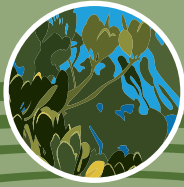


PORTS CORPORATION OF QUEENSLAND
ENVIRONMENT AND SOCIAL REPORT 2001/02



PURPOSE OF THIS REPORT

This report has been prepared to detail Ports Corporation of Queensland's (PCQ) environmental and social performance. It has been prepared to keep stakeholders, such as government agencies and the community, informed about the environmental performance of the Corporation as well as the activities undertaken to meet its social responsibilities. It progresses last year's concept of the Annual Environmental and Social Report moving to triple bottom-line reporting, as well as providing new information on sustainability measures.

The Corporation has chosen to report these aspects of its business independently of other activities because of their importance to both the organisation as well as stakeholders. Full financial, operational, health and safety and management aspects of the business are still reported separately in PCQ's Annual Report.

The aims of this report are to:

- describe how the Corporation is working to achieve sustainable outcomes in all of its activities
- report how PCQ is responsibly managing activities to both protect the environment and work with local communities
- provide economic factors associated with its environmental and social performance
- present details of the Corporation's environmental and social performance and outcomes achieved
- indicate the programs in place to continue improving this performance.

REPORTING POLICY

In preparing this report, the Corporation has endeavoured to include information recommended by the United Nations Environment Program for Sustainability Reporting (Sustainability Ltd/ UNEP, 1996) to ensure stakeholders and the community are adequately informed about the Corporation's activities and its progress towards sustainability.

It was not possible to include all of the UNEP recommendations in this year's report. However, the Corporation intends to continue improving the report in future years to accommodate any remaining areas of improvement required. This report will be externally benchmarked to determine any reporting gaps remaining.

YEAR IN BRIEF

- no breach of any legislation or environmental licence by PCQ
- one environmental incident involving the death of one turtle and injury to two others during dredging at Weipa
- no major oil spills in any PCQ port and only one moderate spill (from a port lessee on Horn Island)
- seagrass monitoring carried out in the Ports of Weipa, Karumba, Mourilyan, Thursday Island and Skardon River
- cultural heritage survey of port land at Cape Flattery
- Environmental Management Plans for Hay Point and Mourilyan put out for public consultation
- \$100,000 invested in Port Communities Program, assisting majority of port communities
- maintained public consultation and interaction through one Community Consultative Committee and five Port Advisory Groups
- maintained active briefing program for Stakeholders including improvements to PCQ Issues Management Report
- work started on PCQ Economic Impact Study.

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CORPORATE INFORMATION

Board of Directors

Chairperson

Leonie Taylor

Deputy Chairperson

Jim Petrich

Directors

Julie Bignell

Graham Carpenter

Peter Huth

Kasper Kuiper

Di Zetlin



CEO'S MESSAGE

Ports Corporation of Queensland (PCQ) is committed to sustainable development and operation of its ports and has developed appropriate practices to manage potential environmental impacts and work constructively with local communities.

This report continues PCQ's drive to achieve best practice in all its activities and achieve true sustainable development. Last year, PCQ expanded the Annual Environment Report to include its Social Performance. This year, we have taken substantial further steps to full sustainability reporting, reflecting our triple bottom-line philosophy. As a result of benchmarking last year's report against sustainability guidelines, we have adopted recommendations to ensure sufficient detail is provided for stakeholders to gauge the performance of the Corporation.

Reporting, however, is only one aspect of our performance. It has to be backed up by solid performance in the environmental and social areas. I am pleased to say that this is occurring. PCQ has an established environmental monitoring program that continues to set a benchmark for others in the port industry. Independent measures such as monitoring the health of seagrass in port areas shows seagrass to be healthy and not impacted by port activities. The Corporation's Port Communities Program, which includes activities such as sponsoring programs to support school children, continues to provide valuable assistance to our port communities.

The Corporation had one environmental incident during the year, involving the capture of some turtles during dredging at Weipa. Programs are being investigated to study ways to further minimise such captures in future and to investigate mechanisms that could be used to provide greater overall protection to turtles in northern regions.

I look forward to the continuing pursuit of improvement in the organisation's performance in the environmental and social areas.

BRAD FISH

Chief Executive Officer



PCQ PROFILE

SIZE AND LOCATION

The activities of PCQ are conducted within the State of Queensland. The Corporation is the port authority for the 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 51 people, 23 of these being located in its Head Office in Brisbane. The Corporation has port offices in its Ports of Hay Point, Abbot Point, Lucinda, Mourilyan, Thursday Island, Weipa and Karumba. Typically there is one port supervisor or area officer-in-charge in each port, with the Ports of Abbot Point and Thursday Island having staff of three and four people respectively. Included in the total staff number are 15 marine pilots and one manager who are responsible for marine pilotage services.

EXECUTIVE AND MANAGEMENT

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

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

Environmental reports are prepared monthly for the Board to keep them advised on the Corporation's environmental performance.

Social and community efforts are delivered from all sections within the Corporation, including the northern offices. Overall responsibility for the Corporation's Port Communities Program, community relations and consultation efforts rests with the Communication Section, which comprises the Communication Manager (who reports to the CEO) and Communication Officer.



Safe port operations remain a priority (ship at Abbot Point).

PCQ'S BUSINESS

The role of the Corporation as a port authority is to:

- carry out land use and infrastructure planning to ensure appropriate development on port land
- provide appropriate port infrastructure
- ensure the safe operation of its ports through dredging of shipping channels and provision of emergency response services
- protect the port environment through ongoing monitoring and appropriate management controls on new developments and review of existing port activities.

FINANCIAL PERFORMANCE

The Corporation comprises eight trading ports (Skardon River was added during the year) and two community ports that PCQ individually manage. Excluding the financial impact of the DBCT lease transaction, all operating trading ports made positive financial contributions in 2001/02.

PCQ recorded an operating loss before tax equivalents of \$13.5 million. The major cause for this loss was the finalisation of the accounting for the long-term lease of DBCT. Without this and the associated transaction, the Corporation had budgeted for a profit before tax equivalent of \$34.8 million.

PCQ's environmental expenditure for the 2001/02 year was \$353,600, excluding staff labour costs and overheads such as travel. The major cost expenditures in the environmental program were for seagrass surveys (\$167,8289); baseline marine surveys (\$57,017); monitoring for noise and dust (\$43,021); and cultural heritage surveys (\$31,312). A total of \$100,000 was invested in the Port Communities Program to advance support of local communities.

