

P R O **D** U C T I V I T Y

F O R E S **I** G H T

R E S P O N S I **V** E

S T R **E** N G T H

R E S I L I E N C E

L E A D E R **S** H I P

E F F **I** C I E N C Y

S T R A **T** E G I C

L O N G E V I T **Y**

Port of Brisbane Corporation Limited

Annual Report 2008/2009

Contents

IFC ABOUT THIS REPORT

Describes the scope, boundaries and readership of this report.

IFC OUR VISION, MISSION AND VALUES

1 OUR HIGHLIGHTS

A snapshot of our financial, operational, social and environmental performance during 2008/2009.

2 OUR HISTORY

A look at some of the most significant corporate events that have shaped our organisation's history.

3 OUR ORGANISATION

Our business, responsibilities, stakeholders, and structure, including an introduction to our Board of Directors and Executive Team.

10 CHAIRMAN AND CEO'S REPORT

Our Chairman, David Harrison, and Chief Executive Officer, Jeff Coleman, discuss our major achievements and key results for the year and our strategies for the port's future.

14 OUR KEY CORPORATE STRATEGIES

Our performance against six core business strategies, objectives and targets as outlined in our Corporate Plan and Statement of Corporate Intent.

18 OUR OPERATIONAL PERFORMANCE

Our performance that relates to operational aspects, including trade, port efficiency, and infrastructure and property development.

21 Case study: Grain trade soars after rains return

23 Case study: Expert panel validates trial findings

30 OUR SOCIAL PERFORMANCE

Our performance that relates to our people, safety programs and community engagement.

33 Case study: Portcareers – a smart choice

40 OUR ENVIRONMENTAL PERFORMANCE

Our performance that relates to the dredging and environmental monitoring we've undertaken, our energy use and greenhouse gas emissions.

51 Case study: Moreton Island oil spill – part of the clean-up team

54 CORPORATE GOVERNANCE

An overview of our corporate governance processes.

62 OUR ECONOMIC AND FINANCIAL PERFORMANCE

Our General Manager Finance and Business Services, Darryl Mutzelburg, outlines our economic impact, financial review and financial results for 2008/2009.

67 Financial year in review

68 Financial performance 5-year analysis

72 Income statement

73 Balance sheet

74 INDEPENDENT LIMITED ASSURANCE REPORT

76 GRI CONTENT INDEX

80 INDEX, INCLUDING TABLE, GRAPH AND DIAGRAM INDEX

82 GLOSSARY, FINANCIAL DEFINITIONS AND ABBREVIATIONS

84 PORT OF BRISBANE MAP

86 CONTACT US

87 FEEDBACK FORM

88 OUR FINANCIAL REPORTS (ON CD)

About this report

The Port of Brisbane Corporation Limited Annual Report is a summary of our corporate performance during the 2008/2009 financial year. This year we combined our financial and non-financial reporting into one volume, with an accompanying CD, to provide a concise overview of our performance and commitment to the sustainability of the Port of Brisbane.

The report outlines our operational, environmental, social, economic and financial performance against key business strategies, objectives and targets set out in the Corporate Plan and Statement of Corporate Intent (SCI), as well as the challenges ahead.

The six key business strategies addressed in this report are to:

- accelerate and plan for trade and revenue growth
- deliver on our infrastructure projects
- facilitate improved port access
- make strategic investments and undertake non-trade activities
- drive port efficiency and sustainability
- support people, their learning and growth.

The report includes our corporate governance – the systems by which the organisation is directed and managed – and introduces the members of our Board and Executive Team.

The full Annual Financial Report is published on an accompanying CD. The Financial Review, which provides an annual and five year overview of our key financial objectives and targets along with our Income Statement and Balance Sheet is available on pages 72-73.

Readership

The report aims to provide accurate information to meet the needs of our stakeholders, that is, all individuals and groups who are affected by or have an interest in our activities.

These include, but are not limited to:

- our employees
- importers and exporters
- port operators
- freight forwarders
- commercial partners
- suppliers
- government departments
- shareholders/owners
- shipping lines and agents
- transport companies
- the community
- the media.

This year, with the Queensland Government's announcement to privatise the Port of Brisbane Corporation, we expect a new group of stakeholders will take an interest in this report.

We are committed to open and accountable governance and welcome your feedback on our reporting. A feedback form for the report is located on page 87.

 You can also send your feedback electronically through our website at www.portbris.com.au/contact.

For ease of reference we have included a glossary of terms, a list of abbreviations, an index, and a GRI Content Index at the back of this volume.



This report, past reports and our SCI can be accessed at www.portbris.com.au/corporation/publications.

Hard copies can be requested from: Corporate Relations
Port of Brisbane Corporation
Locked Bag 1818
Port of Brisbane QLD 4178
Australia
or telephone +61 7 3258 4734.

Sustainability and materiality

We are committed to improving the transparency and accuracy of our reporting, and this year referred to the AA1000 AccountAbility Principles Standard (2008) (AA1000APS 2008) and the Global Reporting Initiative Sustainability Reporting Guidelines (GRI G3 Guidelines) to inform our report structure and the management of sustainability within our business.

The AA1000APS 2008 provides a framework for us to manage our sustainability performance, develop strategies and plans, and to engage with and respond to our stakeholders. While our sustainability practices may not yet be fully integrated throughout the organisation, we value the benchmarking provided by these internationally recognised standards to improve the sustainable performance of the organisation.

For the first time, this year Ernst & Young will provide conclusions relating to the nature and extent of our adherence to the three core Principles within AA1000APS 2008: Inclusivity, Materiality and Responsiveness.

Our environmental, social and economic performance is prepared with reference to the GRI G3 Guidelines. A GRI Content Index is included in the back of the report to show how we have reported against the G3 Profile Disclosures and Performance Indicators. We have self-declared our application level as "C".

During the reporting period we undertook a materiality assessment to determine those issues that were most relevant in 2008/2009 to the concerns and interests of our stakeholders. The purpose of the assessment was to determine three key focus areas for assurance, as well as to inform our future sustainable development strategy and reporting.

Materiality is a concept that looks at determining and reporting on those issues that our stakeholders see as important, or of concern, in relation to our operations.

We conducted interviews and workshops to determine a list of material stakeholder issues and applied the AA1000 five-part materiality test to assess the identified issues. The test is a mechanism to assess the materiality of an issue based on: policy-related performance, short-term financial impacts and legal compliance, peer-based norms, stakeholder concerns and behaviour, and societal norms. Having established a broad list of issues through this approach we then prioritised these through an internal workshop that considered each issue for its known importance to both internal and external stakeholders.

Of the 15 issues identified in the materiality assessment, the five top issues were:

- dredging – the impact and long-term sustainability of dredging activities
- port access – water- and land-side access to the port now and into the future
- environmental performance – impacts of port operations on ecosystems, industry and communities surrounding the port
- port efficiency – managing the competitiveness and efficiency of the port
- global financial crisis – impact on port business activities and its tenants.

We engaged Ernst & Young for the fourth consecutive year to conduct limited assurance in relation to our report. This year, for the first time, Ernst & Young will conduct their assurance in accordance with AA1000APS 2008 and the International Standard on Assurance Engagements ISAE 3000. Ernst & Young's independent assurance statement contains their conclusions in relation to the Principles of Inclusivity, Materiality and Responsiveness as defined in AA1000APS 2008, together with their conclusion in relation to the accuracy and completeness of performance information for three material areas.

This assurance is limited to three material issues that we selected – dredging, community, and greenhouse gas emissions. *Dredging* was the top material issue identified in the materiality register. *Community – interaction and support to local community and responses to publicly raised grievances* was the top issue identified by our established Community Consultative Committee. We have reporting obligations under the National Greenhouse and Energy Reporting Scheme, and therefore *greenhouse gas emissions* was the third material issue selected for assurance. Both community and greenhouse gas emissions were identified in the materiality register.

Port access and *port efficiency* are two key business objectives, and are addressed in the operational section of the report. The impact of the *global financial crisis* on trade is discussed in the operational section, and our *environmental performance* in the environmental section of the report.

Our Vision

To be Australia's leading port: here for the future.

Our Mission

To grow trade through the port in a sustainable manner, which optimises stakeholder satisfaction and shareholder returns, by:

- driving port efficiency
- promoting strategic investments in a competitive environment
- adopting leading planning principles and management systems
- working cooperatively to ensure a safe and secure port environment
- providing world-class infrastructure
- behaving at all times in line with our corporate values.

Our Values

Safety first

Safety will be our priority in everything that we do.

Valuing people

We will operate on the basis of teamwork, mutual trust, respect and integrity, while maximising opportunities for personal and professional growth and development.

Customer focused

We will act professionally, enthusiastically, and be motivated to provide the highest levels of customer service to both our internal and external customers.

Commercially astute

We will act commercially by focusing on optimising shareholder returns and managing our business risks.

Deliver on our promises

We are committed to achieving the outcomes that we promise our stakeholders.

Sustainable outcomes

We consider the financial, environmental and social impacts of what we do, and commit to activities that benefit the Queensland economy, our natural environment and the wider community.

Continuous improvement

We will improve all aspects of our activities, through innovation, learning, and sharing and management of knowledge.

RESILIENCE

noun. the ability to recover quickly from change; recovering strength quickly; buoyancy

DIVERSITY

noun. the state or fact of being diverse; difference; variety; a point of difference

OUR HIGHLIGHTS

Financial

This year, despite the impact of the global financial crisis, we continued to grow our revenue and profits due to our strong total trade performance, growth in rental income, the sale of non-core properties, and the final sale of shares in Brisbane Airport Corporation Holdings.

See page 67

	Result \$'000	% change from 07/08
Total revenue	677,372	12%
Net profit	455,985	4%
Dividend provided for or paid	339,065	65%
Capital expenditure	155,638	-13%
Total assets	2,732,785	23%

Operational

Total trade increased by 5.6% to reach a record 31.9 million tonnes, due to strong performances in agricultural and coal exports. See page 19

We completed a major ground-improvement trial at the Future Port Expansion (FPE), and appointed a panel of world renowned geotechnical experts to provide extra insights.

See page 23

Patrick opened its new Berth 10 Autostrad® Terminal, and we completed construction of our new General Purpose Berth.

See page 22

We achieved key milestones in the first stage of our Port Productivity Strategy, including the implementation of a new dangerous goods tracking system. See page 26

People

Our staff numbers increased by nearly 15% from 337 in 2008 to 387 in 2009 due to recruiting in security, operations and hospitality. See page 31

We recorded three Lost Time Injuries (LTIs), down from seven the previous year. We are implementing a risk-based approach to address the number of injuries sustained by our staff on the job. See page 32

In January 2009 we launched a port careers portal for businesses at the Port of Brisbane. See page 33

Our staff E-Teams are driving sustainable behaviour in the office and at home. See page 37

Environment

We completed an inventory of air emissions from ships in the port. See page 50

Our Climate Change Commitment includes targets to minimise air pollution and greenhouse gas emissions, and improve resource efficiency. See page 42

Our Environmental Management System was re-certified against ISO 14001:2004 with no non-conformances – the third time since its implementation in 2000. See page 42

We are the main sponsor for the first community-based Mangrove Watch Program in Moreton Bay. See page 48



1859 Queensland was granted separation from New South Wales, and the Queensland Government assumed responsibility for the Port of Brisbane.



1971 The Queensland Government decided to break the Department of Harbours and Marines into four divisions – Port of Brisbane, Marine Affairs, Harbours and Marine Works, and Administration.



1976 The Port of Brisbane division was declared a statutory authority, called the Port of Brisbane Authority. This was the first step towards developing the port into a commercially oriented organisation.



1994 The Port of Brisbane Authority became a statutory Government Owned Corporation (GOC), called the Port of Brisbane Corporation (PBC). PBC subsequently became a company GOC in 2007, listed with the Australian Securities and Investments Commission.



2009 The Queensland Government announced that PBC would be sold as part of the Renewing Queensland Plan.



OUR ORGANISATION

PBC has six main divisions, which are responsible for ensuring that we meet our corporate objectives. A General Manager, who is also a member of our Executive Team, leads each division.

Queensland Community

Shareholding Ministers

The Honourable Andrew Fraser MP, Treasurer and Minister for Employment and Economic Development
The Honourable Rachel Nolan MP, Minister for Transport

Our Board of Directors

Chairman, David Harrison
Deputy Chairman, Catherine Sinclair
Professor Ted Brown AC
Peter Lancaster
Peter Low OAM
Susan Rix
Glen Toll
Loftus Harris
Bill Guest

Our Management Team

Chief Executive Officer, Jeff Coleman

General Manager Finance and Business Services, Darryl Mutzelburg

Acting General Manager Business Development, Mark Neander
Manager Financial and Risk Management, John Clifton
Manager Financial Operations, Cyril Stringfellow
Manager Information Technology, Tony Marles
Manager Strategic Projects, Iva Dinolova
Manager Commercial Services, Noel Ryan

General Manager Corporate Services, Michael Snell

Senior Manager People and Culture, Cathy Knight
Manager Employee Relations, Peter Ashton
Manager Learning and Organisational Development, Naomi Walton
Manager Corporate Information, Marie Walker
Manager Safety and Quality Systems, Michael Menso

General Manager Planning, Environment and Community, Rick Morton

Manager Environment, Brad Kitchen
Sustainable Business Manager, Sue Koreman
Acting Manager Corporate Relations, Rosie Field
Manager Planning, Jason Sprott
Manager Property Administration, Tom Smith
Manager Restaurant and Venues, Warwick Kahl

General Manager Northshore, Harbours and Bundaberg and Company Secretary, Jenny Ryan

Manager Northshore Property, Michael Moore
Manager Boat Harbours, Rosalind Perry
Manager Bundaberg, Jason Pascoe

General Manager Port Development, Gerry Johnstone

Senior Manager Infrastructure Planning and Chief Engineer, Bill Tranberg
Senior Manager Dredging and Channels, Peter Nella
Senior Manager Reclamation and Land Development, Arie Geelhoed
Manager Dredging Operations, Peter Rumball
Manager Dredging *TSHD Brisbane*, Gabriel Ooge and Manzurul Islam
Manager Engineering and Construction, Gary Bendell
Acting Manager Maintenance, Mansoor Abul
Manager Infrastructure Planning, Mansoor Abul
Manager Infrastructure and Sustainable Engineering, Robert Hancock
Manager Spatial Data Services, Warren Wood
Manager Geographic Services, Chris Overell
Manager Channels and Support Craft, John Watson
Manager Landside Projects, Robert Nave
Manager Waterfront Projects, Tony Dunk
Manager Reclamation and Land Development, Peter Boyle

General Manager Port Operations, Peter Keyte

Senior Manager Operations, Alan Turner
Manager Logistics, Andrew Rankine
Manager Security Services, Wayne Taratoa
Manager BMT, Barry Martin
Manager Port Efficiency, Rowena Routh

We are committed to ensuring the sustainable growth of the port and our business by balancing economic and operational performance with environmental and social responsibility.

WHO WE ARE

The Port of Brisbane Corporation (PBC) is a Government Owned Corporation, established on 1 July 1994 under the *Government Owned Corporations Act 1993* (GOC Act). We manage one of Australia's fastest-growing container ports, with the *Transport Infrastructure Act 1994* providing the framework for our responsibilities. On 1 July 2007, PBC changed from a statutory to a company GOC, listed with the Australian Securities and Investments Commission, becoming the Port of Brisbane Corporation Limited.

We have two shareholding Ministers – the Treasurer and Minister for Employment and Economic Development, Hon Andrew Fraser MP, and the Minister for Transport, Hon Rachel Nolan MP.

We are a government owned entity, but operate on a commercial basis and in a competitive environment, to ensure that we meet the objective of corporatisation under the GOC Act – 'to improve Queensland's overall economic performance'.

The Bundaberg Port Authority (BPA) merged with PBC on 1 October 2007. Bundaberg Port Corporation Pty Ltd (BPC), is a wholly owned subsidiary of PBC.

On 2 June 2009, the Queensland Government announced a restructure of their asset portfolio, which included the sale of PBC. We are currently preparing the organisation for privatisation and have appointed an internal privatisation team to assist Queensland Treasury during the sale. BPC will remain a state asset and is not part of the sales process.

BPC will be transferred to Gladstone Ports Corporation (GPC) in 2009/2010, and we will work with both BPC and GPC on a transfer plan.

WHERE WE ARE

Situated on the southern side of the mouth of the Brisbane River, just 24km from the city's Central Business District, our port has world-class cargo-handling and warehousing facilities. It also provides an interface between rail, road and sea transport at the Brisbane Multimodal Terminal (BMT). Over the past 20 years, investment in infrastructure and assets has totalled over \$1.5 billion.

Other landholdings and facilities are located at various sites upriver, including Port West at Lytton, Hemmant, Colmslie, Pinkenba, Eagle Farm, and Hamilton. We also manage three boat harbours in Moreton Bay, along with some public moorings and legacy wet leases in the City Reach of the Brisbane River.

See map on page 84.

OUR BOUNDARIES

The port's limits extend geographically from Caloundra to the southern tip of Moreton Island. They include the shipping channel, which is dredged to a depth of 15m below LAT (Lowest Astronomical Tide). Our management responsibility extends 16km up the Brisbane River to Breakfast Creek, and also includes the legacy wet leases in the City Reach of the Brisbane River.

In total, we have approximately 2,045ha of wet and dry land, of which 71% is designated for industrial use, 6% for commercial use, and 23% for environmental or community purposes.

WHAT WE DO

Our primary role is to facilitate trade growth through the commercial management of an efficient and customer-focused port. To this end, we provide the necessary infrastructure through the sustainable planning and development of new facilities, and the maintenance and management of existing facilities. We are also responsible for the security and protection of the port's infrastructure and assets, and the provision of risk-based security services.

We lease and manage our land for port-related purposes. Under the *Integrated Planning Act 1997*, PBC is the assessment manager for assessing and approving developments on strategic port land.

We are also responsible for maintaining navigable access to the port for commercial shipping. For this purpose, we have our own dredging fleet, including an ocean-going dredger, the *Brisbane*. The *Brisbane* also undertakes dredging at other Queensland and Australian ports under commercial contract arrangements.

We do not provide stevedoring services, towage services, or transport operations (other than the BMT), nor do we control shipping movements. We do seek to actively influence the performance of these service providers, as they are essential elements of an efficient and successful port.

OUR STAKEHOLDERS

Our values focus on providing exceptional levels of customer service, and delivering on the promises we make to our stakeholders. Our stakeholders cover a range of sectors, and are detailed in the following table:

Business customers	Government stakeholders	Community stakeholders
<ul style="list-style-type: none"> importers exporters freight forwarders customs brokers transport companies port operators shipping agents shipping lines stevedores suppliers 	<p>Federal:</p> <ul style="list-style-type: none"> Department of Infrastructure, Trade, Regional Development and Local Government (DITRD LG) <p>State:</p> <ul style="list-style-type: none"> our shareholding Ministers Department of Transport and Main Roads (DTMR) Maritime Safety Queensland (MSQ) Department of Environment and Resource Management (DERM) Queensland Treasury <p>Local:</p> <ul style="list-style-type: none"> Brisbane City Council Moreton Bay Regional Council 	<ul style="list-style-type: none"> environmental groups community groups schools and universities visitors to the port local and wider community media

OUR PEOPLE

As at 30 June 2009, we employed 387 people (378 full-time equivalent) in a variety of professional, technical, trade, hospitality, and administrative roles. We have 12 different workplaces: Port Office (our head office), Port of Brisbane Operations Base, Reclamation Site Office, Land Care Site Office, the *Brisbane*, BMT, Visitors Centre, Jetty Kiosk at Manly Boat Harbour, Port Central Café, Northshore Riverside Café, the Port of Bundaberg and our corporate office in the city.

