

# PORTS CORPORATION OF QUEENSLAND SUSTAINABILITY REPORT 2002/03

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## PURPOSE OF THIS REPORT

Ports Corporation of Queensland's (PCQ) innovative EcoPorts program has been in place for many years. Its aim is to achieve ecologically sustainable operation and development of the many ports that PCQ manages. The program has sought to be proactive and to set a high industry standard.

This report has been prepared as a "triple bottom line" report to inform stakeholders, such as government agencies and the community, as to how PCQ is performing to achieve its EcoPorts objective. This is PCQ's first Sustainability Report, building on the Environment and Social Report in previous years.

The aims of this report are to:

- describe the Corporation's environmental, social and economic performance for the year
- report how PCQ is responsibly managing activities to protect the environment and work with local communities.
- show how the Corporation is working to achieve sustainable outcomes for its ports and how it is implementing its sustainability strategies.

The information contained in this report has been prepared as a stand-alone reference. The Corporation's Annual Report (of which this report is a part) contains additional detailed information on financial, operational and management aspects of the business.

## REPORTING POLICY

In preparing this report, PCQ has sought to provide information that is relevant to identified stakeholders at a sufficiently comprehensive level, while still retaining an easily read format.

The information presented is based on guidelines recommended in the United Nations Environment Program (UNEP) for Sustainability (Sustainability Ltd/ UNEP, 1996). The Corporation has had an independent benchmark undertaken of its two previous Annual Environment and Social Reports against this standard to ensure continual improvement in its reporting. The outcomes of this benchmarking are provided later in this report. This Sustainability Report has evolved from the previous year's Environment and Social Report.

There are an increasing number of reporting benchmarking standards becoming available. As well as the above standard, this report has also used the latest standard from the Global Reporting Initiative (GRI) (2002) as an informal reference. The Corporation has

made a conscious decision, in the interests of maintaining conciseness, not to report in detail against this standard.

In a new environmental initiative to reduce paper usage, this Sustainability Report has been produced in electronic format only. A hard copy of this report will be provided on request to [info@pcq.com.au](mailto:info@pcq.com.au), or by phoning PCQ on (07) 3224 7088.

## YEAR IN BRIEF

- PCQ has maintained high environmental performance, with no breach of any legislation or environmental licence condition during the year
- no major oil spills were recorded in any PCQ port
- as reported in last year's report, two turtles died as a result of capture by the dredge in Weipa in July 2002
- long-term seagrass monitoring was continued in the Ports of Weipa, Karumba and Mourilyan
- sediment sampling in Weipa and Karumba was continued to support dredging activities and a new program of water quality monitoring of port waters was started
- a cultural heritage survey of port land at Karumba was carried out
- Port Environmental Management Plans for Karumba, Mourilyan, Thursday Island and Hay Point were finalised and published
- PCQ provided environmental advice and support to the Rockhampton Port Authority under a consultancy agreement
- PCQ's Port Communities Program was continued
- an active community and stakeholder consultation program was maintained
- an Economic Impact Study of PCQ ports was undertaken, which showed PCQ's ports generated \$720 million for the Queensland economy and 3,200 full-time equivalent jobs.

# PCQ PROFILE

## SIZE AND LOCATION

All of PCQ's activities are conducted within Queensland.

The Corporation is the port authority for the trading ports of Hay Point, Abbot Point, Lucinda, Mourilyan, Cape Flattery, Skardon River, Weipa and Karumba; the community ports of Quintell Beach and Thursday Island; and the non-trading ports of Maryborough, Burketown and Cooktown.

PCQ has a staff of 35 people, 23 of these being located in its Head Office in Brisbane. The Corporation has port offices in its Ports of Hay Point, Abbot Point, Lucinda, Mourilyan, Thursday Island, Weipa and Karumba. Typically there is one Port Supervisor or Area Officer-in-Charge in each port, with the Ports of Abbot Point and Thursday Island having staff of three and four people respectively.

## PCQ'S BUSINESS

The role of the Corporation as a port authority is to ensure efficient management of ports. This is carried out by:

- provision of appropriate port infrastructure
- appropriate land use planning for port land to allow sustainable development
- ensuring the safe operation of its ports through dredging of shipping channels and provision of oil spill response and other emergency services
- protection of the port environment through appropriate planning and management controls. This is partly achieved through the Corporation's EcoPorts program.

## EXECUTIVE AND MANAGEMENT

PCQ is a Government Owned Corporation and has a Board of Directors and a management team.

PCQ's objective of sustainability in its activities is achieved through the actions of all of its staff, with key input from:

- Environment Group
- Corporate Relations Group
- Financial Services Group.

PCQ has a small staff of environmental specialists consisting of an Environment and Safety Manager and an Environmental Coordinator, whose roles are to manage the PCQ environmental program and to support the efforts of regional staff. The Environment and Safety Manager reports directly to the Chief Executive Officer to ensure a high level of environmental accountability in the organisation. Consultants are used by the environmental group to provide specialised advice and to carry out specialist tasks, such as environmental monitoring.

Overall responsibility for the Corporation's Port Communities Program, community relations and consultation efforts rests with the Corporate Relations Group which comprises the Manager Corporate Relations and Northern Staff (who reports to the CEO) and the Communication Officer.

The Financial Services Group has four staff including the Manager Financial Services. This group manages invoicing, payment of accounts, tracking of the Corporation's financial performance and budgeting.

In an organisational change from the start of 2003, the previous Operations Group was restructured to provide the role of two Commercial Managers and Business Development Manager. This change provides more focus on trade development in the ports and ensuring ongoing port profitability, while allowing more time for customer contact.

Reports on environmental performance, social issues, financial performance and risk management are prepared monthly for the Board as part of the corporate governance program.

## SOCIAL AND ETHICAL PERFORMANCE

To ensure appropriate work practices, PCQ has a range of policies in place. These policies include:

- **Code of Conduct:** The code defines the work performance and ethical standards expected of employees, and includes respect for the law; respect for persons internal and external to the organisation; integrity; diligence; economy; and efficiency. There were no identified breaches of the Code of Conduct during the year.
- **Anti-discrimination:** Employees are regarded as one of the key assets of the organisation. All PCQ policies and practices are developed to be fair and equitable at all levels. All employees are responsible for promoting and implementing Equal Employment Opportunity (EEO) and anti-discriminatory practices. The Corporation aims to select the best people for its positions and provide them with training and development opportunities as a key element of the Corporation's drive for efficiency and productivity.

PCQ and its employees are bound by the *Anti Discrimination Act 1991* and the *Equal Opportunity in Public Employment Act 1992* and their principles. Training has been provided to staff during the year. There were no reports received of discriminatory behaviour during the year.

- **Training and Development:** These are key elements of PCQ's drive for efficiency and productivity. The Corporation aims to equip its employees with the most appropriate skills to undertake current and future duties. Training and development requirements are, in general, derived and identified as part of a Performance Planning and Review system.
- **Purchases and Tendering:** As a Government Owned Corporation, PCQ is committed to compliance with the Queensland Government's *State Purchasing Policy*. Contractors for major works are selected through a tender process. Tenders are evaluated on the basis of a number of selection criteria that are nominated in tender documents. Selection criteria are weighted, depending on their importance to that project.
- **Employees covered by State Award:** Most non-management positions in the Corporation are covered by a State award, the *Ports Corporation Employees Award-State*. This award includes provision for minimum rates of pay, a 38-hour week, meal breaks, sick leave, parental leave and special leave.

## ECONOMIC PERFORMANCE

As a Government Owned Corporation, PCQ is required to achieve appropriate commercial returns from its assets. In 2002/03 the Corporation achieved a profit of \$16.019 million before tax. Under state government policy, 95% of profit after tax equivalents is generally returned to the State Government as a dividend. Full financial details are provided in the separate Annual Report.

The Corporation plays a vital role in the continuing growth of the economies of regional Queensland. PCQ is Australia's largest port authority by tonnage throughput and commodities such as coal, bauxite, lead and zinc concentrate, silica sand, sugar, molasses and live cattle are exported through its ports.

Trade through PCQ ports has continued its substantial growth of previous years. In 2002/03, almost 105 million tonnes of product, estimated at a value around \$6.8 billion, was exported. Trade volume was up 5.75% over the previous year's trade of almost 100 million tonnes. This was a higher growth than the 2% increase achieved in the previous year. New record throughputs were achieved in the Ports of Hay Point (coal exports of 74.7 million tonnes); Abbot Point (coal exports of 12.8 million tonnes);

Mourilyan (sugar exports of 696,000 tonnes); Weipa (bauxite exports of 12.9 million tonnes); and Karumba (lead, zinc and general exports of 1.05 million tonnes).

