

# Ports Corporation of Queensland Sustainability Report 2003/04

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# Statement by Chief Executive Officer

Ports Corporation of Queensland's (PCQ) business is to efficiently manage ports under its control to facilitate trade, provide efficient and safe infrastructure and to ensure activities in the ports are carried out in safe and environmentally sound manner.

The year has been challenging for PCQ, with several major port projects started and new maritime security requirements implemented, in addition to maintaining our normal port activities. However, our business must have a long-term and sustainable focus and PCQ has maintained and continued to develop in the critical business areas of environment, social and financial performance.

PCQ is committed to responsible stewardship of resources and of the environment and will continue to work closely with local communities around our ports. Sustainable port operations will be achieved only through sound management practices and effective risk management. PCQ has established policies, a number of management systems (environment, health and safety and risk) and overarching programs, such as its EcoPorts program and its Port Communities Program, to achieve this. PCQ will continue to work to improve its sustainability through a program of continual improvement and to integrate the principles of sustainable development into our business.

**Brad Fish**  
Chief Executive Officer

## Purpose of this Report

As part of PCQ's commitment to working towards sustainable operations, it will provide a transparency about its activities and impacts and how they are being managed. 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 sustainability objectives. This is PCQ's second annual Sustainability Report, following several years of Environment and Social Reports.

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 both protect the environment and work with local communities
- demonstrate how PCQ 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. PCQ's Annual Report (of which this report is a part) contains more detailed information on financial, operational and management aspects of the business.

## Reporting Policy

In preparing this report, PCQ has sought to provide identified stakeholders with information that is relevant and 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 its previous year's Sustainability Report independently benchmarked against this standard to ensure continual improvement in its reporting. The outcomes of this benchmarking are reported later in this report. This Sustainability Report has evolved from Environment and Social Reports published in earlier years.

This report has also used the Global Reporting Initiative or GRI (2002) as an informal reference. However, PCQ has made a conscious decision, in the interests of maintaining conciseness, not to report in detail against this standard.

As with the previous year's report, this Sustainability Report has been produced in electronic format only as a paper-saving measure. This report is provided as a CD with PCQ's Annual Report 2003/04, as well as on PCQ's website ([www.pcq.com.au](http://www.pcq.com.au)). PCQ acknowledges that not everyone has access to electronic media and a hard copy of this report will be provided on request by phoning PCQ on (07) 3224 7088.

# Year in Brief

## Environment

- PCQ maintained a high environmental performance, with no breach of any legislation or environmental licence condition
- there were no major oil spills in any PCQ port
- the only significant environmental incident that occurred during the year was the death of a turtle in Weipa during the annual maintenance dredging of the port
- long-term seagrass monitoring continued in the Ports of Weipa, Karumba and Mourilyan and marine resources were surveyed in the Ports of Thursday Island and Skardon River
- sediment sampling in Weipa and Karumba was continued to support dredging activities and water quality monitoring of port waters continued
- the Port Environmental Management Plan for Lucinda was finalised and published
- preparation of an Environmental Impact Statement started for a proposed capital dredging project in the Port of Weipa
- Deeds of Agreement were signed with Maritime Safety Queensland (MSQ) for PCQ to provide a first-strike oil spill response in its trading ports
- PCQ continued to provide environmental advice and support to the Rockhampton Port Authority for a second year under a consultancy agreement.

## Social

- PCQ's Port Communities Program provided financial support to a number of port community projects
- an active community and stakeholder consultation program was maintained
- an audit of PCQ's corporate relations program was undertaken
- PCQ continued to have a very high safety standard with no Lost Time Injuries for PCQ employees or contractors
- a new Health and Safety Management System was documented and implemented

- a cultural heritage survey of port land at Hay Point was carried out as part of PCQ's program to carry out cultural heritage surveys of all PCQ port land.

This program is nearing completion.

## Financial

- PCQ remained profitable, with a reported profit of \$16.5 million before tax
- A dividend of \$11.246 million will be paid to Shareholders by December 2004.  
A second \$15 million return of equity was made in June 2004.

# PCQ Profile

## Size and Location

All of PCQ's activities are conducted within the State of Queensland.

PCQ is the port authority for the nine trading ports of Hay Point, Abbot Point, Lucinda, Mourilyan, Cape Flattery, Thursday Island, 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 38 people, with 26 of these 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 staff person, either a Port Supervisor or Area Officer-in-Charge, in each port. The Ports of Abbot Point and Thursday Island are staffed by three and four people respectively.

## PCQ's Business

PCQ's role 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 a first-strike oil spill response
- protection of the port environment through appropriate planning and management controls. This is partly achieved through the Corporation's Ecoports program.
- co-ordination of maritime security arrangements across the ports under the *Maritime Transport Security Act 2003*.

## Executive and Management

PCQ is a Government Owned Corporation (GOC) 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 the Corporation's staff. With a triple bottom line focus to sustainability, three areas of the Corporation provide key input:

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

The Board meets monthly and full information on the composition and role of the Board is documented in the Annual Report. There are two formal Board committees – the Audit and Risk Management Committee; and the Human Resources and Industrial Relations Committee.

The management team is headed by the Chief Executive Officer. The Corporation has a small staff of environmental and safety specialists, comprising of one environmental specialist and one safety specialist, managed by the Environment and Safety Manager. During the year, a second environmental specialist was engaged on a temporary basis to assist with environmental projects. 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 group to provide specialist advice and to carry out specialist tasks, such as environmental monitoring or independent auditing.

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 a Communication Officer.

The Financial Services Group has four staff, headed by the Manager Financial Services. This group manages invoicing, payment of accounts, tracking of the Corporation's financial performance and budgeting and provision of information technology services.

Two Commercial Managers focus on trade development in the ports, ensuring on-going port profitability and provide the main liaison with customers.

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

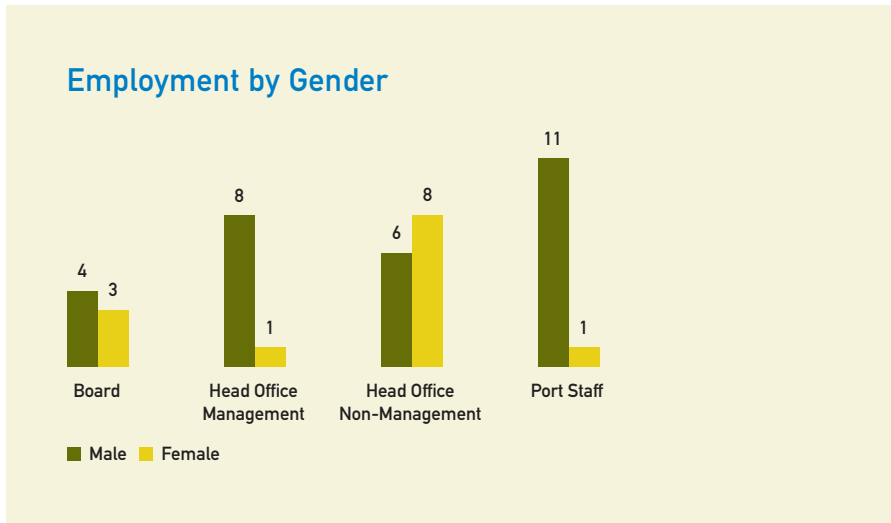
## Social and Ethical Performance

PCQ has a range of policies in place to ensure appropriate work practices, including:

- **Code of Conduct:** Defines the work performance and ethical standards expected of employees, which 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 have responsibility 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. There were no reports of discriminatory behaviour received during the year.

The employment by gender of PCQ employees (as of 30 June 2004) is provided in the graph below.



- **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 GOC, 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 based on a number of selection criteria that are nominated in tender documents. Selection criteria are weighted depending on the 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. There are no employees under 18 years in the organisation.

# Financial Performance

As a GOC, PCQ is required to achieve appropriate commercial returns from its assets. The Corporation achieved a profit of \$16.5 million before tax for 2003/04.

PCQ plays a vital role in the continuing growth of the economies of regional Queensland. The Corporation 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 past years. In 2003/04, 107.7 million tonnes of product, estimated at a value of \$6.9 billion was exported through PCQ's ports. Trade volume was up by almost 3% over the previous year. New record throughputs were achieved in the Ports of Hay Point, Weipa, Karumba and Thursday Island.

The Corporation has appropriate financial systems in place to ensure goals are met. This includes the preparation of annual budgets, monthly reporting against budgets and independent audits of financial statements. The Board has an Audit and Risk Management Committee which reviews the audit plans as well as all financial statements and budgets requiring Board approval and risk management issues.

PCQ's actual environmental expenditure for the 2003/04 year was \$481,000, inclusive of GST. The largest cost items were:

- sediment testing for dredging: \$141,000
- preparation of part of an EIS: \$67,000
- seagrass monitoring and marine resource mapping: \$91,000
- noise and dust monitoring: \$69,000
- cultural heritage surveys: \$32,000
- ballast water research: \$18,000.

