



# GLADSTONE PORTS CORPORATION



## STATEMENT OF CORPORATE INTENT

2008 - 2009



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## 1. PART ONE – CORPORATE OBJECTIVES & STRATEGIES

Gladstone Ports Corporation (GPC) is a Government Owned Corporation (GOC) under the *Government Owned Corporations Act 1993*. Under Section 111 each GOC must prepare a Statement of Corporate Intent (SCI) for each financial year. GPC is currently a statutory GOC and is working towards conversion to a company GOC effective from 1 July 2008. The Statement of Corporate Intent outlines strategies that will be implemented in 2008-09, forming part of the longer term Corporate Plan five-year strategic direction to achieving the Corporate Vision over the period 2008-09 to 2012-13.

### 1.1 CORE BUSINESS

Gladstone Ports Corporation's Core business is to:

- Provide import and export shipping infrastructure to the Central Queensland region through the Port of Gladstone and Port Alma and encourage the use of these facilities for the economic benefit of stakeholders
- Manage cargo handling operations for coal and other bulk products at its Port Alma, RG Tanna, Barney Point and Auckland Point facilities
- Develop, manage and lease land and other assets for port related purposes
- Manage ancillary services and functions which support core business activities

All operations are conducted under GPC and no subsidiary companies exist within the operational structure.

### 1.2 CORPORATE OBJECTIVES

Consistent with the corporate goals listed in section 1.6, GPC's corporate objectives for 2008-09 are:

#### ***For commercial stakeholders -***

- Create Shareholder value by earning a commercial rate of return on funds invested while maintaining charges at a level which will encourage new trade and maintain existing trade
- Encourage use of the Ports to maximum potential for the economic benefit of Stakeholders
- Conduct business within a robust corporate governance framework
- Maintain effective asset management and labour resourcing plans and processes
- Earn a commercial rate of return where possible
- Continue to improve port performance, productivity and reliability
- Develop funding models for potential port infrastructure for consideration by Shareholding Ministers'

***For customers and Port users -***

- Provide and maintain cost effective Port infrastructure
- Provide cargo handling services for bulk commodities and facilitate the handling of non-bulk cargoes, responsive to customer needs
- Develop, manage and lease land for port purposes
- Finalise new towage contract
- Finalise EIS for Fisherman's Landing northern reclamation
- Finalise Stage 2 of Western Basin inter Modal Study
- Finalise 5 Year Strategic Dredging Strategy

***For the environment, community and the State of Queensland -***

- Maintain the environmental integrity of the Gladstone Harbour and Port Alma
- Effectively manage environmental approvals for major projects
- Implement recommendations of Coal Exporting Terminal Benchmarking Study (A detailed synopsis of GPC's dust suppression strategies can be found in **Attachment 5**).
- Maintain a Port Security and Critical Infrastructure protection regime
- Maintain participation in air quality studies
- Promote the Port of Gladstone's community facilities and support programmes
- Develop and implement a communication strategy for the Gladstone community
- Commence planning for foreshore development
- Commence identification and implementation of energy efficient projects

***For its employees -***

- Provide a safe working environment
- To successfully negotiate new enterprise agreement
- Implement full Fitness for Work and proactive injury management programs
- Effectively implement a behaviour based safety program across the workforce
- Develop regular information sessions for GPC personnel
- Implement a Strategic Planning Model across all sections including scorecards and performance planning
- Implement new Performance Based Evaluation Strategy
- Develop a training and development program to ensure a skilled workforce
- Embed the Board and Management defined corporate culture throughout the organisation
- Progress succession planning for all areas of the organisation
- Identify and implement policies to increase the recruitment and retention of staff
- Implement a new IT people management system



### 1.3 OPERATIONAL OBJECTIVES

GPC's key operational objectives for the year are to:

- Ensure the efficient and cost effective shipping of approximately 63Mt of product in 2008-09 through GPC's cargo handling facilities, and facilitate the movement of approximately 23Mt of cargo for other Port users
- Commence the 3 year continuous improvement program to ensure best practice management of cargo handling facilities.
- Achieve high level reliability and plant efficiency following the RGTCT Expansion Project
- Implement RCM programs across new plant
- Upgrade PLC systems across RGTCT
- Finalise operational process control systems
- Implement new ship scheduling system
- Implement Rail Maximisation project
- Enhance environmental management practices to maintain compliance with ISO 14001 and work towards longer term community environmental expectations
- Continue the upgrade of Marina facilities
- Monitor and improve general Port performance, productivity, efficiency and reliability in accordance with the Corporate Plan 2008-09 to 2012-13 objectives

### 1.4 STRATEGIES TO ACHIEVE OBJECTIVES

GPC is in the most intensive phase of development in its history.

- Actual coal exports will grow from 52Mt to 75Mt over the next four (4) years.
- There are also potential new gas and major resource processing industries, requiring additional port infrastructure.

Consistent with its 2008-2013 Corporate Plan, GPC's key corporate strategies for achieving its corporate objectives for 2008-09 are shown in the following section.



## 1) The Efficient Operation and Asset Management of GPC's Expanded Coal Exporting Terminals

The major focus for GPC in 2008-09 is ensuring the target throughput and handling efficiency of its expanded assets and upgrades is met. GPC must ensure that throughput is in accordance with contracted requirements (within rail capacity) and performance standards, that plant performs to name plate capacity, and that GPC provides a safe workplace for its employees and visitors.

### *Strategy*

- In conjunction with coal exporters, implement the three year continuous improvement program to concentrate on the coal chain and port costs and efficiencies
- Continue to collaborate with Queensland Rail and mining companies to improve efficiencies across the coal transport chain through the Capricornia Coal Chain Maximisation Project
- Implement logistical software to enhance operational efficiencies and maintenance windows
- Target maintenance programs to improve plant availability

## 2) Port Strategic Planning and Development

GPC is facing increasing demands from new and existing industries to expand the Port's facilities. As a result GPC must develop plans and strategies that will facilitate the expansion of existing customers and products and facilitate the introduction of new industries, in particular gas and metals processing. Any such developments are subject to Shareholding Ministers' approval.

### *Strategy*

- Support feasibility study for the Proposed Port Alma Coal Terminal
- Develop a 5 year strategic dredging program to facilitate the expansion of the Port to new industry projects
- Progress studies into the development of Curtis Island and Fisherman's Landing areas for future gas projects
- Progress development of Wiggins Island for metals processing project
- Undertake EIS for Fisherman's Landing Reclamation
- Commence planning on new marina facility at Boyne River



### 3) Financial Performance

GPC's financial performance in various business sectors has been below expectations. Coal handling financial performance is anticipated to stall as a consequence of the impacts of recent floods and the continued issues within the coal chain.

#### *Strategy*

- Auckland Point 1 Miscellaneous Bulk and Auckland Point 2 Grain – initiate discussions with grain handlers and others to explore opportunities
- Fisherman's Landing 5 Bulk Liquids – continue to encourage interested parties in bulk liquids import and storage to relocate to Central Queensland
- Continue to promote the Port's role in providing infrastructure and services for future imports / exports
- Initiate strategies to improve container trade through Gladstone and Port Alma
- Achieve performance targets in accordance with Section 2.1

### 4) Port Infrastructure Funding Options

To maximise financial effectiveness, GPC will consider alternative funding sources to the traditional debt and equity financing.

#### *Strategy*

- Work closely with Shareholding Ministers' staff to determine appropriate debt structure solutions for the future
- Determine with Shareholders and customers appropriate funding arrangements for new Port infrastructure
- Ensure early discussion and information sessions occur on existing and new projects



## 5) Strong Corporate Governance Regime

As GPC undertakes its most significant development and growth to date it is vitally important that it maintains a strong corporate governance regime to ensure that this growth is delivered to time and within budget and in an ethical manner.

### *Strategy*

- To continue a review of governance policies to ensure that they meet the needs of GPC as it continues to grow.
- To comply with government policies and guidelines as listed in Attachment 3.
- Introduce a Capital Investment System (CIS) to provide a more rigorous framework for evaluating and managing new capital investments
- Introduce a new Human Resources Management system
- Use of an external party to perform the internal audit function and advise on improvements to GPC's existing corporate governance regime
- Ensure the governance structure and procedures of the planned Wiggins Island Coal Terminal Project are robust

## 6) Environment and Air Quality

Community and Environment – GPC is facing increasing community pressure in respect to its operations and the perception of environmental impacts re: the harbour and surrounding areas.

### *Strategy*

- Continue investment in 2008-09 in early warning weather stations, dust control management and water recycling processes, to ensure cargo handling activities remain environmentally sustainable
- Implement recommendations from Coal Exporting Terminal Best Practice Benchmarking Study
- Maintain good community relations via community consultation and information programs (including focus groups)
- Maintain ISO 14001 - 2004 Environmental Standards accreditation in 2008-09
- Continue audit of internal processes to ensure all environmental obligations are adhered to
- Continue to encourage major Port customers to achieve best practice in their obligations



## 7) Marina

The Gladstone Marina is now 25 years old and GPC is currently investing to ensure that GPC can provide a quality facility for the local community and visitors, whilst obtaining a commercial return where possible.

### *Strategy*

- Undertake year 3 of the 5 year program of maintenance work on existing facilities
- Install a new refuelling facility.
- Develop a strategy to install a sewage disposal facility for all marina vessels
- Develop the onshore facilities to service tenants and the community
- Continue to develop the Marina parkland facilities for the community

## 8) Port of Gladstone Foreshores

GPC will explore the commercial improvement and development of existing Port of Gladstone foreshore facilities in the medium to long term as part of its obligations to the local community.

### *Strategy*

- Develop plans to upgrade the existing foreshore facilities

## 9) Our People

To manage the continuing introduction of additional capacity and tonnages, GPC will increase its workforce in 2008-09 to 620, an increase of 167 since 1 July 2005.

### *Strategy*

- To embed an appropriate culture throughout the organisation
- Personnel are brought on stream in sufficient time to allow training to be conducted
- To ensure personnel are trained to an appropriate safe operating standard and sufficient resources are available for training and development of all employees
- Ensure maintenance familiarity with new plant
- To develop succession plans for all significant positions within GPC



## 10) Security

Maintain a Port Security and Critical Infrastructure protection regime. GPC will work closely with appropriate Government agencies to further enhance its security system.

### *Strategy*

- Continue close liaison with Department of Infrastructure, Transport, Regional Development and Local Government and Queensland Transport
- Conduct self audits, as appropriate
- Involvement in regional counter disaster programs

## 11) Port Alma

Trade levels at Port Alma remain static.

### *Strategy*

- Continue to promote Port Alma as a significant nitrate/explosives facility
- Where able, encourage additional usage of the ports facilities in line with the trade analysis
- Develop a solution to allow the recommencement of salt exports (this could include break even (cash only) terms)
- Investigate the establishment of a coal exporting terminal that facilitates the development of a panamax sized harbour

## 12) Wiggins Island Coal Terminal (WICT)

Finalise the feasibility and detailed design of potential WICT:

### *Strategy*

- Complete bankable feasibility study
- Complete detailed design
- Provide financial options for funding WICT which supports Shareholding Ministers' and industry objectives
- Secure sufficient long term ToP contracts to ensure full utilisation of Phase 1 of the project on commencement



## 1.5 PERFORMANCE DRIVERS

The key drivers behind GPC achieving its objectives and strategies in 2008-09 are:

### Cargo Handling

- Receiving and shipping tonnages in a consistent form with minimal surge
- Achieving name plate asset throughput on a consistent basis
- Maintaining a fully skilled workforce
- Achieving export tonnages in accordance with this document

### Port General

- Providing channel and general port infrastructure free of limitation that may arise from ineffective or poorly timed maintenance
- Meeting strategic future customer needs for the development of the Ports
- Maintaining standards for:
  - Environment and the ISO 14001 – 2004 Standards
  - Safety – minimum 4 star (NSCA) rating
  - Robust Corporate Governance principles
  - Appropriate Security regimes
  - Risk Management principles
- Achieving import/export tonnages in accordance with this document



### 1.6 CORPORATE GOALS & PERFORMANCE OUTCOMES

In accordance with the above corporate objectives, GPC undertakes to achieve the following corporate performance outcomes in 2008-09:

Goal	Strategy	Performance Measures
<b>Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>Monitor and review effectiveness of Safety Management System.</li> <li>Continue to further develop health and well-being programs.</li> <li>Continuously monitor safety systems and procedures.</li> <li>Undertake regular external safety audits.</li> <li>Conduct full investigation of safety breaches and implement corrective action.</li> </ul>	<ul style="list-style-type: none"> <li>Target zero lost time injuries.</li> <li>Monitor LTIFR trends and provide updates to GPC Board on a monthly basis.</li> <li>Improve through 360<sup>0</sup> reporting of safety/risk hazards and incidents.</li> <li>Maintain 4 star NSCA accreditation.</li> </ul>
<b>Trade Development &amp; Infrastructure Provision</b>	<ul style="list-style-type: none"> <li>Work closely with coal companies; the Gladstone Economic &amp; Development Board (GEIDB); the State Govt and industry proponents to facilitate new trade opportunities at both the Port of Gladstone and Port Alma.</li> <li>Establish effective Major Project delivery processes.</li> <li>Develop appropriate funding models.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve coal exports of 63 million tonnes for 2008/09.</li> <li>Increase major industry port trade by over 0.6 million tonnes.</li> <li>Ensure major project works delivered on time, within quality and within budget.</li> <li>Required infrastructure supported by appropriate funding arrangements</li> </ul>
<b>Efficiency of Operations</b>	<ul style="list-style-type: none"> <li>Three year Continuous Improvement Project</li> <li>Maintain a strong asset management program</li> <li>Monitor KPI performance measures and seek continuous improvements</li> <li>Capricornia Coal Chain Maximisation</li> <li>Maintain a flexible, skilled workforce</li> <li>Monitor competitive bulk handling operations for benchmarking</li> </ul>	<ul style="list-style-type: none"> <li>Achieve KPI performance against targets agreed to in the 3 Year Continuous Improvement Program</li> <li>Maintain ISO 9000-2001 Quality Assurance accreditation</li> <li>Coal Chain performance against contracted tonnage</li> <li>Ensure GPC port handling charges remain competitive</li> </ul>
<b>Commercial Objectives</b>	<ul style="list-style-type: none"> <li>Undertake comprehensive commercial reviews to ensure GPC's activities are producing appropriate rates of return and are benchmarked against comparable facilities</li> <li>Maintain adequate cash levels to ensure infrastructure debt servicing and a sound financial position</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
<b>Employee Relations Management</b>	<ul style="list-style-type: none"> <li>Promote culture of employee empowerment</li> <li>Develop and implement Labour Resourcing Plan</li> <li>Conduct relevant training programs</li> <li>Succession planning strategy</li> <li>New Enterprise Bargaining Agreement</li> </ul>	<ul style="list-style-type: none"> <li>CEO's Business Forums</li> <li>Achieve KPI performance</li> <li>Employee participation in training program.</li> <li>EBA strong employee support</li> </ul>
<b>Corporate Management</b>	<ul style="list-style-type: none"> <li>Regular liaison with Shareholder departments</li> <li>Regular reporting to Shareholders</li> <li>Annual review of risk</li> <li>Maintain annual senior management performance system</li> <li>Conduct regular corporate governance audits</li> <li>Ensure strong community support</li> <li>Maintain a robust risk management system</li> </ul>	<ul style="list-style-type: none"> <li>Regular meeting with Shareholding Ministers' Departmental Officers</li> </ul>