During the year, the Corporation commissioned its first Economic Impact Study. The study found that PCQ ports generated a total economic benefit of \$720 million to the Queensland economy in 2001/02. This resulted from 1,511 ship visits to PCQ ports. Household income generated by the operation of PCQ ports totalled over \$140 million, with employment benefits estimated at about 3,200 full-time equivalent jobs. The full Economic Impact Study report is available on PCQ's website ([www.pcq.com.au](http://www.pcq.com.au)).

The Corporation has appropriate financial systems in place to monitor performance. This includes the preparation of annual budgets, monthly reporting against budgets and independent audits of financial statements. A new accounting system, Navision, was selected after a tendering and review process and was implemented in the second half of the year. The Board has an Audit and Risk Committee, which reviews the audit plans, as well as all financial statements and budgets requiring Board approval.

PCQ's environmental expenditure for the 2002/03 year was \$522,000. The largest cost items were:

- sediment testing for dredging \$186,000
- seagrass monitoring \$73,000
- cultural heritage surveys \$67,000
- noise and dust monitoring \$66,000
- monitoring of dredging at \$22,000
- ballast water research \$17,000.

(Note: costs are rounded to the nearest thousand dollars and inclusive of GST.)

Direct expenditure on support for communities in PCQ's ports during 2002/03 was \$60,660, the largest component being support of the Australian Rural Leadership Program. A full breakdown of social expenditure is provided in the Port Communities Program section of this report.

# ENVIRONMENTAL MANAGEMENT

## OVERVIEW OF ENVIRONMENTAL ISSUES

PCQ is a “landlord” port authority. In this role, it leases land or infrastructure to other organisations to carry out port-related activities and has a planning, co-ordinating and facilitation function in the port. Generally, the Corporation does not operate any port facilities and as such, there is little direct environmental impact from its activities. The operators of facilities in the port have control over potential impacts of their operations, and any environmentally relevant activities they undertake are licensed by either the Environmental Protection Agency or the local council.

In its co-ordination role, PCQ carries out monitoring of the whole port environment to complement any monitoring carried out by facility operators. PCQ manages the potential impact of new projects through appropriate management plans.

The main activity carried out by the Corporation is dredging in its ports to maintain navigable depths for ships. The impacts of this activity are controlled through appropriate dredge management plans, extensive sediment testing and environmental monitoring; and close consultation with government agencies, environmental groups and the local communities.

The major environmental issues facing PCQ are:

- achieving effective management and cost-effective monitoring of dredging
- ensuring sustainable development on port land
- ensuring sustainable use of the port by shipping, lessees and operators
- ensuring effective responses to port incidents.

## ENVIRONMENT POLICY

PCQ has an Environment Policy, which is regularly reviewed to ensure its appropriateness. It was updated and reissued in late 2002.

The Policy is displayed in PCQ work-sites and is provided on PCQ’s website ([www.pcq.com.au](http://www.pcq.com.au)).

This environment policy is provided as a statement of PCQ’s commitment to protection of the environment and to ongoing environmental improvement.

## ENVIRONMENT POLICY

Ports Corporation of Queensland is an environmentally responsible organisation, committed to providing cost-effective and competitive facilities and services required by existing and potential port users, with minimum adverse impact on the natural and social environment.

Our environment policy is to:

- comply with all relevant environmental legislation and government policies and aim for best industry practice in all aspects of our operations
- monitor the impact on the natural and social environment surrounding ports
- minimise the environmental impacts of port operations and developments and seek continual improvement in the environmental performance of all of our ports
- use resources efficiently and minimise wastes
- strive for usage and development of Corporation ports to be consistent with the concept of ecologically sustainable development
- aim to enhance our reputation as a business and port authority through our high environmental standards and performance
- develop and maintain effective Environmental Management Plans and Emergency Plans to protect the environment under our control
- communicate openly and honestly on the environmental performance of ports to key stakeholders, government and the general community
- work co-operatively with other organisations, or provide appropriate support, where it will help achieve the environmental objectives of the Corporation
- share any outcomes from the Corporation's own research work
- hold all employees accountable for environmental performance in their area so that they carry out their duties in accordance with legislation and company requirements
- require contractors engaged by the Corporation to meet the Corporation's environmental standards and requirements and to comply with relevant legislation
- encourage port tenants/lessees to meet the Corporation's environmental standards and requirements.

### **B. Fish**

Chief Executive Officer

11/11/02

## ENVIRONMENTAL MANAGEMENT SYSTEM

PCQ implemented an Environmental Management System (EMS) in 1999 and the system is now well established and integrated into normal work practices. The system is based on International Standard AS/ ISO 14001 and is regularly reviewed to ensure its continuing effectiveness.

The EMS documents the Corporation's Environment Policy, procedures, practices and legislative requirements to ensure sound environmental management across all its ports. Responsibilities and accountabilities for environmental management within the Corporation are also documented, as are details of how environmental performance is to be measured against internal and external standards.

PCQ had planned to move to external certification of this system as part of its ongoing system development, but this has been delayed due to resourcing issues. It is now scheduled for 2004.

PCQ recognises that the management of risk is also an integral part of its business activities. In recognition of this, a new Risk Management System was developed over the past year and was commenced in January 2003. This system is based on the Australian Standard for Risk Management AS/NZS 4360:1999.

## ENVIRONMENTAL AUDITING

Audits are an acknowledged tool in the identification of areas for potential improvement and are required in both the Environmental Management System and Risk Management System of PCQ.

A range of audits was carried out during the year:

- internal auditing of compliance with the EMS carried out annually
- environmental auditing of PCQ workplaces carried out annually
- Workplace Health and Safety audits of all PCQ-controlled workplaces are carried out annually.
- Environmental compliance audits of:
  - Karumba dredging in September 2002, in conjunction with an EPA officer
  - Abbot Point Coal Terminal in March 2003, in conjunction with MIM corporate staff.

## ENVIRONMENTAL MONITORING

PCQ has a comprehensive program of environmental monitoring which is reviewed each year to ensure its continued appropriateness. It is developed on a port-by-port basis to

ensure any environmental aspects under pressure in individual ports are being adequately monitored. Baseline monitoring is carried out where appropriate.

The monitoring carried out during the year and the monitoring results are documented in the Environmental Performance section of this report.

## IMPACT ASSESSMENT OF PROJECTS

All projects on port land are assessed for potential environmental impacts as part of an internal approval process. Where a potential impact is identified, an Environmental Management Plan will be prepared. This Plan covers issues such as:

- licensing
- water, air, or noise impacts
- stormwater management
- waste management
- vegetation issues
- visual impacts.

During 2002/03, eight Environmental Management Plans were prepared – five by PCQ and three by port customers. The projects ranged from a sewage pump station to development of a log storage area.

PCQ requires an Environmental Impact Statement (EIS) for major projects. No projects requiring an EIS were put forward during the year.

## GOALS AND TARGETS

Targets for improving environmental performance are developed annually and regularly reviewed to ensure adequate progress. The performance targets for the current year are documented in the Environmental Performance section of this report.

## LEGAL COMPLIANCE

PCQ's Environmental Group provides advice and training on environmental legal compliance to all staff. The Group seeks expert legal advice as required. As an additional resource to staff, summaries of relevant environmental legislation have been documented in PCQ's Environmental Management Manual for easy access.

To ensure all new projects comply fully with environmental legislative requirements, projects are reviewed in the planning stages and the environmental and planning

approvals or environmental licences required are determined and documented in the project-specific environmental management plan.

## INCIDENT REPORTING

Capturing any incidents and learning from them is an important component of PCQ's EMS to ensure continual improvement in performance. Any environmental or safety incidents are reported on a common incident form and the outcomes of investigations and recommendations to prevent their recurrence are also reported and followed up.

Details of incidents in 2002/03 are provided in the Environmental Performance section.

## EMPLOYEE TRAINING

To ensure a high standard of environmental performance, effective training and a strong awareness of environmental issues are required. Training is provided by the Corporation's environmental group, complemented by speciality training provided by external organisations.

Environmental training provided during the year included:

- awareness training on PCQ's Environmental Management System and on environmental legislation (all employees)
- marine oil spill operator's course (6 people), a competency-based course provided by Maritime Safety Queensland (MSQ).

Appropriate tasks and performance measures for environmental management are included in the annual work plans of all staff. Due to the small size of the Corporation, no specific award or external recognition scheme exists for high environmental achievement. Rather, all staff are expected to contribute to effective environmental management of ports. Environmental performance requirements have been incorporated into position descriptions and performance pay agreements.

## ENVIRONMENTAL PERFORMANCE

PCQ strives for excellence in its environmental performance and the Corporation's performance during 2002/03 continued to be high.

## LICENCE BREACHES

Corporation activities did not breach any environmental licence or authority conditions.

## SIGNIFICANT PCQ ENVIRONMENTAL INCIDENTS

In last year's report, it was reported that some turtle captures occurred during the 2002 maintenance dredging campaign in Weipa (10 June to 1 August 2002). As reported, three turtles were captured by the dredge suction in July, with two of these turtles dying. Full details of the turtle captures and corrective actions taken are provided in the 2001/02 Annual Environment and Social Report. This report is on PCQ's website ([www.pcq.com.au](http://www.pcq.com.au)).