POTENTIAL ENVIRONMENTAL IMPACTS AND MAJOR ENVIRONMENTAL ISSUES

Because PCQ plays a planning and co-ordinating role, most of its activities are unlikely to have a direct impact on the environment. The main activity carried out by the Corporation is dredging in its ports to maintain navigable depths for ships. The impacts of this activity are controlled through appropriate dredge management plans; extensive sediment testing and environmental monitoring; and, close consultation with government agencies, environmental groups and the local communities.

The major environmental issues facing PCQ are:

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

ENVIRONMENTAL MANAGEMENT

ENVIRONMENTAL POLICY

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

PCQ'S ENVIRONMENTAL POLICY IS TO:

- comply with all relevant environmental legislation and government policies and aim for best practice
- monitor the impact on the natural and social environment surrounding ports
- minimise the environmental impacts of port operations and developments and seek continual improvement
- use resources efficiently and minimise wastes
- strive for usage and development of ports consistent with the concept of ecologically sustainable development
- enhance PCQ's reputation through high environmental standards and performance
- develop and maintain effective Environmental Management Plans and Emergency Plans
- communicate openly and honestly on the environmental performance of ports to key stakeholders, government and the general community
- work co-operatively with other organisations or provide appropriate support, including sharing any outcomes from the Corporation's own research work, where it will help achieve the environmental objectives of the Corporation
- hold all employees accountable for environmental performance
- ensure contractors meet PCQ's environmental standards and requirements
- encourage port tenants/lessees to meet the Corporation's environmental standards and requirements.

This environmental policy is provided as a statement of PCQ's commitment to protection of the environment and to ongoing environmental improvement. It is displayed in PCQ work-sites and is provided on PCQ's website (www.pcq.com.au).

ENVIRONMENTAL MANAGEMENT SYSTEM

PCQ has a well established Environmental Management System (EMS) in place. The EMS documents the Corporation's Environment Policy, procedures, practices and legislative requirements to ensure sound environmental management across all of its ports. The EMS documents the responsibilities and accountabilities for environmental management within the Corporation. It also provides details of how environmental performance is to be measured against internal and external standards.

The system is based on International Standard ISO 14001 and has been continually improved by Corporation staff since its inception to reflect best industry practices.

The Corporation will move to external certification of this system in 2003 as part of its ongoing system development, as well as to recognise PCQ's commitment to international standards.

ENVIRONMENTAL AUDITING

PCQ has an environmental audit system to verify compliance with legislative requirements, as well as with the Corporation's policies, procedures and approved environmental management plans. Audits are also used as a valuable tool to identify areas for potential improvement.

A range of audits was carried out:

- Internal auditing of compliance with the EMS was started during the year and one audit was carried out.
- An integrated Workplace Health, Safety and Environmental audit was carried out at most PCQ-operated facilities during the year. Audits were conducted on six of PCQ's facilities. These combined safety and environmental audits have proven effective in identifying areas of continuous improvement, as well as maintaining awareness of critical workplace issues.
- Environmental compliance audits were carried out of four contractor work-sites for projects commissioned or approved by PCQ on port land. Overall, there was a general high standard of performance on these construction projects.

- One environmental compliance audit and one environment and safety inspection of port leases were carried out by PCQ environmental staff.
- A risk audit was carried out on all PCQ trading ports.

GOALS AND TARGETS

Targets for improving the 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

Details of compliance and the strategies for improving performance are reported in the Environmental Performance section of this report.

ENVIRONMENTAL MONITORING

PCQ has a comprehensive program of environmental monitoring which is reviewed each year. It is developed on a port-by-port basis to ensure any environmental aspects under pressure are being adequately monitored. Baseline monitoring is carried out where appropriate.

The range of monitoring includes seagrass in or adjacent to ports (area, biomass and type of species); baseline surveys for marine species and monitoring for any introduced marine pests; water and sediment quality testing; flora and fauna surveys; benthic monitoring in areas potentially impacted by dredging operations; groundwater monitoring; and noise and dust monitoring. Details of the individual port programs are presented later in this report.

IMPACT ASSESSMENT OF PROJECTS

The Corporation requires the preparation of an impact assessment for projects proposed for port land. For smaller projects, an Environmental Management Plan (EMP) must be approved by the Corporation before the start of works. For major projects, an Environmental Impact Statement (EIS) is required.

During 2001/2002, PCQ prepared three EMPs and reviewed and approved four additional EMPs prepared by contractors. These EMPs were for projects varying from construction of a weather watch radar, to a quarry, to construction activities associated with expansion of a coal terminal. No major projects requiring an EIS were put forward during the year.



PCQ's ports handled 3,200 piloted ship movements in 2001/02 (ship at Weipa).

INCIDENT REPORTING

Although there is usually a low number of incidents in PCQ ports, capturing any incidents and learning from them is an important component of the EMS to ensure continual improvement. Any environmental or safety incidents are reported on an incident form. The outcomes of the investigation and recommendations to prevent their recurrence are also reported and followed up.

Details of incidents in 2001/02 are provided in the Environmental Performance section.

EMPLOYEE TRAINING

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

External training courses in the environmental area attended by Corporation staff during the year included:

- oil spill operators course (3 people)
- oiled wildlife response course (2 people)
- environmental auditing course (1 person).

Due to the small size of the organisation, all staff are expected to contribute significantly to the high environmental and social performance of the Corporation. Appropriate performance measures are included in the annual work plans of all staff. However, no specific award or external recognition scheme exists for high environmental achievement and this is unlikely to change.

ENVIRONMENTAL PERFORMANCE

PCQ STRIVES FOR EXCELLENCE IN ITS ENVIRONMENTAL PERFORMANCE AND SEEKS TO SET THE INDUSTRY BENCHMARKS. THE PERFORMANCE OF THE CORPORATION DURING 2001/02 CONTINUED TO BE HIGH.

LICENCE BREACHES

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

SIGNIFICANT PCQ ENVIRONMENTAL INCIDENTS

Only one significant incident occurred during the year. During routine dredging of the shipping channel at Weipa in June 2002, three turtles were captured by the suction of the dredge. Of these turtles, one died and two had severe wounds but were alive and swam away. A further three turtles were captured in early July 2002 outside the reporting period. Of the turtles captured in July, two died. Both the Queensland Parks and Wildlife Service (QPWS) and Environment Australia were informed about the incident. The QPWS reviewed the measures being used to minimise turtle capture and considered the measures the best available.

The 24 hour a day Weipa dredging started on 10 June and was completed on 1 August 2002. The work comprised maintenance dredging to maintain the channel at navigable depths for shipping. The dredge *Brisbane* was used in 2002 for the dredging work. The dredge uses suction action to extract material from the bottom via two dragheads.

