 per cent in 2006-07.

Total debt grew by 67.1 per cent (\$139 million) to \$347 million as CQPA increased its borrowings to fund its capital works program. As a result of this increase, borrowing costs rose by 38.4 per cent in 2006-07, and debt to equity increased from 27.3 per cent in 2005-06 to 42.6 per cent in 2006-07. The higher level of debt, as well as increases in trade payables, led to an overall increase in operating liabilities of 51.0 per cent (\$144 million).

Central Queensland Ports Authority is required to make dividend and income tax-equivalent payments to the Queensland Government. The Authority provided for a \$5.0 million dividend payment and recorded an income tax-equivalent expense of \$11.7 million in 2006-07.

Central Queensland Ports Authority does not receive community service obligation funding.

CENTRAL QUEENSLAND PORTS AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	652	652	1 052	1 252
Total income	\$m	135	135	152	224
<i>Profitability</i>					
Profit before tax	\$'000	11 432	11 432	14 489	39 133
Operating profit margin	%	13.1	13.2	14.1	9.0
Cost recovery	%	115.1	115.1	116.4	109.9
Return on assets	%	3.3	3.3	3.0	4.7
Return on total equity	%	3.0	3.4	2.9	0.7
Return on operating equity ^c	%	2.9	3.1	2.7	0.6
<i>Financial management</i>					
Debt to equity	%	31.1	31.1	27.3	42.6
Debt to assets	%	21.8	21.8	24.6	30.4
Total liabilities to equity	%	50.4	55.5	45.7	65.0
Operating liabilities to equity ^d	%	42.2	42.2	37.3	52.5
Interest cover	times	2.2	2.2	2.4	3.7
Current ratio	%	330.4	330.4	461.1	136.0
Leverage ratio	%	142.2	142.2	137.3	152.5
<i>Payments to and from government</i>					
Dividends	\$'000	5 619	5 619	7 023	4 980
Dividend to equity ratio	%	1.2	1.2	1.2	0.6
Dividend payout ratio	%	43.5	39.9	42.5	97.9
Income tax expense	\$'000	4 408	3 268	4 290	11 735
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Central Queensland Ports Authority (CQPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for CQPA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. – Zero or rounded to zero.

Port of Brisbane Corporation (PBC) was established on 1 July 1994 and operates under the *Government Owned Corporations Act 1993* and the *Transport Infrastructure Act 1994*.¹ PBC manages the Port of Brisbane, the Brisbane Multimodal Terminal, and the boat harbours of Manly, Scarborough, Cabbage Tree Creek and Gardens Point. It also has a 37 per cent interest in Brisbane Airport Corporation Holdings. The Queensland Government announced in 2006-07 the decision to merge PBC and the Bundaberg Port Authority. The decision was due to come into effect in October 2007.

Port of Brisbane Corporation's container throughput was 875 000 twenty-foot equivalent units in 2006-07, an increase of 14.2 per cent on 2005-06. The Corporation's major traded commodities include oil, coal and cement.

Profit before tax was \$170 million in 2006-07, a slight decrease on 2005-06. Revenue increased by only 5.2 per cent (15.5 million), as significant increases in rental income and revenue from inventory sales were offset by a \$31.4 million decline in gains from revaluation of investment properties. The decline in profit was attributable to a 13.2 per cent (\$16.6 million) increase in total expenses, which reflected increases in cost of goods sold, repairs and maintenance, asset disposal costs and depreciation.

The value of PBC's total assets grew by 20.2 per cent (\$382 million) to \$2.3 billion in 2006-07. According to PBC, the major contributors to this growth were investment in infrastructure and revaluation of assets, each totalling \$171 million. The decline in profit was reflected in a fall in return on assets from 11.7 per cent in 2005-06 to 9.8 per cent in 2006-07.

Total debt increased by 5.9 per cent (\$34.4 million) to \$618 million. However, this growth was outweighed by increased assets, which led to a fall in debt to assets to 29.7 per cent in 2006-07.

Port of Brisbane Corporation declared a \$49.6 million dividend payment and recorded an income tax-equivalent expense of \$54.5 million in 2006-07. This maintained PBC's dividend payout ratio at over 100 per cent, indicating that profits are insufficient to cover dividend payments. PBC does not receive community service obligation funding.

¹ Port of Brisbane Corporation was a statutory authority until 1 July 2007, after which it became a company Government Owned Corporation.

PORT OF BRISBANE CORPORATION (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	1 609	1 609	1 893	2 276
Total income	\$m	141	213	297	313
<i>Profitability</i>					
Profit before tax	\$'000	52 135	91 984	171 150	170 068
Operating profit margin	%	45.9	35.3	43.6	48.3
Cost recovery	%	184.9	154.6	177.4	193.3
Return on assets	%	4.8	7.3	11.7	9.8
Return on total equity	%	3.5	2.8	2.4	4.4
Return on operating equity ^c	%	3.4	2.3	1.9	3.4
<i>Financial management</i>					
Debt to equity	%	45.3	45.3	48.2	39.6
Debt to assets	%	30.0	30.1	33.5	29.7
Total liabilities to equity	%	53.5	84.9	95.5	90.2
Operating liabilities to equity ^d	%	50.8	50.8	55.9	45.5
Interest cover	times	3.1	4.6	6.4	6.1
Current ratio	%	121.1	121.1	132.6	119.3
Leverage ratio	%	150.8	150.8	155.9	145.5
<i>Payments to and from government</i>					
Dividends	\$'000	27 977	27 977	35 811	49 586
Dividend to equity ratio	%	2.6	2.6	3.2	3.6
Dividend payout ratio	%	76.5	116.5	162.3	104.7
Income tax expense	\$'000	17 164	28 002	50 756	54 468
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Port of Brisbane Corporation (PBC) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for PBC.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. – Zero or rounded to zero.

Cairns Port Authority (CPA) operates under the *Government Owned Corporations Act 1993* and the *Transport Infrastructure Act 1994*. It has responsibility for the management and operation of the Cairns International Airport, the Port of Cairns, and associated land and property. Most port activities, including towage and stevedoring, are conducted by private operators.

