



**NATIONAL  
INTERMODAL**

# Annual Report 2022

Connecting Australia's future supply chain

# Welcome to National Intermodal's Annual Report

for the Financial Year ended 30 June 2022

An efficient, resilient multi-modal supply chain is essential to transforming freight operations and improving the quality of life for all Australians.

Our Annual Report provides an opportunity for us to demonstrate how we create value for our stakeholders and work to deliver our vision to uplift national productivity through the development of a national network of world class, open access, intermodal precincts.

## Acknowledgement of Country

National Intermodal acknowledges and pays respect to the past, present and future Traditional Custodians and Elders of this nation and the continuation of cultural, spiritual and educational practices of Aboriginal and Torres Strait Islander peoples.\*



\* Acknowledgement of Country courtesy of Reconciliation Australia

This Annual Report has been prepared by National Intermodal Corporation Limited (ABN: 64 161 635 105) in accordance with the Corporations Act 2001 (Cth), the Public Governance, Performance and Accountability Rule 2014, and the Governance and Oversight Guidelines for Commonwealth Government Business Enterprises, published by the Department of Finance.

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# Contents

01	A Year in Review.....	4-7
	– Performance Highlights	
	– Letter from the Chair and CEO	
02	Our Business.....	8-19
	– Establishment of National Intermodal	
	– Our Purpose	
	– Strategic Priorities	
	– Our People	
	– Sustainability and Social Impact	
03	Performance and Outlook.....	20-23
	– Operational Review	
	– Financial Review	
04	Risk and Governance .....	24-33
	– Risk Management	
	– Corporate Governance Statement	
05	Directors' Report .....	34-46
	– Board of Directors	
	– Board Skills and Experience	
	– Board Statutory Report	
	– Remuneration Report	
06	Financial Report.....	Financial Report 1-40
07	Other information .....	47-51
	– Reporting Index	
	– Glossary and Terminology	

# 01

## A Year in Review

### Performance Highlights

#### Moorebank Logistics Park

1,447,941

work hours spent on-site by contractors

1.49m

square metres underwent land preparation

5,100+

COVID-19 vaccines administered free to priority workers and community members

35

hectares of warehousing underwent land preparation

100+

hectares of biodiversity conservation

20+

stakeholder site tours

#### National Intermodal

\$13m

profit for the year

\$382m

net assets

57%

of our Board are women

#### Events



##### Interstate Ground-breaking Ceremony

April 2022 saw the commencement of construction on the new Interstate Terminal at the Moorebank Logistics Park. The new terminal will be operated by Qube Holdings Limited (Qube), LOGOS Consortium (LOGOS) and National Intermodal, through the formation of a joint venture entity.



##### Qube Vaccine Hub

The Moorebank Logistics Park hosted a COVID-19 vaccination hub during September and October 2021 to accelerate access to vaccines for priority workers in the Liverpool Local Government Area. Over 5,100 vaccine doses were administered to workers and the local community.



##### LOGOS Consortium

In December 2021, National Intermodal welcomed the LOGOS Consortium to the Moorebank Logistics Park after Qube Holdings Limited (Qube) divested its interests in the warehousing and property components of the project for \$1.67 billion while retaining its interest in the two rail terminals. The LOGOS Consortium is a group of investors assembled by LOGOS Property Group and consists of AustralianSuper, AXA, NSW Treasury Corporation, Ivanhoé Cambridge and LOGOS. The investment is managed by LOGOS on behalf of the LOGOS Consortium.



# Letter from the Chair and CEO



We are pleased to present our inaugural annual report as National Intermodal Corporation Limited. In February 2022, the Australian Government announced the establishment of National Intermodal to assist in the development and operation of a national network of world class, open access, intermodal precincts.

This decision recognises the important role Australia’s supply chain plays in supporting the quality of life for Australian families. Over the past two years, supply chains in Australia and around the world have been severely disrupted by the COVID-19 pandemic, natural disasters such as bushfires and floods and recent geopolitical events.

Investing in our supply chain allows Australian businesses to become more resilient by developing increased domestic inventory management facilities as an alternative to the current overreliance on overseas “just in time” facilities and processes. Modern intermodal precincts allow freight to be transported via the most efficient mode of transportation and to transfer between alternate modes of transport in response to supply chain disruptions.

Transporting freight by rail leads to a more sustainable supply chain through reduced emissions, lower congestion as well as improved road safety and public health outcomes. Despite these benefits, over the past 25 years, the proportion of freight moving by rail has declined from 30% to 11%. Rail now carries less intermodal freight than in 1995.

It is currently difficult for the majority of logistics companies to access the existing major metropolitan intermodal terminals. National Intermodal as an independent developer of intermodal precincts creates an opportunity for greater innovation and investment across the logistics supply chain by providing fair and equal access to a national network of terminals. Co-location of major warehousing at these next generation integrated intermodal precincts will significantly reduce rail’s “last mile” challenge, and provide the necessary efficiencies enabling rail to play an increased role.

Increasing the ability for market participants to access and utilise new modern efficient terminals will result ultimately in lower prices flowing to Australian families. We look forward to working across industry and the broader stakeholder community to help deliver this much needed investment in Australia’s critical infrastructure network.

**Erin A. M. Flaherty**  
Chair

**James Boulderstone**  
Chief Executive Officer



# 02

## Our Business



Aerial view of the Moorebank Logistics Park

### Establishment of National Intermodal

In February 2022, the Australian Government announced the establishment of National Intermodal to facilitate the development and operation of a national network of world class, open access, intermodal precincts.

National Intermodal will work with the Australian Government, State Governments, the Australian Rail Track Corporation (ARTC) and industry to assist in the development and operation of the Melbourne and Brisbane intermodal freight precincts in time for the commencement of Inland Rail.

National Intermodal will support resilient supply chains that will secure our high standard of living for generations to come.







## Connecting Australia's future supply chains

Established as a Government Business Enterprise (**GBE**), National Intermodal is working to make the distribution and management of freight around Australia faster, safer and more sustainable.

Combining modes of transport, offering efficient warehouse solutions and gateways to Australia's Inland Rail network, National Intermodal's world class precincts will connect communities, and offer outstanding opportunities for local employment and growth of a skilled workforce.

These innovative intermodal precincts will form part of a next-generation freight network, maximising the Government's investment in Inland Rail, while being agile enough to respond to shifting challenges and global trends.

### Sydney – Moorebank

National Intermodal holds interests in the land and rail lines connecting the rail terminals to the Southern Sydney Freight Line, as well as being responsible for overseeing a range of Australian Government funded enabling works at the Moorebank Logistics Park and monitoring compliance with the precinct's open access framework.

### Melbourne

National Intermodal is working with the Australian Government, the Victorian Government and industry to facilitate the delivery of intermodal terminals at two potential locations in Melbourne. The Western Intermodal Freight Terminal (**WIFT**) will be located west of Melbourne and connected to the rail network through a new Outer Metropolitan Ring rail corridor. The Beveridge Intermodal Freight Terminal (**BIFT**) will be located north of Melbourne and directly connected to Inland Rail.

### Brisbane

National Intermodal is working with the Australian Government, the Queensland Government and industry to develop a business case for the delivery of an intermodal terminal in South East Queensland.

## Open Access

National Intermodal's precincts will operate as open access terminals for any accredited freight rail operator to use on non-discriminatory terms.

This access is vital to creating opportunities for new market entrants and enabling healthy competition in the existing freight market.

Adopting an open access framework will enable the benefits of the network to be passed on to Australian businesses and consumers through faster delivery and lower prices.



Image courtesy of NSW Ports

## Moorebank Business Model

National Intermodal will generate long term revenues from the Moorebank Logistics Park through two wholly owned subsidiary trusts:

### MIC Land Trust

MIC Land Trust has a long term lease over land owned by the Australian Government (Moorebank Precinct West) and has a 65.63 per cent unitholding in Moorebank Precinct Land Trust, which earns ground rent from both Moorebank Precinct East and Moorebank Precinct West. MIC Land Trust will receive National Intermodal's 65.63 per cent share of distributions from Moorebank Precinct Land Trust.

### MIC Rail Trust

MIC Rail Trust is funding the rail lines that connect the IMEX Terminal and future Interstate Terminal to the Southern Sydney Freight Line. MIC Rail Trust will generate revenue from rail access charges for the access to the rail lines over the term of the lease.

### Australian Government Funded Enabling Works

National Intermodal is responsible for overseeing a range of Australian Government funded enabling works at the Moorebank Logistics Park, which include land preparation works on the land owned by the Australian Government, the realignment of Moorebank Avenue along the eastern boundary of the Moorebank Logistics Park to create a unified precinct and rail access works for the IMEX and Interstate Terminals.





# Our Purpose

## A new focus

With increasing focus on the importance of Australia’s supply chain during 2022, Moorebank Intermodal Company transformed to become National Intermodal.

National Intermodal’s principal objective is to support the planning, delivery and operation of new state-of-the-art intermodal precincts along Australia’s east coast.

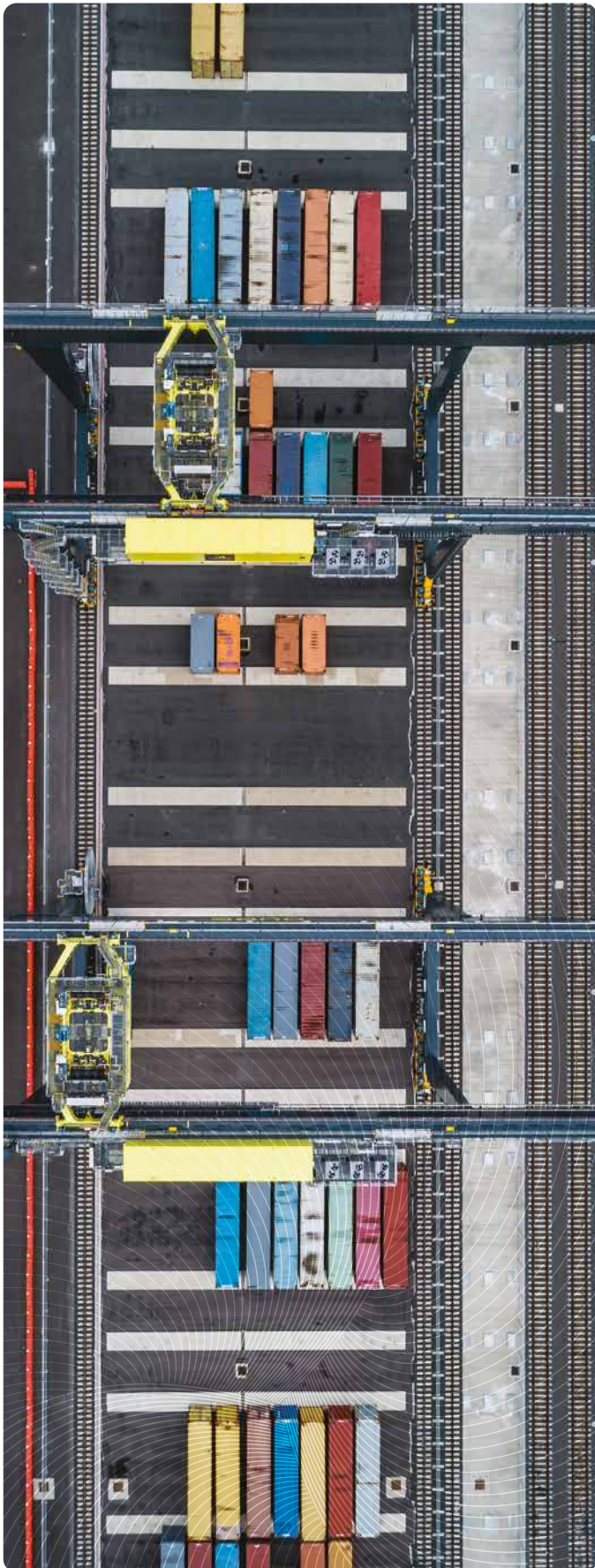
National Intermodal will work closely with key stakeholders including Governments, ARTC and industry to facilitate the development and operation of intermodal precincts in Melbourne and Brisbane.

In doing so, National Intermodal will:

- boost the resilience and sustainability of Australian supply chains;
- optimise the Australian Government’s investment in Inland Rail;
- establish and enshrine a genuine open access network;
- improve the competitiveness of rail freight and competition in the sector; and
- increase the efficiency of transport logistics.

The Company’s purpose is to help provide connecting infrastructure necessary to deliver products to homes and families as safely, efficiently, and sustainably as possible.

National Intermodal plays an important role in delivering the Australian Government’s vision for an efficient and effective freight sector, as laid out in the National Freight and Supply Chain Strategy.



Our **purpose, vision** and **values** outline what is important to us, and guide our interactions with Government, industry and the community. This framework will shape and inform our actions and decision making as we focus our efforts and resources on fulfilling our corporate vision.

### Purpose

Helping to provide the connecting infrastructure necessary to deliver products to homes and families

### Our Vision

To enhance national productivity through the development of a national network of interconnected and accessible intermodal precincts

### Our Values



#### Innovation

We challenge the status quo and embrace new ideas



#### Collaboration

We work together to deliver shared goals



#### Integrity

We accept responsibility for delivering our shared goals



#### Sustainability

We deliver better outcomes for our community, our people and our planet

### Strategic Priorities



#### Improve Supply Chain Resilience



#### Increase Logistics Efficiency



#### Improve Sustainability

### Our People

Our purpose, vision and values are demonstrated by a skilled team with considerable infrastructure, logistics and construction experience, dedicated to delivering our strategic priorities

# Our Strategic Priorities

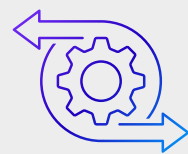
The Australian Government's investment in freight – through Inland Rail and intermodal precincts – is a once in a generation opportunity to enable innovation and integration of Australia's freight network.

These state-of-the-art precincts will be an integral component of a modern and efficient supply chain network along Australia's east coast.

Our strategic priorities shape our activities, areas of opportunity and our purpose in helping to deliver these freight precincts, ensuring the delivery of goods faster and more cost effectively to Australian homes and families.

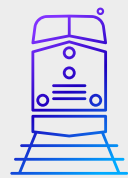


We will deliver on these goals through three core objectives:



## Improve Supply Chain Resilience

- reinvesting in Australia's supply chain and reducing reliance on overseas suppliers to increase resilience and security of supply; and
- enabling supply chain flexibility by ensuring the right freight – moves by the right mode – the right distance.



## Increase Logistics Efficiency

- investing in modern facilities will enhance productivity, increase competition and ensure the resultant cost savings are passed on to consumers;
- integrated open access terminals enabling competitive rail services; and
- growing rail modal share.



## Improve Sustainability

- incorporating sustainable development principles into our projects;
- reducing road congestion and improving safety; and
- reducing carbon emissions and improving transport sustainability.

National Intermodal's Vision:

To enhance national productivity through the development of a national network of interconnected and accessible intermodal precincts.

# Our People

Our people are at the centre of our operations, helping to deliver Australia's largest network of intermodal logistics precincts.

Throughout FY2022, National Intermodal continued to build and encourage an inclusive workforce focused on translating our strategic priorities into operational capabilities. The broad focus has been on strengthening governance and processes, enhancing capability within the team and responding to new ways of working and connecting.

To complement the expanded remit and step change in deliverables, new values of innovation, collaboration, integrity and sustainability have been adopted to underpin our everyday interactions. National Intermodal will continue to act as an agile and evolving enterprise, equipped to address emerging challenges with innovative solutions.

National Intermodal will strive to be a best-in-class GBE, a partner of choice for industry and Government.



57% of our Board are women

43% of our Senior Leadership Team are women

## Safety and wellbeing

The safety and wellbeing of National Intermodal's employees, contractors and third parties is of the highest priority.

We have developed a new Workplace, Health and Safety Framework as part of our transition from monitoring the health and safety performance of Precinct Developer Company (PDC) to taking on responsibility for the direct delivery of work packages such as the Moorebank Avenue Realignment works.

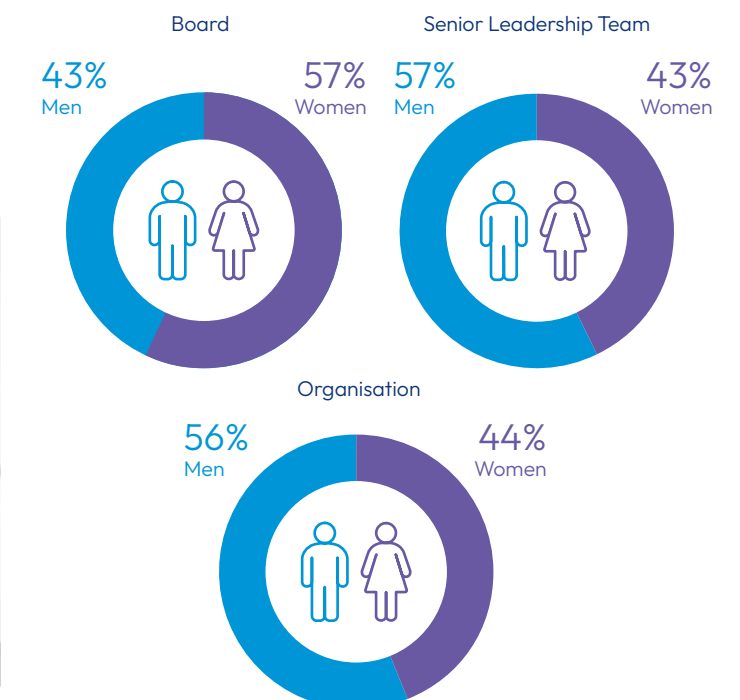
The Company is focused on cultivating and reinforcing a safety-first mindset amongst employees, contractors and consultants.



## Diversity and inclusion

National Intermodal is committed to growing a team which embraces differences and promotes opportunities for all. This ideal flows through all levels of our business and is led from the top down.

Fostering an inclusive culture not only allows us to leverage different perspectives but delivers better outcomes for our stakeholders and community partners.