Turtle researchers in the QPWS indicate that turtles may use navigation channels as preferred areas to rest/sleep. Turtles are susceptible to predation (eg by large sharks) when resting and seek sheltered areas, such as navigation channels, to minimise their vulnerability. Turtles resting in navigation channels are therefore susceptible to capture by the dredge dragheads. Measures such as scaring turtles away from shipping channels are not effective, because they come back to the same area.



Aerial view of Mourilyan Harbour.

The time for dredging in Weipa is selected to follow the wet season to remove the high sedimentation that occurs in the channel. It is also undertaken between May and September, which turtle researchers in the Environmental Protection Agency (EPA) consider the most suitable time for dredging, to minimise potential impacts on turtles.

Turtle captures in Weipa have been rare in the past. Crew of the dredge have noted that the turtle numbers in Weipa were abnormally high in 2002 and had procedures in place to minimise turtles being captured. These procedures were carefully followed throughout the dredging.

Following completion of dredging, follow-up discussions have been held with turtle experts in the QPWS to determine any additional measures that could be undertaken by PCQ to increase the protection for turtle populations in coastal areas around Weipa and Karumba. PCQ is already supporting turtle research in the Hay Point, Abbot Point and Lucinda port areas. Additional research studies are being investigated with the QPWS.

GOALS AND TARGETS

PCQ prepares an environmental program each year to provide a clear, structured plan for the achievement of the Corporation's environment management objectives. The program includes a number of performance indicators. The performance against these indicators is reported below:

PERFORMANCE INDICATOR

RESULT

OUTLOOK FOR 2002/03

All relevant environmental legislation and government policies are adhered to in the conduct of PCQ activities.

- There were no known breaches of government legislation or policy.

- A similar high standard of performance is expected.

No unacceptable impacts on the natural and social environment are caused by any PCQ activities, while port operations and developments continue to proceed efficiently and cost-effectively. Suitable environmental indicators will be monitored through scientifically sound monitoring programs.

- The only identified impact was the capture of a small number of turtles during dredging at Weipa in June 2002 (see significant incidents).
- Significant monitoring was carried out in the ports (see separate port by port analysis).
- Environmental Condition Indicators (ECIs) have been developed for the health of port waters.

- Every effort will be made to reduce turtle captures during dredging. Three further captures occurred in Weipa in July 2002.
- The current program of extensive environmental monitoring will be continued.
- Monitoring and reporting against the new ECIs will start in the next Environment and Social Report.

Any new developments undertaken by PCQ or port users are reviewed to ensure effective management of any predicted environmental impacts.

- All new developments were reviewed for impact before approval. Seven project-specific Environmental Management Plans were either prepared or reviewed by PCQ for works on port land.
- Four contractor work-sites were audited by PCQ during the year to ensure compliance with licences and the approved Environmental Management Plan. Compliance levels were generally good and any appropriate corrective action was taken.
- Whole-of-Port Environmental Management Plans were prepared for Hay Point and Karumba and issued to the local council and EPA for comment. The draft plans for Hay Point and Mourilyan were put on public display for feedback.

- All developments continue to be reviewed and project-specific Environmental Management Plans (EMPs) prepared before approval.
- Auditing of PCQ facilities, contractors and lessees will be continued on a regular basis.
- Whole-of-Port EMPs will be prepared for the remaining trading ports and issued for consultation.

PCQ is, and is perceived to be, an environmentally responsible organisation and its business is enhanced by its environmental performance and reputation.

- Positive feedback has been received from individuals and organisations on a number of the Corporation's monitoring programs, in particular seagrass monitoring and sea water temperature monitoring, as well as the high standard of the Port Environmental Management Plans being prepared.
- PCQ has supported and played a major role in establishing a major research program on ballast water treatment, the Australian Ballast Water Treatment Consortium, which is managed by CRC Reef.
- PCQ is financially supporting turtle research by the QPWS in the Central Queensland coast region and considering research in other ports.
- PCQ presented three environmental papers at conferences during the year to showcase its high environmental standards.
- PCQ has played a significant role in representing Queensland ports in the development of the Transport Portfolio Environmental Framework Portfolio Environmental Report and the portfolio action plans.

- PCQ will continue its extensive monitoring work and will continue to share the information gathered.
- The Corporation will continue to implement "industry best practice" in PCQ ports. PCQ will continue to share its knowledge and experience with others through publications and conferences, as well as to learn from others to continue improvement.
- The Corporation will continue to support significant research work that will protect the port environment, such as on ballast water treatment, sea water temperature monitoring and seagrass and turtle surveys.

An effective Environment Management System (EMS) and Emergency and Oil Spill Response Plans are maintained to protect the environment under PCQ's control.

- Internal auditing of compliance with the EMS was started.
- Three port oil spill plans were updated for a new national command system (OSRICs).

- The Corporation will commence external auditing of the EMS and will seek certification of the EMS.
- PCQ will continue to update port spill plans until hand-over of responsibilities to Queensland Transport.

ENVIRONMENTAL PERFORMANCE CONTINUED

WATER AND SEDIMENT QUALITY

Fourteen spills into the marine environment were reported in PCQ ports during the year. These occurred from port lessees or port users, such as fishing vessels. There were no marine pollution incidents as a result of PCQ activities.

One marine pollution incident was considered of moderate severity, with the others being minor in size or consequences. The moderately severe incident occurred on Horn Island while a waste oil tank was being moved from a barge to shore by a lessee in the port. The tank's drain pipe and valve broke off and several hundred litres of waste oil reached the water. The company involved contained the oil spill with booms until assistance arrived. PCQ and Queensland Transport (QT) staff then assisted in the clean-up over the following two days. No oil reached any sensitive environmental resources.

Seven of the spills were from land-based sources (industrial facilities, commercial premises and urban storm water) and seven were from marine sources (fishing boats and commercial shipping). The appropriate regulatory authorities (EPA or councils for land-based spills and Queensland Transport for marine-based spills) investigated and followed up these incidents.



Port Supervisor Northern, John Martin, checking oil spill equipment.

In the first half of 2002, PCQ commissioned a study to develop a cost-effective water quality monitoring program, using consistent key environmental performance indicators, for all PCQ ports. The purpose of the monitoring is to determine the health of port waters and the success of PCQ in protecting the port aquatic environment. This study reviewed potential contaminants and impacts from both port land and the wider catchment, as well as other "best practice" monitoring programs. The program includes an Environmental Performance Evaluation System based on International Standard AS/ ISO 14031: 2000. The study recommends a number of Environmental Condition Indicators for ongoing assessment of port waters and sediments. The recommendations from this study will be implemented in the coming year.