Goal	Strategy	Performance Measures
<b>Environmental Management</b>	<ul style="list-style-type: none"> <li>• Promote sustainable development practices</li> <li>• Ensure compliance with all legislation</li> <li>• Work constructively with all agencies and community groups to promote enhancement of the environs of the harbour</li> <li>• Full participation in Air Shed Study</li> <li>• Implement strategy in accordance with Connell Hatch's RG Tanna Dust Benchmarking Study</li> <li>• Conduct annual environmental audits</li> <li>• Undertake infrastructure development and conduct operational activities in a manner that minimises impact upon our associated environs and the community</li> <li>• Implement a real time air quality monitoring program at GPC coal related activities by June 2009</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain ISO 14001 accreditation</li> <li>• Target zero environment limit exceedances</li> <li>• GPC to comply with National Environment Protection Measures (NEPM) and EPQ licence guidelines for real time monitoring with no exceedances at community sites</li> <li>• Implement the Continuous Improvement Program</li> </ul>
<b>Port Security</b>	<ul style="list-style-type: none"> <li>• Manage GPC's Maritime Security Plans; Critical Infrastructure Plans and Business Continuity Plans in accordance with approved plans, policies and procedures</li> <li>• Effective Port Security Committee</li> </ul>	<ul style="list-style-type: none"> <li>• 100% Audit Compliance</li> </ul>



## 2. MANDATORY MATTERS

### 2.1 FINANCIAL TARGETS

In accordance with the above corporate objectives, GPC undertakes to achieve at least the following performance targets in 2008-09:

PERFORMANCE TARGETS	2006-07 ACTUAL	2007-08 BUDGET	2007-08 EST. ACTUAL	2008-09 BUDGET
REVENUE \$000's	224,059	229,856	238,627	282,107
OPERATING EXPENSES (INCL DEP'N)	170,453	177,635	169,809	202,228
• EBIT \$000's	53,606	52,221	68,818	79,879
• NPAT \$000's	27,398	16,633	28,275	31,718
• CASH FROM OPERATIONS	56,921	93,063	102,559	120,925

Based on GPC achieving these performance targets, the following financial indicators will be achieved in 2008-09:

PERFORMANCE TARGETS	2006-07 ACTUAL	2007-08 BUDGET	2007-08 EST. ACTUAL	2008-09 BUDGET
• RETURN ON TOTAL ASSETS *	4.7%	4.1%	5.2%	5.7%
• RETURN ON OPERATING ASSETS *	5.6%	4.3%	5.8%	6.2%
• RETURN ON EQUITY *	3.7%	1.3% - 2.43%	3.6%	3.9%
<i>AFFECTED BY MAJOR CAPITAL EXPENDITURE *</i>				
• DEBT / DEBT+EQUITY	46.0%	31.8%	36.1%	34.2%
• CURRENT RATIO	1.4	1.3	2.1	1.0%
• INTEREST COVER	3.7	1.8	2.4	2.3%

Significant injections in both Debt and Equity to fund the RG Tanna Expansion project impacts on the medium term returns and ratios' until full production can be realised.



## 2.2 UNDERPERFORMING BUSINESS CENTRES



## 2.3 LEGACY AND NON-COMMERCIAL CONTRACTS

Projects will not be undertaken until such time as commercial viability is proven and Shareholding Ministers approval is given.



Debt or equity funding for other significant projects which may arise at GPC will be determined in association with Shareholding Ministers and their representatives at the time.

**2.4 NON-FINANCIAL PERFORMANCE TARGETS**

PORT TONNES	2006-07 ACTUAL	2007-08 BUDGET	2007-08 EST. ACTUAL	2008-09 BUDGET
<b>GPC OPERATIONS TONNES</b>				
PORT CENTRAL - AP1 WOODCHIP, CALCITE, ETC	193	300	252	300
BARNEY POINT COAL, LIMESTONE, MAGNESITE	6,295	5,770	5,600	5,670
RG TANNA COAL	45,213	57,560	48,271	57,400
WIGGINS COAL	-	-	-	-
<b>TOTAL - GPC OPERATIONS</b>	<b>51,701</b>	<b>63,630</b>	<b>54,123</b>	<b>63,370</b>
<b>OTHER PORT TONNES</b>				
PORT CENTRAL - AP2 GRAIN	156	120	30	120
PORT CENTRAL - AP3 PETROLEUM	864	814	928	1000
PORT CENTRAL - AP4 CONTAINERS, MISC	273	300	300	330
BOYNE ALUMINIUM, CAUSTIC, CARBON	611	620	580	620
SOUTH TREES BAUXITE, CAUSTIC, ETC	10,945	12,200	10,600	11,000
SOUTH TREES (NON REVENUE EARNING) ALUMINA	2,927	2,800	2,900	2,900
FISHERMANS #1, 2 COMALCO BAUXITE ETC	4,983	4,800	4,900	4,800
FISHERMANS #3 BULK PRODUCTS ETC	-	-	-	-
FISHERMANS #4 (QCL) CEMENT PRODUCTS	1,585	1,600	1,450	1,600
FISHERMANS #5 (LIQUIDS) SHALE OIL, AMMONIA	173	110	146	120
PORT ALMA SALT ,AMMONIUM NITRATE, BEEF ETC	167	170	170	170
<b>TOTAL - OTHER PORT</b>	<b>22,684</b>	<b>23,534</b>	<b>22,004</b>	<b>22,660</b>
<b>TOTAL TONNES</b>	<b>74,385</b>	<b>87,164</b>	<b>76,127</b>	<b>86,030</b>



OTHER PERFORMANCE INDICATORS	2006-07 ACTUAL	2007-08 BUDGET	2007-08 Est. ACTUAL	2008-09 BUDGET
<b>ENVIRONMENT</b>				
• NUMBER OF COMPLIANCE BREACHES	0	0	0	0
• NUMBER OF COMPLAINTS	53*	<25	25	<25
<b>SAFETY</b>				
• NUMBER OF LOST TIME INJURIES (LTI)	7	4	6	5
• LOST TIME INJURY FREQUENCY RATE (LTIFR)	6.04	5.57	6.00	5.00
• LOST TIME INJURY DURATION RATE (LTIDR)	8.29	9.75	9.00	8.00
<b>EMPLOYEE</b>				
•				
•				
•				
<b>OTHER</b>				
• TIMELY COMPLIANCE WITH STATUTORY REPORTING TIMEFRAMES AND DATA SUBMISSION AND REPORTING REQUIREMENTS IN TREASURY FINANCIAL CIRCULARS	N/A	N/A	N/A	100%

\* Subject to clarification and review of new plant availabilities and operating protocols.

**Lost Time Injury Frequency Rate (LTIFR)**

GPC continues to work towards improvements in training safety procedures and work methods, GPC has maintained its four star rating from the National Safety Council of Australia.

The GPC fit for work program is underway with random alcohol testing in place. Drug testing will commence by June 2008 and Oral Mouth Self Test Units are currently available to personnel. Fatigue Management training has commenced with the implementation of the FAID System by June 2008 and Fatigue Management trials using different products will be conducted by the end of 2008.

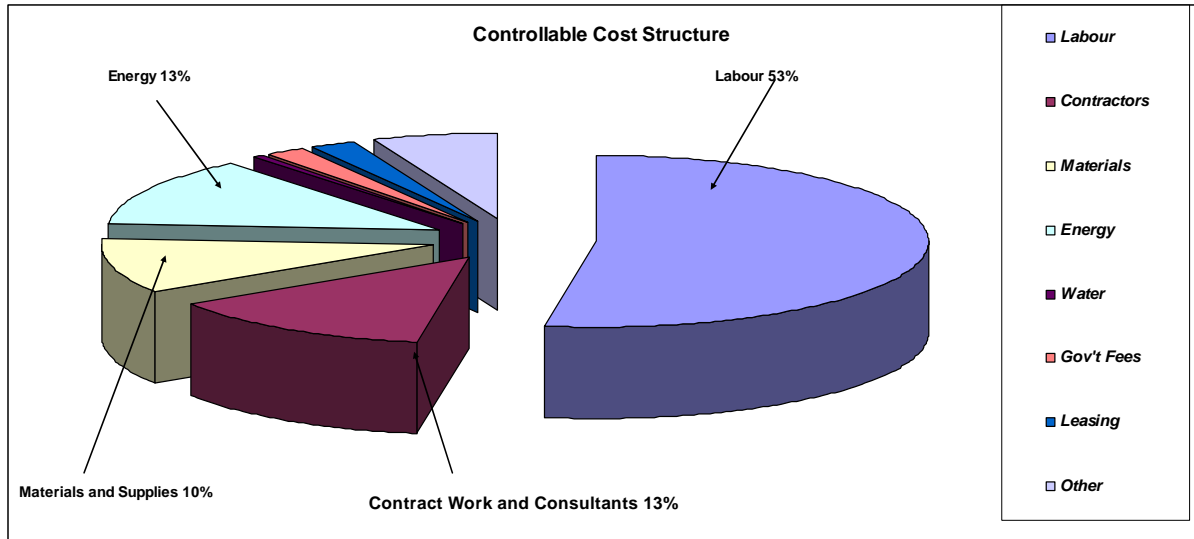
GPC attained a 4 Star Rating in the NSCA 5 Star Safety Management System in 2007 and a gap analysis audit was conducted in February 2008. The report will be provided to Management and the action items will be added to the NSCA CIAP for 2008-09. It is envisaged that a full NSCA 5 Star audit will be conducted late 2008 to ensure that the 4 Star Rating is retained.

GPC’s actual LTIFR is below the CETOA (Coal Export Terminal of Australia) averages, with confirmed emphasis on safety and safety management. GPC expects to continue to improve on these statistics.



## 2.5 ASSUMPTIONS

**Forecast Summary of Expenses by type for 2008/09**



Expense type percentages remains similar to prior years.

**2.6 COMMUNITY SERVICE OBLIGATIONS (CSO's)**

No Community Service Obligations have been identified for GPC for 2008-09.

**2.7 EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN**

An Employment and Industrial Relations Plan meeting the requirements of *Section 171 of the GOC Act* has been provided to shareholding Ministers and is included as **Attachment 1** to this Statement of Corporate Intent.



**3. PART THREE: ADDITIONAL MATTERS**

**3.1 FINANCIALS**

**3.1.1 Group Results**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>				
	<b>\$'000's</b>	<b>June-07</b>	<b>June-08</b>	<b>June-09</b>
<b>REVENUE</b>				
Harbour Dues		9,013	9,099	9,773
Vessel services		45,986	53,993	63,929
Handling Charges		123,003	161,072	184,763
Rentals, Other, Misc		8,459	12,881	20,577
Interest		7,193	1,582	3,065
Asset Revaluations		23,403	-	-
Other		-	-	-
<b>TOTAL REVENUE</b>		<b>217,057</b>	<b>238,627</b>	<b>282,107</b>
<b>EXPENSE</b>				
Operations		38,269	45,853	54,057
Energy		17,275	17,787	21,196
Maintenance		40,479	39,325	47,581
Other		36,169	40,120	43,627
Quarry recovery		(13,452)	(8,599)	(8,344)
Depreciation		25,292	35,323	44,111
Asset Impairment		19,410	-	-
Other		-	-	-
<b>TOTAL EXPENSE</b>		<b>(163,442)</b>	<b>(169,809)</b>	<b>(202,228)</b>
<b>EBIT</b>		<b>53,615</b>	<b>68,818</b>	<b>79,879</b>
Interest (including Competitive Neutrality Fee)		(14,473)	(28,460)	(34,568)
<b>INTEREST EXPENSE</b>		<b>(14,473)</b>	<b>(28,460)</b>	<b>(34,568)</b>
<b>REVALUATION INCREMENTS</b>				
<b>PROFIT / (LOSS)</b>		<b>39,142</b>	<b>40,358</b>	<b>45,311</b>
INCOME TAX EXPENSE		(11,735)	(12,083)	(13,593)
<b>PROFIT AFTER TAX</b>		<b>27,407</b>	<b>28,275</b>	<b>31,718</b>
Dividends Provided		4,980	22,620	22,139
<b>RETAINED PROFITS AT YEAR END</b>		<b>22,427</b>	<b>5,655</b>	<b>9,579</b>



**STATEMENT OF FINANCIAL PERFORMANCE BY QUARTER**

\$'000's	September-08	December-08	March-09	June-09
<b>REVENUE</b>				
Harbour Dues	2,443	4,886	7,329	9,773
Vessel services	15,982	31,964	47,946	63,929
Handling Charges	46,191	92,382	138,573	184,763
Rentals, Other, Misc	4,644	9,954	15,265	20,577
Interest	766	1,532	2,298	3,065
Other				
<b>TOTAL REVENUE</b>	<b>70,026</b>	<b>140,718</b>	<b>211,411</b>	<b>282,107</b>
<b>EXPENSE</b>				
Operations	13,514	27,028	40,542	54,057
Energy	5,299	10,598	15,897	21,196
Maintenance	11,907	23,814	35,721	47,581
Other	10,907	21,814	32,721	43,627
Quarry recovery	(2,086)	(4,172)	(6,258)	(8,344)
Depreciation	11,028	22,056	33,084	44,111
<b>TOTAL EXPENSE</b>	<b>50,569</b>	<b>101,138</b>	<b>151,707</b>	<b>202,228</b>
<b>EBIT</b>	<b>19,457</b>	<b>39,580</b>	<b>59,704</b>	<b>79,879</b>
Interest (including Competitive Neutrality Fee)	(8,642)	(17,284)	(25,926)	(34,568)
<b>INTEREST EXPENSE</b>	<b>(8,642)</b>	<b>(17,284)</b>	<b>(25,926)</b>	<b>(34,568)</b>
REVALUATION INCREMENTS	-	-	-	-
<b>PROFIT / (LOSS)</b>	<b>10,815</b>	<b>22,296</b>	<b>33,778</b>	<b>45,311</b>
INCOME TAX EXPENSE	(3,248)	(6,696)	(10,144)	(13,593)
<b>PROFIT AFTER TAX</b>	<b>7,567</b>	<b>15,600</b>	<b>23,634</b>	<b>31,718</b>
Dividends Provided	-	-	-	22,139
<b>RETAINED PROFITS AT YEAR END</b>	<b>7,567</b>	<b>15,600</b>	<b>23,634</b>	<b>9,579</b>



<b>STATEMENT OF FINANCIAL POSITION</b>				
	<b>\$'000's</b>	<b>June-07</b>	<b>June-08</b>	<b>June-09</b>
<b><u>ASSETS</u></b>				
<b>CURRENT ASSETS</b>				
Cash		46,213	86,304	50,610
Receivables (& change in working capital)		37,666	34,666	34,666
Other		8,796	8,796	8,796
<b>TOTAL CURRENT ASSETS</b>		<b>92,675</b>	<b>129,766</b>	<b>94,072</b>
<b>NON CURRENT ASSETS</b>				
Receivables		1,621	1,621	1,621
Property, Plant & Equipment		1,152,373	1,276,918	1,293,496
FITB - Losses Carried Forward		3,055	-	-
FITB -Prepaid Taxes		6,953	7,073	7,193
Other		-	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,164,002</b>	<b>1,285,612</b>	<b>1,302,310</b>
<b>TOTAL ASSETS</b>		<b>1,256,677</b>	<b>1,415,378</b>	<b>1,396,382</b>
<b><u>LIABILITIES</u></b>				
<b>CURRENT LIABILITIES</b>				
Creditors		51,385	25,385	25,385
Provisions Dividend		4,980	22,620	22,139
Provisions Employee Entitlements		9,789	7,100	7,200
Borrowings Current		1,030	1,030	31,042
<b>TOTAL CURRENT LIABILITIES</b>		<b>67,184</b>	<b>56,135</b>	<b>85,766</b>
<b>NON CURRENT LIABILITIES</b>				
Borrowings Non-Current				
Borrowings 3rd Berth		256,769	369,769	344,727
Borrowings Equity Buy-Back		90,000	90,000	84,000
Borrowings Other		937	-	(31,042)
Provisions Employee Entitlements		12,764	15,453	15,353
Deferred Income Tax		68,652	68,088	71,957
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>429,122</b>	<b>543,310</b>	<b>484,995</b>
<b>TOTAL LIABILITIES</b>		<b>496,306</b>	<b>599,445</b>	<b>570,761</b>
<b>SHAREHOLDERS' EQUITY</b>				
Share Capital Paid Up		675,943	725,943	725,943
Asset Revaluation Reserve		41,289	41,289	41,398
Retained Earnings		-	-	-
Accumulated (Losses) Profits		43,139	48,701	58,280
<b>SHAREHOLDERS' EQUITY</b>		<b>760,371</b>	<b>815,933</b>	<b>825,621</b>