No other significant environmental incident resulted from PCQ activities during the 2002/03 year.

## GOALS

The environmental goals of PCQ are espoused in the Environment Policy. To achieve these goals, PCQ has a documented environment program, its EcoPorts program, which includes specific work milestones. EcoPorts is a registered trademark of the Corporation. The results of the work program are summarised below and further information is provided throughout this report.

Environmental Program	Results
<p><b>Environmental Management System</b></p>	<p>The Corporation’s EMS was in place, with appropriate reviews and audits carried out.</p> <p><b>Outlook for 2003/04:</b> The Corporation is moving to external certification of the system in 2004.</p>
<p><b>Environmental Monitoring</b></p>	<p>The following monitoring was carried out:</p> <ul style="list-style-type: none"> <li>■ annual seagrass monitoring at Weipa, Karumba and Mourilyan</li> <li>■ survey of beaches for coal at Port of Hay Point</li> <li>■ Environmental Condition Indicators developed for health of port waters</li> <li>■ water quality monitoring initiated at Hay Point and Weipa</li> <li>■ water temperature monitoring in all trading ports</li> <li>■ sediment tested for contaminants in Weipa and Karumba</li> <li>■ turtle population surveyed in the Ports of Hay Point, Abbot Point and Lucinda</li> <li>■ flora and fauna studies carried out on two potential project sites near Port of Hay Point</li> <li>■ cultural heritage surveys at the Ports of Karumba and Hay Point</li> <li>■ air and noise monitoring at Port of Hay Point.</li> </ul> <p><b>Outlook for 2003/04:</b> Many of the monitoring programs are long-term programs and will be continued. Project-specific monitoring will be determined on an “as needed” basis.</p>

Environmental Program	Results
<p><b>Environmental Improvement</b></p>	<p>Maintenance of revegetated areas was continued by port staff taking on the role at the Port of Hay Point.</p> <p>PCQ sponsored and organised an EPA workshop on marine abrasive blasting (Mackay, October 2002) to assist in the development of practical industry standards that protect the marine environment.</p> <p>The Weipa Catchment Coordinating Group was provided with financial support for their ongoing role in assisting stakeholders to improve the health of their local catchment area.</p> <p>PCQ supported Coast Care initiatives in the Lucinda region through assistance with weeding the sandy foreshore to remove invasive weeds such as prickly pear, mother-in-law’s tongue and guinea grass.</p> <p>PCQ provided funding to the Mackay Turtle Watch Association for equipment used in turtle monitoring, such as battery packs for radios and headlamps, as well as temperature data loggers for monitoring sand temperature during incubation.</p> <p>PCQ has supported local Clean Up Australia Day initiatives in its ports for several years and continued this in 2002/03 with the supply of gloves, drinks, equipment or funding as required by local organisers.</p> <p><b>Outlook for 2003/04:</b> PCQ continues to look for new initiatives to improve the protection and enhancement of the port environment.</p>

Environmental Program	Results
<p><b>Support of Projects</b></p>	<p>All new developments were reviewed for impact before approval. Eight project-specific Environmental Management Plans were prepared or reviewed by PCQ for works on port land.</p> <p>Whole-of-Port Environmental Management Plans were finalised and published for Hay Point, Mourilyan, Thursday Island and Karumba to ensure future sustainable development of the ports.</p> <p><b>Outlook for 2003/04:</b> The Corporation will continue developing Port Environmental Management Plans for remaining ports.</p>
<p><b>Environmental Research</b></p>	<p>PCQ continued its financial support of the Australian Ballast Water Research Consortium, which is studying methods for commercially treating ballast water.</p> <p><b>Outlook for 2003/04:</b> PCQ has supported ballast water research for a number of years and will continue to support practical research in this area.</p>

A number of quantitative performance indicators have been developed. These include:

- greenhouse gas production and waste paper recycling performance, which are reported later in this report
- seagrass area and biomass, key indicators of port ecosystem health, which are reported in the Protection and Monitoring of Seagrass section in this report.

Environmental Condition Indicators for water quality were developed during the year and will be reported against in the coming year. Other new performance indicators are being developed to provide additional quantitative measures of performance in future reports.

## MARINE OIL SPILLS

No oil spills occurred from the PCQ's own activities in any port.

Five oil spills into the marine environment were reported in PCQ ports during the year. This compares favourably with the fourteen oil spills recorded in the previous year. All the spills were from vessels in the port area. Local PCQ port staff and staff from Maritime Safety Queensland (MSQ) responded to the spills and removed the oil from the port waters. Notification of the spills was provided to MSQ, as the regulatory authority for spills from marine vessels, for follow-up action as appropriate.

The largest spill occurred in the Port of Weipa in September 2002. A spill of around 200 litres reportedly occurred when a vessel was refuelling at the Evans Landing Wharf. The incident has been investigated by MSQ and a prosecution is pending.

All other oil spills during the year were much smaller, with the next largest being 10 litres.

## WATER AND SEDIMENT QUALITY

Other than the previously mentioned oil spills, the only other incident involving a discharge to the marine environment that was reported to PCQ occurred in the Port of Hay Point. In July 2002, a minor discharge of coal-contaminated water occurred from a coal terminal.

As a new initiative to help port users protect the marine environment, PCQ worked with the EPA to facilitate a state-wide marine abrasive blasting workshop in October 2002. The aim of the workshop was to allow discussion of issues between the EPA and industry and to develop practical guidelines for these activities that can be used by both parties. The response to the workshop was excellent, with around 50 people from across the State attending. The EPA is documenting the outcomes of the workshop for initial distribution to industry participants.

A survey for coal on the beaches in the port area was undertaken in April 2003 in the Port of Hay Point. This was the second annual survey. The survey team included two PCQ representatives and two members of the local community. Overall, there was a significant reduction in the number and mass of coal pieces found in the survey. Because this is only the second annual survey, it cannot yet be said whether this change is part of a downward trend or is part of the normal variation that may occur from year to year.

During the year, a number of Environmental Condition Indicators (ECIs) tailored to each port were developed for the health of port waters. Monitoring for this program was commenced in the Ports of Hay Point and Weipa. Water quality testing for both ports did not indicate any unusual concentrations of parameters tested (conductivity, marine salinity, suspended solids, dissolved inorganic nitrogen, total nitrogen and total phosphorous).

As there are no specific national water quality guidelines available to compare the results against, the data will be used to establish a database of background levels and form a picture of the normal water quality in each port. The data will then be able to be used for comparison with future water quality data.

Dredging is carried out in both Weipa and Karumba every one to two years to ensure a navigable depth for shipping. In 2002/03, dredging was undertaken in Weipa from 11 June – 2 August 2002 and in Karumba from 25 July – 24 August 2002. Before starting dredging, extensive sediment testing is carried out on the material to be dredged. The testing in both ports showed that the level of contamination was very low, normally below the screening levels in ANZECC guidelines for marine sediment. In all cases, the material met Environment Australia's guidelines (EA 2002) for unconfined sea disposal. Results of sediment testing are provided to government, industry and community members on the Dredging Technical Advisory and Consultative Committees established in the two ports.

## PROTECTION AND MONITORING OF SEAGRASS

Seagrass represents a valuable marine resource within port areas. It stabilises coastal sediments, provides food and shelter for a diverse variety of organisms, provides a nursery ground for many prawns and fish of commercial importance and plays an important role in nutrient trapping and recycling.

One of the key tools used by PCQ to monitor the cumulative impact of port operations is the regular monitoring of seagrass in port areas. Seagrass monitoring is considered to be an important Environment Condition Indicator of the health of port waters and PCQ regularly monitors seagrass in the Ports of Karumba, Weipa and Mourilyan.

Seagrass in the Port of Karumba has been monitored by PCQ since 1994 as part of its long-term seagrass monitoring strategy. The annual survey was carried out in October 2002 and was jointly funded by the Queensland Department of Primary Industries (QDPI) and PCQ. The survey uses GPS mapping, with biomass estimation from a helicopter to provide precise maps of seagrass meadows for monitoring any changes occurring over time. The survey found that the area of seagrass was similar to the previous monitoring survey, but the seagrass had become more patchy, showing the largest reduction in seagrass biomass observed in the nine years of monitoring. A reconnaissance survey in March 2003 showed little recovery since October 2002.

QDPI have indicated that the observed changes at Karumba have most likely been driven by atypical climate conditions, resulting in a lack of nutrient rich runoff in the wet season and desiccation of seagrass exposed to more intense radiation at low tide, rather than port-related or other anthropogenic causes. Similar changes in seagrass have been noted elsewhere in Queensland over the same period.