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

Environmental expenditure in the previous year was slightly higher at \$522,000 (incl. GST), although the difference is not considered significant. One of the main differences was the sediment testing component, which was \$45,000 higher in the previous year. Sediment testing costs will vary from year to year, depending on the number of ports being dredged in that year and the timing of the expenditure. While PCQ's environmental costs remain relatively consistent from year to year, costs are expected to trend upwards over time.

Direct expenditure on port communities via the Port Communities Program was \$46,000. A full breakdown of social expenditure is provided later in 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 ports. Generally, the Corporation does not operate any port facilities and consequently, there is little direct environmental impact from its activities. The operators of facilities in the port have control of potential impacts of their activities and any environmentally relevant activities they undertake are licensed by either the Environmental Protection Agency (EPA) 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 most environmentally significant activity carried out by PCQ is dredging 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 through the appropriate agencies.

## Environmental Policy

PCQ has an Environment Policy, which is regularly reviewed to ensure its appropriateness. It was last updated and reissued in May 2004.

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

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



## Environment Policy

*The Ports Corporation of Queensland is an environmentally responsible organisation which is 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 environmental 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 our ports.
- Minimise the environmental impacts of our 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 Response Plans to protect the environment under our control.
- Communicate openly and honestly on the environmental performance of our ports to key stakeholders, government and the general community.
- Work cooperatively 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**

10/5/2004

## Environmental Management System

PCQ has had an Environmental Management System (EMS) in place for five years and the system is now well established and integrated into normal work practices. The system is based on the International Standard ASNZS/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 of its ports. Responsibilities and accountabilities for environmental management within the Corporation are also documented. The EMS also provides details of how environmental performance is to be measured against internal and external standards.

PCQ had planned to undertake external certification of this system during 2003/04 as part of its ongoing system development, but this has been delayed until the coming year due to workload from new projects being undertaken. Tendering for the work was carried out during the year and a certification body was appointed in July 2004. The initial audit is scheduled for September 2004, followed by a certification audit by the end of 2004.

PCQ recognises that management of risk is also an integral part of its business activities. In recognition of this, the Corporation implemented a Risk Management System in January 2003 based on the Australian Standard for Risk Management AS/NZS 4360:1999.

## Environmental Auditing

Audits are acknowledged as a valuable tool for identifying areas for potential improvement and are required in both PCQ's EMS and Risk Management System of PCQ.

A range of audits was carried out during the year:

- Internal auditing of compliance with the EMS was carried out in PCQ's Head Office in May 2004; PCQ's Thursday Island workplace in September 2003; PCQ's Mourilyan workplace in August 2003; and the Karumba and Weipa workplaces in June 2004. PCQ is targeting annual audits of all PCQ workplaces.
- An environmental compliance audit of the Karumba dredging operations was carried out in June 2004.

## 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 adequately monitored. Baseline monitoring is carried out where appropriate.

The results of monitoring undertaken during the year 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 (EMP) is prepared, covering issues such as:

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

During 2003/04, 11 EMPs were developed for projects proposed for PCQ port land. The projects ranged from a proposed cattle holding yard to a boat storage facility. Of these EMPs, three were developed by customers to PCQ's requirements and the remainder by PCQ staff as a service to customers.

PCQ requires an Environmental Impact Statement (EIS) for water projects. PCQ is undertaking a voluntary EIS for the Port of Weipa Capital Dredging project.

## 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 and Safety Group provides advice and training on environmental legal compliance to all staff. The group seeks expert legal advice as required. To further assist staff, summaries of relevant environmental legislation have been documented in its Environmental Management Manual for easy access.

To ensure all new projects comply fully with environmental legislative requirements, projects are reviewed in the planning stages. The environmental and planning approvals or environmental licences required are determined and documented in the project-specific EMP.

## Incident Reporting

Capturing incidents and learning from them is an important component of PCQ's EMS to ensure continual improvement in performance. Any environmental, safety or security 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 2003/04 are provided in the Environmental Performance section.

## Employee Training

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

Environmental training attended by PCQ staff during the year included:

- a marine oil spill operator's course: a competency-based course provided by Maritime Safety Queensland (MSQ) – two PCQ staff attended.
- training by the EPA on the newly introduced *State Coastal Protection and Management Act* – five PCQ staff attended
- attendance of a PCQ staff person at the IMO Ballast Water Symposium in London in July 2003 and the First International IMO Ballast Water Workshop in Melbourne in September 2003.

Appropriate tasks and performance measures for environmental management are included in the annual work plans of all staff. Due to PCQ's small size, 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 into performance pay agreements.

# Environmental Performance

PCQ strives for excellence in its environmental performance and the performance of the Corporation during 2003/04 continued to be high.

## Licence Breaches

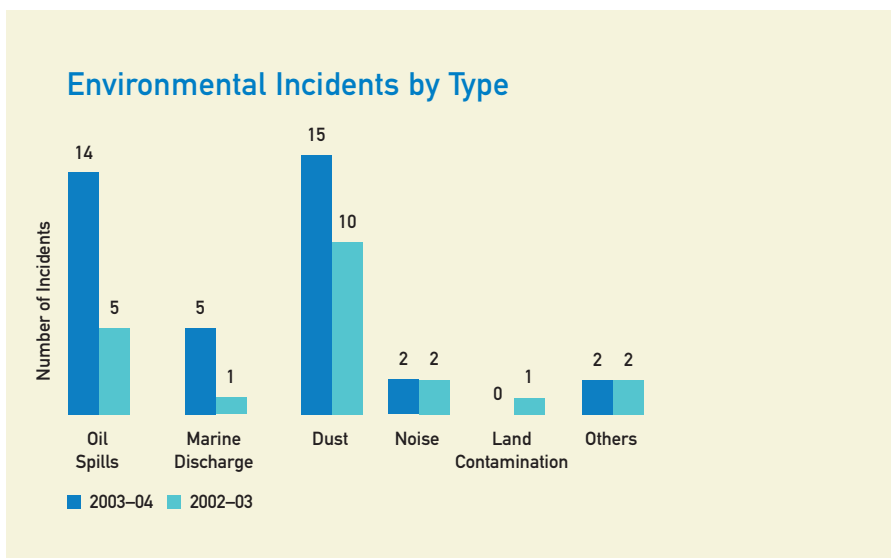
Corporation activities did not breach any environmental licence, authority or permit conditions.

## Significant PCQ Environmental Incidents

One significant incident from PCQ activities occurred during the year. A turtle was drawn into the dredge suction during the Weipa maintenance dredging campaign and as a result died. The Queensland Parks and Wildlife Service and Department of Environment and Heritage was notified of the incident and the turtle species was identified as an adult male Flatback.

## Other Environmental Incidents in PCQ Ports

In 2003/04, a total of 40 minor environmental incidents were reported across PCQ's 13 ports. Of these incidents, only one related to PCQ's activities (a complaint regarding overuse of a herbicide in weed control ) and the others related to activities by industry in the port area or from port users. The incident involving PCQ activities was investigated and it was concluded that the activities were environmentally sound. A response was provided to the complainant.



The number of reported minor oil spills and contaminant discharges to the marine environment increased significantly in the year, compared to the previous year. This is more likely the result of improved capture and reporting of incidents, rather than any marked increase in minor incidents.

Fourteen oil spills into the marine environment were reported in PCQ ports during the year. Local PCQ port staff and staff from MSQ responded to the spills and removed the oil from the port waters. All recorded oil spills were minor, ranging from 5 – 15 litres per spill. Nine of the spills were from vessels in the port area, frequently from a bilge pump-out. Notification of the spills was provided to MSQ, as the regulatory authority for spills from marine vessels for follow-up action as appropriate. The other spills came from sources such as a vessel sinking and land-based sources.

All the dust and noise incidents occurred in the Port of Hay Point and related to activities associated with coal storage and transport in or adjacent to the port. The actual number of dust complaints was 33, reflecting multiple complaints from some of the incidents. PCQ is working closely with the terminal and transport operators to continue to reduce dust emissions from the port area. Further information is provided later in the Air Quality section of this report.

## Goals

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

Environmental Program	Results
Environmental Management System	<p>PCQ's EMS was in place, with appropriate reviews and audits carried out.</p> <p><b>Outlook for 2004/05:</b> The Corporation is arranging external certification of the system in the second half of 2004.</p>

## Environmental Monitoring

The following monitoring was carried out:

- annual seagrass monitoring at Weipa, Karumba and Mourilyan
- seagrass and other marine resource monitoring in the Ports of Thursday Island and Skardon River as short term studies
- introduced marine pest survey at the Port of Thursday Island
- introduced marine pest larval monitoring in all trading ports
- annual survey of beaches for coal in the Port of Hay Point
- water quality monitoring at Karumba and Weipa
- water temperature monitoring in all trading ports
- a turtle monitoring study was completed in Hay Point, Lucinda and Abbot Point
- sediment tested for contaminants in Weipa, Karumba and Hay Point prior to dredging
- macroinvertebrate monitoring at the Port of Hay Point
- cultural heritage surveys at the Port of Hay Point
- air and noise monitoring was continued at Port of Hay Point

**Outlook for 2004/05:** Many of the monitoring programs are long-term and will be continued. Project-specific monitoring will be determined on a needs basis.