At the request of the Louisa Creek and Hay Point Progress Association, a beach survey for coal was carried out by the Corporation in March 2002 in the Port of Hay Point. This was the first beach survey carried out by the Corporation. The survey team included a PCQ representative, two members of the local community and an independent scientific adviser. Results are presented in the separate PCQ Ports Report.

Dredging is carried out in both Weipa and Karumba every two years to maintain the channels at a navigable depth for shipping. Extensive sediment testing has been carried out on material to be dredged in both ports. In Weipa, 34 sites in the shipping channel and berth areas were sampled for contaminants. In Karumba, samples were taken from 22 sites in the shipping channel. Testing was carried out for 13 possible metal contaminants as recommended in Environment Australia's Ocean Disposal Guidelines. In addition, sediments in both locations were tested for metal levels in elutriate samples of the sediment and for acute toxicity to ensure sediments would not be toxic to marine life. All material to be disposed to a sea disposal site met the guidelines set by Environment Australia.

In Weipa, testing showed some elevated levels of Tributyl Tin (TBT) in the berth areas of Humbug Wharf and Evan's Landing. TBT is used as an antifoulant in paint on the hulls of ships. These areas were not dredged in 2002 and further testing will be carried out to determine possible disposal options for the material from these areas.

STEWARDSHIP OF HABITATS AND ECOSYSTEM - SEAGRASS

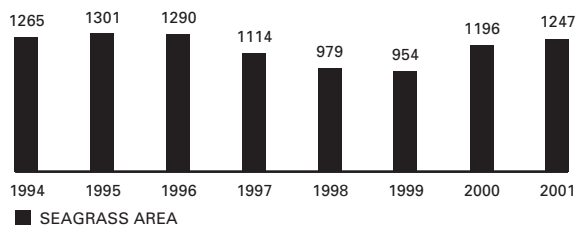
Seagrass meadows represent a valuable marine resource within port areas. PCQ carries out regular surveys of seagrass in the Ports of Mourilyan, Weipa and Karumba. Total area of seagrass in these three ports alone is over 4000 hectares.



Close-up of seagrass.

Seagrass at Mourilyan has been regularly monitored by PCQ since 1993. It is now monitored annually in December in a joint program with the QDPI. The December 2001 survey showed a large increase in the total area of seagrass since the last survey and the area was the highest amount mapped since surveys started in 1993.

SEAGRASS AREA IN KARUMBA – OCTOBER SURVEYS (ha)



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 2001 and was jointly funded by the QDPI and PCQ. The survey uses GPS mapping with biomass estimation from a helicopter to provide precise maps of seagrass meadows for monitoring any changes occurring over time. The survey found the area of seagrass had increased from the previous year, although the biomass was lower, but still within the range of previously recorded values. Extensive dugong feeding trails were observed throughout the seagrass meadows.

PCQ started a seagrass monitoring program in Weipa in 2000. This is a three-year intensive program to determine both seasonal and annual variations and will be followed by monitoring at a reduced frequency from 2003 onwards. The September 2001 survey showed an increase in the seagrass area over the 2000 survey. However, preliminary results from the April 2002 survey show little overall change. Survey results are presented in the separate PCQ Ports Report for Weipa.

A baseline survey of seagrass was carried out in the Port of Thursday Island in March 2002, which indicated large areas of seagrass in the area. The survey also included inspection for the marine pest, the Asian Green Mussel, that had been found in Cairns. No specimens were found in the port.

A new trading port, the Port of Skardon River, about 100 kilometres north of Weipa, was declared by QT, with PCQ as the port authority. To assist in its ongoing management, a baseline seagrass and marine resource survey was carried out in May 2002. Only a small area of seagrass was found, however there was extensive fringing mangrove and saltpan habitat within the port area.

STEWARDSHIP OF HABITATS AND ECOSYSTEM - FLORA AND FAUNA

PCQ is currently developing Land Use Strategies and Environmental Management Plans for all ports to ensure appropriate development occurs on port land and suitable environmental protection measures are in place. As part of PCQ's ongoing program to protect valuable flora and fauna areas, land areas of high environmental value (flora, fauna or cultural heritage importance) are being designated as environmental buffer areas in these plans to ensure their ongoing protection.

A detailed flora and fauna study was carried out of selected lots of land in Mourilyan during the year. This complements detailed surveys of other lots that have been carried out in the past. The study identified one lot (Lot 555 of 2.5 ha area) as containing flora of regional significance. The lot contains a fan palm forest of moderate to high integrity, as well as mangrove forest. A number of flora species classified as "rare" were identified on this lot: *Acmena divaricata*, *Macaranga polyadenia*, *Rourea brachyandra*, *Syzygium alliiignum*, *Lepidozamia hopei*. The area provides habitat for local cassowary. PCQ has designated this land as environmental buffer to protect it from disturbance.

At Hay Point, PCQ previously planted around 120,000 native trees on port land to revegetate buffer land around the coal terminals. Maintenance of these areas has continued. An external audit of the revegetated areas was carried out during the year. This concluded that the revegetation was successful in achieving the desired number and mix of tree species. Saplings have suffered competition from weeds, particularly the aggressive guinea grass. However, the audit found that in many areas, the saplings were now starting to appear over the guinea grass and will be able to survive with lower levels of maintenance in the future.

Land Use Strategies and Environmental Management Plans for two ports – Hay Point and Mourilyan – were completed and issued for public comment. At Hay Point, around 22 hectares of highly significant mangroves and other habitat types have been designated as an environmental buffer area to ensure the area remains undisturbed. In Mourilyan, where there are still significant areas of undisturbed mangroves and rainforest on PCQ land, over 150 hectares, or around 70% of the port land, has been designated as environmental buffer area to ensure its ongoing protection. Land Use Strategies and Port EMPs are being developed for other ports.

ENVIRONMENTAL PERFORMANCE CONTINUED

STEWARDSHIP OF AREAS OF CULTURAL HERITAGE

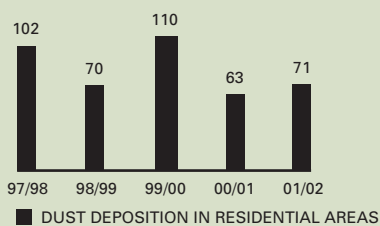
To ensure cultural heritage issues are appropriately managed, in 1999, the Corporation started a program of cultural heritage surveys of all land under its ownership. During the year a cultural heritage survey was completed for PCQ land at Cape Flattery, and planning was begun for surveys to be undertaken in the coming year of land in the Ports of Hay Point and Karumba. Cultural heritage surveys have now been completed in five ports.