PCQ started a seagrass monitoring program in Weipa in 2000. This is a three-year intensive program to determine both seasonal and annual variations, and will be followed by annual monitoring from 2003. The September 2002 survey showed a reduction in the area of meadows in Pine River Bay. As with Karumba, atypical climate conditions in the area are suspected to be the driver of seagrass changes, with port activities unlikely to have been a significant influence.

Seagrass at Mourilyan has been regularly monitored by PCQ since 1993. It is now monitored annually in December as part of a joint program with the QDPI. The December 2002 survey showed a significant reduction in intertidal *Halophila* seagrass on Seaforth Bank, which the QDPI considers to have most likely been caused by regional-scale climatic factors rather than a more localised influence. The decline in Mourilyan was similar to recent findings in the Gulf of Carpentaria at Karumba and Weipa. Other meadows of *Zostera* seagrass remained stable and healthy.

## MARINE FAUNA

PCQ has sponsored a 12 month study by the Queensland Parks and Wildlife Service (QPWS) of the population dynamics of marine turtles within the Hay Point, Abbot Point and Lucinda port areas.

At Hay Point, the survey found that the in-shore area supported a small population of green turtles, *Chelonia mydas*. At Abbot Point, a relatively large population of green turtles utilise the sub-tidal rocky reef off-shore and two creeks adjacent to the port. At Lucinda, loggerhead turtles, *Caretta caretta*, and green turtles were observed.

None of the green turtles captured and tagged showed clinical signs of the fibropapillomatosis disease. This disease has been detected in other regions of Queensland and is thought to be linked with environmental stresses caused by poor water quality.

## INTRODUCED MARINE SPECIES

Introduced marine species represent a significant threat to Australia's marine environment. Over 250 introduced species have been discovered in port surveys around Australia, although only a few of these have been pest species that could threaten the native biota. These are currently concentrated in ports in southern parts of Australia. Foreign species can be introduced through ballast water discharges or on the hulls of vessels.

PCQ has actively sought to minimise this risk through a number of programs, including carrying out risk studies. These showed that there is generally a low risk of introducing pest marine species in PCQ ports, due to the difference in environmental conditions (eg.

temperature, salinity and silt loading) between Corporation ports and the foreign ports where ballast water is taken up. PCQ followed this up with baseline marine surveys of all of its trading ports. Although a small number of introduced species have been found in PCQ ports, no pest species have been discovered.

As part of its ongoing monitoring for marine pest species, PCQ has deployed “larval monitoring devices” in its trading ports. These devices are checked by port staff at least every three months for any evidence of abnormal growth of organisms.

PCQ has for many years been a major supporter of research into effective treatment of ballast water. The Corporation has continued this program with its support during the year for the Australian Ballast Water Treatment Consortium. This research project is carrying out field trials of technology with the potential to treat ballast water to remove foreign organisms. The research is being carried out by CRC Reef from the James Cook University in Queensland. The project is progressing well, with initial testing carried out and showing positive results.

## LAND-BASED FLORA AND FAUNA

As part of PCQ’s ongoing program to protect valuable flora and fauna areas on land, land areas of high environmental value (flora, fauna or cultural heritage importance) are being designated as environmental buffer areas in Port Environmental Management Plans (EMPs) and Port Land Use Strategies. During the year, four Port Environmental Management Plans covering the Ports of Hay Point, Karumba, Mourilyan and Thursday Island, were finalised after a period of public consultation. These plans are now displayed on PCQ’s website ([www.pcq.com.au](http://www.pcq.com.au)). Port EMPs are progressively being developed for other ports.

During the year, flora and fauna studies were carried out on two separate development sites in the Port of Hay Point surrounds. The studies identified areas of significant vegetation to be protected in any future development.

In the past, PCQ has planted around 120,000 trees on port land at Hay Point. Maintenance of these revegetation areas has been a labour-intensive exercise for PCQ staff, but the efforts have paid off with the saplings now growing well and winning over weeds that are competing with them.

## AIR QUALITY

Operation of the coal terminals in the Port of Hay Point currently represents the only air quality issue in PCQ ports. In this port, there are a number of residents living close to the two coal terminals.

During 2002/03, 15 complaints were received about dust from the operation of the coal terminals. In the previous year, a total of 16 dust complaints was received. Dust complaints tend to be seasonal, occurring in the summer months when wind speeds are higher and in an unfavourable direction for neighbouring residents. Nine of the dust complaints were received during October. PCQ is working with the operators of the two terminals and other key stakeholders to explore new avenues to continue to reduce dust impacts.

Both coal terminals in the port have comprehensive dust control management strategies in place, with dust controls such as water sprays to dampen stockpile areas; reducing stockpile heights to lessen the potential for wind impact and dust lift-off from stockpiles; belt scrapers at transfer points to minimise coal being carried back on the return conveyors; and equipment designs to minimise spillage. When a complaint is received, the terminals investigate, take any corrective action required and report back to the person making the complaint.

To provide a quantitative measure of performance, an extensive air quality monitoring program is carried out in the port. It is a joint program with the two coal terminals. The program involves continual dust monitoring at four monitoring stations in townships adjacent to the coal terminals, as well as the collection of dust deposition data at 19 sites on the terminals and in the adjacent townships. This monitoring program has been in place since 1993 and is regularly reviewed and upgraded as necessary. The program is considered to set a “best practice” standard for dust monitoring around industrial facilities.

## NOISE

The only noise complaints received in any PCQ port were in the Port of Hay Point. Two noise complaints were received in the port by terminal operators, compared with no noise complaints in the previous year.

One complaint at Hay Point was in relation to the operation of a temporary tug at the Tug Harbour and the other was regarding construction noise associated with expansion works at a coal terminal in the port. Both were resolved and the noise source eliminated.

Continuous noise monitoring has occurred at four monitoring stations in neighbouring residential areas around the Port of Hay Point since 1993. The average noise level is 48–52 dB(A) at the residences closest to the coal terminals, which meets the long term acoustic objective of 55 dB(A) maximum recommended in the EPA’s *Environmental Protection (Noise) Policy 1997*.

## MATERIALS USE AND RECYCLING

PCQ is a “landlord” port authority. As such, the Corporation does not operate any major port facilities, with a large proportion of its staff being office-based. As a result, there are limited opportunities, apart from good management practices, to reduce energy, water or materials consumption.

Office practices reflect a high awareness of conservation issues. Paper recycling is carried out in Head Office and in those regional ports where the local councils provide these facilities. Steel and wood recycling is carried out in the ports; recycling paper and other waste products are included as a requirement in all EMPs for work carried out on port land. The main barrier to further increasing recycling in the organisation is the lack of recycling services offered by councils in a number of the regional areas where PCQ has ports.

PCQ used the following quantities of office paper in 2002/03. Results of the previous year are also presented.

Paper Type	Quantity in 2002/03	Quantity in Previous Year
A4 white and coloured	918 reams (459,000 sheets)	775 reams (387,500 sheets)
A3 white	6 reams (3000 sheets)	6 (3000 sheets)
<b>Approximate total weight of paper</b>	<b>2344 kg</b>	<b>2005 kg</b>

Paper use in 2002/03 increased by 17% over the previous year. The cause of the extra paper usage has not been positively identified, but may reflect a higher volume of correspondence into and out of the organisation. Staff are being reminded of the need to conserve resources.

The Corporation’s Head Office recycles its paper through Australian Paper Recycling. The Corporation was advised that the estimated weight of paper recycled by PCQ in 2002/03, based on the number of bins received and their average weight, was around 1800 kg. This represents a very high recycling rate of 77% for office paper and has been achieved through high staff awareness and participation in paper recycling.

As a new recycling initiative, PCQ recycled approximately 25kg of toners from all printers in the head office. The used cartridges are bagged and sent to a Victorian company where

the cartridges are recycled and made into useful products such as stationery equipment, heavy plastics and so on. This is an ongoing program.

Another new initiative to reduce the paper usage by the Corporation is to produce this year's annual sustainability report in an electronic format only and not in hard copy as in previous years.

The Corporation is not a significant user of electricity, with its main use being lighting in buildings. Maintaining adequate lighting is a safety requirement and there have been no significant opportunities identified to further reduce electricity usage.

PCQ is not a significant user of water. The main use is drinking water for staff and there is no opportunity to reduce this usage without affecting the wellbeing of employees. The water use of lessees in the port is not under the control of the Corporation. However, a number of port organisations have already implemented best practice water saving measures. As an example, the Dalrymple Bay Coal Terminal (DBCT) in the Port of Hay Point relies on rain water collected on the site and recovery and recycling of this water for industrial use.

The Corporation does not produce any packaged products or hazardous waste products. Greenhouse gas production is reported later in this report in the Global Warming section.

## LAND CONTAMINATION AND REMEDIATION

PCQ leases land or facilities to others, but does not operate major port facilities itself. Consequently, the activities of the Corporation are not likely to result in any land contamination and no land contamination was caused by PCQ's activities in the past year.