Some of our employees are represented by trade unions, including: the Maritime Union of Australia, Australian Maritime Officers Union, and Australian Institute of Marine and Power Engineers.

We are committed to providing a safe and healthy environment for our employees, and place a high priority on reducing the number of LTIs. We encourage the development of our staff through training and professional development programs.

See Our employees on page 31.

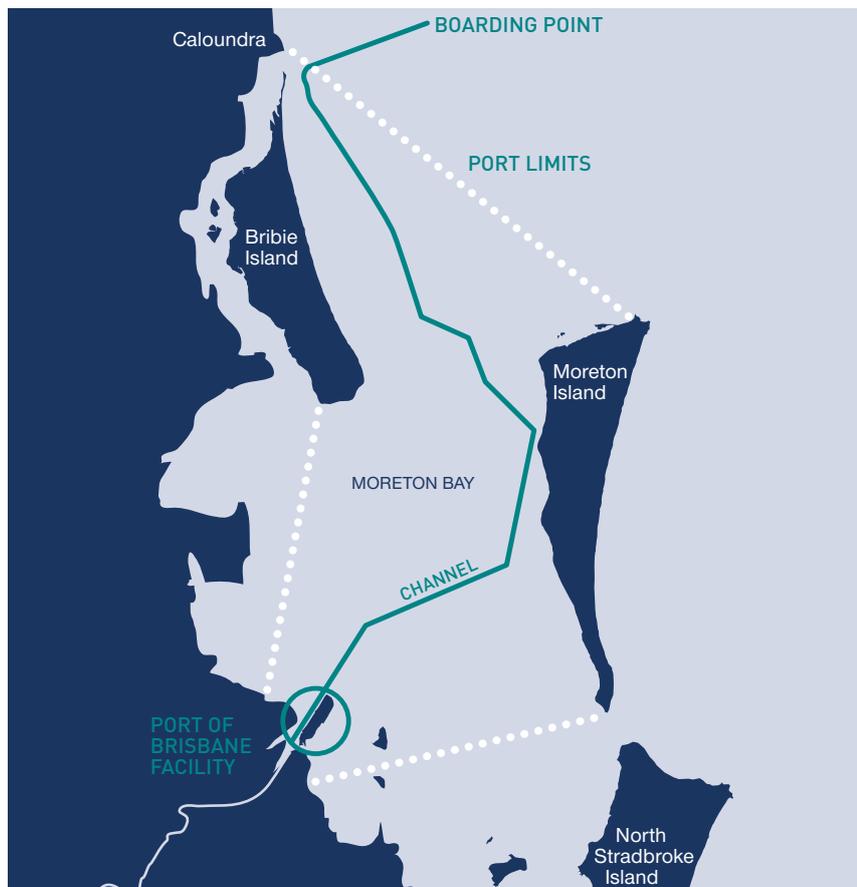
OUR BUSINESS RISKS

We actively manage our risks from both financial and non-financial perspectives. Our business risks include, but are not limited to:

- competition (particularly from the major east-coast ports)
- national and international market forces
- regulatory compliance
- environmental management
- maintaining efficient access
- customer satisfaction
- underperformance
- an ageing workforce
- our ability to attract, retain, and appropriately remunerate experienced staff.

Ongoing risk identification and review of internal processes continues to be a key focus of our day-to-day operations. This process begins with the annual review of our major business risks at a corporate level during the production of our five-year Corporate Plan and 12-month SCI. It continues throughout the year with strategic management workshops, weekly Executive Team meetings, and regular Board and Board Committee

Port limits



meetings. At all of these, business risks are discussed and appropriate management strategies are developed.

See Strategic risk management and quality systems on page 59.

OUR ENVIRONMENT

The Port of Brisbane adjoins the Moreton Bay Marine Park, which is an area of high ecological and conservation value. Many of the species using the park are endangered and protected by international treaties.

The marine park contains a variety of habitats, some of which support mangroves and seagrass vegetation. These, in turn, provide important nursery and feeding habitats for a variety of fish and crustaceans, many of which are of direct fisheries value.

We undertake a wide range of monitoring to measure our environmental performance and ensure that potential environmental impacts from our operations are minimised.

See Our environmental performance on page 41.

OUR COMMUNITY

Our immediate neighbours include the Brisbane bayside suburbs of Wynnum and Manly, the river suburbs of Hemmant on the southside of the Brisbane River, and Pinkenba and Hamilton on the northside. However, the influence of our activities extends to the port's hinterland areas of southern Queensland and northern New South Wales, which produce the majority of agricultural goods exported through the Port of Brisbane.

We support our local and wider communities through sponsorships and donations, industry partnerships and the provision of educational opportunities. We also provide free school and community port tours, through our Visitors Centre.

See Community and stakeholders on page 36.

OUR BOARD OF DIRECTORS



David Harrison

Catherine Sinclair

Professor Ted Brown

Peter Lancaster

Peter Low

Our Board currently comprises nine non-Executive Directors, who are appointed by the Governor in Council on the recommendation of the shareholding Ministers, in accordance with the GOC Act.

The criteria for membership of the Board are in accordance with the GOC Act: namely, that in appointing a person as a Director, the Governor in Council must have regard to that person's ability to make a contribution to the GOC's commercial performance and implementation of its SCI. Directors are appointed for a term of not more than five years. The Board comprises:

Chairman

David Harrison FAICD

Appointed as Deputy Chairman from 1 July 1999 to 2003; re-appointed in 2003 until 30 June 2006; appointed as Chairman on 1 July 2005 until 30 September 2007; re-appointed as Chairman on 1 October 2007 until 30 September 2009; re-appointed as Chairman from 1 October 2009.

David is Chairman of the People and Culture Committee and a member of the Audit and Risk Committee.

David has been a non-Executive Company Director of a diverse range of companies since 1987. He is currently Chairman of Australia TradeCoast, Chairman of QMI Solutions, Chairman of Industry Capability Network (QLD), and a Director of Queensland Investment Corporation and Brisbane Airport Corporation. David is also Chairman of the Mater Prostate Cancer Capital Campaign Committee.

In 2003, David was awarded the Centenary Medal for distinguished service to industrial relations, following a career of 28 years.

Deputy Chairman

Catherine Sinclair BSc, MA, FAICD, FAIM, CMC

Appointed from 1 July 2001 until 30 June 2005; appointed as Deputy Chairman in 2005 until 30 September 2007; re-appointed as Deputy Chairman on 1 October 2007 until 30 September 2010.

Catherine is Chairman of the Planning, Construction and Environment Committee.

Catherine is a Director of The Consultancy Bureau Pty Ltd. She is an accomplished leader in the provision of a broad range of management and consultancy services to the public, statutory and business sectors. She is also a Director of the Southern Regional Water Pipeline Company and the Queensland Bulk Water Transport Authority, and a Councillor of the Royal National Agricultural and Industrial Association of Queensland.

Professor Ted Brown AC, BE, MEngSc, PhD, DSc (Eng), FREng, FTSE, FIE Aust, FIMMM, MICE, MASCE, MAICD

Appointed from 1 July 2005 until 30 September 2007; re-appointed from 1 October 2007 until 30 September 2009; re-appointed from 1 October 2009.

Ted is a member of the Planning, Construction and Environment Committee.

Ted has extensive international experience as a researcher, teacher, consultant and writer on rock mechanics and engineering. He is a Senior Consultant with Golders Associates Pty Ltd, and undertakes research for the University of Queensland's Sustainable Minerals Institute. He is a former Dean of Engineering and Senior Deputy Vice Chancellor of the University. Ted has been a Director of several public sector and technology transfer companies continuously since 1991.

Peter Lancaster HDDT (UWS), FAIFST, MRACI, FAIM, AAICD

Appointed from 1 July 2005 until 30 September 2008; re-appointed from 1 October 2008 to 30 September 2011.

Peter is a member of the Audit and Risk Committee.

Peter is founder and Chairman of food ingredients manufacturer, Food Spectrum. He is a National Councillor of the Australian Industry Group, a member of the Premier's Smart State Council, the Queensland Government's Manufacturing Leaders Group, and the University of Queensland's School of Land and Food Sciences Advisory Committee. He is President of the Australian Institute of Food Science and Technology.

Peter is also a board member of Clover Corporation Ltd, and Chief Executive Officer and Director of Numega Ingredients Pty Ltd.

Peter Low OAM

Appointed from 1 July 1999; re-appointed in 2003 until 30 June 2005; re-appointed in 2005 until 30 September 2007; re-appointed from 1 October 2007 until 30 September 2009.

Peter is a member of the Planning, Construction and Environment Committee.

Peter has over 31 years experience in retail and wholesale business. He is Managing Director of Kinellar Pty Ltd, a business consultant, a Member of the Queensland China Council, and Honorary President of the Queensland Chinese Forum.



Glen Toll



Loftus Harris



Bill Guest



Susan Rix

Glen Toll B Comm, LL.B (Hons)

Appointed from 23 August 2007 until 30 September 2010.

Glen is a member of the People and Culture Committee.

Glen is a partner with Baker O'Brien Toll Solicitors, and his practice focuses on property and commercial legal issues. He was appointed as a Director of the Bundaberg Port Authority on 1 July 1999, and as Chairman in July 2001. He joined PBC as a Director following the official merger with the BPA on 1 October 2007.

Glen has a strong interest in local community affairs and has previously served as a Director of the Bundaberg Race Club and Chairman of the Bundaberg Rugby League judiciary panel.

Loftus Harris AM BA FAICD

Appointed from 23 August 2007 until 30 September 2010.

Loftus is a member of the People and Culture Committee.

Loftus has extensive experience in government, international trade and economic development. He was formerly Director General of the NSW Department of State and Regional Development; Coordinator General for Queensland; Director General of the Queensland Department of the Premier, Economic and Trade Development, and of the Department of Tourism, Small Business and Industry. He worked internationally as an Australian Trade Commissioner for 15 years.

Loftus is a Director of: Delta Electricity; National Information and Communications Technology, Australia; the Australian Institute of Export; the United States Study Centre; Chifley Business School; and the Garvan Research Foundation; and is on the national advisory board of L.E.K. Consulting. He is also Trade Queensland's Special Representative to the Middle East and India.

Bill Guest CMILT

Appointed from 1 October 2007 until 30 September 2009; re-appointed from 1 October 2009.

Bill is a member of the Planning, Construction and Environment Committee.

Bill has over 50 years experience in the shipping industry. He held senior positions with P&O for most of this time and was part of the feasibility team that, in 1966, commenced the study to move from conventional to container shipping in Australia.

In 1982, he moved from Sydney to Brisbane, where he spent 13 years as Queensland State Manager of P&O Containers. In 1997, he joined Shipping Australia Ltd as Queensland Secretary. Bill is a member of the Chartered Institute of Logistics and Transport.

Susan Rix B. Fin Admin, FCA, GAICD

Appointed from 1 July 1999 to 30 June 2003; re-appointed 30 June 2003 until 1 July 2005. Appointed 7 May 2009 until 30 September 2012.

Susan is Chairman of the Audit and Risk Committee.

Susan is a Chartered Accountant with more than 20 years experience. As a partner at BDO Kendalls she provides broad-based accounting and consulting advice to businesses. She specialises in Corporate Governance, Family Councils, Succession Planning, Taxation Structures and Restructuring.

Susan is currently a Director of Queensland Rail and also Director, Treasurer and former Chairman of the Cerebral Palsy League of Queensland. She is a Queensland Council Member of the Australian Institute of Company Directors and a Director of QUT Enterprise Holdings Pty Ltd. Susan also sits on the Audit and Risk Committee for the Department of Transport and Main Roads. For ten years she held the position of Director with the Queensland Rural Adjustment Authority, assisting rural and regional Queensland.

Board changes

Changes to the Board occurred as follows:

- Sue Palmer (appointed from 1 July 2003) left the board on 3 March 2009.
- Susan Rix was appointed as a Director from 7 May 2009.

See our Corporate Governance section on page 54 or visit our website for more information on our Board of Directors.

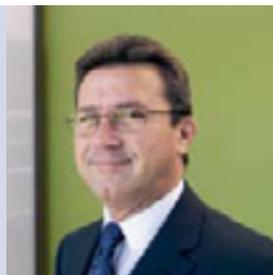
Changes to the Board as of 1 October 2009:

- Glen Toll (appointed from 23 August 2007) left the Board.
- Peter Low (appointed from 1 July 1999) left the Board.

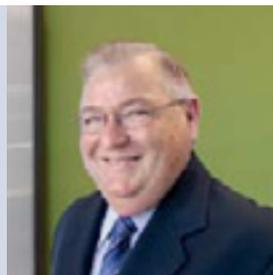
OUR EXECUTIVE TEAM



Jeff Coleman



Peter Keyte



Gerry Johnstone



Michael Snell



Rick Morton

The nine members of our Executive Team are responsible for guiding the port's future through the development of key strategies, business plans and policies.

Appointments of CEOs and Senior Executives are made in accordance with the GOC Act and Queensland Treasury's *Government Owned Corporations Governance Arrangements for Chief and Senior Executives* (February 2009). Other members of the Executive Team have been appointed by the Chief Executive Officer, on the basis of the additional expertise and experience that they provide.

The Executive Team meets weekly to ensure that there is cohesion in the management of PBC's day-to-day affairs.

Jeff Coleman BBus(Acctg), CPA, AICD Chief Executive Officer

Jeff is responsible to the Board for the leadership and performance of PBC. He joined as General Manager Finance and Information Systems in September 1997, and was appointed Chief Executive Officer in May 2002.

Jeff is committed to creating a culture across the organisation that values people, and drives a commercial and customer-focused organisation, with a strong commitment to the future sustainability of the port. He is committed to balancing PBC's strategies, and ensuring strong financial, environmental and social performance, as well as planning the port to efficiently meet the demands of its growing trade.

Jeff is a director of Australia Trade Coast Limited, and is Chairman of Ports Australia Limited.

Peter Keyte General Manager Port Operations

Peter is responsible for maintaining and improving port operations for shipping and landside services, the operation of the BMT, emergency response and maritime security.

Peter has over 28 years national and international experience in the shipping and stevedoring industry. He is a qualified ship planner, and has completed certificates in port and maritime security. He is Chairman of the Queensland Port Association Operations Group, and an active member of Ports Australia and Shipping Australia Ltd committees. Peter is also a member of the State Committee for the National Plan – Pollution of the Sea, and the nominated Port Security Officer for Brisbane.

In the coming year, Peter's team will continue to work with stakeholders to further improve the efficiency and safety aspects of all port operations. They will focus on integrating IT logistics solutions, and improving the movement of cargo through the BMT and the ports supply chain links. They will also ensure that security strategies and initiatives meet best practice compliance with national and international regulations, and set new standards for Critical Infrastructure Protection and Emergency Response in the port.

Gerry Johnstone General Manager Port Development

Gerry is responsible for the planning, construction, and maintenance of port facilities and infrastructure, and for dredging and reclamation activities.

He has wide-ranging experience in port operations, port development and industrial relations, and has postgraduate qualifications in management.

Major projects for his division in the coming year will include:

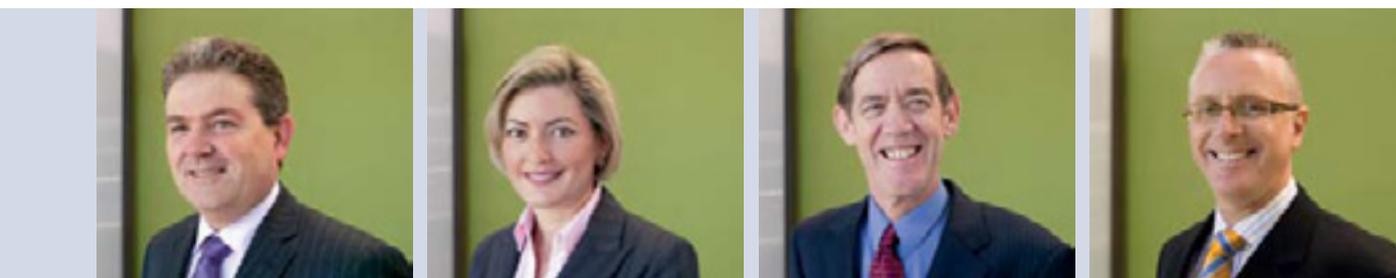
- completion of the General Purpose Berth and back-up terminal area
- ongoing land preparations for Terminals 11 and 12
- commencement of design work for wharves 11 and 12, to be completed by mid-2010
- design and construction of the duplicate Captain Bishop Bridge and associated major road upgrades, due for completion by end of 2010
- development of Stage 1 of Port West, including road works, by mid-2010
- construction of the bridge at Wallace Creek (Bundaberg)
- completion of the New Port Office by mid-2010
- completion of vacuum and wick drain ground improvements in the logistics precinct adjacent to Bishop Drive, by the end of 2010.

Michael Snell M Soc. Sc General Manager Corporate Services

Michael is responsible for Corporate Services, which covers employee relations, organisational development, corporate information, health, safety and quality programs.

He has extensive experience in the Australian mining and energy industry, as well as the government owned corporation sector. Before joining PBC, Michael was the General Manager People and Communication at Tarong Energy Corporation. He has also held various senior management roles for Duke Energy International, Epic Energy and Robe River Iron Associates, which involved working at remote sites in the Northern Territory and Western Australia.

The divisional focus for the year will include strengthening our "Safety First" program, staff retention and engagement strategies, leadership performance, and supporting the privatisation program.



Darryl Mutzelburg

Jenny Ryan

Bill Tranberg

Mark Neander

Rick Morton BSc, MSc, PhD
General Manager Planning, Environment and Community

Rick is responsible for managing development assessment, property administration and planning for PBC land, ensuring the environmental impacts of all of our operations are minimised, and that sustainable practices form part of the port's operations. He is also responsible for corporate and community relations, and our Visitors Centre and hospitality venues.

Rick has over 20 years experience in coastal planning, development and environmental management. He chairs both the Ports Australia and Queensland Ports Association environmental and sustainability committees. Additionally, Rick chairs PBC's Community Consultative Committee.

Over the next year, Rick's team will focus on ensuring the port continues to develop with minimal environmental impacts and incorporates the latest commercial sustainability initiatives. Particular emphasis will be placed on adopting our new Port Development Code, to ensure our planning and commercial development remains at the industry forefront. Our property portfolio will continue to be rationalised and community and media engagement processes improved. A new focus will involve enhanced promotion of our Visitors Centre to local companies for business meetings, training and dining.

Darryl Mutzelburg BBus, MComm, CPA
General Manager Finance and Business Services

Darryl is responsible for financial operations, financial and management reporting, operational Key Performance Indicators, IT, risk management, trade and economic forecasting, pricing and corporate planning.

He has more than 25 years commercial experience in the transport and banking sectors.

The Finance and Business Services division's key activities for the year ahead will include refining our risk management system, and upgrading a number of IT systems, including the main server.

Darryl will also play a key role as a member of our internal sales team, which will guide PBC through the privatisation process.

Jenny Ryan B RTP
General Manager Northshore, Harbours and Bundaberg and Company Secretary

Jenny is responsible for the ongoing improvement and development of PBC's non-port assets, including its landholdings in Northshore Hamilton, and the recreational boat harbours, as well as the operation and improvement of the Port of Bundaberg.