## Environmental Improvement

Maintenance of revegetated areas was continued by port staff at the Port of Hay Point.

PCQ provided funding to the Mackay Turtle Watch Association for a laptop to be used during turtle surveys.

PCQ has continued to support local Clean Up Australia Day initiatives in its ports with the supply of gloves, drinks, equipment or funding as required by local organisers.

PCQ provided support to the Nanum Wungthin Land and Sea Management Centre in Weipa to undertake a feral pig shoot to reduce predation on turtle nests in the area. The project was considered a success with 305 feral pigs culled in two days.

**Outlook for 2004/05:** PCQ continues to look for new initiatives to improve the protection and enhancement of the port environment.

### Support of Projects

All new developments were reviewed for impact before approval. Eleven project-specific Environmental Management Plans were prepared or reviewed for works on port land.

A Whole-of-Port Environmental Management Plan was finalised and published for Lucinda to ensure future sustainable development of the port.

**Outlook for 2004/05:** PCQ will continue developing Port Environmental Management Plans for the three trading ports that currently do not have Whole-of-Port EMPs.

### Environmental Research

PCQ continued its financial support of the Australian Ballast Water Research Consortium, which is studying methods for commercially treating ballast water at the James Cook University. The concept adopted was to build a pilot plant in a portable, twenty-foot long shipping container using largely established and scalable technologies. Since the construction of the plant, extensive testing of the different modes of sterilisation has been undertaken to assess effectiveness in treating different organisms. These tests have been quite successful to date and have demonstrated high levels of effectiveness on a range of organisms using a combination of treatments. The research outcomes have been recognised internationally.

PCQ has provided financial support to Queensland Parks and Wildlife Service (QPWS) for a turtle research project in the Weipa region to assess the ecological impacts of feral pig predation on marine turtle nesting in the region.

**Outlook for 2004/05:** PCQ has supported ballast water research for a number of years and will continue to support practical research in this area in the coming year.

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

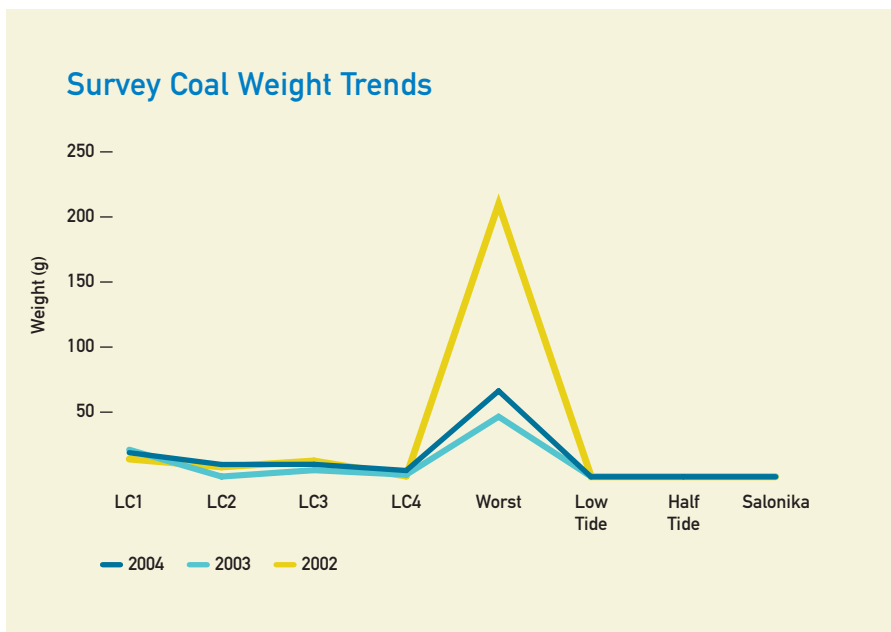
- greenhouse gas production and waste paper recycling performance, which are reported later in this report
- water usage by the Corporation
- a number of Environment Condition Indicators, including seagrass area and biomass and several water and sediment quality parameters.

## Water and Sediment Quality

There were no discharges to water from PCQ's activities.

The third annual survey for coal on the beaches in the Port of Hay Point was undertaken in April 2004. The survey team included a PCQ representative and two members of the local community. The survey showed that the Louisa Creek beach was largely free of coal, except at the narrow high water mark where pieces of coal are mixed in with other marine debris. Some coal was also found at the low tide mark. The number and weight of coal pieces is generally low per square metre in this zone. No coal was found in the surveys of beaches at Half Tide or Salonika.

The figure below provides a summary of the trend of coal weights over the past three years in a one square meter area in the high tide zone. Generally, coal weight on the beach in 2004 remains well below that found in the 2002 survey.



Using a water quality meter purchased by PCQ, a database of background water quality levels is being collated across the ports. Water testing was previously undertaken in Weipa and Hay Point and in 2003/04 monitoring was undertaken in Karumba and again in Weipa. This testing did not indicate any unusual concentrations of parameters tested (conductivity, marine salinity, suspended solids, dissolved oxygen, pH and temperature). PCQ environmental staff will undertake additional rounds of data collection in other ports in the future. The data will be able to be used for comparison with future water quality data. This monitoring data will be made available on PCQ's website in the coming year.

Dredging is carried out in Weipa and Karumba every one to two years to ensure a navigable depth for shipping. In 2003/04, dredging was undertaken in Weipa from 4-28 August 2003 and Karumba from 2 June 2004 into July. Before the start of dredging, extensive sediment testing is carried out on the material to be dredged. Testing in Weipa and Karumba demonstrated that the material was low in contaminants and met the National Ocean Disposal Guidelines for Dredged Material requirements. Results of sediment testing are provided to government, industry and community members on the dredging Technical Advisory and Consultative Committee (TACC) established in the two ports. Monitoring during dredging included water quality monitoring and aerial surveillance as agreed for each port by the TACCs. No impacts on sensitive marine areas were observed.

Bed levelling was carried out in the Port of Hay Point near the Dalrymple Bay Coal Terminal (DBCT) berths and approach areas for about two and a half weeks in late December and early January 2004. Aerial surveillance of the activity was undertaken on selected tides using a light aircraft to capture the spatial extent of the plume from the activity. The spatial extent of the plume generated in the immediate vicinity of the bed leveller was small. Water quality monitoring was also carried out to complement the aerial surveillance. Plumes were tracked during three separate monitoring events and turbidity was measured near sensitive environmental areas, which were greater than 5 km from bed levelling. The monitoring program indicated that the plume generated by bed-levelling activities did not impact on sensitive habitats.

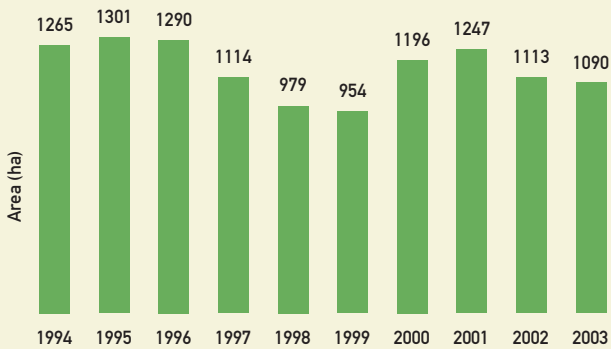
### Monitoring of Seagrass and Marine Habitat

Seagrass represents a valuable marine resource within port areas. It stabilises 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 impacts of port operations is the regular monitoring of seagrass in port areas. Seagrass monitoring is considered to be an important Environmental Condition Indicator of the health of port waters and PCQ regularly monitors seagrass in the Ports of Karumba, Weipa and Mourilyan. In 2003/04, seagrass was also monitored in the Ports of Thursday Island and Skardon River. The results of the monitoring continues to show that port activities are not impacting on seagrass.

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 2003 and was jointly funded by the Queensland Department of Primary Industries and Fisheries (QDPIF), CRC Reef and PCQ. The survey uses GIS mapping and biomass estimation from a helicopter to compile maps of seagrass meadows, which are used to monitor any changes occurring over time. The survey found that the seagrass populations have demonstrated some recovery from the record low levels observed in 2002 and that there is sufficient seed store in the sediment for this recovery process to continue. Cover of seagrasses was more consistent in the 2003 survey and led to the substantial increase in area for the core monitoring meadow.