The Corporation holds only one flammable and combustible liquids licence. This is for the storage of fuel products in transit at the Main Wharf on Thursday Island. New containment facilities were constructed during the year for this activity.

The Corporation carries out annual audits of its own facilities to ensure the volume of any fuel stored is minimised and appropriate containment facilities are in place.

Because the activities of lessees on port land could result in the contamination of land if adequate controls are not in place, environmental management plans are required for new developments. These plans ensure adequate controls are included in the project.

In 2002/03, only one land contamination incident on port land was reported. This involved a small hydrocarbon (diesel) spill on the DBCT site in the Port of Hay Point. The contamination was discovered in early May 2003 when some excavation work was being carried out in the area. An investigation to identify the breadth and depth of contamination is being carried out by the operator of the site. A remediation plan is being developed and implemented.

## EMERGENCY MANAGEMENT

PCQ has a statutory responsibility for the safe management and control of its ports and has developed Emergency Response Plans for all of its ports and Oil Spill Response Plans for its trading ports. Over the year, the plans for the Ports of Weipa, Abbot Point, Cape Flattery and Hay Point were updated for a new national oil spill response management system – the Oil Spill Response Incident Control System (OSRICS) – and reissued. In January 2003, an oil spill contingency plan was developed for the new Port of Skardon River.

Plans are regularly reviewed, updated and exercised with one desktop emergency exercise and one desktop oil spill exercise being carried out. PCQ also participated in a field exercise during the year in the Torres Strait with State and Commonwealth authorities.

PCQ staff worked closely with MSQ staff to provide a joint response to the five oil spills reported in PCQ ports. All spills were handled efficiently. The largest spill, as reported earlier, was a 200 litre spill in the Port of Weipa.

Under new legislation, MSQ will be responsible for coordination of oil spill response across the State, commencing in 2003/04. Port authorities will provide “first strike” (initial response to an oil spill) equipment and personnel to support MSQ in this new role. PCQ has worked closely with MSQ to ensure a smooth transition of responsibilities.

Terrorism has loomed as a new global danger and to address this threat the International Maritime Organisation (IMO) has introduced new security requirements for ports, port facilities and shipping. These requirements must be implemented by July 2004. In May 2003, PCQ engaged the consortium of Global Village Strategies and Thompson Clark Shipping to carry out security assessments and develop port security plans across all PCQ trading ports and the community port of Thursday Island. This work is scheduled to be completed in late 2003.

## RISK MANAGEMENT

During the current year, the Corporation has implemented a new Risk Management System based on the Australian Standard for risk management, AS/NZS 4360-1999. This risk management system has been integrated with the Corporation's other policies and management systems.

The risk management system includes a regular program of internal and external audits of various aspects of the business, such as legal compliance, projects, asset management, human resources, environment, health and safety, emergency planning, business continuity planning and information management.

Risks in the business have been identified and ranked. Control measures have been put in place to mitigate risk to acceptable levels. The Corporation's Board reviews the mitigation measures in place for the top fifteen business risks monthly to ensure a high level of accountability.

As part of the management of environmental risks, projects undertaken by PCQ or by others on PCQ land require a project-specific Environmental Management Plan to be developed. This plan will identify potential environmental impacts from the project and recommend appropriate mitigation measures. Eight of these plans were developed during the year. Major projects will require a comprehensive review, including stakeholder consultation and preparation of an Environmental Impact Statement. There were no projects large enough to warrant this level of review during the current year.

## GLOBAL WARMING

PCQ is committed to pursuing sustainable development and operation of its ports. This is achieved through sound environmental management practices and extensive environmental monitoring to confirm and improve, where necessary, the effectiveness of management measures.

PCQ is itself not a major producer of greenhouse gases, as it does not undertake any product manufacturing or transport and its activities are largely office-based. The main activities that generate greenhouse gas emissions are dredging and bed levelling. Below is a table listing emissions for the year compared with the previous year.

Source	Estimated Emissions in 2002/03 CO <sub>2</sub> Equivalent (tonnes)	Estimated Emissions in the Previous Year CO <sub>2</sub> Equivalent (tonnes)
<b>Port Operations and Management</b>		
Electricity for power and lighting	660	590
Fuel for cars, boats, mowers etc	66	43
Fuel in chartered flights	12	10
Fuel for dredging and bed levelling	2452	716
<b>Total</b>	<b>3190</b>	<b>1359</b>
<b>Pilotage</b>		
Electricity	3	7
Fuel for cars	42	130
Fuel for pilot transfers (boats, helicopters, chartered flights)	154	406
<b>Total</b>	<b>199</b>	<b>543</b>
<b>Greenhouse Gas Take-up</b>		
Sequestration by new vegetation on PCQ land	1105	783
<b>Net Greenhouse Gas Production</b>	<b>2284</b>	<b>1139</b>

Footnote – Comments on numbers provided:

- The greenhouse gas production includes sources such as electricity and dredging by contractors. These sources may also be reported by the companies involved.
- Greenhouse gas production from commercial flights has not been included because PCQ's incremental contribution to fuel use by the plane cannot be determined.

Overall, greenhouse emissions for 2002/03 have risen significantly relative to the preceding year. The major contributor to this was emissions attributable to dredging and bed levelling activities, which have risen to 2,452 tonnes of carbon dioxide equivalent, up from 716 tonnes in 2001/02.

Dredging involves removal of material from the seabed in shipping areas and relocation to another site. It is highly energy intensive. Bed levelling, which involves a barge dragging a bar over the seabed to remove high spots, is also an energy-intensive process. The need for dredging and bed levelling is dependent on the rate of siltation occurring in shipping areas and is normally not carried out in PCQ ports every year. This results in large changes in greenhouse gas emissions for these activities from year to year. For example, dredging occurred in the Ports of Weipa and Karumba for 64 days in 2002/03, compared to 20 days in 2001/02. In 2002/03, bed levelling occurred in Karumba, Weipa, Mourilyan and Hay Point, whereas it occurred only in Mourilyan and Weipa in 2001/02.

Greenhouse gas emissions from pilotage were significantly reduced during the year. This was more an accounting impact rather than physical improvement. The pilotage service was transferred to MSQ on 1 October 2003 and emissions are only for that part of the year that the pilots were employed by PCQ. However, PCQ continues to transfer pilots from shore to ship by transfer vessel (four vessels in total) and the emissions reflect the continuation of the pilot transfers service by PCQ.

Rises in greenhouse gas emissions for the past year have been slightly offset by the increased uptake of greenhouse gases by vegetation previously planted on PCQ land, which forms carbon sinks. Sequestration rates increase with age until plants reach maturity and thus PCQ's net emissions were offset by an additional 322 tonnes due to the one-year increase in tree maturity across port lands.

PCQ, in conjunction with the CRC Reef Research Centre, continued its long-term program of monitoring water temperature in its ports. The monitoring assists the scientific community in tracking seawater temperature, which is an indicator of global warming trends. Water temperature is also a key environmental parameter that can affect marine flora and fauna. Knowledge of any change occurring in seawater temperature can help in studying any changes occurring in the port marine ecosystem. Research undertaken in 2002/03 has assisted scientists to determine if sea temperature has contributed to recent mass coral bleaching in the Great Barrier Reef Marine Park and has attracted industry-wide recognition.

## TECHNOLOGY CO-OPERATION AND INFORMATION SHARING

The sharing of information and knowledge is a key mechanism for promoting sustainable development. PCQ is committed to sharing any outcomes from the Corporation's own research or monitoring work. Results from significant monitoring programs are made publicly available on PCQ's website ([www.pcq.com.au](http://www.pcq.com.au)). During the year, the following environmental reports were made available on the website:

- *Seagrass, Benthic Habitats and Targeted Introduced Species Survey of Thursday Island – March 2002*
- *Seagrass Monitoring Survey for Port of Karumba – October 2002*
- *Port of Skardon River- Marine Habitat Survey – April/May 2002*
- *Seagrass Monitoring Survey for the Port of Karumba – October 2001*
- *Seagrass Monitoring Survey for the Port of Mourilyan – Dec 2001*

To assist in the sharing of knowledge, PCQ has actively participated in a number of environmental committees including Queensland Ports Association Environmental Committee, AAPMA Environment Committee, Commerce Queensland Environment Committee, and the Transport Portfolio Environmental Framework Working Group and Steering Groups. Other ports have been visited including Port Hedland and Fremantle Ports in Western Australia.

Two environmental papers were published by Corporation staff during the year.

- "Dust and environmental control at Abbot Point Bulkcoal Terminal", *Australian Bulk Handling Review*, Oct/Nov 2002.
- "EPBC approval for expansion of Queensland's largest coal terminal", *Proceedings of the Environment Institute of Australia Conference*, July 2002.

During the year, PCQ started a consultancy arrangement with the Rockhampton Port Authority (RPA). Under the terms of the agreement PCQ:

- supplies environmental advice to RPA as required
- has developed a new Environmental Management System for RPA based on PCQ's own system.