The focus for her division over the next twelve months will be on the continued operation and improvements to the boat harbours; progressing the delivery of land at Northshore to the market, as well as working with the Urban Land Development Authority to manage infrastructure delivery to facilitate further development; and the transfer of Bundaberg operations to GPC. Jenny will also play a key part in preparations for the port's privatisation, particularly from a corporate governance perspective.

Bill Tranberg BE, PhD, GradDipBus(Mgt)
Senior Manager Infrastructure Planning and Chief Engineer

Bill is responsible for the technical oversight of all of our design and construction activities, and has been involved with the development of the port for 28 years. Next year, Bill and the engineering team in Port Development will be focused on major infrastructure works at the port, particularly the Berths 11 and 12 development and further land development works at the northern end of Fisherman Islands.

Bill will also focus on balancing the rate of fill required to bring on land early to keep pace with the growth of the port, as well as the need to maximise the use of land for placement of maintenance dredging material.

Mark Neander
Acting General Manager Business Development

Mark is responsible for developing business initiatives and strategies to increase trade growth, optimising development of PBC's landholdings, trade marketing, and ensuring a customer-focused approach to business.

Mark has 22 years of in-depth project management experience in the fields of commercial development and construction. He has been with PBC for nearly 10 years. He started as a Property Project Manager and progressively took on more senior roles in the business development and property areas, before being appointed Acting General Manager Business Development in June 2009.

This year the Business Development division will be focused on the bulk land optimisation strategy; working with customers to increase trade through the port; progressing the marketing of available land and/or facilities at the port's property estates; and optimising the use of, and return on, land at the port.

Executive Team changes

- In September 2008, Senior Manager Corporate Relations and Company Secretary, Nikki Wood, left PBC.
- In July 2009, General Manager Corporate Services, Bill McElwaine, retired after 43 years at PBC.
- In June 2009, Michael Snell was appointed General Manager Corporate Services.
- In June 2009, Mark Neander was appointed Acting General Manager Business Development.
- In July 2009, Senior Manager Corporate Relations and Company Secretary, Gina Bozinovski, left PBC, and Jenny Ryan was appointed Company Secretary.

See our Corporate Governance section on page 54 for more information on the Executive Team.

CHAIRMAN AND CEO'S REPORT



► Our Chairman, David Harrison, and
Chief Executive Officer, Jeff Coleman.

A YEAR OF CHANGE

Year on year we have built on our solid foundations, and evolved from a small-town port into one of the nation's fastest-growing major container ports and a world leader in areas such as environmental management.

Our success over the last decade in particular is attributable to four key factors, our:

- diverse business
- strong relationships with customers
- talented and innovative employees
- focus on the long-term future of the port.

These factors proved more valuable than ever over 2008/2009, a year unlike any other in PBC's history.

STRENGTH AND PERFORMANCE THROUGH DIVERSITY

The Port of Brisbane is not immune to the challenges posed by the global economic downturn. Despite this, we are a diverse commodity port so we don't rely on the performance of any one commodity.

Containers and motor vehicle trade declined during 2008/2009, but outstanding results in key bulk trades meant we still achieved a record total trade result.

Total trade increased 5.6% to reach 31.9 million tonnes, thanks to record harvests of export cereals, chickpeas, and cotton products, and unprecedented growth in coal exports. This result is outstanding in the context of such a tumultuous year, and adds to over a decade of positive growth in total trade.

See Accelerate and plan for trade and revenue growth on page 19.

Our diverse trade portfolio ensured PBC remained resilient in the face of a challenging global economic environment.

MORE THAN MANAGING A PORT

In addition to our trade facilitation role, PBC's business goes well beyond the basic functions of a port. We manage and lease an extensive array of strategic and non-strategic landholdings, and this generates a significant proportion of our revenue. We operate a fleet of dredgers that not only fulfil the maintenance needs of the Port of Brisbane, but also generate revenue through contracting for most of the other Queensland ports. We provide an efficient interface between rail, road and container terminals at the BMT, and we even provide specialist hydrographic surveying services to other ports.

This diverse array of services meant that we had the resilience to get through the challenges of the last twelve months.

DIVERSE BUSINESS LEADS TO SOLID RETURNS FOR SHAREHOLDERS

Amidst such a challenging economic environment, it is extremely pleasing to report that we were still able to deliver a record financial performance. Operating revenue increased by 50% to \$446.6 million and net profit after tax increased by 4% to \$456 million. This allowed us to provide a record dividend of \$339 million to our shareholders this year. Our strong trade performance, rental income, the sale of non-core properties, and the final sale of shares in Brisbane Airport Corporation Holdings (BACH) were the main drivers of this result.

Total assets increased 22% to \$2.7 billion, even after the sale of shares in BACH. With our continued focus on the provision of new infrastructure, we invested \$156 million in new capital projects, and we plan to spend another \$950 million over the next five years.

See Our economic and financial performance on page 63.

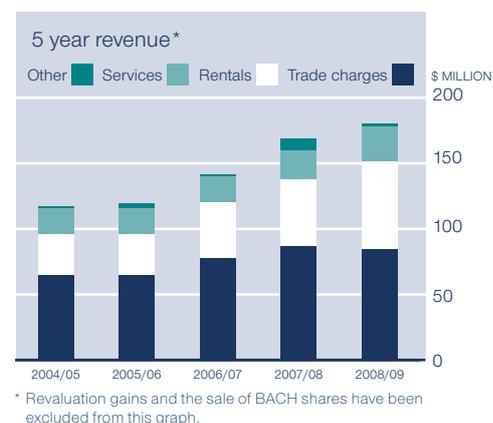
MOMENTUM CONTINUES WITH KEY PROJECTS

Throughout the year we forged ahead with key port projects. In June 2009 we completed our \$57 million General Purpose Berth, and, once the associated terminal area is complete, this facility will significantly boost our capacity to handle bulk and break-bulk cargoes.

After the early completion of Berth 10 in 2008, this year Patrick officially opened their new, state-of-the-art Terminal 10 Autostrad® facility. DP World is also continuing to invest in new equipment and infrastructure. These investments show their confidence in our strategy for the future, and their belief in our potential for growth.

Construction also continued on container berths 11 and 12 for our third stevedore, Hutchison Port Holdings (HPH). We are the first port in Australia to introduce a third stevedore, and we look forward to the knowledge and experience HPH will bring to Brisbane when they begin operations in 2012.

Work is now underway on the duplication of the Captain Bishop Bridge, which will include major upgrades and improvements to the port's main entry point. We also made significant progress at our two key estates – Port West and Port Gate.



We remain focused on the long-term growth of the port, despite the effects of any short-term economic conditions.

Our resolve to progress these projects will not diminish in the year ahead. While recognising the uncertain short-term economic conditions, we remain focused on the long-term growth of the port.

See Deliver on our infrastructure projects on page 22.

WORKING TOWARDS GREATER EFFICIENCIES

There's no doubt that the way the world does business has shifted, challenging the entire port industry to review current practices and find new ways of doing things.

At PBC, we have taken the opportunity to evaluate our priorities, and adjust our planning and business model to ensure we are well positioned for global economic recovery.

Our focus on sustainability will be more important than ever, across every aspect of our business.

In an economic sense, it's about making better use of the resources we have, and strengthening our focus on financial management. For this financial year, and those to come, we have targeted significant cost savings and reviewed discretionary spending across all divisions.

We have reviewed and adjusted our pricing models. We have also had them independently verified, to ensure they are fair and reasonable for our customers and also provide us with adequate returns for shareholders and to support future capital projects. We've rationalised our procurement plans and are now working to maximise competition in our tendering processes, to ensure we find top quality suppliers offering the best value for money.

Our risk management framework not only ensures compliance, but it's also a vital part of protecting our assets and investments. During the year we took steps to further strengthen our risk management strategies, and we began looking at new ways of managing our risk across all areas of the business. This will be a key focus over the next 12 months.

See Strategic risk management and quality systems on page 59.

We have always stressed to our stakeholders that although providing new infrastructure is one of our primary goals, it will not, in itself, lead to a more productive and efficient port. This year we made significant progress in implementing a port-wide Productivity Strategy, and we would particularly like to thank our customers for their willingness to make this happen. We've always been proud of the strong relationships that exist between the members of the Port of Brisbane community, and the advances we've made here are just another demonstration of this. We still have a long way to go, but we are confident that once we can establish better understanding, measurement and reporting of productivity measures, we can achieve our goals.

See Drive port efficiency on page 26.

Another critical piece in our plan for the future is the divestment of non-strategic assets. In particular, we still own and manage a number of landholdings along stretches of the Brisbane River that are not core to operating the port. Over the coming year we will continue our push to develop and sell these assets to more appropriate owners, in turn providing us with proceeds to fund strategic port projects.

See City Reach boardwalk reopened to public on page 25.

CARING FOR OUR PEOPLE

Although operational and economic indicators are often the most obvious signs of our success, there is a number of other areas where we consider our performance to be equally important – valuing our people, protecting our environment, and supporting our local community.

Uncertain economic times, rapid technological changes, an ageing workforce, and changing employee expectations, are the challenges we face in retaining the right people for the right job. We continued to nurture the leadership potential of our staff, provide them with a work/life balance and encourage diversity in the workplace. We now have more people than ever taking advantage of our flexible work arrangements.

The launch of our Diversity Plan in March commits us to valuing the diversity and experience of our staff and the new Women@Work program provides career support for our female staff.

See Diversity encouraged on page 33.

PBC's most important value remains Safety First – we are more interested in our staff returning home safe at the end of each day than getting the job done quickly by taking unacceptable risks. I'm pleased to report that this year our safety record improved with three LTIs, compared to seven the previous year. However, this result was still disappointing, and we will continue to work to improve our safety culture and performance.

See Safety performance improves on page 31.

One of the biggest and most immediate challenges facing our staff is the privatisation of the organisation. We will support staff as much as possible through this process, providing accurate and timely information.

OUR COMMITMENT TO CLIMATE CHANGE

To attract and sustain increased business opportunities, we must address the potential impacts of increased productivity on the environment and the community in which we operate.

In October 2008, the Board approved our Climate Change Commitment. This sets measurable goals for the next four years in our efforts to reduce the port's emissions, improve resource efficiency, understand climate change impacts at the port, and encourage staff and the port community in their efforts to reduce their own environmental footprint. We also completed a Climate Change Impact Assessment Project, to assess the vulnerability of key port infrastructure to future sea-level rises.

See Climate change commitment on page 42.

To understand the port's greenhouse gas emissions and air pollution we are undertaking a port-wide emissions inventory, in consultation with the port's shipping and transport operators. This will provide a baseline to compare future air quality and emissions attributed to port operations.

We completed the waterside emissions survey in July and will complete the landside survey in late 2009. Opportunities to address the results will be discussed at our port-wide Sustainability Forum.

See Inventory of port precinct air emissions on page 50.

SUPPORTING EMPLOYMENT

In January we launched an employment website for the Port of Brisbane, to raise awareness of the diversity of career opportunities at the port. Despite the slowing of the employment market, more than 40 jobs have been posted on portcareers.com.au since it was launched. The website is also used by schools and universities to explore future career opportunities.

See Portcareers – a smart choice on page 33.

OPEN AND ACCOUNTABLE REPORTING

We were extremely pleased and proud to again be recognised at the prestigious Australasian Reporting Awards this year for our 2007/2008 Annual Report and People and Environment Report, by winning the Report of the Year. This was the second time in three years that our reporting has been recognised in this way.

This year we have combined our reporting into one volume, as we believe that a concise report about all the facets of our business is appropriate for an annual report. We cannot achieve business growth independently of our social responsibility, employee engagement and environmental performance.

We also extended our materiality approach to reporting our non-financial performance. We consulted with our Community Consultative Committee and conducted interviews and workshops to establish a list of stakeholder issues. We selected three of these issues and engaged Ernst & Young to conduct a limited assurance.

See About this report on the inside front cover.

PRIVATISATION – A NEW ERA

As this report goes to print we are in the midst of preparing our business for its greatest ever transition – from government owned corporation to privately owned corporation.

Our stakeholders understandably have a keen interest in the sale of the port, and how the sale may change the way we do business. It is simply too early to know exactly how things will change, but we can say with confidence that we have had a strong commercial focus for many years, and this puts us in the best possible position to benefit from the opportunities that will come.

We're already focused on growing trade, growing our returns, and growing our port to meet future demands, and privatisation is really just the next step in our evolution.

Although the Queensland Government is leading the sale process, we will be involved at every stage, and we are committed to working with our shareholders to ensure the best result. This will mean continuous engagement with our stakeholders, to make sure we're keeping them informed and involved wherever possible.

We expect the sale process will take time and involve a significant amount of our resources. But at the same time, it is still 'business as usual' for the Port of Brisbane, and business continuity will remain a key priority.

With all of these factors considered, our vision *to be Australia's leading port: here for the future*, is now more important than ever.

OUR KEY TO SUCCESS

The year 2008/2009 has been one of many challenges and surprises, and we now look towards 2009/2010 with great expectations.

We would sincerely like to thank our Directors for the invaluable contribution they made to our organisation during the year. We are also grateful to our shareholding Ministers, the Hon Rachel Nolan MP and the Hon Andrew Fraser MP, for their ongoing support. We gratefully acknowledge our departing Director, Sue Palmer, for her commitment and support during the term of her appointment, and we would like to welcome Susan Rix, a former PBC Director, back to the Board: we look forward to working with you again.

We would also like to make special mention of one of our Executive Team members, Bill McElwaine, who retired during the year after more than 40 years with our organisation. Bill leaves behind a long legacy of passionate service to the port and we thank him sincerely for the mark he has made.

Throughout PBC's history, a vital element at the heart of our success has been our employees. Their pride and dedication to their work has seen us through years of ups and downs, and we have every confidence in their ability to adapt to the changes ahead. Thank you all for the role you have played in our many and varied accomplishments. We look forward to what we will achieve together in the future.



David Harrison
Chairman



Jeff Coleman
Chief Executive Officer

OUR KEY CORPORATE STRATEGIES

Our 2008/2009 SCI outlined six key corporate strategies, each with a range of specific targets for achievement. The following tables show how we performed against each target over the year. Our 2008/2009 SCI is available on our website at www.portbris.com.au/corporation/publications/annual_reports_09.

Strategy 1 – Accelerate and plan for trade and revenue growth					
Critical success factor	Target	✓ X	Achieved	Next year's target	Page
Grow trade	Implement strategy to increase container throughput to 1 million teus by June 2009.	X	Total container trade decreased from 942,716 teus in 2007/2008, to 896,199 teus.	Implement strategy to achieve container throughput of 880,000 teus by June 2010.	19
	Implement strategy to increase motor-vehicle imports to 225,000 units by June 2009.	X	Motor-vehicle imports decreased from 220,902 units in 2007/2008, to 164,156 units.	Implement strategy to achieve imports of 134,000 motor vehicle units by June 2010.	19
	Increase total trade to 32.2 million tonnes by June 2009.	X	Total trade increased from 30.2 million tonnes in 2007/2008 to 31.9 million tonnes.	Achieve 30.9 million tonnes in total trade by June 2010.	19
	Implement bulk land rationalisation and optimisation strategy by June 2009.	✓	Implemented strategy in line with specified timeframes.	Implement strategy in line with specified timeframes.	21
	Develop business development marketing strategy by June 2009.	✓	Strategy completed by June 2009.	Implement strategy in line with specified timeframes.	n/a
Optimise return on land	Adjust land rental increases to market values by June 2009.	✓	Adjustments made in line with lease terms by June 2009.	Adjust land rental increases to market values in line with established review schedule.	64
Take-up of new land	Lease Stage One (12ha) of Port West by June 2009.	X	Negotiations still underway.	This indicator has not been included in the 2009/2010 SCI.	21
	Lease 6ha of Port Gate (east) by June 2009.	✓	Area leased to Tzaneros Enterprises by June 2009.	This indicator has not been included in the 2009/2010 SCI.	21
Ensure realistic pricing	Finalise pricing review with recommendations to the Executive and Board by September 2008.	X	Review finalised and new pricing arrangements announced in August 2009.	Complete implementation of new pricing arrangements by June 2010.	21
Increase transshipments	Commence marketing campaign to achieve 25% increase in motor vehicle transshipments by June 2009.	X	Motor vehicle transshipments decreased by 46.5% by June 2009.	This indicator has not been included in the 2009/2010 SCI.	19
Negotiate new lease agreements with stevedores	Complete lease negotiations with DP World Brisbane and Patrick, and submit for approval by shareholding Ministers by September 2008.	✓	Leases submitted to shareholding Ministers by September 2008.	This indicator has not been included in the 2009/2010 SCI.	n/a
Maintain relationships with key customers and stakeholders	Implement customer and stakeholder strategy in line with established call plan.	✓	Strategy implemented in line with established call plan.	Implement customer and stakeholder strategy in line with established call plan.	n/a

▼ Our new General Purpose Berth and Terminal is on track for operation in 2009/2010.