Total passenger movements through the airport was steady at approximately 3.8 million in 2006-07. This was despite significant growth in domestic air travel, which increased by 6.4 per cent to 2.9 million passenger movements. International passenger movements fell by 12.3 per cent to 0.9 million. According to CPA, the decline in international passenger movements was due to a fall in demand from the Japanese market. Total trade through CPA's seaport declined by 67 000 tonnes in 2006-07 — falling to 1.1 million tonnes. According to CPA, the decline was due to reduced sugar exports as a result of cyclone Larry. The major cargoes moving through the seaport are sugar, molasses and petroleum products.

Profit before tax was \$31.1 million in 2006-07, an increase of \$3.6 million on the 2005-06 result. However, this increase reflected a \$9.9 million adjustment of fair value to investment property, an increase of \$4.5 million on revenue recognised from the same source in 2005-06. Over \$7.5 million of additional revenue was due to investment property value increases at the seaport. Revenue from airport activities declined by 0.7 per cent, while revenue from seaport activities increased by 38.9 per cent. Total expenses increased by \$3.4 million in 2006-07.

Cairns Port Authority invested \$43.9 million in capital works in 2006-07, of which \$39.6 million was spent on the airport. The capital expenditure contributed to a 1.3 per cent (\$7.3 million) increase in the value of CPA's assets. Both return on assets and on equity increased from 2005-06 to 2006-07, to 7.0 per cent and 5.1 per cent respectively.

According to CPA, \$33 million was borrowed to fund capital expenditure in 2006-07. However, debt fell by 2.3 per cent to \$107 million during the financial year. The decline in debt was due to repayments and the sale of Cityport land. The lower debt resulted in lower debt to equity and debt to assets in 2006-07.

Cairns Port Authority is required to make dividend and income tax-equivalent payments to the Queensland Government. It provided for an \$11.9 million dividend payment and recorded an income tax-equivalent expense of \$9.8 million in 2006-07. CPA does not receive community service obligation funding.

CAIRNS PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}			AIFRS ^a
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	534	514	557	564
Total income	\$m	80	83	91	98
<i>Profitability</i>					
Profit before tax	\$'000	20 618	25 986	27 547	31 132
Operating profit margin	%	31.0	33.8	31.8	32.7
Cost recovery	%	144.9	151.0	146.6	148.6
Return on assets	%	4.6	5.9	6.3	7.0
Return on total equity	%	3.5	4.4	4.9	5.1
Return on operating equity ^c	%	3.4	3.9	4.4	4.5
<i>Financial management</i>					
Debt to equity	%	18.5	19.4	26.3	25.0
Debt to assets	%	14.7	15.3	20.5	19.1
Total liabilities to equity	%	32.0	43.0	51.1	49.2
Operating liabilities to equity ^d	%	25.4	26.6	33.7	31.7
Interest cover	times	6.2	7.1	5.4	4.9
Current ratio	%	44.0	44.0	129.0	50.1
Leverage ratio	%	125.4	126.6	133.7	131.7
<i>Payments to and from government</i>					
Dividends	\$'000	8 030	8 030	10 232	11 876
Dividend to equity ratio	%	1.9	2.0	2.5	2.8
Dividend payout ratio	%	56.1	51.1	56.9	63.0
Income tax expense	\$'000	10 580	11 080	8 680	9 759
Grants revenue ratio	%	–	–	1.7	–
CSO funding	\$'000	–	–	–	–

^a Cairns Port Authority (CPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for CPA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. – Zero or rounded to zero.

Ports Corporation of Queensland (PCQ) operates under the *Government Owned Corporations Act 1993* and the *Transport Infrastructure Act 1994*. PCQ manages the commercial ports of Hay Point, Abbot Point, Lucinda, Mourilyan, Cape Flattery, Weipa, Karumba and Skardon River as well as five other non-trading ports. Pilotage services at the ports are provided by Maritime Safety Queensland, an agency of the Queensland Department of Transport. Stevedoring and towage are generally franchised to the private sector.

Ports Corporation of Queensland handled total throughput of 121 million tonnes, a 4.0 per cent increase on 2005-06. The Corporation's trading ports handle bulk cargo including coal, silica, sugar and bauxite.

Profit before tax was \$15.7 million in 2006-07, representing a decrease of 24.8 per cent (\$5.2 million) from 2005-06. The decline in profit was attributable to growth in expenses of 33.4 per cent (\$11.6 million). This reflected higher repairs and maintenance costs, finance costs and depreciation, as well as navigation beacons purchased for Maritime Safety Queensland at a cost of \$4.2 million. Total revenue increased by \$6.4 million (11.5 per cent) through higher port charges and other revenue.

Total assets increased by 104 per cent (\$289 million) in 2006-07. This was mainly because of revaluations to land, channels and infrastructure of \$202 million and capital expenditure of \$107 million. Capital expenditure included dredging at Hay Point and Weipa, and stockyard expansion at Abbot Point. The smaller profit and higher total assets caused return on assets to fall from 8.3 per cent in 2005-06 to 4.7 per cent in 2006-07.

Total borrowings were \$109 million at the end of 2006-07, compared with no debt in 2005-06. The 2006-07 borrowings resulted in debt to asset and debt to equity of 26.1 per cent and 25.6 per cent respectively. The higher debt caused total operating liabilities to rise by 168 per cent to \$140 million, although trade and other payables, and provisions declined. Non-operating liabilities increased by 128 per cent, due to an increase in deferred tax liabilities. However, PCQ had no derivative financial instruments at 30 June 2007, compared with \$6.2 million recorded on 30 June 2006.

Ports Corporation of Queensland declared a dividend of \$5.6 million and recorded an income tax-equivalent expense of \$4.6 million in 2006-07. PCQ does not receive community service obligation funding.

PORTS CORPORATION OF QUEENSLAND (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}			AIFRS ^a
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	235	235	277	566
Total income	\$m	41	41	56	62
<i>Profitability</i>					
Profit before tax	\$'000	14 181	10 811	20 909	15 717
Operating profit margin	%	27.5	18.5	34.4	30.3
Cost recovery	%	137.9	122.7	152.3	143.6
Return on assets	%	6.1	4.6	8.3	4.7
Return on total equity	%	5.2	0.8	6.7	5.4
Return on operating equity ^c	%	5.0	0.6	5.6	4.3
<i>Financial management</i>					
Debt to equity	%	–	–	–	25.6
Debt to assets	%	–	–	–	26.1
Total liabilities to equity	%	19.6	34.8	51.7	71.6
Operating liabilities to equity ^d	%	13.8	13.8	24.1	33.0
Interest cover	times	..	..	..	5.0
Current ratio	%	175.8	175.8	54.8	58.4
Leverage ratio	%	113.8	113.8	124.1	133.0
<i>Payments to and from government</i>					
Dividends	\$'000	10 259	10 259	11 445	5 610
Dividend to equity ratio	%	5.0	5.0	5.4	1.8
Dividend payout ratio	%	99.5	775.4	96.3	40.6
Income tax expense	\$'000	-31	5 590	6 223	4 584
Grants revenue ratio	%	4.2	4.2	1.3	1.7
CSO funding	\$'000	–	–	–	–

^a Ports Corporation of Queensland (PCQ) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for PCQ.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. .. Not applicable. – Zero or rounded to zero.