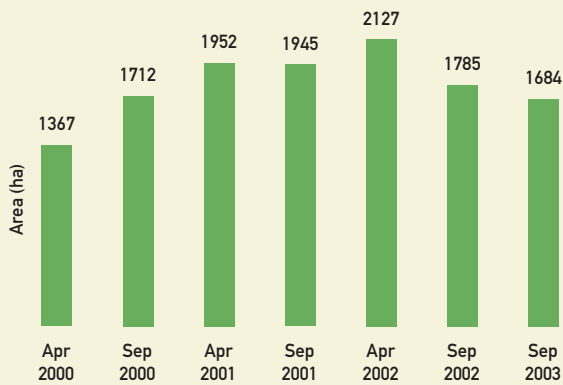
### Surveys for Seagrass in Karumba



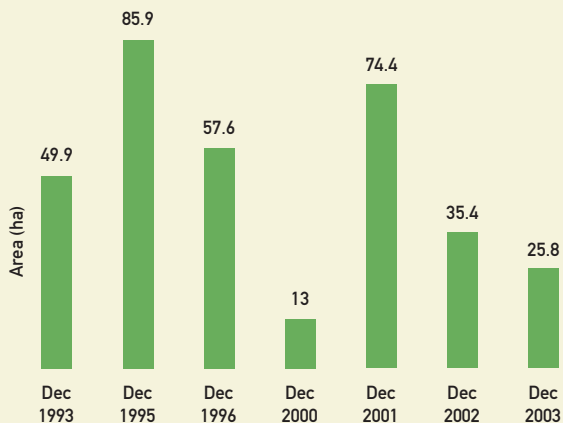
QDPIF have indicated that the observed changes at Karumba have most likely been driven by atypical weather conditions rather than port-related or anthropogenic causes. Similar changes in seagrass have been noted elsewhere in Queensland. Management of dredging in Karumba is presented later in this report as a case study.

PCQ started seagrass monitoring in Weipa in 2000 with a three-year intensive program to determine both seasonal and annual variations. Annual monitoring is now continuing, with a survey in September 2003 showing seagrass area and density within the levels of variation recorded for seagrass during the previous three years of surveys. There was an increase in two small meadows in the Mission River.

### Surveys for Seagrass in Weipa



### Surveys for Seagrass in Mourilyan



Seagrasses at Mourilyan have been regularly monitored by PCQ since 1993. It is now monitored annually in December as part of a joint program with QDPIF. The December 2003 survey showed that subtidal meadows of *Zostera* had remained largely unaffected. However, there had been a significant reduction in the spatial extent and biomass of the intertidal *Halophila* seagrass meadows at Seaforth Bank. QDPIF state that the observed changes were unlikely to be attributable to port operations and that some recovery of the intertidal seagrass meadow would be expected to occur with a return to more typical regional climate conditions. The seagrass variation typically occurs more in Mourilyan year to year compared to the Gulf ports.

PCQ and Skardon River Kaolin also commissioned a marine habitat resources survey at the Port of Skardon River in September 2003 to establish the summer baseline for local seagrass communities. The work was undertaken by CRC Reef and QDPIF. A winter survey had previously been undertaken in April/May 2002. The September 2003 survey showed that the Skardon River area encompassed a diverse range of ecologically important marine habitats, including seagrass meadows located adjacent to the port facilities and in other sections of the river. Other marine habitat resources of significance included mangroves, saltpans, rock bars and marine swamps.

A survey was carried out in the Port of Thursday Island. Seagrass was noted to be healthy and the detailed analysis of results will be reported in next year's report.

## Marine Fauna

PCQ sponsored a 12 month study of the population dynamics of marine turtles within the Hay Point, Abbot Point and Lucinda port areas by the Queensland Parks and Wildlife Service (QPWS). The final report was provided in July 2003. The study found that green and flatback turtles were recorded nesting within the Abbot Point and Hay Point port limits. Although turtle nesting density was low, the habitat was considered important for flatback turtles.

In Abbot Point, a total of 49 green turtles and one loggerhead turtle were noted. Edgecumbe Bay, which is within the port limits, was considered a major regional foraging area. At Hay Point, five green turtles, which forage on algal covered rocky areas, were observed in the area. At Lucinda, 10 loggerhead and three green turtles were observed during the year. The loggerheads primarily feed on molluscs embedded in the sandy bottom. The turtle population in the Port of Lucinda was considered small, but significant.

PCQ has sponsored a 12-month study by the QPWS Weipa ranger on establishing the ecological impacts of feral pig predation on marine turtle nesting in the region. Field investigations for the project have started and a report on the findings is expected in the next year.

PCQ also sponsored a project with the Nanum Wungthim Land and Sea Management Centre to reduce feral pig predation in the Weipa area. A pig shoot was undertaken in late September 2003, with 305 feral pigs being culled in two days. PCQ provided funding for helicopter hire, fuel and ammunition.

## 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 in previous years through a number of programs, including carrying out risk studies. These port studies showed that there is generally a low risk of introducing marine pest 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 yet been discovered.

In March 2004, a baseline survey for introduced marine pests, jointly funded by PCQ and CRC Reef, was carried out in the Port of Thursday Island. This survey employed a large range of sampling methods that yielded a large collection of marine organisms associated with the hard substrata and benthic environments. The Australian Ballast Water Management Advisory Council's target pest species were not identified during visual diver surveys or when preserving samples. However, this will be confirmed after laboratory examination and identification of all specimens, which is expected to be finalised in late 2004.

As part of ongoing monitoring for marine pest species, PCQ has deployed 'larval monitoring devices' in each of its trading ports. These devices are checked by port staff every three months for evidence of abnormal growth of organisms. During March 2004, three tubeworm specimens were removed and preserved from the Cape Flattery larval monitoring devices and dispatched to introduced marine pest specialists at the QDPIF in Cairns to check if the specimens were Caribbean Tube Worms. Classification by QDPIF confirmed that the specimens were not introduced marine pests.

In September 2003, an Asian Green Mussel (AGM) was positively identified on the hull of a vessel which was slipped for cleaning in Innisfail. The size of the mussel valve was about 142 mm, indicating a well-grown mussel. The slipway is on the Johnstone River, which falls within the port limits of the Port of Mourilyan. In response to the incident, PCQ (in consultation with the EPA) installed three larval monitoring traps – at the slipway, upstream

and downstream. PCQ's Port Supervisor regularly monitors these traps and to date no unusual growth organisms have been identified.

As an extension to the monitoring for Asian Green Mussel undertaken in the Port of Mourilyan, PCQ undertook an awareness program in March 2004 in each of its trading ports to promote an understanding of Introduced Marine Pests (such as the AGM and Caribbean Tube Worm) and the risks they pose. This involved the distribution of educational material to a total of 58 port users.

PCQ has for many years been a major supporter of research into the effective treatment of ballast water. PCQ has continued this program with its support for the Australian Ballast Water Research 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 the CRC Reef at the James Cook University in Queensland.

The concept adopted was to build a pilot plant in a portable, 20-foot long shipping container using largely established and scalable technologies. This has been done and the technologies tested include filtration, ultra-violet light irradiation, chlorine dioxide injection and a high speed sonic/shear device.

Since the construction of the plant, extensive testing of the different modes of sterilisation has been undertaken to assess effectiveness in treating different organisms. These tests have been successful and have demonstrated high levels of effectiveness on a range of organisms using a combination of treatments. The results have been reported at international forums.

## 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 EMPs and Port Land Use Strategies. During the year, one port EMP, covering the Port of Lucinda, was finalised after a period of public consultation. This plan included a pest management plan, which was reviewed by Hinchinbrook Shire Council. This is the fifth port plan that has been completed and all plans can be accessed via PCQ's website ([www.pcq.com.au](http://www.pcq.com.au)). As resources allow, the environmental group will prepare plans for Weipa, Abbott Point and Cape Flattery for public consultation.

In August 2003, a flora and fauna survey was carried out on two potential development lots in the Port of Mourilyan. The studies identified areas of significant vegetation and habitat for protection from any future development.

In the past, PCQ has planted about 120,000 trees on port land at Hay Point. Maintenance of these revegetated areas has continued to be a labour-intensive exercise for PCQ staff,

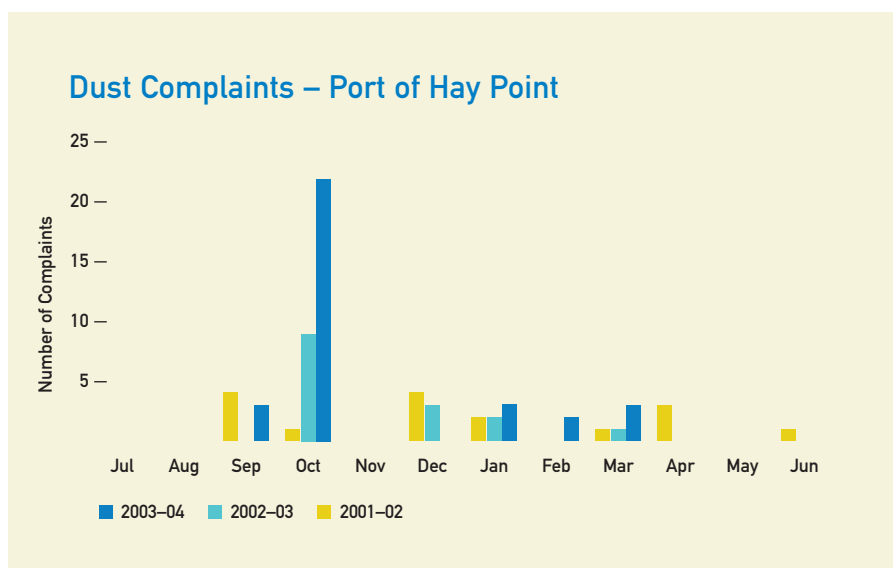
but the efforts have paid off with the saplings now growing well and out-competing weed growth.