Strategy 2 – Deliver on our infrastructure projects					
Critical success factor	Target	✓ X	Achieved	Next year's target	Page
Implement reclamation strategy	Complete ground-improvement trials at Fisherman Islands by December 2008.	✓	Trials completed by December 2008.	This indicator has not been included in the 2009/2010 SCI.	22
Deliver wharf infrastructure	Complete General Purpose Berth by June 2009.	✓	Project completed in June 2009.	Complete Sunstate Cement hopper and conveyor system for operation at General Purpose Berth by June 2010.	22
Develop port estates	Prepare Port Gate (east) Stage 2 for development by November 2008.	✓	Stage 2 completed for development by November 2008.	This indicator has not been included in the 2009/2010 SCI.	21
	Investigate strategic waterfront options at Port West – Stage 1 by December 2008 and Stage 2 by June 2009.	✓	Investigations completed by specified timeframes.	Prepare 20ha of land for development by December 2009.	21
Strategy 3 – Facilitate improved port access					
Critical success factor	Target	✓ X	Achieved	Next year's target	Page
Develop relevant strategies	Complete Heavy Transit Corridor Strategy and consultation with key stakeholders by December 2008.	✓	Strategy and consultation completed by December 2008.	This indicator has not been included in the 2009/2010 SCI.	22
	Complete Stage 2 of the Rail Model Study, investigating impacts of inland hubs, by December 2008.	✓	Study completed by December 2008.	This indicator has not been included in the 2009/2010 SCI.	24
Strategy 4 – Make strategic investments and undertake non-trade activities					
Critical success factor	Target	✓ X	Achieved	Next year's target	Page
Progress of Northshore development	Achieve one land sale during 2008/2009 year.	X	Land sale still under negotiation.	Achieve one stage land sale per year from 2009, and achieve sales of \$15 million from land sales per year from 2009.	24
Dispose and/or rationalise targeted properties	Disposal of City Reach properties by December 2008.	X	Disposal of City Reach properties still under negotiation.	Disposal of City Reach properties by February 2010.	25
Develop Port of Bundaberg	Develop strategy for the future development of Bundaberg, and prepare Land Use Plan by December 2008.	✓	Strategy developed, Land Use Plan prepared by December 2008.	Implement development strategy within specified timeframe by December 2009.	26
	Complete Burnett Heads Boat Harbour and non-trade Development Plan by June 2009.	✓	Development plan completed by June 2009.	This indicator has not been included in the 2009/2010 SCI.	26
	Complete Burnett Heads Bridge by June 2009.	X	Bridge still under construction.	Complete Burnett Heads Bridge by December 2009.	26
Development of New Port Office	Complete design and achieve approvals for New Port Office building by December 2008.	✓	Design completed and approvals received for new building by December 2008.	Complete construction of and occupy New Port Office building by June 2010.	25
Increase berths at boat harbours	Implement single channel initiative in Manly by June 2009	✓	Single channel open by June 2009.	This indicator has not been included in the 2009/2010 SCI.	25
	Complete new marina development at Scarborough by June 2009.	X	New marina development now expected to be completed by June 2010.	This indicator has not been included in the 2009/2010 SCI.	25

Strategy 5 – Drive port efficiency and sustainability					
Critical success factor	Target	✓ ✗	Achieved	Next year's target	Page
Promote port efficiency	Increase teus per quayline metre to over 620.	✗	Teus per quayline metre averaged 540.6 for the year.	Increase teus per quayline metre to over 620.	27
	Keep controllable shipping delays to under five hours.	n/a	This data is no longer available.	This indicator has not been included in the 2009/2010 SCI.	28
	Keep container terminal truck turn time to under 30 minutes.	✓	We recorded an average container terminal truck turn time of 27.5 minutes.	Keep container terminal truck turn time under 30 minutes.	n/a
Strategy development	Develop Port Productivity Strategy by December 2008.	✓	Strategy completed by December 2008, reviewed again in 2009.	Achieve Port Productivity Strategy milestones in line with strategy timeframes by June 2009.	26
	Achieve strategy milestones by December 2009.	n/a	On track for completion of milestones by December 2009.		
Effective implementation of sustainable design into port development	Include more than 15 sustainable design initiatives in new developments (where relevant).	✓	At least 15 sustainable design initiatives included in new developments (where relevant).	This indicator has not been included in the 2009/2010 SCI.	25
Reduce environmental incidents	Record no Class A or B environmental incidents as a result of PBC activities.	✗	We recorded no Class A incidents, but did record one class B environmental incident.	Record no Class A or B environmental incidents as a result of PBC activities.	50
Improve PBC's greenhouse gas emission performance	Develop Sustainability Strategy by December 2008 and begin implementation by June 2009.	✓	Our 2008/2009 Sustainability Charter was completed to guide our sustainability priorities for the year, and our Climate Change Commitment was developed with a specific focus on resource use and carbon management priorities.	Implement strategy to meet objectives of climate change initiatives by December 2009 (and ongoing).	42
Implement and maintain Environmental Management System	Record no non-conformances to our ISO 14001 accreditation.	✓	In February 2009, the EMS was audited and re-certified against ISO14001:2004. This was our third re-certification audit since we were accredited in 2000, with no operational or system non-conformances.	Record no non-conformances to our ISO 14001 accreditation.	42
Promotion of Port of Brisbane employment opportunities	Implement Port Employment Initiative milestones by June 2009.	✓	Portcareers.com.au, launched in January 2009, is a website that raises awareness of the diversity of career opportunities and the sustainability of jobs at the Port of Brisbane.	This indicator has not been included in the 2009/2010 SCI.	33

▼ A team from our Planning, Environment and Community division on their Volunteer Day, including (LR): Leonnie Thomson, Scott Temple, Richard Taylor, Scott McKinnon, Matt Lorenti, Brett Collingwood.



Strategy 6 – Support people, their learning and growth					
Critical success factor	Target	✓ ✗	Achieved	Next year's target	Page
Attraction and retention of people	Achieve employee turnover of less than 15%.	✓	Employee turnover was 9.4% for the year.	Achieve employee turnover of less than 15%.	31
	Ensure over 95% of externally advertised jobs are offered and filled.	✗	We offered and filled 90.2% of externally advertised jobs. (A number of advertised positions were withdrawn during the year.)	Ensure over 95% of externally advertised jobs are filled after the first advertisement.	31
Valuing diversity	Record no internal complaints relating to diversity in the workplace.	✓	Diversity complaints are included under EEO complaints, of which none were recorded during the year.	Achieve a 90% positive response to the statement "I am treated with respect and fairness within my workplace" in the Climate Survey.	33
Understanding what our people value most	Achieve an overall satisfaction rating of over 90% in Culture Survey.	n/a	The next survey was due in 2010. However, due to the uncertainty of when the port will be sold, we have decided to undertake a Climate Survey in late 2009.	Achieve an overall satisfaction rating of over 90% in Climate Survey.	34
	Achieve an employee engagement rating of over 60% in Culture Survey.	n/a	This survey will seek to identify any key issues of concern and generally find out how people are feeling about the organisation and the roles they play.	Achieve an employee engagement rating of over 70% in Climate Survey.	34
Developing our people	Record an average of 8.75 hours per quarter of learning and development time for each employee.	✗	We recorded an average of 7.25 hours per quarter, due to budgetary constraints.	Record an average of at least 6.6 hours per quarter of learning and development time for each employee.	33
	Record an average expenditure of \$900 per quarter on learning and development for each employee.	✗	We recorded an average of \$607 per quarter, due to budgetary constraints.	Record an average expenditure of \$585 per quarter (excluding travel and accommodation) on learning and development for each employee.	33
Health, safety and well-being	Achieve zero lost time injuries for the 2008/2009 year.	✗	Three of our permanent employees recorded LTIs.	Achieve zero lost time injuries for the 2009/2010 year.	32
	Record no non-conformances against our AS 4801 accreditation.	✓	In January 2009 we were re-certified against AS4801:2001 <i>Occupational Health and Safety</i> and ISO 9001:2000 <i>Quality Management Systems</i> . In the ten years since we were first certified, we have not been issued with a system non-conformance.	Record no non-conformances against our AS 4801 accreditation.	32

In the ten years since we were first certified against AS4801 and ISO9001 we have never been issued a non-conformance.

OUR OPERATIONAL PERFORMANCE

PRODUCTIVITY

noun. the quality of being productive; producing readily or abundantly

- IFC ABOUT THIS REPORT
- IFC OUR VISION, MISSION AND VALUES
- 1 OUR HIGHLIGHTS
- 2 OUR HISTORY
- 3 OUR ORGANISATION
- 10 CHAIRMAN AND CEO'S REPORT
- 14 OUR KEY CORPORATE STRATEGIES
- 18 **OUR OPERATIONAL PERFORMANCE**
- 30 OUR SOCIAL PERFORMANCE
- 40 OUR ENVIRONMENTAL PERFORMANCE
- 54 CORPORATE GOVERNANCE
- 62 OUR ECONOMIC AND FINANCIAL PERFORMANCE
- 74 INDEPENDENT LIMITED ASSURANCE REPORT
- 76 GRI CONTENT INDEX
- 80 INDEX, INCLUDING TABLE, GRAPH AND DIAGRAM INDEX
- 82 GLOSSARY AND ABBREVIATIONS
- 84 PORT OF BRISBANE MAP
- 86 CONTACT US
- 87 FEEDBACK FORM
- IBC OUR FINANCIAL REPORTS (ON CD)

ACCELERATE AND PLAN FOR TRADE AND REVENUE GROWTH

Containers and cars take a hit in global crisis

The Australian port industry, and indeed the entire global trading community, is currently facing some of the most difficult economic conditions seen in decades.

Container shipping around the world has been hit hard, with many shipping lines consolidating or reducing capacity on services. As consumers spend less, retail imports have slowed dramatically, particularly from the Asian region.

As a result of these factors, this year we recorded a decrease in container trade for the first time in 25 years. Our total of 896,199 teus was down 4.9% on 2007/2008. Exports of empty containers were a major contributor to this result, dropping 16.7%. However, due to better than expected performance from containerised agricultural products, full export containers were up 5.9%, bringing total export container trade to a decrease of 4.2%.

Full import containers decreased by 8.6%, largely due to the downturn in consumer spending, while the surge in agricultural exports led to an impressive 13.3% increase in imports of empty containers. Overall, total import containers decreased by 5.6%.

In another effect of the financial crisis, motor vehicle sales across Australia dropped significantly. Queensland has been particularly affected and, consequently, motor vehicle imports through Brisbane decreased 25.7% to reach 164,156 units for the year (including transshipments).

Originally, one of our goals for the year was to develop a strategy to achieve a 25% increase in motor vehicle transshipments. We devised a strategy, but we were not able to implement it due to market conditions.

Agricultural trades bounce back in tough times

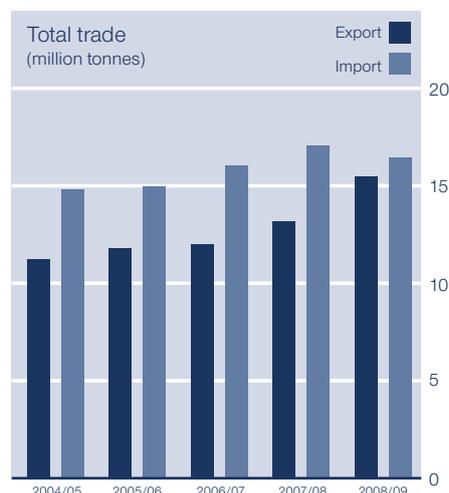
Despite disappointing results overall in container and motor vehicle trade, our diverse trade portfolio meant that we still achieved a record total trade result, with outstanding performances in coal and agricultural commodities. Overall, total trade increased by 5.6% to reach 31.9 million tonnes, with exports up 17.5% (to 15.5 million tonnes) and imports down 3.7% (to 16.4 million tonnes).

Drought-breaking rain in key growing areas led to record harvests of export cereals, chickpeas, cotton and cottonseed. Cereals increased by a massive 273% to 1.9 million tonnes, from just 505,047 million tonnes in 2007/2008, and chickpea exports increased by 50.5% to 117,581 tonnes. Cotton is slowly recovering from drought conditions, increasing 52.1% to 192,140 tonnes during the year, and cottonseed increased 124.4% from 2007/2008 to 31,015 tonnes.

Bumper year for coal

Coal exports increased by 15% or 833,148 tonnes to reach 6.34 million tonnes – the highest ever annual throughput of coal for the Port of Brisbane. The increase was the result of rail capacity expansion, upgrades to the New Acland mine at Jondaryan, and increased storage capacity at Queensland Bulk Handling.

Despite difficult global economic conditions, we still achieved a record total trade result with an increase of 5.6%.



Gas boosts bulk imports

One of our most significant import results this year came from the introduction of ship-to-ship LNG gas transfers, where large carriers discharge product at sea to smaller vessels for transportation to other ports (rather than the larger carrier making further stops). This provides a significant cost saving for customers, and it led to a 99% increase in gas trade through Brisbane for 2008/2009.

Production of refined oil from local refineries dropped during the year due to unscheduled maintenance, leading to an 11.5% increase in imports of the refined product.

As another consequence of the financial crisis, construction projects slowed in many local sectors, leading to decreases in imports of cement, building products and timber – down 12.4%, 11.2%, and 29.6% respectively. The downturn in consumer spending also led to a 14.3% decrease in imports of household items, and a 10.3% decrease in other retail products.

Bulk ship visits record positive growth

In a reflection of our trade results, we recorded decreases in ship visits from most categories except for bulk carriers, where visits increased by 9.9%, and tankers, where visits increased by 12.1%. Container ship visits dropped 16%, and total ship visits were down 6.7% overall.

BMT rail trade holds strong

Overall, rail trade through the BMT increased by 4,424 teus or 5.6%, to reach a total of 83,457 teus. This is an extremely positive result, considering the decline in overall container trade. The increase was mainly due to the outstanding performance of containerised cotton and grain exports over the year, as agricultural commodities dominate trade volumes through the facility.

With the addition of road volumes, the BMT's total throughput was 90,854 teus, equivalent to a 1.3% decrease on 2007/2008. This decrease was largely due to the completion of the new Patrick cargo-link facility, which meant Patrick no longer needed to use the BMT for short-term container storage.

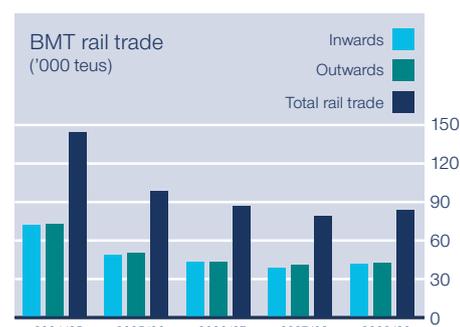
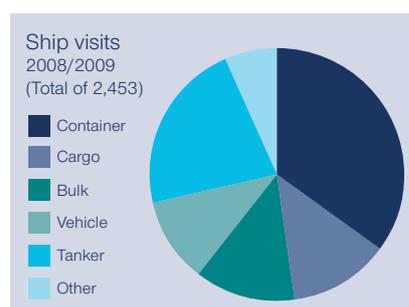
Read more about our trade statistics at www.portbris.com.au/operations/trade/statistical_reports

Top regions

Import	2008/09	Growth	% of total
All origins	16,428,682	-3.7%	
SE Asia	5,834,453	5.9%	36%
Australia	3,686,800	-2.6%	22%
North Asia	2,190,608	2.6%	13%
East Asia	945,230	-13.4%	6%
New Zealand	927,225	-25.5%	6%
Export			
All destinations	15,467,429	17.54%	
North Asia	6,097,218	4.55%	37%
East Asia	3,481,217	59.62%	21%
Australia	2,497,315	13.87%	15%
SE Asia	1,314,338	12.18%	8%
New Zealand	432,211	-9.89%	3%

Trade by commodity (tonnes)

Imports	2005/06	2006/07	2007/08	2008/09	% share
Crude oil	7,410,603	7,900,148	7,466,741	7,473,058	45.49%
Cement	1,661,087	1,747,410	2,043,494	1,790,643	10.90%
Refined oil	1,057,970	725,576	1,280,780	1,427,579	8.69%
Iron & steel	589,412	684,499	696,573	707,210	4.30%
Building products	433,281	451,796	518,731	460,370	2.80%
Total imports	14,956,868	16,049,969	17,055,168	16,428,682	
Growth	1.09%	7.31%	6.26%	-3.67%	
Exports					
Coal	4,158,321	4,225,839	5,502,005	6,335,153	40.96%
Refined oil	2,092,315	2,422,976	2,163,171	2,246,088	14.52%
Cereals	837,006	364,499	505,047	1,881,107	12.16%
Meat products	713,526	800,141	746,691	752,620	4.87%
Iron & steel	441,712	488,717	432,428	536,712	3.47%
Total exports	11,779,310	12,008,114	13,159,467	15,467,429	
Growth	5.13%	1.94%	9.59%	17.54%	
Total trade					
Total tonnes	26,736,178	28,058,083	30,214,635	31,896,111	
Growth	2.83%	4.94%	7.69%	5.57%	



Grain trade soars after rains return

Agricultural products emerged as some of the leading trade commodities during the 2008/2009 financial year. This helped bolster Brisbane's total trade figures at a time where difficult economic conditions caused a decline in container shipping and motor vehicle imports.

Grain was one of the top performers, bouncing back to highs not seen since the last bumper harvest in 2000. Drought-breaking rain ensured grain crops produced better yields for farmers. Improved export opportunities and the deregulation of the wheat market also contributed to the record volumes exported through the Port of Brisbane.

Record trade volumes

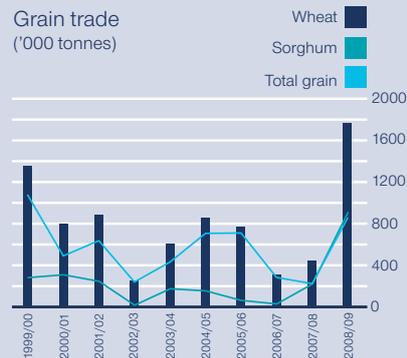
During 2008/2009, Brisbane exported 1.9 million tonnes of grain, four times the volume exported in the previous year. Grain crops consist predominantly of sorghum, a summer crop used mainly for animal feed, and wheat, a winter crop used mainly in the production of foodstuffs. We exported 855,000 tonnes of wheat and a record 909,000 tonnes of sorghum this year.

The easing drought conditions and the seasonal nature of both wheat and sorghum crops meant exports could be sent overseas, and to domestic markets. The substantial growth was the result of an excellent 2008 sorghum crop, a favourable 2008 wheat crop, and the 2009 summer sorghum crop. Over the last 12 months we have exported more sorghum than in the previous seven years combined.

More grain ships in port

The large volume of export grain saw a 600% increase in grain ships berthing at the grain terminal, from seven ships in 2007/2008 to 50 ships in 2008/2009. This year, we exported 1.3 million tonnes of bulk grain and we also exported 470,000 tonnes of containerised grain.

Over the last three to four years, overall demand for bulk vessels has increased due to growth in coal exports. This, combined with the increased availability of empty export containers (due to the considerable number of import containers not in use), made containerised grain quite a viable option. In fact, ten years ago only 7% of grain was containerised, compared to 27% this financial year.



Deregulation of the wheat market

While the sorghum market has been deregulated for many years, the wheat industry only became deregulated in late 2007. It opened up the marketplace to increased competition, with over six major exporters now operating through Brisbane's grain terminal, operated by GrainCorp, as well as a number of smaller players. In addition to new exporters in the market, there was also a rise in the number of countries who received export grain, from 39 countries in 2007/2008 to 53 countries this year. Primary export grain destinations included Japan, Iraq, Vietnam and New Zealand.



Read more about our trade statistics at www.portbris.com.au/operations/trade/statistical_reports

Key estates to support future growth

The planning and development of the remaining strategic port land areas is essential to our plan for accommodating future trade growth. The Future Port Expansion (FPE) at Fisherman Islands is our main area for growth, providing 230ha for future development.

Port Gate, located just minutes from the main Fisherman Islands port complex, is being developed progressively as a warehousing and freight-forwarding precinct. One major lessee, the Tzaneros Group, continued with construction of additional warehouses during the year. A number of tenants now occupy space in these warehouses, including Australian Container Freight Services, Linfox, Steelforce, and Carter Holt Harvey. The remaining unallocated area of the precinct is now ready for development, and we are in the process of negotiating with a number of potential tenants.

During the year we also progressed with development of Port West, located at Lytton approximately 6km from Fisherman Islands. We removed surcharge from the 22ha Stage 1 area and placed it on the 16ha Stage 2 area for settlement.

Future development of wharves has proven feasible along the downstream foreshore of Port West. A preliminary business case shows that the area could be developed for the growing needs of the motor vehicle and general cargo industries. The ultimate development offers 90ha of land and 900m of quayline. We are continuing with investigations and stakeholder consultation to further refine the concept.

To further support our future port development needs, during the year we also progressed with a bulk cargo land optimisation strategy.

The strategy outlines options for rationalising landholdings on the north side of the river, to address future demand for land near or next to wharf access.



See www.portbris.com.au/operations/trade for more information on our property developments.

New pricing schedule released

PBC has not increased its wharfage and harbour dues since 1982. Over this time, we have also eliminated berthing charges at Fisherman Islands, and even reduced charges for certain commodities. However, during this time we have also undertaken a major capital expenditure program to provide new infrastructure and maintain existing facilities, in a climate of increasing financial pressure. We can no longer continue to absorb this pressure.

In August 2009 we announced a new pricing schedule, to take effect from 1 December 2009. The new schedule is the result of extensive analysis, including an independent review from a third-party expert. We recognise the challenges currently being faced by many of our customers, and we feel that the 6% increase in both wharfage and harbour dues strikes an appropriate balance between a fair pricing level and our ongoing need to fund capital projects for the future.

 See www.portbris.com.au/operations/shipping/port_charges for our Schedule of Port Charges.