This consultancy service is expected to continue in the coming year, with preparation of a Port Environmental Management Plan, environmental auditing and environmental training.

## BENCHMARKING

PCQ commissioned the Sustainable Investment Research Institute (SIRIS) to undertake benchmarking of its last two annual Environment and Social Reports. The reports were benchmarked against the 50 performance indicators in the United National Environment Program (UNEP) Guidelines (UNEP 50 Environmental Scorecard).

A number of indicators apply only to global organisations. Consequently organisations whose operations are limited to Australia/New Zealand are unlikely to receive a significant score for these indicators. In 2002, the highest score achieved in Australia/New Zealand was 116 out of a possible maximum score of 194. PCQ was placed third out of the organisations reviewed by SIRIS, with a score of 102. SIRIS noted “.....this is an excellent progressive score for PCQ”.

SIRIS also benchmarked the report against the UNEP 50 Sustainability Reporting Scorecard. PCQ achieved a score of 94 out of a possible 196, with the leading report in Australia/New Zealand achieving a score of 118.

In 2002, the Global Reporting Initiative (GRI) published new guidelines for sustainability reporting. GRI is a joint initiative of the US non-governmental organisation Coalition for Environmentally Responsible Economies and the United Nations Environment Program. It has the goal of enhancing the quality, rigour and utility of sustainability reporting. Although PCQ's 2001/02 report was not prepared according to these guidelines, the opportunity was taken to benchmark it against them as part of the SIRIS benchmarking study. This benchmarking has been used as part of the continuous improvement program for the report in an “incremental fashion”, but the Corporation has consciously not sought to comply with the standard in the current report.

One recommendation included in all the benchmarking standards is to have annual reports independently verified. The Corporation has undertaken this for the first time. The Independent Verification Statement is provided at the end of this report.

As part of the benchmarking process, SIRIS was also engaged to carry out industry sector benchmarking of reporting, which involved benchmarking against ports in Australia and overseas. Australian ports are leaders in environmental performance and seven Australian ports and two international ports were selected for this exercise. The report noted that PCQ is one of the leaders in public reporting within its industry sector, but noted further improvement in content can still be made.

This year's report has sought to continue this improvement process. Although many of the benchmarking recommendations have been addressed, the Corporation has also recognised that if all of the information required by the standards were to be included, the report would be significantly longer and its readability would suffer. As an organisation with limited resources, additional information requirements will be carefully scrutinised before inclusion. Stakeholder feedback would assist the Corporation to determine what is important to readers of this report and you are encouraged to assist us by filling in the feedback form, provided at the end of this report.

A number of other benchmarking systems are available to assist an organisation to improve its overall environmental performance. PCQ carried out an assessment of a number of these, including the recently released *Towards Leadership Code* published by Energex and the Banksia Foundation. PCQ has chosen the Global Environmental Initiative (GEMI) Environmental Self Awareness Program to further assist it in its ongoing improvement. This system has been available for a number of years and was considered the most appropriate for PCQ. The benchmarking will be carried out annually for at least the next two years.

# SOCIAL PERFORMANCE

## WORKPLACE HEALTH AND SAFETY

The Corporation conducts its activities to provide a work environment that protects the health, safety and welfare of all people on its workplaces. The Corporation uses a risk management approach to identify potential risks in the workplace and implements appropriate controls over any risks that are judged to be unacceptable.

The Corporation’s injury statistics for 2002/03 are:

Injury Statistics	PCQ Performance for 2002/03	
	Employees	Contractors on PCQ Workplaces
Number of Lost Time for Injuries (LTI)	0	0
LTI Frequency Rate (averaged over 2002/03)	0	0

Notes LTIFR=  $\frac{\text{No. Injuries} \times 1,000,000}{\text{No. of hours worked}}$

No significant health or safety incidents were reported in any PCQ workplace during the year. This continues the Corporation’s previous good health and safety performance, with the last Lost Time Injury occurring to a PCQ employee in 1999. The Corporation’s Lost Time Injury Frequency Rate is 0, which matches the industry’s best performers.

Despite the excellent safety performance being achieved, it was identified that a more formalised system for continuous improvement was needed to maintain this high performance into the future. In late 2002, PCQ started a major program to implement the NSCA Five Star Health and Safety System to help drive further safety improvements and achieve Best Practice standards. The NSCA Five Star system is a structured management system designed to assist organisations develop and evaluate their workplace health and safety performance. To assist in this implementation, the position of the Health and Safety Co-ordinator was made a full time position (previously a part-time role).

The implementation program has progressed well. Audits of each PCQ workplace are carried out annually. Continuous Improvement Action Plans have been developed for all PCQ workplaces and regular follow-up of action items is carried out to ensure early completion. A new Health and Safety Policy was developed and put in place early in 2003. A new Health and Safety Management Manual and a Procedures Manual have been drafted and will be implemented in late 2003. Physical risk surveys of PCQ workplaces were started and will be completed in the coming year.

## CULTURAL HERITAGE

In 1999, PCQ started a program of cultural heritage surveys of all land under its ownership. The aim of this program is to ensure that any cultural heritage issues on port land are identified to allow appropriate management. The cultural heritage surveys are carried out to meet standards and criteria specified by the EPA. When completed, the survey results are documented in the Port Environmental Management Plans and protection of any cultural heritage values are taken into consideration when determining the appropriate use of undeveloped land.

Previously, cultural heritage surveys were undertaken for Thursday Island, Cape Flattery, Hay Point, Mourilyan and Lucinda. In November 2002, a survey of port land at Karumba was completed. A cultural heritage survey was also undertaken for the route of a proposed water pipeline to the Port of Hay Point.

A cultural heritage survey is currently being undertaken for selected lots at Dudgeon Point, which is PCQ land near the Port of Hay Point. This survey is part of a planning study investigating the potential use of land at Dudgeon Point for industrial or commercial development. This study is expected to be finalised in late 2003.

## COMMUNITY AND EXTERNAL RELATIONS

PCQ is committed to meeting its community responsibilities. PCQ respects the aspirations and concerns of its port communities and stakeholders and, as a business, acknowledges that social performance is a key factor by which its performance and success are measured by an increasing number of stakeholders.

Through its community and external relations activities, PCQ seeks to demonstrate its belief and commitment to this position. It aims to:

- build awareness and understanding of its operations and activities at its individual ports
- be inclusive and consultative in its dealings, thereby encouraging support within government, industry, port communities and the wider public

- assist the wellbeing of port communities through the Port Communities Program.

## PORT COMMUNITIES PROGRAM

PCQ considers it has an obligation to act as a good neighbour and contribute to the port communities in which it operates. By doing so, it is operating within the framework of corporate social responsibility, increasingly a benchmark for successful organisations which value the notions of sustainability. Social capital and infrastructure contributions are a valuable investment for the business by way of the goodwill earned and the co-operative atmosphere created.

The Port Communities Program came into existence three years ago to increase PCQ's commitment to funding for not only community sponsorships, but also for larger-scale, community-based projects such as infrastructure upgrading and maintenance on non-commercially returning facilities in the ports. The major part of this work is now complete.

By allocating funds for maintenance and, in some cases, refurbishment work, the Corporation has capacity to ensure some of those facilities in ports which are not major commercial assets can still be used into the foreseeable future for recreational activities. The Port Communities Program allows PCQ to meet expectations associated with being an active participant within its port communities and helps to resolve conflicts over continued access to recreational facilities versus the organisation's commercial responsibilities and limitations.

### Port Communities Program Contributions

Date	Port	Description	Amount
July 2002	<b>HAY POINT</b>	<b>Queensland Police Citizens Youth Welfare Association.</b> Funding 15 children for the Mackay Police Citizen Youth Club Special Children's World Festival of Magic. <i>PCQ received Certificate of Appreciation</i>	\$412.50
August 2002	<b>KARUMBA</b>	<b>Karumba High School</b> Price of camping equipment (dome tent, cooler, esky, lantern and 2 x camping chairs). <i>PCQ received Certificate of Appreciation</i>	\$177.70