## Supporting our team

Following two years of uncertainty and disruptive change, the mental health and wellbeing of our team remains an important focus. With employees spending a large portion of time at work, many have adopted flexible working practices which allow for better work/life balance.

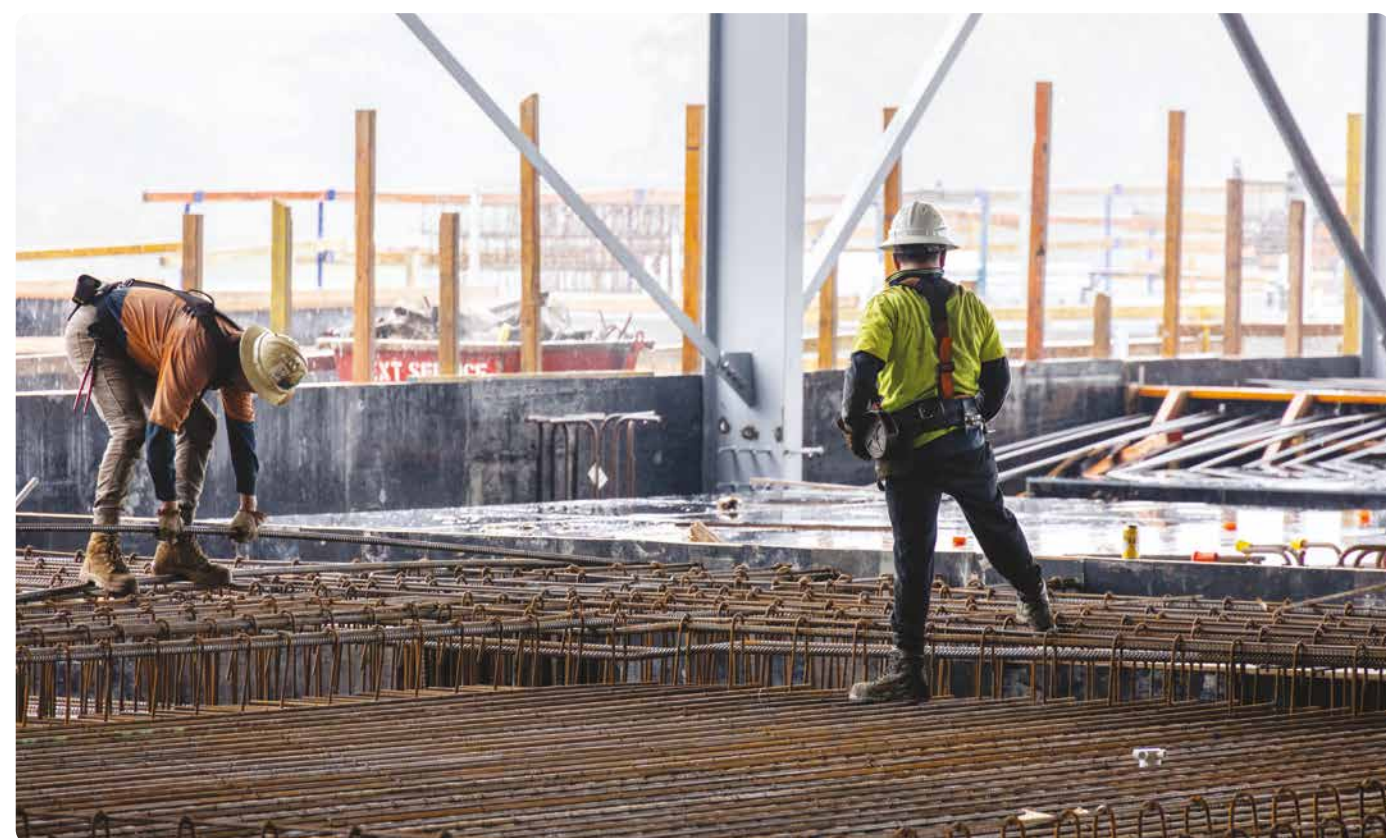
As the Company's remit transformed in February 2022, the team was able to adapt and respond to new deliverables whilst maintaining momentum in project delivery. National Intermodal employees have continued to demonstrate an ability to connect with our purpose and be agile in delivery where needed.

## Future workforce

We have developed a talent acquisition plan to enhance National Intermodal's capabilities by hiring people with the right skills and resources to deliver National Intermodal's expanded remit. The first phase of this talent acquisition plan is planned for completion in 2023.

During 2022, we undertook a review of our remuneration framework to ensure that our employee remuneration is aligned with the guidelines issued by the Australian Public Service Commission.

National Intermodal's key vision and values remain essential to execution of our daily tasks and underpin a diverse team who are dedicated to the development of vibrant intermodal precincts across Australia.



## Organisational structure as at 30 June 2022

Board of Directors					
Chief Executive Officer					
Chief Financial Officer	General Counsel & Company Secretary	Executive General Manager, Project Delivery	Director, Government & Stakeholder Relations	Director, Strategy & Business Development	HR Business Partner

### National Intermodal Workforce Composition as at 30 June 2022

	As at 2020-21	As at 2021-22
<b>Ongoing</b>	<b>17</b>	<b>17</b>
Full-time/Part-time	15 FT / 2 PT	15 FT / 2 PT
Gender*	6 W / 11 M	9 W / 8 M
<b>Non-ongoing</b>	<b>7</b>	<b>12</b>
Full-time/Part-time	6 FT / 1 PT	7 FT / 5 PT
Gender*	3 W / 4 M	3 W / 9 M
<b>Total Employees</b>	<b>24</b>	<b>29</b>

The total shows the total workforce numbers and not employee numbers

'Ongoing' consists of permanent employees (full-time and part-time)

'Non-ongoing' consists of contractors and secondees

\*No one identified as gender indeterminate throughout both reporting periods

#### Table Key:

FT = Full-time      W = Women  
PT = Part-time      M = Men

### National Intermodal Employment Type by Location

	As at 30 June 2021	As at 30 June 2022
<b>Ongoing</b>		
NSW	17	15
<b>Non-ongoing</b>		
NSW	7	12
VIC		2
<b>Total Employees</b>	<b>24</b>	<b>29</b>





# Sustainability and Social Impact



## Strengthening local connections

National Intermodal will work with precinct partners, State Government, local councils, vocational and educational providers, community groups and others to identify programs that may specifically benefit local areas.

In 2022-23, National Intermodal will continue to inform, consult and engage key stakeholders around the strategic objectives and activities associated with our precincts. A focus will remain on the development of local and skilled jobs and associated opportunities for the surrounding youth and communities.

Similar community enhancement programs will be supported in locations including Melbourne and Brisbane.

## Precincts of the future

National Intermodal will continue to work with partners to help automate processes to reduce the cost of handling freight, lower emissions and improve safety. This includes the electrification of as many processes as possible powered by renewable sources, and if electrification is not possible, National Intermodal will work with Government and industry to explore alternative fuels.

## The Benefits of Freight Rail



### Lower carbon emissions

Rail freight produces 16 times less carbon pollution than road freight per tonne kilometre travelled.



### Safety benefits

From reduced road accident costs. Rail accident costs are 20 times lower than road for every tonne kilometre of freight moved.



### Health benefits

Rail freight generates 92% less PM10\* than road freight for each tonne kilometre of freight moved.

\*PM10 is a common air pollutant found in dust and smoke

We strive to better our communities, our people and our planet by minimising the impact of everything that we do.

## Protecting our environment

In December 2021, National Intermodal assumed direct responsibility for *BioBanking Agreement 341*, a contract between the Commonwealth and NSW Biodiversity Conservation Trust to provide ecological stewardship for approximately 100 hectares of conservation areas around the Moorebank Logistics Park.

Over the next 12 months, National Intermodal will investigate the use of Moorebank's conservation areas for relevant educational programs or uses, while observing all Biodiversity Conservation Trust requirements for the protection of the area.





# 03

## Performance and Outlook

### Operational Review

FY2022 has been a year of transition with the change from Moorebank Intermodal Company to National Intermodal, a new ownership structure at the Moorebank Logistics Park and the implementation of new governance arrangements.

The Company is enhancing its capabilities to facilitate the development and operation of a national network of world class, open access, intermodal precincts. This includes scaling up our project development and technical team, and implementing a fit-for-purpose governance and corporate structure.

In December 2021, we welcomed the LOGOS Consortium to the Moorebank Logistics Park after Qube divested its interests in the warehousing and property components of the project for \$1.67 billion while retaining its interest in the two rail terminals. The LOGOS Consortium is a group of investors assembled by LOGOS Property Group and consists of AustralianSuper (40%), AXA Investment Managers S.A. (20%), NSW Treasury Corporation (TCorp) (19.5%), Ivanhoé Cambridge (18.5%) and LOGOS (2%). The investment is managed by LOGOS Property Group on behalf of the LOGOS Consortium.

The LOGOS Transaction presented an opportunity for National Intermodal to negotiate new governance arrangements for the Moorebank Logistics Park that provide the Company with increased visibility and control over the spending on MIC Funded Works. National Intermodal also secured PDC's agreement for National Intermodal to deliver the Moorebank Avenue Realignment and Biobanking Works to ensure the lowest risk and best value for money outcome for the Australian Government.

National Intermodal and Precinct Developer Company (PDC) agreed to resolve a number of outstanding issues including the cost of Rail Access Works Stage 1, the estimated costs for Phases 2 and 3 of the remaining Land Preparation Works, and a lump sum payment for the upgrade of the Moorebank Avenue, Anzac Road intersection.

National Intermodal, Qube and LOGOS have agreed that the Interstate Terminal will be delivered by Qube with ownership transferred to a new joint venture entity. This entity will be owned by Qube, LOGOS and National Intermodal, with National Intermodal being granted a 10% interest. Qube will deliver a best-in-class Interstate Terminal with an initial 250,000 twenty-foot equivalent units (TEUs) manual stage being completed in March 2025 comprising an initial four tracks to be completed by December 2023 and a further three tracks to be completed in 2025.

The new Interstate Terminal joint venture entity ownership and operating model will enhance the opportunity to achieve Australian Government policy objectives, including maximising the potential for modal shift, unlocking barriers to entry and enhancing competition by delivery of an open access terminal.

National Intermodal approved Qube entering into a contract with Martinus Rail, an Australian rail construction company, to deliver the Rail Access Works Phase 2 and with Siemens to deliver the signalling equipment following a competitive tender process. Martinus have also been contracted by Qube to deliver the Interstate Terminal Works, commencing in August 2022. National Intermodal will continue to oversee the Rail Access Works to ensure they are delivered effectively.



An aerial view of the Moorebank Logistics Park

### Moorebank Logistics Park

The Moorebank Logistics Park is being developed as an integrated precinct on a 241-hectare site formed by the contribution of 158-hectares of developable land owned by the Australian Government (Moorebank Precinct West), and 83-hectares of developable land owned by the LOGOS Consortium (Moorebank Precinct East).

Once completed, the Moorebank Logistics Park will be Australia's largest intermodal freight facility, transforming the way that containerised freight moves through New South Wales, linking Port Botany directly to rail terminals and co-located warehousing to provide a faster, more efficient and cost-effective service for businesses and consumers.

The Moorebank Logistics Park will provide the following benefits:

1.0 million per year  
TEU IMEX Terminal

500,000 per year  
TEU Interstate Terminal

850,000sqm  
of state-of-the-art warehousing

Direct access  
from Port Botany with connections to  
the national rail network and M5 and M7



# Financial Review

## FY2022 Key Financial Statistics

**\$7m**

Revenue  
(2021: \$14m)

**\$13m**

Profit for the year  
(2021: \$12m)

**\$47m**

Share of profit of  
equity accounted  
investments  
(2021: \$51m)

**\$12m**

Total cash outlay  
on the MLP  
(2021: \$44m)

**\$72m**

Cash and cash  
equivalents  
(2021: \$48m)

**\$382m**

Net assets  
(2021: \$321m)



The financial results for FY2022 reflect our year of transition from Moorebank Intermodal Company to National Intermodal, a new ownership structure at the Moorebank Logistics Park and the implementation of new governance arrangements that provide National Intermodal with increased visibility and control over the spending on MIC Funded Works.

National Intermodal continues to oversee the Australian Government funded enabling works at the Moorebank Logistics Park, including Land Preparation, Rail Access Works, and upgrades to Moorebank Avenue. The Company has also started investing in the development of intermodal precincts to support Inland Rail including the acquisition of an option over 1,100 hectares of land at Beveridge, Victoria.

The Company's main assets are two wholly-owned subsidiary trusts, MIC Land Trust and MIC Rail Trust and its subsidiary Victorian Intermodal, which holds the option over Beveridge Land.

MIC Land Trust has a 65.63 per cent unitholding in Moorebank Precinct Land Trust (Precinct Land Trust), which earns ground rent from its landholdings at the Moorebank Logistics Park. The remaining units in Precinct Land Trust are held by the LOGOS Consortium following the sale of Qube's interests in the land and property components of the Moorebank Logistics Park in December 2021. The two unitholders fund the Trust's activities through working capital loans contributed on a pro-rata basis. The ground rents earned by Precinct Land Trust will continue to grow as the precinct is developed and occupied by tenants. The Group's share of profits from Precinct Land Trust was \$46.8 million in 2022 (2021: \$51.5 million) reflecting an increase in the value following an independent valuation. As a result, the carrying value of the Precinct Land Trust rose to \$280.2 million (2021: \$234.3 million).

MIC Rail Trust generates revenue from access rights over the rail line connecting the IMEX Terminal to the Southern Sydney Freight Line. The MIC Rail Trust will also generate revenue from access rights over the rail line connecting the Interstate Terminal to the Southern Sydney Freight Line once this work is completed. The Company's revenue of \$6.9 million in 2022 (2021: \$13.7 million) largely represents income earned by MIC Rail Trust for rail access to the IMEX Terminal.

\$12.0 million was spent on MIC Funded Works in 2022, which is lower than the \$44.4 million spent in 2021, due to the transition to the new ownership structure and the implementation of new governance arrangements at the Moorebank Logistics Park.

The strong uplift in Precinct Land Trust's FY2022 valuation, which reflects the increase in value of the Moorebank Logistics Park as the precinct is developed, allowed National Intermodal to report a net profit after tax of \$12.8 million for the year (2021: \$12.4 million).

National Intermodal completed a \$200 million debt raising in October 2021. The facility is structured as a five year unsecured revolving credit facility. The facility was undrawn at 30 June 2022. The Company is well positioned for the next phase of Moorebank Logistics Park's development, with strong liquidity and a robust capital structure which will allow it to deliver its expanded remit.



# 04

## Risk and Governance

### Risk management

National Intermodal fosters a strong, positive risk culture that is based on shared values and behaviours. The Board and management are committed to implementing a robust risk management framework that satisfies both strategic and operational planning as a Government Business Enterprise overseeing the delivery of the Moorebank Logistics Park and facilitating the development and operation of intermodal precincts to support Inland Rail.

National Intermodal has a Risk Management Framework that has been developed in alignment with AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines on Implementation (ISO 31000) and the Commonwealth Risk Management Policy (2022).

The Risk Management Framework provides the overarching policy direction for the role of risk management within National Intermodal.

The Audit and Risk Committee oversees the Risk Management Framework, in particular:

- the adequacy of policies and procedures for the oversight and management of material business risks;
- the design and implementation of effective risk management and internal control systems for identifying, assessing, monitoring and managing National Intermodal’s material business risks; and
- reporting to the Board on whether these risks are being managed effectively.

National Intermodal actively monitors its risk profile and has an established control framework for managing material risks that have the potential to affect Company performance. Management assesses these risks regularly and reports to the Board and the Audit and Risk Committee.



	Nature of the Risk	Risk Management Approach
<b>Health &amp; Safety</b>	The risk that the health, safety or wellbeing of our people may be impacted.	We prioritise the health, safety and wellbeing of our employees, contractors and the public. We aim to provide our people with a safe workplace where they feel valued.
<b>Environment</b>	The risk that our activities have a negative impact on the environment.	We aim to have an overall positive impact on the environment through our activities, the activities of our delivery partners and by supporting modal shift from road to rail. We are committed to sustainable development.
<b>Strategic</b>	The risk that we fail to deliver our strategy, which impacts on the success of our Company.	We develop strategic priorities and measure our performance against them. We are accountable for the success of our Company.
<b>Financial</b>	The risk that we incur unanticipated financial losses that diminish shareholder value.	We operate on a commercial footing, including the making of financially significant investment decisions. We actively monitor our exposure to financial risks that could impact the financial health of our business.
<b>Operational</b>	The risk that we are unable to deliver our strategic priorities on time and on budget.	We aim to deliver our strategic priorities and business objectives in line with the key performance indicators set out in our Corporate Plan.
<b>Compliance</b>	The risk that we fail to comply with laws, regulations and our contractual obligations.	We place significant importance on our legal and compliance obligations. We do not tolerate material breaches of our legal and compliance obligations.
<b>People &amp; Culture</b>	The risk that we fail to attract and retain people of the right calibre to deliver our strategic objectives.	Attracting and retaining our people is crucial to the success of our Company and the delivery of our strategic objectives. We are committed to developing a high-performance culture where our people feel valued and part of our team.
<b>Reputation</b>	The risk that we fail to live up to our stakeholders’ expectations, which undermines confidence in our Company.	We recognise that, as a Government Business Enterprise, our stakeholders have high expectations of our behaviour. We seek to conduct our business in a manner that meets or exceeds these expectations.
<b>Political</b>	The risk that our strategic priorities or business objectives are impacted by policy change or divergence between levels of Government.	We recognise that a degree of political risk associated with our strategic and business objectives is inherent to being a Government Business Enterprise and the need to engage effectively with other levels of Government and the community as project stakeholders.
<b>Cyber/Data Security</b>	The risk that our Company is exposed to harm or loss resulting from a breach or attack on our information systems.	We recognise the need for our systems and behaviours to respond to the evolving threat of cyber security. We invest in systems and people to identify and mitigate cyber risks.