DELIVER ON OUR INFRASTRUCTURE PROJECTS

Final results delivered on reclamation trial

During the year we completed a major ground-improvement trial at our FPE area. The aim of the trial was to find new techniques to help us speed up the consolidation process and make the reclaimed land available more quickly, in line with our development needs, and to cater for the specific development of land adjacent to the Moreton Bay Marine Park.

Three international companies participated in the trial – Van Oord, Boskalis Australia, and Austress Menard. Each company was allocated a trial site and installed a mix of different types of wick (vertical) drains. Two of the companies also installed alternate ground-consolidation techniques, using vacuum consolidation.

One company uses a fully sealed vacuum system, while the other uses a simpler system by applying the vacuum pressure directly to the wick drains.

We engaged Coffey Geotechnics to assess the results at each site, and also appointed a specialist review team of world renowned geotechnical professors to provide further insights.

All three trial participants were deemed competent at carrying out the wick drain works. Each of the different techniques were successful, although their application will depend on the ground conditions for each reclamation area – and these conditions vary greatly. The fully sealed vacuum-consolidation techniques showed strong potential for use in edge areas of the FPE where edge stability is of particular concern. The specialists also commented on the very high technical standard of our trial program.

We will continue our involvement with the trial companies as we progress with reclamation at the FPE. In fact, two of the companies are already underway with the installation of new fully sealed vacuum-consolidation and wick drain areas.

\$4.6 million refit for the *Brisbane*

In November 2008 our ocean-going dredger, the *Brisbane*, went into dry dock for a major refit, which occurs every two-and-a-half years. The majority of work was contracted to local ship repair and engineering company, Forgacs, at their Cairncross Dockyard facility. The \$4.6 million refit ensured that the *Brisbane* can operate at the highest possible level of safety and efficiency.

New General Purpose Wharf ready for operation

In June 2009 we completed the 220m General Purpose Wharf, and the associated terminal is on track for completion by the end of September 2009. Total expenditure on this project is \$57 million. Completion of the General Purpose Wharf will significantly boost our capacity to handle bulk and break-bulk cargoes at Fisherman Islands. We were also pleased to see the wharf completed on schedule and under budget.

Last year we reported on the early completion of Berth 10, our seventh dedicated container berth. The 372m berth was handed over to Patrick, who opened their new, state-of-the-art Autostrad® terminal early this year. Both Patrick and DP World will ultimately have at least 900m each of quayline under their control.

We also completed or progressed with a number of other infrastructure projects during the year, summarised in the table below.

 See www.portbris.com.au/operations/currentprojects/projectlist for more information on the progress of these projects.

FACILITATE IMPROVED PORT ACCESS

Planning for Heavy Transit Corridor underway

As we continue to develop new facilities at Fisherman Islands, the need to balance public access with the increasing need for connectivity between the terminals and backup areas becomes increasingly important. To address this issue, during 2008 we completed the strategy for development of a Heavy Transit Corridor at Fisherman Islands.

Major infrastructure projects

Project	Status
Berths 11 and 12 To become new container berths for our third stevedore, HPH.	Rockwalls now complete, surcharge in place for Terminal 11 and part of Terminal 12. Berths due for completion in 2012 and 2014, respectively.
Widening of access road between AAT and Grain Berth To allow for movement of motor vehicle imports independently of other terminal traffic.	Completed in November 2008.
Port Drive upgrade and Captain Bishop Bridge duplication To improve safety and increase road capacity for the future.	Lucinda Drive embankment completed. Tender for main road and bridge construction to be called in late 2009. Due for completion by end of 2010.
Construction of Curlew Street at Fisherman Islands For access to Terminals 10-13 and FPE area.	On track for completion in September 2009.
New multi-user terminal at the Grain Berth For accommodation of cruise vessels at the Grain Berth.	On track for operation in October 2009.
Perrin Creek Project at Colmslie Creek realignment for flood mitigation purposes.	On track for completion by end of November 2009.
Volvo Commercial Vehicles Australia Office/warehouse facility at Eagle Farm estate.	On track for completion in early 2010.

Expert panel validates trial findings

At the end of 2008 we concluded our two-and-a-half year ground-improvement trial. Given the importance of the trial to the future of our port expansion, we were keen to ensure the trial results underwent extensive review and analysis. To achieve this, we appointed a panel of specialist geotechnical experts to conduct a review, in parallel with a review by Coffey Geotechnics.

We appointed three professors, all world renowned in their fields:

- Professor A Balasubramaniam, Griffith University
- Professor Buddhima Indraratna, University of Wollongong
- Professor Harry Poulos, Coffey Geotechnics, University of Sydney.

We asked each professor to review all pre- and post-installation design reports, and identify the best performing wick drain, the optimum drain spacing, the success and

benefits of using vacuum consolidation, acceptable residual settlement targets, and indicate whether the trial results would also apply to the outer FPE area.

Due to the complex conditions in the FPE area, the professors' findings were varied, but can be summarised below:

- The trials clearly indicated that the use of wick drains could be adopted for the FPE area, if experienced contractors with appropriate machinery are used.
- The results clearly indicated that the fully sealed vacuum consolidation technique was very efficient, and superior to wick drains alone achieving rapid consolidation and maximising stability.
- Wick drain performance appeared to reduce when drains were placed closer together, so there would be benefit in conducting further trials with wider spacing.
- The pore size of filters did not appear to affect their performance.

- The trialled wick drains were all generally appropriate for the soil types and depths of compressible materials, although some types seemed to perform slightly better than others.

LOOKING FORWARD

The trial results have given us a solid basis for planning future land development at the port, and the confidence to know we are using the most effective techniques available.

We still face many challenges, due to the complex and difficult land conditions in the FPE, but we will continue to innovate and build on our knowledge as we go along.

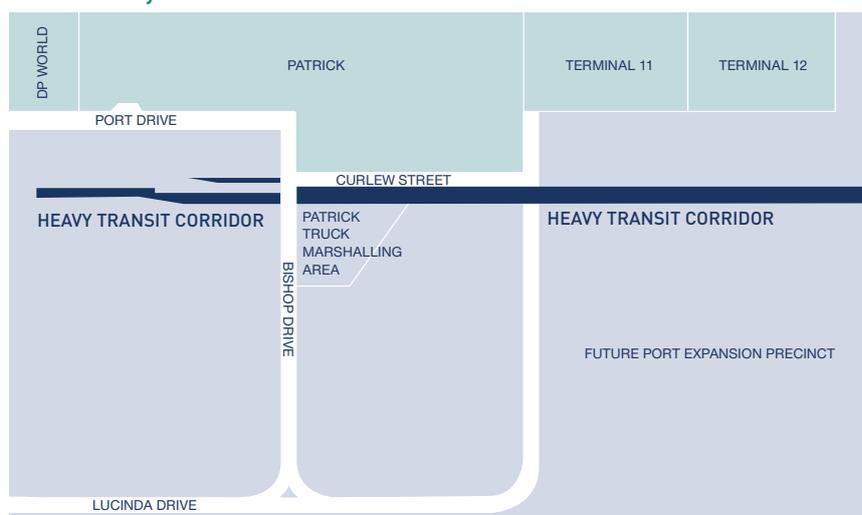


If you'd like to read more about our ground-improvement trials, see page 42 of our 2006/2007 Annual Report, available at www.portbris.com.au/corporation/publications.



► An aerial view of the FPE area, including the vacuum consolidation trial site.

Future Heavy Transit Corridor



The proposed Heavy Transit Corridor will provide a potential rail and road corridor for container traffic movements between: future and existing terminal areas; container parks and depots within the island; and terminal areas and the BMT. Public access to the corridor will be prohibited and a licence will be required for use. The corridor will become a secondary longitudinal access route along the island. Detailed design work is now progressing, and access restrictions will not come into place until alternative public access is available through a future road connecting Terminal 11 to Lucinda Drive (in approximately 2012). (See above diagram.)

Rail study validates existing port access model

In late 2007 we engaged a team of rail consultants from Meyrick GHD. Their objective was to examine the economic merit of retaining the existing single railhead delivery model at the BMT, versus an alternative model based on individual rail spur lines at each terminal. In 2008 we asked the consultants to expand on their original study and develop a model that assessed the cost of road versus rail transport to and from the port. A number of different factors were analysed to test how rail trade through the port may change, for example, under increased fuel prices or following the development of inland rail hubs.

The first component of the study concluded that the existing BMT rail model is the preferred model for the future, and there was no economic case for moving to multiple rail spur lines. The second part of the study concluded that

road would remain the most effective and cost efficient mode of transporting the vast majority of containers to and from the Port of Brisbane. Even under extreme market conditions that would favour rail transport (i.e. high fuel prices), the increase in rail container mode share was estimated to be modest.

This result reaffirms the vital importance of investing in improved road access to the port, in particular the Port of Brisbane Motorway upgrade.

Stage 1 of the Port of Brisbane Motorway was completed in 2002, and it is now critical that progress is made on the upgrade before the road reaches maximum capacity. During 2008/2009 we worked closely with the Department of Transport and Main Roads on the successful completion of the business case, and we will continue to do so as work on the formal project commitment progresses.

Traffic modelling results have shown a clear need for the upgrade by 2011, particularly with the completion of the Gateway Upgrade Project, and the increasing congestion and number of traffic incidents along this corridor. A 'market sounding' process was completed during the year, with positive feedback received from a range of potential participants in the project. When Premier Anna Bligh announced the sale of PBC, she stated that it would include a commitment to upgrade the motorway. At this stage it is not clear how this will affect the proposed business model, but we are certain that the majority of work already completed on the business case will be of value.

See www.treasury.qld.gov.au/office/services/asset-management/asset-sales/index.shtml for more information on the port sale.

MAKE STRATEGIC INVESTMENTS AND UNDERTAKE NON-TRADE ACTIVITIES

Northshore continues to grow

In March 2009 we completed the second stage of roads and services at our Northshore Hamilton area, with the extension to MacArthur Avenue linking to Barcham Street now open for public access. Last year we selected Australand (in a joint venture with BOS International) as the preferred bidder for the purchase and development of Lots 1 and 3, the first parcels of land for residential development comprising 6.28ha of riverfront land. Works were originally scheduled to commence this year, but difficult market conditions have led to delays. Negotiations are continuing and we are hopeful that the development will proceed over the coming year.

Last year we reported on the completion of the new Northshore Riverside Park and Café, which opened to the public in July 2008. The park hosted the *Symphony at the Shore* event (part of the Brisbane Festival) in late 2008 with great success. It was attended by over 4,000 people, and the event is scheduled to be held at Northshore again in 2009.

We also hosted Cirque du Soleil's *Dralion* production during December 2008 and January 2009. Our security team managed car parking during the season and we were able to donate \$25,000 in proceeds from parking fees to Brisbane charity, Youngcare.

See page 37 for more information on our community sponsorships.

The Urban Land Development Authority (ULDA), the Queensland Government body charged with planning for the development of land at Northshore, finalised the Development Scheme for the wider Northshore area during the year. Representatives from our Northshore Development Group contributed to this process, providing much of the background information needed to complete the Development Scheme.

See www.northshorehamilton.com.au for more information.

The New Port Office building will become the hub of PBC's activities.

City Reach boardwalk reopened to the public

PBC currently holds a number of wet leases in the City Reach of the Brisbane River. Some of Brisbane's best-known restaurants are located along this stretch of the river, along with the City Reach boardwalk, a much-used pedestrian and cyclist corridor for city commuters.

Several years ago, engineering assessments confirmed that the boardwalk structure needed major repairs, and was not adequate to support large crowds of people during major events, like the annual Riverfire night. Consequently, access to sections of the boardwalk has been restricted for up to a year, and one section was closed for around nine months.

In July 2009 the closed section of the boardwalk was reopened to the public after a \$2.5 million repair program. Additional repairs are now progressing, but these works should not impede public access to the boardwalk. Negotiations surrounding the repairs are complex and difficult, and work is ongoing to determine which parties have a responsibility to contribute financially.

We are part of a multi-agency working group, established by DERM, which meets regularly in an effort to resolve the future strategic management of the City Reach leases as an iconic feature of Brisbane City. The ultimate aim of both PBC and the Queensland Government is to divest this non-strategic land asset to a more appropriate entity.

New Port Office to accommodate growing workforce

Port Central is a 9ha precinct in the middle of the Fisherman Islands complex – master planned and designed to be the commercial heart of the port community. The precinct will include: commercial office buildings, convenience retail and service facilities, and recreational facilities in the longer term. Unique on the Australian port landscape, it has been specifically designed as a central precinct providing convenient access to a range of strategic business services and amenities.

We continued with the development of Port Central during the year, with the commencement of construction on the New Port Office building. The building, to become PBC's new head office, has been planned and designed against the Green Building Council of Australia design rating tool (version 3) for commercial office buildings. Once again, we are aiming for a 5 star Green Star rating. We are expecting to occupy the New Port Office building in June 2010. It will become the hub of PBC's activities and will bring together our various business units, which are currently spread across several different port locations.

As part of the revision of our Port Development Code it is now mandatory for all Port Central office buildings to achieve a 5 star Green Star design rating. This confirms our commitment to ensuring sustainable development at the port, and builds on the achievements of the Port Central One development, which is now fully tenanted.

Improving facilities for the boating community

During the year we completed work at Manly Boat Harbour to improve ease of navigation and to accommodate new marina berths. The project involved dredging around 120,000m³ of material from the harbour, and removing 101 pile moorings. The existing two channels were replaced with a single, wider channel with fewer intersections. The new harbour layout will allow for approximately 300 new, fully serviced, floating marina berths. Our new marina was opened in April 2009, providing much improved facilities for those boat owners who previously occupied the pile moorings.

We were also pleased to see that all of our Manly Boat Harbour tenants were re-accredited with *Clean Marina* status. Moreton Bay Trailer Boat Club Marina, Royal Queensland Yacht Squadron Marina Ltd, Wynnum Manly Yacht Club, Port of Brisbane William Gunn Jetty, and East Coast Marinas, all worked hard to maintain the high levels of environmental management required to achieve their second *Clean Marina* accreditation, having first joined the program in 2006. The *Clean Marinas Australia Program* is a national, voluntary accreditation system for the boating industry, introduced in an endeavour to protect our coastal and inland waterways.

The two-level building at Manly Boat Harbour, built by PBC for DERM, was officially opened in July 2009. The building reflects best-practice sustainability and eco-efficient accommodation standards and has a 5 star Green Star rating. The building has enabled DERM to better manage operational response times, accommodate eight new marine rangers, and house nearly \$350,000 worth of new equipment. We finished the project with some landscape gardening and resurfacing of the surrounding public car park and boat ramp. We've received a fantastic response from the local community on the revival of this popular facility.



An aerial view of construction on the New Port Office building. ▶

We also completed improvement works on the Sinbad Street boat ramp in Shorncliffe and began works on the Bird O' Passage Parade boat ramp in Scarborough. Both ramps will now have the added benefit of a queuing pontoon.

At Scarborough Boat Harbour, our goal for the year was to see the completion of the new Redcliffe Marina by Compass Marinas. The development is to include approximately 130 new marina berths, a retail kiosk and community building, marina amenities, and a boat shed and marina administration facility for a non-profit youth foundation (the H4 Foundation).

The proposed development is quite complex – involving tidal, landside and dredging works – and is therefore subject to an extensive planning approval and consultation process involving multiple agencies. For these reasons, we are disappointed to report that Compass Marinas were not able to secure the necessary approvals to have the facility completed by June 2009.

Planning for the future of Bundaberg

The majority of our work at the Port of Bundaberg during the year involved completion of the new Land Use Plan. After an extensive period of public consultation and stakeholder engagement, the final plan was submitted to the Minister for Transport in May 2009.

We also formulated a business development strategy for the Port of Bundaberg, providing an overall assessment of the port's strengths, weaknesses, opportunities and threats. The scope for the introduction of new commodities through the port is limited by the costs of providing new infrastructure and by operational limitations. However, the port area is well suited to other marine-related industries, such as boat building, marine repairs and aquaculture, which will be targeted as future growth opportunities.

Work progressed on the Wallace Creek bridge project (connecting the Burnett Heads Boat Harbour to the main port area). We were not able to achieve completion by June 2009, as originally planned, due to some delays in obtaining all the required approvals and tenure. All approvals have now been obtained and pre-works are underway, with completion expected by December 2009.

We have also made significant achievements in other areas of the Port of Bundaberg business since merging with them in 2007. These include environmental management, record keeping compliance, and safety, quality and risk management.

In June 2009 Premier Anna Bligh announced that, as part of the sale of PBC, the Port of Bundaberg would be transferred to GPC. We expect that the transfer to GPC will be completed in 2009/2010. Although our involvement with the Port of Bundaberg has been brief, we are proud of what we've achieved, and confident that the strategies and plans we have completed will be of great value to GPC as they assume responsibility for the Port of Bundaberg's future.



See www.treasury.qld.gov.au/office/services/asset-management/asset-sales/index.shtml for more information on the port sale.

DRIVE PORT EFFICIENCY

Early outcomes achieved for Productivity Strategy

Although provision of new land and infrastructure is critical for our future, it will not in itself lead to an improved productivity outcome for the port. Equally critical is the need to optimise efficiency throughout the entire supply chain.

Last year we reported that our Port Operations team had developed a Port Productivity Strategy, recommending a number of potential initiatives to enhance knowledge and understanding of productivity measures across the sea freight supply chain. This year we progressed with the strategy, including the following initiatives:

- approval to run Super B-doubles to Port Gate
- investigation with stakeholders into the provision of more comprehensive data to measure the performance of the sea freight supply chain as a whole
- development of an outline design for a truck rest area to assist stakeholders with short-term congestion and meeting Chain of Responsibility obligations
- the addition of two new road webcams to the PBC website
- business case approval to establish a new truck weighbridge at the BMT
- the addition of facility operating hours to the PBC website
- approval to trial a new, more efficient truck configuration at Fisherman Islands.

One of our most significant achievements was the establishment of DGTrac, a new online system for tracking the movement of dangerous goods throughout the port. DGTrac, required to go live for compliance in September 2009, will eliminate the previous paper-based system and lead to greater tracking accuracy through a much more streamlined process. Many shipping lines are already using the system, and feedback so far has been extremely positive.



See page 44 of our 2007/2008 Annual Report for more information on our productivity strategy.

KEY PERFORMANCE INDICATORS (KPIs)

Our database of KPIs monitors the productivity and service levels of the different service providers at the port. The KPIs showcased in the following pages demonstrate the productivity factors that determine the capacity of the port, as measured by teus per quayline metre, and teus per hectare.

By focusing on growth, volume, productivity and service factors, we can determine the required future investment in cargo-handling facilities. Significant increases in trade volumes can impact on service delivery. Our aim is to balance the maximisation of throughput with the need to maintain access and high service standards for port users.

The following graphs show data over a five year period, with each month shown as a separate bar.

Ship arrivals

Ship-arrival trends show increases over the long-term supporting the strong growth in trade volumes. The recent decline is due to the overall slowing in trade in 2008/2009, in particular container and motor-vehicle volumes. This is despite an increase in tanker arrivals.



Average container exchange per vessel

Container exchanges have been increasing as larger container vessels visit the port, with a significant improvement in exchanges over the last 12 months to an average of over 700 containers per vessel.



Berth utilisation

This graph, which shows actual usage of container berths by ships at the port, indicates a steady increase in utilisation over the long term. The recent decline is due to slowing trade and the subsequent decrease in ship visits in 2008/2009.



