

PORTS CORPORATION OF QUEENSLAND
PORTS, PEOPLE AND PROJECTS REPORT 2002/03

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PCQ PORTS, PEOPLE AND PROJECTS REPORT 2002/03

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PORT OF HAY POINT

Situated about 40 kilometres south of Mackay in Sarina Shire, the Port of Hay Point is one of the largest coal export ports in the world. It comprises two separate coal export terminals, Dalrymple Bay Coal Terminal (DBCT), leased from the State Government by the private company, Prime Infrastructure, and the Hay Point Services Coal Terminal, owned and operated by BHP Billiton Mitsubishi Alliance (BMA). Together the two terminals serve the mines of Central Queensland. The mines are linked to the port terminals through an integrated rail-port network. Ports Corporation of Queensland (PCQ) is the port authority for the port.

Both terminals have purpose-built rail in-loading facilities, on-shore stockpile yards and off-shore wharves. The off-shore wharves are serviced by conveyor systems, supported on jetties, which run out to sea and allow loading in deep water. The DBCT wharf is 3.8 km off-shore and Hay Point Services Terminal 1.8km. DBCT is serviced by three shiploaders and Hay Point Services by two.

DBCT has a throughput capacity of 54.5 million tonnes per annum (mtpa) after having undergone further expansion. Mines supplying DBCT include Blair Athol, Goonyella – Riverside, German Creek, Oaky Creek, North Goonyella, Burton, Moranbah North, Foxleigh and Coppabella. Mines supplying Hay Point Services are Goonyella – Riverside, Peak Downs, Saraji, Gregory, Norwich Park and South Walker. Hay Point Coal Terminal has a throughput capacity of over 30 mtpa.

Maritime Safety Queensland provides pilotage services for the terminals, with most transfers to and from ships via helicopter. Each terminal has its own towage arrangements in place.

Trade

In 2002/03, total throughput for the port was 74,672,173 tonnes, comprising 42,887,775 tonnes through DBCT and 31,784,398 through Hay Point Services. The continued growth in Central Queensland coal production ensured the total port throughput was a record, up 5.54% over the previous best in 2001/02.

Hay Point Services set an individual throughput record, up by just over 3.9% on the previous best ever in 2001/02. DBCT also set a record, up by 6.76% on the previous year. A total of 819 bulk carriers visited the port.

Dredging of Departure Path

The DBCT Master Plan 2003 identified possible benefits of dredging the departure path at Hay Point. PCQ plans to work with BMA and Prime Infrastructure to establish with more certainty the benefits of a dredged departure path.

Water Supply Pipeline

PCQ has been promoting the benefits of providing a water supply pipeline to Hay Point to supplement the two terminals' water supply. Water supply studies conducted a number of years ago for the terminals identified the need for provision of additional water supply to cope in times of extreme dry, when the two terminals' existing supplies may not meet demand.

At that point, PCQ began looking at alternatives for providing water and studies indicated the most economical and efficient means of supplying both terminals with additional water was a pipeline from the SunWater Eton Irrigation Area about 18 km from Hay Point.

PCQ is continuing discussions with BMA (Hay Point Services Terminal) and Prime Infrastructure (DBCT) to put in place mutually agreed arrangements.

Half Tide Tug Harbour

Bed Levelling

On-shore disposal of dredge spoil is not currently available in Hay Point because of limited suitable land. To reduce the volumes that have to be disposed at sea, which would be in the Great Barrier Reef Marine Park, and extend the periods between dredging campaigns, PCQ has been using a technique called bed levelling to maintain navigable depths. Bed levelling involves dragging a large, heavy bar across the seabed to move sediment from shallow areas into deeper areas. Bed levelling was carried out in the tug harbour in May 2003, removing about 26,000m³ of material from the linesboat area, berth pockets, swing basin and approach channel.

This project was completed ahead of schedule, 27% under budget and costing \$87,000.

Long-Term Dredging Strategy

The original dredging works completed in 1986 realised about 14 years of useful life, before ongoing siltation in the harbour restricted tug movements in 2000. At this time, emergency bed levelling was undertaken to allow tugs to continue to operate with unrestricted movements within the harbour.

PCQ has undertaken a review of the available long-term dredging options to determine the most economic and environmentally acceptable solution. The review considered a range of dredging plant and disposal options and identified the two most feasible alternatives as being: dredging by small trailer suction dredger back to the original 1986 depths; or continuous bed levelling at regular intervals.