Mackay Port Authority (MPA) operates under the *Government Owned Corporations Act 1993* and the *Transport Infrastructure Act 1994*. MPA manages the Port of Mackay and Mackay Airport, and franchises pilotage, towage and stevedoring activities.

Mackay Port Authority recorded passenger numbers of 741 000 through the Mackay Airport in 2006-07, representing a 13.0 per cent increase on 2005-06. The seaport recorded cargo throughput of 2.3 million tonnes in 2006-07, a decrease of 1.7 per cent from 2005-06. According to MPA, this result was due to persistent drought conditions, which led to lower than expected sugar, grain and fertiliser throughputs. The seaport also handles other bulk commodities, including petroleum.

Profit before tax was \$6.3 million in 2006-07, an increase of 57.7 per cent on the previous financial year. Total revenue grew by 14.7 per cent (\$3.3 million) to \$25.8 million, following a 12.1 per cent (\$2.0 million) rise in operational revenue and a 39.7 per cent (\$1.6 million) increase in property revenue. The improved profit resulted in higher return on assets and on equity, which rose to 2.5 per cent and 1.4 per cent respectively in 2006-07.

The value of MPA's assets grew by 17.3 per cent (\$40.8 million) to \$277 million in 2006-07, mainly because of a \$39.5 million revaluation of aeronautical and nautical assets. Capital expenditure of \$11.8 million — which included a \$5.5 million investment in airport expansion — also contributed to the asset growth. Operating liabilities increased by 15.5 per cent (\$908 000), while non-operating liabilities rose by 29.1 per cent (\$10.5 million), largely due to an increase in deferred tax liabilities. MPA had no outstanding borrowings at the end of 2006-07.

Current operating assets fell by 8.4 per cent (\$2.6 million) in 2006-07, with a \$2.7 million reduction in cash assets. As a result, MPA's current ratio fell from 531 per cent in 2005-06 to 422 per cent in 2006-07.

Mackay Port Authority is required to make income tax-equivalent and dividend payments to the Queensland Government. MPA provided for a dividend of \$3.4 million and recorded an income tax-equivalent expense of \$2.1 million in 2006-07. MPA does not receive community service obligation funding.

MACKAY PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}			AIFRS ^a
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	218	218	237	277
Total income	\$m	19	19	22	26
<i>Profitability</i>					
Profit before tax	\$'000	2 419	2 419	3 973	6 266
Operating profit margin	%	5.4	5.5	10.2	20.1
Cost recovery	%	105.7	105.9	111.4	125.1
Return on assets	%	1.1	1.1	1.8	2.5
Return on total equity	%	-0.1	-0.2	0.6	1.4
Return on operating equity ^c	%	-0.1	-0.1	0.5	1.1
<i>Financial management</i>					
Debt to equity	%	–	–	–	–
Debt to assets	%	–	–	–	–
Total liabilities to equity	%	5.5	19.7	21.4	23.7
Operating liabilities to equity ^d	%	2.2	2.2	2.6	2.5
Interest cover	times	..	..	..	..
Current ratio	%	594.5	594.5	530.8	422.2
Leverage ratio	%	102.2	102.2	102.6	102.5
<i>Payments to and from government</i>					
Dividends	\$'000	952	952	2 387	3 373
Dividend to equity ratio	%	0.4	0.4	1.1	1.4
Dividend payout ratio	%	..	..	214.9	118.9
Income tax expense	\$'000	1 229	1 229	993	2 050
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Mackay Port Authority (MPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for MPA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. .. Not applicable. – Zero or rounded to zero.

Townsville Port Authority (TPA) was established on 1 July 1995 and operates under the *Government Owned Corporations Act 1993* and the *Transport Infrastructure Act 1994*. TPA is responsible for the management of the Port of Townsville.

Townsville Port Authority handled total cargo throughput of 9.6 million tonnes in 2006-07, representing a 3.8 per cent decline from 2005-06. The major cargoes passing through the port include nickel ore, minerals and sugar.

Profit before tax was \$9.6 million in 2006-07, more than double the result in 2005-06. This outcome was partly attributable to an 11.5 per cent (\$3.4 million) reduction in total expenses, which reflected lower asset writedowns and other expenses. TPA's interest expense also fell by \$146 000, which, combined with the higher profit, caused the interest cover to substantially increase from 6.6 per cent in 2005-06 to 14.6 per cent in 2006-07. Revenue increased by 4.1 per cent (\$1.4 million).

The value of TPA's assets rose by 8.4 per cent (\$16.9 million) to \$218 million in 2006-07. The growth in assets included \$4.3 million of investment in capital works and a \$4.8 million revaluation of investment properties. As a result of the higher profit, return on assets and on equity rose to 5.3 per cent and 1.3 per cent respectively in 2006-07.

Current operating liabilities fell by \$1.4 million, mainly due to a decline in payables. With current operating assets increasing slightly (by \$104 000) from 2005-06 to 2006-07, the current ratio increased from 277 per cent to 359 per cent.

Total debt fell by 17.5 per cent to \$11.1 million, which was reflected in lower debt to assets and debt to equity of 5.7 per cent and 5.9 per cent respectively in 2006-07.

Townsville Port Authority is required to make dividend and income tax-equivalent payments to the Queensland Government. TPA made no dividend provision, but recorded an income tax-equivalent expense of \$2.4 million in 2006-07.¹ TPA does not receive community service obligation funding.

¹ This followed the acceptance of TPA's recommendation to the shareholding Ministers that no dividend be payable in 2006-07.