## Air Quality

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

To provide a quantitative measure of performance, extensive air quality monitoring is undertaken in the port in a joint program with the two coal terminal operators. The program involves continual dust monitoring at four monitoring stations in townships adjacent to the terminals, as well as the collection of dust deposition data from 19 sites covering the terminals and 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. To ensure these independent monitoring results are available to the wider community, monthly noise and dust monitoring reports are placed on PCQ's website ([www.pcq.com.au](http://www.pcq.com.au)).

During 2003/04, 33 complaints were received regarding dust from the operation of the coal terminals. In the previous year, a total of 15 complaints were received. Dust complaints tend to be seasonal, occurring in the late spring/early summer months when conditions are dry and wind speed and direction is unfavourable for neighbouring residents. Almost half of the complaints (15) occurred on one particular day. Severe meteorological conditions occurred on 2 October 2003. Monitoring showed that NNW winds of upward of 30km/hr persisted at all monitoring sites during this day, reaching a peak of 75 km/hr. Both terminals shut down their operations for a significant part of the day to minimise dust emissions. Apart from this particular day, the number of dust complaints was reasonably consistent with those for the previous two years.



PCQ is working with operators of the two terminals and other key stakeholders in the Port of Hay Point to explore new avenues for reducing dust impacts. Both coal terminals have comprehensive dust control management strategies in place, including:

- 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
- equipment designed to minimise spillage.

When a complaint is received, the terminals investigate, take any corrective action required and report back to the person making the complaints.

## Noise

The only noise complaints received in any PCQ ports were at the Port of Hay Point. Two noise complaints were received in the port by terminal operators, which is the same number of complaints as the previous year.

One complaint at Hay Point was from a Louisa Creek resident regarding non-specific terminal noise and the other was in regard to noise generated by a hydroblasting operation. This latter issue was successfully resolved by the coal terminal operator through a modification to the hydroblasting system.

Since 1993, continuous noise monitoring has occurred at four monitoring stations in neighbouring residential areas around the Port of Hay Point. The average noise level is 47–53 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

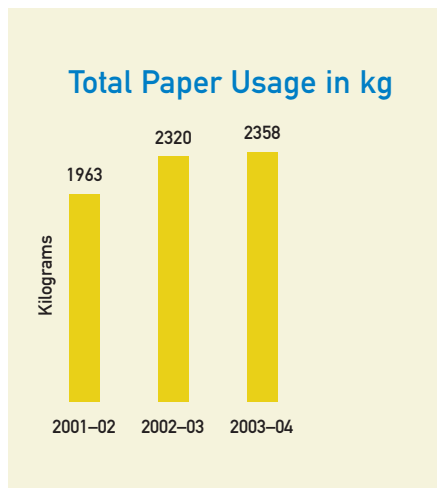
PCQ is a “landlord” port authority. As such, the Corporation does not operate any major port facilities and a large proportion of its staff work in an office or workshop environment. As a result, there are limited opportunities, apart from good management practices, to reduce energy, water or materials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

Office practices reflect a high awareness of conservation issues. Paper recycling is undertaken in Head Office and in any regional ports where the local councils provide these facilities. Steel and wood recycling is carried out in the ports and oil recycling is undertaken in the Ports of Weipa and Mourilyan. Recycling of paper and other waste products is included as a requirement in most EMPs for work carried out on port land. The main barrier to a greater increase in recycling for the organisation is the absence 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 2003/04. Results of the previous year are also presented.

Paper Type	Quantity in 2003/04	Quantity in 2002/03
A4 white and coloured	919 reams	918 reams
A3 white	13 reams	6 reams
Approximate total weight of paper	2358 kg	2320 kg

Footnote: A ream contain 500 sheets



There was no significant change in paper usage in 2003/04 compared to the previous year and it is marginally ahead of the 2001/02 usage. This is likely to relate to a greater number of projects being undertaken. PCQ is now moving towards more use of electronic files to replace paper files, so it is expected that paper usage should be contained and reduced in the future.

PCQ's head office recycles its paper through Australian Paper Recycling. The Corporation was advised that the estimated weight of paper recycled in 2003/04, based on the number of bins received and the average weight of bins, was around 5280 kg. The amount of paper recycled in 2003/04 is nearly three times greater than that recycled in 2002/03. Staff remain highly committed to paper recycling, but the large volume of recycled paper in 2003/04 was double that of the paper purchased and is largely attributed to a major clear-out of paper files due to an impending office refurbishment.

PCQ recycled about 40kg of toners from all printers in the head office in 2003/04, an increase of 60% of toners recycled in the previous year. 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.

The Corporation does not produce any packaged products or hazardous waste products.

As with the previous year's Annual Sustainability Report, this year's report has been produced in electronic format only to reduce paper usage.

## Water Usage

Due to the nature of PCQ's role across the ports, the Corporation is not a major consumer of domestic water. Usage is generally confined to public amenities such as toilet blocks, boat ramps and jetties, while some water is also used in PCQ premises for bathrooms, kitchens, garden irrigation and cleaning. Some water is provided to shipping and as this is metered it is not reported in PCQ's own usage numbers.

The table below provides a summary of PCQ's water usage across each of the locations for the 2003/04 reporting period. The ports of Abbot Point and Karumba had very low water usage, which reflects the absence of watered amenities in those ports. In the Port of Hay Point, where there is no town water supply to the PCQ building, PCQ purchases water from a carrier. Due to the low numbers of people using these facilities (including public toilets), water usage was comparatively low at 151 kl.

The ports of Mourilyan and Thursday Island have the highest water usage of PCQ premises, with each using in excess of 1,000 kl in 2003/04. In Mourilyan, PCQ provides water to its premises and the nearby public areas, which include a boat ramp and jetty. At Thursday Island, water is available to people using the public toilets and vessels using the jetties, while water was also provided by PCQ in 2003/04 for dust suppression during the construction of some new roads adjacent to the port.

Location	Volumetric usage (kl)
Head Office	Not available
Hay Point	151.0
Bowen (Abbot Point)	3.2
Lucinda	Not available
Mourilyan	1183.6
Thursday Island	1219.0
Weipa	Not available
Karumba	13.0

**Footnote:**

- Water usage is not currently metered at PCQ's premises in Brisbane, Lucinda or Weipa.
- Usage quoted does not include water which is provided and charged to shipping.

This is the first year that PCQ has assessed water usage across its operations, so it is not possible to compare 2003/04 usage with historic values. However, annual reporting in subsequent years will continue to assess water usage and thus highlight usage trends over time.

PCQ is committed to the sustainable use of natural resources, including water, and will thus seek to identify and implement water conservation initiatives. However, due to the nature of PCQ's role in the ports and the current uses of water, the level of demand for water is unlikely to change and is therefore difficult to reduce.

## Energy Use and Greenhouse Gas Production

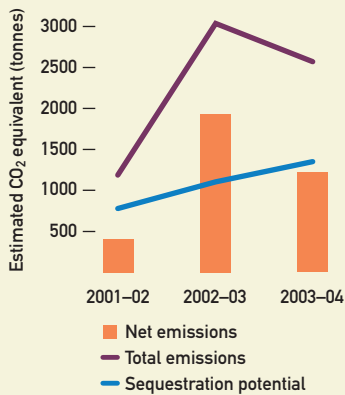
PCQ is itself not a major producer of greenhouse gases, as it does not undertake any product manufacturing or transport and its activities are largely office-based. The main PCQ activities that generate greenhouse gas emissions are dredging and bed levelling.

Source	Estimated CO <sub>2</sub> Equivalent Emissions (tonnes) [adjusted values]		
	2003/04	2002/03	2001/02
<b>Port Operations and Management</b>			
Electricity for power and lighting	447	660 [508]	590 [419]
Fuel for cars, boats, mowers etc.	72	66	43
Fuel in chartered flights	12	12	10
Fuel for dredging and bed levelling	2 041	2 452	716
<b>Total emissions</b>	<b>2 572</b>	<b>3 190 [3 038]</b>	<b>1 359 [1 188]</b>
<b>Greenhouse Gas Take-up</b>			
PCQ vegetation sequestration	1 352	1 105	783
<b>Net Greenhouse Gas Production</b>	<b>1 220</b>	<b>2 085 [1 933]</b>	<b>576 [405]</b>

### Comments:

- 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.
- Calculations for electricity-related emissions have been updated this year to reflect PCQ-only usage. In the past, sub-users of PCQ's electricity supply have not been isolated out of calculations and thus reported values have been marginally higher. The 2002/03 electricity emissions have been provided in the table above as presented in past Annual Reports. However, an adjusted value has also been included for comparison and graphed values have been adjusted.
- During 2002/03, PCQ divested their interest in Port Pilots Queensland (PPQ). Emission estimations reported during and prior to that year therefore included PPQ activities. This component of the emissions estimates for both 2001/02 and 2002/03 have therefore been removed from the above table for comparison. For details of PPQ emissions, please refer to the past annual reports.