Before recommending a preferred option, PCQ further investigated efficiencies in bed levelling operations by bed levelling again in 2003 using plant and equipment previously unavailable in 2000. The 2003 bed levelling proved to be extremely successful, resulting

in a significant reduction in the cost per cubic metre rate. The 2003 work confirmed continuous bed levelling as the preferred long-term option.

Maintenance Works

The tug harbour consists of a causeway, breakwater, tug berthing facilities, navigational beacons, jetties, pontoons, administration and amenity buildings and car park. A Facilities Assets and Risk Management (FAARMS) audit has resulted in a 10 year prioritised maintenance plan and budget being developed.

A local project manager was engaged to manage the first three years maintenance works. Works to date have included emergency electrical work, repairs to the administration and amenities building, overhauling the entrance security gate and the clean-out of breakwater waste cobble stone.

Proposed Quarantine Waste Service

PCQ proposes to establish a quarantine waste disposal service at Hay Point. This service is required under the IMO's MARPOL Annex V, a marine pollution reduction agreement to which Australia is a signatory. PCQ is seeking to provide the service by putting in place the necessary infrastructure procedures and contracts to ensure that the service is available in the port.

The infrastructure development proposed is the construction of a shed near PCQ's existing workshop and office in Horyu Maru Drive and installation of a steam steriliser (autoclave) unit.

The service will be provided for ship waste including organic waste; paper, metals, glass, plastics; galley waste, hold sweepings; fish, animal or livestock waste; general garbage.

PCQ has consulted with various stakeholders who could be involved or impacted by this project. The service will be funded by an adjustment to the tonnage dues levied on ships using the port.

Dudgeon Point Land Development

A 1300ha site known as Bally Keel or Dudgeon Point lies adjacent to Hay Point, having been originally acquired as a power station site by the Queensland Electricity Generating Board in the early 1980s. PCQ purchased the freehold parcels to prevent possible future tourism or residential uses encroaching on port operations at Hay Point.

PCQ has identified the Dudgeon Point land as having potential for industrial land development, given its size and close location to rail, road and port infrastructure as well as convenient distance from the towns of Sarina and Mackay. To explore this potential further, PCQ engaged a consultant to prepare a report on Development of Land Holdings at Dudgeon Point.

This document suggests that around 705ha of the 1300ha of land is suitable for development as industrial land. A cultural heritage survey suggests that this area may be reduced by about 60ha, but this will need further clarification.

In addition, PCQ has contributed to a regional Industrial Land Use Study primarily driven by Department of State Development. This study will feed into the Whitsunday Hinterland and Mackay (WhaM) 2015 plan for the region. The WHaM Region Industry Land Study (Working Paper No.1) was very positive towards Dudgeon Point Land as a major opportunity for the region.

Louisa Creek Land Purchases

Louisa Creek is a small community on the northwest boundary of DBCT. Because of its proximity to the port and being within the zone of the predominant winds, it experiences dust impacts in certain weather conditions and some noise. A range of environmental and community relations initiatives have been put in place by PCQ at the port.

Because of the use conflicts and the fact that dust problems will occur from time to time, PCQ initiated a property purchase program at Louisa Creek in 1996. This allowed residents who wished to leave the area to do so and know that they had a purchaser for their properties at the market value. It also allowed an opportunity to return some of the purchased lots to a natural state, assisting in managing the dust events through increased vegetation.

Since 1996 PCQ has purchased about 100 houses and 22 vacant lots at Louisa Creek. Approximately 40 properties remain which are not owned by PCQ. PCQ intends to continue to purchase properties in order to provide an increased environmental buffer.

Since starting the program, PCQ has removed or demolished 58 of the acquired houses. The remainder are rented. Where houses have been removed or demolished, the land has either been cleared and trees planted or the areas left as grass. The community is consulted on an ongoing basis in regard to house removals/demolition and revegetation.

Port Expansion

Prime Infrastructure has completed the Stage 6 expansion of DBCT to keep pace with increased demand. The project comprised a new 260 metre northern wharf, installation of a shiploader for the wharf and all associated dredging and environmental management works. The expansion took capacity to 54.5 mtpa and had an estimated cost of about \$115 million.

Dust Impacts

Stronger than average winds combined with drought conditions resulted in dust emissions during the end of 2002 and start of 2003. Impact from dust as a result of coal export terminal activities at the Port of Hay Point remains an issue of primary community concern in the immediate port area. Normally, the majority of complaints come from the Louisa Creek community as a result of prevailing south-easterly winds. However, this year winds occurred more frequently from the north, meaning the communities to the south of the coal terminals – Salonika Beach and Half Tide – were affected. Communities in these two areas are now sensitive to any dust deposition. Fifteen dust complaints were received by the coal terminals during the year.