<b>STATEMENT OF FINANCIAL POSITION BY QUARTER</b>					
	<b>\$'000's</b>	<b>September-08</b>	<b>December-08</b>	<b>March-09</b>	<b>June-09</b>
<b><u>ASSETS</u></b>					
<b>CURRENT ASSETS</b>					
Cash		84,614	60,970	50,103	45,610
Receivables (& change in working capital)		32,362	29,848	37,178	34,666
Other		8,796	8,796	8,796	8,796
<b>TOTAL CURRENT ASSETS</b>		<b>125,772</b>	<b>99,614</b>	<b>96,077</b>	<b>89,072</b>
<b>NON CURRENT ASSETS</b>					
Receivables		1,621	1,621	1,621	1,621
Property, Plant & Equipment		1,281,433	1,285,949	1,290,465	1,298,496
FITB - Losses Carried Forward		-	-	-	-
FITB -Prepaid Taxes		7,103	7,133	7,163	7,193
Other		-	-	-	-
<b>TOTAL NON CURRENT ASSETS</b>		<b>1,290,157</b>	<b>1,294,703</b>	<b>1,299,249</b>	<b>1,307,310</b>
<b>TOTAL ASSETS</b>		<b>1,415,929</b>	<b>1,394,317</b>	<b>1,395,326</b>	<b>1,396,382</b>
<b><u>LIABILITIES</u></b>					
<b>CURRENT LIABILITIES</b>					
Creditors		25,385	25,385	25,385	25,385
Provisions Dividend		22,620	-	-	22,139
Provisions Employee Entitlements		7,125	7,150	7,175	7,200
Borrowings Current		9,306	16,552	23,798	31,042
<b>TOTAL CURRENT LIABILITIES</b>		<b>64,436</b>	<b>49,087</b>	<b>56,358</b>	<b>85,766</b>
<b>NON CURRENT LIABILITIES</b>					
Borrowings Non-Current					
Borrowings 3rd Berth		363,509	357,249	350,989	344,727
Borrowings Equity Buy-Back		88,500	87,000	85,500	84,000
Borrowings Other		(8,533)	(16,036)	(23,539)	(31,042)
Provisions Employee Entitlements		15,353	15,353	15,353	15,353
Deferred Income Tax		69,055	70,022	70,989	71,957
<b>TOTAL NON CURRENT LIABILITIES</b>		<b>527,884</b>	<b>513,588</b>	<b>499,292</b>	<b>484,995</b>
<b>TOTAL LIABILITIES</b>		<b>592,320</b>	<b>562,675</b>	<b>555,650</b>	<b>570,761</b>
<b>NET ASSETS</b>		<b>823,609</b>	<b>831,642</b>	<b>839,676</b>	<b>825,621</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital Paid Up		725,943	725,943	725,943	725,943
Asset Revaluation Reserve		41,398	41,398	41,398	41,398
Retained Earnings		-	-	-	-
Accumulated (Losses) Profits		56,268	64,301	72,335	58,280
<b>SHAREHOLDERS' EQUITY</b>		<b>823,609</b>	<b>831,642</b>	<b>839,676</b>	<b>825,621</b>



**STATEMENT OF CASH MOVEMENTS**

	<b>\$'000's</b>	<b>June-07</b>	<b>June-08</b>	<b>June-09</b>
EBITDA (excl interest income)		67,721	102,559	120,925
Change in working capital		(7,967)	(23,000)	-
Capital Expenditure		(405,518)	(159,868)	(60,580)
Interest: debts		(14,473)	(28,460)	(34,568)
Interest: cash balance		7,193	1,582	3,065
Tax		-	(9,712)	(9,844)
Security deposit repayment (Barney Pt)		(1,030)	(1,030)	(1,030)
Loan Drawdown: Coal Expansion Funding		140,000	113,000	-
Loan Repayment: Coal Expansion		(449)	-	(25,042)
Loan Drawdown Port Expansion		-	-	-
Loan Repayment: Port Expansion		-	-	-
Boyne Smelters Wharf Payback		-	-	-
Capital restructure		-	-	-
Debt drawdown 90m		-	-	-
Loan repayment: 90m		-	-	(6,000)
Equity Purchase		-	50,000	-
Equity Purchase - Misc		-	-	-
Dividends paid (determined last year)		(7,023)	(4,980)	(22,620)
<b>Net cashflow for period</b>		(221,546)	40,091	(35,694)
<b>Opening cash balance</b>		267,759	46,213	86,304
<b>Closing cash balance</b>		46,213	86,304	50,610



<b>STATEMENT OF CASH MOVEMENTS BY QUARTER</b>				
<b>\$'000's</b>	<b>September-08</b>	<b>December-08</b>	<b>March-09</b>	<b>June-09</b>
EBITDA (excl interest income)	29,719	60,104	90,490	120,925
Change in working capital	-	-	-	-
Capital Expenditure	(15,516)	(31,032)	(46,548)	(65,580)
Interest: debts	(8,642)	(17,284)	(25,926)	(34,568)
Interest: cash balance	766	1,532	2,298	3,065
Tax	-	-	(9,844)	(9,844)
Security deposit repayment (Barney Pt)	(257)	(514)	(771)	(1,030)
Loan Drawdown: Coal Expansion Funding	-	-	-	-
Loan Repayment: Coal Expansion	(6,260)	(12,520)	(18,780)	(25,042)
Loan Drawdown Port Expansion	-	-	-	-
Loan Repayment: Port Expansion	-	-	-	-
Capital restructure	-	-	-	-
Debt drawdown 90m	-	-	-	-
Loan repayment: 90m	(1,500)	(3,000)	(4,500)	(6,000)
Equity Purchase in CQPA	-	-	-	-
Dividends paid (determined last year)	-	(22,620)	(22,620)	(22,620)
				-
<b>Net cashflow for period</b>	<b>(1,690)</b>	<b>(25,334)</b>	<b>(36,201)</b>	<b>(40,694)</b>
<b>Opening cash balance</b>	<b>86,304</b>	<b>86,304</b>	<b>86,304</b>	<b>86,304</b>
<b>Closing cash balance</b>	<b>84,614</b>	<b>60,970</b>	<b>50,103</b>	<b>45,610</b>



### 3.1.2 Financials: Strategic Business Units



**3.2 ASSETS**

Consistent with its core business, GPC owns and manages the following major assets:

ASSET	DETAILS	
RG TANNA COAL TERMINAL	COAL TERMINAL INCLUDING 3 DUMP STATIONS, 21 STOCKPILES, 3 SHIPLoadERS, 4 WHARVES – CURRENTLY UNDERGOING SIGNIFICANT EXPANSION TO THESE LEVELS	NAMEPLATE CAPACITY EXPANDING TO 68+MT PA
BARNEY POINT COAL TERMINAL	COAL TERMINAL INCLUDING 1 DUMP STATION, COMMON STOCKPILE AREA, 1 SHIPLoadER, 1 WHARF	NAMEPLATE CAPACITY 6-8 MT+PA
AUCKLAND POINT 1, 2, 3, 4	4 WHARVES - SERVICING FUEL, BULK PRODUCTS, CONTAINERS, GRAINS, AND GENERAL BULK PRODUCTS	
BOYNE WHARF	1 WHARF – SERVICING ALUMINIUM INDUSTRY	
FISHERMAN’S LANDING	2 WHARVES – SERVICING BULK LIQUIDS, AND CEMENT PRODUCTS. ALSO PROVIDES WHARF/SHIPPING ACCESS POINT FOR THE 22,000 HECTARE GLADSTONE STATE DEVELOPMENT AREA	
GLADSTONE HARBOUR / CHANNEL	MIN. DEPTH 16.3 METRES, SHIPPING CHANNEL (OUTER CHANNELS) MIN. DEPTH 10.6 METRES, SHIPPING CHANNEL (TARGINNIE)	MAXIMUM CAPE SIZE VESSEL MAXIMUM PANAMAX SIZE VESSEL
PORT ALMA	3 WHARVES – SERVICING SALT, BEEF, AMMONIUM NITRATE AND GENERAL PRODUCTS	MAXIMUM HANDY SIZE VESSEL
GLADSTONE LAND	1,694 HECTARES FREEHOLD 163 HECTARES PERPETUAL LEASE 2,485 HECTARES RESERVE	
PORT ALMA LAND	88 HECTARES FREEHOLD 20 HECTARES PERPETUAL LEASE 18,510 HECTARES RESERVE	
GLADSTONE MAJOR BUILDINGS	THREE STOREY ADMINISTRATION BUILDING TWO STOREY ENGINEERING BUILDING	
GLADSTONE MARINA	MARINA – 416 MOORINGS TOGETHER WITH ASSOCIATED PARKS AND BUFFER ZONES	







Following this prioritisation process, reviews are undertaken to identify any work that should be moved up the ranking list due to extraordinary circumstances.

This process is fundamental to GPC ensuring that its assets remain at peak availability and reliability and is demonstrative of the commitment the GPC Board has to Asset Management and maintenance best practice.

**3.3.2 Business Development (Material expenses on projects budgeted)**

DESCRIPTION	BUDGETED COST 2008-09 \$000's	PURPOSE AND OBJECTIVE

**3.3.3 Business Development (Material expenses on projects under consideration)**

DESCRIPTION	ESTIMATED COST 2008-09 \$000's	PURPOSE AND OBJECTIVE



### **3.3.4 Assets Under Construction and Proposed Capital Expenditure (Projects expected to be approved during 2008-09)**





### 3.3.5 Other Potential Capital Expenditure Requirements

DESCRIPTION	POTENTIAL COST \$	PURPOSE AND OBJECTIVE	STATUS
•			
•			
•			
•			
•			
•			
•			



### 3.4 OTHER UNDERTAKINGS

As part of its performance agreement with its shareholding Ministers, GPC provides the following additional undertakings:

#### 3.4.1 Prudent Financial Management

The Board and the CEO of GPC take full responsibility to ensure that prudent financial practices will be applied both within the corporation.. Without limiting the obligations imposed on the Board and the CEO by the *GOC Act* and, where applicable, *The Corporation's Act*, this includes a commitment to:

- Abide with the *Code of Practice for Government Owned Corporations' Financial Arrangements* as issued by the Queensland Government; and
- Establish, maintain and implement appropriate financial risk management practices and policies required and as specified in the *Code of Practice*.

#### 3.4.2 Capital Structure

GPC will prudently manage the financing of its existing business and new business developments. As an integral part of the financing of the Corporation, the overall debt will be managed to ensure that GPC maintains a credit profile as directed by Shareholding Ministers.

#### 3.4.3 Weighted Average Cost of Capital (WACC)

GPC will review its WACC on an annual basis. As part of the SCI negotiation process, GPC's beta and optimal capital structure have been determined in consultation with shareholder representatives. Separate WACC's have been calculated for those parts of GPC's operations that face differing business risk profiles.

Other than the annual review process, in the event GPC encounters a significant change to the risk profile of its business, its WACC will be recalculated in consultation with shareholder representatives.

GPC collects revenue from its cargo handling and port management activities in addition to charges for the use of various infrastructure assets and its pricing strategy is reflected by:

Revenue is a combination of:-

- Prior long term contractual agreements
- Current contractual agreements
- General short term use of infrastructure



GPC sources its revenues from:-

- Handling Charges – for handling product, including receipt, storage, loading
- Harbour Dues and Tonnages – for use of harbour wharves and port infrastructure
- Other Shipping Services – i.e. water, mooring, brow hire etc
- Property Rentals
- Marina and Small craft, other general

The Corporation will develop distinct strategic business units that have different risk profiles and therefore different weighted average costs of capital (WACC) may apply.

### 3.4.4 Dividend Policy

GPC's dividend policy takes into account the return its shareholders expect on their investments. The Board of GPC will recommend a dividend amount equivalent to 80% of the Corporation's applicable profit for the 2008-09 financial year.





The Board will adopt such a recommendation on the basis of its shareholders agreeing to provide the necessary funding for projects which have received Board and shareholding Ministers' approval or for the maintenance of GPC's approved capital structure.



### 3.4.5 Corporate Governance

GPC will continually monitor and review its corporate governance arrangements to reflect good practice, having regard to the *Corporate Governance Guidelines for Government Owned Corporations*.

GPC has adopted all the recommendations in the *Corporate Governance Guidelines for Government Owned Corporations*.

### 3.4.6 Risk Management

#### **Risk Management Policy**

GPC is continuing to develop and refine its risk management system in accordance with the Board approved Risk Management Policy. The policy provides that GPC's philosophy towards risk is not too risk averse, but to enable risks to be identified, discussed, mitigated and monitored in a balanced manner. Any significant or new high risks will be advised to Shareholding Ministers.

GPC remains committed to establishing and integrating risk management systems and processes to support this philosophy, to ensure that they are consistent with the Queensland Government's Corporate Governance Guidelines and to do so in a way that does not create an unnecessary burden on the business.

#### **Risk Management Responsibilities**

The Board retains ultimate responsibility for risk management and for determining the appropriate level of risk that the board is willing to accept in the conduct of GPC's business activities.

The CEO and management of GPC are responsible for identifying, evaluating and managing risk in accordance with the Board approved Risk Management Policy. The CEO and executive management team are also responsible for the accuracy and validity of risk information reported to the Board, and in ensuring that there is clear communication throughout GPC of the Board and management's position on risk.

In addition, the CEO and the General Manager Commercial provide an annual statement to the Board in relation to financial reporting risk. The statement provides that the financial reports present a true and fair view, are in accordance with accounting standards and that the statement is founded on a sound system of risk management and internal compliance and control which implements Board policies. It also states that the risk management and control system is operating efficiently and effectively in all material aspects.

Formal risk assessments are performed at least once a year as part of the business planning and budgeting process.



GPC utilises a number of functions, including internal audit, to perform independent and objective monitoring over its risk areas. The scope of the work undertaken by all of these functions and the reviews by external agencies will be considered in conjunction with the GPC risk profile by the Board at least annually.

### **Risk Management Initiatives 2008-09**

A major focus for 2008/09 will be the continued migration of existing risk registers into GPC's risk management system, CURA. In addition, it is intended to continue the identification and assessment of new risks for those areas with no formal risk register. The risk based reporting from CURA will be refined as will the integration of risk management with existing business processes and systems.

A risk review section has been added to each months Board papers with the aim of reviewing in detail at least two corporate level risks per meeting.

### **Risk Profile**

The GPC approach to risk management involves the identification, management and reporting of risk at an organisation-wide, departmental, and operational level.

The organisation-wide risk profile comprises risks of a strategic nature as well as other headline risks. Strategic risks are directly associated with the challenges that GPC has identified to achieving its strategic objectives. The other headline risks represent the risks that are inherently of high importance given the nature of GPC's operations.