TOWNSVILLE PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	178	191	201	218
Total income	\$m	29	32	34	36
<i>Profitability</i>					
Profit before tax	\$'000	2 173	9 635	4 768	9 584
Operating profit margin	%	9.3	24.3	3.9	15.5
Cost recovery	%	110.3	132.1	104.1	118.3
Return on assets	%	1.8	6.0	3.1	5.3
Return on total equity	%	0.8	3.2	-0.9 ^c	1.3
Return on operating equity ^d	%	0.8	3.0	-0.9 ^c	1.3
<i>Financial management</i>					
Debt to equity	%	10.0	10.0	8.0	5.9
Debt to assets	%	8.9	8.9	7.4	5.7
Total liabilities to equity	%	14.6	26.7	26.3	24.5
Operating liabilities to equity ^e	%	13.0	13.1	10.7	7.5
Interest cover	times	3.2	10.6	6.6	14.6
Current ratio	%	198.9	198.9	276.6	359.0
Leverage ratio	%	113.0	113.1	110.7	107.5
<i>Payments to and from government</i>					
Dividends	\$'000	577	577	–	–
Dividend to equity ratio	%	0.4	0.4	–	–
Dividend payout ratio	%	48.8	12.1	..	–
Income tax expense	\$'000	1 452	2 087	2 590	2 419
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Townsville Port Authority (TPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for TPA.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Both return on total equity and return on operating equity were negative in 2005-06, because the income tax-equivalent expense for the year exceeded earnings before interest and tax. ^d Refers to 'return on equity based on operating assets and liabilities'. ^e Refers to 'operating liabilities to equity based on operating assets and liabilities'. .. Not applicable. – Zero or rounded to zero.

Fremantle Port Authority (FPA) operates under the *Port Authorities Act 1999*. It manages port infrastructure and provides port services, including ship scheduling, port communications and mooring. FPA has contractual agreements for pilotage, towage and stevedoring with the private sector.

Fremantle Port Authority handled total port trade of 25.0 million tonnes in 2006-07, 32 000 tonnes less than in 2005-06. The major cargoes moving through the port are petroleum products, grain and alumina.

Profit before tax was \$17.3 million in 2006-07, representing an increase of 34.7 per cent (\$4.4 million) on 2005-06. Revenue increased by 17.5 per cent (\$15.7 million), reflecting increased charges on cargo, income from rentals and leases, and miscellaneous revenue. Expenditure increased by 14.6 per cent (\$11.2 million), as a result of higher operational and commercial management expenses.

The value of FPA's total assets increased by 6.3 per cent (\$12.9 million) to \$219 million in 2006-07. This was mainly the result of a \$6.5 million increase in cash assets, and investment in capital works of \$9.2 million. The improved profit was reflected in a rise in FPA's return on assets from 8.3 per cent in 2005-06 to 10.1 per cent in 2006-07.

Total debt fell by 2.2 per cent (\$1.1 million) in 2006-07. As a result, debt to equity and debt to total assets fell to 41.1 per cent and 25.7 per cent respectively. Despite the fall in debt, total operating liabilities increased by 5.5 per cent (\$4.2 million), as the increase in trade and other payables offset the decrease associated with the expansion in borrowings.

Fremantle Port Authority is required to make income tax-equivalent and dividend payments to the WA Government. It distributed dividends of \$4.9 million and recorded an income tax-equivalent expense of \$5.3 million in 2006-07.

Fremantle Port Authority does not receive community service obligation funding.

FREMANTLE PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05 ^c	2004-05 ^c	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	196	195	206	219
Total income	\$m	83	83	90	105
<i>Profitability</i>					
Profit before tax	\$'000	17 445	16 199	12 817	17 259
Operating profit margin	%	20.9	19.3	15.8	17.5
Cost recovery	%	126.3	124.0	118.8	121.3
Return on assets	%	10.5	9.8	8.3	10.1
Return on total equity	%	10.9	10.1	8.3	9.7
Return on operating equity ^d	%	11.8	10.8	8.9	10.4
<i>Financial management</i>					
Debt to equity	%	42.4	40.6	44.5	41.1
Debt to assets	%	24.8	24.8	27.7	25.7
Total liabilities to equity	%	66.0	59.8	60.6	61.3
Operating liabilities to equity ^e	%	71.3	64.0	64.7	64.4
Interest cover	times	9.5	8.9	5.3	6.5
Current ratio	%	136.6	177.7	201.8	190.8
Leverage ratio	%	171.3	164.0	164.7	164.4
<i>Payments to and from government</i>					
Dividends	\$'000	5 760	5 760	4 929	4 891
Dividend to equity ratio	%	5.3	5.1	4.2	4.0
Dividend payout ratio	%	44.7	46.9	47.6	38.4
Income tax expense	\$'000	4 161	3 513	3 498	5 298
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Fremantle Port Authority (FPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for FPA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Performance indicator calculations for 2004-05 do not include investment income. Although investment income was received in 2004-05, this information was not disclosed separately using the accruals method in the financial statements. ^d Refers to 'return on equity based on operating assets and liabilities'. ^e Refers to 'operating liabilities to equity based on operating assets and liabilities'. – Zero or rounded to zero.

Bunbury Port Authority (BPA) operates under the *Port Authorities Act 1999*. It owns and manages port facilities and provides pilotage services. Stevedoring and towage services are franchised to the private sector.

Bunbury Port Authority handled 13.5 million tonnes of cargo in 2006-07, representing a 10.8 per cent increase from 2005-06. Alumina accounted for 67.0 per cent of total port throughput by tonnage in 2006-07. Other major cargoes handled include caustic soda, woodchips and mineral sands.

Profit before tax was \$5.9 million in 2006-07, a 6.0 per cent (\$0.3 million) increase on 2005-06. This improvement was assisted by a 6.4 per cent (\$1.2 million) increase in total revenue, primarily the result of increased revenues from navigation and pilotage.

The value of BPA's assets increased by \$3.5 million to \$105 million in 2006-07, due to an increase in cash assets. The higher profit resulted in a slight increase in return on assets.

Bunbury Port Authority recorded a slight fall in total debt in 2006-07 (from \$13.1 million to \$12.6 million). This is reflected in lower debt to assets and debt to equity, which were 12.2 per cent and 13.9 per cent respectively in 2006-07.

Bunbury Port Authority is required to make income tax-equivalent payments and dividend payments of 50 per cent of after-tax profit to the WA Government. Although no dividends were distributed or declared for 2006-07, a \$1.9 million dividend was recommended by the Board. However, this had not been approved by the WA Government by the reporting date. BPA recorded an income tax-equivalent expense of \$1.7 million in 2006-07.