August 2002	<b>HAY POINT</b>	<p><b>Sarina State High School</b></p> <p>2 x annual scholarships:                      \$2,000 to a Year 11 student for assistance with tertiary studies                      \$1,000 PCQ Industrial Studies Award.  <i>2 x articles in local newspapers</i></p>	\$3,000.00
Sept. 2002	<b>THURSDAY ISLAND</b>	<p><b>Australian Rural Leadership Program</b></p> <p>Funding participant, Toshie Kris, from St Paul's Island in the Torres Strait, for the 18 month leadership program.  <i>PCQ logo appears on Sponsors' Page on Foundation website. Logo also printed on Sponsors' Profile brochure</i></p>	\$42,500.00
Feb. 2003	<b>ABBOT POINT</b>	<p><b>2003 Bowen Show</b></p> <p>Sponsorship of section at regional show.  <i>PCQ listed as sponsor in show program</i></p>	\$300.00
Feb. 2003	<b>KARUMBA</b>	<p><b>Clean Up Australia Day.</b></p> <p>Supply of refreshments.  <i>PCQ received Certificate of Appreciation.</i></p>	\$100.00
March 2003	<b>HAY POINT</b>	<p><b>Coalport Community &amp; Recreational Assoc.</b></p> <p>Contribution to maintenance and repair of Hector Sports Ground facilities.</p>	\$1,500.00
April 2003	<b>HAY POINT</b>	<p><b>2003 Sarina Show</b></p> <p>Sponsorship of section at regional show.  <i>PCQ listed as sponsor in show program and received letter of appreciation.</i></p>	\$300.00
April 2003	<b>HEAD OFFICE</b>	<p><b>2003 Paniyri Festival</b></p> <p>Greek Festival of Brisbane</p>	\$1100.00

May 2003	<b>HAY POINT</b>	<b>Queensland Police Citizens Youth Welfare Association.</b> Funding 15 children for the Mackay Police Citizen Youth Club Special Children's World Festival of Magic. <i>PCQ received Certificate of Appreciation</i>	\$550.00
June 2003	<b>LUCINDA</b>	<b>Lower Herbert Kindergarten</b> Sponsorship of maintenance and purchase of equipment to kindergarten. <i>PCQ to receive photographs of centre once refurbishment is complete (anticipate later 2003)</i>	\$3,000.00
June 2003	<b>ALL PORTS</b>	<b>International Ballast Water Risk Assessment Workshop</b> Contribution towards international workshop on the issue of ship-mediated biological invasions to be held in Melbourne in Sept 2003	\$5,000.00
June 2003	<b>KARUMBA</b>	<b>Karumba State School P and C Assoc.</b> Contribution towards upgrade of town swimming pool.	\$2,000.00
June 2003	<b>WEIPA</b>	<b>Weipa Catchment Coordinating Group</b> Contribution to Clean-Up day. <i>PCQ received a letter of appreciation.</i>	\$220.00
June 2003	<b>KARUMBA</b>	<b>Gulf Barramundi Restocking Association</b> Sponsorship of community event "PCQ Norman River Duck Race". <i>PCQ given naming rights to event and 1 x story in local paper.</i>	\$500.00
<b>TOTAL INVESTED:</b>			<b>\$60,660.20</b>

## AUSTRALIAN RURAL LEADERSHIP PROGRAM.

In 2002/03, PCQ committed \$42,500 to sponsor a participant in the Australian Rural Leadership Program. The program is designed to identify and personally develop men and women who are committed to sharing a vision for and shaping the future of rural and regional Australia. The course organisers attract high-calibre participants who can potentially make an impact on a national level.

PCQ considers leadership in the Gulf, Cape and Torres communities as an important issue and one offering PCQ an opportunity to help make a difference. Consequently PCQ decided to support participation from the Gulf/Cape/Torres regions.

### Toshie Kris

PCQ is supporting Toshie Kris, Chairman of St. Paul's Council on Moa Island in the Torres Strait. Toshie's role on Moa Island is similar to that of a Mayor in Australian local government. He has held this position since March 2000 and before that he was the Environmental Officer for St Paul's Island Council.

He is currently undertaking a Bachelor of Applied Science at the University of Richmond.

Toshie is passionate about his community and his Torres Strait Islander heritage. He is committed to ensuring that his community continues to improve opportunities for its members in terms of better health outcomes, provision of appropriate and adequate housing, access to urban Australian levels of education, increased employment prospects and sustainable economic development.

Toshie applied for the Australian Rural Leadership Program in order to:

- expand his knowledge of and to meet changes that are happening in the region
- enhance his skills as a portfolio member for housing and infrastructure for the Torres Strait Regional Authority.
- be better able to assist in the development of his rural and extremely remote community.

## CONTACT WITH PORT STAKEHOLDERS

Contact with port stakeholders has continued to take place via a number of formal and informal means, in addition to consultation activities and advisory groups.

Regional trips are undertaken annually by the Board of Directors and PCQ executives to make contact with key stakeholders, as well as to inspect port facilities. During the past year the Board of Directors visited Karumba, Weipa, Skardon River, Thursday Island, Quintell Beach and Cape Flattery.

Trips were also made to the ports by PCQ staff from all sections within the Corporation. This contact program is supported by a program of formal stakeholder visits from Sarina to Cairns when contact is made with Federal and State Parliamentary representatives, Shire Mayors and CEOs and media representatives. These visits form a key part of the overall External Relations Program and provide an opportunity to build and reinforce positive relationships and ensure PCQ information is provided to community opinion-makers. They also allow an opportunity for stakeholders to raise relevant issues.

During the year, face-to-face meetings were held with both Shareholders, five MPs representing port areas, Mayors from seven port areas and key Ministerial and Departmental Policy Advisers.

PCQ facilitates advisory groups in the ports to assist in decision-making and interactions with stakeholders. Port Advisory Groups operate at Karumba, Thursday Island, Weipa, Mourilyan, Lucinda and Hay Point to receive input from local stakeholders into the operation and future direction of port activities. The membership of these groups ranges from customers to government departments to port neighbours and community groups.

Trade Development Groups operate at Mourilyan and Karumba. They comprise State and local government representatives, current and potential customers and representatives from industry groups. Several new trade opportunities have been identified and a greater level of understanding of these opportunities and their limitations has developed between the participants.

A Community Reference Group exists for the Port of Hay Point. It is a formal means of consulting with the community on issues relating to the port, while also involving key port stakeholders and other key individuals and groups from the area. The group has been in existence for about two years and a number of positive initiatives have come directly from the group's operations.

Among the achievements have been:

- engagement of community members in the southern port communities
- involvement of Queensland Rail in the Port of Hay Point Community Reference Group
- on-site inspections of the terminals.

Dredging Technical Advisory and Consultative Committees continue to operate in Weipa and Karumba to provide a forum to discuss issues associated with dredging in these ports. These meetings are usually held annually.

## PUBLIC CONSULTATION

PCQ has an active Public Consultation Policy in place and a consultative culture underpins the business planning and decision-making process. Any decisions which have major external impacts are made in conjunction with associated consultation programs. In addition to the groups mentioned above, efforts to obtain public input into future decisions are also made in all port communities by way of community newsletters, letterbox drops, open days and public displays, media publicity and advertisements.

Consultation efforts are determined by the importance and potential level of impact from decisions. For example, major developments require an Environmental Impact Statement and extensive meetings with all stakeholders etc, whereas a small local issue may be able to be handled via local advertising, face-to-face meetings or through a Port Advisory Group.

Consultation starts as early as possible, is built into project planning processes and continues, as required, throughout the project process. It is conducted in such a way that it is open, honest and two-way, taking account of legislative, business, social and environmental regulations, requirements and expectations.

During the year, consultation efforts were made in relation to:

- port pricing
- Hay Point community issues
- development work on Thursday Island
- pilotage services
- port land use plans
- port environmental management plans
- Weipa boating restrictions
- Dudgeon Point land planning
- Hay Point quarantine waste disposal.

## PUBLISHING AND PUBLIC INFORMATION

As part of being consultative and inclusive in its approach with external stakeholders, PCQ has continued to make information about its business more accessible to outside audiences. It is doing this via printed publications, displays, conference presentations and papers and increasingly via its web site ([www.pcq.com.au](http://www.pcq.com.au)).

Further updating and upgrading work was carried out on the PCQ website during the year, and work has started on creating a new site. It will have an increased amount of information and will be easier to navigate than the existing site.

## OTHER STAKEHOLDER RELATIONS

### EMPLOYEES

Because of its small workforce, informal feedback on environmental, health and safety and social performance is an effective management tool. This is complemented by regular formal staff meetings to keep staff informed on current issues, as well providing an avenue for questions on other matters. During the year a monthly staff newsletter, *PCQ Info*, was started. A workshop for Northern Staff is held at least annually to discuss issues such as environmental performance or legislative changes, as well as to provide training. Training items are developed from suggestions by port staff, as well as from any areas of weakness identified in audits.

### LEGISLATORS AND REGULATORS

As a Government Owned Corporation, PCQ endeavours to work closely with regulators and provides regular input into relevant draft legislation to ensure the needs of both government and industry are met.

Key areas where PCQ has provided feedback include:

#### EPA

- PCQ participated in government agency working groups for the development of draft Regional Coastal Management Plans for the Wet Tropical Coast and Cardwell Hinchinbrook areas. These documents were released for public comment during the year.
- Comments were provided on the proposed new state Marine Park areas and their potential impact on port operations.
- PCQ was involved in consultation on proposed changes to the *Coastal Protection and Management Act*.