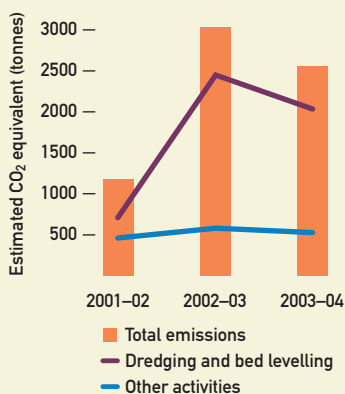
### Net Greenhouse Gas Emissions



Estimates of net emissions for 2003/04 were 1,220 tonnes of carbon dioxide equivalent, which represents a decrease (based on adjusted figures) of approximately 35% from 2002/03.

PCQ's greenhouse gas emissions over the past three years have varied significantly and have not clearly demonstrated a trend of increasing or reducing emissions. While estimates for 2003/04 are below the previous year's values, they are still well above that calculated in PCQ's first emissions assessment in the 2001/02 reporting period. The adjacent figure demonstrates that this variability in emissions is highly dependent on dredging and bed levelling activity, which changes from year to year based on requirements. While there was relatively little dredging activity in 2001/02 ( $\approx$ 20 days total dredging), dredging and bed levelling activity peaked in 2002/2003, with significant campaigns conducted at the Ports of Weipa, Karumba, Hay Point and Mourilyan ( $\approx$ 64 days total dredging). Again in 2003/04, dredging and bed levelling has been undertaken in the same ports. However, the magnitude of these campaigns has been reduced ( $\approx$ 54 days total dredging). A major contributor to the increased greenhouse gas emissions is the move from biennial dredging in Weipa to annual dredging to meet shipping safety requirements.

### Activity-based emissions



As highlighted earlier, PCQ is itself not a major producer of greenhouse gases. This is demonstrated in the graph above by the comparative emissions of dredging and bed levelling activity versus all other emission-generating activities. As the requirement for and the extent of dredging activity is largely dictated by coastal processes, PCQ has limited control over its total emissions. The Corporation does, however, aim to reduce greenhouse gas emissions where possible through the implementation of energy-efficient practices and the support and development of revegetation programs. Consequently, the graph above shows that there has been a reduction of approximately 10% in PCQ emissions generated by non-dredging activities, which are more likely to be influenced by energy-efficient initiatives.

To complement the Corporation's existing efforts to reduce greenhouse gas emissions, PCQ, in conjunction with the CRC Reef Research Centre, continued its long-term program of monitoring water temperature in its ports during 2003/04. The monitoring assists the scientific community in tracking seawater temperature, which is an indicator of global warming trends and may contribute to some understanding of the long-term effects of greenhouse gas emissions. Water temperature is also a key environmental parameter that can affect marine flora and fauna and changes in seawater temperature can help in studying changes occurring in port marine ecosystems. Specifically, research undertaken in 2003/04 has assisted scientists to determine if sea temperature has contributed to recent mass coral bleaching in the Great Barrier Reef Marine Park and has been utilised in introduced marine pest risk assessments by CSIRO.

### Land Contamination and Remediation

PCQ leases land or facilities to others, but does not operate major port facilities itself. Consequently, PCQ's activities are not likely to result in any land contamination and no land contamination was identified from 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. There have been no breaches of this licence. 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.

A preliminary (desktop) environmental site assessment was undertaken of the helipad and immediate surrounds in the Port of Hay Point in December 2003 to determine the existing levels, if any, of contamination associated with the leased helipad and refuelling facilities. The assessment showed that it is unlikely that the underground storage tank and lines are leaking. The potential for fill surrounding the underground tank to be contaminated was considered by assessors to be low.

## 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. These plans were reviewed and updated as necessary during the year.

Under new legislation introduced during the year, MSQ is responsible for the coordination of oil spill response across the State. PCQ and other Queensland port authorities signed Deeds Of Agreement during the year to provide a “first strike” or initial response to an oil spill in the trading ports, through provision of equipment and personnel to support MSQ in this new role. PCQ has worked closely with MSQ to ensure a smooth transition of responsibilities. PCQ and other port personnel assisting in the first-strike response are being progressively proficiency trained for this oil spill response role.

PCQ staff worked closely with MSQ staff to provide a joint response to the fourteen oil spills reported in PCQ ports. All spills were handled efficiently. All spills in the past year were considered minor, ranging from 5-15 litres as previously reported.

## Risk Management

The Corporation has a Risk Management System in place based on the Australian Standard for risk management, AS/NZS 4360-1999. This 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 and control measures have been put in place to mitigate risk to acceptable levels. The PCQ Board reviews monthly the mitigation measures in place for the top business risks 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 EMP to be developed. This plan will identify potential environmental impacts from the project and recommend appropriate mitigation measures. Eleven of these plans were developed during the year. Major projects will require a comprehensive review, including stakeholder consultation and an EIS to be prepared. A major project which has warranted an EIS is the Port of Weipa Capital Dredging Project. The environmental investigations for this started in November 2003 and the EIS is expected to be complete by the end of 2004.

## 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:

- *Dust and Noise Monitoring Reports, Port of Hay Point – November 2003 – June 2004.*
- *Seagrass Monitoring Survey for Port of Karumba - October 2003.*
- *Port of Weipa Seagrass Monitoring 2000 – 2002, EcoPorts Monograph Series No.22.*
- *Seagrass Monitoring Survey for Port of Mourilyan – December 2003.*
- *Turtle Population Dynamics in the Hay Point, Abbot Point and Lucinda Port Areas – 2003.*
- *Port of Skardon River – Marine Habitat Resources Survey – September 2003.*

To assist in the sharing of knowledge and to provide a co-ordinated approach to issues, PCQ has actively participated in a number of environmental committees including Queensland Ports Association Environmental Committee, AAPMA Environment Committee, Commerce Queensland Environment Committee, the Port of Hay Point Environmental Group and the Transport Portfolio Environmental Framework Working Group and Steering Groups.

One environmental staff person visited the Port of Rotterdam, Holland to broaden knowledge of overseas trends.

Through contacts at the International Maritime Organisation (IMO), PCQ has been in contact with personnel from the Diretoria de Portos e Costas in Brazil regarding dredging. Due to similarities in the environment of Brazil and Northern Australia, PCQ provided the Diretoria with copies of dredging reports (monitoring, contamination etc) and associated material to assist with the development of their strategic review of dredging. PCQ is maintaining contact with this organisation to share dredging experiences in the future.

PCQ was a sponsor for the 1<sup>st</sup> International Ballast Water Risk Assessment Workshop in Melbourne in September 2003. This workshop allowed port and shipping managers and marine scientists worldwide to present and discuss outcomes of ballast water risk assessment, and to progress the use of consistent and effective ballast water risk management at an international level. At the workshop, six PCQ EcoPort Monograph publications on ballast water research were on display and several overseas delegates indicated that these studies could assist in their ballast water research and development. Copies of these reports were sent to representatives of China, India, South Africa, Brazil and the Ukraine.

At the request of a representative of the South Pacific Regional Environment Program (SPREP), based in Samoa, PCQ provided a copy of its Skardon River Oil Spill Contingency Plan and advised of links to port EMPs on the PCQ website to assist SPREP develop an oil spill contingency plan for Pacific Island ports.

One paper entitled “Environmental Management at the Port of Hay Point” was presented by the Environment and Safety Manager at the state conference of the Institute of Public Works Engineers Australia in Mackay in October 2003. The conference theme was “Working Together” and the paper detailed the environmental and community consultation programs that have been developed for the port.

James Cook University is undertaking modelling of Mourilyan Harbour for research purposes and PCQ provided bathymetry data for use in the exercise. PCQ will obtain results of the study once complete.

PCQ continued its consultancy arrangement with the Rockhampton Port Authority (RPA). PCQ supplied environmental advice and training to RPA as required and also developed a new Environmental Management System for the port authority, based on PCQ’s own system. This consultancy service is not continuing in 2004/05 because RPA was amalgamated with the Gladstone Port Authority in July 2004 and the service is no longer required.

## Benchmarking

During the year, PCQ participated in a benchmarking of Sustainability and Environment and Social Reports carried out by URS. PCQ’s 2002/03 Annual Sustainability Report was reviewed in this benchmarking. This is the third annual benchmarking exercise that PCQ has participated in.

The benchmarking report noted that the presentability and readability of the report was very good. Positive aspects noted included the use of external verification of the report (carried out for the first time on the 2002/03 report); good reporting of environmental expenditure; and, inclusion of a graph showing employment by gender for each PCQ department and the Board.

The report also suggested that the “breadth and depth” of the report could be improved by:

- increasing the amount of economic data, even though this is reported in detail in the separate Annual Report published by PCQ
- adding some discussion on why PCQ is managing sustainability and including a direct statement from PCQ senior management to demonstrate commitment towards sustainability
- including more discussion on trends and reasons for change.

The report scored at 95 out of a possible total score of 196 using the UNEP 50 Sustainability Scorecard. This places the report equal 12<sup>th</sup> out of the Top 50 international reports and 9<sup>th</sup> out of the 15 Australian and New Zealand reports benchmarked. The report’s authors considered this a good result for the Corporation’s first sustainability report.