Bunbury Port Authority does not receive community service obligation funding.

BUNBURY PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	102	102	102	105
Total income	\$m	18	18	19	21
<i>Profitability</i>					
Profit before tax	\$'000	4 351	4 351	5 548	5 883
Operating profit margin	%	13.7	13.7	11.7	16.2
Cost recovery	%	115.9	115.9	113.3	119.3
Return on assets	%	5.1	5.1	6.3	6.5
Return on total equity	%	0.6	0.8	0.1	1.2
Return on operating equity ^c	%	0.6	0.7	0.1	1.1
<i>Financial management</i>					
Debt to equity	%	16.2	15.9	15.1	13.9
Debt to assets	%	13.4	13.4	12.9	12.2
Total liabilities to equity	%	27.2	23.6	19.9	18.2
Operating liabilities to equity ^d	%	21.5	19.4	17.2	16.2
Interest cover	times	6.0	6.0	7.6	8.2
Current ratio	%	475.0	702.7	1 172.5	1 218.0
Leverage ratio	%	121.5	119.4	117.2	116.2
<i>Payments to and from government</i>					
Dividends	\$'000	–	–	1 480 ^e	–
Dividend to equity ratio	%	–	–	1.7	–
Dividend payout ratio	%	–	–	1 947.4	–
Income tax expense	\$'000	1 478	1 348	1 655	1 676
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Bunbury Port Authority (BPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for BPA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. ^e The dividend included \$43 000 for a 'Government efficiency dividend' unrelated to profit. – Zero or rounded to zero.

Port Hedland Port Authority (PHPA) operates under the *Port Authorities Act 1999*. It manages port facilities including wharves and storage areas, and provides pilotage services. Stevedoring, towage and lineboat services are franchised to the private sector.

Port Hedland Port Authority handled total cargo throughput of 112 million tonnes in 2006-07, a 1.1 per cent increase from 2005-06. It is Australia's largest port by tonnage throughput. Iron ore accounted for 95.0 per cent of the throughput. Other main cargoes included salt and bulk minerals.

Profit before tax was \$3.6 million in 2006-07, a decrease of 23.7 per cent (\$1.1 million) from the 2005-06 result. The lower profit resulted from a 20.9 per cent (\$4.1 million) increase in total expenses, mostly due to higher port maintenance, amortisation, pilotage services and employee expenses. Revenue increased by a comparatively small 12.2 per cent (\$2.9 million), the result of increased cargo and ship charges.

The value of PHPA's total assets increased by 5.6 per cent (\$3.2 million) to \$60.3 million in 2006-07. This was mainly because of \$8.3 million of capital dredging, \$3.1 million construction of wharves and other utilities and \$1.9 million of buildings and port improvements. Cash holdings decreased by 83.8 per cent (\$6.9 million) in 2006-07. This decline contributed to the 54.9 per cent decrease in PHPA's current operating assets. As a result, PHPA's current ratio declined from 158 per cent in 2005-06 to 50.8 per cent in 2006-07. The decreased profit led to corresponding declines in PHPA's return on assets and on equity to 6.2 per cent and 5.0 per cent respectively in 2006-07.

Port Hedland Port Authority had no outstanding borrowings at the end of 2006-07.

Port Hedland Port Authority is required to make income tax-equivalent and dividend payments to the WA Government. It recorded an income tax-equivalent expense of \$1.1 million, and declared a dividend of \$1.6 million in 2006-07. PHPA does not receive community service obligation funding.

PORT HEDLAND PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	48	48	57	60
Total income	\$m	20	20	24	27
<i>Profitability</i>					
Profit before tax	\$'000	2 403	2 392	4 732	3 610
Operating profit margin	%	11.6	11.5	19.3	12.6
Cost recovery	%	113.1	113.0	123.9	114.5
Return on assets	%	5.0	5.0	9.1	6.2
Return on total equity	%	3.5	3.5	7.1	5.0
Return on operating equity ^c	%	3.4	3.5	6.9	4.9
<i>Financial management</i>					
Debt to equity	%	–	–	–	–
Debt to assets	%	–	–	–	–
Total liabilities to equity	%	12.7	12.5	24.5	28.9
Operating liabilities to equity ^d	%	10.5	10.4	18.4	25.7
Interest cover	times	..	..	..	..
Current ratio	%	100.0	100.1	158.3	50.8
Leverage ratio	%	110.5	110.4	118.4	125.7
<i>Payments to and from government</i>					
Dividends	\$'000	810	810	– ^e	1 605
Dividend to equity ratio	%	1.9	1.9	–	3.4
Dividend payout ratio	%	55.0	53.6	–	69.3
Income tax expense	\$'000	783	732	1 497	1 089
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Port Hedland Port Authority (PHPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for PHPA.

^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. ^e No dividend was declared in 2005-06. .. Not applicable. – Zero or rounded to zero.

Albany Port Authority (APA) operates under the *Port Authorities Act 1999*. APA manages port facilities and provides pilotage services. Stevedoring, mooring and cold storage services are contracted to the private sector.

Albany Port Authority had a cargo throughput of over 3.5 million tonnes in 2006-07, representing a 31.6 per cent increase on 2005-06. According to APA, the increase was primarily due to growth in grain and woodchip exports of 50 per cent and 30 per cent respectively. Fertiliser imports declined by 34 per cent.

Profit before tax was \$8.4 million in 2006-07, a \$6.7 million increase on 2005-06. This was mostly due to a \$6.3 million compensation payment, resulting from a dispute with the Department of Defence. Total expenditure grew by 15.2 per cent (\$821 000), as a result of increased spending on administration, maintenance, security and environmental protection.

Total assets grew by 29.2 per cent (\$10.5 million) to \$46.6 million in 2006-07, due to increases in receivables (\$6.3 million), cash assets (\$1.6 million) and capitalised dredging (\$3.9 million). The inclusion of the compensation payment as a receivable was reflected in the increase in the current ratio from 46.7 per cent in 2005-06 to 108 per cent in 2006-07, despite the addition of a \$3.2 million provision for dredging to APA's current liabilities. The increased profit led to a substantial improvement in APA's return on assets, which increased from 6.5 per cent in 2005-06 to 21.7 per cent in 2006-07.