### **Strategic Risks**

GPC's major strategic focus for 2008-09 is on the operational, organisational and asset management capability issues associated with ensuring our coal customers retain a high degree of confidence in our ability to handle their exports in a safe, efficient and environmentally sound manner and on the strategic planning of the Port.

GPC has identified that the following major risks exist in relation to GPC's strategic challenges for the 2008-09 year:

1. The efficient operation and asset management of GPC's expanded capacity coal exporting terminals
2. Port Strategic Planning and Development
3. Financial Capabilities and Performance
4. Community Relations Issues
5. Our people – Corporate culture, succession planning and recruitment and retention of staff.



## Risk Summary

The following summaries GPC management's assessment of the key strategic risks facing the organisation as at March 2008.

The 14 Strategic risks are shown on Charts 1 and 2.

Each risk has been evaluated in terms of consequence and likelihood. A new risk matrix has been developed during 2007-08 to cover all risk assessments within all areas of GPC.

Inherent risk represents the risk without evaluating the impact of any controls that may exist. Residual risk represents the evaluation of the risk after assessing the impact of any mitigating controls that exist in relation to that risk.

GPC reviews each of these risks at least annually to identify potential controls that can be developed to reduce the consequence and likelihood of each risk. Existing controls are also reviewed to evaluate how they can be improved to mitigate the level of each risk. High level risks are only undertaken with the approval of the Board.



**Table 1 – Key to Risk Map**

Risk		INHERENT RISK MAR 08	RESIDUAL RISK MAR 08
		Red	Yellow
		Red	Red
		Red	Yellow
		Yellow	Yellow
		Red	Red

Risk		Inherent Risk Mar 08	Residual Risk Mar 08
		Red	Yellow
		Red	Green
		Yellow	Yellow
		Red	Yellow
		Red	Yellow
		Red	Yellow
		Yellow	Green
		Yellow	Yellow
		Yellow	Green



### **Chart 1 – ‘Inherent’ Key Risk Map**

### **Chart 2 – ‘Residual’ Key Risk Map**



### 3.4.7 Energy Efficiency

The Energy Efficiency Opportunities Program (EEO) is an Australian Government initiative to encourage large energy using businesses to improve their energy efficiency by requiring them to identify, evaluate and report publicly on cost effective energy saving opportunities.

The EEO is designed to lead to:

- improved identification and uptake of cost-effective energy efficiency opportunities;
- improved productivity and reduced greenhouse gas emissions; and
- greater scrutiny of energy use by large energy consumers.

The programs requirements are set out in the *Energy Efficiency Opportunities Act 2006* and associated Regulations.



The Australian Government Department of Resources, Energy and Tourism (DRET) is administering the program which includes Approvals, and Compliance and Verification Activities.

GPC has created a Project Team (internal and external members) to support the business meet its obligations. Energy efficiency must be examined for all new capital projects. The team is currently evaluating the energy usage in selected sites across GPC's business and this will continue for 2008-09. During the 2008-09 year GPC is also required to examine and implement projects that will reduce GPC's energy usage. This will be reported via biannual reports to DRET, the publication of an official annual report on GPC's website, along with a statement in GPC's annual report.

### 3.4.8 Compliance with Government Policies

GPC will comply with all relevant Government policies and guidelines as set out in **Attachment 3**. In particular, GPC and its subsidiaries will comply with the approval, notification, reporting and other requirements of those policies and guidelines.

### 3.4.9 Sponsorship, Advertising, Corporate Entertainment, Donations and Other Arrangements

GPC has budgeted the following amounts for Sponsorship, Advertising, Corporate Entertainment, Donations and Other Arrangements for 2008-09. Full details of the budgeted expenditure are provided in **Attachment 4** to the SCI.

PROMOTIONAL ACTIVITY	BUDGET 2008-09
SPONSORSHIP	\$ 125,000
ADVERTISING	\$ 80,000
CORPORATE ENTERTAINMENT	\$ 62,933
DONATIONS	\$ 15,000
OTHER RELATED ACTIVITIES (REFER ATTACHMENT 4)	\$ 168,000
<b>TOTAL</b>	<b>\$ 450,933</b>



GPC also provides in-kind assistance to various community groups. This mainly is in the form of rent free tenancies as set out below.

<b>Recipient Organisation</b>	<b>Equivalent Per Annum \$</b>
<b><i>Rent Free Tenancies:</i></b>	
Gladstone Maritime Museum	\$ 24,480
Genealogical Society Gladstone District Inc.	\$ 12,240
Gladstone Municipal Band	\$ 25,840
Gladstone RSL 'Drop In' Centre	\$ 18,620
Volunteer Marine Rescue Service Headquarters	\$ 19,855
Roseberry Youth Services	\$ 34,580
Gladstone Area Water Board Fish Hatchery – contribution to area fish stocks to mitigate community environmental concerns	\$ 11,680
Navar Boraligim – Aboriginal Women's Group	\$ 3,515
Mission to Seamen Building - Rent Free Land Use	\$ 37,650
Maritime Safety Queensland – Storage area for MSQ Equipment – Spinnaker Park	\$ 78,630
Queensland Water Police – Office & Mooring as interim incentive to establish a water police presence in Gladstone up 31/01/09 (Commercial Terms thereafter)	\$ 12,870
<b>TOTAL</b>	<b>\$ 279,960</b>

GPC will provide details of any significant changes to the listed commitments in quarterly reports to shareholding Ministers and will notify shareholding Ministers of any significant proposed sponsorship arrangements prior to the signing of a binding contract. A post audit/review will be conducted to verify outcomes against specific corporate objectives for significant sponsorship and advertising programs, with a report provided to shareholding Ministers in the June quarterly report.

#### **3.4.10 Demand Management**

To mitigate the effects of fluctuating demand GPC enters into long term contracts with major customers to guarantee minimum levels of income and volumes.

Detailed planning is undertaken prior to any negotiations to evaluate capacity for each potential wharf centre to maximise asset usage. The process includes detailed analysis and forward scheduling of maintenance to maximise plant efficiency and tonnage throughput

GPC conducts regular reviews of each wharf centre to identify those assets being under utilised. GPC actively negotiates with potential customers on a regular basis to examine ways of increasing utilisation of under utilised facilities.



### 3.5 REMUNERATION ARRANGEMENTS

The remuneration arrangements for the Directors and chief and all senior executives of GPC in line with the *Guidelines for the Development of Employment and Industrial Relations Plans* are detailed in the Employment and Industrial Relations Plan provided as Attachment 1 to the SCI.

### 3.6 INDUSTRIAL RELATIONS/HUMAN RESOURCES PHILOSOPHY AND DIRECTION AND SIGNIFICANT EMERGING ISSUES

#### E & IR Philosophy & Direction

GPC's E & IR Philosophy and direction and significant emerging issues are described in the E & IR Plan 2008-09 listed in Attachment 1

The broad strategic goals for the GPC in the area of Employment and Industrial Relations are:

- To ensure the health and safety of all people in our work environment
- To maintain a skilled, motivated and fulfilled workforce.

GPC employees are recognised as a key resource in the search for continual improvement. Through the fostering of an industrial relations climate, which focuses on consultation and participation, GPC is able to achieve its goals and objectives. Productivity improvements have been achieved with the co-operation and involvement of the workforce.

The GPC consults with the Department of Employment and Industrial Relations (DEIR), the Office of Government Owned Corporations (OGOC) and the Departments of Transport and Treasury in formulating this plan. Consultation also occurs with all unions represented on site to ensure the plan meets the requirements of all stakeholders.

The GPC will ensure that rates of pay and conditions, existing in State awards and / or certified agreements prior to the implementation of Work Choices amendments to the *Workplace Relations Act 1996*, are maintained, subject to requirements of the legislation or agreement otherwise between the GPC and relevant unions.

#### Significant and Emerging Issues

The current certified agreements are due to expire on 31 October 2008.

Prior to the advent of the Workchoices legislation the Corporation had a state certified agreement and a federally certified Agreement. These became preserved agreements under the Workchoices legislation.

The current agreement stipulates the parties will commence negotiations six months prior to the normal expiry date of the agreement.

To assist in the negotiation process training in Interest Based Negotiation was conducted for the negotiating teams from union and the Corporation.



This training included an update on the IR climate, Workchoice legislation and the options open to all stakeholders.



**4. PART FOUR: PERFORMANCE AGREEMENT**

**DIRECTORS' STATEMENT AND AGREEMENT OF SHAREHOLDING MINISTERS**

This Statement of Corporate Intent ("SCI"), for the financial year 2008-09, is presented in accordance with Section 9 and Part 8 of the GOC Act.

The SCI represents a formal performance agreement between the Board of Directors of GPC and its shareholding Ministers, the Treasurer and Minister for Transport, Trade, Employment and Industrial Relations with respect to the financial and non-financial performance targets specified for the financial year. The SCI also represents an acknowledgment and agreement on major activities, objectives, undertakings, policies, investments and borrowings of GPC for the 2008-09 financial year.

This SCI is consistent with GPC's 2008-09 to 2012-13 Corporate Plan submitted to, and agreed to by, the shareholding Ministers in accordance with *Part 7 of the GOC Act*.

In signing the document GPC has undertaken to take all reasonable steps to ensure that the document, and all reports to shareholding Ministers, are prepared with accuracy and timeliness.

Major changes to key assumptions and outcomes detailed in this SCI, and which come to GPC's attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this SCI will be detail with in accordance with the *GOC Act*.

*This SCI is signed by the Chair on behalf of all Directors in accordance with a unanimous decision of the Board of GPC.*

.....  
**MR IAN BRUSASCO, AM**  
**CHAIRMAN**  
**TREASURER**

**/ /2009**

.....  
**HON. ANDREW FRASER MP**  
**TREASURER AND.....**

**/ /2009**

.....  
**HON. RACHEL NOLAN MP**  
**MINISTER FOR TRANSPORT**

**/ /2009**



## **ATTACHMENT 1**

### **EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN**

Following is GPC's Employment and Industrial Relations Plan 2008-09.

# GLADSTONE PORTS CORPORATION



## EMPLOYMENT & INDUSTRIAL RELATIONS PLAN 2008/09

Port of Gladstone



### **Mission Statement**

*"To ensure the Ports of Gladstone and Port Alma are managed and operated on a commercial basis for the economic, commercial and social benefit and growth of the Central Queensland Community, Port Users and customers and the State of Queensland."*

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## SHAREHOLDER INFORMATION

### 1. E & IR Philosophy & Direction

The Gladstone Ports Corporation (GPC) plays a vital role in the export industry of Queensland. As an operator, the GPC handles 70% of the port tonnages. To achieve continued excellence in these operations the Corporation is committed to empowering its workforce. The GPC has a strong commitment to a consultative approach to employment and industrial relations. The use of such a consultative approach has meant a cooperative relationship exists between the Corporation and the workforce.

The Corporation is committed to implementing the Queensland Government's Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees.

The broad strategic goals for the GPC in the area of Employment and Industrial Relations are:

- To ensure the health and safety of all people in our work environment
- To maintain a skilled, motivated and fulfilled workforce.

GPC employees are recognised as a key resource in the search for continual improvement. Through the fostering of an industrial relations climate, which focuses on consultation and participation, GPC is able to achieve its goals and objectives. Productivity improvements have been achieved with the co-operation and involvement of the workforce. These include introducing new fit for work measures and, a restructure of the maintenance classification system to meet the future demands of the business and a reduction in the Christmas shutdown period.

The GPC consults with the Department of Employment and Industrial Relations (DEIR), the Office of Government Owned Corporations (OGOC) and the Department of Transport and the Department of the Premier and Cabinet in formulating this plan. Consultation also occurs with all unions represented on site to ensure the plan meets the requirements of all stakeholders.

Where there are differences between those conditions contained in the Minimum Standard Provisions Schedule and those conditions contained in GPC's industrial instruments or policies as at march 2006, the 26 March 2006 provisions from GPC's industrial instruments will prevail.

GPC currently has two certified agreements in place. The State Agreement CA/2005/668; the parties to this agreement are:

- The Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland
- The Australian Workers' Union of Employees, Queensland
- Automotive, Metals, Engineering, Printing and Kindred Industries Industrial Union of Employees, Queensland
- Federated Engine Drivers' and Firemens' Association of Australasia Queensland Branch, Union of Employees
- The Electrical Trades Union of Employees Queensland
- The Plumbers and Gasfitters Employees Union of Australia, Queensland Branch, Union of Employees

This agreement's nominal expiry date is 31 October 2008. There are three awards which underpin this agreement, these are:

- The Port Authorities Award State 2003
- The Engineering Award State 2002, and
- The Building Trades Public Sector Award State 2002

This agreement is a Preserved Agreement (NASPA) under Work Choices. In the Federal area an agreement exists, AG 2006/2845, with the Australian, Municipal, Administrative, Clerical and Services Union. This is underpinned by the Regional Port Authorities Award 1999. Again this is a preserved agreement under Work Choices. The nominal expiry date is 31 October 2008.

### **Significant and Emerging Issues**

The current certified agreements are due to expire on 31 October 2008.

Prior to the advent of the Workchoices legislation the Corporation had a state certified agreement and a federally certified Agreement. These became preserved agreements under the Workchoices legislation.

The current agreements stipulate the parties will commence negotiations six months prior to the nominal expiry date of the two agreements.

To assist in the negotiation process training in Interest Based Negotiation was conducted for the negotiating teams from unions and the Corporation.

This training included an update on the IR climate, Workchoice legislation and the options open to all stakeholders.

The Corporation will continue to update the Department of Employment and Industrial Relations on the progress of the negotiations. As in past negotiations the services of a Queensland Industrial Commissioner may be utilised as a mediator during negotiations.

### **Safety and the Environment**

- Recognition of the standard set by the Corporation in these areas is evident in the achievement of a four star rating by the National Safety Council of Australia's safety systems audit and the attainment of ISO 14001:2004 certification for the Environmental Management Systems.
- The Corporation's goal is zero harm to both our employees and the environment and continued development of both systems will be undertaken to demonstrate both to the workforce and the wider community the high standards GPC aspires to in these areas.
- Safety is a key priority for the Corporation. Work Group Safety committees report to the site wide Safety Group which involves management and employee representatives. Attachment (1) provides an overview of the safety management system at GPC.

### **Continuous Improvement Progress**

The Operations section has began the process of developing a three year continuous improvement program. This program will implement key productivity improvements as well as focusing on maximising the efficiency and reliability of the plant. The efficient operation of the equipment installed as part of the recently completed RGTCT expansion will be a key part of the program.

### **Human Resource Strategy Implementation**

The issues of attraction and retention of skilled staff, workforce planning and talent management are three (3) cornerstones of the HR Strategy. During 2008 / 2009 a key challenge will be to implement progress in these areas designed to ensure the Corporation meets its goal of maintaining a skilled and motivated workforce.

The continued use of trainees and apprentices as both a future labour supply and as a community benefit program will remain a priority. Trainees and apprentices will be engaged throughout the Corporation including the areas of operations, maintenance, engineering, landscaping and administration.

The Corporation has conducted remuneration surveys in the local and national market to ensure pay and conditions remain competitive. A range of employee benefits have been utilised to attract and retain employees.

The Corporation is also utilising vacation student placement and work experience placements to expose potential recruits to the Corporation.

The Corporation has maintained 7-10% of its workforce as trainees and apprentices over many years to demonstrate its commitment to the youth of the area.

Traineeships for EEO target groups will remain a key part of the training program.

A leadership and development program is also being implemented in 2008/09 to offer further training and development for future leaders in the organisation.