# Corporate Governance Statement

This statement, which was approved by the Board on 28 September 2022, outlines National Intermodal's corporate governance framework and practices.

National Intermodal is committed to maintaining and enhancing a strong corporate governance framework, which it considers fundamental to sustainability and performance and in the best interests of the Company's shareholders. The Board and management are dedicated to the highest standards of corporate governance and accountability throughout the organisation.

National Intermodal's corporate governance framework is regularly reviewed to ensure that it is aligned with Government, regulatory and legislative requirements, and best market practice. National Intermodal's governance practices continue to evolve having regard to the:

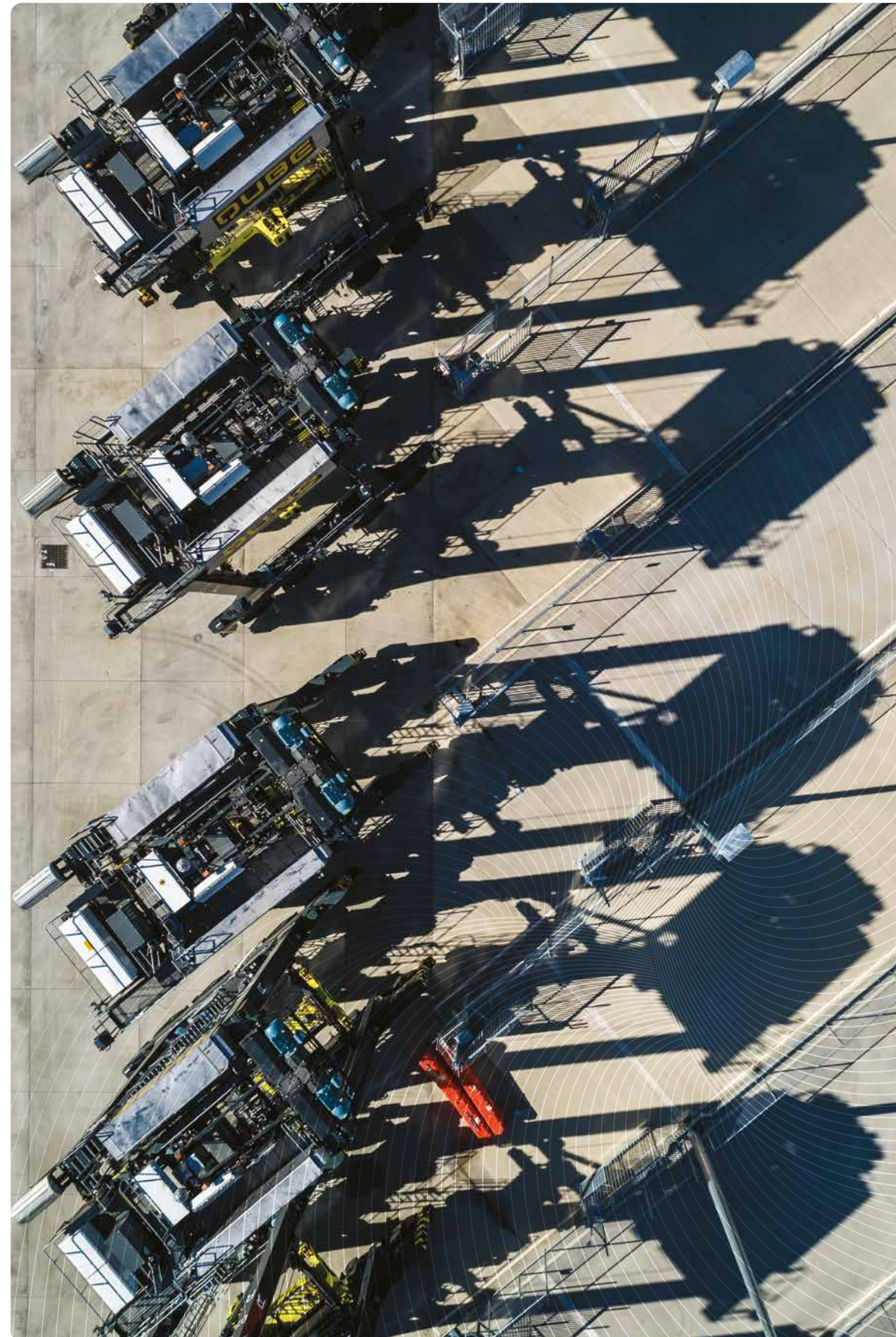
- Public Governance, Performance and Accountability Act 2013 (Cth) (PGPA Act) and Public Governance, Performance and Accountability Rule 2014 (PGPA Rules);
- Corporations Act 2001 (Cth) (Corporations Act);
- Department of Finance Resource Management Guides (RMG's); and
- National Intermodal's Statement of Expectations and Commercial Freedoms Framework.

## Shareholders

National Intermodal is wholly owned by the Commonwealth Government and represented by the following Shareholder Ministers:

Shareholder Minister	Period
The Minister for Infrastructure, Transport, Regional Development and Local Government, The Hon, Catherine King MP (being the responsible minister)	1 June 2022 - present
The Minister for Finance, Women and the Public Service, Senator. Katy Gallagher	23 May 2022 - present
The Minister for Communications, Urban Infrastructure, Cities and the Arts, Senator the Hon. Paul Fletcher MP (being the responsible minister)	22 December 2020 - 23 May 2022
The Minister for Finance, Senator the Hon. Simon Birmingham	1 July 2021 - 23 May 2022

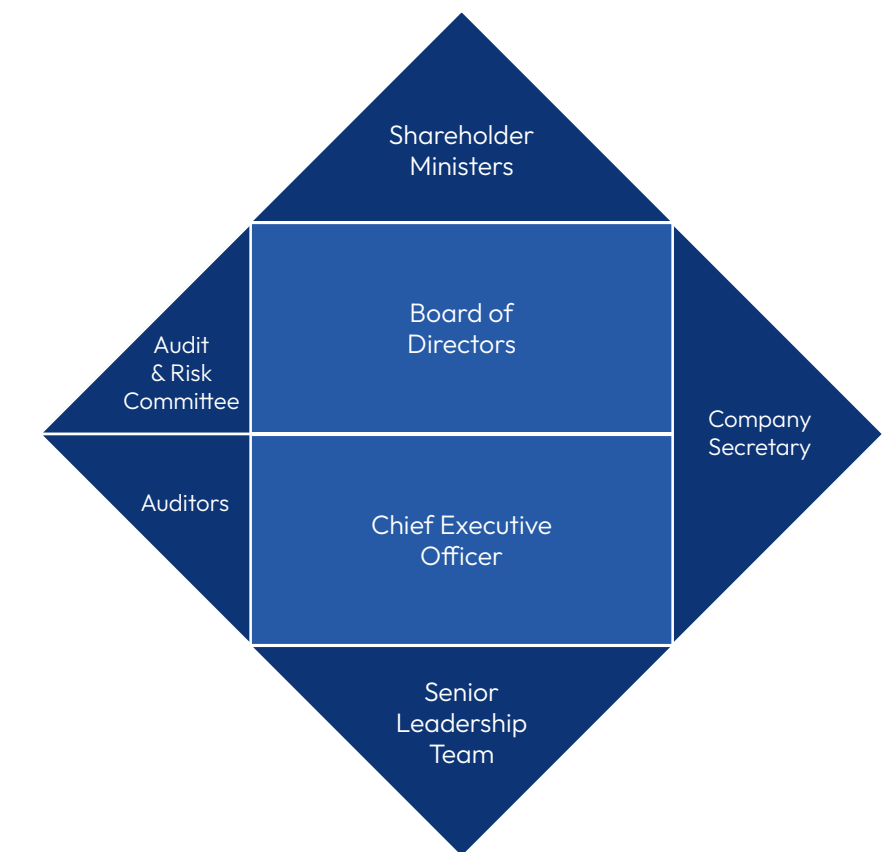
National Intermodal is an unlisted public company limited by shares and incorporated in Australia. As a Commonwealth company, it was established under the Corporations Act and is prescribed by the PGPA Rules as a Government Business Enterprise.



## Statement of Expectations

National Intermodal's objectives and priorities are set by its Shareholder Ministers in the Company's Statement of Expectations (**SOE**). The SOE was issued on 31 March 2022 and is updated from time to time to reflect Government policy decisions, policy directions and guidance from the Shareholder Ministers.

## National Intermodal Corporate Governance Framework





## Board of Directors

### Role and Responsibilities of the Board

The role of the Board is to provide strategic guidance for the Company and effective oversight of management. The Board is accountable to the Shareholder Ministers and has ultimate responsibility for:

- providing overall strategic guidance, governance, setting the risk appetite, effective oversight of management and the performance of the Company; and
- implementing an effective governance framework to support its role and responsibilities.

The Corporations Act and National Intermodal's Constitution establish and define the corporate powers of National Intermodal, which are exercised by the Board, unless exercised by the Shareholder Ministers under the Constitution.

The Board's key responsibilities include:

- setting the strategic direction of National Intermodal, consistent with the objects established in the constitution, and monitoring the implementation of the Company's strategy and performance;
- providing recommendations to the Shareholder Ministers relating to Board composition and membership;
- overseeing and setting the policy framework for implementing strategies to ensure the health and safety of the Company's employees, partners and the community, and protecting the environment;
- appointing and removing the Chief Executive Officer (CEO), following consultation with the Shareholder Ministers;
- evaluating the performance of the CEO;
- setting the limits of authority for management to commit to new contracts or expenditure;
- determining National Intermodal's risk appetite and monitoring the operation and effectiveness of National Intermodal's risk management framework;
- approving and monitoring the effectiveness of the Company's corporate governance framework, policies and procedures, and compliance with legal and regulatory obligations;
- approving the annual Corporate Plan for submission to the Shareholder Ministers;
- approving the annual Statement of Corporate Intent for publication;
- adopting a framework for reviewing, authorising, and reporting on National Intermodal's financial position; and
- approving the Annual Report and submitting the Annual Report to the Shareholder Ministers.

### Delegation and Reservation of Powers

Responsibility for the day-to-day management of the Company is delegated to the CEO and management. The Board has reserved for itself certain powers and authorities, which align to those matters in respect of which the Company may not act without the prior approval of its shareholders. Those matters are set out in the Board Charter, which is reviewed annually by the Board. A copy is available on the National Intermodal website [www.nationalintermodal.com.au](http://www.nationalintermodal.com.au).

The Company's Delegations of Authority clarify the respective roles and responsibilities of the Board and senior management to facilitate Board and management accountability to the Company and its shareholders.

### Board Composition, Independence and Appointment

Under National Intermodal's constitution, the Board is to consist of not less than three and not more than nine Directors. The Board currently comprises seven independent non-executive Directors. The Directors' report (pages 34-39) outlines their biographies and appointment details.

Directors are appointed by the Shareholder Ministers in accordance with the requirements of National Intermodal's constitution and the GBE Guidelines. On appointment, each Director receives a formal letter of appointment from the Shareholder Ministers that sets out key terms and conditions. The term of each Director appointment is determined by the Commonwealth at the time of appointment. This is usually for a term of three years. At the end of this period, the Director will retire but is eligible for reappointment.

Prior to each Director's appointment or reappointment, the Australian Government assesses their independence. The Board considers all Directors to be independent.

### Chair

Erin Flaherty, an independent non-executive Director, was appointed Chair on 4 February 2020, on a three-year term.

The Chair of the Board is appointed by the Shareholder Ministers from amongst the Directors. The Chair is responsible for the leadership of the Board and for the efficient and proper functioning of the Board, including maintaining relationships with the Shareholder Ministers.

A Deputy Chair may be appointed by the Shareholder Ministers from amongst the Directors (other than the Chair). Following the retirement of Lucio Di Bartolomeo on 1 May 2022, National Intermodal does not have a Deputy Chair and does not plan to fill this role in the immediate future.

## Conflicts of Interest

The Directors are obliged to disclose any interests or directorships they hold with other organisations and to provide updated information in a timely manner. The Company Secretary maintains a register of interests, which is tabled at each Board meeting.

Where a Director has a declared material personal interest, or may have a potential material conflict of interest, the Director will not participate in any discussion or voting when the matter is considered by the Board or a Board Committee.

## Board Performance

In line with the requirements of the GBE Guidelines, the Board annually reviews:

- the performance of the Board as a whole;
- the performance of individual Directors, including the Chair; and
- Board processes.

The Chair provides the Shareholder Ministers with written confirmation that this review process has been followed and raises any areas of concern.

An independent review of the performance of the Board is conducted every two years, while an internal review is conducted in the intervening years. National Intermodal's annual assessment of Board performance during the reporting period comprised an internal assessment of the Board's function, size and Directors' skills, consistent with the GBE Guidelines.

## Board Diversity and Tenure

National Intermodal fosters a governance culture that embraces gender diversity in the composition of the Board. In line with National Intermodal's expanded mandate to facilitate the development and operation of an interconnected network of intermodal terminals across Australia, National Intermodal has embraced geographical diversity by appointing new Directors based in Victoria and Queensland.

## Director Induction and Education

National Intermodal has an induction program for new Directors, reviewed periodically by the Company Secretary, which includes a meeting with senior management, a tour of the development sites and a detailed manual with information on the Company's Corporate Plan and other reporting arrangements, Company policies, legislative requirements and meeting arrangements. The Board has regular discussions with the CEO and senior management. Directors are invited to attend the Moorebank Logistics Park site from time to time.

Ongoing education for Directors is provided through updates, presentations, and briefings at Board meetings. Education and training sessions give Directors the chance to develop and maintain the professional skills and knowledge needed to effectively perform their role. This training includes regular updates in relation to their duties, work health and safety legislation as well as other regulatory and legal developments.

## Board Committees

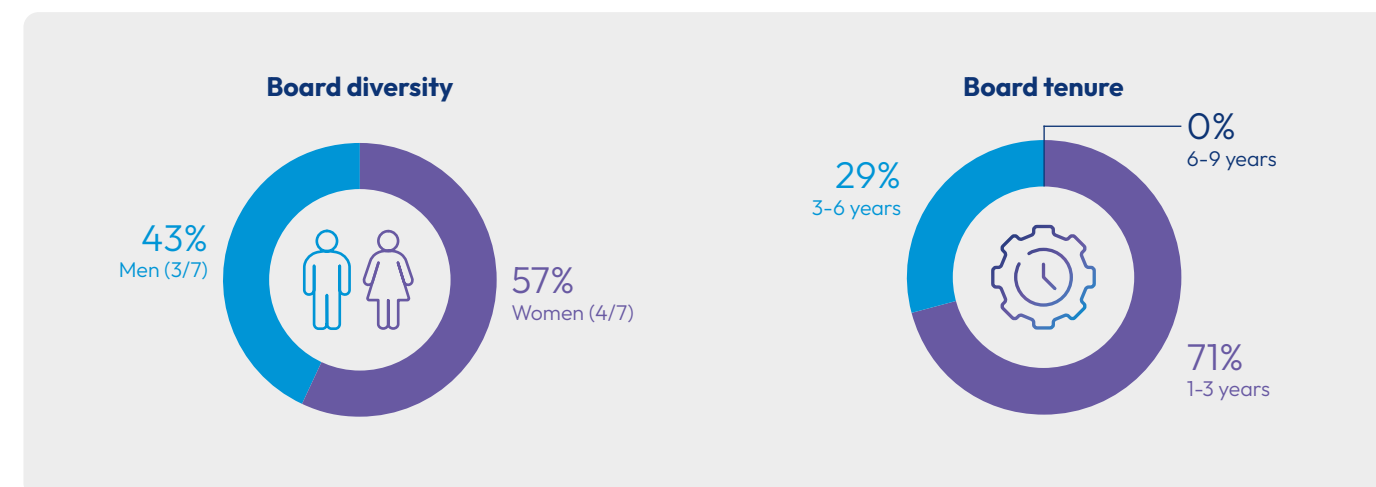
The Board may establish Board Committees to assist the Board with discharging its responsibilities. During the reporting period, the Board's only Committee was the Audit and Risk Committee.

Effective from 7 May 2016, the Board resolved to deal with all business, apart from those delegated to the Audit and Risk Committee.

### Audit and Risk Committee

The Board established the Audit and Risk Committee on 15 March 2013. The Committee is governed by a Charter detailing the Committee's role, membership requirements and duties. The Committee Charter is reviewed periodically and is available on the Company's website [www.nationalintermodal.com.au](http://www.nationalintermodal.com.au).

The Audit and Risk Committee consists of three members, each being an independent non-executive Director. The Chair of the Committee, Christine Holman, is an independent non-executive Director appointed by the Board and is not the Chair of the Board.





The role of the Audit and Risk Committee is to assist the Board in satisfying itself that the Group complies with its obligations relating to financial management, performance reporting, risk oversight and management, reporting and compliance with relevant laws and policies. The Committee also provides a forum for communication between the Board, management, and National Intermodal's internal and external auditors.

The Committee supervises the preparation of periodic financial statements of the Group to ensure compliance with financial reporting requirements.

It also monitors and reviews:

- the effective management of financial risks;
- the application of up-to-date accounting policies;
- the development and maintenance of effective and efficient internal and external audit processes;
- the maintenance of auditor independence; and
- compliance with applicable laws and regulations.

During the reporting period, the Committee met separately with National Intermodal's external and internal auditors.

Membership of the Committee, the number of meetings held during the period 1 July 2021 to 30 June 2022 and the number of meetings attended by each Committee member is set out in the Directors' Report.

## Board Skills and Experience

The Board seeks to ensure it has an appropriate mix of skills and experience to enable it to effectively discharge its responsibilities. Diversity of the Board, including gender, age, ethnicity and geographic location, is also a consideration for new appointees. The skills and experience of the current members of the Board are appropriate for National Intermodal's current business phase and having regard to its strategic objectives.

Collectively, the Board's high level of skills and expertise are in the following areas:

### Collective skills and experience of the Board



#### Leadership

Senior Executive or Non-executive Director experience in a listed company, large or complex organisation or Government body.