PORT OF ABBOT POINT

The Port of Abbot Point, 25 kilometres north of Bowen, is Australia's most northerly coal port. It comprises a rail in-loading facility, coal handling and stockpile areas and a single trestle jetty and conveyor connecting to an off-shore berth and shiploader, 2.75km off-shore.

Coal is supplied to Abbot Point by rail from Newlands and Collinsville mines. The terminal is operated by Abbot Point BulkCoal Pty Ltd (APB), which is part of the NCA (Newlands-Collinsville-Abbot Point) Project. The NCA Project is 75% owned by MIM and 25% by Itochu Coal Resources Australia Pty Ltd.

The port is serviced by two tugs which are based in Bowen and pilotage is provided by Maritime Safety Queensland. PCQ is the port authority for the port and has three staff based in Bowen who primarily maintain the Bowen Wharves and provide assistance at other PCQ ports.

The Port of Abbot Point is of strategic value to PCQ and the State as there are very few locations along Queensland's eastern seaboard where deep water (>15m) is close in-shore.

Trade

In 2002/03, total throughput was 12,791,903 tonnes which was a new record, up by 7.69% on the previous best in 2001/02. The port handled 128 ships during the financial year.

Trade Growth and Available Capacity

Trade throughput has continued to grow at Abbot Point and the capacity at the terminal is under watch by PCQ. Nominal capacity at the terminal stands at 13 mtpa. However,

it is expected that exports of up to 16 mtpa may be achievable without infrastructure expansion at the port, through a combination of initiatives across the coal transport chain. Trade has generally increased at a faster rate since the mid-90s with a record throughput again last year.

If trade volumes continue to grow, capacity at the terminal will become an issue and PCQ will work with the operator to look at options to satisfy capacity needs.

Bowen Wharves

PCQ continues to maintain the Bowen Wharves to provide safe anchorage for the two tugs which service Abbot Point terminal.

The Corporation has investigated the feasibility of constructing a tug harbour or haven at Abbot Point to avoid steaming time and high fuel costs associated with the Bowen-based tugs. At this stage it is not economically feasible to relocate the tugs.

PORT OF LUCINDA

The Port of Lucinda, 100 kilometres north of Townsville, is dedicated to the export of raw sugar from the Ingham sugar-growing district. It comprises on-shore sugar handling and storage facilities and a single trestle jetty and conveyor running out to an off-shore berth and shiploader.

The jetty is one of the longest of its type in the world, extending for 5.6 kilometres and dipping 1.2 metres over its length as it follows the curvature of the earth. Sugar takes 22 minutes to travel along the conveyor from the on-shore storage sheds to the shiploader.

The terminal is operated by Lucinda Bulk Sugar Terminal, a subsidiary of Queensland Sugar Limited (QSL). Supplying mills are Victoria and Macknade. The Port of Lucinda is serviced by North Queensland Marine Towage Pty Ltd tugs based in Mourilyan, while pilotage is provided by Maritime Safety Queensland.

Trade

The port handled 17 ships in 2002/03 with sugar exports of 597,583 tonnes, which was up 28.34% on the previous year. A total of 3,023 tonnes of general cargo was also handled during the year.

PORT OF MOURILYAN

The Port of Mourilyan is on the coastline near Innisfail. Its main trade is the export of raw sugar and molasses from the Innisfail, Babinda, Tully and Atherton Tablelands sugar-growing districts. It comprises on-shore sugar and molasses handling and storage facilities and a single sugar loader and associated wharf located within a sheltered natural harbour.

The terminal is operated by Mourilyan Bulk Sugar Terminal, a subsidiary of Queensland Sugar Limited (QSL). Mills supplying the terminal are South Johnstone, Mourilyan, Tully and Babinda.

Tug requirements are provided by North Queensland Marine Towage Pty Ltd tugs based in Mourilyan, while pilotage is provided by Maritime Safety Queensland.

Molasses is exported through the port by Australian Molasses Trading Pty Ltd and live cattle exports also take place.

Trade

In 2002/03, the Port of Mourilyan handled 43 ships carrying 696,224 tonnes of sugar, which is a new record, up by 18.66% compared to the previous best in 1996/97. A total of 87,706 tonnes of molasses (up by 13.35% on the previous year) and 2,772 head of live cattle (up by 23.32% on the previous year) were also shipped.