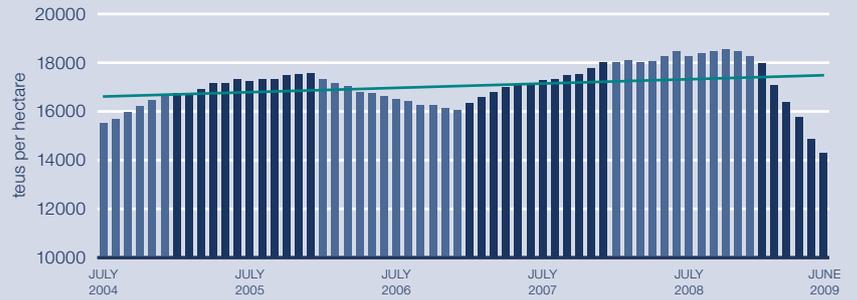
Teus per quayline metre

This illustrates the efficiency of quayline usage and measures the annual container throughput divided by the total length of the quayline. There has been a steady improvement in usage over time, but a significant decline in recent months due to slowing trade and an increase in available quayline from the beginning of 2009.



Yard utilisation

This illustrates the efficiency of yard usage and measures the annual container throughput divided by the total yard area, measured in teus per hectare. There has been a steady improvement in usage over time, but a significant decline in recent months due to slowing trade and an increase in available yard area from the beginning of 2009.



Teus per container

There is a growing trend towards using forty-foot containers, recorded as two teus, which impacts favourably on the efficiency of all ports. This is because the same volume of cargo can be loaded and unloaded with fewer crane movements.



Net crane rate

The net crane rate measures the number of containers per hour that the crane operators load or unload. The rate has trended downwards over recent years; however, both stevedores recorded notable improvements over the last 24 months.



Crane intensity

Crane intensity measures the average number of cranes deployed per net ship hour. Net ship hours include the time a ship is berthed, excluding stevedoring crew changes, meal breaks and equipment downtime, etc. This graph indicates that crane intensity has increased relative to previous years, due to the introduction of new cranes by stevedores.



In previous years we have been able to provide data on ship arrival and departure delays.

This year, due to a change in software at MSQ, we were not able to obtain this data. We are now working with MSQ to try and obtain similar data over the next financial year.

Outlook

Accelerate and plan for trade and revenue growth

Our focus for the year ahead will be to try and maintain steady trade levels through the port, as we expect recovery from the financial crisis may be slow. In particular, we expect agricultural trades to continue their strong performance, as key growing regions continue to recover from drought conditions.

At Port Gate, we will continue to finalise lease arrangements for the remaining, unallocated area of land. Likewise, at Port West we hope to complete the outstanding works for the business case, and finalise lease negotiations with tenants. We expect that property sales/leasing in general will increase in line with broader economic conditions over the next year.

One of our most significant tasks over the next year will of course be preparing our business to be sold, and we have set up a dedicated internal team to carry out this work. Our focus will be to ensure we can deal with the significant demands of the sale process, while continuing to operate our business effectively and efficiently. Throughout this process, we will endeavour to work closely with customers to ensure they are kept informed.

Deliver on our infrastructure projects

Development of new land and facilities will continue at Fisherman Islands over the next year, with our primary focus on construction of Berths 11 and 12. Activities will include completion of the design for Wharf 11 and the purchase of piles for the project. The findings from our ground-improvement trial will also be put to good use as we roll out several of the reclamation techniques on a larger scale.

Our new General Purpose Berth will be up and running in the next year, providing a major boost to our ability to handle bulk and break-bulk cargoes. The final step in the completion of this facility will be the establishment of Sunstate Cement's hopper and conveyor system.

By the end of the 2009/2010 year we expect to have made significant progress on the Port Drive upgrade and Captain Bishop Bridge duplication. This project will provide the necessary infrastructure to meet the growing volumes of traffic to and from the port, and ensure safe and efficient access for employees, visitors and freight transporters. It will also reduce the risk of a port closure, which comes from relying on one bridge for access.

Facilitate improved port access

Over the next year we will progress with planning for the Heavy Transit Corridor at Fisherman Islands, to ensure we are ready for construction once alternative access roads are complete.

The results of our rail study have confirmed that the existing BMT model will serve the port well into the future, so we will now continue to focus our attention on road access to the port. It is still not entirely clear how the sale of the port (and of Queensland Motorways) will affect progress on the upgrade of the Port of Brisbane Motorway. Whatever the case may be, we will continue with our involvement in the project team to ensure this critical piece of infrastructure moves forward as soon as possible.

Planning for construction of road access to Port West will also commence during the year ahead, to prepare for the beginning of construction on the first facility.

Make strategic investments and undertake non-trade activities

Our Northshore Development Group will continue to progress the development plans for Lots 1 and 3, as well as preparing to make additional areas of land available for sale. Key to this process is our continued partnership with the ULDA, especially as they finalise the

planning for infrastructure provision and related charging arrangements as part of the Northshore Development Scheme.

We were pleased to see the reopening of the City Reach boardwalk but we still hope to divest this land asset to a more appropriate entity, to focus our time and resources on strategic port assets.

Recreational boat users are already enjoying the benefits of the new single channel at Manly Boat Harbour, and by the end of next year our upgrade project will be fully complete. Our focus will then be on the completion of the Compass Marinas development at Scarborough and the rationalisation of moorings at Cabbage Tree Creek and Gardens Point.

Our responsibility for the Port of Bundaberg will transfer to Gladstone Ports Corporation in 2009/2010. We will strive to provide the new owners with the highest level of support in the handover.

Drive port efficiency

Our focus on productivity will be stronger than ever in the year ahead, as we work towards a greater depth of understanding across the entire supply chain. We do expect trade growth in some areas to start recovering towards the end of next year, and our aim is to ensure we are ready to handle increased volumes as required.

Our stakeholder meetings, including the Landside and Waterside Logistics Forums, will continue to play vital roles in achieving greater collaboration. We hope that improved overall understanding and communications across all components of the supply chain will result in greater efficiencies.





OUR SOCIAL PERFORMANCE

LEADERSHIP

noun. creating a path and inspiring others to follow

- IFC ABOUT THIS REPORT
- IFC OUR VISION, MISSION AND VALUES
- 1 OUR HIGHLIGHTS
- 2 OUR HISTORY
- 3 OUR ORGANISATION
- 10 CHAIRMAN AND CEO'S REPORT
- 14 OUR KEY CORPORATE STRATEGIES
- 18 OUR OPERATIONAL PERFORMANCE
- 30 **OUR SOCIAL PERFORMANCE**
- 40 OUR ENVIRONMENTAL PERFORMANCE
- 54 CORPORATE GOVERNANCE
- 62 OUR ECONOMIC AND FINANCIAL PERFORMANCE
- 74 INDEPENDENT LIMITED ASSURANCE REPORT
- 76 GRI CONTENT INDEX
- 80 INDEX, INCLUDING TABLE, GRAPH AND DIAGRAM INDEX
- 82 GLOSSARY AND ABBREVIATIONS
- 84 PORT OF BRISBANE MAP
- 86 CONTACT US
- 87 FEEDBACK FORM
- IBC OUR FINANCIAL REPORTS (ON CD)

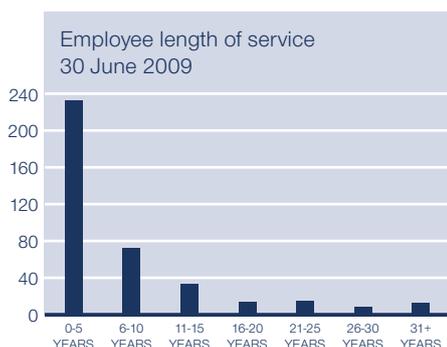
OUR EMPLOYEES

Staff numbers increase

PBC employs over 20 different professions and trades people in permanent full-time, permanent part-time, casual and temporary roles at PBC, and the Port of Bundaberg. The team has grown from 337 at June 2008 to 387 at June 2009.

Total staff turnover for the year was 9.3% (excluding temporary employees and casuals), which is down from 13.3% in 2007/2008. This reflects the trend towards high retention rates during times of economic downturn and uncertainty.

As a result of the Queensland Government's decision in June 2009 to privatise PBC, the 15 staff working at Bundaberg will transfer to the GPC in 2009/2010.



A focus on recruitment

The increase in employee numbers (50 employees) during 2008/2009 is partially attributed to the full-time employment of security staff, previously employed on a contract basis. In 2008 we also recruited additional skills in the port operations and hospitality areas.

We have an Onboarding Program for new employees that provides a consistent experience. It also enables people to establish networks to become more competent in their new roles as quickly as possible. The Buddy system is part of the program. Employees volunteer to act as buddies to new staff, providing information and support during the settling-in period.

To effectively advertise and promote employment and career opportunities for the port and shipping industries, in January 2009 we launched a port careers website for the businesses located at the Port of Brisbane.

See Portcareers – a smart choice on page 33.

As part of our commitment to a future workforce, PBC has provided a local student with a school-based apprenticeship in fitting and turning. At the completion of the course in 2011, the student will obtain a Certificate III in Engineering Mechanical Trade.

Our corporate scholarship program currently provides one civil engineering and one hydrographical surveying student with financial assistance while they study, industry experience during semester breaks, and guaranteed permanent employment at the completion of their studies. No new scholarships were offered during 2008/2009.

Safety performance improves

PBC is committed to providing a safe and healthy workplace for staff, contractors and visitors, ensuring they return home safely at the end of each day. For this reason Safety First is our number one value.

The Health and Safety Policy clearly states this commitment and is available on the Intranet, the website and displayed in the main office foyer. Updates to this policy are notified via the fortnightly Team Brief.

See Employee Communication on page 34 regarding Team Briefs.

See www.portbris.com.au/health/policies to read our Health and Safety Policy.

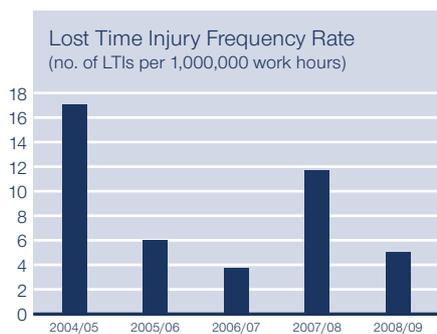
We encourage diversity and resilience, and nurture leadership potential.

In January 2009 PBC was re-certified against AS4801:2001 *Occupational Health and Safety Management Systems* and ISO9001:2008 *Quality Management Systems*. In the ten years since we were first certified, we have not been issued with a system non-conformance.

Our safety target is zero LTIs. We believe this target is achievable, but in 2008/2009 three of our permanent employees recorded LTIs. While this figure was down from seven in the previous year, it is still disappointing that our staff were injured on the job. Our principal contractors and casuals employed by labour-hire companies, working on our projects accounted for an additional two LTIs.

All three injuries sustained by our employees were the result of 'behavioural' rather than 'systemic' events. That is, lack of attention rather than a failure of established systems or equipment. The focus for next year is to bring about a shift in our safety culture, from a compliance-based emphasis to one that emphasises behavioural management.

PBC defines an incident as an unplanned event, which may lead, or has led to, injury to people, or damage to property, equipment, or the environment.



Class A incidents during 2008/2009

Incident	Immediate action	Long-term prevention action
Trucks queuing outside the grain terminal waiting to unload grain posed a significant traffic hazard.	Security patrols were increased; barriers erected to prevent trucks parking on the road verge; and a mobile message board placed on Port Drive to detour unnecessary traffic around the area.	We worked with the port operator to implement control measures for processing the trucks through the facility. Drivers were instructed to wear high visibility vests; park well away from the edge of the road; and not stand on the road-side of the vehicles.
A contractor working on the <i>Brisbane</i> , breached a safety procedure removing a "work in progress" tag from a piece of electrical equipment.	The tag was replaced until the work required was completed. The tag was then removed by an authorised PBC officer.	We have installed a lockout system on electrical equipment on the <i>Amity</i> as a pilot project.

We classify incidents under the following categories:

Class A – incidents that can cause, or have caused, major or significant harm.

Class B – incidents that cause, or have caused, serious or moderate harm.

Class C – incidents that have caused minor harm.

Two Class A safety incidents occurred in 2008/2009. These incidents predominately involved property damage and process loss. There were six Class B and 240 Class C incidents reported. All three LTIs were Class B incidents.

Risk registers developed

As part of our risk-based approach to business performance, our Safety and Quality Systems team is facilitating the development of risk registers across our work sites. These registers will identify and define acceptable levels of safety and quality risk as well as define the levels of controls required, so that people are only exposed to an acceptable level of risk.

By June 2009, risk registers had been substantially developed for the BMT, boat harbours, port operations and maintenance operations. Risk registers will be completed for all divisions by the end of 2009.

Health and Safety Committee changes

Changes to PBC's Health and Safety Committee were made in 2008/2009 to encourage ownership by the staff, and promote more effective two-way communication between staff and management. We now have three safety committees as follows:

- Workplace Health and Safety Representatives Committee – 11 members elected by staff; meets every six weeks; identifies and makes recommendations on relevant safety issues.
- Workplace Health and Safety Officers Committee – 10 members nominated by management; meets monthly; advisory role to employees; implements workplace health and safety initiatives.
- Health and Safety Committee – 29 members, including all Workplace Health and Safety Officers and Representatives, and eight permanent observers (including a Chairman and Secretary) appointed by management; meets every quarter; reviews our safety program and performance and makes recommendations on safety initiatives.



◀ Five staff received awards for long service in February 2009. Back row: Paul Clarke (Port Operations), Mary Eakin (Finance), Tony Marles (Information Technology). Front row: Bill Dick (Maintenance), Barbara Brown (Planning, Environment and Community).

Portcareers – a smart choice

Portcareers.com.au, launched in January 2009, is a website designed to raise awareness of the diversity of career opportunities and the sustainability of jobs at the Port of Brisbane.

Over 2,500 people, in a range of careers from crane drivers and forklift operators to engineers and surveyors, currently work at the Port of Brisbane. With numbers predicted to increase to over 5,000 by 2015, this website is a complete one-stop shop for potential and relevant job seekers.

The website provides the 19 port operators that have already subscribed to the site, the ability to directly upload vacancies onto the website. Subscribers have a business profile that promotes the advantages of the company, and the opportunity to showcase a particular career.

Potential employees who choose to register via the job alert function, automatically receive an email when a job is posted on the site that matches the criteria they have selected.

Despite the economic downturn and corresponding slowing of the job market, more than 40 jobs have been posted on the site since its launch.

Portcareers also provides a toolkit for secondary- and tertiary-level students to research job pathways and careers in the port, shipping and transport-related industries. Job profiles and video diaries of employees at work at the port give job seekers a realistic insight into the culture of the port and the job opportunities available.

For each career, students can access the necessary pathways and links to subjects they need to study, the qualifications required, and relevant institutions that offer the courses they need to obtain a career in the port, transport and maritime industry.

By integrating the jobs board with career information, the site provides potential job seekers and students with an online web experience that is easy to use, engaging and informative.

The site also contains information on the port precinct, including a map of the businesses located at the port, how to get to the port, and the public venues, such as the Visitors Centre, Port Central Café and the bird roost.

PBC manages the website for port operators and businesses located at the Port of Brisbane. From its launch until early June 2009, the site has registered 149 job applications and over 1,000 people have registered for job alerts. We plan to continue promoting the site to all operators within the port precinct.



See www.portcareers.com.au for more information.

The *Brisbane* has its own Health and Safety Committee under the *Occupational Health and Safety (Maritime Industry) Act 1993*.

Minutes of the three committee meetings are published on the Intranet.

Learning, leadership and resilience

Leadership continues to underpin PBC's culture, and is critical to ensuring we can sustain a resilient workforce that can work efficiently and safely.

Our leadership program combines capabilities and behaviours that are formally reviewed every six months through development and performance reviews. Individual development plans also help to maximise future opportunities. Employees are encouraged to take ownership of their development progress.

In 2008/2009, we invested \$939,046 in learning and development, or \$2,426 per employee. This figure includes course fees, salaries, travel, meals and accommodation, but excludes study assistance.

In terms of hours of learning, staff spent 11,069 hours in total, or 28.6 hours per employee. Eighteen of our employees were assisted to undertake external study, via a contribution to their course fees, text books and flexible work options, to allow them to attend classes and sit exams.

Diversity encouraged

PBC's major challenges in attracting, developing and retaining the right people include: an uncertain economic climate, rapid technological changes, demographic pressures, and changing employee expectations. To meet these challenges we encourage diversity and flexibility, nurture leadership potential, and provide a work/life balance to sustain a workforce that is committed to continuous improvement.

In 2008/2009, we introduced a Diversity Statement and Plan, which outlines our commitment to recognising, embracing and valuing the differences and experiences of our people and their unique contribution to the workplace.

We support Equal Employment Opportunity (EEO), merit-based appointments and promotions, and equity in recruitment and selection. The EEO and Code of Conduct policies are available to all employees on the Intranet, and Workplace Contact Officers are available to assist employees if workplace issues arise.

It is disappointing to report that two formal workplace complaints were lodged with management during 2008/2009. Both complaints were investigated and resolved.

In 2008/2009, a Women@Work program was launched to ensure members of this target group feel supported in their efforts to compete for roles within the organisation, request relevant development opportunities, have career prospects beyond the short-term, and are inspired to achieve leadership success.

In May 2009 a Diversity Day was held to further recognise and celebrate our cultural differences.



◀ Two of our planners – David Oatley and David Hertweck – being filmed for our Portcareers website.

Other benefits for Award and non-award employees include:

- performance-related bonus opportunities
- flexible work practices and leave arrangements
- succession planning
- study assistance
- health and well-being support programs
- paid prenatal/pre-adoption leave
- 14 weeks paid maternity/adoption leave
- child care referral service.

Remuneration practices are offered in line with market rates, and every year selected positions undergo a remuneration review.

 See www.portbris.com.au/corporation/employment for more information.

Employee communication

To create a strong team and encourage an environment where our staff feel appreciated and valued, we regularly engage with our employees.

Team Brief, a fortnightly meeting of all staff in each division, allows for two-way communication on critical corporate-wide topics, including safety, major projects, and policy changes. In 2008/2009, 23 Team Briefs were held in each division, with seven staff guest speakers on a rotational basis, providing information on projects within their division.

The Intranet continues to be a major source of information for employees. In 2009, a People and Culture section was added, providing more concise information on the policies, responsibilities and benefits of employment.

Our bi-monthly staff newsletter, *Port Currents*, and monthly external newsletter, *Port of Brisbane News*, are posted to all staff members.

 See www.portbris.com.au/corporation/publications to access our corporate publications.

Workforce profile

Aboriginal and Torres Strait Islander people	2
Non-English speaking backgrounds	25
People with disabilities	38
Employees aged 45 years and over	166
Average age	41.7 years
Average length of service	7.1 years
Award employees	83%
Contract employees	17%
No. of females	126
No. of males	261

Women in the workforce

2004/05	26%
2005/06	28%
2006/07	28.8%
2007/08	32.3%
2008/09	32.6%

Women in management

2004/05	1.6%
2005/06	2.9%
2006/07	2.1%
2007/08	2.4%
2008/09	2.3%

Every 18 months, we conduct a culture survey to ascertain how engaged and satisfied employees are working for the organisation. The next survey is due in 2010. However, due to the uncertainty about when the organisation will be sold, we have decided to undertake a Climate Survey in late 2009. This survey will seek to identify any key issues of concern and generally find out how people are feeling about the organisation and roles they play.