#### Industry specific knowledge and expertise

Specific experience, knowledge and expertise gained across the broader infrastructure, freight, transport, and logistics industries, including global experience.



#### Project development, project management and delivery

Senior Executive or Non-executive Director experience and expertise in the development, management, and delivery of complex construction projects.



#### Corporate Governance

Experience in and commitment to the highest standards of corporate governance, including experience as a Senior Executive or Director in a listed company, large or complex organisation or Government body.



#### Financing/capital management, accounting and audit

Understanding of financial statements and reporting, key drivers of financial performance, corporate finance, and internal financial controls.



#### Government and stakeholder relations and public policy implementation

Experience in the management and oversight of compliance with legal and regulatory requirements and/or experience in the development and implementation of public policy, including professional experience working or interacting with Government and regulators.

### Audit and Risk Committee

The Audit and Risk Committee comprises the following directors:

- Christine Holman (Chair of Audit and Risk Committee)
- Ron Koehler
- Bronwyn Morris (appointed 24 February 2022)
- Ray Wilson (term expired 12 December 2021)

The Audit and Risk Committee's members bring a range of qualifications, knowledge, skills and experience to assist the Committee to perform its functions. They include qualifications and experience in finance, audit and risk capacities, experience in leading and participating in both Government and commercial organisations, and diverse skills and knowledge adapted from a range of industries and vocations. Between them, the Committee members have accounting and financial expertise and a sufficient understanding of the industry in which the Company operates, to be able to discharge the Committee's mandate effectively.

### Directors' Remuneration

The Remuneration Tribunal determines the remuneration and travel allowances payable to Non-Executive Directors. Full details of Directors' remuneration are included in the Remuneration Report on pages 40 to 45.

### Senior Executives' Remuneration

The Remuneration Tribunal also determines the remuneration of the CEO, although the Board has some discretion within limits set by the Tribunal. The remuneration of the other senior executives is set by the CEO and the Board following an annual market benchmarking exercise. Full details of senior executives' remuneration are included in the Remuneration Report on pages 40 to 45.

### Succession Planning

In accordance with the GBE Guidelines, National Intermodal has adopted a senior executive succession plan to manage the absence of key management personnel, whether short-term, long-term or permanent, and whether planned or unplanned.

### Accountability and Audit

#### External Audit

Under section 98 the PGPA Act, the Auditor-General is responsible for auditing the financial statements of National Intermodal. In addition, National Intermodal's annual report is tabled in Parliament and its financial accounts are lodged with ASIC. In addition to auditing National Intermodal's annual financial statements, the Auditor-General is responsible for auditing compliance with the performance standards prescribed for GBEs, in the circumstances outlined in the Auditor-General Act 1997 (Cth).



As permitted by section 27 of the Auditor-General Act 1997 (Cth), the Australian National Audit Office (ANAO) contracted KPMG in Sydney to assist with the conduct of the audit on behalf of the Auditor-General.

The Audit and Risk Committee invites the external auditor to each Committee meeting. Papers addressing the following matters for the Committee's consideration are provided to both the ANAO and KPMG prior to the meeting:

- external audit plans, any significant changes in operations, and internal controls or accounting policies likely to impact the financial statements;
- the results and findings of the auditor, the adequacy of internal controls and the implementation of any recommendations made; and
- the Annual Report, the preliminary financial statements prior to signoff and any significant adjustments required as a result of the external auditor's findings.

National Intermodal applies audit independence principles in relation to the external auditor.

#### Certification by CEO and CFO

Prior to the approval of the annual financial statements by the Board, the CEO and the CFO confirm in writing that:

- the financial statements and notes are in accordance with the Corporations Act and represent a true and fair view of National Intermodal's financial position as at 30 June and of the performance of National Intermodal for the financial year ended on that date; and
- there are reasonable grounds to believe National Intermodal will be able to pay its debts as and when they fall due.

#### Internal Control Framework

The Board is responsible for the overall internal control framework and for reviewing its effectiveness.

National Intermodal's internal control framework is intended to meet the objectives of:

- ensuring completeness of financial reporting;
- safeguarding the Company's assets;
- complying with applicable laws and regulations;
- ensuring effectiveness and efficiency of operations;
- maintaining proper accounting records;
- preventing, detecting and correcting irregularities; and
- identifying and mitigating business risks.

A number of internal controls have been implemented to provide for the accuracy of the financial statements and integrity of business systems. These internal controls include the form of appropriate Delegations of Authority, a Risk Management Framework, financial planning and reporting, strategic planning and operational policies and practices.



#### Internal Audit

In February 2021, the Audit and Risk Committee approved the appointment of RSM as internal auditor. An internal audit plan is presented to and endorsed annually by the Audit and Risk Committee. Outcomes of the internal audit reviews are provided to the Committee for its review.

#### Risk Management

National Intermodal has a Risk Management Policy that is aligned to the Commonwealth Risk Management Policy (2022) and continues to maintain and update a comprehensive risk register that captures the material business risks facing the Company.

The Audit and Risk Committee oversees the Risk Management Policy, in particular:

- the adequacy of policies and procedures for the oversight and management of material business risks;
- the design and implementation of effective risk management and internal control systems for identifying, assessing, monitoring and managing National Intermodal's material business risk; and
- reporting to the Board on whether those risks are being managed effectively.

## Ethical Standards and Governance Policies

National Intermodal is committed to a culture of high ethical standards and accountable conduct. Underpinning this commitment is National Intermodal's core organisational value of integrity, and a suite of governance policies intended to empower its people to trust each other to do the right thing and to accept accountability for their actions.

## Privacy

National Intermodal has a Privacy Policy that sets out how National Intermodal employees, contractors and consultants must manage any personal or sensitive information to comply with the requirements of the *Privacy Act 1988 (Cth)*, as amended. The Privacy Policy is reviewed periodically.

A copy of the policy is on National Intermodal's website at [www.nationalintermodal.com.au](http://www.nationalintermodal.com.au)

### Code of Conduct

National Intermodal aims to carry out its business in an open and honest manner, while complying with all applicable laws and regulations. National Intermodal has a Code of Conduct, which outlines expected standards of workplace behaviour and applies to all Directors, employees and contract staff. The Code of Conduct is reviewed periodically.

### Whistleblower Protection

National Intermodal is committed to maintaining an open working environment which encourages the disclosure of improper conduct without fear of intimidation or reprisal. National Intermodal recognises the importance of providing a safe, supportive and confidential environment where people feel confident about reporting wrongdoing without fear of retaliation and are supported and protected throughout the process.

National Intermodal is subject to the *Public Interest Disclosure Act 2013 (PID Act)* and has adopted a policy and procedures to ensure the Company supports and complies with the requirements of the Act. The policy applies to all Directors, officers, employees and suppliers of goods or services (and their employees). It includes secondees and contractors and also covers disclosures under the Corporations Act and Tax Administration Act 1953 (Cth).

National Intermodal supports protecting those who make such reports from victimisation and discrimination. National Intermodal recognises the value of transparency and accountability in its administrative and management practices. A summary of National Intermodal's procedures, the appointed National Intermodal 'authorised officers' and whistleblower protection officers and how a disclosure under the Act can be made is on National Intermodal's website [www.nationalintermodal.com.au](http://www.nationalintermodal.com.au)

No public interest disclosures or reports pursuant to the Corporations Act, Tax Administration Act 1953 (Cth) or the PID Act were received in the reporting period.

### Equal Opportunity

National Intermodal's Diversity and Equal Employment Opportunity Policy outlines National Intermodal's commitment to promoting diversity in the workplace. National Intermodal seeks to provide opportunities regardless of age, gender, physical ability, ethnicity or Indigenous background.





# 05

## Directors' Report

The Directors of National Intermodal Corporation Limited ("National Intermodal" or the "Company") present their Directors' Report on National Intermodal and its wholly owned subsidiaries (the "Group").

### Directors' Details

The following individuals served as Directors of National Intermodal during the financial year ended 30 June 2022. Each Director was appointed (or re-appointed) on a three-year term.

Director	Appointment Date
Erin A.M. Flaherty (Chair)	26 March 2019 (Director) 4 February 2020 (Chair)
Christine Holman	26 July 2018 Reappointed on 26 July 2021
Ron Koehler	16 December 2019
Bronwyn Morris	13 December 2021
Joseph Carrozzi	13 December 2021
Annette Carey	31 March 2022
Michael Byrne	31 March 2022
Lucio Di Bartolomeo (Deputy Chair)	2 May 2016 Reappointed on 2 May 2019 Term expired 1 May 2022
Jim Lloyd	1 June 2019 Term expired 31 May 2022
Ray Wilson	13 December 2012 Reappointed 13 December 2015 Reappointed 13 December 2018 Term expired 12 December 2021

### Directors' Meetings

The number of meetings of the Company's Board and Audit and Risk Committee held during the year ended 30 June 2022, and the numbers of meetings attended by each Director are set out below:

Director	Board		Audit & Risk Committee	
	A	B	A	B
R Wilson	6	6	4	4
L Di Bartolomeo	8	8	-	-
C Holman	10	9	6	6
E Flaherty	10	10	-	-
The Hon J Lloyd	9	9	-	-
R Koehler	10	10	6	6
B Morris	4	4	2	2
J Carrozzi	4	4	-	-
A Carey	2	2	-	-
M Byrne	2	2	-	-

A = Number of meetings held which a Director or Committee member could attend

B = Number of meetings attended

- = Non-Committee Member, attendance is not required

### Erin A.M. Flaherty Chair and Non-executive Director



Erin has more than 30 years' experience in both private and Government sectors. She was Commercial Manager and Deputy CEO at Reliance Rail before becoming Executive Director of Infrastructure NSW in 2012. In 2017 she became a Guardian of the Commonwealth Future Fund, Australia's sovereign wealth fund.

In 2012, Erin was appointed by the NSW Minister for Transport to the Advisory Board for the North West Rail Link and subsequently became an inaugural director of the newly formed Sydney Metro in 2018. Erin is currently a non-executive director of Venues NSW and sits on the Audit and Risk Committee. She is also a non-executive director of the Infrastructure Fund, where she Chairs the Remuneration and Outsourcing Committee, NSW Police & Citizens Youth Clubs and the Australian Chamber Orchestra. She is the National Chair of the Professional Scholarship Committee of the Australian American Fulbright Commission and a past Board member. Erin is a member of Chief Executive Women (CEW).

#### Qualifications

Master of Laws, University of Sydney  
Bachelor of Arts (Politics major), University of Western Australia  
Bachelor of Laws, University of Western Australia  
Bachelor of Jurisprudence, University of Western Australia  
Graduate Diploma in Applied Corporate Governance, Governance Institute of Australia  
Graduate of the Australian Institute of Company Directors.

### Christine Holman Chair of the Audit & Risk Committee and Non-executive Director



Christine is a professional company director and currently, Non-Executive Director of three ASX listed Boards - Metcash Ltd, CSR Ltd and Collins Foods Ltd, and Australian Super's nominee director on Australia Tower Network Pty Ltd. Christine also sits on the Boards of The Bradman Foundation, the ICC T20 Cricket World Cup 2020, McGrath Foundation and the State Library of NSW Foundation. In her previous executive capacity as both CFO & Commercial Director of Telstra Broadcast Services, Christine brings a deep understanding of legacy and emerging technologies. During her time in private investment management, Christine assisted management and the Board of investee companies on strategy development, mergers & acquisitions, leading due diligence teams, managing large complex commercial negotiations and developing growth opportunities. Christine is a member of Chief Executive Women (CEW) and the International Women's Forum (IWF).

#### Qualifications

Master of Business Administration and Post-Graduate Diploma in Management, Macquarie University  
Graduate of the Australian Institute of Company Directors

### Bronwyn Morris AM Audit & Risk Committee member and Non-executive Director



Bronwyn is a chartered accountant and a former partner of KPMG. She has over 25 years' experience on the boards of entities in the publicly listed, unlisted, Government and not for profit sectors. Bronwyn has considerable experience with regulated organisations across a number of industry sectors including infrastructure, utilities and financial services. Bronwyn is currently Chair of Urban Utilities and RACQ Foundation and a non-executive director of Dalrymple Bay Infrastructure Limited and Menzies Health Institute Queensland.

#### Qualifications

Bachelor of Commerce (Accounting major), University of Queensland  
Fellow of the Australian Institute of Company Directors  
Fellow of the Chartered Accountants Australia and New Zealand



## Ron Koehler

**Audit & Risk Committee member and Non-executive Director**



Ron Koehler has more than 35 years' experience in the Freight and Logistics Industry. He is a former CEO of DB Schenker Australia Pty Ltd a Global Air/ Ocean and third party logistics company. Under Ron's management as part of the Asia Pacific team, DB Schenker undertook several acquisitions and mergers focusing on global key accounts and growth. Ron oversaw the construction and operation of the logistics warehouse footprint and the operational aspect of the Airfreight and Ocean Freight business including truck and rail container transportation. In 2019, Ron left DB Schenker and in early 2020 was appointed as CEO of Trackster Global, a start-up in the freight tracking and IOT industry, and is currently serving as an advisor to the company. Ron is a member of the German Australian Chamber of Commerce and Industry and a former Chair and Board member. He was awarded the Grand Cross of the Merit of the Federal Republic of Germany in 2017 for supporting bilateral trade and growing the recognition of German Industry in Australia.

### Qualifications

Graduate of the Australian Institute of Company Directors

## Joseph Carrozzi AM

**Non-executive Director**



Joseph is a lawyer and financial advisor with more than 25 years' senior leadership experience in the professional services sector. Joseph was formerly a Managing Partner of PwC, Sydney for 15 years and has advised numerous private sector businesses and governments on infrastructure, tax and policy matters.

Joseph plays an active role in the wider community. He is the Chair of the Sydney Harbour Federation Trust and the Centenary Institute for Medical Research in Sydney. He is Chair of ASX listed HealthCo Healthcare & Wellness REIT and also serves on the Boards of Football Federation Australia and Western Sydney University.

### Qualifications

Bachelor of Commerce, University of New South Wales  
Bachelor of Laws, University of New South Wales

## Annette Carey

**Non-executive Director**



Annette has over 30 years' experience as a commercial corporate lawyer at major law firms and organisations and as a senior executive in the digital payroll, finance, logistics, supply chain, cross border ecommerce, currency management, and security sectors across Australia, New Zealand, UK, USA and Asia. During her executive career Annette was the General Counsel then CEO of Linfox Logistics and Linfox Armaguard and the EGM International at Australia Post.

Annette has been Chairman of BevChain, APG ecommerce solutions in the UK and Deputy Chairman of Sai Cheng Logistics in China as well as Company Secretary of Lend Lease Employer Systems and Linfox. Annette has lived and worked in Japan and is a member of Chief Executive Women.

### Qualifications

Bachelor of Arts (Japanese major), Monash University  
Bachelor of Laws, Monash University

## Michael Byrne

**Non-executive Director**



Michael has over 30 years' experience as a Non-executive Director and leader within the logistics, supply chain, retail and property sectors. Michael currently serves on the Boards of Ausgrid Asset, Management, Finance and Operator Partnership, NSW Ports and Peel Ports UK. Michael is a Senate member, Chair of ARC and Chancellors Advisory Board for the University of Western Australia and is a Strategic Advisor on Infrastructure to IFM Investors and Australian Super. Recently, Michael was appointed to the Board of the Sydney Aviation Alliance, the owner of Sydney Airport. Michael is the Chair of HSE Global, a specialist safety consulting group. He also advises the Government in regard to the Simplified Trade System Task Force.

Michael was appointed International Freight Coordinator General, Austrade on 31 March 2020 in an interim role to assist with the Federal Government's COVID-19 response. Michael's appointment followed a distinguished 30-year career in executive positions both in Australia and internationally in the logistics, supply chain, retail and property sectors. Previous roles include Managing Director, Chief Operating Officer and Director of Toll Group Holdings; Chief Executive Officer of Coates Hire; Linfox and Westgate Holdings, as well as Non-Executive Director of Australia Post.

Michael has also held board positions with OzHarvest and education committees for Victoria University and the University of Denver.

### Qualifications

Master of Science in Transportation and Infrastructure, University of Denver, USA  
Darden School of Management, University of Virginia  
International Management Program at the MIT Sloan School of Management, Massachusetts Institute of Technology

## Ray Wilson

**Audit & Risk Committee member and Non-executive Director (Term expired 12 December 2021)**

Ray has over 25 years' experience in areas of accounting, auditing, investment banking and large-scale infrastructure development and financing.

Ray is a Founding Principal and Director of Plenary Group, an international infrastructure business which manages a portfolio of projects across Australia, Canada and the US.

Ray's experience also includes roles as Head of Infrastructure and Head of Debt Markets and Securitisation at Barclays Bank/ ABN AMRO, and 10 years as a chartered accountant with Price Waterhouse in Sydney and KPMG in Dublin.

### Qualifications

ICAEW Chartered Accountant

## Lucio Di Bartolomeo

**Deputy Chair and Non-executive Director (Term expired 1 May 2022)**

With over 40 years' experience in the transport industry, Lucio brings extensive knowledge in rail, infrastructure, and engineering fields to the National Intermodal Board as a non-executive director.

He is currently the Chairman of Australia Post, Health Infrastructure NSW and Australian Naval Infrastructure Pty Ltd, and a non-executive director of Australian Super.

Prior to taking on Non-executive Director roles, Lucio was the Managing Director of ADI Limited, Country Director of Thales (Australia) and Managing Director of FreightCorp. Lucio is also a Member of the Institution of Engineers Australia.

### Qualifications

Bachelor of Engineering (Civil)  
Master of Engineering Science

## The Hon James (Jim) Lloyd

**Non-executive Director (Term expired 31 May 2022)**

James served in the Australian Parliament as the Member for Robertson for 11 years from 1996 to 2007. He also served in a number of senior positions during that time including Chief Government Whip and Federal Minister for Local Government, Territories and Roads from July 2004 to November 2007.