New Trade

Discussions are continuing with several proponents of new trades considering using Mourilyan Port for exports. At this point live cattle and timber are possibilities.

Dredging and Bed Levelling

On-shore disposal is not currently available in Mourilyan Harbour because of limited suitable land. To reduce the volumes that have to be disposed at sea, which would be in the Great Barrier Reef Marine Park, and extend the periods between dredging campaigns, PCQ has been using a technique called bed levelling to maintain navigable depths. Bed levelling involves dragging a large, heavy bar across the seabed to move sediment from shallow areas into deeper areas. Bed levelling was carried out in the port in May 2003, removing about 1,000m³ of material from the wharf berth pocket and swing basin. The siltation was less than previous years, most likely due to the lower than normal rainfall during the wet season.

This project was completed ahead of schedule, 32% under budget and costing \$50,000.

Monitoring of previous bed levelling in the port in 2000 and 2002 indicated little plume generation from the activities and showed plumes did not reach any seagrass areas. Aerial surveillance was again carried out during the recent bed levelling. Monitoring by the consultants was carried out over three days that represented a range of tidal conditions. The monitoring report concluded that the plume generated was localised and did not encroach on seagrass meadows. Plumes were less extensive than reported in the monitoring of the two previous bed levelling exercises. (GHD, 2003)

PORT OF CAPE FLATTERY

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

There are on-shore silica sand handling and stockpile facilities and a single trestle jetty and conveyor running from the mine to an off-shore berth and shiploader. There is also a general purpose wharf for the import of fuel and other supplies for the mine and for the mooring of two line boats which assist in ship berthing. No tugs are required at the port. Pilotage services are provided by Maritime Safety Queensland.

Trade

In 2002/03, the Port of Cape Flattery handled 37 ships carrying 1,658,200 tonnes of silica sand. This was up by 1.49% on the previous year.

PORT OF WEIPA

Located on the north-west coast of Cape York Peninsula, the Port of Weipa is principally involved in the export of bauxite (aluminium ore) from the Comalco mine. Comalco also operates the port facilities and has on-shore bauxite handling, processing and stockpiling facilities and conveyors running to Lorim Point Wharf for shiploading.

There are also general purpose and fuel wharves with tugs operated by Weipa Tug Services Pty Ltd based at the port. Pilotage services are provided by Maritime Safety Queensland. PCQ provides a key service in the port by maintaining a shipping channel through a regular maintenance dredging program.

Live cattle are also exported through the port and over 290,000 tonne of fuel and general cargo were also handled.

Trade

The Port of Weipa handled 259 ships in 2002/03, carrying 12,896,549 tonnes of bauxite, 283,102 tonnes of fuel, 12,409 tonnes of general cargo and 5,078 head of live cattle. The bauxite figure was up by 1.84% on the previous year. Fuel was dramatically up and general cargo was down. Live cattle numbers were also down.

Maintenance Dredging

Maintenance dredging utilising the Port of Brisbane's dredge, *Brisbane*, was completed in July 2002 with about 900,000m³ of silt and sand removed from the South Channel and Inner Harbour. Total cost of the project was \$3.9 million. Normally the channel is dredged every two years. However, as Comalco does not want to risk any channel depth re-declarations which could result in shipping restrictions and adversely affect operations, it has been decided that maintenance dredging will again be undertaken in 2003.

The *Brisbane* is scheduled to start work in early August and about 550,000m³ of material is expected to be removed from the South Channel and 50,000m³ from the Inner Harbour area. The project is expected to be completed by mid-September at a total budgeted cost of \$3.5 million.

Upgrade of the Humbug Wharf Cathodic Protection System

As part of the ongoing upkeep of facilities in the port, an upgrade of the cathodic protection system at Humbug Wharf is required.

The Humbug Wharf facility was originally built as a heavy equipment and basic cargo wharf in 1970. The wharf cathodic protection system underwent a first reconstruction during 1984 and a further upgrade in 1994/95 to provide protection to the cast concrete piles and beams.

A survey in May 1999 established that the internal areas and land side of the caissons were not fully protected.

The upgrade will provide improved corrosion protection to the existing caissons and reinforced concrete piles and beams. Work is scheduled to start in late 2003 and be complete by April 2004.

Lorim Point Wharf Mooring Hook Upgrade

Planning is underway on major upgrading work on the mooring hook system at Lorim Point Wharf. This will eliminate the risk of injury due to the possible rapid movement of the hooks or lines under tension when releasing a mooring line or the risk of falling or being knocked off a dolphin. The work will allow the mooring hook systems on the east and west berths to be remotely released from centralised control consoles.