## Wiggins Island Coal Terminal

As part of the feasibility study commencing on the Wiggins Island Coal Terminal in 2008, a series of plans are being developed.

Plans are targeted at both construction and operational phases. These phases will include:

- Industrial relations,
- Employment Strategies.
- Training and Development.

The focus of these plans will be to ensure the Employment & Industrial Relations Plans currently in operation at the Corporation are reflected at the new site, during both construction and operational phases.

## 2. Directors / Senior Executive Remuneration

### Non-Executive Directors

Non-Executive Directors	Director's Fees	Committee Fees	Superannuation	Other	Total
I. Brusasco - Chairman	15,940.40	4,216.60	573.85		20,730.85
P. Coronas	18,511.00	3,496.42	1,980.67		23,988.09
C. Ware	18,511.00	6,787.00	2,276.82		27,574.82
R. Scott	18,511.00	3,393.50	1,971.41		23,875.91
S. Campbell	18,511.00	7,713.28	2,360.19		28,584.47
T. Crawford	18,511.00	3,393.50	1,971.41		23,875.91
A. Staines	18,511.00	7,919.12	2,378.71		28,808.83
R. O'Grady	18,511.00	2,468.00	1,888.11		22,867.11

### CEO and Senior Executives (as at 1 February 2008)

CEO / Senior Executives	Total Fixed Remuneration	Motor Vehicle	Super	Other Benefits	Total Remun.	Performance Payment
Chief Executive Officer <i>L. Zussino</i>	247 716.29	17 700	31 583.81	3 000	300 000.10	33 341.22*
Commercial General Manager <i>M. Galt</i>	162 000.00	14 700	20 655.00	2 200	199 555.00	23 946.60*
Engineering & Environment General Manager <i>I. Drury</i>	160 759.20	14 200	20 496.80	1 650	197 106.00	23 652.72*
Expansion General Manager <i>M. Greenaway</i>	157 135.16	14 200	20 034.73	1 650	193 019.89	23 162.39*
A/ Port Operations General Manager <i>C. Walker</i>	171 190.60	12 600	21 826.80	1000	206 617.40	22 540.00*
Corporate Relations General Manager <i>P. O'Sullivan</i>	125 781.69	14 200	16 037.16	1 650	157 668.85	18 920.26*
Port Development General Manager <i>I. Bailey</i>	123 894.46	14 200	15 796.54	1 650	155 541.00	-

Only these positions have Total Fixed Remuneration over SES2 Level 1.

Senior Executives will also participate in a comprehensive medical assessment program on an annual basis.

**Performance Payment System**

The Gladstone Ports Corporation has in place a Performance Payment System for Senior Executives. The system combines the organisation’s performance through the organisational scorecard (30%) with individual performance through the achievement of goals (40%) and a personal performance rating (30%). The CEO’s rating consists only of the scorecard (60%) and the achievement of organisation goals (40%).

A review will then be undertaken after six (6) months with a final evaluation after 12 months. The relevant performance payment for each senior executive will then be forwarded to the next Board meeting for consideration. The Board will consider this information in determining the final level of bonus. Shareholding Ministers, in conjunction with the Premier will be informed of the outcomes.

**Figure 1**

<i>Result</i>	<i>Net Profit</i>	<i>Productivity</i>	<i>Safety</i>	<i>Maintain Reliability</i>	<i>Customer &amp; Community Satisfaction</i>	<i>Major Projects</i>

## EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN

### 3. Employment Conditions

Aside from senior executives, salaried officers and administration employees were covered by a federally registered Certified Agreement. Additionally, all operational employees, were covered by a state registered Certified Agreement. These agreements are now Preserved Agreements under the Workchoices legislation. The GPC is committed to:

- Implementing the Queensland Government's Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) employees (Appendix 3);
- Complying with Government Policy on Agreement Making in GOC's;
- Ensuring the principles of merit and equity are upheld in its processes associated with recruitment, selection and promotion of staff.

The State Industrial Agreement is CA/2005/668 and the parties to this agreement are:

- The Construction, Forestry, Mining & Energy, Industrial Union of Employees, Queensland
- The Australian Workers' Union of Employees, Queensland
- Automotive, Metals, Engineering, Printing and Kindred Industries Industrial Union of Employees, Queensland
- Federated Engine Drivers' and Firemens' Association of Australasia Queensland Branch, Union of Employees
- The Electrical Trades Union of Employees Queensland
- The Plumbers and Gasfitters Employees Union of Australia, Queensland Branch, Union of Employees

This agreement's nominal expiry date is 31 October 2008. There are three awards which underpin this agreement, these are:

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- The Engineering Award State 2002, and
- The Building Trades Public Sector Award State 2002

This agreement is a Preserved Agreement (NASPA) under Work Choices.

In the Federal area a agreement exists AG 2006/2845 with the Australian, Municipal, Administrative, Clerical and Services Union. This is underpinned by the Regional Port Authorities Award 1999. Again this is a preserved agreement under Work Choices. The nominal expiry date is 31 October 2008.

Where there are differences between the conditions contained in the Schedule (Appendix 3) and those contained in the Authorities industrial instruments or policies as at 26 March 2006, the 26 March 2006 provisions from the Authorities industrial instruments or policies will prevail.

### Significant Conditions of Employment

The conditions of employment are defined within the previously State Registered Certified Agreement of 2005; the previously Federally Registered Certified Agreement AG2006/2845, which both expire on 31 October 2008.

All employees' rosters are based on a 35-hour week. Rosters which often incorporate some fixed overtime generally cover 7 – 9 hr workdays (5 days / week); 10 hr days (4 days / week) or 12 hr days (average 3.5 days / week). Shift rosters are currently 8hr or 12hr shift duration. All rosters have been developed using a consultative approach with the workforce. Changes to rosters are voted on by the affected work section.

The two registered agreements and the memorandum of agreements attached to both agreements do provide conditions of employment that in some way differ from the standard awards or government standards. These include:

- In 2002/03 the previous Coal Loading Incentive which amounted to \$8040 per employee was included in superannuable salary. Employees funded the additional superannuation costs. This payment now forms part of wages / salary and will increase as per EB increases;
- Payout of sick leave scheme. This scheme allows up to 32 weeks sick leave to be paid out on retirement / termination. This scheme was originally commenced in the early eighties as part of an initiative to reduce sick leave. It has become an entrenched provision over this time;
- 35 hr week;
- Payment for public holidays by production / shift employees. Employees receive above award payments and an additional day in lieu for each shift worked;
- Call out allowance: Employees on call receive a call out allowance and an additional four (4) days per year annual leave;
- Payment for additional shifts worked on weekends by production shift employees. Employees receive penalty rates and a day is added to their RDO entitlement for each shift worked. This was introduced in the eighties when increased Port throughput saw the need to attract employees on Monday to Friday rosters to undertake weekend work. This practice has remained in place since that time;
- Provision of a medical top-up scheme (maximum \$2500). Employees in approved private health schemes can claim the gap between the health scheme refund and the actual cost;
- Study assistance scheme. Reimbursement of costs for employees successfully passing approved courses;
- Payment of a holiday bonus. Previously \$101 was paid to employees receiving leave loading on taking the first week of annual leave. This has now been rolled into annual salary and is paid as part of the normal weeks pay;
- Bereavement leave. The amount of leave is at the discretion of the employer – no maximum;

#### **4. Enterprise Bargaining**

The nominal expiry date of both current agreements is 31<sup>st</sup> October 2008. The Corporation has commenced planning / negotiation strategies for the new agreements. The preferred strategy is to have an extension of the existing agreements for 12 months to allow for the next agreement to be made under the post work choices legislation. This will allow an informed decision to be made on the option of moving to a single agreement or continuing to negotiate two separate agreements. The strategy of using a deed will mean both agreements will continue to operate for a further 12 months.

The Corporation will ensure the approved Enterprise Bargaining framework document guides the negotiation process for the extension process. The unions claims are being ascertained prior to the completion of the framework.

The Corporation will also ensure that the 'Minimum Employment, Industrial Relations and Job Security Principles for GOC Employees' is adhered to in both the negotiation process and in the structuring of a certified agreement.



## Agreement Coverage

	PERMANENT	TEMP / CASUALS
<b>STATE REGISTERED AGREEMENT</b>	<b>365</b>	<b>44</b>
<b>FEDERALLY REGISTERED AGREEMENT</b>	<b>94</b>	<b>38</b>
<b>SALARIED OFFICERS / SENIOR EXECUTIVES</b>	<b>61</b>	<b>0</b>

The current workplace profile meets organisational and corporate goals and is capable of satisfying immediate commercial needs. Existing work structures continue to be reviewed and modified to meet the changing needs of the business. New rostering and workplace efficiencies as introduced will provide more flexible working arrangements to meet the needs of our clients, the GPC and individuals.

The GPC's major expansion works which increased throughput by 25Mt saw the permanent workforce numbers increase.

The CEO/senior executive team now consists of 6 positions while a further 55 positions are salaried officers. A senior executive and a salaried officer's policy cover these individuals.

## 7. Use of Apprentices / Trainees

Year	1 <sup>ST</sup>	2 <sup>ND</sup>	3 <sup>RD</sup>	4 <sup>TH</sup>	
Apprentices	10	9	6	7	
Trainees	8 (incl. 2 school based trainees)				<b>Total – 40 (as at 14.03.08)</b>

The GPC retains a strong commitment to training for local youth. The table in Section 6 details the number of trainees and apprentices employed in-house and those employed by a group training scheme. A number of the trainees are from the Equal Employment Opportunity target groups as part of the State Government's 'First Start Program' under the 'Skilling Queenslanders for Work' initiative. The apprentices are all employed directly by the Corporation. The introduction of four production traineeships in 2006 continues the Corporation's commitment to training the youth of Queensland. The introduction of three traineeships for Aboriginal and Torres Strait Islanders with support provided by a mentor has enhanced GPC's traineeship program.

## 8. Equal Employment Opportunity & Anti-Discrimination

An EEO database collates information regarding the demographics of the Corporation's workforce. This information is used to develop the Corporation's EEO Management Plan for target group employment and equity matters. The plan was last officially submitted to the Office of The Public Services Commission in March 2008 and remains in effect until 2010. Attachment 4 details the Corporation's EEO objectives and targets for the next two year period.

This directional plan protects the interests of target group members and actively addresses the issues of discrimination, merit, equity and impartiality in all employment matters. Commitment to the principles of EEO is housed within our current Enterprise Agreement.

EEO and Anti-Discrimination policies are included in induction training, staff training and are displayed across all GPC sites.

## 9. Interstate Acquisitions and Operations

The Corporation does not have any interstate acquisitions and operations.

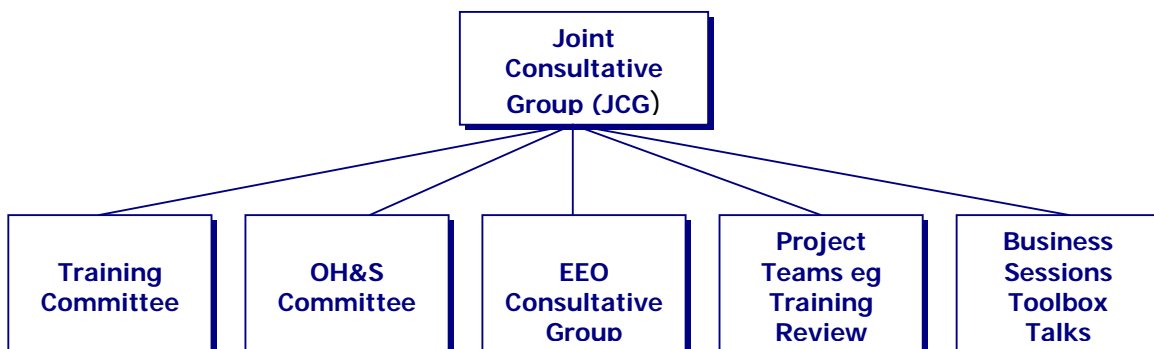
## 10. Joint Venture Projects

The Corporation does not have any joint venture projects.

## 11. Management of the Relationship between GOC and Unions

The following consultative mechanisms exist:

1. Joint Consultative Group;
2. Occupational Health and Safety Committee;
3. EEO Consultative Group;
4. Training Committees;
5. Project teams, as required and for specific purposes eg training review group;
6. Regular briefings – CEO business sessions and toolbox talks.



These groups have representatives from each work area in order to:

- Provide feedback to people;
- Be a source of ideas, implementation and feedback from people;
- Monitor and evaluate processes;
- Provide input to the management process;
- Perform in a decision-making capacity when required.

The groups handle issues that arise as a result of workplace change. These changes can arise from day to day matters or as a result of strategic direction. The low level of industrial unrest positively indicates the effectiveness of the consultative process for problem solving. The GPC ensures that unions are involved in both consultation on change and in the resolution of disputes. The GPC disputes procedure involves unions as the employees' representative in all stages of the process.

The GPC consults extensively with its workforce, through a hierarchy of shared decision-making mechanisms (refer above structure). Items pertaining to the implementation of the E & IR Plan are discussed at the peak joint consultative body [Joint Consultative Group] throughout the course of the year. The Joint Consultative Group [JCG] is the “apex” of the consultative process. This group will continue to play a major role in workplace consultation and change and in successfully implementing the contents of the Corporation’s Certified Agreement.

## **12. Redundancy Provisions**

A redundancy agreement exists between the GPC and relevant Unions and includes the following key provisions:

1. Upon redundancy, the Corporation shall pay an employee a redundancy payment, which will include a severance payment of 8 weeks pay at the normal rate of pay in lieu of notice, plus 3 weeks pay at the normal rate of pay, for each year of service, up to a maximum of 52 weeks.

Any redundancy payment shall be paid at the normal rate of pay of the redundant position.

For each year of service, over 12 months, an employee shall be entitled to a pro-rata payment for any incomplete year of service.

Upon redundancy any eligible superannuation benefit is payable in accordance with QSuper policies and regulations.

When an employee is notified their position has been deemed redundant, they shall receive an estimate of the total redundancy payment, at the time of notification. The statement will show the payment calculation, including leave provisions, redundancy provisions and deductions such as tax.

This agreement forms part of current Certified Agreements and expires 31 October 2008.

## **13. Superannuation**

All GPC permanent employees are required to be members of the QSuper fund. Employees may choose to be part of the accumulation or defined benefit arrangements. Employee contributions are 5% and employer contribution rates are currently 12.75% as defined by QSuper. Any surplus that may arise in the defined benefit fund would be dealt with in line with the policy and decisions of QSuper.

## **14. Employment Security**

The GPC is committed to ensuring operations are run on a commercial basis. The job security of employees is a key consideration in the operations of the port. The GPC is committed to no forced redundancies unless formally approved by the Shareholding Ministers.

## 15. Contracting Out

In ensuring a commitment to meeting the commercial requirements of Shareholding Ministers the Corporation must optimise the delivery of goods and services. The Corporation must consider how to ensure the safe and efficient provision of these goods and services. In determining the use of contractors the available expertise and the operational efficiency of the port must be considered. The use of contractors will be undertaken in an orderly and responsible manner to ensure GPC's commitment to job security and employee consultation is maintained. Current processes involve the consultation with affected work groups as to available options including use of internal labour and/or temporary labour. Contractors are utilised only after consideration of these options and feedback from the affected work group.

The Corporation is also committed to orderly and sustainable best practices in relation to the use of labour hire arrangements and the employment of skilled overseas staff to cover labour shortages through employer sponsored Temporary Long Stay Subclass 457 Visas. In relation to the latter, measures being taken to ensure that the relevant skills will be developed and available locally in the longer term as part of the workforce planning.