PCQ has addressed a number of the areas of improvement suggested in preparing this year’s Sustainability Report. However, some of the suggestions have not been implemented because they would significantly increase the length of the document, detrimentally affecting the document’s “readability” and require more resources than is available within a comparatively small organisation such as PCQ. However, PCQ is intending to continue to progressively improve the document in subsequent years.

## CASE STUDY

### Managing Dredging Impacts in Port of Karumba

The Port of Karumba is located on the Norman River in the Gulf of Carpentaria in North Queensland. The port has a great diversity of flora and fauna, which is typified by the extensive areas of seagrass meadows located within the port limits. Seagrass meadows form a key element of coastal ecosystems, providing food and habitat to a variety of wildlife such as dugongs, turtles, prawns and fish. Preservation of these meadows is thus critical, and PCQ have taken proactive steps in the development and management of the port to ensure the long-term viability of the seagrass.

Dredging is carried out biennially in the Port of Karumba to maintain navigable and safe depths for shipping and this could impact on seagrass. Karumba dredging started on 2 June 2004 and continued into July. One of the challenges presented by the co-location of the port and seagrass meadows, is the management of maintenance dredging operations.

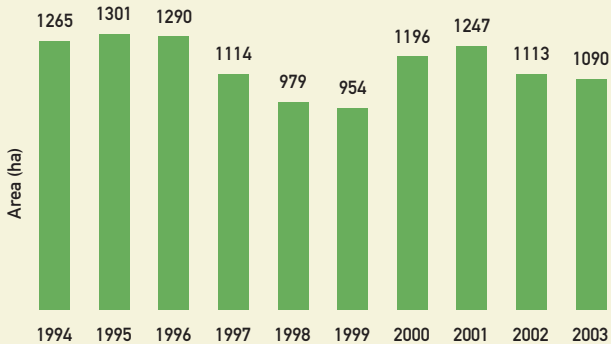
PCQ manages dredging impacts through a number of mechanisms:

- regular monitoring of seagrass
- sediment quality testing
- applying appropriate environmental triggers during dredging
- monitoring dredging operations
- consultation with key stakeholders.

#### Seagrass Monitoring

PCQ commissions regular surveys of seagrass meadows in the Port of Karumba to assess changes in spatial coverage, species diversity and biomass and has been monitoring seagrass in Karumba since 1994. This monitoring program has been noted by QDPIF to be “one of the longest term continuous seagrass monitoring programs established for tropical seagrass meadows in Australia”. The area of seagrass meadows has been shown to be reasonably stable in the port area. However, biomass suffered a significant drop in 2001 and 2002, which has been attributed to the unusual seasonal factors experienced state-wide.

### Surveys for Seagrass in Karumba



### Sediment Testing

Sediment quality testing was commissioned by PCQ in Karumba in February 2004 to ensure any material relocated from the shipping area to an off-shore disposal area was clean and free of contaminants. Samples were taken from 22 locations along the channel and analysed for a range of possible contaminants. Analysis of the sediments demonstrated that the material met the requirements of the National Ocean Disposal Guidelines and was considered suitable for ocean disposal as clean material.

### Environmental Threshold Triggers

Increased turbidity is one of the impacts that dredging can have on surrounding waters. If high turbidity above natural levels was sustained for a long period, it could reduce light to the seagrass or smother it.

To ensure the protection of the seagrass, the PCQ Environment Group this year set about determining a suitable turbidity threshold to use in dredging. Estimates of naturally occurring ambient conditions were based on background data collected in the months leading up to dredging, while aerial surveillance was successfully used to identify a number of reference sites. These reference sites were suitably removed from the shipping channel and were used to estimate the real time impacts of prevailing conditions on turbidity levels and thus isolate actual dredging impacts.

### Environmental Monitoring

Aerial surveillance is used to track the dredge plume to ensure it does not reach seagrass meadows. Due to the naturally turbid waters around Karumba, turbidity generated by the dredge plume quickly reaches the background level and is not easily discernible so aerial surveillance has limited use in Karumba. PCQ conducted two fly-overs, which demonstrated

that, whilst the plumes were definable, they were quite small and were well dispersed before reaching the seagrass meadows.

PCQ undertook turbidity monitoring from a boat for the duration of the dredging campaign. The turbidity threshold figure was used as a maximum limit for turbidity levels across the seagrass meadow. Daily monitoring of a number of sites across the meadow demonstrated that dredging did not cause turbidity levels to exceed this threshold.

Overall, monitoring showed that dredging did not have a significant impact on seagrass.

## Consultation

PCQ has established the Karumba TACC to advise on dredging in the port. This group has been operating for many years and is composed of representatives from government agencies, companies with shipping interests in the port, and local environmental and Indigenous groups. The group is consulted on dredging issues, such as sediment results, proposed monitoring of the dredge, spoil disposal and seagrass monitoring results. The group usually meets twice in the year of dredging.

## Conclusion

The information above shows how PCQ manages potential impacts from its port activities through a comprehensive environmental and consultation program developed specifically for each port. It also is an indication of PCQ's commitment to the ensuring the sustainable operation of its ports.

# Social Performance

## Workplace Health and Safety

PCQ 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 workplace risks and implements appropriate controls over any judged to be unacceptable.

The Corporation's injury statistics for 2003/04 are:

Injury Statistics	PCQ Performance to End June 2004	
	Employees	Contractors on PCQ Workplaces
Number of Lost Time Injuries (LTI)	0	0

These results show a high safety performance in PCQ workplaces and continues the Corporation's past good record in this area. The Corporation's Lost Time Injury Frequency Rate is 0, which matches the industry's best performers.

During the year, PCQ developed, documented and implemented a new Health and Safety Management System, based on the NSCA Five Star Health and Safety System, to help drive further safety improvements and to 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 systems.

Under the system, 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 and physical risk surveys of PCQ workplaces were continued.

## Maritime Security

During the year, a new Commonwealth Act, the *Maritime Transport Security Act 2003*, came into force. The purpose of the Act is to "establish a scheme to safeguard against unlawful interference with maritime transport". The Act requires specified maritime industry participants to conduct security assessments and prepare maritime security plans for implementation prior to 1 July 2004. The Act requires compliance with approved security plans and establishes enforcement powers.

To meet the Act's requirements, PCQ engaged consultants to carry out risk assessments of PCQ's ports and to develop port security plans. Security workshops were held in PCQ's ports over four months, between July to October 2003. Security plans for all relevant ports were submitted to the Department of Transport and Regional Services (DOTARS) for approval by 1 March.

All Maritime Security Plans required for PCQ ports were approved by DOTARS, well before the 1 July deadline, with the following PCQ ports designated as a security-regulated port under the *Maritime Transport Security Act*:

Hay Point	Abbot Point	Lucinda
Mourilyan	Cape Flattery	Thursday Island
Skardon River	Weipa	Karumba

The security plan approved for Abbot Point was the first plan approved in Queensland.

The new port security requirements started on 1 July 2004 and PCQ undertook a major advertising campaign to advise the local communities of the new security arrangements. The campaign included:

- Newsletters detailing the new arrangements and how local communities would be affected. These were delivered by PCQ port staff to areas such as council offices, police, local charter companies, water taxis, bait shops, caravan parks, motels, newsagents, government agencies and boat ramps.
- Advertisements placed in local papers providing full information about restricted land and water areas, including maps of the zones.
- Press releases for local papers.

Port Security Committee meetings are held about every six months for each port to provide a co-ordinated approach to security across the port.

## Cultural Heritage

PCQ has endeavoured to carry out 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. Most of this work is now complete.

During the year, a cultural heritage survey was continued for selected lots at Dudgeon Point (PCQ land near the Port of Hay Point), as part of a planning study investigating the potential use of land at Dudgeon Point for industrial or commercial development. The outcomes of this study are being finalised and will be available in the coming year.

PCQ is planning to undertake capital dredging in the Port of Weipa. Because of potential cultural heritage issues associated with widening a part of the existing channel, cultural heritage issues were discussed with various indigenous groups, including the Western Cape

Communities Coexistence Agreement (WCCCA) group, the Nanum Land and Sea Centre and Napranum Elders. As a result, a cultural heritage management plan was prepared and the Traditional Owners agreed to work proceeding under the conditions in the management plan.

## 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 a 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 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 port facilities. The major part of this work is now complete.