### Queensland Transport

- PCQ has participated in the Transport Portfolio Environmental Framework project, providing port input into the preparation of the *Portfolio Environmental Report* and the *Environmental Action Plan*.
- PCQ has assisted in the hand-over of responsibilities for port pilots and oil spill response to the new Maritime Safety Queensland agency set up by Queensland Transport.

### Great Barrier Reef Marine Park Authority (GBRMPA)

- PCQ has provided comments on zoning changes proposed to the Great Barrier Reef Park to ensure port activities are not adversely impacted.
- PCQ is a member of the Mackay Local Marine Advisory Group to provide regular contact with GBRMPA.

### Productivity Commission

- PCQ provided a formal submission to the Commission's report into *Industries in the Great Barrier Reef Catchment and Measures to Address Declining Water Quality*.

## CUSTOMERS AND SUPPLIERS

PCQ's direct customers are lessees of port land and shipping companies using the port. In 2002/03, a customer newsletter, *PortFolio*, was started. This is produced every four months and details for customers a range of issues and topics of interest.

PCQ has established Port Advisory Groups in a number of ports to provide the avenue for direct feedback on port issues.

With suppliers, PCQ follows the Queensland Government Purchasing Policy, which includes both competitive tendering and use of preferred suppliers for particular services. Suppliers are assessed on a number of criteria as appropriate to the service, including the use of quality systems and environmental standards.

## INDUSTRY ASSOCIATIONS AND ENVIRONMENTAL GROUPS

PCQ has played a role in the following industry associations:

- secretariat role in the International Cargo Handling Association
- active participation in the environmental group of AAPMA
- active participation in environmental, engineering, port management and accounting groups of Queensland Ports Association (QPA)
- membership of Environmental Group of Commerce Queensland.

PCQ maintains contact with a number of environmental groups throughout the State to ensure issues of importance to environmental groups are being adequately addressed. Contact is maintained through financial membership or support, as well as through its representation on advisory groups such as the Dredging Technical Advisory and Consultative Committees in Weipa and Karumba.

## REFERENCES

Environment Australia (2002). *National Ocean Disposal Guidelines for Dredged Material*. Commonwealth of Australia, Canberra.

Global Reporting Initiative (2002). *Sustainability Reporting Guidelines*. Boston, Mass, USA.

Rasheed, M.A. and Thomas, R. (2003). *Port of Karumba Long Term Seagrass Monitoring, Progress Report-Oct 2002. Report to Ports Corporation of Queensland*. Queensland Department of Primary Industries: Northern Fisheries Centre, Cairns.

Sustainability Ltd and United Nations Environment Programme (1996). *Engaging Stakeholders*. Volumes 1 & 2. Sustainability, London.

# INDEPENDENT VERIFICATION REPORT

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**Maunsell**

19 September 2003

Ports Corporation of Queensland  
PO Box 409  
Brisbane QLD 4001

Attention: Ms Leonie Taylor  
Chairperson

Dear Ms Taylor

**Re: Verification of PCQ's 2002/2003 Sustainability Report**

This letter provides an independent verification of the content of the Ports Corporation of Queensland (PCQ) Sustainability Report 2002/2003 (the Report).

Maunsell Australia was engaged by PCQ to conduct an independent verification of the information contained in the Report. Neither Maunsell Australia nor the author of this letter of verification (the assessor) were involved in any other aspect of the preparation of the Report.

The scope of this verification is to determine if the information contained in the Report, in the view of the assessor, is balanced and reliable. The objectives set by the assessor were to:

- ~ Verify the content of the 2002/2003 Sustainability Report by interviews with the principal authors;
- ~ Confirm a cross section of the content of the Report through interview and written feedback from others within PCQ; and
- ~ Review consistency of information by reference to the separate 2002/2003 Annual Report.

Specifically, the assessor considered information made available by PCQ, sufficiency of evidence, underlying systems and processes, internal assurance systems and existing assurance processes. All objectives set by the assessor were completed to his satisfaction.

In preparing the Report, PCQ uses the United Nations Environmental Program (UNEP) 1996 guidelines, and has regard for the Global Reporting Initiative (GRI). The assessor used the Assurance Standard AA1000 (2003) as the standard for the conduct and reporting the verification assessment of the PCQ Report.

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AN AECOM COMPANY

AA1000 recognizes three principles for the assurance of reports and this letter of verification addresses each of those three principles, that is:

1. **Materiality:** Has PCQ included information about its sustainability performance required by its stakeholders for them to make informed judgments, decisions and actions?
2. **Completeness:** Has PCQ identified and understood the material aspects of its sustainability performance?
3. **Responsiveness:** Has PCQ responded to stakeholder concerns, policies and relevant standards, and has adequately communicated these responses?

In the view of the assessor:

- ~ PCQ has identified its major stakeholders. It has identified the principal issues of importance to those stakeholders and presented information on the current management and/or understanding of those issues.
- ~ PCQ has a number of policies and systems in place to manage their sustainability performance. A number of training programs are in place to communicate these requirements within PCQ. Stakeholder consultation through activities such as Board meetings at PCQ sites assist in identifying and maintaining a current understanding of stakeholder issues.
- ~ PCQ has a number of monitoring programs in place, specifically with respect to the environment. These include dust, seagrass, sediment and water quality studies. Social studies include cultural heritage studies. Economic studies include an economic impact study 2001-2002. PCQ has made a number of these studies available on their web-site. This is seen as providing a transparent account of their activities. The studies are summarised in the Report.

It is the conclusion of the assessor that this Report presents a balanced representation of PCQ's sustainability performance. Stakeholders of PCQ can have confidence in using the information contained in this Report to assist them in forming views about the approach PCQ adopts in relation to their sustainability performance. The assessor has separately made a number of recommendations to PCQ to assist in the continuing development of future Sustainability Reports.

PCQ is making a valuable contribution to corporate reporting and stakeholder engagement by the format and rigor applied in the preparation of their Sustainability Report for 2002/2003. PCQ has an effective process in place for identifying and understanding activities, performance, impacts and stakeholder views. PCQ has an effective process in place for managing its sustainability performance and responding to stakeholder views. This Report presents an evolution from environmental and social reporting to sustainability reporting. The challenge now for PCQ will be reporting across the full sustainability agenda, i.e. the Global Reporting Initiative (GRI) Guidelines as they apply to the PCQ business.

Yours faithfully  
for MAUNSELL AUSTRALIA PTY LTD

**Peter White**  
Principal Professional - Environmental Sustainability

## GLOSSARY OF TERMS

AAPMA	Association of Australian Ports and Marine Authorities Incorporated
ANZECC	Australia and New Zealand Environment and Conservation Council
Bed Levelling	Dragging a bar over the seabed in shipping areas to remove high spots – used to improve shipping safety
CEO	Chief Executive Officer
DBCT	Dalrymple Bay Coal Terminal
Dredging	Removal of sediment from the seabed and relocation to another area – used to improve shipping safety
EA	Environment Australia
ECI	Environmental Condition Indicator
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
EMP	Environmental Management Plan
EMS	Environmental Management System
EPA	Queensland Environmental Protection Agency
EPBC	Environment Protection and Biodiversity Conservation Act
GBRMPA	Great Barrier Reef Marine Park Authority
GEMI	Global Environmental Initiative
GRI	Global Reporting Initiative
MSQ	Maritime Safety Queensland
NSCA	National Safety Council of Australia
OSRICS	Oil Spill Response Indicator Control System
PCQ	Ports Corporation of Queensland
QDPI	Queensland Department of Primary Industries
QPA	Queensland Port Association
QPWS	Queensland Parks and Wildlife Service
SIRIS	Sustainable Investment Research Institute
UNEP	United Nations Environment Program
WHS	Workplace Health and Safety

# FEEDBACK FORM

**Please take a moment to print out and complete this form.**

*Your comments will help improve future reports.*

**1. The report** (please tick only one box):

	1 = poor 3 = good standard 5 = excellent				
	1	2	3	4	5
Provided the information I wanted					
Was understandable					
Was easy to read					
Had sufficient technical information					
Useful document					

**2. What was best about the report?**

.....  
 .....

**3. What would you like to see included/not included in future reports?**

.....  
 .....

**4. Should the report be produced in the future**       Yes       No

**5. My main interest in the report is as** (please tick the appropriate box):

<input type="checkbox"/>	PCQ employee/contractor	Name: .....
<input type="checkbox"/>	Port Customer	Title: .....
<input type="checkbox"/>	Government Representative/Regulator	Organisation: .....
<input type="checkbox"/>	Transport Industry Participant	Phone: .....
<input type="checkbox"/>	Neighbour	Mobile: .....
<input type="checkbox"/>	Student or teacher	Fax: .....
<input type="checkbox"/>	Other – please specify .....	Postal Address: .....
<input type="checkbox"/>		.....
<input type="checkbox"/>		Email Address: .....

Thanks for taking the time to complete this form.

**Post to: GPO Box 409 Brisbane Qld 4001**

**Email to: info@pcq.com.au**

**Fax to: (07) 3224 7234**