## 16. Consultation

GPC is currently undertaking consultation on this plan with the Department of Transport, the Office of Government Owned Corporations, the Department of the Premier and Cabinet and the Department of Employment and Industrial Relations and relevant unions. Employees are consulted progressively on initiatives via existing consultative structures. OGOC will forward a final draft plan to the Office of the Public Service Commissioner.

The Corporation will provide a brief report on performance against the Plan to DEIR and a copy to OGOC by end November 2008, highlighting any significant divergences from the Plan and the background/context for these variances.

## *Attachments to E&IR Plan*

### **Attachment 1 to E&IR Plan – Workplace Health and Safety Data**

The Safety Management System details policies and procedures that support the Occupational Health & Safety [OH&S] Plan and is provided to new employees during the safety induction process. The induction ensures all new employees are familiar with safety requirements and standards at the Corporation.

Another element of the OH&S Plan is the conducting of bi-annual external safety audits by the National Safety Council of Australia [NSCA]. These comprehensive audits highlight areas of concern and provide recommendations to implement relevant controls and manage them effectively.

Internal safety audits and workplace inspections are used as a pro-active means of assisting to determine if there has been a deviation from Gladstone Ports Corporation [GPC] workplace standards and to develop suitable corrective actions in response.

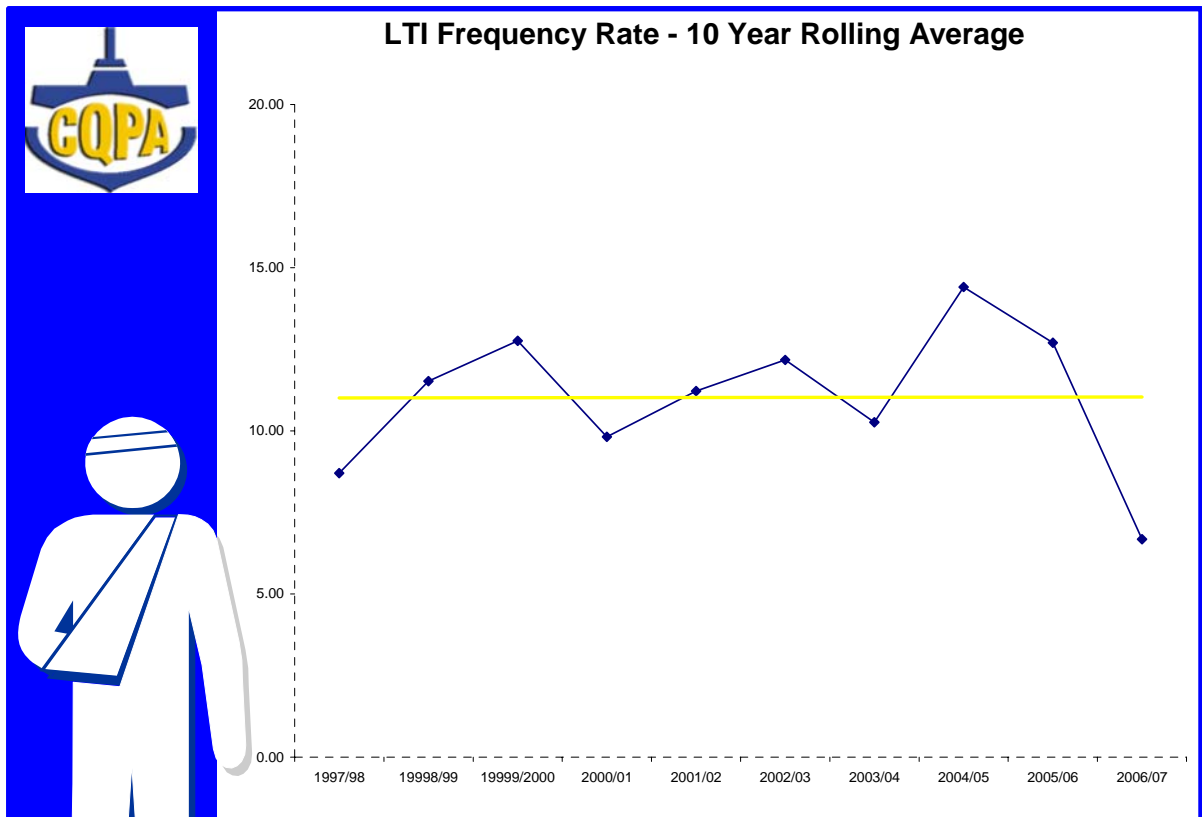
Additionally the Site Safe System is an incident/accident/hazard monitoring system that operates in the workplace. This system involves reporting of all incidents, accidents, hazards, or investigation by the Workplace Health and Safety Officer (if required), root cause analysis and corrective action's taken. The Safety Officer reports to Management, JCG, OH&S Committee and the Board on this system.

The GPC has shown commitment towards a wide variety of safety training including risk management, confined space management, isolation process, electrification awareness, working at heights and behavioural safety. This training is undertaken by all relevant GPC employees.

This training is to assist the Corporation in achieving a safe work environment and will contribute to the Corporation working towards a goal of “zero lost time” injuries in the workplace. Initiatives in the area of safety awareness, education and enforcement, and auditing have been directed at moving towards the goal during 2007 / 2008.

### **Current Statistics**

	2000/01	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07
Minor Injuries	61	76	81	83	88	81	50
Medical Treatment Injuries	2	12	8	13	14	18	30
Lost Time Injuries	7	11	8	10	17	7	7
Lost Time Injury Frequency Rate (LTIFR)	7.54	12.30	9.78	10.75	18.07	7.32	6.04
Total Injuries	70	98	97	106	119	106	87
Total Days Lost	116	159	136	52	160	63	58



The improving trend in the LTIFR has been a consequence of the emphasis placed on safety by the Corporation and the Board. The 12 month plan to continue the momentum of a downward trend in LTI Frequency Rate includes improved safety initiatives within the workplace as follows:

- Review and implementation of the GPC Induction training packages for Permanent Employees, Contractors and development of Individual Site Area Inductions;
- Continuation of training and coaching of Management and Supervision in Incident / Accident Investigations and Root Cause Analysis;
- Continuation of training and coaching in the Site Safe System to ensure qualitative information is documented within the system;
- Development of Job Safety Analysis [JSA], Safe Work Procedures [SWP], Work Method Statements [WMS] and Procedures and the implementation into the workplace with availability through the Intranet;
- Continuation of the Risk Management Training and specific Risk Management Training for Management and Supervision;
- Implementation of STOP for Supervisors with ongoing training and mentoring;
- Development and implementation of the Fit For Work policies and procedures;
- Management and Supervision participating in the weekly workplace audits;

- Upgrading the Contractor Safety Management system for engaging short / long term contractors and capital project contractors and the prequalification process is in progress;
- Implementation of the confined space management system of which includes, the register, risk assessments, training of relevant employees and other persons and the management of the atmospheric testing equipment;
- GPC operational sites are now high visibility sites and a Matrix has been developed to specify the requirements for all areas and roles;
- Coaching and mentoring the Involvement of Management and Supervision in the Rehabilitation Process is critical to ensure that personnel are re-introduced to the workplace appropriately and managed accordingly.

A Workplace Rehabilitation Program has been utilised by a number of employees during the year. These people were exposed to different working environments other than their usual occupation to match their reduced short-term capacities. The Occupational Health and Safety Officer who has completed a Workplace Rehabilitation Course monitors this program. This has provided the Officer with the necessary qualifications and knowledge to carry out the duties as outlined in the program. The GPC policy was reviewed by Occupational Therapists to ensure it meets all legislative requirements.

Health testing has provided employees with the opportunity to have a full medical examination and relevant tests conducted. The results of these consultations are confidential between the employee and the doctor and are not provided to the Corporation.

The partially subsidised gymnasium program is offered to employees to attend a fitness centre of their choice to improve their fitness for work.

The future of safety is to establish and maintain a management system for continuous improvement of practices, hazards and to measure and retain safety performances as lying within the boundaries of the *Workplace Health and Safety Act and Regulations*.

The major Workplace Health & Safety initiative for 2007 / 2008 was the development, implementation and continual improvement of the Safety Management System. GPC was audited by NSCA in January 2007, attaining a 4 Star Grading. The executive summary including ongoing improvements required is contained in Attachment 6.

In 2009 key initiatives will be:

- Finalisation of a Full Fit for Work process including alcohol and drug testing and fatigue management.
- Developing a contractor extranet to provide access to current safety policies.
- Implement a new hazardous substances register.

Through commitment and dedication it is envisaged to develop a strong safety culture with proactive safety behaviours at all levels of the GPC. Behaviours are influenced by attitudes and can and do change as a result of environmental conditions. If attitudes change, it is likely that behaviour will also change accordingly and this will impact upon safety performance.

***Attachment 2 to E&IR Plan – Executive Summary of NSCA 5 Star Audit Report***



***Attachment 3 to E&IR Plan – Minimum Standard***



**Minimum Employment, Industrial Relations and  
Job Security Principles for  
Government Owned Corporation (GOC) Employees**

**December 2007**

## Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees

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### Context

The Queensland Government through shareholding Ministers holds the principal financial interest in Government Owned Corporations (GOCs). Consequently Government is an important stakeholder in GOCs, which now operate in the national marketplace. Government also has a leadership role setting minimum employment standards and providing an example of a model employer.

### Rationale

The introduction of Work Choices legislation has created some uncertainty regarding minimum employment standards, industrial relations practices and job security, especially in the government owned corporation sector, which is subject to the Work Choices legislation. This Government is opposed to the erosion of employment conditions by the Work Choices legislation introduced in 2006.

### Objective

The principles set out below, which have been endorsed by Government, are intended to confirm the Government's position on minimum employment conditions and industrial relations practices and ensure that pre-Work Choices conditions are not eroded.

As a general principle, GOCs should maintain arrangements and policies existing prior to Work Choices, including in any GOCs subsidiaries within Queensland unless otherwise agreed with unions. GOCs should also work cooperatively with unions to resolve issues using services available at the State level where possible.

### Application

GOC shareholding Ministers request that GOCs put in place available safeguards to maintain standard employment conditions, industrial relations practices and job security through the provisions of GOC Employment and Industrial Relations Plans (E&IR Plans). E&IR Plans form part of the annual Statements of Corporate Intent which are considered and approved by the shareholding Ministers by 30 June each year in line with the *Government Owned Corporations Act 1993* provisions.

Legal advice from Crown law supported this approach, except where the relevant GOC is subject to the National Code of Practice for the Construction Industry e.g. Qld Rail as a result of undertaking work on federally funded rail infrastructure projects.

### Principles

#### 1. Union Encouragement

At the point of engagement, employees are to be provided with a document indicating that the corporation encourages employees to join and maintain financial membership of an organisation of employees that has the right to represent their industrial interests.

Union delegates and job representatives have a role to play within a workplace. The existence of accredited union delegates and/or job representatives is to be encouraged.

Accredited union delegates and/or job representatives shall not be unnecessarily hindered in the reasonable and responsible performance of their duties.

## Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees

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### 2. No Disadvantage

Rates of pay and conditions of employment included in a Notional Preserved State Award and/or a Preserved State Collective Agreement, when taken as a whole, are not to be reduced in the future except as required by relevant federal legislation or as agreed between the relevant industrial parties.

### 3. Enterprise Agreements

The following conditions of employment and practices shall continue –

- a) collective agreements with unions shall be the preferred means of industrial regulation of rates of pay and conditions of employment;
- b) new individual common law contracts shall not be written within the relevant enterprise agreement envelope (individual contracts should only be executed where total fixed remuneration equates to or exceeds the equivalent of the Queensland Public Service AO-8 level (from 1/7/2007 \$91424.68 per annum) plus 12.75% plus the equivalent of annual leave loading plus any overtime component) or the top rate in the respective GOC enterprise agreement plus the applicable superannuation and annual leave components, where the aggregate of these is lower –
  - i) An amount lower than outlined in b) above may be negotiated within an enterprise agreement as agreed between the relevant parties; and
  - ii) Developing and utilising alternative employment arrangements under enterprise agreements, which provide hours and overtime flexibility linked to a rolled-up rate of pay, is preferred to the use of individual contracts within the relevant enterprise agreement envelope/s.

### 4. Payroll Deductions of Union Fees

Requests from employees for payroll deduction of union fees are to be accommodated where the service was made available immediately prior to 27 March, 2006. It is noted that Government agencies provide this facility without charge to relevant unions.

### 5. Use of Contractors

GOCs will be advised of Best Practice Guidelines for the Use of Contractors by GOCs and for the Use of Overseas Staff under Temporary Visa Arrangements Sponsored by the Employer, to Cover Skill Shortages.

The following general principles will also be included in the Best Practice Guidelines.

- (a) Contractors and/or labour on-hire arrangements are to be utilised in an orderly and responsible manner, such that there is not a detrimental effect on the State's or public interest e.g. causing disruption to services to the public or causing damage to the economy or standing of the State.
- (b) It is recognised that circumstances arise where the use of Contractors is either desirable or essential. These circumstances are seen to be within the following guidelines:–
  - (i) The work volume, type of work or specialisation required is beyond the capacity of resources or staff;
  - (ii) It is in the public interest to undertake such work. Public Interest includes issues of cost effectiveness; or

## Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees

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- (iii) The security and tenure of employment of additional staff required to meet work peaks cannot be guaranteed.
- (c) The use of contractors is not to be used to avoid training existing staff or employing new staff to cater for emerging areas of work. "Emerging areas of work" does not include one-off works or temporary work peaks.
- (d) In addition, contractors and/or their employees are not to be appointed to any position as permanent employees unless normal advertising and selection processes have been followed.

### 6. Unfair Dismissal

Responsible and defensible policies and procedures regarding the management of performance, conduct and capacity of staff should be in place and adhered to. That is, except where situations arise warranting summary dismissal under common law, –

- a) if an employee's conduct, capacity or performance is deficient —
  - (i) ensure the employee is formally warned about the conduct, capacity or performance and is given a chance to rectify any deficiency; and
  - (ii) ensure the employee is given an opportunity to respond formally to any allegation about their conduct, capacity or performance; and
  - (iii) ensure employees have a right to be represented through all parts of the process; and
- b) if dismissal is subsequently contemplated –
  - (i) provide the employee with a clear reason for dismissal detailing the process gone through to seek improvement as referred to above; and
  - (ii) ensure clarity as to whether the dismissal is related to the employee's conduct, capacity or performance.

### 7. Right of Entry of Union Officers to the Workplace

An officer of a union party to a GOC award or enterprise agreement shall be provided with access to relevant workplaces during business hours to inspect and request information and/or discuss with the employer and members or potential members, a suspected breach of applicable employment legislation, a relevant award or enterprise agreement or a workplace or industrial matter. The above is subject to seeking access from a responsible manager or other person in charge. Permission shall not be unreasonably withheld, but access and the activities undertaken thereafter shall not interrupt the normal continuity of work.

**It is noted that by law, entry to certain operations subject to national/State security initiatives can only occur under escort unless the necessary authorities are held. Union officials should make contact with GOCs beforehand to ensure necessary compliance before entering workplaces where this might be the case e.g. ports, airports and like essential infrastructure installations.**

## Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees

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### 8. Industrial Relations Education Leave

Unless an award/enterprise agreement and/or custom and practice immediately prior to 27 March 2006 provides otherwise, paid time off not exceeding five days per union in any one year non-cumulative, is to be made available to a duly elected or appointed union representative or delegate, upon written application by the union at least 6 weeks in advance (or such lesser period as was provided for in an award/enterprise agreement or custom or practice immediately prior to 27 March 2006 or as is mutually agreed by the union and the GOC), to attend courses or seminars conducted by the union or specific training courses approved and accredited by the union. The GOC shall give consideration to the special requirements of any regionally based workplaces in applying the limits on paid time off referred to above, provided that the granting of such leave does not unreasonably interfere with the GOC's operations. The scope, content and level of such courses or seminars shall be such as to contribute to a better understanding of industrial relations within the GOC's operations.