Total debt fell by 13.1 per cent to \$7.9 million. APA's debt to assets and debt to equity fell to 19.4 per cent and 24.5 per cent respectively in 2006-07.

Albany Port Authority is required to make income tax-equivalent payments and dividend payments of 50 per cent of after-tax profit to the WA Government. No dividend was declared in 2006-07. However, dividends of \$990 000 and \$546 000 have been recommended by the Board in respect of the after-tax profits obtained in 2004-05 and 2005-06 respectively. As at 30 June 2007, these dividends had not been approved by the Minister. APA recorded an income tax-equivalent expense of \$1.7 million in 2006-07.

Albany Port Authority does not receive community service obligation funding.

ALBANY PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	38	37	36	47
Total income	\$m	8	8	7	15
<i>Profitability</i>					
Profit before tax	\$'000	2 985	2 995	1 737	8 390
Operating profit margin	%	45.0	45.2	30.3	29.9
Cost recovery	%	181.7	182.4	143.5	142.7
Return on assets	%	10.0	10.0	6.5	21.7
Return on total equity	%	9.8	9.3	5.7	2.6
Return on operating equity ^c	%	9.8	9.3	5.8	2.6
<i>Financial management</i>					
Debt to equity	%	41.4	40.1	36.9	24.5
Debt to assets	%	27.5	27.5	25.3	19.4
Total liabilities to equity	%	53.4	48.9	42.1	45.3
Operating liabilities to equity ^d	%	50.6	45.6	43.1	43.5
Interest cover	times	5.4	5.5	3.9	17.1
Current ratio	%	49.6	59.0	46.7	108.0
Leverage ratio	%	150.6	145.6	143.1	143.5
<i>Payments to and from government</i>					
Dividends	\$'000	–	–	826 ^e	–
Dividend to equity ratio	%	–	–	3.3	–
Dividend payout ratio	%	–	–	57.4	–
Income tax expense	\$'000	958	1 021	648	1 687
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Albany Port Authority (APA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for APA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. ^e Dividend declared in 2005-06 was in respect to profits earned in the year 2003-04. – Zero or rounded to zero.

Dampier Port Authority (DPA) operates under the *Port Authorities Act 1999*. DPA manages port facilities including wharves and storage areas. Stevedoring, pilotage and towage services are franchised to the private sector.

Dampier Port Authority handled total cargo throughput of 126 million tonnes in 2006-07, a 14.6 per cent increase on 2005-06. It is Australia's second largest port by tonnage throughput, after the Port Hedland Port Authority. The main cargoes moving through the port include iron ore, liquefied natural gas, gas condensates and salt.

Profit before tax was \$2.9 million in 2006-07, a \$1.6 million improvement over the \$1.3 million profit in 2005-06. The increase in profit was due to a \$4.6 million increase in revenue, of which \$2.8 million was the result of increased port dues. Revenue of \$7.8 million was derived from the bulk liquids berth, \$7.0 million of which comprised contributions from the WA Government.¹ The grants revenue ratio fell from 50.0 per cent in 2005-06 to 34.8 per cent in 2006-07. Expenses increased by 20.8 per cent (\$3.0 million), of which \$1.3 million was due to an increase in borrowing costs.

The value of DPA's assets increased by 6.1 per cent to \$99.1 million in 2006-07, partly due to capital works expenditure of \$10.2 million. Total borrowings grew by 4.9 per cent to \$72.4 million. Debt to equity decreased from 314 per cent in 2005-06 to 298 per cent in 2006-07. Debt to assets also declined from 82.4 per cent in 2005-06 to 75.5 per cent in 2006-07.

Dampier Port Authority is required to make income tax-equivalent payments and dividend payments of 50 per cent of after-tax profit to the WA Government. It paid a dividend of \$478 000 and recorded an income tax-equivalent expense of \$949 000 in 2006-07. DPA receives a subsidy from the WA Government for the Bulk Liquids Berth, of which a proportion is community service obligation funding. However, this proportion was not separately identified in DPA's annual report.

¹ Since 2005-06, the WA Government has provided an annual state subsidy, which will continue for the life of the loan associated with the Bulk Liquids Berth. In addition, the WA Government has committed to providing a community service obligation payment to DPA for a period of 30 years. According to DPA, these payments are required to prevent a financial loss from operating and finance expenses associated with the Bulk Liquids Berth.

DAMPIER PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}		AIFRS ^a	
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	75	75	93	99
Total income	\$m	5	5	16	20
<i>Profitability</i>					
Profit before tax	\$'000	-1 108	-1 108	1 275	2 886
Operating profit margin	%	-22.7	-21.9	-53.0	-3.0
Cost recovery	%	82.0	82.0	65.4	97.1
Return on assets	%	-1.5	-1.5	4.9	7.4
Return on total equity	%	-3.9	-3.7	-19.7	-5.8
Return on operating equity ^c	%	-4.0	-3.8	-20.1	-5.7
<i>Financial management</i>					
Debt to equity	%	238.1	237.8	314.4	297.5
Debt to assets	%	66.0	66.0	82.4	75.5
Total liabilities to equity	%	254.6	253.2	320.8	318.9
Operating liabilities to equity ^d	%	261.0	260.6	324.1	305.3
Interest cover	times	..	..	1.5	1.7
Current ratio	%	39.8	39.6	285.4	240.4
Leverage ratio	%	361.0	360.6	424.1	405.3
<i>Payments to and from government</i>					
Dividends	\$'000	230	230	24 ^e	478
Dividend to equity ratio	%	1.1	1.1	0.1	2.1
Dividend payout ratio	%	..	..	..	..
Income tax expense	\$'000	-322	-377	319	949
Grants revenue ratio	%	–	–	50.0	34.8
CSO funding ^f	\$'000	–	–	na	na

^a Dampier Port Authority (DPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for DPA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. ^e The dividend of \$24 000 in 2005-06 was an 'efficiency dividend' unrelated to profit. ^f Notes to the accounts indicate that since 2005-06, DPA has received an annual government subsidy which includes a community services obligation (CSO). The amount of the CSO, however, is not separately disclosed. Government subsidies totalled \$7.7 million in 2005-06 and \$7.0 million in 2006-07. .. Not applicable. – Zero or rounded to zero. na Not available.