James' responsibilities as Roads Minister included the management and implementation of major sections of the \$40 billion Auslink road construction program.

In January 2020, James was appointed National Executive Prostate Cancer Support Groups for the Prostate Cancer Foundation of Australia.

### Qualifications

Graduate of the Australian Institute of Company Directors

## Jane Webster

**Company Secretary**

Jane Webster was appointed to the position of General Counsel and Company Secretary from 11 August 2014. Ms Webster has over 20 years' experience as a construction and infrastructure lawyer and a company secretary. Prior to joining National Intermodal, Jane held senior legal and company secretarial positions in a listed company and was a senior lawyer at a national law firm. Ms Webster has a Bachelor of Laws from the University of NSW and is a Fellow of the Governance Institute of Australia and The Chartered Governance Institute.



## Corporate information

National Intermodal Corporation Limited is a public company limited by shares that is incorporated and domiciled in Australia. The Company is wholly owned by the Commonwealth of Australia.

## Principal activities

The principal activity of the Group is to facilitate the development and operation of a national network of modern, state-of-the-art, open access intermodal precincts.

## Review of Operations

The Letter from the Chair and CEO (pages 6 and 7), the Operational Review (pages 20 to 21) and the Financial Review (pages 22 to 23) provide a review of the Group's operations.

## Significant changes in the state of affairs

On 24 February 2022, the Australian Government announced the establishment of National Intermodal Corporation Limited with an expanded remit to facilitate the development and operation of a national network of modern, state-of-the-art, open access intermodal precincts. Moorebank Intermodal Company Limited was renamed National Intermodal Corporation Limited to coincide with this announcement.

The Australian federal election was held on 21 May 2022 with the Australian Labor Party winning a majority of seats in the House of Representatives and forming the new Government. Senator the Hon Katy Gallagher was sworn in as Minister for Finance, Women and the Public Service on 23 May 2022 and the Hon Catherine King MP was sworn in as Minister for Infrastructure, Transport, Regional Development & Local Government on 1 June 2022.

In the opinion of the Directors there were no other significant changes in the state of affairs of National Intermodal that occurred during the financial year other than those included in this Directors' Report.

## Events subsequent to the end of the financial year

Other than as disclosed in the financial statements, there has not arisen in the period between the end of the financial year and the date of this report any matter or circumstance that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs, in future years.

## Likely developments and expected results

Likely developments and the expected results of operations of the Group are contained in the Chair and Chief Executive Officer's Report and the Operational Report.

## Dividend

No dividends have been paid or declared during the period (2021: nil).

## Environmental Regulation

National Intermodal is now responsible for the delivery of the Moorebank Avenue Realignment works. As such, National Intermodal is subject to the environmental controls and obligations outlined in the Moorebank Avenue Realignment Infrastructure Consent (SSI 10053), granted in October 2021 under the *Environmental Planning & Assessment Act 1979 (NSW)*, and Environmental Approval (EPBC 2020/8839), granted in December 2021 under the *Commonwealth Environment Protection and Biodiversity Conservation Act 1999 (Cth)*. Prior to construction commencing, National Intermodal will need to obtain an Environmental Protection Licence (EPL) under the *Protection of the Environment Operations Act 1997 (NSW)*.

## Indemnification and insurance of Directors and Officers

Under the Company's constitution, the Company must, to the maximum extent permitted by law, indemnify every current and former Director or officer against:

- any liability incurred by the person in that capacity (except a liability for legal costs); and
- legal costs incurred by the person in connection with legal proceedings in which the person becomes involved in that capacity or in obtaining certain legal advice relevant to the performance of their functions and discharge of their duties as an officer of the Company.

Consistent with this requirement, the Company has entered into a deed with each Director and officer of the Company. The Company is not aware of any liability having arisen, and no claim has been made against the Company during or since the period ended 30 June 2022, under these deeds.

During the reporting period, the Company has paid or agreed to pay premiums for contracts insuring Directors and officers of the Group against liabilities incurred by them in that capacity. The Directors have not included the details of the nature of the liabilities covered or the amount of the premiums paid in respect of these insurance contracts, as such disclosure is prohibited under the terms of the contract.

## Non-audit services

No non-audit services have been provided by the Australian National Audit Office (ANAO) or by the contract auditor, KPMG. Auditor's remuneration is detailed in Note 25 of the consolidated financial statements.

## Auditor independence

The Directors have received an independence declaration from ANAO. This has been included on Financial Report - 37.

## Rounding

The financial report is presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated, under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

This Directors' Report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors:

**Erin A.M Flaherty**  
Chair and Non-executive Director  
28 September 2022





# Remuneration Report

## Introduction

The purpose of this report is to disclose National Intermodal's approach to the remuneration of our key management personnel, including the senior executives and Directors of National Intermodal. The Company's approach to remuneration is designed to attract and retain the quality of people required to deliver our strategic priorities, to align with the expectations of our stakeholders and be equitable to our employees. The report provides remuneration disclosures in accordance with the reporting requirements under the PGPA Act and the PGPA Rules.

## Remuneration Governance at National Intermodal

The table below sets out the roles and responsibilities of the Board and management in relation to executive remuneration.

**Table 1. Roles and Responsibilities of the Board and Management**

Board	Management
Approve National Intermodal's remuneration reviews, remuneration levels and remuneration practices	Prepare remuneration strategy, policy recommendations and information for the Board's consideration and approval
Approve CEO remuneration in line with the Remuneration Tribunal's determinations	Oversee the implementation of approved remuneration processes
Approve remuneration incentive and benefit practices and arrangements, within the parameters of the guidelines or determinations set by the Remuneration Tribunal where applicable	
Approve senior executive remuneration	Prepare recommendations and information for the Board's consideration. Monitor key employee data, enabling remuneration and benefits to support the Company's ability to attract, retain and reward talented people
Review and oversee National Intermodal's recruitment and selection practices with regard to the appointment of Senior Executives	Report workforce metrics and practices to the Board Develop and implement National Intermodal's recruitment practices, learning and development approach, engagement program and people practices

## 2021-22 Remuneration strategy and framework

During the reporting period, the Company reviewed its remuneration arrangements as part of its transition from Moorebank Intermodal Company Limited to National Intermodal Corporation Limited, and the resulting increase in its organisational remit. The Company is currently developing a remuneration framework which acknowledges the future strategic milestones of the Company given the expanded organisational remit and which is consistent with the guidance from the Australian Public Sector Commission (APSC).

## Key management personnel

This report covers the key management personnel (KMP) of National Intermodal, being those persons who have the authority and responsibility for planning, directing and controlling the activities of the Company both directly and indirectly. During the reporting period ended 30 June 2022, National Intermodal had 14 Key Management Personnel (KMP) and 3 former KMP. These include the Chair, the Board of Directors, the CEO and Senior Executives of the Company.

**Table 2. Key management personnel - Non-executive Directors**

Name	Title	Term as KMP
<b>Non-executive Directors<sup>1</sup></b>		
Erin Flaherty	Chair Non-executive Director	Full year – Appointed as a Non-executive Director on 26 March 2019 and Chair on 4 February 2020.
Christine Holman	Independent, Non-executive Director	Full year – Appointed 26 July 2018 Reappointed on 26 July 2021
Ron Koehler	Independent, Non-executive Director	Full year – Appointed 16 December 2019
Bronwyn Morris	Independent, Non-executive Director	Part year – Appointed 13 December 2021
Joseph Carrozzi	Independent, Non-executive Director	Part year – Appointed 13 December 2021
Annette Carey	Independent, Non-executive Director	Part year – Appointed 31 March 2022
Michael Byrne	Independent, Non-executive Director	Part year – Appointed 31 March 2022
<b>Former Non-executive Directors<sup>1</sup></b>		
Lucio Di Bartolomeo	Independent, Non-executive Director	Part year – Term expired 1 May 2022
James Lloyd	Independent, Non-executive Director	Part year – Term expired 31 May 2022
Ray Wilson	Independent, Non-executive Director	Part year – Term expired 12 December 2021
Andrew Harrison	Non-executive Director	Part year – Resigned 30 September 2020
<b>Senior Executives</b>		
James Baulderstone	Chief Executive Officer	Full year – Appointed 1 July 2020
Neil MacDonald	Chief Financial Officer	Full year – Appointed 14 January 2021
Jane Webster	General Counsel and Company Secretary	Full year – Appointed 11 August 2014
<b>Former Senior Executives</b>		
Ian Meares	Construction Director	Part year – To 13 March 2022 Resigned 13 March 2022
Anthony Vaccaro	Delivery Director	Part year – To 20 November 2020 Resigned 20 November 2020
Chris Mottram	General Manager Finance	Part year – To 13 January 2021 Resigned 21 May 2021

<sup>1</sup> The terms of three Directors expired and four new Directors were appointed during the reporting period.



## Remuneration of Non-Executive Directors

The Company's Non-Executive Directors are appointed by the Australian Government through the Shareholder Ministers. Fees for Non-Executive Directors are set by the Commonwealth Remuneration Tribunal, an independent statutory body overseeing the remuneration of key Commonwealth offices. National Intermodal complies with the Tribunal's determinations and plays no role in the determination of Non-executive Director Fees. The Tribunal sets annual Chair, Deputy Chair and Non-Executive Director fees. It also permits several GBEs to pay additional fees for Audit and Risk Committee duties and for other Board Committee responsibilities specific to the relevant GBE. No extra Committee fees were payable to Non-Executive Directors of National Intermodal during the reporting period.

Lucio Di Bartolomeo was Deputy Chair until his term expired on 1 May 2022. During his tenure as Deputy Chair, Lucio Di Bartolomeo received an all-inclusive Deputy Chair fee payable under the relevant Tribunal determinations. National Intermodal does not currently have a Deputy Chair.

National Intermodal's sole Board Committee is the Audit & Risk Committee. No additional fees were paid to members of the Audit & Risk Committee.

Statutory superannuation is paid on top of the fees set by the Tribunal. Table 3 sets out the Non-executive Director fees, excluding superannuation, as directed by the Tribunal for 2021 and 2022.

**Table 3: Remuneration Tribunal Determination for Non-executive Directors**

	Entitlement 2022 \$	Entitlement 2021 \$
Chair	119,180	119,180
Deputy Chair	95,350	95,350
Non-executive Director	59,590	59,590
Audit & Risk Committee Chair and Members	Nil	Nil

Remuneration paid to Non-Executive Directors during the reporting period is shown in Table 4 below.

**Table 4: Remuneration of Non-executive Directors, 2020-21<sup>2</sup> and 2021-22**

Name	Year	Directors' Fees (Short-Term Benefits)	Superannuation Contribution (Post-employment Benefit)	Total Remuneration
Erin Flaherty	2022	119,180	11,918	131,098
	2021	119,807	11,382	131,189
Christine Holman	2022	59,590	5,959	65,549
	2021	60,217	5,721	65,938
Ron Koehler	2022	59,590	5,959	65,549
	2021	59,590	5,661	65,251
Bronwyn Morris	2022	33,233	3,323	36,556
	2021	-	-	-
Joseph Carrozzi	2022	33,233	3,323	36,556
	2021	-	-	-

<sup>2</sup> The remuneration of Non-executive Directors appears above the FY 2021 entitlement because of an adjustment in September 2020 to correct for an underpayment in FY 2020. The average for the two periods is equal to the Non-Executive Director Fees set by the Remuneration Tribunal.

Name	Year	Directors' Fees (Short-Term Benefits)	Superannuation Contribution (Post-employment Benefit)	Total Remuneration
Annette Carey	2022	15,127	1,512	16,639
	2021	-	-	-
Michael Byrne	2022	15,127	1,512	16,639
	2021	-	-	-
Lucio Di Bartolomeo	2022	79,825	7,982	87,807
	2021	96,820	9,198	106,018
James Lloyd	2022	54,624	5,462	60,087
	2021	60,217	5,721	65,938
Ray Wilson	2022	29,795	2,979	32,774
	2021	60,217	5,721	65,938
Andrew Harrison	2022	-	-	-
	2021	15,525	1,475	17,000
Total	2022	499,323	49,932	549,255
	2021	472,393	44,879	517,272

## 2021-2022 Senior Executive Remuneration

### National Intermodal's Chief Executive Officer

James Baulderstone was appointed as Chief Executive Officer (CEO) with effect from 1 July 2020. The CEO's remuneration is set by the Remuneration Tribunal. The role is classified as a Principal Executive Office Band D under the *Remuneration Tribunal (Principal Executive Offices—Classification Structure and Terms and Conditions) Determination 2021*, being the then relevant Tribunal determination under the *Remuneration Tribunal Act 1973* (Cth).

Remuneration is comprised of two components – Total Fixed Remuneration (TFR) and at-risk performance pay (Short Term Incentive or STI) of up to 20 per cent of total fixed remuneration. Based on the determination and the Remuneration Tribunal's guidance, James Baulderstone's remuneration during the reporting period was:

**TFR** \$611,037 per annum (including base salary and superannuation)

**STI** \$122,207 per annum (20% of total fixed remuneration)

### Senior executive remuneration

The remuneration of senior executives (other than the CEO) is determined by the CEO and the Board and reviewed annually. Remuneration comprises two components:

- Total Fixed Remuneration (TFR); and
- At-risk performance pay (short term incentive or STI). At-risk performance pay is a percentage of overall remuneration that depends upon the achievement of corporate key performance indicators as described in the Board approved Corporate Plan and individual performance objectives recorded in Performance Agreements.



Remuneration is reviewed annually in line with guidance from the Australian Public Service Commission (APSC) and the Public Sector Workplace Relations Policy (2020). On 13 August 2021, the APSC published the "Performance Bonus Guidance", which sets out the principles governing performance bonus use in Commonwealth entities and companies (APSC Guidance). The Company has engaged Ernst & Young to assist in the development of a remuneration framework which acknowledges the future strategic milestones of the Company given the expanded organisational remit and which is consistent with the APSC Guidance.

The remuneration of the CEO and other senior executives is shown in Table 5.

**Table 5: Remuneration of Senior Executives, 2020-21 and 2021-22**

Name and Position	Year	Base Salary	STI/ Bonuses	Other benefits and allowances	Termination benefit	Post employment super	Total remuneration
<b>James Baulderstone</b> Chief Executive Officer	<b>2022</b> 2021	<b>587,469</b> 569,697	<b>122,207</b> -	- -	- -	<b>23,568</b> 21,694	<b>733,244</b> 591,391
<b>Neil MacDonald</b> <sup>3</sup> Chief Financial Officer	<b>2022</b> 2021	<b>447,485</b> 203,643	<b>24,000</b> -	- -	- -	<b>23,568</b> 10,847	<b>495,053</b> 214,490
<b>Jane Webster</b> General Counsel & Company Secretary	<b>2022</b> 2021	<b>353,256</b> 346,952	<b>52,000</b> 52,000	<b>11,757</b> 18,720	- -	<b>26,874</b> 25,000	<b>443,887</b> 442,672
<b>Ian Meares</b> <sup>4</sup> Construction Director	<b>2022</b> 2021	<b>310,969</b> 393,155	<b>34,000</b> 29,000	- 16,667	- -	<b>17,676</b> 21,694	<b>362,645</b> 460,516
<b>Anthony Vaccaro</b> <sup>5</sup> Delivery Director	<b>2022</b> 2021	- 159,365	- 36,000	- -	- -	- 10,417	- 205,782
<b>Chris Mottram</b> <sup>6</sup> General Manager Finance	<b>2022</b> 2021	- 113,800	- 9,000	- -	- -	- 11,124	- 133,924
<b>Total executive management</b>	<b>2022</b> 2021	<b>1,699,179</b> 1,786,612	<b>232,207</b> 126,000	<b>11,757</b> 35,387	- -	<b>91,686</b> 100,776	<b>2,034,829</b> 2,048,775

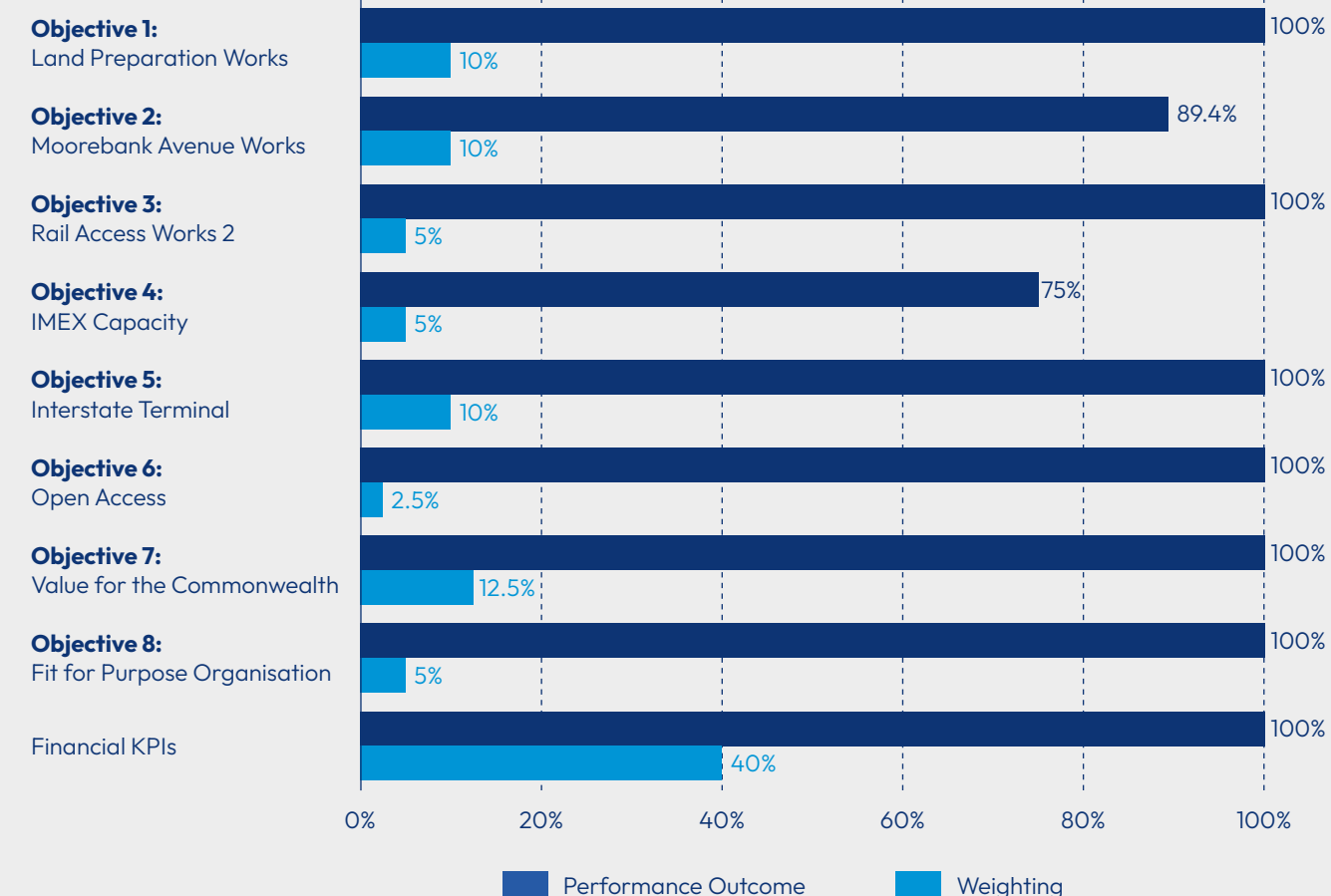
**2021-22 STI balanced scorecard for the CEO and senior executives**

The CEO has a CEO Performance Contract that is agreed between the CEO and the Board setting out key performance indicators applying to the CEO.