### 9. Consultative Arrangements

GOCs shall endeavour to deal with industrial relations matters cooperatively through consultative arrangements with employees and union delegates at the workplace level and through employees and/or delegates and union representatives or officials at the organisation level. Paid involvement of delegates and relevant employees shall be considered in relation to such consultative arrangements, as well as in circumstances where their involvement facilitates the resolution of industrial relations issues or assists the employer in developing and implementing new initiatives, provided they are not involved in industrial action. Where paid union meetings have been available as a result of an award/enterprise agreement or custom and practice existing immediately prior to 27 March 2006, such arrangements shall be continued.

### 10. Job Security

In any situation of redundancy, options for redeployment and retraining of staff shall be exhausted before the offer of voluntary redundancy arrangements is considered. There shall be no forced redundancies without the explicit and written sanction of relevant shareholding Ministers in the case of redundancies at GOCs.

### 11. Assistance with the Resolution of Disputes

The *Industrial Relations Act 1999* (IR Act) was amended in 2007 to provide for parties to have access to the Queensland Industrial Relations Commission (QIRC) by agreement, to conciliate and/or arbitrate matters in dispute and to provide greater flexibilities in the structure of the QIRC to respond to changing workloads as a result of the introduction of Work Choices. This includes parties to Preserved State Collective Agreements or Notional Agreements Preserving State Awards. GOCs are encouraged to utilise these avenues as a means of resolving issues at the State level. Wherever possible, GOCs should genuinely attempt to resolve issues through the provisions of the IR Act.

If a matter cannot be resolved as a result of utilising the QIRC functions, such processes will satisfy the requirements of the *Workplace Relations Act 1996* regarding alternative dispute resolution, should matters subsequently be referred to the Australian Industrial Relations Commission by way of dispute.

GOCs are advised to develop a Dispute Resolving Policy that provides a consistent and clear approach for the parties to deal with disputes early on. The Disputes Resolving Policy may list the nominated person(s) agreed with the union(s) to assist the parties in resolving disputes and a range of functions and conditions agreed between the parties to determine on a case by case basis the best way to deal with particular disputes.

**This is not a process to deal with industrial action.**

See attachments: Guidelines for Establishing a Disputes Resolving Policy for use in seeking the assistance of the Queensland Industrial Relations Commission under section 273A of the IR Act.

## Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees

### ATTACHMENT

#### GUIDELINES: Establishing a Dispute Resolving Policy

The GOC and Union/s shall have regard to the following principles in establishing a disputes resolving policy.

##### Step 1 Resolution at the Workplace Level

*Involves genuine attempt to resolve the issue using consultative arrangements with employees and union delegates and if necessary, with union officers.*

*If there is no resolution at the work place level, proceed to next level (Step 2):*

##### Step 2 Alternative Dispute Resolution Process [including QIRC assistance]

**Who** *The disputes policy shall list the nominated person (s) agreed between the parties to assist in resolving disputes.*

*Person/s may include a Queensland Industrial Relations Commission (QIRC) member/s in relation to utilising section 273A under the Industrial Relations Act 1999 or, alternatively establish a panel of agreed persons (eg industry expert, AIRC/QIRC representative and union representative)*

**How** *The parties may determine the appropriate approach to each dispute on a case-by-case basis and must agree in writing how the dispute is to be resolved. If the parties agree to seek the QIRC's assistance, the parties must submit a **referral agreement** to the QIRC as to how the dispute is to be resolved by the QIRC (refer to section 273A (1)(b) under the Industrial Relations Act 1999).*

##### **What General Provisions**

*Provisions covered in the disputes resolving policy must be agreed between the parties in advance of handling any particular dispute. Such provisions can include:*

- (i) Commitment from parties to follow agreed process.
- (ii) Determine appropriate timeframes to deal the dispute.
- (iii) The allocation of any costs associated with a dispute process will be as agreed between the parties on a case-by-case basis or if no agreement can be reached, each party shall meet its own costs.
- (iv) Work as directed unless the employee has a reasonable concern about an imminent risk to their health or safety.
- (v) At any time industrial action is threatened or taken during the process, either party may directly proceed to AIRC for assistance.

*Any time industrial action is threatened or taken, the GOC must inform Department of Employment and Industrial Relations as soon as possible.*

##### **Functions of QIRC**

The following provisions are consistent with the functions available under section 273A (4) of the Industrial Relations Act 1999:

- (a) conciliating;
- (b) arbitrating;
- (e) granting a remedy or other relief; and/or
- (f) deciding any other issue or question.

Furthermore, a decision by the QIRC in performing the dispute resolution functions does not bind the parties unless the **referral agreement** provides for the decision to bind the parties.

### Disputes Resolving Policy - Checklist

The following checklist could also be used as a basis of a **referral agreement** under section 273A(1)(b) of the *Industrial Relations Act 1999*.

1. Request the informal assistance of [INSERT Commissioner] to resolve a dispute between [INSERT parties involved].
2. Advise the dispute is in relation to [INSERT subject matter, brief background and timeframe the dispute has existed].
3. Indicate the [INSERT union or other party to the dispute] has been notified and agrees to the Commissioner's assistance to resolve this dispute and the parties request that the Commissioner be requested [INSERT terms of disputes process eg
  - o to conciliate the matter
  - o to conciliate the matter and if the dispute remains unresolved, arbitrate the matter
  - o to arbitrate the matter
  - o granting a remedy or other relief
  - o deciding any other issue or question arising in the dispute.
4. State that in its role as [INSERT conciliator / arbitrator] the Commissioner is requested [INSERT any of the following relevant term]s:
  - o to observe the confidentiality of the matters in dispute
  - o to identify and define the matters in dispute
  - o to develop a procedure that aims to resolve the dispute quickly, fairly and cost-effectively
  - o to suggest resolution techniques for individual issues aimed at narrowing the matters in dispute
  - o to act as the facilitator of direct negotiations between the parties
  - o to make suggestions for resolution (Conciliation process)
  - o express opinions about a reasonable resolution (Conciliation process)
  - o that if the matter is unresolved it may within seven days of terminating the process, provide a written report to the parties expressing the opinion of what would be a reasonable resolution of the dispute (Conciliation).
  - o to determine the matter (s) in dispute by selecting one only of the final round of offers on the basis of which offer the Commissioner believes provides the most reasonable basis on which to resolve the matter in dispute (Arbitration)
  - o not to amend or otherwise qualify the offer it selects (Arbitration)
  - o to notify the parties in writing as to the offer it considers to provide the most reasonable basis of settlement as soon as practicable after receiving the final round of offers from the parties (Arbitration)
  - o to make a recommendation which the parties accept as a binding resolution of the dispute. The recommendation can be based on the information provided in conciliation and additional information provided by the parties. The parties agree that the Commission may issue directions for the purposes of obtaining further information. (Informal Determination)
  - o to make a formal determination and that the parties agree to abide by the determination. The parties will have the opportunity to be heard formally on the matter(s) in dispute and the Commissioner will only regard material including witness evidence, submission and will disregard admissions, concession, offers or claims made in mediation. The Commissioner may also make and issue directions in relation to the process leading to the determination and the parties will abide by those directions. (Formal Determination)

5. Address procedural matters including [INSERT details about:  
how the parties will present its position
  - o confidentiality arrangements
  - o representation
  - o timing, location and duration of the process
  - o if a telephone conference is required
  - o how the process will be recorded
  - o any other particulars about the Commissioner's role in relation to establishing procedures.
6. Advise that in the event that the requested Commissioner is not available, the parties request [INSERT Commissioner] to assist the parties.

**Attachment 4 to E&IR Plan - EEO Objectives and Strategies****EEO Management Plan for Gladstone Ports Corporation (GPC)**

For Period 1/1/2008 – 30/06/2010

PRIORITY ISSUE TO BE ADDRESSED	PROPOSED OUTCOMES	PROCESSES/STRATEGIES	MEASURES	PROPOSED TIMEFRAME
EEO CENSUS RESPONSE RATE	AT LEAST 80% RESPONSE RATE TO THE EEO CENSUS	ISSUE ALL NEW EMPLOYEES WITH EEO CENSUS DATA COLLECTION FORM AS PART OF THE EMPLOYEE RELATIONS INDUCTION PROCESS	RESPONSE RATE AS REPORTED BY MOHRI	ANNUALLY
UNLAWFUL DISCRIMINATION	ELIMINATION OF UNLAWFUL DISCRIMINATION AGAINST TARGET GROUP MEMBERS IN THE GPC	ALL RECRUITMENT AND TERMINATION TO BE IN ACCORDANCE WITH OUR APPLICABLE POLICIES AND PROCEDURES.	THIS CAN BE MEASURED BY THE NUMBER OF UNLAWFUL DISMAL OR DISCRIMINATION CLAIMS LODGE AGAINST GPC	ANNUALLY
UNLAWFUL DISCRIMINATION	ELIMINATION OF UNLAWFUL DISCRIMINATION AGAINST TARGET GROUP MEMBERS IN THE AGENCY	CONDUCT EDUCATION SESSION WITH ENTIRE WORKFORCE IN RELATION TO DISCRIMINATION, EQUITY AND HARASSMENT MATTERS.	AN ATTENDANCE RATE ABOVE 90% OF THE ENTIRE WORKFORCE.	COMPLETED BY 31/12/08
RECRUITMENT, SELECTION AND PROMOTION OF WOMEN	WOMEN CAN COMPETE FOR RECRUITMENT, SELECTION, PROMOTION AND TRANSFER IN THE AGENCY AND ACROSS THE SECTOR AS EFFECTIVELY AS MEN	ENCOURAGE FURTHER SKILLS DEVELOPMENT AND TRAINING OPPORTUNITIES FOR FEMALE STAFF.	INCREASE THE NUMBER OF WOMEN PARTICIPATING IN MANAGEMENT PROGRAM OR THE STUDY ASSISTANCE SCHEME.	ANNUALLY
CAREER DEVELOPMENT FOR WOMEN	ALLOW WOMEN TO BE ABLE TO CONTRIBUTE TO THE GPC WITHOUT HAVING TO BE IN A PERMANENT FULL TIME ROLE.	OFFER A RETURN TO WORK SCHEME FOR STAFF AFTER MATERNITY LEAVE WHEN CONTRACT AND PROJECT WORK ARISE THAT DO NOT REQUIRE A FULL TIME WORK COMMITMENT.	MEASURE THE PERCENTAGE OF WOMEN THAT RETURN TO THE ORGANISATION AFTER THEIR MATERNITY LEAVE.	ANNUALLY
RECRUITMENT, SELECTION AND PROMOTION OF ATSI PEOPLE	ATSI PEOPLE CAN COMPETE FOR RECRUITMENT, SELECTION, PROMOTION AND TRANSFER IN THE AGENCY AND ACROSS THE SECTOR AS EFFECTIVELY AS NON ATSI PEOPLE	ENCOURAGE ATSI STUDENTS TO APPLY FOR APPRENTICESHIPS. INCREASE THE NUMBER OF ATSI APPLICANTS APPLYING FOR APPRENTICESHIPS / TRAINEESHIPS	IMPROVE TIES WITH THE ATSI COMMUNITY & FOCUS ON IMPROVING INTEREST AT THE ATSI CAREERS MARKET DAY.	1/9/08
RECRUITMENT, SELECTION AND PROMOTION OF ATSI PEOPLE	ATSI PEOPLE CAN COMPETE FOR RECRUITMENT, SELECTION, PROMOTION AND TRANSFER IN THE AGENCY AND	IDENTIFY A CAREER PATHWAY FROM THE EMPLOYEES' CURRENT POSITIONS AND PROVIDE ADEQUATE AND RELEVANT TRAINING FOR THEM TO	INCREASE THE NUMBER OF ATSI EMPLOYEES INVOLVED IN TRAINING.	1/9/08

PRIORITY ISSUE TO BE ADDRESSED	PROPOSED OUTCOMES	PROCESSES/STRATEGIES	MEASURES	PROPOSED TIMEFRAME
	ACROSS THE SECTOR AS EFFECTIVELY AS NON ATSI PEOPLE	PROGRESS.		
ADEQUATE REPRESENTATION FROM A VARIETY OF GROUPS ON THE EEO COMMITTEE	ENCOURAGE TARGET GROUP MEMBERS TO BE ACTIVELY INVOLVED IN THE EEO COMMITTEE	GET NOTICES INTO ALL WORK AREAS TO ENCOURAGE PARTICIPATION AND A SAY IN HOW THE ORGANISATION HANDLES EEO INITIATIVES	ENSURE ALL KEY GROUPS ARE REPRESENTED ON THE GROUP & INCREASE THE GROUPS PROFILE	1/4/08
CONTINUED INCREASE IN THE NUMBER OF PEOPLE WITH A DISABILITY.	INCREASE THE NUMBER OF PEOPLE WITH A DISABILITY EMPLOYED AT GPC	WIDEN THE NUMBER OF DEPARTMENT WHO HAVE TAKEN ON EMPLOYEES WITH A DISABILITY. IDENTIFY IF ANY AVAILABLE BASE LEVEL POSITIONS WOULD BE SUITABLE OR COULD BE MODIFIED FOR A PERSON WITH A DISABILITY	INCREASE THE NUMBER OF INDIVIDUAL IN THIS CATEGORY EMPLOYED BY THE ORGANISATION.	1/1/09
CAREER DEVELOPMENT FOR NON ENGLISH SPEAKING BACKGROUND (NESB)	NESB PEOPLE CAN PURSUE CAREERS IN THE SECTOR AND ACROSS THE SECTOR AS EFFECTIVELY AS PEOPLE WHO ARE FROM ESB	ENHANCE THE SKILLS OF INDIVIDUALS FROM A NESB ENCOURAGING THEM TO ACCESS THE STUDY ASSISTANCE SCHEME OR RELEVANT DEVELOPMENT OPPORTUNITIES.	INCREASE THE NUMBER OF NESB EMPLOYEES INVOLVED IN THE STUDY ASSISTANCE SCHEME	1/2/10