By allocating funds for maintenance and, in some cases, refurbishment work, PCQ has capacity to ensure some of those facilities in ports which are not major commercial assets can still be used for recreational activities into the foreseeable future. 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 2003	Thursday Island	<b>Thursday Island Childcare Centre</b> For maintenance of building and purchase of play equipment.	\$3,000
July 2003	Abbot Point	<b>2003 Queensland Cancer Council Townsville to Cairns Bike Ride</b> Nomination fees for Port Supervisor, John Martin, who participated in the ride	\$100
July 2003	Karumba	<b>Gulf Barramundi Restocking Association</b> For the PCQ Norman River Duck Race.	\$500
August 2003	Karumba	<b>Karumba State School</b> For prize in Children's Cent Sale at Annual School Fete.	\$200
September 2004	Head Office	<b>1st International Ballast Water Workshop</b> Major sponsor at conference on research into improved management of ballast water.	\$5,000
November 2003	Hay Point	<b>Water Rate Rebate for Louisa Creek residents</b>	\$5,576
December 2003	Hay Point	<b>Sarina State High School</b> For two annual scholarships: <ul style="list-style-type: none"> <li>▪ \$2,000 to a Year 11 student for assistance with tertiary studies</li> <li>▪ \$1,000 PCQ Industrial Studies Award.</li> </ul>	\$3,000
December 2003	Hay Point	<b>Half Tide Base Radio Club</b> For Children's Christmas Party	\$300

December 2003	Weipa Karumba Thursday Island	<b>2004 Croc Festival - 100% in Control</b>  One of the major social and cultural events held for youth in the Torres Strait, Cape York and Gulf of Carpentaria regions annually is the Croc Festival. PCQ has been a regular sponsor of the event and also one of its forerunners, the High School Rock Eisteddfod. The festival promotes a responsible attitude to drugs and alcohol and reinforces the cultural heritage in the community it reaches.	\$15,000
January 2004	Hay Point	<b>Mackay Regional Show</b>  Sponsorship of section at regional show.	\$300
March 2004	Mourilyan	<b>Australian Sugar Industry Museum</b>  Assistance to meet ongoing operational costs of museum.	\$5,000
March 2004	Lucinda	<b>2004 Australian-Italian Festival</b>  Support for festival in the Ingham community.	\$2,000
March 2004	Hay Point	<b>Mackay Turtle Watch Association Inc</b>  For purchase of laptop computer and slide projector.	\$3,000
March 2004	Hay Point	<b>Sarina Regional Show</b>  Sponsorship of section at regional show.	\$300
April 2004	Lucinda	<b>Ingham Regional Show</b>  Sponsorship of section at regional show.	\$300
April 2004	Abbot Point	<b>Allan Bauer Memorial</b>	\$200
April 2004	Abbot Point	<b>2003 Queensland Cancer Council Townsville to Cairns Bike Ride</b>  Nomination fees for Port Supervisor, John Martin, who participated in the ride	\$100

April 2004	Lucinda	<b>Clean-Up Australia Day</b> Purchase refreshments for local Clean-Up Australia Day activities.	\$37
May 2004	Karumba	<b>Clean-Up Australia Day</b> Contribution to local Clean-Up Australia Day activities.	\$190
June 2004	Head Office	<b>2004 Seagrass International Conference</b> Contribution towards international conference on seagrass monitoring and research.	\$2,000
<b>Total Invested:</b>			<b>\$46,103</b>

## Australian Rural Leadership Program

Last year, 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 attracts 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.

It was with pleasure and pride that PCQ learned of the election of Toshie Kris as Chairman of the Torres Strait Regional Authority (TSRA) following the local government elections in 2004. The TSRA is the most powerful representative group in the Torres Strait, being made up of the Chairs of the various community/island councils in the region. The TSRA aims to strengthen the economic, social and cultural development of the Torres Strait to improve the lifestyle and wellbeing of the people in the region.

## Toshie Kris

PCQ supported Toshie Kris in 2002/03. 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 to meet changes that are happening in the region
- enhance his skills as a member of 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 Lucinda and Mourilyan. They met with local stakeholders including their counterparts from the Cairns Port Authority.

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 Thursday Island, 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. 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, including:

- 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 at least held annually.

## Public Consultation

PCQ has an active Public Consultation Policy in place and a consultative culture underpins its 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 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 EIS 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 delivery 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 security
- Mourilyan development
- Hay Point Water Supply Pipeline
- port pricing
- Hay Point community issues

- development work on Thursday Island
- 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 to external stakeholders, PCQ has continued to make information about its business more accessible to outside audiences. It does this via printed publications, displays, conference presentations and papers and increasingly via its web site ([www.pcq.com.au](http://www.pcq.com.au)).

A newly designed and vastly improved PCQ website was completed in December 2003. It has an increased amount of information and is easier to navigate around than the previous site. The new site has received very favourable feedback.

PCQ also produces a quarterly electronic newsletter for its customers, *PortFolio*, and a community newsletter, *CRG News*, is produced quarterly after the Port of Hay Point CRG meetings.

## 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 the monthly staff newsletter, *PCQ Info*, was published. 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. Monthly meetings occur with representatives from the Shareholding Ministers' departments and briefings are provided on a regular basis on relevant issues.

## Industry Associations and Environmental Groups

PCQ participates in the following industry associations:

- active participation in the AAPMA and Queensland Ports Association environmental, engineering, port management and accounting groups
- a co-ordinating role in the Port of Hay Point Environmental Group and Dust Management Group
- chair of the Port Security Committees for nine security-regulated ports
- membership of the Environmental Group of Commerce Queensland.

PCQ has maintained contact with a number of environmental groups throughout Queensland to ensure issues of importance to the groups are being adequately addressed. These contacts have been maintained through avenues such as direct participation or financial support, or through advisory groups set up by PCQ, such as the Weipa and Karumba Technical Advisory and Consultative Committees or Port Advisory Groups in a number of other ports.

PCQ has provided feedback to a number of government agencies to ensure port interests or concerns were being adequately addressed or considered in new policies or legislation. The key areas during the year are presented below.

#### Queensland Transport

- participation in preparation of environmental policies and reports covering the Queensland transport sector for the Transport Portfolio Environmental Framework project
- close co-operation with MSQ to develop new oil spill response plans for PCQ ports - project is continuing into the coming year
- feedback on the security of critical state infrastructure, mainly in relation to ports.

#### Queensland Police Service

- co-ordination on security and emergency response for incidents in PCQ ports.

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

- participation in an annual meeting of senior GBRMPA and senior environmental staff from the Queensland port authorities to discuss common environmental management issues
- membership of the Mackay Local Marine Advisory Group that is co-ordinated by GBRMPA for stakeholder consultation.

#### Department of Transport and Regional Services

- provision of feedback on the *Maritime Transport Security Bill* and associated regulations
- participation in several security forums to discuss maritime security implementation across Australia.

## 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 to detail for customers a range of issues and topics of interest.

PCQ has established Port Advisory Groups in a number of ports to provide an 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 appropriate to the service, including the use of quality systems and environmental standards.

# Independent Verification Statement

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3 September 2004

Ports Corporation of Queensland  
PO Box 409  
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Attention: Ms Leonie Taylor (Chairman)

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Dear Ms Taylor

**Re: Verification of PCQ 2003/2004 Sustainability Report**

This letter provides an independent verification of the content of the Ports Corporation of Queensland (PCQ) 2003/2004 Sustainability Report (the Report).

The author of this letter (the Assessor) was engaged by PCQ for the verification and feedback of its 2002/2003 Sustainability Report and again for the verification of this Report. The Assessor was not involved in any part of the preparation of either report.

The Assessor has used the Assurance Standard AA1000 (2003) as the reference for the verification process. AA1000 recognises three principles for the assurance, that is:

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

In making these determinations, the Assessor has considered information made available by PCQ in both interview and documents, sufficiency of evidence, underlying systems and processes and existing assurance systems.



This Report is an update of the information presented in the 2002/2003 Sustainability Report. In the view of the Assessor:

- **Materiality:** PCQ has identified its major stakeholders and economic, environmental and social aspects of its business. PCQ has a number of monitoring programs in place. Environmental studies include dust, seagrass, sediment and water quality studies. Social studies include cultural heritage surveys. Economic data focuses on the costs of environmental and social programs. PCQ has a number of these studies available on their website and demonstrates the transparency in which these studies are conducted. The Report provides an overview of the outcomes of studies. The reader may need to access the specific reports for detailed information.
- **Completeness:** The inclusion of a Chief Executive Officer (CEO) statement in this Report can be seen as an additional level of commitment to sustainability agendas. The information in the Report provides an account of its sustainability performance. In some cases, the extent of the information provided may allow the reader to reach their own conclusions regarding the outcome of some matters. The PCQ Annual Report may need to be referred to for a detailed account of the financial performance.
- **Responsiveness:** PCQ has a number of processes in place to identify and respond to stakeholder interests. This includes community consultation programs and the scheduling of Board meetings at various PCQ locations. The environmental management system is to be assessed for ISO 14001 third-party accreditation and this may add an additional level of confidence in the view of some stakeholders. A Feedback Form was provided in the 2002/2003 Report but is not included in this Report. Contact details for feedback are provided.

PCQ continues to demonstrate a transparency in their sustainability agenda through the preparation of this Report. The scope and nature of sustainability reporting is evolving internationally and the challenge for PCQ will be to evolve their Report to keep track with these changes. The Global Reporting Initiative (GRI) and Association of Chartered Certified Accountants (ACCA) for Sustainability Reporting offer guidance for current trends in sustainability reporting.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Peter J. White'.

Peter J. White

Principal Consultant - Sustainability