Senior executives (other than the CEO) have a balanced scorecard containing a range of financial and non-financial KPIs that are aligned to the strategic priorities of National Intermodal. The Company's scorecard for 2021-22 is summarised on page 45. Overall, National Intermodal delivered a weighted average outcome of 98% of the KPIs (2021: 80%).

<sup>3</sup> Appointed 14 January 2021.  
<sup>4</sup> Resigned 13 March 2022.  
<sup>5</sup> Resigned 20 November 2020  
<sup>6</sup> Resigned 21 May 2021

**Balanced Scorecard 2021-22**



The strategic priorities for 2022-23 have been updated to reflect the Group's expanded remit and encompass improving supply chain resilience, increasing logistics efficiency and improving sustainability.



# 06

## Financial Report





# Contents

Consolidated statement of profit or loss and other comprehensive income .....	Financial Report – 3
Consolidated statement of financial position.....	Financial Report – 4
Consolidated statement of changes in equity .....	Financial Report – 5
Consolidated statement of cashflows .....	Financial Report – 6
Notes to the financial report .....	Financial Report – 7
Directors' Declaration.....	Financial Report – 36
Auditor's Independence Declaration.....	Financial Report – 37
Independent Auditor's Report.....	Financial Report – 38

## Financial Statements

### Consolidated statement of profit or loss and other comprehensive income for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Revenue</b>			
Finance lease income	4.1	6,641	9,554
Interest income	4.2	186	411
Other operating income	4.2	120	3,705
<b>Total revenue</b>		<b>6,947</b>	<b>13,670</b>
<b>Expenditure</b>			
Employee benefits expense	5.1	(5,629)	(5,891)
Contractor costs		(2,569)	(1,319)
Adviser costs	5.2	(1,558)	(1,093)
Business Development costs		(1,947)	-
Insurance		(314)	(238)
IT expenses		(342)	(325)
Occupancy costs		(12)	(485)
Loss on re-measurement of finance lease	11	(304)	-
Depreciation and amortisation		(572)	(323)
Interest expense	5.3	(479)	(47)
Other expenses		(765)	(571)
Land and site costs	5.4	(24,502)	(45,779)
<b>Total expenditure</b>		<b>(38,993)</b>	<b>(56,071)</b>
Operating Loss before share of profit from equity accounted investments		<b>(32,046)</b>	<b>(42,401)</b>
Share of profit of equity accounted investments	12	46,825	51,476
<b>Profit before income tax</b>		<b>14,779</b>	<b>9,075</b>
Income tax (expense) / benefit	6	(1,971)	3,288
<b>Profit for the year</b>		<b>12,808</b>	<b>12,363</b>

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.



# Financial Statements

## Consolidated Statement of Financial Position as at 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	71,811	47,666
Trade and other receivables	8	128	509
Rail access rights	11	8,005	-
Other current assets		263	238
<b>Total current assets</b>		<b>80,207</b>	<b>48,413</b>
<b>Non-current assets</b>			
Assets under construction	10	2,103	2,360
Rail access rights	11	159,200	179,642
Equity accounted investments	12	280,237	234,291
Financial assets	13	18,727	12,338
Plant and equipment	14	104	93
Intangible assets	15	86	111
Right of use assets	16.1	628	867
Deferred tax assets	6	74,070	76,041
Other non-current assets		5,063	7
<b>Total non-current assets</b>		<b>540,218</b>	<b>505,750</b>
<b>Total assets</b>		<b>620,425</b>	<b>554,163</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	17	20,744	26,388
Provisions	18	103,388	150,127
Lease liabilities	16.2	231	231
<b>Total current liabilities</b>		<b>124,363</b>	<b>176,746</b>
<b>Non-current liabilities</b>			
Provisions	18	113,130	55,242
Lease liabilities	16.2	541	769
<b>Total non-current liabilities</b>		<b>113,671</b>	<b>56,011</b>
<b>Total liabilities</b>		<b>238,034</b>	<b>232,757</b>
<b>Net assets</b>		<b>382,391</b>	<b>321,406</b>
<b>EQUITY</b>			
Contributed equity	19	514,349	466,172
Accumulated losses		(131,958)	(144,766)
<b>Total equity</b>		<b>382,391</b>	<b>321,406</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity for the year ended 30 June 2022

	Contributed equity (Note 19) \$ '000	Accumulated losses \$ '000	Total equity \$ '000
<b>Balance at 1 July 2020</b>	<b>452,285</b>	<b>(157,129)</b>	<b>295,156</b>
Profit for the year	-	12,363	12,363
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>12,363</b>	<b>12,363</b>
<b>Transactions with the owners in their capacity as owners</b>			
Contribution of equity	13,887	-	13,887
<b>Balance at 30 June 2021</b>	<b>466,172</b>	<b>(144,766)</b>	<b>321,406</b>
<b>Balance at 1 July 2021</b>	<b>466,172</b>	<b>(144,766)</b>	<b>321,406</b>
Profit for the year	-	12,808	12,808
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>12,808</b>	<b>12,808</b>
<b>Transactions with the owners in their capacity as owners</b>			
Contribution of equity	48,177	-	48,177
<b>Balance at 30 June 2022</b>	<b>514,349</b>	<b>(131,958)</b>	<b>382,391</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.



# Notes to the financial report

For the year ended 30 June 2022

## Consolidated Statement of Cashflows for the year ended 30 June 2022

	Notes	2022 \$ '000	2021 \$ '000
<b>Operating activities</b>			
Receipts from customers		99	175
Other receipts		-	3,538
Payments to suppliers		(6,616)	(5,800)
Payments to employees		(5,397)	(5,218)
Payments for enabling works		(11,294)	(34,767)
Interest received		186	411
Net GST received		676	1,039
<b>Net cash flows used in operating activities</b>	7	<b>(22,346)</b>	<b>(40,622)</b>
<b>Investing activities</b>			
Biodiversity credits reimbursement		-	495
Payments for plant and equipment		(26)	(79)
Payments for assets under construction		(932)	(37)
Refund from PDC for construction works		11,550	-
Payments for investments		(9,178)	(3,384)
<b>Net cash flows from / (used in) investing activities</b>		<b>1,414</b>	<b>(3,005)</b>
<b>Financing activities</b>			
Proceeds from equity funding		48,177	13,887
Payments for debt establishment costs		(1,751)	-
Financing cost paid		(1,349)	-
<b>Net cash flows from financing activities</b>		<b>45,077</b>	<b>13,887</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>24,145</b>	<b>(29,740)</b>
Cash and cash equivalents at beginning of year		47,666	77,406
<b>Cash and cash equivalents at 30 June</b>	7	<b>71,811</b>	<b>47,666</b>

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

## Note 1. Corporate Information

National Intermodal Corporation Limited (**National Intermodal** or the **Company**), previously known as Moorebank Intermodal Company Limited, is an unlisted public company incorporated and domiciled in Australia. It is a company limited by shares and is wholly owned by the Government of the Commonwealth of Australia (**Commonwealth Government**).

National Intermodal is a Government Business Enterprise, incorporated under the Corporations Act 2001 and operating under the Public Governance, Performance and Accountability Act 2013 (**Cth**). The Company was incorporated on 13 December 2012 and renamed National Intermodal Corporation Limited on 24 February 2022. The ultimate controlling entity of the Group is the Commonwealth Government.

The registered office and principal place of business of the Group is Suite 3, Level 33, 1 O'Connell Street, Sydney NSW 2000.

Further information on the nature of the operations and principal activities of the Group is provided in the directors' report. Information on the Group's structure is provided in Note 9. Information on other related party relationships of the Group is provided in Note 21.

The financial report was authorised for issue by the Board of Directors on 29 August 2022.

## Note 2. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial report are set out below. These policies have been consistently applied to all the years presented.

### a) Basis of preparation

The consolidated general purpose financial report has been prepared in accordance with Australian Accounting Standards as issued by the Australian Accounting Standards Board, the requirements of the Corporations Act 2001 and other authoritative pronouncements of the Australian Accounting Standards Board.

National Intermodal is a for-profit consolidated entity for the purpose of preparing the financial report.

The consolidated financial report is presented in Australian dollars. Values are rounded to the nearest thousand dollars unless otherwise stated, under the option available to the Company under ASIC Corporations (Rounding in Financial/ Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

The consolidated financial report has been prepared on a going concern basis and in accordance with the historical cost convention, except for certain classes of non-current assets, financial assets and financial liabilities which are measured at fair value. The Group has consistently applied the accounting policies set out below to all periods presented in this consolidated financial report.



# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### a) Basis of preparation (continued)

#### (i) Compliance with International Financial Reporting Standards (IFRS)

The financial report also complies with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

#### (ii) New and amended standards adopted by the Group

New and amended standards that were issued on or prior to the signing date, and are applicable to the current reporting periods, did not have a material impact, and are not expected to have a material impact on the Group's financial report in future periods.

#### (iii) New accounting standards and interpretations (not yet adopted)

There are no other standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

### b) Impact from COVID-19

The Group has considered the impact of COVID-19 on its estimates and judgements. Due to the Group's investment in long term infrastructure assets, its future funding obligations and limited credit risk exposure, the impact on the Group's assessment of the fair value of Moorebank Precinct Land Trust and the cost of construction is limited. The Group has included contingencies in its forecast cost estimates and, at this stage, the impact on the timing and cost of the enabling works is expected to be limited.

### c) Basis of consolidation

#### (i) Subsidiaries are entities controlled by the Group

The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial report from the date on which control commenced until the date on which control ceases. Details of the Company's subsidiaries are shown in Note 9.

#### (ii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial report.

### d) Going concern

The financial statements have been prepared on a going concern basis which assumes the Group will have sufficient cash to pay its debts as and when they become payable, for a period of at least 12 months from the date the financial report was authorised for issue.

# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### d) Going concern (continued)

During 2021-22 the Group re-assessed its funding obligations to complete the MIC Funded Works and forecast expenditure on the planned intermodal terminals to support Inland Rail. The directors have determined that there is sufficient funding available from committed and undrawn equity and debt facilities to meet the Group's funding obligations for a period of at least 12 months from the date the financial report was authorised for issue.

The Directors are of the view that the Group will be able to continue as a going concern and therefore will realise its assets and extinguish its liabilities in the normal course of business at the amounts stated in the financial statements.

### e) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle; or
- it is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### f) Interest income

Interest income is recorded using the effective interest rate (EIR) method. The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in the consolidated statement of profit or loss and other comprehensive income.



# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### g) Cash and cash equivalents

Cash and cash equivalents include cash on hand; deposits held at call with financial institutions; and other short-term, highly liquid investments with original maturities of three months or less, that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

### h) Trade and other receivables

A receivable represents the Group's right to an amount that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Trade and other receivables are initially recorded at fair value and subsequently measured at amortised cost using the EIR method. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

The Group recognizes an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables, the Group applies a simplified approach in calculating expected credit losses (ECLs). Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### i) Other non-current assets

Other non-current assets are measured at cost less accumulated impairment losses. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### j) Plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### j) Plant and equipment (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Right-of-use assets	1-3 years
IT equipment	3 years

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income when the asset is derecognised.

The residual values, useful lives and methods of depreciation of plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### k) Impairment of non-financial assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account.

If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. Impairment losses of continuing operations are recognised in the statement of profit or loss and other comprehensive income.

### l) Assets under construction

Assets under construction relates to the construction of the Rail Access Works Stage 2, which comprises the rail line connecting the future Interstate Terminal to the Southern Sydney Freight Line (SSFL). The timing for completion of Rail Access Works Stage 2 will be aligned to the completion of the future Interstate Terminal. Once operational, the rail line will be derecognised as an asset under construction and the future cash flows discounted to their net present value in relation to rail access rights will be recognised at fair value.



# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### m) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least once at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss and other comprehensive income in the expense category that is consistent with the function of the intangible assets.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or losses when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss and other comprehensive income.

A summary of the policies applied to the Group's intangible assets is as follows:

	Software
Useful lives	7 years
Amortisation method used	Amortised on a straight-line basis
Internally generated or acquired	Acquired

### n) Interests in equity-accounted investees

National Intermodal has joint control of PLT and, its investment is classified as a joint venture. Accordingly, the Group has accounted for its investment in the Trust as an equity accounted investment. The Group's interests in equity-accounted investees comprise a 65.63 per cent unitholding in Moorebank Precinct Land Trust.

Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

The consolidated statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity.

# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### o) Rail access rights

Rail access rights comprises a finance lease for access rights to the Group's rail line connecting the existing SSFL to the IMEX Terminal and future Interstate Terminal located on the Moorebank Logistics Park. The operating lease term is 97 years with a three-year incentive period.

A portion of the rail access is constructed on land over which an easement has been granted to permit access, construction and operation of the rail access over the life of the rail asset. As a result, the Group is not the legal and beneficial owner of this portion of rail access. There are legally enforceable rights to continue operating and maintaining the rail access as if the Group were the beneficial owner.

The remaining portion of rail access constructed on the precinct is legally and beneficially owned by the Group.

On commencement of the lease, the fair value of future cash flows relating to the rail access rights was determined using a discount rate of 5.62 per cent. Finance income is derived from the finance lease (refer Note 4.1) over the term of the lease.

### p) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### Financial assets

##### Initial recognition and measurement

The Trust classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Trust has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Trust's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the asset.



# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### p) Financial instruments (continued)

#### *Subsequent measurement*

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the EIR method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, and loans to related parties included under other non-current financial assets.

#### *Derecognition*

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; or
- it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Any interest in such derecognised financial assets that is created or retained by the Group is recognised as a separate asset or liability.

### Financial liabilities

Financial liabilities (debt instruments) are classified as measured at amortised cost. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group's financial liability at amortised cost includes trade and other payables included under current liabilities.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### q) Other non-current assets

Other non-current assets are measured at cost less accumulated impairment losses. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### r) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year and are unpaid and are measured at cost. The amounts are unsecured and are paid usually within 30 days of recognition.

### s) Provisions

The Group recognises a provision where it has a present legal or constructive obligation because of a past event that is likely to lead to an outflow of future economic benefits and a reliable estimate can be made of the quantum of that obligation. The amount recognised as a provision is the best estimate, at the reporting date, considering the level of risks and uncertainties over future events.

### t) Employee benefits

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance sheet date are measured at their nominal amounts.

### u) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into on or after 1 January 2019.

#### *Accounting policy for lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimated make good provision.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted at the interest rate implicit in the lease.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.



# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### u) Leases (continued)

*Accounting policy for lessor*

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease, if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

### v) Share capital

Issued and paid-up capital is recognised at the fair value of the consideration received by the Group.

### w) Taxation

On 29 June 2017, the Group voluntarily adopted the Tax Transparency Code, released by the Australian Board of Taxation in February 2016. Reporting commenced in the financial year 2017–18 financial statements. All disclosure requirements of Part A of the code are presented in Note 6.

#### (i) Income tax

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

# Notes to the financial report

For the year ended 30 June 2022

## Note 2. Summary of significant accounting policies (continued)

### w) Taxation (continued)

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The deferred tax asset has been recognised based on the current divestment strategy forecast to occur in the mid-term.

Deferred tax liabilities are recognised for all taxable temporary differences, except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

#### (ii) Goods and services tax (GST)

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

Receivable and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivable and payables in the consolidated 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 ATO are presented as operating cash flows.

### x) Increase/(decrease) in equity

Profit/(loss) for the year that is not distributed is included in retained earnings or accumulated losses.

### y) Comparative information

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.



# Notes to the financial report

For the year ended 30 June 2022

## Note 3. Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial report requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are found in the following notes:

<i>Accounting estimate or judgement</i>	<i>Note</i>
Finance lease income	4.1
Land and site costs	5.4
Deferred tax assets	6
Assets under construction	10
Rail Access rights	11
Provisions	18

These estimates have been consistently applied to all periods presented, unless otherwise stated. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

## Note 4. Revenue

### 4.1 Finance lease income

	<b>2022</b>	<b>2021</b>
	<i>\$'000</i>	<i>\$'000</i>
Finance lease income	6,641	9,554
	<b>6,641</b>	<b>9,554</b>

#### *Significant Accounting judgments, estimates and assumptions*

Accounting estimates and judgements supporting the calculation for finance lease income are disclosed in Note 11.