***Attachment 5 to E&IR Plan – Workforce Management Statistical Data***



**ATTACHMENT 2**

**WACC CALCULATIONS**











## ATTACHMENT 3

### GOVERNMENT POLICIES AND GUIDELINES

- GPC will observe and comply with Policies and Guidelines issued by the Queensland Government including:
  - ◆ *Local Industry Policy: A Fair Go for Local Industry (1999)*
  - ◆ *State Purchasing Policy (2001)*
  - ◆ *Remuneration Guidelines for Directors and Senior Executive Staff in GOC's (2000)*
  - ◆ *Investment Guidelines for Government Owned Corporations (2003)*
  - ◆ *Government Owned Corporations Overseas Travel Policy (2006)*
  - ◆ *Guidelines for Frequent Flyer Schemes (1999)*
  - ◆ *Guidelines for Export of Services by Government Owned Corporation's (2001)*
  - ◆ *Agreement making in Government owned Corporations – Guidance for Chief Executive Officers (2004)*
  - ◆ *Development of Employment and Industrial Relations Plans in Government owned Corporations – Guidelines (2002)*
  - ◆ *Guidelines for the issue of Harbour Towage Licences (17 October 2002)*
  - ◆ *Audit and Reporting Requirements for GOC Controlled Entities and Investments (2002)*
  - ◆ *Government Owned Corporations Act 1993*
  - ◆ *Leasing in the Queensland Public Sector Policy Guidelines*
  - ◆ *Code of Practice for Government Owned Corporations' Financial Arrangements (2004)*
  - ◆ *Recording and Valuation of Non-Current Physical Assets in the Queensland Public Sector*
  - ◆ *Financial Administration and Audit Act 1977*
  - ◆ *Financial Management Standard 1997*
  - ◆ *Information Privacy Guidelines*
  - ◆ *Queensland Port Government Owned Corporations - Local Government General Rates Equivalent Regime: Guidelines for Assessment, Collection & Payment (2000)*
  - ◆ *Transport Infrastructure Act 1994 section 20(1).*
  - ◆ *Observe consistency with the relevant sections of the Integrated Regional Transport Plan including involvement in major studies and IAS's*
  - ◆ *Abide by the guidelines "Reimbursement of Travelling Expenses – Directors of Government Owned Corporations", as advised under cover of a letter from Shareholding Ministers (23 April 2002)."*
  - ◆ *Code of Practice for the Building and Construction Industry (2000)*
  - ◆ *Corporate Governance Guidelines for Government Owned Corporations (2005)*
  - ◆ *Cost of Capital Principles – Government Owned Corporations (2006)*
  - ◆ *Community Service Obligations – A Policy Framework (1999)*
  - ◆ *Government Owned Corporation Subsidiaries – Key Shareholder Requirements for Constitutions (2006)*
  - ◆ *Guidelines for the Preparation of Statements of Corporate Intent and Corporate Plans for Government Owned Corporations (2006)*
  - ◆ *Government Land Disposal Policies where applicable.*
  - ◆ *Transport Portfolio Code of Practice for Closed Circuit television (March 2007)*

- ◆ *The Board and Chief Executive Officer (CEO) take full responsibility to ensure prudent financial practices will be applied both within the Corporation and within its subsidiaries (whether fully controlled or otherwise). Without limiting the obligations imposed on the Board and the CEO by the Government Owned Corporations Act 1993 and where applicable the Corporation's Law, this includes a commitment to:*
  - *abide with the "Code of Practice for Government Owned Corporations' Financial Arrangements (2002)" as issued by the Queensland Government; and*
  - *establish, maintain and implement appropriate financial risk management practices and policies required and as specified in the Code of Practice.*
- The Corporation will seek the prior approval of Shareholding Ministers before submitting any projects for declaration as a "significant project" under the *State Development and Public Works Organisation Act 1971*.
- Corporate Governance Guidelines for Government Owned Corporations (September 2005)
- Approaches adopted in managing the interface with Port services, inter-modal / transport linkages and other services and infrastructure for which the Ports Corporation is not directly responsible – *Letter 28/1/05 from Shareholder Representatives*
- That GPC will earn a commercial rate of return whilst ensuring that there is no exploitation of monopoly power in accordance with the the final report for the Review of Current Port Competition and Regulation in Queensland.
- **SECURITY**  
The Corporation will immediately advise Shareholding Ministers of the results of any security audit by the Office of Transport Security which results in findings which are defined as major or substantive non-conformities and have the potential to risk State security. Quarterly reports will indicate the capital and operational costs associated with the counter-terrorism security arrangements, the cost recovery mechanism and the level of cost recovery being achieved to date – *Email P Quirk, PPGOC, 18/3/05*  
The Corporation will provide reports and timely advice on a security confidential basis on security matters as required by Queensland Transport's security reporting regime – *Letter DG Queensland Transport, 6/2/06*

**ATTACHMENT 4****SPONSORSHIP, ADVERTISING, CORPORATE ENTERTAINMENT, DONATIONS AND OTHER ARRANGEMENTS**

	Sponsorship	Advertising	Corporate Entertaining	Donations	Other Related Activities
<b>Total Expected Expenditure</b>	\$125,000	\$80,000	\$62,933	\$15,000	\$168,000
<b>Individual Commitments over \$5,000</b>	Gladstone Harbour Festival – Port of Gladstone Family Fun Night - \$25,000 Queensland Cancer Fund – Relay for Life - \$5,000 Sun Safety Sponsorship Scheme - \$20,000	Costs associated with re-branding / advertising due to change of name - \$60,000	Chairman's Christmas Cocktail Function - \$5,000 Brisbane Customer's Function - \$10,000		Corporate Membership – Gladstone Area Promotional Development Ltd - \$60,000 Corporate Membership – Rockhampton Regional Development Ltd - \$33,000 Commemorative 80MT Port - \$25,000 Gladstone City Council mowing sports fields - \$35,000

**Rationale for Sponsorships**

To ensure GPC maintains its position as a good corporate citizen it actively participates in community programs and initiatives and, through its Community Support Program, provides financial assistance to various community groups and non-profit organisations throughout the Gladstone region.

To increase the exposure of its community support, GPC will sponsor the following three major projects along with various other smaller projects during 2008-09:

- Gladstone Harbour Festival (Easter weekend) – GPC Family Fun Night**  
The GPC Family Fun Night is a free community event, providing quality entertainment for the whole family and ample publicity opportunities (lead-up and post event). This event is held on Port grounds in the Marina area.
- Queensland Cancer Fund – Relay for Life (13-14 September)**  
Relay for Life is a positive community event, held worldwide, that has raised millions of dollars to fund research in the fight to find a cure for cancer. Support of this event promotes GPC's commitment to community health and welfare initiatives. Employee participation is also a key element of this event, with a number of employees and family members forming the GPC relay team. Substantial media opportunities (lead-up and post event) are provided.
- Sun Safety Sponsorship Scheme**  
The GPC has identified the need to establish a standalone sponsorship initiative within the Gladstone community that focuses on major community issues. In 2008-09 the scheme will be launched, with sun safety being the first issue to be addressed through the scheme. Projects that promote sun safety will be considered for sponsorship under this scheme. Substantial media opportunities (lead-up and post event) have been identified.

**Corporate Entertainment and Hospitality events under \$5,000 during the 2008/09 financial year**

	<b>Budget 2008/2009</b>	<b>Details</b>
<b>Employee Functions</b>		
Number of Functions	N/A	
Expenditure (Total \$)	N/A	
<b>Business Development</b>		
Number of Functions	N/A	
Expenditure (Total \$)	N/A	
<b>Stakeholder and Community Engagement</b>		
Number of Functions	N/A	
Expenditure (Total \$)	N/A	
<b>Total Expenditure on corporate entertainment and hospitality below \$5,000</b>	<b>47,993</b>	

## ATTACHMENT 5

### GPC AIR QUALITY MANAGEMENT BRIEFING

#### BACKGROUND

GPC has always taken its environmental responsibilities and possible impacts on the Gladstone community seriously. The Ports Corporation has and will continue to implement concrete actions to improve the air quality in and around our operational port areas. Some of these actions have included:

- Ceasing coal loading at Auckland Point – a move facilitated by excess capacity at the RG Tanna Coal Terminal (RGTCT).
- Installing a comprehensive dust suppression water spray system at RGTCT.
- Initiating the Gladstone Dust Committee to facilitate a cooperative and voluntary industry approach to reducing dust levels in Gladstone. The major actions undertaken by all participants resulted in significant reduction in dust levels in the Gladstone community.
- Facilitating a 50 year strategic plan for the port to enable the orderly and sustainable development of the port to its full commercial potential. This included adopting appropriate environmentally sustainable policies.
- Developing foreshore parklands to create quality access for the benefit of Gladstone residents and for dust mitigation purposes.

#### UPDATE

Following intense public scrutiny in 2007/2008, GPC will continue to implement the following actions to improve the air quality around its operations to minimise the impact on the Gladstone community.

- Formation of the “GPC Environmental Working Group”
- Real Time monitoring installations
- Dust Extinction Moisture on all Coal Types
- RGTCT Benchmarking Study
- Dust source study
- Water, Fire pump and spray review
- Inline Moisture Analysers
- Facilitation of Environmental Management Improvement Plans (EMIP) for new product users.
- Continued implementation of the Aesthetics Management plan, including seeding of the RGTCT bund wall and additional planting at the Spinnaker Park.
- Real time monitor at Barney Point and at residential property on Auckland Hill.
- Facilitated site based Water Project Management Team.
- Finalising the conditions for the RGTCT licence.
- GPC was issued with an Environmental Enforcement for the Q-mag product. The EPA has sought additional information, with a due date of early March 2008.

## OPERATIONS

### Completed

- Installation of additional water sprays for complete stockpile coverage at RGTCT.
- Retrofitted the entire RGTCT operations with water saving yard sprays to reduce water consumption.
- Training and awareness of operational staff for environmental obligations.
- Retraining of operational personnel at Auckland Point following Q-mag Environmental Evaluation.
- Reviewed complaint management process and engaged the assistance from Community Relations Department.
- First shipment of ilmenite product with no complaints from the community.

### Planned or in progress

- \$1.2M Real time air quality monitoring program for RGTCT, Barney Point Coal Terminal and the Community to predict and confirm air quality readings in the region and for compliance with the site environmental licence conditions.
- Progressing with external benchmarking study to assist GPC with the development of a three year continuous development and improvement plan.
- Implementation of moisture analysis instrument in the RGTCT and Barney Point rail unloading stations and linking the findings to dust extinction moisture results. The project aims to ensure coal is brought into the terminal at the correct moisture level to mitigate excessive dust emissions.
- Liaising with coal companies to create Environmental Management Improvement plans (EMIPs) to improve the quality of incoming coals.
- Upgrading the dust suppression sprinkler control system and linking it to real time monitors to improve the response time to dust generation.
- Liaising with QR to install a wagon washing facility at RGTCT and BPCT to eliminate coal collection in ballast rock and re-entrainment during the return rail journey.
- Train and integrate operational systems into day to day operations including responses to alarms and implementation of suitable controls to address deteriorating air quality conditions.

## MONITORING

### Completed

- Installed real time monitors around the Barney Point coal terminal and at a significant complainants residence.
- Successfully seeded the top section of the 8m mound (500m in length) parallel to RGTCT to assist with visual, and noise impacts.
- Completed the tendering process for the real time air monitoring project
- Completed a source monitoring project to determine high emission generation sources/activities as requested by the Environmental Protection Agency.
- Appointed Connell Hatch to conduct benchmarking for RGTCT operations to establish a three-year improvement plan to assist in dust mitigation and advancement towards world's best practice for bulk handling coal.

### Planned or in progress

- Modelling of port air quality to develop forecasting capability and proactive dust management from RGTCT and to assist with complaint management.

## AESTHETICS

### Completed

- Completed additional seeding and planting of vegetation around various port facilities to act as a green buffer between the city and RGTCT for the benefit of Gladstone residents.

### Planned or in progress

- Developed project plan for additional seeding and screening of port and rail facilities from the community at Port Central.
- Establishment of an aesthetic management plan for RGTCT and BPCT to facilitate additional vegetation projects.
- Reduction of stockpile height at BPCT.

## COMMUNITY

### Completed

- Established a community working group to engage the community on issues of environmental concern including air quality. Four meetings have been conducted to date.
- Appointed a Community Liaison Officer to facilitate the environmental community working group, and liaise with residents over issues of concern.
- Conducted a tour of BPCT operations to demonstrate to “frontline” residents at Barney Point and Harbour Terrace the strategies in place to reduce dust.
- GPC has engaged the community over the issues of air quality and developed ongoing strategies resulting from the community forum group findings.
- Engaged a specialist community consultant to assist community liaison officer with concerns raised by community members.

### Planned or in progress

- Continue with hosting the environmental community working group meetings.
- Continue active liaison with the community and interested/affected stakeholders

## CONCLUSION

### DUST DEPOSITION GAUGE:

Of the 12 community exceedances in 2007 1 had trace coal (5%), five had >20% coal present in the samples, the remainder had no coal present in the sample.

FYI >20% breakdown was two at 20%, and one at 30%, 40% and 50%

Due to the calculations involved in determining a licence breach the concentration of coal present in the sample must exceed the limit. None of the samples analysed contained sufficient coal to breach the licence conditions.

**REAL TIME MONITORING:**

The NEPM target was exceeded on two occasions (which by the way coincided with Magnesia ship loading)

- 15th September 2007
- 22nd December 2007

The EPA goal was not exceeded during 2007.

**ATTACHMENT 6****GLOSSARY OF ABBREVIATIONS**

<b>AP</b>	<b>AUCKLAND POINT</b>
<b>BPCT</b>	<b>BARNEY POINT COAL TERMINAL</b>
<b>CBRC GUIDELINES</b>	<b>CABINET BUDGET REVIEW COMMITTEE GUIDELINES</b>
<b>CEO</b>	<b>CHIEF EXECUTIVE OFFICER</b>
<b>CETOA</b>	<b>COAL EXPORT TERMINAL OF AUSTRALIA</b>
<b>CIS</b>	<b>CAPITAL INVESTMENT SYSTEM</b>
<b>DOTARS</b>	<b>DEPARTMENT OF TRANSPORT AND REGIONAL SERVICES</b>
<b>DRET</b>	<b>DEPARTMENT OF RESOURCES, ENERGY AND TOURISM</b>
<b>EBA</b>	<b>ENTERPRISE BARGAINING AGREEMENT</b>
<b>EBIT</b>	<b>EARNINGS BEFORE INTEREST &amp; TAXATION</b>
<b>EEO</b>	<b>ENERGY EFFICIENCY OPPORTUNITIES PROGRAM</b>
<b>E&amp;IR</b>	<b>EMPLOYMENT &amp; INDUSTRIAL RELATIONS PLAN</b>
<b>EIS</b>	<b>ENVIRONMENTAL IMPACT STUDY</b>
<b>EMIP</b>	<b>ENVIRONMENTAL MANAGEMENT IMPROVEMENT PLAN</b>
<b>GLR</b>	<b>GROSS LOADING RATE</b>
<b>GPC</b>	<b>GLADSTONE PORTS CORPORATION</b>
<b>IR CLIMATE</b>	<b>INDUSTRIAL RELATIONS CLIMATE</b>
<b>IT</b>	<b>INFORMATION TECHNOLOGY</b>
<b>JCG</b>	<b>JOINT CONSULTATIVE GROUP</b>
<b>JSA</b>	<b>JOB SAFETY ANALYSIS</b>
<b>LTIFR</b>	<b>LOST TIME INJURY FREQUENCY RATE</b>
<b>Mt</b>	<b>MILLION TONNE</b>
<b>NEPM TARGET</b>	<b>NATIONAL ENVIRONMENT PROTECTION MEASURES</b>
<b>NSCA</b>	<b>NATIONAL SAFETY COUNCIL OF AUSTRALIA</b>
<b>OGOC, GOC</b>	<b>OFFICE OF GOVERNMENT OWNED CORPORATIONS</b>
<b>OH&amp;S</b>	<b>OCCUPATIONAL HEALTH &amp; SAFETY</b>
<b>PLC</b>	<b>PROCESS LOGIC CONTROLLER</b>
<b>QCL</b>	<b>QUEENSLAND CEMENT LIMITED</b>
<b>RCM</b>	<b>RELIABILITY CENTRED MAINTENANCE</b>
<b>RCM</b>	<b>RELIABILITY CENTRED MAINTENANCE</b>
<b>RG TCT</b>	<b>RG TANNA COAL TERMINAL</b>
<b>SCI</b>	<b>STATEMENT OF CORPORATE INTENT</b>
<b>SWP</b>	<b>SAFE WORK PROCEDURE</b>
<b>WACC</b>	<b>WEIGHTED AVERAGE COST OF CAPITAL</b>
<b>WMS</b>	<b>WORK METHOD STATEMENTS</b>