Geraldton Port Authority (GPA) operates under the *Port Authorities Act 1999*. It manages port facilities, including wharves and storage areas, and provides pilotage and mooring services. Stevedoring and towage services are franchised to the private sector.¹

Geraldton Port Authority handled total port throughput of 6.4 million tonnes in 2006-07, representing a 23.3 per cent increase from 2005-06. The main cargoes moved through the port are wheat, iron ore and mineral sands.

Profit before tax was \$8.6 million in 2006-07, more than five times the 2005-06 result. Total income increased by 32.2 per cent (\$9.4 million) to \$38.8 million, largely because of increases in revenue from shipping charges and from the port enhancement charge. This was partially offset by an 11.9 per cent (\$3.2 million) rise in total expenditure, mainly attributable to increased operational and commercial management expenses.

The value of GPA's assets increased by 16.4 per cent (\$25.0 million), to \$177 million in 2006-07. This increase was partly due to a \$19.6 million upgrade to one of GPA's berths, which commenced in 2006-07. The improved profit was reflected in an increase in return on assets and on equity to 9.9 per cent and 75.3 per cent respectively in 2006-07.

Debt increased by 12.3 per cent (\$14.8 million) to \$135 million in 2006-07. This contributed to an increase in debt to assets to 82.6 per cent, which remained relatively high in comparison with other monitored port corporations. Debt to equity decreased from 491 per cent in 2005-06 to 460 per cent in 2006-07.

Geraldton Port Authority is required to make income tax-equivalent payments and dividend payments of 50 per cent of after-tax profit to the WA Government. GPA made a dividend payment of \$733 000 and recorded an income tax-equivalent benefit of \$3.9 million in 2006-07. GPA does not receive community service obligation funding.

¹ Geraldton Port Authority issues non-exclusive licences to stevedores operating in the port. Under these licences, GPA monitors tariffs, staffing levels, operational procedures, continuity of service, customer satisfaction and improvement in working practices.

GERALDTON PORT AUTHORITY (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}			AIFRS ^a
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	154	155	152	177
Total income	\$m	26	26	29	39
<i>Profitability</i>					
Profit before tax	\$'000	2 891	2 092	1 631	8 561
Operating profit margin	%	39.1	35.9	28.1	39.9
Cost recovery	%	164.1	156.0	139.1	166.5
Return on assets	%	6.8	6.3	5.6	9.9
Return on total equity	%	23.5	45.4	38.8	75.3
Return on operating equity ^c	%	18.7	34.4	30.2	70.5
<i>Financial management</i>					
Debt to equity	%	499.4	516.2	490.7	459.9
Debt to assets	%	80.0	80.0	78.9	82.6
Total liabilities to equity	%	688.8	756.8	680.2	472.8
Operating liabilities to equity ^d	%	524.4	545.3	517.1	499.0
Interest cover	times	1.4	1.3	1.2	2.1
Current ratio	%	250.1	250.2	276.9	196.8
Leverage ratio	%	624.4	645.3	617.1	599.0
<i>Payments to and from government</i>					
Dividends	\$'000	472 ^e	472 ^e	2 ^f	733
Dividend to equity ratio	%	1.9	2.0	– ^f	2.7
Dividend payout ratio	%	10.3	5.8	– ^f	3.9
Income tax expense	\$'000	5 277	877	628	-3 866
Grants revenue ratio	%	–	–	–	–
CSO funding	\$'000	–	–	–	–

^a Geraldton Port Authority (GPA) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for GPA. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. ^e The dividend was comprised of a \$126 000 efficiency dividend, and a \$345 778 ordinary dividend. ^f An ordinary dividend of \$2023. The actual dividend to equity ratio was 0.01 per cent. The actual dividend payout ratio was 0.03 per cent. – Zero or rounded to zero.

Tasmanian Ports Corporation (TPC) was incorporated on 1 July 2005 and commenced trading as TasPorts from 1 January 2006.¹ TPC operates subject to the provisions of the *Tasmanian Ports Corporation Act 2005* and the *Corporations Act 2001*. It manages port facilities in 14 locations across Tasmania, where it provides pilotage, security and navigation services. Its subsidiary, Port Logistics and Services Pty Ltd, offers stevedoring and cold storage facilities. TPC has three other wholly-owned subsidiaries — King Island Ports Corporation, Flinders Island Ports Company and Hobart International Airport (HIA).

Tasmanian Ports Corporation handled 15.9 million tonnes of cargo in 2006-07, a 7.7 per cent increase on 2005-06.² Cruise ships also regularly visit the ports. HIA recorded steady passenger numbers of 1.6 million in 2006-07.

Profit before tax was \$12.9 million in 2006-07. Total revenue for 2006-07 was \$92.1 million, almost half of which was attributable to its seaport operations. Total expenditure was \$79.2 million, of which the largest expense was salaries and employee expenses.

Total assets increased by 2.6 per cent (\$6.3 million) to \$250 million in 2006-07. Non-current operating assets decreased by \$50.3 million, while current operating assets increased by \$80.7 million with a reclassification of \$85.1 million of non-current assets to assets held for sale. This movement was the outcome of the Tasmanian Government's decision to sell the Hobart Airport in 2007-08. Consequently, TPC's current ratio increased to 190 per cent in 2006-07. Return on assets was 7.4 per cent in 2006-07.

Debt fell by 49.0 per cent (\$31.9 million) to \$33.2 million in 2006-07. This contributed to a decrease in debt to total assets and debt to equity to 14.4 per cent and 21.6 per cent respectively.

Tasmanian Ports Corporation is required to make income tax-equivalent and dividend payments. It made no provision for a dividend, but recorded an income tax-equivalent expense of \$4.3 million in 2006-07. TPC does not receive community service obligation funding.

¹ The assets and infrastructure of Burnie Port Corporation, Hobart Ports Corporation, Port of Devonport Corporation and Port of Launceston Pty Ltd were administered by their former owners until 1 January 2006, when they were handed over to TPC.

² The 2005-06 data included aggregate trade throughput of the former port corporations for the period June 2005 to December 2005.