At the completion of the upgrade works, the benefits planned are:

- all hooks will have remote release capability
- electric winches will be located on all dolphins
- safety of operators will be improved during deberthing
- reduced manpower will be required for moorings
- the cycle time for deberthing ships will be reduced.

Detailed scheduling of the construction and installation work will be necessary to ensure the Comalco shipping program is not disrupted, with work expected to be complete by early 2004.

Native Title Considerations

The Western Cape Communities Co-existence Agreement (WCCCA) resulted in areas of land being identified to be transferred from Comalco into the control of traditional owners. Some areas identified as significant by the traditional owners fall outside Comalco's interest and are on PCQ holdings. PCQ believes it would assist relations with the traditional owners to transfer lands of cultural significance to provide protection for those areas while ensuring the operational use is maintained. PCQ believes the areas identified as significant are of limited use to PCQ, with the exception of a navigation aid located at one site.

PCQ has approved the transfer of identified areas of cultural significance to the traditional owners except for those areas required to ensure continued use for navigation aids and necessary access for maintenance and repair.

Strategic Review of Weipa Port Operations

With possible increased tonnages from Weipa, the opportunity has been taken to review the dredging strategy and port infrastructure and operational requirements.

Comalco, PCQ and Queensland Transport formed a review team to assess and determine current and future port operational services and requirements in Weipa, with a view to formulating a 10 year port plan that aligns with planned shipping capacity increases.

The review encompassed all aspects of the port's operational status, including but not limited to, shipping volumes and strategies, channel dredging and survey strategy, port restrictions, channel configuration, navigational aids, harbour pilotage resources, port infrastructure and equipment and emergency response plans.

The review process is now complete with expansion plans and port efficiency improvement opportunities clearly outlined.

PORT OF KARUMBA

Located at the mouth of the Norman River in the south-east corner of the Gulf of Carpentaria, the Port of Karumba has serviced remote Gulf communities since the late 1800s. The Pasminco Century Mine started exporting zinc concentrate through the port in December 1999.

Zinc slurry is piped 304km to the port from the mine, dewatered and loaded onto a 5,000 tonne transfer vessel for the 40 km journey to the export ships that anchor in deep water in the Gulf of Carpentaria.

Other facilities in the port provide for general cargo, fuel, fisheries products and the export of live cattle. PCQ provides maintenance dredging to maintain the necessary channel depth, usually about every two years. Pilotage services are provided by Maritime Safety Queensland but no tugs are required at the port.

Trade

In 2002/03, the Port of Karumba handled 130 ships carrying 934,096 tonnes of zinc, 104,180 tonnes of lead and 45,828 head of livestock. The Pasminco Century Mine has continued to set new shipment records since operations started in late 1999. This year's zinc throughput was up by 19.97%, while lead was down by about a third. Live cattle numbers were up by over one third.

Karumba is also a transshipment port for the Port of Weipa, Mornington Island and other Gulf communities, with refrigerated semi-trailers bringing goods north to Karumba for transshipment.

Maintenance Dredging

Maintenance dredging was undertaken in the port during the year. Dredeco Pty Ltd won the tender for the project, having carried out the work on two previous occasions and many of the staff and crew being familiar with the conditions at Karumba and the dredging requirements.

The Orwell removed a total of about 500,000m³ from the channel at a cost of \$2,590,000, significantly less than the initial estimate.

Karumba Entrance Channel Long-Term Dredging Strategy

To date maintenance dredging of the Karumba entrance channel has been undertaken biennially to allow uninterrupted operations of vessels exporting live cattle, lead and zinc from the port. On each occasion dredging contractors have been engaged by PCQ following a competitive tendering process.

PCQ is currently investigating options for a long-term dredging contract to produce efficiencies in dredging operations for the port. Other benefits of a long-term contract are seen to include:

- guarantee of having a suitable dredging contractor and suitable dredging plant available to undertake works when required
- the provision for emergency dredging within the contract, which currently exists in most other Queensland ports.

Ultimately, if no suitable outcome is realised through the long-term strategy, the status quo of calling tenders when required will be maintained.

PORT OF SKARDON RIVER

Skardon River was declared a port in February 2002, with PCQ as the port authority. The Skardon River project, located about 100km north of Weipa, is owned by Minerals Corporation Limited (MCL) through subsidiary Skardon River Kaolin.