### 4.2 Other income

	<b>2022</b>	<b>2021</b>
	<i>\$'000</i>	<i>\$'000</i>
Interest income	186	411
Other operating income	120	3,705
	<b>306</b>	<b>4,116</b>

Prior year other operating income is largely attributable to the agreement of a one-off reimbursement of legal fees.

# Notes to the financial report

For the year ended 30 June 2022

## Note 5. Expenses

### 5.1 Employee benefits expense

	<b>2022</b>	<b>2021</b>
	<i>\$'000</i>	<i>\$'000</i>
Wages and salaries	5,161	5,517
Annual leave	118	39
Superannuation	350	335
<b>Total employee benefits expense</b>	<b>5,629</b>	<b>5,891</b>

### 5.2 Adviser costs

	<b>2022</b>	<b>2021</b>
	<i>\$'000</i>	<i>\$'000</i>
Technical consultant fees	1,518	257
Legal fees and other advisers	40	836
<b>Total adviser costs</b>	<b>1,558</b>	<b>1,093</b>

### 5.3 Interest expense

	<b>2022</b>	<b>2021</b>
	<i>\$'000</i>	<i>\$'000</i>
Lease liability interest	44	47
Loan commitment fees	435	-
<b>Total interest expense</b>	<b>479</b>	<b>47</b>

During the year, the company secured a \$200 million 5 year debt facility with two leading financial institutions. At 30 June 2022, the debt facility was undrawn.

### 5.4 Land and site costs

	<b>2022</b>	<b>2021</b>
	<i>\$'000</i>	<i>\$'000</i>
<b>Land and site costs</b>	<b>24,502</b>	<b>45,779</b>

Land and site costs represents an increase in the provision for land and site works and recognises the Group's estimated contractual obligation to prepare the land for development. Refer Note 18 for further details.

#### *Significant Accounting judgments, estimates and assumptions*

Accounting estimates and judgements supporting the calculation for land and site costs are disclosed in Note 18.



# Notes to the financial report

For the year ended 30 June 2022

## Note 6. Income tax

Income tax benefit	2022 \$'000	2021 \$'000
<i>Income tax benefit</i>		
Current tax expense	-	-
Deferred tax benefit	1,971	(3,288)
<b>Income tax benefit</b>	<b>1,971</b>	<b>(3,288)</b>
<i>Numerical reconciliation of income tax expense to prima facie tax payable:</i>		
<b>Profit from continuing operations before income tax</b>	<b>14,779</b>	<b>9,075</b>
Tax at the Australian tax rate of 30%	4,434	2,722
Non-taxable income	(4,434)	(2,722)
Origination and reversal of temporary differences	1,971	(3,288)
<b>Income tax benefit</b>	<b>1,971</b>	<b>(3,288)</b>

	Opening Balance \$'000	Movement in profit and loss \$'000	Closing balance \$'000
<i>Deferred tax asset</i>			
Provisions and accruals	67,335	(3,007)	64,328
Unused tax losses	34,440	19,945	54,385
	<b>101,775</b>	<b>16,938</b>	<b>118,713</b>
<i>Deferred tax loss</i>			
Tax deferred revenue	(4,887)	(4,862)	(9,749)
Share of equity accounted investments	(20,847)	(14,047)	(34,894)
	<b>(25,734)</b>	<b>(18,909)</b>	<b>(44,643)</b>
<b>Net deferred tax assets</b>	<b>76,041</b>	<b>(1,971)</b>	<b>74,070</b>

### Significant Accounting judgments, estimates and assumptions

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. The recognition of the deferred tax asset of \$74.1 million is considered appropriate following an assessment of the overall forecast profit and taxation position. Tax deferred revenue relates to fair value gains and finance income not yet assessable for tax purposes. The tax losses generated as at 30 June 2022 are expected to be utilised by 30 June 2030.

# Notes to the financial report

For the year ended 30 June 2022

## Note 7. Cash and cash equivalents

	2022 \$'000	2021 \$'000
<b>Cash at bank</b>	<b>71,811</b>	<b>47,666</b>

The Group's exposure to interest rate risk is discussed at Note 20. Cash at bank earns interest at floating rates based on daily bank deposit rates.

### Reconciliation of profit for the year to net cash outflow from operating activities

	2022 \$'000	2021 \$'000
<b>Profit after tax</b>	<b>12,808</b>	<b>12,363</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	572	323
Land and site (enabling works) costs	24,502	11,012
Non – cash taxation	1,971	(3,288)
Finance lease income	(6,641)	(9,554)
Loss on re-measurement of finance leases	304	-
Business development costs	1,947	-
Financing costs	1,349	-
Share of profit of equity accounted investments	(46,825)	(51,476)
Operating loss before changes in working capital	(10,013)	(40,620)
Changes in trade and other receivables	381	(630)
Changes in other current assets	(25)	(91)
Changes in trade and other payables	104	(326)
Changes in provisions	(13,410)	92
Changes in assets under construction	845	-
Change in non-current liabilities	(228)	953
<b>Net cash flows used in operating activities</b>	<b>(22,346)</b>	<b>(40,622)</b>

## Note 8. Trade and other receivables

	2022 \$'000	2021 \$'000
GST receivable	95	286
Other receivable	33	223
<b>Total trade and other receivables</b>	<b>128</b>	<b>509</b>



# Notes to the financial report

For the year ended 30 June 2022

## Note 9. Investment in controlled entities

Subsidiary/Trusts	Principal activities	Country of incorporation	Ownership interest	
			2022	2021
Moorebank Intermodal Development Investment Nominees Pty Ltd	Trustee	Australia	100%	100%
Moorebank Intermodal Development Rail Nominees Pty Ltd	Trustee	Australia	100%	100%
Moorebank Intermodal Development Trust	Trading	Australia	100%	100%
Moorebank Intermodal Rail Trust	Trading	Australia	100%	100%
Victorian Intermodal Pty Limited	Trading	Australia	100%	-
Beveridge Property Management Services Pty Ltd	Trading	Australia	100%	-
Beveridge Warehouse Pty Ltd	Trustee	Australia	100%	-
Beveridge Terminals Pty Ltd	Trustee	Australia	100%	-
Beveridge Warehouse Trust	Trading	Australia	100%	-
Beveridge Terminals Trust	Trading	Australia	100%	-

On 7 April 2022, National Intermodal acquired Qube's existing option rights over 1,100 hectares of land at Beveridge in Victoria in support of the acquisition of the land for the proposed Beveridge Interstate Freight Terminal (BIFT) intermodal precinct by entering into:

- 1) a share sale agreement to purchase the shares and units in Beveridge Property Management Services Pty Ltd, Beveridge Warehouse Pty Ltd, Beveridge Terminals Pty Ltd, Beveridge Warehouse Trust and Beveridge Terminals Trust (**Beveridge entities**), at a cost of \$3.67 million (plus estimated stamp duty and transaction costs of \$0.5 million); and
- 2) a call option deed to grant Qube a subsequent right to acquire up to 200 hectares of developable land suitable for warehousing within or contiguous with the property that is the subject of the first option deed (**Second Option Agreement**).

The acquisition of the Beveridge entities was completed with a new entity, Victorian Intermodal Pty Limited, incorporated in the National Intermodal corporate structure to acquire the Beveridge entities. The original option expiry date is 21 September 2022. National Intermodal has negotiated an extension to the expiry of the Option Rights from 21 September 2022 to 31 March 2023 to allow the new Government sufficient time to complete its review of the Inland Rail project and other infrastructure priorities.

In the event the option over developable land is not exercised prior to 31 March 2023, the Beveridge entities may be repurchased by Qube because Qube has repurchase rights in this situation.

# Notes to the financial report

For the year ended 30 June 2022

## Note 10. Assets under construction

	2022 \$'000	2021 \$'000
Opening balance	2,360	1,390
Additions	588	970
Written-off	(845)	-
<b>Total</b>	<b>2,103</b>	<b>2,360</b>

Assets under construction represents work on the construction of a rail access line connecting the Interstate terminal to the Southern Sydney Freight Line.

### Significant Accounting judgments, estimates and assumptions

Costs incurred in the construction of rail access works stage 2 are capitalised to the extent future economic benefits are expected to flow to the Group.

## Note 11. Rail access rights

	2022 \$'000	2021 \$'000
Opening balance	179,642	170,088
Loss on re-measurement of financial lease	(304)	-
Reduction in capitalised costs	(18,774)	-
Finance lease income receivable	6,641	9,554
	<b>167,205</b>	<b>179,642</b>
Current	8,005	-
Non-current	159,200	179,642
	<b>167,205</b>	<b>179,642</b>

### Reduction in capitalised costs

In FY 2022, the Trust finalised the costs relating to the construction of Rail Access Works Stage 1. The Trust and PDC agreed the total construction costs resulting in a refund of \$10.5 million delay payment to the Trust and a reversal of an accrual recognised with respect to RAW 1.



# Notes to the financial report

For the year ended 30 June 2022

## Note 11. Rail access rights (continued)

The following table sets out the maturity analysis of lease receivables, showing the undiscounted lease payments to be received after the reporting date.

	2022 \$'000	2021 \$'000
Less than one year	8,005	-
One to two years	8,729	11,098
Two to three years	8,789	10,284
Four to five years	9,040	10,367
More than five years	865,521	984,279
Total undiscounted lease receivable	900,084	1,016,028
Unearned finance income	(732,879)	(836,386)
Net investment in the lease	167,205	179,642

### Significant Accounting judgments, estimates and assumptions

The valuation of rail access rights is dependent on assumptions on the appropriate discount rate, inflation and terms and conditions of the lease agreement. The rail access rights have been valued on a net present value basis over a remaining 96-year period using a discount rate of 5.62 per cent (set at the commencement date of the finance lease).

## Note 12. Equity accounted investments

	2022 \$'000	2021 \$'000
Investment in joint ventures		
Opening balance	234,291	180,061
Share of profit of equity-accounted investees	46,825	51,476
Investment in equity accounted investment	-	2,754
Others	(879)	-
Closing balance	280,237	234,291

Moorebank Precinct Nominees Pty Limited as trustee for the Moorebank Precinct Land Trust, is a unit trust formed by MIC Land Trust and the LOGOS Consortium (comprised of Australian Super, NSW TCorp, LOGOS, AXA and Ivanhoe Cambridge) through the trustee of Moorebank Industrial Investment Trust (MIIT). MIC Land Trust owns 65.63 per cent of the units within Moorebank Precinct Land Trust.

The unitholder of MIIT was previously Qube Re Services (No.2) Pty Limited. On 8 December 2021, Qube RE Services (No.2) Pty Limited disposed of 100 per cent of its equity interests in MIIT to the LOGOS Consortium.

Moorebank Precinct Land Trust holds the Commonwealth land and LOGOS Freehold land via 99-year leases. Upon completion of each developed area, Moorebank Precinct Land Trust will sub-let the relevant developed land to a subsidiary of Qube for operation of the terminals and warehouses. Moorebank Precinct Land Trust is a passive entity with its purpose being the collection and distribution of rental income, and management of the Commonwealth land and the LOGOS land as landlord.

# Notes to the financial report

For the year ended 30 June 2022

## Note 12. Equity accounted investments (continued)

The investment in Moorebank Precinct Land Trust was recognised at fair value. At 30 June 2022, an independent valuer was engaged to provide a valuation based on the discounted cash flow method, assessing the fair market value of the entity. The valuation for the current financial year using a pre-tax discount rate of 7.5 per cent was \$451.5 million (2021: 8.0 per cent and \$376.6 million), with the MIC Land Trust's 65.63 per cent share being \$296.3 million (2021: \$247.2 million).

An additional investment of \$5.5 million (fair value \$4.9 million) was made to the investment to reflect the extension of a non-interest-bearing working capital loan to Moorebank Precinct Land Trust. The difference between the face value and the fair value of the loan is recognised as an investment in the Trust's equity accounted investment with the fair value being recognised as a financial asset (refer Note 13).

	2022 \$'000	2021 \$'000
Current assets	7,417	2,911
Non-current assets	449,260	376,607
Current liabilities	(42,451)	(36,638)
Net assets	414,226	342,880
Share of net assets (65.63%)	<b>271,856</b>	<b>225,032</b>
Adjustments:		
Units	(7)	(7)
Additional equity invested due to non-interest-bearing loan	8,388	9,266
Carrying amount of interest in joint venture	<b>280,237</b>	<b>234,291</b>

	2022 \$'000	2021 \$'000
Revenue	78,973	85,630
Expenses	(7,626)	(7,196)
Total comprehensive income (100%)	71,347	78,434
Total comprehensive income (65.63%)	<b>46,825</b>	<b>51,476</b>
Share of equity account profits	<b>46,825</b>	<b>51,476</b>

# Notes to the financial report

For the year ended 30 June 2022

## Note 13. Financial assets

	2022 \$'000	2021 \$'000
Non-interest bearing loans to related parties	18,727	12,338

The balance at 30 June 2022 relates to a non-interest-bearing working capital loan to Moorebank Precinct Land Trust. Funds are provided to support the activities of the trust and are bound by a unitholders loan agreement. Repayment of the loans drawn down to date are due on the tenth anniversary of the request with the first repayment due on 31 March 2027. The loan is recognised at fair value, calculated as the present value of all future cash receipts discounted using prevailing market rates of interest. The difference between the face value of non-interest-bearing loan advances to Moorebank Precinct Land Trust of \$27.1 million (2021: \$21.6 million) and the fair value of the loan advances of \$18.7 million (2021: \$12.3 million) is recognised as an investment in equity accounted investment of \$8.4 million (2021: \$9.3 million).

## Note 14. Plant and equipment

	Office equipment \$'000	IT equipment \$'000	Total \$'000
<b>Year ended 30 June 2022</b>			
Opening net book value	48	45	93
Additions	-	63	63
Depreciation charge	(11)	(41)	(52)
<b>Net book value</b>	<b>37</b>	<b>67</b>	<b>104</b>
<b>At 30 June 2022</b>			
Cost	62	178	240
Accumulated depreciation	(25)	(111)	(136)
<b>Net book value</b>	<b>37</b>	<b>67</b>	<b>104</b>
<b>Year ended 30 June 2021</b>			
Opening net book value	3	54	57
Additions	55	20	75
Depreciation charge	(10)	(29)	(39)
<b>Net book value</b>	<b>48</b>	<b>45</b>	<b>93</b>
<b>At 30 June 2021</b>			
Cost	62	115	177
Accumulated depreciation	(14)	(70)	(84)
<b>Net book value</b>	<b>48</b>	<b>45</b>	<b>93</b>

# Notes to the financial report

For the year ended 30 June 2022

## Note 15. Intangible assets

	2022 \$'000	2021 \$'000
Software		
Opening net book value	111	139
Additions	10	-
Amortisation	(35)	(28)
<b>Net book value</b>	<b>86</b>	<b>111</b>
Cost	176	167
Accumulated depreciation	(90)	(56)
<b>Net book value</b>	<b>86</b>	<b>111</b>

## Note 16. Leases

This note provides information for leases where the group is a lessee.

*Amounts disclosed in the Statement of Financial Position*

The Statement of Financial Position shows the following amounts relating to leases:

### 16.1 Rights of use assets

	2022 \$'000	2021 \$'000
<b>Right of use assets</b>		
Lease of office space	628	867
<b>Total</b>	<b>628</b>	<b>867</b>

There have been no additions to the right of use assets during the 2022 financial year (2021: \$1.1 million).

### 16.2 Lease liabilities

	2022 \$'000	2021 \$'000
<b>Lease liabilities</b>		
Current	231	231
Non-current	541	769
<b>Total</b>	<b>772</b>	<b>1,000</b>



# Notes to the financial report

For the year ended 30 June 2022

## Note 16. Leases (continued)

Amounts recognised in the statement of profit or loss

The depreciation and amortisation disclosed in the statement of profit or loss includes the following amounts for right of use assets:

	2022 \$'000	2021 \$'000
<b>Depreciation charge of right of use assets</b>		
Lease of office space	239	253
<b>Total</b>	<b>239</b>	<b>253</b>
Interest expense (included in finance cost)	44	47
Expense relating to leases of low-value assets	4	-

The total cash outflow for lease repayments in 2022 was \$270,245 (2021: \$128,694).

Payments associated with leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. The low-value asset comprises of a small item of office equipment.

## Note 17. Trade and other payables

	2022 \$'000	2021 \$'000
Trade payables	58	3,487
Accruals	20,686	22,901
<b>Total</b>	<b>20,744</b>	<b>26,388</b>

Trade payables are normally settled within 30 days. Information about the Group's exposure to interest rates and liquidity risk is set out in Note 20.

# Notes to the financial report

For the year ended 30 June 2022

## Note 18. Provisions

	Employee benefits \$'000	Land & site costs \$'000	Total \$'000
At 1 July 2020	168	209,133	209,301
Provisions made during the year	129	45,779	45,908
Provisions used during the year	(38)	(49,802)	(49,840)
<b>At 30 June 2021</b>	<b>259</b>	<b>205,110</b>	<b>205,369</b>
At 1 July 2021	259	205,110	205,369
Provisions made during the year	357	24,502	24,859
Provisions used during the year	(300)	(13,410)	(13,710)
<b>At 30 June 2022</b>	<b>316</b>	<b>216,202</b>	<b>216,518</b>
Current	222	103,166	103,388
Non-current	94	113,036	113,130
<b>At 30 June 2022</b>	<b>316</b>	<b>216,202</b>	<b>216,518</b>

### Employee benefits

Provision for employee benefits represents amounts accrued for annual leave and long service leave.

### Land and site costs

The provisions for Land & Site Costs reflect the Trust's obligation to pay for Commonwealth-funded enabling works at the Moorebank Logistics Park including Land Preparation Works (LPW), Moorebank Avenue Works (MAW) and Voluntary Planning Contributions (VPC).

### Significant Accounting judgments, estimates and assumptions

The Group has recognised provisions for Land & Site Costs to reflect its best estimate of the future costs of the Commonwealth-funded enabling works using a discount rate of 3.5 per cent.