TASMANIAN PORTS CORPORATION (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^a		AIFRS ^a	
		2004-05	2004-05	2005-06 ^b	2006-07
<i>Size</i>					
Total assets	\$m	..	..	244	250
Total income	\$m	..	..	46	92
<i>Profitability</i>					
Profit before tax	\$'000	..	..	-4 159	12 898
Operating profit margin	%	..	..	-6.7	16.7
Cost recovery	%	..	..	93.7	120.1
Return on assets	%	..	..	-0.9	7.4
Return on total equity	%	..	..	-1.3	7.2
Return on operating equity ^c	%	..	..	-1.5	7.7
<i>Financial management</i>					
Debt to equity	%	..	..	51.9	21.6
Debt to assets	%	..	..	30.3	14.4
Total liabilities to equity	%	..	..	66.8	61.6
Operating liabilities to equity ^d	%	..	..	71.2	59.6
Interest cover	times	..	..	..	4.1
Current ratio	%	..	..	164.5	190.1
Leverage ratio	%	..	..	171.2	159.6
<i>Payments to and from government</i>					
Dividends	\$'000	..	..	–	–
Dividend to equity ratio	%	..	..	–	–
Dividend payout ratio	%	..	..	..	–
Income tax expense	\$'000	..	..	-1 075	4 283
Grants revenue ratio	%	..	..	–	–
CSO funding	\$'000	..	..	–	–

^a Tasmanian Ports Corporation (TPC) was incorporated on 1 July 2005 and began trading as TasPorts on 1 January 2006, following the amalgamation of the Burnie Port Corporation, the Hobart Ports Corporation, the Port of Devonport Corporation and the Port of Launceston Pty Ltd. Pre-AIFRS data for the former merged entities up to 2004-05 are available in previous *Financial Performance of Government Trading Enterprise* reports. ^b Data for 2005-06 are for the period 1 January 2006 to 30 June 2006. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. .. Not applicable. – Zero or rounded to zero.

Darwin Port Corporation (DPC) was established under the *Darwin Port Corporation Act 1999*. It manages the East Arm and City Wharves in the Port of Darwin and offers facilities and services to commercial shipping, including pilotage and navigation services. DPC also operates facilities for non-trading vessels, including those engaged in research, fishing and pearling.

Darwin Port Corporation throughput was 1.4 million tonnes in 2006-07. Although this represented a 36.0 per cent increase on the 2005-06 throughput, it was still below the 2004-05 result. DPC stated that the lower than anticipated throughput was due to delays at the mines, which led to lower than expected metal exports. Major cargoes passing through the port include petroleum products, metal products and livestock.

Darwin Port Corporation recorded a loss before tax of \$5.4 million in 2006-07, a 31.1 per cent improvement on the \$7.9 million loss in 2005-06. Revenue increased by 23.9 per cent (\$3.4 million), including a \$2.7 million increase in community service obligation (CSO) funding. Revenue from services rendered also increased by 7.7 per cent. Total expenses increased by 4.1 per cent (\$906 000), due to higher maintenance, employment benefits, borrowing and other operating costs.

The value of DPC's assets held steady at \$206 million in 2006-07. This was the net effect of \$9.7 million of capital expenditure, a \$10.0 million upwards revaluation of land, and a 90.4 per cent (\$11.5 million) decline in deferred income tax assets. Cash and receivables also declined. Total liabilities increased by 20.4 per cent, mostly because of increased debt. The low profit combined with steady total assets and higher total liabilities to decrease DPC's return on equity from -3.1 per cent to -7.9 per cent. Debt increased by 20.5 per cent to \$37.1 million, which was reflected in an increase in debt to equity, from 19.4 per cent in 2005-06 to 22.5 per cent in 2006-07.

Darwin Port Corporation is required to make income tax-equivalent and dividend payments to the NT Government. DPC made no provision for a dividend in 2006-07. As DPC made an operating loss in 2006-07, an income tax-equivalent payment was not required. However, an income tax-equivalent expense of \$9.7 million was recorded because of written-off income tax benefits.

Darwin Port Corporation received \$5.0 million in CSO funding in 2006-07. This funding was to cover costs associated with small craft services, tourism and real estate, cruise and defence facilities, security of City Wharves, a roll-on roll-off facility and dredging at Fort Hill Wharf, and the Fisherman's Wharf facility.

DARWIN PORT CORPORATION (continued)

Performance indicators 2004-05 to 2006-07

Indicators	Units	Pre-AIFRS ^{a,b}			AIFRS ^a
		2004-05	2004-05	2005-06	2006-07
<i>Size</i>					
Total assets	\$m	71	202	206	206
Total income	\$m	19	19	14	17
<i>Profitability</i>					
Profit before tax	\$'000	-8 955	-1 414	-7 882	-5 429
Operating profit margin	%	-43.3	-2.6	-48.9	-21.2
Cost recovery	%	69.8	97.5	67.2	82.5
Return on assets	%	-10.1	0.2	-3.2	-1.7
Return on total equity	%	-23.9	-0.3	-3.1	-7.9
Return on operating equity ^c	%	-22.4	-0.3	-3.4	-8.2
<i>Financial management</i>					
Debt to equity	%	91.1	20.6	19.4	22.5
Debt to assets	%	45.4	16.8	16.0	18.6
Total liabilities to equity	%	115.7	21.1	20.2	25.4
Operating liabilities to equity ^d	%	100.5	22.7	21.8	24.6
Interest cover	times	..	0.2	..	..
Current ratio	%	400.1	425.6	159.8	127.4
Leverage ratio	%	200.5	122.7	121.8	124.6
<i>Payments to and from government</i>					
Dividends	\$'000	–	–	–	–
Dividend to equity ratio	%	–	–	–	–
Dividend payout ratio	%	..	..	..	..
Income tax expense	\$'000	-174	20	-1 350	9 694
Grants revenue ratio	%	0.2	0.2	0.1	–
CSO funding	\$'000	2 993	2 993	2 284	4 981

^a Darwin Port Corporation (DPC) commenced reporting under the Australian-equivalent International Financial Reporting Standards (AIFRS) on 30 June 2006. The implications of the transition to AIFRS were discussed in the *Financial Performance of Government Trading Enterprises 2000-01 to 2004-05* report. Data for 2004-05 are reported on an AIFRS and pre-AIFRS basis to illustrate the effect of the transition for DPC. ^b Data for years prior to 2004-05 are available in previous *Financial Performance of Government Trading Enterprises* reports. These data were based on the Government Financial Statistics framework and are not directly comparable with the data reported in this table, which are based on GTE annual reports. ^c Refers to 'return on equity based on operating assets and liabilities'. ^d Refers to 'operating liabilities to equity based on operating assets and liabilities'. .. Not applicable. – Zero or rounded to zero.