The current owners bought the mine from Australian Kaolin after it went into liquidation and have upgraded and commissioned the plant

The port facilities are located upstream on the Skardon River. The river is shallow in certain areas and PCQ is working with the mine owners to determine the most cost-effective solution to transport the product.

Exports are expected to gradually ramp up to about 10,000 tonnes per month.

PCQ obtained an approval in December 2002 from the Environmental Protection Agency (EPA) for the operation of the Port of Skardon River.

PORT OF THURSDAY ISLAND

The Port of Thursday Island is a community port located in a natural harbour in the Torres Strait in the northernmost part of Australia. PCQ-owned wharf facilities are established on both Thursday Island and Horn Island.

The port services the needs of these two islands and also operates as a major transshipment point for the supply of essential cargoes to other islands of the Torres Strait. The port's strategic location means that a number of government agencies, including Customs and Fisheries Patrols, are based there.

Trade

In 2002/03 general cargo trade of 76,176 tonnes passed through the port. This was up by 8.56% on the previous year, with a total of 474 vessels, principally barges, using the port during the year.

Main Wharf Development

Consultation and discussions have been carried out during previous years regarding improvements to the cargo handling activities at the Main Wharf, particularly the use of part of Jetty Street and Victoria Parade for the storage of cargo. This issue has been affected by the changing commercial arrangements within the port and the logistical considerations between Thursday Island and Horn Island.

In view of proposed infrastructure developments on Horn Island and the expected future demand for facilities on Thursday Island, PCQ believes that major works and a decision on the proposed reclamation should be postponed until 2005.

Fuel Wharf Upgrade

Preliminary planning has been undertaken for the possible upgrade involving retention and repair of the inner stem, demolition of the outer stem and minor maintenance works to keep the wharf head in a safe condition.

Horn Island Services Upgrade

PCQ has funded the upgrading of services (fuel, water, electricity) on the cargo facility at Horn Island. The project, valued at \$1 million, reached practical completion in March 2003.

Horn Island Walkways

The existing access walkways at the Horn Island cargo facility were identified as being in need of replacement. New walkways were designed so they could be reused when the Horn Island dolphin and fendering upgrade works proceed at a later date. Fabrication of the walkways was carried out in Innisfail and installation is complete.

Engineers' Wharf Bus Access

A previous risk management investigation highlighted the need to provide a safe access and set-down for buses adjacent to the Engineers' Wharf. In response, PCQ constructed a bus set-down on Victoria Parade and separate footpath pedestrian access from the set-down to the Engineers' Wharf. All works have been satisfactorily completed. Discussions are continuing with Torres Shire Council concerning a proposed bus shelter.

Proposed Ro-Ro Facility

The Torres Strait Regional Authority (TSRA) has sought funding support from PCQ to assist in establishing a proposed Roll-on Roll-off (Ro-Ro) ferry service between Horn Island and Thursday Island to provide a regular transport and cargo service for locals and cater for increasing numbers of tourists. Currently there are a variety of passenger services offered between the Islands - water taxi services (for local commuters and tourists) and vehicle transport. The TSRA considers a dedicated Ro-Ro facility the next step for the two expanding communities to have access to each other.

PCQ has assisted TSRA with technical aspects of their proposal which has been forwarded to the State Government, seeking funding support for port-based infrastructure.

PORT OF QUINTELL BEACH

Quintell Beach is a community port with a barge facility located on the east coast of northern Cape York, servicing the needs of the Lockhart River community and remote grazing properties. No tug or pilotage services are required at the port.

Trade

The Port of Quintell Beach handled 1,448 tonnes of cargo in 2002/03, down by almost 60% on the previous year.

The port receives its income from the trade over the barge ramp. The introduction of a road transport service to the area has meant a reduction in the volume of cargo.

The Lockhart River community that is serviced by the Quintell Beach ramp is not accessible by road for 4-5 months of the year.

PCQ will meet with interested stakeholders to determine the future demand and requirements for the ramp versus alternatives such as road transport. A long-term pricing plan and infrastructure plan will then be completed.

OUR PEOPLE

PCQ's Team

PCQ is managed by a small, expert, functionally organised management group of 23 people based in Brisbane. Twelve field staff are based in seven of the 10 operating ports managed by the Corporation.

Human Resource Objectives

PCQ seeks to develop a supportive, self-managing culture, free from discrimination and harassment, in which personnel are trained, equipped and organised to efficiently achieve the current and future goals of the Corporation.