Industrial relations

A total of 83% of staff members are employed under Award conditions. Executive employment agreements account for the remaining 17% of staff.

Under the federal *Workplace Relations Act 2006*, our Award staff work under three certified agreements with the Maritime Union of Australia, Australian Maritime Officers Union and Australian Institute of Marine and Power Engineers. These agreements are due to expire in 2010.

Employee benefits

To address the different needs of our employees we offer a range of benefits to support their career and life aspirations.

PBC contributes up to 12.75% of every permanent full-time employee's salary package to their QSuper Fund, conditional on the employees' contribution. Salary sacrifice is also offered to employees and all staff members are given the opportunity to meet with QSuper financial planners.

Recent Federal Budget changes to superannuation will cap the amount employees can voluntarily contribute to the scheme.

Team building

In 2008/2009 we recognised eight employees for 10, 20 and 30 years of service to the organisation; and we awarded three staff innovation awards.

The innovations included:

- A method to speed up part of the reclamation process, using geofabric and a light-weight rubber-tyred bobcat. This innovation involved a team effort from our engineers and maintenance staff.
- A lifting frame with the capacity to lift up to 30kg of equipment onto navigation beacons, which are up to 8m above the deck of the surveying vessel. This innovation was designed by one of our surveyors.
- Turning off the water booster pumps to a marina complex, without affecting the water supply. This innovation, discovered by a member of our maintenance crew, reduced greenhouse gas emissions and the cost of electricity and maintenance.

Our Port Planning Sessions, originally held twice a year, are now held quarterly, and renamed Quarterly Updates. The sessions are held for middle managers and supervisors, and in 2008/2009, three sessions were held to discuss business development strategies, infrastructure projects, environmental initiatives, and operational issues.

Every quarter, the Chief Executive Officer presents to staff the safety, trade, and financial performance of the organisation. He also introduces new staff members and presents the innovation awards.

For staff that have either left the organisation, or taken extended leave or breaks, we have a Keep in Touch program. Newsletters and regular staff contact updates them on recent activities. Staff on parental leave or career breaks also have the opportunity to meet with their manager for detailed updates.

Community involvement

PBC is committed to making a positive social contribution, and provides employees with opportunities to assist in community activities.

In March 2009, employees joined forces with the local catchment group, Bayside Creeks Catchment Group for the Clean Up Australia Day. In July 2009 we partnered with Sunfish as the principal sponsor of the Clean Up the Pin, and staff worked with local recreational fishermen to remove litter from Moreton Bay.

Our Volunteer Day program provides full-time employees with the opportunity to take one day's paid leave a year to help out a charity of their choice. In 2008/2009, 18 employees volunteered a day to a number of charities.

Each year, our social club raises funds for a nominated charity, and PBC contributes to their fundraising efforts.

In December 2008, the social club presented Youngcare with a cheque for \$22,910, most of which was raised by staff.

Youngcare assists young people with high care needs and provides purpose designed accommodation. The funds that were raised assisted in building a high care facility on the Gold Coast. In January 2009, employees chose Beyond Blue as the charity for 2009.

This year, staff also raised over \$12,000 for the national food and fire victims in Queensland and Victoria, and PBC contributed \$5 for every dollar raised, bringing the total to just over \$62,000.

Balancing work and life

By promoting a culture that embraces diversity, PBC can attract talented people, decrease staff turnover, boost staff motivation, retain experienced staff, reduce absenteeism, and better manage employee stress, health and well-being.

We offer the following flexible work options to employees, where practical:

- career breaks (one staff member is currently on a career break)
- rostered days off (all Award employees are entitled to one RDO for each four-week cycle)
- home-based work (10 staff currently participate in this option)
- phased retirement options (one staff member has taken up this option)
- study leave (18 staff took up this option in 2008/2009)
- purchased leave (one staff member has taken up this option)
- compressed working week (three staff have taken up this option).

A large number of employees also make use of flexible start and finish times to avoid traffic congestion and maximise childcare arrangements.

We also provide an Employee Assistance Program and a Healthy Lifestyle Program.

In 2008/2009, 31 staff, compared to 21 in the previous year, accessed our Employee Assistance Program. This program provides free advice and assistance to all staff and their families on both personal and work-related issues.

The Healthy Lifestyle Program recognises health at work and health at home. As part of the program, employees have access to confidential and free-of-charge medical assessments, provided by the Ford Health Group. In 2008/2009, 143 employees accessed the service, compared to 121 in the previous year. In addition, 134 staff were provided with a free annual flu vaccination, and 137 had a skin check.

PBC also offers employees access to discounted health-care premiums with Medibank Private and MBF health funds.

After feedback from staff, in 2008/2009 we commenced a series of fitness programs, including after-work exercise classes. Nine staff teams participated in the national fitness program, 10,000 Steps, which promotes a healthy and active lifestyle.



◀ Our Visitors Centre Shift Leaders –
Melissa Kurittu and Antje Grief – at the Eco Café.

COMMUNITY AND STAKEHOLDERS

Stakeholder diversity

PBC has a diverse range of stakeholders, from local community members to port operators, freight forwarders, importers and exporters, and government agencies. We strive to maintain open, regular and honest communication with all our stakeholders to ensure strong and lasting relationships.

Sustainability forum

In November 2008, we hosted a Sustainability Forum with port operators on Fisherman Islands and Port Gate to outline the emission inventory project (see Inventory of port precinct air emissions on page 50). As the project affected both the shipping and logistics port operators, further discussions on the project were held at our regular Landside Logistics Forums and a Shipping Australia meeting.

Shipping Australia is the industry's peak body. It promotes and advances the interests of ship owners and shipping agents in shipping policy and safe environmentally sustainable ship operations.

The Sustainability Forum was established in 2007 for us to meet with port operators to facilitate opportunities to reduce emissions throughout the port.

We will present the final results of the waterside and landside emissions surveys at the next Sustainability Forum.

Community involvement – a material issue

The Community Consultative Committee is vital in maintaining our relationship with special interest community groups. Since 2003 it has met quarterly to discuss ongoing port operations and development, boat harbour works, environmental monitoring and other topics of interest to the represented organisations. It is chaired by our General Manager Planning, Environment and Community.



The Committee's minutes are publicly available on our website www.portbris.com.au/community/thecomunity/community_consultative_committee.

For the past two years we have asked committee members to list issues that are material to each of their organisations. This year the result was scattered across a number of issues, with the top three being dredging, community involvement, and communication.

Port tour numbers remain strong

To showcase the port, we offer a range of free educational, community and seniors' group port tours, as well as an Explorer Tour for individuals for a small fee.

The number of school groups visiting the port in 2008/2009 decreased, with 6,134 students and teachers participating in 174 port tours, compared to 6,991 visitors and 182 tours in 2007/2008.

The school tours are tailored to the needs of the students, and can focus on economics, environment, geography or careers at the port.



See www.portbris.com.au/schools for more information on our school tours.

We conducted 202 guided port tours for 5,480 community group members, and 227 Explorer Tours for 1,530 visitors.

We also welcomed business, industry, and government groups to the port for tours of the port's facilities, and to gain a greater understanding of the port and its operations.

We operate a public bus service between the local communities of Wynnum and Manly and the port. Patronage continues to be low, but consistent. In 2008/2009 we discussed the integration of our bus service with TransLink's Brisbane public transport network. TransLink is a Queensland Government authority that aims to improve and expand public transport services across the South East Queensland network.

Stakeholder engagement 2008/2009

STAKEHOLDERS	KEY METHODS OF ENGAGEMENT DURING 2008/2009
Government stakeholders	
Shareholding ministers	Corporate Plan; Statement of Corporate Intent; quarterly performance reports; regular briefings and updates on relevant issues
Government departments	regular briefings; strategic and operational meetings on relevant issues; newsletters; website
Business customers	
Importers, exporters, freight forwarders, customs brokers, transport companies, port operators, shipping agents, shipping lines, stevedores	forums; meetings; site visits; surveys; functions; leases; newsletters; website; Portcareers.com.au
Suppliers and contractors	meetings; inductions; consultation
Community stakeholders	
Community and environmental groups and visitors	Community Consultative Committee; port tours; meetings; sponsorships; presentations; newsletters; website
Employees	newsletters; Intranet; inductions; surveys; meetings; staff functions; CEO quarterly presentation
Media	media releases; editorials; enquiries

Hospitality venues still popular

All our tours begin and finish at the Visitors Centre, which offers visitors a range of unique experiences to observe, explore and taste. The Centre is open five days a week, and has an à la carte restaurant, casual-style café, conference facilities and an interactive display area that describes the history and operation of the port.

Our hospitality venues are committed to sustainable operations. Since January 2009 over 70,000 cups of Fair Trade coffee were served at our venues.

The Centre also coordinates visits to our 12ha shorebird roost – one of the largest constructed roosts for migratory shorebirds on the east coast of Australia. Visits to the roost are free, and in 2008/2009, over 230 local, intrastate, interstate and overseas guests visited the site.

Seven school groups also included a visit to the roost. This is part of a new program we developed in association with the Moreton Bay Environmental Education Centre (a Queensland Government education centre).

The Jetty Kiosk, located at the Manly Boat Harbour, continues to be a popular casual dining venue for locals and visitors to the area; and Port Central One café is popular with port workers.

The Northshore Riverside Café, which was opened in July 2008, is surrounded by 2.5ha of parkland, and is open seven days a week for lunch, with breakfast served Saturday and Sunday. Plans for a Brisbane City Council City Cat terminal are currently under review.

See Northshore continues to grow on page 24.

Community support

In 2008/2009 we assessed 105 sponsorship applications, and invested \$311,475 in community support, including donations, sponsorships, and community tours. This investment represented 0.42% of our pre-tax profit less revaluations, which was less than our 1% target.

PBC has major partnerships with: the Queensland Maritime Museum to restore and exhibit maritime projects; Lifeline to provide a school-based counselling service; and Blue Care for a local wellness program. We also have a close association with environmental groups and initiatives, including the Queensland Wildlife Preservation Society's Seagrass and Mangrove Watch. Both programs are community-based and monitor and record the condition of seagrass and mangroves in the vicinity of the port.

 More information on sponsorships at www.portbris.com.au/community/communityinitiatives

E-Teams spread the message

To encourage our employees to participate in the organisation's everyday economic and environmental performance, E-Teams were established to champion sustainable practices at work and at home.

The first E-Teams included 18 staff members, representing all six divisions. Over six months, the teams introduced a number of initiatives to drive improvements in waste, paper, energy and purchasing.

The results included:

- an increase in the number of employees turning off their monitors overnight
- a preferred stationery list of everyday items, including pens, highlighters and folders, making it easier for employees to make sustainable choices
- changing all capable printers to double-sided default printing to reduce paper use. Recycled copy paper was also introduced throughout the office
- monthly driving tips (from RACQ) to encourage employees to improve fuel efficiency
- an energy efficient project at the Landcare shed with the installation of electric timer switches, and motion sensor controls to limit energy use in low occupancy rooms.

An Intranet dashboard presents the quarterly results for improvements or otherwise of water, paper, waste and electricity.

Complaints addressed

We encourage feedback from our stakeholders and have a formal process for reporting and addressing complaints. Complaints can be made 24-hours a day through our website, or through port security. In 2008/2009 we received 13 community complaints as shown in the table on page 38.

In addition to these formal complaints, we continued to receive queries about the City Reach Boardwalk, a major city thoroughfare along the Brisbane River. The majority of callers were seeking information on the re-opening of the 90-metre section closed for major repairs. The Boardwalk re-opened in July 2009.



Community complaints 2008/2009

Complaint	Response	Reference
Trail bike riders causing disturbance to locals in the form of dust and noise on port land at Bundaberg.	Signage was erected, and liaison with local police to restrict the riders from the area.	CC00064; CC00065
A port tour guide was rude to a visiting group.	Apology given and customer service training provided for guide.	CC00066
Poor management of marina facility.	Apology given over a misunderstanding about an allocated berth at our new marina.	CC00068
Slippery ramp at Manly northern boat ramp.	Ramp was cleaned.	CC00069
Rude parking attendant at Cirque du Soleil.	Could not reply as the email address supplied was not valid.	CC00071
Misleading advertising of Port Careers website.	We apologised for the misinformation published in the newspaper.	CC00072
Underneath section of Burnett Heads boat ramp is slippery.	No product is available to clean the underwater section of the ramp. Advised of a new pontoon in the area.	CC00073
Lack of cruise ship terminal signage.	Signage was not the issue. Passengers were incorrectly advised where the vessel was berthing.	CC00074
Road gutters and grates blocked after heavy rain at marina.	The drains and gutters were cleaned out the next day. We continue to monitor the area for debris.	CC00075
Wheelchair access blocked on City Reach Boardwalk.	Access had been temporarily blocked for safety reasons. The fencing was retained, but shifted to allow access.	CC00055
Resident of Hamilton apartments complained of noise from a vessel at Hamilton No. 2 wharf.	Advised that these wharves could be operational until 2018.	CC00076
Poor customer service from one of our hospitality staff.	Staff member was coached on providing better customer service.	CC00077

Outlook

Support our people

PBC's biggest challenge for its staff in the next twelve months to two years will be the move from a government owned corporation to a privately owned corporation. To ensure an effective transition for all our staff, we will continue to promote leadership qualities of resilience, innovation and adaptability.

Team Briefs, CEO updates and the Intranet will be used to keep staff informed and updated on the privatisation process and how it will affect them. An internal communications review currently underway, will also provide future strategies to effectively communicate with staff.

The impact of the global financial crisis means that people are less likely to move between industry sectors. As a result we are taking steps to increase job movement within the organisation to avoid

sedentary behaviours and feelings of being "trapped". The privatisation process will assist us to accomplish this, as a number of opportunities arise within the organisation to address the sale.

Develop people's learning and growth

We will continue to focus on our leadership and management development workshops, and in 2009/2010 we are offering a *Here for the Future* program to all Award staff without staff responsibilities. This will complete our internally developed leadership program that seeks to build a common leadership and management culture and language among employees.

Improve safety

We will complete our work site risk registers and focus on influencing behavioural changes among staff through our new safety committees, Team Briefs, and by encouraging staff to identify safety hazards while on- and off-the-job.

Drive port-wide sustainability

Our E-teams will continue to educate staff about sustainable practices at work and at home. In 2009/2010 the teams will implement strategies to influence behaviour relating to recycling, composting and public transport.

Our sponsorship program will continue with a focus on education, youth, environment, welfare, local business, and arts and culture. We will continue to meet with community interest groups through the Community Consultative Committee, and assist port businesses to recruit and promote port careers through portcareers.com.au.

Key social performance indicators and targets

Indicator	2007/08	2008/09	Target 2008/09	Target 2009/10	✓ X
No. of employees 30 June 2009. ¹	337	387	n/a	n/a	
Employee turnover. ²	13.3%	9.3%	12%	<15%	✓
% of women in the workforce. ¹	32.3%	32.6%	>32%	>32%	✓
% of women in professional and administration roles. ¹	29.4%	21.1% ¹⁷	>29%	>29%	X
% of women in operational roles. ¹	0.6%	0.5%	>0.6%	>0.6%	X
% of women in senior executive, and senior and middle management ranks. ¹	2.4%	3.1%	>2.9%	>2.9%	✓
% of women from non-English speaking backgrounds. ¹	5.1%	7.5%	n/a	n/a	
No. of formal EEO complaints reported to management. ⁸	0	0	0	0	✓
No. of formal harassment complaints reported to management. ⁸	1	2	0	0	X
No. of employees using Employee Assistance Program.	21	31	n/a	n/a	
Days lost through industrial disputes. ⁹	0	0	0	0	✓
Employee satisfaction rating as measured by the Culture Survey.	92% ¹⁶	No survey this period	No survey this period	Climate Survey	
Employee engagement rating as measured by the Culture Survey.	79%	No survey this period	No survey this period	Climate Survey	
% of employees receiving regular performance development reviews. ⁶	97.9%	100%	100%	100%	✓
% of employees receiving regular performance/development reviews rated 'meets' or above in annual review. ⁷	97.9%	96.4%	100%	100%	X
Learning and development expenditure per employee. ^{1,3}	\$4,453	\$2,426	>\$4,500	n/a	
Learning and development hours per employee. ¹	51	28.6	Investigate benchmark	n/a	
Learning and development expenditure as a percentage of base salaries. ^{1,4}	7.7%	3.4%	Investigate benchmark	n/a	
No. of employees receiving support for external studies. ⁵	20	18	n/a	n/a	
Lost Time Injuries as a result of a safety incident. ¹⁰	7	3	0	0	X
Lost Time Injury Frequency Rate. ¹¹	11.7	5	0	0	X
No. of non-conformances from SAI Global audit of the PBC against AS4801. ¹²	0	0	0	0	✓
% of Health and Safety Committee members who are employee representatives.	50%	48%	50%	50%	X
Amount spent on community support (donations, sponsorships and community tours). ¹³	\$312,078	\$311,475	n/a	n/a	
Amount spent on community support as above as a percentage of pre-tax profits. ¹⁴	0.31% ¹⁵	0.42% ¹⁵	1%	1%	X
No. of community complaints.	9	13	0	0	X

1 Refers to permanent full-time, permanent part-time, casual, and temporary employees as at 30 June 2009 employed by the Port of Brisbane Corporation Ltd (including Bundaberg).

2 Refers to employees who leave the organisation, including retirements, retrenchments, and involuntary terminations, excluding temporary employees and casuals.

3 Includes travel, meal and accommodation costs, wages, and the cost of internal and external course fees, excludes study assistance.

4 Calculated using base (ordinary) salary (excluding on-costs).

5 Based on number of eligible employees, ie. permanent full-time, permanent part-time, and excluding casual and temporary employees.

6 Performance management reviews are undertaken for new employees who are still on their probation period, casual or temporary employees. Performance management reviews are conducted twice a year. This indicator relates to employees who received a performance review in June 2009.

7 Calculation based on the percentage of employees who completed a performance management review.

8 'Formal' refers to complaints (EEO and harassment) that have been escalated to senior management.

9 Based on average number of working days lost per employee involved in the dispute.

10 Instances in which permanent staff, casual or individual contractors, directly employed by the Port of Brisbane Corporation Ltd (including Bundaberg), suffered a physical injury as a result of a safety incident, which results in a person being declared unfit for work by a doctor on any day after the day of occurrence of the injury.

11 Includes injuries per LTIs. LTIFR = (No. of LTIs/ exposure hours worked) x 1,000,000.

12 Based on two SAI Global audits per year. The Bundaberg Port Corporation is not included in the SAI Global audits.

13 Includes financial donations and sponsorships made to community organisations or charities, and all payments made to the contract tour guide for conducting free tours for community groups.

14 The figure for pre-tax profit used in this calculation was extracted from the Profit and Loss Statement.

15 This figure was calculated on a pre-tax profit that excluded the sale of shares in the Brisbane Airport Corporation Holdings.

16 The results of the 2007/2008 Culture Survey included Port of Brisbane Corporation and Bundaberg employees, but excluded the crew on the *Brisbane*.