The cultural heritage surveys are carried out to meet standards and criteria specified by the EPA. When completed, the survey results are documented in the Port Environmental Management Plans and are taken into consideration for the protection of any cultural heritage values when determining the appropriate use of undeveloped land.

AIR QUALITY

Because there are a number of residents living close to the two coal terminals in the Port of Hay Point, an extensive air quality monitoring program is carried out in the port. This is a joint program with the two coal terminals. The program involves continual dust monitoring at four monitoring stations in townships adjacent to the coal terminals, as well as the collection of dust deposition data at 19 sites on the terminals and in the adjacent townships.

HIGHEST LOCAL DUST DEPOSITION RATE AT HAY POINT (mg/m²/day)



Sixteen dust complaints relating to terminal activities were received by the coal terminals or PCQ during the year, slightly more than the previous year. However, no dust complaints were received in connection with the operation of the coal terminal at Abbot Point.

NOISE

As in the previous year, no noise complaints were received by the coal terminals in the Port of Hay Point. PCQ received one complaint about helicopter noise (used for marine pilot transfers) from a neighbouring resident to the port. Noise monitoring continued at Hay Point, with continuous noise readings taken at four monitoring stations in neighbouring residential areas. Typical noise levels were 48–52 dB(A) at the closest residences. The target maximum recommended in Environmental Protection Policy (Noise) 1997 was not exceeded. No noise complaints were reported by the coal terminal at Abbot Point or sugar terminals in Mourilyan and Lucinda.

ENVIRONMENTAL IMPACTS

The environmental impacts associated with PCQ's activities are tracked through the extensive environmental monitoring programs. Specific monitoring of habitats and ecosystems was reported earlier, together with a summary of air, water and noise quality. Additional information is provided in the port-by-port analysis.

However, one of the key tools used by PCQ to monitor the cumulative impact of port operations is the regular monitoring of seagrass in port areas. Seagrass meadows are an important component in the coastal ecosystem. They stabilise coastal sediments, provide food and shelter for a diverse variety of organisms, provide a nursery ground for many prawns and fish of commercial importance and play an important role in nutrient trapping and recycling (Roelofs et al, 2002). Seagrass condition and distribution is considered a good biological indicator for the health of an ecosystem.

Regular monitoring of seagrass was carried out at Mourilyan, Weipa and Karumba, where significant areas of seagrass have been identified. In addition, baseline monitoring was carried out at Thursday Island and Skardon River. In all cases, the seagrass meadows were found to be healthy and, in some ports, such as Mourilyan and Weipa, had even increased in area or distribution, indicating an ecosystem that is not under stress.

MATERIALS USE AND RECYCLING

PCQ has a small number of staff who are largely office-based and provide a service rather than produce a product. Office practices reflect a high awareness of conservation issues. However, there are limited opportunities to reduce energy, water or materials consumption apart from good management practices. Paper recycling is carried out in the Head Office and in the regional ports where the local councils provide these facilities. Steel and wood recycling is carried out in the ports. Recycling paper and other waste products is included as a requirement in all EMPs for work carried out on port land.

The Corporation used the following quantities of office paper in 2001/02:

- A4 white and coloured: 775 reams (387,500 sheets)
- A3 white: 6 reams (3000 sheets)
- The total weight of paper used was 2005kg.

The reporting of paper usage is a new initiative in this report and will provide a performance indicator for comparison in future reports. Measures to reduce paper usage will include greater use of double-sided copying and increased use of electronic distribution of documents rather than hard copy.

The Corporation's Head Office recycles its paper through Australian Paper Recycling. The Corporation was advised that the estimated weight of paper recycled by PCQ in 2001/02, based on the number of bins received and the average weight of bins, was around two tonne. The Corporation receives paper documents from other organisations and sends out documents in paper form, so the exact percentage of recycling is difficult to estimate. However, it is very high, reflecting the strong environmental awareness of staff.

The Corporation is not a significant user of electricity, with its main use being lighting in buildings. There have been no significant opportunities identified to further reduce usage. The Corporation is not a significant user of water, nor does it produce any hazardous waste products. Greenhouse gas production is reported in the Global Warming section.

LAND CONTAMINATION AND REMEDIATION

The activities of the Corporation provide services rather than products. These activities are not likely to result in any land contamination. PCQ carries out annual audits of its own facilities to ensure the volume of any fuel stored is minimised (typically less than 200 litres per site) and appropriate containment facilities are in place.

However, port land is leased to other organisations whose activities may have the potential to contaminate land if adequate controls are not in place. To prevent land contamination, environmental management plans are required for new developments to ensure adequate controls. Where any land contamination has been identified on port land, a risk assessment would normally be required to determine the appropriate action to protect the environment.

During the year, one lot in Weipa (Lot 16 on Plan SP116852) was placed on the EPA's Environmental Management Register. This lot was previously used by a sub-lessee as a slipway for cleaning vessels and contains residue (copper, lead and tributyl tin) from abrasive blasting. The lessee of the property has carried out a site risk assessment and this is currently being reviewed by the EPA to determine if any further action is required.

In Weipa, another lot (Lot 29 on Plan SP116854) was removed from the Environmental Management Register after successful remediation by the lessee. This site had been used for storage of batteries and had a small area where soil was contaminated by lead.

HEALTH AND SAFETY

PCQ's acknowledges that safety is an integral part of all activities at PCQ ports. No significant incidents were reported during the year. PCQ has conducted audits of all of its ports and will continue to work with employees, contractors and port users to ensure compliance with all relevant legislation. To further efforts in this regard, PCQ has reviewed its Workplace Health and Safety System. In response to the review, the Corporation has decided to implement the NSCA 5 Star System. NSCA 5 Star is a structured management system designed to assist organisations develop and evaluate their workplace health and safety systems and will help monitor performance in this area. More information on Health and Safety performance is provided in the separate Annual Report.

EMERGENCY RESPONSE

One of PCQ's roles as a port authority is to take action to remove pollutants discharged into waters within the port limits. As mentioned above, there were fourteen marine pollution incidents reported to PCQ. Most were considered minor in nature and none resulted in environmental harm. PCQ port staff responded to these incidents and took any action appropriate to contain and then remove the contaminants. PCQ assisted the regulatory agencies (QT and the EPA) in any follow-up investigations required.

PCQ has developed oil spill contingency plans for all of its trading ports and these are regularly reviewed and updated. The plans for Lucinda, Karumba and Mourilyan were revised for a new national oil spill response management system – Oil Spill Response Incident Control System (OSRICS) – and reissued. The plans for other ports are being updated in the coming year.