Strategic Advantage

The small size of the Corporation structure is considered a strategic advantage. Having a small team of competent professionals allows for the maintenance of close communication within the organisation, a clear understanding of every employee's role and the ability to respond quickly to changed circumstances. PCQ manages resource demands by engaging consultants to extend the organisation's capabilities for short-term, one-off projects and for specialist skills. Permanent staff numbers will be increased only if the benefits (including any strategic consequences for the organisation) of internalising functions outweigh the cost of obtaining the services externally.

Organisational Structure

PCQ's organisational structure was subject to a comprehensive review in 2002/03, with a particular focus on improving delivery of customer service. The review resulted in significant changes which are outlined below:

New positions created:

Business Development Manager

- Maintain and/or expand existing business and/or secure new business for the Corporation, putting in place the infrastructure and commercial agreements necessary to expand trade through PCQ's ports or develop PCQ's market share in core business areas identified within its corporate plan.

Commercial Managers

- Build and maintain business relationships with customers and other stakeholder representatives for defined ports.
- Capture new or increased trade for the defined ports.

- Accountable for defined commercial returns in the ports. Ensure contracts entered into protect the interests of PCQ and reflect appropriate risk and return positions.
- Improve the efficiency of port operations and facilitate or ensure the provision of ancillary port services.

Other changes for managers

- Environment and Safety Manager (previously Environment Manager) acquired responsibility for port security and workplace health and safety issues.
- Manager Corporate Strategy now also responsible for management of property issues.
- Manager Corporate Relations and Northern Staff (previously Communication Manager) now responsible for management of Northern Staff.
- Manager Financial Services – now responsible for all financial issues other than corporate financial structuring.
- Positions of Operations Manager and Operations Superintendent abolished.

New non-management positions

Port Superintendent

- Monitor and control the activities and maintenance in his/her homeport to deliver efficient, safe and cost-effective port services to existing and potential customers.
- Co-ordinate the activities of PCQ employees located at PCQ ports ensuring they:
 - are safe and secure
 - are controlled to allow legitimate port users to operate efficiently
 - deliver efficient, safe and cost-effective services to existing and potential users
 - deliver corporate outcomes from all areas within budget and in accord with policy.

Health and Safety Coordinator

- Ensure that PCQ workplaces are safe, with no impacts on health.
- Ensure security and emergency response arrangements within PCQ Head Office, PCQ ports and associated port facilities are appropriate for their perceived level of risk.

Property Officer

- Manage the Corporation's property.
- Assist in the preparation of Land Use Strategies and obtain Ministerial approval for the associated Land Use Plans.
- Prepare and settle leases, licences etc by negotiating appropriate conditions with port users in accord with commercial practise and Corporation policy.

All new positions were filled by internal candidates, with no net loss of employee numbers as a result of the restructure.

Training and Development

PCQ recognises the importance of staff training and development as an essential part of the corporate improvement process.

Current policy and developmental practice is in three broad areas:

- Improving performance (involves cross-skilling, remedial and additional training)
- Developing for future needs (involves the planned acquisition of skills based on the Corporation's future requirements)
- Developing employees' career goals by providing access to training, even when that training is not of direct benefit of the Corporation.

PCQ's Performance Planning and Review system (PP&R) assists in the identification and documentation of individuals' training and development needs. This provides a firm basis for making decisions on the appropriateness of various training and development opportunities.

During 2002/2003, officers attended courses and conferences covering business studies, purchasing, leadership skills, IT skills, tax and GST, workplace health and safety, port and industry associations, commodity forecasting, competition policy, planning and development, environmental issues and marketing and corporate communication.

PCQ also completed Career Inventories for all staff.

Industrial Relations

No time was lost due to industrial action during the year.

PCQ PROJECTS

Pilotage Services and Transfers

On 1 October 2002, the State Government devolved pilotage services from PCQ to the specially formed agency Maritime Safety Queensland (MSQ). This meant that the pilotage services previously provided by PCQ reverted to the new agency.

In conjunction with this, MSQ entered into an agreement with PCQ for the pilot boat transfer service, with PCQ keeping control of the pilot transfer vessels (ie. *Hillsborough* servicing Mackay and Hay Point (in conjunction with Mackay Port Authority), *Cleveland* servicing Abbot Point, *Rowland Masterman* servicing Mourilyan and Lucinda and *Melville* servicing Weipa). This agreement is for a period of 3.5 years.