The provisions have been re-estimated at the reporting date taking into consideration all known information and making appropriate adjustments for contingencies and unknown future events. As a result, the provisions for Land & Site Costs have been increased by \$24.5 million (2021: \$45.8 million) and recognised through the statement of profit and loss with remaining provisions of \$216.2 million (2021: \$205.1 million).

Ongoing discussions with the Group's stakeholders on the scope and cost of the Commonwealth-funded enabling works have the potential to deliver a more or less favourable outcome than is reflected in the provisions for Land & Site Costs. Consequently, the Group has conducted scenario analysis to quantify potential changes to the scope and cost of these enabling works. This analysis concluded that the remaining provisions for Land & Site Costs are fair and reasonable after considering the level of uncertainty about the final cost of the Commonwealth-funded enabling works.

# Notes to the financial report

For the year ended 30 June 2022

## Note 19. Contributed equity

	2022 \$'000	2021 \$'000
Fully paid	514,349	466,172
Number of ordinary shares	514,349,000	466,172,000

### b) Movements in ordinary share capital

Date	Details	Number of shares	\$ '000
<b>30 June 2020</b>	<b>Balance</b>	<b>452,285,000</b>	<b>452,285</b>
4 March 2021	Equity Injection No. 20	13,887,000	13,887
<b>30 June 2021</b>	<b>Balance</b>	<b>466,172,000</b>	<b>466,172</b>
21 December 2021	Equity Injection No. 21	48,176,670	48,177
<b>30 June 2022</b>	<b>Balance</b>	<b>514,348,670</b>	<b>514,349</b>

### Ordinary shares

The Group does not have authorised capital or par value in respect of its issued shares. All issued shares are fully paid. On a show of hands every holder of ordinary shares present at a meeting in person, or by proxy, is entitled to one vote, and upon a poll each fully paid share is entitled to one vote. The holders of these shares are entitled to receive dividends as declared from time to time.

## Note 20. Financial risk management

The Group's principal financial instruments comprise cash, loans to related parties and payables. The carrying amount equates to the fair value of the financial instruments.

These activities expose the Group to interest rate risk, credit risk and liquidity risk. As at 30 June 2022, the Group held the following financial instruments:

	2022 \$'000	2021 \$'000
<b>Financial assets</b>		
Cash and cash equivalents	71,811	47,666
Non-interest-bearing loans to related parties	18,727	12,338
Other receivables	33	223
<b>Total</b>	<b>90,571</b>	<b>60,227</b>
<b>Financial liabilities</b>		
Trade and other payables	58	3,487
Accruals	20,686	22,901
<b>Total</b>	<b>20,744</b>	<b>26,388</b>

# Notes to the financial report

For the year ended 30 June 2022

## Note 20. Financial risk management (continued)

### 20.1 Financial risk management objectives and policies

The Board's overall risk management strategy seeks to assist the Group in meeting its financial targets. Risk management policies are approved and reviewed by the Board.

#### a) Credit risk

All cash and cash equivalents are held with AA rated financial institutions within Australia and therefore credit risk is considered minimal.

#### b) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group is not currently exposed to any significant liquidity risk on the basis it has access to additional cash through an equity funding agreement with the Commonwealth of Australia.

#### c) Market risk

Exposure to interest rate risks arises on interest-bearing financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect either the future cash flows or the fair value financial instruments. As at 30 June 2022, the Group had no interest-bearing financial liabilities.

## Note 21. Related party transactions

The Group's main related parties are as follows:

### a) Ultimate controlling entity

The ultimate controlling entity of the Group is the Government of the Commonwealth of Australia. Refer to Note 19 for the equity contributions received during the year.

### b) Directors

A director related entity includes any legal, administrative or fiduciary arrangement, organisational structure or other party, including a person, having the capacity to deploy equity instruments in order to achieve objectives. The entity must be under joint or overall control or significant influence of a director or his/her related parties. There were no related party transactions with directors during the year. There were no loans to directors during the year.

### c) Transactions with equity accounted investees

The Group has provided a non-interest-bearing working capital loan to Moorebank Precinct Land Trust. Details of the loan are disclosed in Note 13.



# Notes to the financial report

For the year ended 30 June 2022

## Note 22. Directors and key management personnel disclosures

### a) Directors

All directors of National Intermodal are non-executive, appointed by the Shareholder Ministers. The Commonwealth Remuneration Tribunal determines annual fees for the Chair and directors.

The following table sets out the Non-executive Director fee entitlements excluding superannuation:

	Entitlement from 1 July 2021	Entitlement from 1 July 2020
	\$	\$
Chair	119,180	119,180
Deputy Chair	95,350	95,350
Non-executive Director	59,590	59,590
Audit and risk committee member	-	-

The following persons were directors of National Intermodal Corporation Limited during the financial year:

#### Chair

Erin A.M. Flaherty

#### Non-executive Directors

Christine Holman (re-appointed 26 July 2021)

Ron Koehler (appointed on 16 December 2019)

Bronwyn Morris (appointed 13 December 2021)

Joseph Carrozzi (appointed 13 December 2021)

Annette Carey (appointed 31 March 2022)

Michael Byrne (appointed 31 March 2022)

Ray Wilson (term expired 12 December 2021)

Lucio Di Bartolomeo (term expired 1 May 2022)

The Hon James Lloyd (term expired 31 May 2022)

# Notes to the financial report

For the year ended 30 June 2022

## Note 22. Directors and key management personnel disclosures (continued)

### b) Key management personnel

The remuneration of the CEO is in accordance with the relevant determination of the Commonwealth Remuneration Tribunal and the role is classified as a Principal Executive Office Band D under the Remuneration Tribunal Act 1973 (Cth). Remuneration is comprised of two components – total fixed remuneration (TFR) and at-risk performance pay (short term incentive or STI) of up to 20 per cent of total fixed remuneration.

Senior executive remuneration is determined by the CEO and the Board and reviewed annually. Remuneration comprises two components – Total Fixed Remuneration (TFR) and a Short-Term Incentive (STI) payment dependent upon the achievement of corporate key performance indicators as described in the Board approved Corporate Plan and individually agreed performance objectives recorded in Performance Agreements. TFR is reviewed in line with guidance from the APSC and the Public Sector Workplace Relations Policy (2020).

Senior executive remuneration, on appointment, is determined by the CEO and the Board and informed by market conditions, the judicious use of public money and internal equity.

### c) Remuneration of directors and key management personnel

For the purpose of disclosure, the Company has defined Key Management Personnel (KMP) as the Board, the Chief Executive Officer and senior executives who have authority and responsibility for planning, directing and controlling the activities of the Group.

	2022	2021
	\$	\$
Short-term employee benefits	2,442,466	2,420,392
Long-term employee benefits	-	-
Post-employee benefits	141,618	145,655
<b>Total</b>	<b>2,584,084</b>	<b>2,566,047</b>

## Note 23. Events after the reporting period

There is no other matter or circumstance that has arisen since 30 June 2022 that has significantly affected, or may significantly affect:

- the operations of the Group in future financial years, or
- the results of those operations in future financial years, or
- the state of affairs of the Group in future financial years.

## Note 24. Contingent assets and liabilities

There are no contingent assets or liabilities as at 30 June 2022 (2021: Nil).

# Notes to the financial report

For the year ended 30 June 2022

## Note 25. Auditor's remuneration

	2022 \$	2021 \$
<b>Australian National Audit Office</b>		
Audit of financial report	150,000	120,000
	<b>150,000</b>	<b>120,000</b>

The financial statement audit services are provided to the Group by the Auditor-General. As permitted by the Auditors General's Act, the ANAO contracted KPMG in Sydney to assist with the conduct of the audit on behalf of the Auditor-General. No other services were provided by the Auditor-General during the reporting period. KPMG provided non-audit services of financial analysis and provision of a secondee with fees of \$50,000 in 2021.

# Notes to the financial report

For the year ended 30 June 2022

## Note 26. Information relating to National Intermodal Corporation Limited (parent)

As at and throughout the financial year ended 30 June 2022 the parent company of the Group was National Intermodal Corporation Limited.

### a) Summary of financial information

	2022 \$'000	2021 \$'000
<b>Result of the parent entity</b>		
Loss for the year	(13,434)	(215)
Other comprehensive income	-	-
<b>Total comprehensive loss for the year</b>	<b>(13,434)</b>	<b>(215)</b>
<b>Financial position of the parent entity at year end</b>		
Current assets	72,145	48,172
Non-current assets	454,110	442,973
<b>Total assets</b>	<b>526,255</b>	<b>491,145</b>
Current liabilities	1,697	706
Non-current liabilities	635	1,259
<b>Total liabilities</b>	<b>2,332</b>	<b>1,965</b>
<b>Net assets</b>	<b>523,923</b>	<b>489,180</b>
<b>Total equity of the parent entity</b>		
Contributed equity	514,349	466,172
Retained earnings	9,574	23,008
<b>Total equity</b>	<b>523,923</b>	<b>489,180</b>

Non-current assets include a deferred tax asset of \$74.1 million (2021: \$76.0 million).

### b) Contingency liabilities of the parent entity

There were no contingencies at 30 June 2022 (2021: none).

### c) Commitments

There were no commitments at 30 June 2022 (2021: none).





## DIRECTORS' DECLARATION

For the year ending 30 June 2022

In the opinion of the Directors of National Intermodal Company Limited ("the Company"):

- the consolidated financial statements and notes set out on pages 2 to 35 are in accordance with the Corporations Act 2001, including:
  - (i) complying with Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
  - (ii) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance, changes in equity and its cash flows, for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors draw attention to Note 2(a) to the financial statements which includes a statement of compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made on 29 August 2022 in accordance with a resolution of the Directors.

Erin A.M. Flaherty  
Chair  
29 August 2022

Christine Holman  
Director  
29 August 2022

Ms Erin Flaherty  
Chair of Board  
National Intermodal Corporation Limited  
Level 33, 1 O'Connell Street  
SYDNEY NSW 2000

## NATIONAL INTERMODAL CORPORATION LIMITED FINANCIAL REPORT 2021-22 AUDITOR'S INDEPENDENCE DECLARATION

In relation to my audit of the financial report of the National Intermodal Corporation Limited for the year ended 30 June 2022, to the best of my knowledge and belief, there have been:

- (i) no contraventions of the auditor independence requirements of the *Corporations Act 2001*; and
- (ii) no contravention of any applicable code of professional conduct.

Australian National Audit Office

Bradley Medina  
Executive Director  
Delegate of the Auditor-General

Canberra  
29 August 2022





## INDEPENDENT AUDITOR'S REPORT

### To the members of National Intermodal Corporation Limited

#### Opinion

In my opinion, the financial report of National Intermodal Corporation Limited (the Company) and its subsidiaries (together 'the Group') for the year ended 30 June 2022 is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

The financial report of the Company and the Group, which I have audited, comprises the following as at 30 June 2022 and for the year then ended:

- Consolidated statement of profit or loss and other comprehensive income;
- Consolidated statement of financial position;
- Consolidated statement of changes in equity;
- Consolidated statement of cashflows;
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information; and
- Directors' Declaration.

#### Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office 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 and the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the relevant ethical requirements for financial report audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code.

I confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

#### Other information

The directors are responsible for the other information. The other information obtained at the date of this auditor's report is the director's report for the year ended 30 June 2022 but does not include the financial statements and my auditor's report thereon.

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office 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 the financial report.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company or the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.



I communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the directors with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Australian National Audit Office



Bradley Medina  
Executive Director  
Delegate of the Auditor-General

Canberra  
29 August 2022

# 07

## Other information

### Reporting Index for the year ended 30 June 2022

#### Public Governance, Performance and Accountability Rule 2013 (PGPA Act)

Section	Subject	Location	Pages
s. 97	Financial report	Financial report	Financial Report 1-35
	Directors' report	Directors' report	34-45
	Auditor's report	Independent auditor's report	Financial Report 38-40

#### Corporations Act 2001

Section	Subject	Location	Pages
s. 295	Financial statements	Financial report	Financial Report 3-6
	Notes to the financial statements	Financial report	Financial Report 7-35
	Directors' declaration	Directors' declaration	Financial Report 36
s. 298 – s. 300	Director's report	Directors' report	34-45
s. 301 – s. 308	Audit of Annual Report and Auditor's Report	Independent auditor's report	Financial Report 38-40

## Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)

Below is the table set out in Schedule 2B of the PGPA Rule. Section 28E(p) requires this table be included in the Commonwealth companies' annual reports.

PGPA Rule Reference	Part of Report	Description	Requirement
<b>28E</b>	<b>Contents of Annual Report</b>		
28E(a)	Our Purpose, pages 12-13	The purposes of the company as included in the company's corporate plan for the reporting period	Mandatory
28E(aa)	Operational Review, pages 20-21	The results of a measurement and assessment of the company's performance during the reporting period, including the results of a measurement and assessment of the company's performance against any performance measures and any targets included in the company's corporate plan for the reporting period	Mandatory
28E(b)	Corporate Governance Statement, pages 24-33	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory
28E(c)	Not applicable	Any directions given to the entity by a Minister under the company's constitution, an Act or an instrument during the reporting period	If applicable, mandatory
28E(d)	Not applicable	Any government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(e)	Not applicable	Particulars of non compliance with: a) a direction given to the entity by the Minister under the company's constitution, an Act or instrument during the reporting period; or b) a government policy order that applied in relation to the company during the reporting period under section 93 of the Act	If applicable, mandatory
28E(f)	Directors' Report, pages 34-39	Information on each director of the company during the reporting period	Mandatory
28E(g)	Our People, pages 15-17	An outline of the organisational structure of the company (including any subsidiaries of the company)	Mandatory
28E(ga)	Our People, pages 15-17	Statistics on the entity's employees on an ongoing and non ongoing basis, including the following: a) statistics on full time employees; b) statistics on part time employees; c) statistics on gender; d) statistics on staff location	Mandatory
28E(h)	Directors' Report, pages 34-39	An outline of the location (whether or not in Australia) of major activities or facilities of the company	Mandatory
28E(i)	Corporate Governance Statement, pages 24-33	Information in relation to the main corporate governance practices used by the company during the reporting period	Mandatory

PGPA Rule Reference	Part of Report	Description	Requirement
28E(j), 28E(k)	Nil	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST):  a) the decision making process undertaken by the directors of the company for making a decision to approve the company paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and  b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory
28E(l)	Directors' Report, page 38	Any significant activities or changes that affected the operations or structure of the company during the reporting period	If applicable, mandatory
28E(m)	Not applicable	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the company	If applicable, mandatory
28E(n)	Not applicable	Particulars of any reports on the company given by: a) the Auditor General, or b) a Parliamentary Committee, or c) the Commonwealth Ombudsman; or d) the Office of the Australian Information Commissioner; or e) the Australian Securities and Investments Commission	If applicable, mandatory
28E(o)	Not applicable	An explanation of information not obtained from a subsidiary of the company and the effect of not having the information on the annual report	If applicable, mandatory
28E(oa)	Remuneration Report, pages -40-45, Note 22 Financial Statements	Information about executive remuneration	Mandatory
28E(ob)	Audit and Risk Committee, pages	The following information about the audit committee for the company:  a) a direct electronic address of the charter determining the functions of the audit committee; b) the name of each member of the audit committee; c) the qualifications, knowledge, skills or experience of each member of the audit committee; d) information about each member's attendance at meetings of the audit committee; e) the remuneration of each member of the audit committee	Mandatory



PGPA Rule Reference	Part of Report	Description	Requirement
<b>28F</b>	<b>Disclosure requirements for government business enterprises</b>		
28F(1)(a)(i)	Notes to the Financial Statements, pages Financial Report - 7 to Financial Report - 35	An assessment of significant changes in the company's overall financial structure and financial conditions	If applicable, mandatory
28F(1)(a)(ii)	Risk Management, pages 24-25	An assessment of any events or risks that could cause financial information that is reported not to be indicative of future operations or financial condition	If applicable, mandatory
28F(1)(b)	Director's Report, page 38	Information on dividends paid or recommended	If applicable, mandatory
28F(1)(c)	Not applicable	Details of any community service obligations the government business enterprise has including: (a) an outline of actions taken to fulfil those obligations; and (b) an assessment of the cost of fulfilling those obligations	If applicable, mandatory
28F(2)	Not Applicable	A statement regarding the exclusion of information on the grounds that the information is commercially sensitive and would be likely to result in unreasonable commercial prejudice to the government business enterprise	If applicable, mandatory

## Glossary and terminology

ARTC	Australian Rail Track Corporation is an Australian Government owned entity responsible for managing 8,500km of the national rail network, including delivery of Inland Rail
BIFT	Beveridge Intermodal Freight Terminal, which is an Intermodal Logistics Precinct planned to be located at Beveridge in Melbourne
IMEX	Import export, being product imported or exported through ocean ports
Intermodal Logistics Precinct	A facility for the storage and transfer of freight between rail and road. Often includes on site warehousing, terminals and auxiliary services including retail and service offerings.
Intermodal Terminal	A facility for the storage and transfer of freight between rail and road
Interstate Intermodal	An interstate terminal transferring freight between capital cities and regional areas
LOGOS	LOGOS Consortium, the LOGOS Consortium comprises investors assembled by LOGOS Property Group and consists of AustralianSuper, AXA, NSW Treasury Corporation, Ivanhoe Cambridge and LOGOS. The investment is managed by LOGOS on behalf of the LOGOS Consortium.
PDC	Precinct Developer Company
PLT	Precinct Land Trust
Qube	Qube Holdings Pty Ltd
SOE	Statement of Expectations, a Ministerial statement for statutory agencies providing policies and priorities the entity is expected to observe in conducting its operations
TEU	Twenty-foot equivalent unit – a standardised unit of measurement in the international container market, equal to the volume of a 20-foot-long (6.1m) intermodal container
Victorian Intermodal	Victorian Intermodal Pty Ltd



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### Feedback

We welcome feedback on our Annual Report, including on what worked well, and what we could do better.

Share your thoughts here:  
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