ENVIRONMENTAL PERFORMANCE CONTINUED

RISK MANAGEMENT

The Corporation has viewed risk management as an integral part of its operations and has actively managed the risks in its business through mechanisms such as formal risk reviews, the maintenance of a risk register and the implementation of risk management strategies. To fill any gaps that may have existed in the processes undertaken, PCQ developed during the year a draft Risk Management Manual based on the Australian Standard for risk management, AS/NZS 4360-1999. This risk management system is now being 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. A formal risk review of all PCQ ports was carried out to update the risk register and ensure appropriate risk management strategies are in place.

INTRODUCED MARINE SPECIES

The Corporation has been concerned about the possible risk of introduction of marine pests into Queensland waters through shipping activities, particularly from ballast water discharges and hull fouling. Over 200 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 pest species incursions are currently concentrated in ports in southern parts of Australia.

Risk studies carried out by PCQ in the past have concluded there is mainly a low risk 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 is in the final stages of a program to survey all of its trading ports for introduced marine pests. The report for Karumba was completed during the year and a similar report for Cape Flattery was being finalised. Although a small number of introduced species have been found in PCQ ports, no pest species have been discovered.

Because of an incursion of the Asian Green Mussel (*Perna viridis*) in Cairns, the Port of Thursday Island was surveyed during a port seagrass survey for this species, as well as for the Black Striped Mussel (*Mytilopsis spp*), which had been discovered in a Darwin marina in 1999. No specimens of either were found.

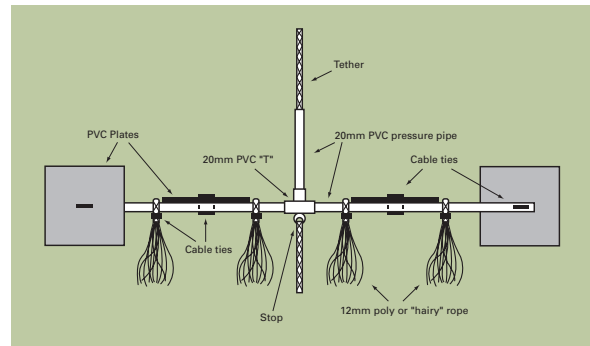


Diagram of a larval monitoring device.

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

PCQ has for many years been a major supporter of research into effective treatment of ballast water. It has helped to facilitate the formation of the Australian Ballast Water Treatment Consortium to carry out field trials of technology with the potential to treat ballast water to remove foreign organisms. This Consortium is being managed by CRC Reef from the James Cook University in Queensland. PCQ is a key partner and provides financial support, along with a number of other organisations. During the year, the Consortium employed a project coordinator and the equipment for trials is currently being set up.

INCREASING PROTECTION FOR TURTLES

Turtles are an important marine species in coastal areas. During the year, PCQ agreed to contribute \$10,000 to support important turtle research being carried out by the QPWS. The research project comprises extensive vessel-based surveys of sea turtle populations, using capture tag and release methods, at foraging areas at and adjacent to the Ports of Hay Point, Abbot Point and Lucinda. The surveys will provide details of the species type, distribution and habitat use. Key foraging habitat structure and threats will also be identified. The study is expected to be completed in 2003. The opportunity to participate in other turtle research based around Weipa and Karumba is being explored with the QPWS.

SUSTAINABLE DEVELOPMENT

SUSTAINABLE TRANSPORT

A number of Queensland government agencies, namely, QT, Department of Main Roads (DMR), Queensland Rail (QR) and Queensland port authorities and corporations, are working together to facilitate the shift towards ecologically sustainable transport. PCQ has been actively participating in the working group and steering groups for this project.

In May 2002, the agencies published the Portfolio Environmental Report, one of the project's key outputs. This report provides a description of the key environmental aspects and impacts of the Transport Portfolio's activities, products and services. It also provides a snapshot of stresses being placed on the environment by Queensland's transport system and documents actions being carried out by portfolio agencies to manage these impacts. The report will act as a benchmark to measure environmental performance of the Queensland transport sector. A Transport Portfolio Environment Policy and a Portfolio Environmental Action Plan are expected to be published in the coming year.

GLOBAL WARMING

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

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

ESTIMATED GREENHOUSE GAS PRODUCTION IN 2001/02:

PCQ Port Operations and Head Office Management	CO ₂ equivalent (tonne)
Electricity for power and lighting	590
Fuel for cars, boats, mowers etc	43
Fuel in chartered flights	10
Fuel for dredging	716
Total	1359
Pilotage	
Electricity	7
Fuel for cars	130
Fuel for Pilot transfers (boats, helicopter, chartered flights)	406
Total	543
Greenhouse Gas Take-up	
Sequestration by new vegetation on PCQ land	763
Net Greenhouse Gas Production from PCQ activities	1139

Footnote: Comments on numbers provided:

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

This is the first time that PCQ has estimated its greenhouse gas production and sequestration through vegetation. These numbers will be used to benchmark future performance.

SUSTAINABLE DEVELOPMENT CONTINUED



Revegetation area at Hay Point.

The Corporation, in conjunction with the CRC Reef Research Centre, continued its long-term program of monitoring water temperature in its ports. The monitoring assists the scientific community in tracking seawater temperature, which is an indicator of global warming trends. Water temperature is also a key environmental parameter that can affect marine flora and fauna. Knowledge of any change occurring in seawater temperature can help in studying any changes occurring in the port marine ecosystem.

Over the past few years, the Corporation has planted nearly 130,000 trees on port buffer lands, which has been part of its contribution to reducing greenhouse gases, as well as restoring native ecosystems and improving amenity for neighbours of the port. In their early stages of growth, new trees require a high level of maintenance because of competition from grass and weeds, and this has been the main focus over the current year. Large areas of vegetated PCQ land are also being retained as an environmental buffer area to protect areas of significant vegetation. In ports such as Mourilyan, the protected vegetated areas represent up to 70% of the total port area.

TECHNOLOGY CO-OPERATION

The 1992 Earth Summit identified technology co-operation as a key mechanism for promoting sustainable development. PCQ is committed to sharing any outcomes from the Corporation's own research work. As an active supporter of research into ballast water treatment, PCQ has ensured all research outcomes are made widely available in the scientific community through papers and conference presentations. Key papers and research outcomes are provided on PCQ's website (www.pcq.com.au).

Also provided on PCQ's website are other monitoring or research reports, including:

- results of port seagrass surveys
- introduced marine species surveys
- results of a survey of waste collected from the coastline
- any EISs prepared for major projects.

A number of papers sharing PCQ's best practice experience were presented during the year. At the 4th Queensland Environmental Conference in Brisbane in May 2002, PCQ presented two papers:

- *Effective Environmental Management and Monitoring of Dredging* by S. Hillman
- *Expansion of Dalrymple Bay Coal Terminal* by R. Brunner.