As part of the Pilot Transfer Service Agreement, PCQ is responsible for maintenance of the vessels. Apart from routine annual maintenance, in April 2003 the *Cleveland* and *Melville* were slipped for refurbishment. The *Cleveland* was repainted, port and starboard propeller shafts upgraded and main engines serviced and tuned along with other associated repairs, costing \$99,000.

The *Melville* was also repainted, port and starboard propeller shafts upgraded and anodes replaced along with other associated repairs, costing \$27,000.

Included in the costs for the repairs on the *Cleveland* and *Melville* was the fitting of a transducer wet box in both vessels. The wet box houses a transducer which is used for hydrographic surveys. PCQ can now use these vessels to carry out hydrographic surveys instead of having to rely on purpose-built survey vessels.

Port Pricing

PCQ has been implementing a program to manage costs and improve revenues in all of its trading ports to ensure appropriate returns on investment are being earned. The Corporation has been successful in obtaining a satisfactory profit position in the majority of its ports.

PCQ will continue to work with all port customers on gaining maximum efficiencies and on satisfactory port pricing arrangements.

Port Security

As a result of the attacks of 11 September 2001, the USA asked the International Maritime Organisation (IMO) to develop security measures applicable to ships and port facilities worldwide.

PCQ has been active in the issue, liaising with State and Federal Government agencies and acting as a reference point and facilitator for port customers. PCQ is facilitating port security assessments for its ports which handle international vessels. Port security workshops have started and these will be used to develop the port and port facility security assessment reports that are required by the Department of Transport and Regional Services (DOTARS).

Risk Assessment

Major risk exposures exist from the high capital investment in a comparatively small number of major assets, located in the cyclone-prone environment of North Queensland.

A disaster at any major facility would have a significant impact on the Queensland and national economies and affect the operations and profitability of others such as mining companies and the railways.

PCQ considers that risk management is an integral part of good business management. The Corporation is committed to complying with the relevant standard, AS/NZS 4360 - 1999. PCQ believes that to be effective, risk management should become part of an organisation's culture. It should be integrated into the organisation's philosophy, practices and business plans, rather than be viewed or practiced as a separate programme.

PCQ has developed a Risk Management Manual to achieve the objectives of developing and implementing a Risk Management Programme that is an integral part of its business. Risk management is seen as a tool to assist PCQ's decision-making processes and is not viewed as some separate discipline or entity that has in effect "a life of its own". The Risk Management System is integrated with other systems, including the Environmental Management System and the Workplace Health and Safety System.

The Risk Management Manual predominantly addresses the operational aspects of risk management applicable to PCQ operations. The scope of the manual includes:

- PCQ head office activities
- PCQ facilities in its ports managed by regional staff
- ports where PCQ owns assets but the management and operation is by other parties (excluding privately owned facilities)
- community ports
- areas owned or leased by PCQ, where port activities currently are not in place.

PCQ's Risk Management Programme covers all aspects of operational and development risk.

In keeping with good risk management practice, the broad approach of the programme is to identify risks and then reduce risk exposures and minimise losses, while at the same time recognising and grasping opportunity. The Risk Management Manual, procedures and policies focus predominantly on operational aspects of risk management.

A report is produced each quarter and is grouped by department and then by risk element. The risk management systems and major risk areas are subject to a combination of external and internal audits which are conducted as required based on risk assessment. Any overall risk management system audit is conducted in addition to any specific audits undertaken with respect to environment, health and safety, etc.

Responsibility for risk management rests with all employees within PCQ, with authority and accountability consistent with their level within the organisation.

Local Industry Policy

PCQ's role as an owner and developer of some of the facilities within its ports results in it directly generating employment. In addition, there is the flow-on effect on employment from port and other associated operations. PCQ complies with all requirements in relation to the State Government's Local Industry Policy and Local Industry Participation Plans are now prepared for large projects.

Hydrographic Surveys

Hydrographic surveys were undertaken at the ports of Mourilyan, Weipa, Karumba and Half Tide Tug Harbour to assess the amount of siltation which had occurred in the channels, berth pockets and swing basins, and to ensure that they remained at sufficient depth for the safe navigation of shipping.

Land Use Planning

PCQ is in the process of developing Land Use Strategies (incorporating Land Use Plans) for its ports, to be utilised in its Assessment Manager role over its strategic port lands, as designated by the *Integrated Planning Act 1997*. The strategies adopt a performance-based approach to manage future development of port land.

Land Use Strategies have been completed for Mourilyan and Karumba including Minister for Transport approval of Land Use Plans.

Freedom of Information

No Freedom of Information requests were received during the year.