At the 7th International Conference on Bulk Materials, Storage, Handling and Transportation, in Newcastle in October 2001, a paper was delivered on Environmental Management of the Abbot Point Bulkcoal Terminal by R. Brunner.

COMMUNITY AND EXTERNAL RELATIONS

AS PCQ'S BUSINESS GROWS, THE CORPORATION HAS INCREASED CAPACITY TO MEET 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 IS 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 considers it is operating with a corporate social responsibility, an attribute increasingly being adopted by successful businesses. Further, it is felt that social infrastructure contributions are a valuable investment for the business by way of the goodwill earned and the co-operative atmosphere created.

Two years ago, PCQ substantially increased its commitment to funding for not only community sponsorships, but also for larger-scale community-based projects. An example of the type of projects which have been funded by the Port Communities Program is safety and refurbishment work at non-commercial facilities at Corporation ports. Typically these are older facilities, such as jetties and wharves, which were once used for commercial purposes, but now have community value for recreational pursuits such as fishing. Much of the immediate work required in relation to refurbishment of public facilities is now complete. However, PCQ maintains its commitment to contributing to relevant public projects where it is affordable, sustainable and in keeping with general community desires.

By allocating funds for maintenance and, in some cases, refurbishment work, the Corporation has capacity to ensure some of those facilities in ports which are not major commercial assets can still be used into the foreseeable future for recreational activities. The Port Communities Program allows the Corporation 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.

The total contributions in 2001/02 of \$100,000 are detailed in the PCQ Ports Report.

In addition, PCQ has committed \$45,000 to sponsor a participant in the Australian Rural Leadership Program. The program is designed to identify and personally develop men and women who are committed to sharing a vision for and shaping the future of rural and regional Australia. The course organisers are interested in attracting very high-calibre participants who can potentially make an impact on a national level. PCQ is supporting participation from an area north of Cairns (including the Torres community) and is engaged in discussions to sponsor a participant in the 2003 intake.

PCQ considers leadership in the Gulf, Cape and Torres communities as an important issue and one offering the Corporation the opportunity to help make a difference.

COMMUNITY AND EXTERNAL RELATIONS CONTINUED

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 by the Board of Directors and PCQ executives on a regular basis to make contact with key stakeholders as well as to inspect port facilities. During the past year, one trip was undertaken by the Board of Directors, visiting Hay Point, Abbot Point and Bowen.

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

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

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

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

The Trade Development Groups have been complemented in the past year with the start of the PCQ Trade Partnership Program. The program aims to facilitate trade through greater interaction with key stakeholders in port regions, namely local councils and local representatives of the Department of State Development. During the year, visits involving the CEO and relevant managers were made to Karumba (Carpentaria Shire), Hay Point (Sarina Shire) and Mourilyan (Johnstone Shire). A list of follow-up tasks has been developed and PCQ is working through these tasks before embarking on visits to other regional areas.

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 12 months and a number of positive initiatives, ranging from regular community inspections of port development to the expansion of local scholarships for students, have come directly from the group's operation.

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 typically held on an annual basis.



Karumba Port Advisory Group meeting.

PUBLIC CONSULTATION

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

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



Community and PCQ representatives undertake Hay Point beach survey.

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

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

- port pricing
- DBCT lease
- DBCT Stage 5 expansion
- development work on Thursday Island
- public facilities at Mourilyan
- pilotage services.

CULTURAL HERITAGE

The Corporation's program to document cultural heritage values of all of its land continued during the year. The cultural heritage assessments of PCQ land in the Ports of Thursday Island and Mourilyan were finalised in September and the Port of Lucinda in October 2001. A cultural heritage assessment of the Port of Cape Flattery was completed in March 2002. Consultation was undertaken with representatives of the Nguurruumungu and Dingaal Clans in the Cape Flattery area. Further information on these surveys is provided in the separate port-by-port analysis.

PUBLISHING AND PUBLIC INFORMATION

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

Further updating and upgrading work was carried out on the PCQ website during the year, with information regarding major PCQ contracts now regularly posted, in addition to general information about the Corporation, including its current Annual Report. The Port Development section was upgraded to accommodate information on PCQ contracts and tenders and this helps PCQ meet its obligations under the State Purchasing and Local Industry Policies. It allows all current and potential contractors for PCQ projects to go to the site at any time and receive information on tenders that are being called at that time. In addition, Port Rules and Charges have been included.

TRAINING

A media training program was provided for the organisation's executive staff. The training means PCQ will be better prepared to deal with the media in crisis situations, as well as enhancing the capacity to maximise coverage of positive initiatives. Further training is planned for next year as well as consideration of general presentation skills training.

OTHER STAKEHOLDER RELATIONS

EMPLOYEES

Because of its small workforce, informal feedback on environmental, health or safety, or 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. A workshop of port supervisors is held at least annually to discuss issues such as environmental performance or legislative changes, as well as to provide training on aspects of the Environmental Management System (EMS). Training items are developed from suggestions by port staff, as well as from any areas of weakness identified in audits.

LEGISLATORS AND REGULATORS

PCQ has sought to involve key government agencies in its operations and improvement program, as well as to provide feedback to agencies on draft legislation or policies. The Corporation endeavours to maintain a strong working relationship with the legislators.

PCQ prepared EMPs for the Ports of Mourilyan, Hay Point and Karumba. These plans were sent to both the local councils and the regional EPA offices for comment, before public consultation.

Key areas where PCQ has provided feedback include:

EPA

- Regional Coastal Management Plans are being developed by the EPA for the Wet Tropical Coast and Cardwell/Hinchinbrook areas. PCQ has trading ports in both of these areas, and is on inter-government committees being consulted on these two plans.
- Comments were provided on the discussion paper published on the Great Sandy Marine Park. The proposed marine park covers an area already designated by the Queensland Government as a port (Port of Maryborough). In its submission, PCQ has highlighted the different management aims of the two area designations.

QUEENSLAND TRANSPORT

- PCQ has been heavily involved in assisting in the development of the Transport Portfolio Environmental Framework *Portfolio Environmental Report* and the Environmental Action Plan, through participation on working groups and steering groups. The Portfolio Environmental Report was published by the government in early 2002. This report reflects the commitment of the State Government to "creating an ecologically sustainable Queensland" (Queensland Transport, 2002). The report provides "a transport-focused snapshot of the stresses placed on the environment by a growing transport system" and documents environmental initiatives being undertaken by transport agencies. The Environmental Action Plan will be published by Queensland Transport in the coming year.
- Feedback was provided on the Port Network Strategy Discussion Paper, which was developed by QT to provide "a clear and consistent decision-making framework to assist in the future planning, provision and operation of port infrastructure and services in Queensland" (Queensland Transport, 2002).
- PCQ has assisted in the hand-over of responsibilities for port pilots and oil spill response to the new agency, Maritime Safety Queensland, being set up by Queensland Transport.

GREAT BARRIER REEF MARINE PARK AUTHORITY

- Consultation occurred through the Queensland Ports Association (QPA) on new draft policies on Environmental Impact Management; Structures; and Dredging and Spoil Disposal. Through the consultation process, PCQ sought to ensure that the new policies could be practically implemented by port authorities and any unnecessary economic impact of the changes could be minimised.
- PCQ is a member of the Mackay Local Marine Advisory Group to provide regular contact with GBRMPA.

OTHER STAKEHOLDERS

Suppliers and Contractors

Because of the broad scope of its responsibilities and the small core workforce, PCQ uses consultants to provide specialist advice or services. PCQ follows the Queensland Government Purchasing Policy, which includes both competitive tendering as well as having a core list of preferred suppliers for particular services. Although suppliers are not currently assessed on their environmental performance or policies, preferred suppliers have met the Corporation's required professional and ethical standards. Companies with poor environmental records would not be considered as a suitable "preferred supplier". PCQ will consider expanding the tender review processes in the future to include aspects of environmental performance.

Any projects carried out by a contractor for PCQ require an Environmental Management Plan where there is potential for any environmental impact. PCQ uses this mechanism to ensure a high standard of environmental performance by contractors. Large projects undertaken by contractors to PCQ are also audited for compliance with legislation and with the approved EMP. Four such contractor audits were carried out during the year

Customers

PCQ's direct customers are lessees of port land, commodity owners and growers and shipping companies using the port. PCQ has established Port Advisory Groups in a number of ports to provide the avenue for direct feedback on port issues. More information on these has been provided earlier.

Industry Associations

PCQ has played a role in the following associations:

- Secretariat role in ICHCA (International Cargo Handling Co-ordination Association)
- active participation in the environmental group of the Australian Association of Ports and Marine Authorities (AAPMA)
- active participation in environmental, engineering, port management and accounting groups of Queensland Ports Association (QPA)
- membership of Environmental Group of Commerce Queensland, representing QPA .

Environmental Groups

PCQ maintains contact with a number of environmental groups throughout the State to ensure issues of importance to environmental groups are being adequately addressed. Contact is maintained through financial membership of a number of organisations and the receipt of newsletters. These organisations include:

- Weipa Catchment Coordinating Group
- Sarina Landcare Group.

PCQ provides \$10,000 per year to the Weipa Catchment Coordinating Group (WCCG) and has participated in the Group's programs where requested.

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GLOSSARY OF TERMS

AMSA

Australian Maritime Safety Authority

APB

Abbot Point BulkCoal (terminal operator)

AQIS

Australian Quarantine Inspection Service

Biomass

quantity of biological material identified during environmental surveys

Cathodic protection

electrical process which reverses the corrosion effects on the underwater components of marine structures

CFSM

Cape Flattery Silica Mines Pty Ltd

CPA

Cairns Port Authority

CRG

Port of Hay Point Community Reference Group

CYPLUS

Cape York Peninsula Land Use Strategy

CYP2010

Cape York Peninsula planning project

DBCT

Dalrymple Bay Coal Terminal (terminal)

DBCT Pty Ltd

Dalrymple Bay Coal Terminal Pty Ltd (terminal operator)

DBCTH

DBCT Holdings

DSD

Department of State Development

DUKC

Dynamic Under Keel Clearance (a system for maximising loads able to be taken on board ships leaving ports)

DWT

dead weight tonne

EA

Environment Australia

EBA

Enterprise Bargaining Agreement

ECI

Environmental Condition Indicator

ECOPORTS

Ports Corporation of Queensland's environmental program

EIS

Environmental Impact Statement

EMP

Environmental Management Plan

EMS

Environmental Management System

EPA

Queensland Environmental Protection Agency

FAARMS

Facilities and Assets Risk Management System

FX

Foreign Exchange

GBRMPA

Great Barrier Reef Marine Park Authority

GLADA

Gulf Local Authorities Development Association

GOC

Government Owned Corporation

HPS

Hay Point Services coal export terminal

IPA

Integrated Planning Act 1997

MMT

Mourilyan Molasses Trading

MPA

Mackay Port Authority

MSQ

Maritime Safety Agency of Queensland

mt

million tonnes

mtpa

million tonnes per annum

NCA Project

Newlands-Collinsville-Abbot Point Project (coal mines and ports)

O and M Contract

Operations and Maintenance Contract

NSCA

National Safety Council of Australia

PCQ

Ports Corporation of Queensland - also referred to as The Corporation

PP and R

Performance Planning and Review process within PCQ

PPQ

Port Pilots Queensland

QDPI

Queensland Department of Primary Industries

QPWS

Queensland Parks and Wildlife Service

QR

Queensland Rail

QSL

Queensland Sugar Limited

QT

Queensland Department of Transport

QTC

Queensland Treasury Corporation

SCI

PCQ's Statement of Corporate Intent

STL

Sugar Terminals Limited

TACC

Technical Advisory and Consultative Committee

TBT

tributyl tin (an antifoulant used in the paint on the hulls of large vessels)

User Agreement

user agreements in place at some PCQ facilities between operators and Ports Corporation of Queensland



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Facsimile (07) 4063 2684

PORT OF LUCINDA

Lucinda Qld 4850
Telephone (07) 4777 8152
Facsimile (07) 4777 8380

PORT OF THURSDAY ISLAND

PO Box 570, Thursday Island Qld 4875
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Facsimile (07) 4069 1768

PORT OF WEIPA

PO Box 612, Weipa Qld 4874
Telephone (07) 4069 7749
Facsimile (07) 4069 7518

PORT OF KARUMBA

PO Box 244, Karumba Qld 4891
Telephone (07) 4745 9522
Facsimile (07) 4745 9544

PCQ VALUES



ENHANCING SHAREHOLDER VALUE



A STRONG CUSTOMER FOCUS



COMMITMENT TO SUSTAINABLE
PORT DEVELOPMENT



AN OPEN, CONSULTATIVE APPROACH
WITH ALL STAKEHOLDERS



DEVELOPING OUR PEOPLE AND
RECOGNISING THEIR EFFORTS



PROVIDING EFFICIENT,
FIT-FOR-PURPOSE PORT FACILITIES



PROMOTING SAFETY AND PROTECTION OF
THE ENVIRONMENT WITHIN OUR PORTS