17 This figure excludes hospitality employees included in previous years. We feel this is a more accurate figure.

OUR ENVIRONMENTAL PERFORMANCE

FORESIGHT

noun. care for the future; knowledge or insight gained by looking forward



IFC	ABOUT THIS REPORT
IFC	OUR VISION, MISSION AND VALUES
1	OUR HIGHLIGHTS
2	OUR HISTORY
3	OUR ORGANISATION
10	CHAIRMAN AND CEO'S REPORT
14	OUR KEY CORPORATE STRATEGIES
18	OUR OPERATIONAL PERFORMANCE
30	OUR SOCIAL PERFORMANCE
40	OUR ENVIRONMENTAL PERFORMANCE
54	CORPORATE GOVERNANCE
62	OUR ECONOMIC AND FINANCIAL PERFORMANCE
74	INDEPENDENT LIMITED ASSURANCE REPORT
76	GRI CONTENT INDEX
80	INDEX, INCLUDING TABLE, GRAPH AND DIAGRAM INDEX
82	GLOSSARY AND ABBREVIATIONS
84	PORT OF BRISBANE MAP
86	CONTACT US
87	FEEDBACK FORM
IBC	OUR FINANCIAL REPORTS (ON CD)

We are committed to understanding the impact of the port's supply chain.

THE PORT AND ITS ENVIRONMENT

Natural environment

The Port of Brisbane is located at Fisherman Islands at the mouth of the Brisbane River. Its operations adjoin the Moreton Bay Marine Park, an area of high ecological and conservation value.

Moreton Bay contains a variety of habitats, including mangroves and seagrass. These habitats support important nursery and feeding grounds for a range of fish and crustaceans, many of direct value to fisheries. The area is also of considerable environmental value to the migratory and resident shorebirds. The park includes several Ramsar-declared wetland areas. The closest of these is approximately 1km from our nearest landholding, which we have designated as a conservation area, and around 3km from port operations.

The Port of Brisbane does not operate in isolation; its operations are linked to activities, such as dredging, and to the activities of the port's operating tenants.

Built environment

PBC manages more than 2,000ha of wet and dry land, including Fisherman Islands covering about 950ha at the river mouth. Our diverse land portfolio includes industrial, transport operations, retail/commercial, office parks, boat harbour developments and emerging residential communities.

The *Land Use Plan and Port Development Code 2007* identifies appropriate land use in various precincts, and defines the economically, environmentally and socially acceptable outcomes for future development on strategic port land. Under this plan more than 20% of our landholdings are designated as green space, including the vegetated areas around the port, which act as natural buffer zones between the port and nearby residential areas.

All developers must allocate 5% of each development site to landscaped areas.

Major projects completed in 2008/2009 include Patrick's new container precinct, the Tzaneros warehouses, and Sunstate Cement's grinding mill.

See page 22 for information on our major projects.

In 2008/2009 we commenced construction of our new headquarters, located within the Port Central precinct. The six-level office building is scheduled for completion in mid 2010, and we are seeking 5 stars for design and construction from the Green Building Council of Australia.

Operating environment

Within the port's natural and built environment, ships, trucks, trains and cargo handling equipment move commodities and goods to and from the port, and between the various port facilities.

These supply chain activities, which generate the port's economic outcomes, have the potential to impact upon the air quality, biological diversity and marine resources of the surrounding environment.

PBC is committed to understanding the environmental and social impacts of this supply chain and promoting the potential efficiency of these activities.

ENVIRONMENTAL MANAGEMENT

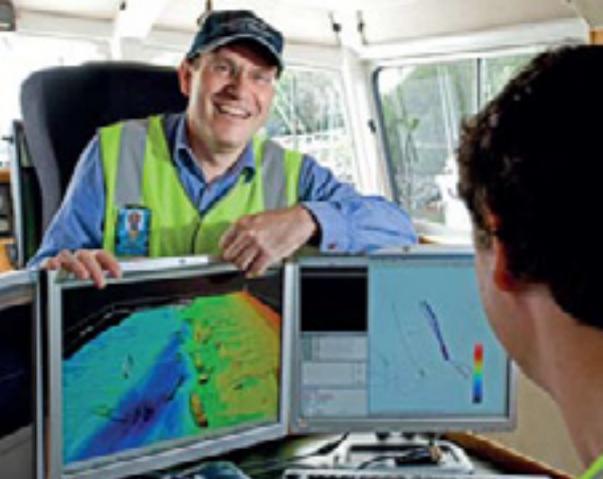
Environmental Management System

PBC's Environmental Management System (EMS) provides us with a systematic process to understand our existing environment, assess the aspects and impacts of our operations and, through a risk-assessment framework, develop operational and management strategies to minimise impacts.

The EMS has a strong focus on monitoring programs that consider both the natural and built environment. While the EMS does not explicitly cover the operations of our tenants, we work cooperatively to ensure all tenants adopt processes to promote a beyond-compliance approach to environmental management. In 2009 this approach was strengthened with the introduction of a sustainability clause into our infrastructure tender documents. This complements the Good Environmental Practice clause that was added to leases in 2007/2008.



See www.portbris.com.au/environment for more information on our EMS.



◀ Geographic Services Officer, Giles Stimson, is part of the surveying team responsible for using the multibeam sonar survey equipment.

In February 2009, the EMS was audited and re-certified against ISO14001:2004. This was our third re-certification audit since we were accredited in 2000. The 2009 audit reported no system or operational non-compliance against the standard.

The five key areas of our EMS are:

Sound policy: develop and implement sound environmental policies and systems that support the sustainable development of our port, and provide direction on how we operate within our sensitive environment.

Innovative and leading-edge planning: continue to push the boundaries of our current thinking and practices, so that we provide innovative and leading-edge solutions to environmental issues.

Effective implementation: ensure that our commitment to our environmental goals underpins every aspect of our operations, actions, and decisions.

Corrective action: maintain an efficient and effective system that monitors, measures and reports performance. The system must proactively seek to improve our systems and operations, and to minimise impacts on people, property, practices, and the environment.

Ongoing review and continuous improvement: regularly review our operations and activities, to ensure that we meet the expectations of our stakeholders.

We maintain a series of indicators against which we measure our environmental management performance, and the environmental condition of the surrounding area. See Key environmental performance indicators on page 53 for a sample of these indicators.

Board involvement

Our Board provides input into environmental management and due diligence matters through the Planning and Environment Committee (now called the Planning, Construction and Environment Committee).

The meetings are attended by four Board Directors, the Chief Executive Officer, and senior planning and environment staff. The Committee meets quarterly to review the progress of the sustainable development of the port, including climate change adaptation.



See the Planning, Construction and Environment Committee's charter www.portbris.com.au/corporation/corporategovernance

Climate Change Commitment

Our Climate Change Commitment was signed by the Board in 2008. We aim to:

- minimise air pollution and greenhouse gas emissions from transport sources
- continuously improve resource efficiency
- understand climate change impacts at the port
- build climate change knowledge and action amongst our employees and community.

In addition, we have adopted many measures that support sustainable business outcomes.



See www.portbris.com.au/sustainability for more information on climate change.

Understanding the impact of climate change at the port is vital to its sustainable operation. In 2008/2009 we completed a Climate Change Impact Assessment Project that assessed the vulnerability of three key pieces of port infrastructure to future sea-level rise: main roads, drainage, and the FPE sea wall at Fisherman Islands. The result was that infrastructure was at negligible risk through to 2100, with less than a 1% annual exceedance probability of impact due to sea level rise.

Training and communication

Central to maintaining sound environmental performance is ensuring that our employees and contractors are appropriately trained, and aware of the environmental values of the port and the surrounding area.

Our induction program emphasises the strategies, programs and actions that we take to minimise our environmental impact. All employees are required to complete the induction within the first two days of starting work. It includes examples of how each individual contributes to achieving the goal of a sustainable port.

In 2008/2009 employees attended external training on management systems, erosion and sediment control, and climate change. We also delivered internal training programs on acid sulphate soils and fire ants.

Partnerships and research

In 2008/2009 we worked with a number of organisations and universities researching air pollution and dredged material management.

The Queensland University of Technology has been testing exhaust gases on our dredgers, the *Amity* and the *Brisbane*. The research has gathered information on selected pollutants, including oxides of nitrogen and sulphur dioxide, and fine particulate concentrations within exhaust gases.

It is expected that this information will complement some of the results from the waterside emission inventory project (see Inventory of port precinct air emissions on page 50), and lead to a better understanding of the dredgers' performance in relation to air pollution.

We are also working with DERM, formerly the Environmental Protection Agency, to assist them in developing three artificial reefs within the Moreton Bay Marine Park. In December 2008 we provided and delivered 200m³ of clean rock to the Harry Atkinson artificial reef. Our survey team conducted surveys of the reef sites using our state-of-the-art multibeam sonar survey equipment.

DREDGING AND DREDGED-MATERIAL MANAGEMENT

Safe access maintained

PBC is responsible for the maintenance of 90km of navigational shipping channel, stretching from the northern tip of Bribie Island, across Moreton Bay, and into the Brisbane River. We need to ensure safe, deep-water access to the port is maintained. Because it generally follows the naturally deeper sections across the bay, less than 10% of the channel requires dredging to keep it clear and at depth. We also carry out maintenance dredging between Fisherman Islands and the Hamilton Reach of the river, to enable safe passage for vessels visiting berths upstream. Sediments washed from the catchments can reduce channel depth and may restrict access to the port.

Environmental features

PBC operates several dredgers including the 2,900m³ trailing suction hopper dredger, the *Brisbane*.

The *Brisbane* is the largest dredger of its type based in Australia. Its low-wash hull and below keel discharge of overflow waters significantly reduces the turbidity generated by its operation.

It is also fitted with turtle deflecting devices on the drag head. We have trialled several variants of turtle deflectors, and have found our current version minimises adverse impacts to dredging operations, while maintaining as much of the capability to prevent turtle capture as possible. As part of our dredging program, each year we record the number of turtles killed. This is reported to the relevant federal and state agencies as part of the conditions of our dredging permit. No turtles were killed by the *Brisbane* during 2008/2009. This is down from one in 2007/2008 and two in 2006/2007.

See www.portbris.com.au/operations/dredging for more information on our dredging fleet.

Quantities dredged decrease

This year we dredged approximately 237,000m³ of fine-grained marine muds from the navigation channels within the Brisbane River, swing basin and berth areas adjacent to Fisherman Islands. This is a decrease from last year, when approximately 286,000m³ of sediment were dredged from these areas.

The amount we dredge each year is largely driven by weather and catchment development. Both activities influence the amount and movement of silt in the river system.

These sediments typically contain elevated levels of contaminants, which make them unsuitable for placement at sea. We currently reuse this dredged material in our land-reclamation activities. This reduces our reliance on land-based fill, and removes the need to dispose of dredged material at sea. All our dredging work is carried out in accordance with our DERM-approved Dredging and Dredged Material Management Plan, which remains a condition of our permit to dredge in Moreton Bay.

We removed approximately 100,000m³ of sand from approved channels in Moreton Bay. This clean sand is also used in our reclamation operations and is placed on top of the marine muds extracted from the river. The sand provides a sound development platform, and creates a layer between the underlying muds and future operational areas.

Development dredging work continues along the future quayline at Fisherman Islands. The majority of the work for Berth 11 is completed. Approximately 725,000m³ of material was extracted to develop these areas to the approved depth.

We have approval to extract up to 15 million m³ of sand from the Spitfire Banks area in northern Moreton Bay to use for port development purposes, primarily on Fisherman Islands. These works also have the benefit of ultimately straightening the channel's existing dogleg.

In 2008/2009, the *Brisbane* extracted approximately 770,000m³ of sand from the Spitfire Channel realignment area. We used approximately 125,000m³ of this sand to carry out beach nourishment works under contract to the Moreton Bay Regional Council.

Despite this, over the past year we sourced approximately 117,000m³ of hard fill from licensed quarries. This material was used primarily to "cap" areas filled with dredged material, and for the construction of rock walls. This represented approximately 6% of our total fill requirements during 2008/2009, minimising pressure on land-based resources and reducing associated traffic generated by road haulage.

A harbour project

In 2008/2009 we managed a significant dredging project in the Manly Boat Harbour to realign the main channel and create additional areas for commercial marina development.

The assessment of the sediment quality prior to dredging found it to be suitable for disposal at sea. During the year, about 72,000m³ of clean dredged material was placed within the approved placement area at Mud Island.

Levels of contaminants remain constant

Prior to beginning our annual maintenance dredging of the Brisbane River, we carry out comprehensive sediment sampling and analysis. The program involves:

- collecting sediment cores from 48 sites within the river (three of which are outside our dredging area, and are used as reference sites only)
- submitting samples to approved laboratories, to determine sediment characteristics



The *Brisbane* (centre), working to ► reclaim land and develop the FPE.

- comparing contaminant levels with the sediment-quality criteria outlined in the National Assessment Guideline for Dredging (NAGD) 2009 for Screening Levels (requires further consideration/assessment), Maximum Levels (not recommended for placement at sea) as defined in the previous guidelines – National Ocean Disposal Guidelines for Dredged Material 2002, and past sediment-quality data.

We aim to sample sediments as close to the dredging date as possible, to ensure that the data collected is relevant. This year our sampling program was carried out in February 2009. The results continue to be highly variable, with no clear indication of trends over the past ten years.

Nickel, cadmium, copper and lead occurred at a number of sites as in previous years, but these are typical of contaminants found in urban run-off. Mercury continues to be a concern, with some 24% of sites sampled recording concentrations above the NAGD screening levels, up from 15% last year and 13% in 2006/2007. Nickel was found across 53% of the test sites, up from 13% last year and 33% in 2006/2007. However, nickel is thought to occur naturally as the result of the erosion of parent rock within the catchment. It is not considered as a contaminant concern in this area.

Elevated levels of tributyltin (TBT) continue to be detected within the river sediments, although only 11% of the sites sampled were found to have concentrations above the NAGD screening levels, compared to 10% last year and 31% in 2006/2007. The mean concentration of TBT within this year's samples was 4.9µg/kg, up from 3.2µg/kg last year, but down from 22.2µg/kg in 2006/2007.

Areas where sediment sampling occurred 2009



The 2006/2007 result was biased by two samples that recorded concentrations of 538µg/kg and 180µg/kg. This would suggest that the high TBT concentrations in 2006/2007 were outside the statistical "norm". There were no abnormally high concentrations detected in the 2008/2009 sediment testing program.

The continued elevated levels of TBT have the potential to limit the options for placing this material. The use of TBT as an antifouling coating for marine hulls on vessels greater than 25m in length was discontinued in 2003. The International Maritime Organisation allowed a five-year phase-out period for its use. While it will be some time before TBT falls below detection levels, it is expected to decline over time.

Organochlorine pesticides (OCPs), particularly DDT (Dichlorodiphenyltrichloroethane) and Chlordane have historically been detected within river sediments. Again this year, concentrations of these contaminants are above screening levels, but, on average, marginally less than in previous years.

The detection of these no-longer-used pesticides tends to support our theory that pesticide-contaminated material is being eroded, washed from land-based and marine deposits, and settling in the deeper shipping channels of the river.

In the past we have tested sediment and water within the reclamation areas to confirm the contamination status of the dredged material. Data indicates that the reclaimed sediments meet the DERM-investigation thresholds and the health-based investigation levels for port development.

Testing of the sediments as part of this year's program indicated that, for all sediments tested, the 95% upper confidence limit met the DERM health-based level for residential use.



◀ An excavator levels sand in the port's reclamation area.

This confirms that these sediments do not pose a risk to human health or the environment when placed on land.

Prior to any land development, we undertake a baseline assessment of soil contaminant concentrations. This provides a benchmark for the return of the land at the completion of a lease term. Due to the sensitive nature of operations at the Visitors Centre and Port Central Precinct sites, we undertook more detailed assessments, and have a site suitability statement from DERM for the unconditional development of these sites (in accordance with our *Land Use Plan*) with respect to land contamination.

Search for alternative uses continues

The long-term management of dredged material remains a key issue, not only for ports, but also for local and regional agencies that need to undertake food mitigation and coastal development works.

We expect that reclamation works at the port will be completed by 2025-2030, by which time we are unlikely to require any further fill material. The sand extracted from our channel-maintenance activities is a valuable resource, for which alternative markets are likely to be found, but options for the use of the fine-grained marine silts, dredged from the river, are less certain.

As most of the dredged sediments are contaminated with pollutants from urban and agricultural land uses, it limits the options available for the long-term placement of this material. While the material may exceed the criteria for placement at sea, it is considered acceptable for placement on land, under controlled conditions.

Dredging will always be required to ensure the safe navigation of the port, but we are looking at ways to reduce the overall quantity of material to be dredged. While this is largely driven by catchment management, the consolidation of port operations in the lower reaches of the river, should over time, reduce the amount of dredging required in the upriver channels.

We continue to investigate alternative options for the reuse of dredged material. In the past we have funded trials that have used our dredged material to manufacture house bricks, produce

roadbase material, and be used in the production of topsoil. While there remain significant cost and operational issues associated with the use of dredged material in these options, we will continue to monitor national and international technologies and encourage innovation in alternative reuse options.

All work to date suggests that in order to effectively reuse this material, we need to focus on a process to dry and rehandle the material prior to supplying it to the market. We will need to consider both existing and new technologies, as well as plan to provide adequate space within the port area to process this dredged material in the future.

A report commissioned by the Moreton Bay Dredge Material Reuse Study Steering Committee was completed in late 2006. Recognition of the Dredged

Material Placement Area at Mud Island was designated under the revised Moreton Bay Marine Park Zoning Plan, and we will continue to support the use of this area for the placement of clean material. As a major generator of dredged material in this region, we are keen to support the retention of clean material within the coastal sediment system. We will continue to encourage the various agencies and authorities to reduce the impact of urban run-off to limit the level of contamination being found within marine sediments.

We are working with the University of Queensland to better understand the long-term implications of placing material at Mud Island, and have co-sponsored several research projects to investigate sustainable methodologies for the placement of dredged sediments within the marine environment.

Contaminant concentrations within the dredged areas of the Brisbane River and Bar Cutting 2009

Contaminant	DEH (1998) HIL-A	NAGD Screening level	Mean	Standard deviation	95%UCL
Arsenic (mg/kg)	100	20	6.7	2.1	7.2
Cadmium (mg/kg)	20	1.5	0.14	0.23	0.2
Chromium (mg/kg)	100	80	35.6	10.6	38.3
Copper (mg/kg)	1000	65	26.3	21.1	31.6
Lead (mg/kg)	300	50	15.7	17.1	20.0
Mercury (mg/kg)	15	0.15	0.096	0.077	0.115
Nickel (mg/kg)	600	21	19.4	5.6	20.8
Zinc (mg/kg)	7000	200	77	40	88
Tributyl tin ($\mu\text{g}/\text{kg}$) ^{1,2}	n/a	9	4.9	13.6	8.3
Chlordane ($\mu\text{g}/\text{kg}$) ²	50,000	0.5	0.52	0.10	0.54
DDD ($\mu\text{g}/\text{kg}$) ²	n/a	2	2.1	7.6	4.0
DDE ($\mu\text{g}/\text{kg}$) ²	n/a	2.2	1.5	2.4	2.1
DDT ($\mu\text{g}/\text{kg}$) ²	200,000	1.6	0.6	0.9	0.9

1 expressed as μg of tin (Sn)/kg

2 result normalised to 1% of Total Organic Compound measured in the sample

This table details contaminant concentrations for selected contaminants at sites tested within the dredged areas of the Brisbane River and Bar Cutting in 2009 – see map on page 44. Statistical data has been compared with the Queensland Guidelines for the Assessment and Management of Contaminated Land (DEH 1998 HIL-A) and the National Assessment Guidelines for Dredging (NAGD screening levels) for a range of contaminants.

The *mean* figure indicates central contaminant concentration of all samples tested, and the *standard deviation* is the measure of how much the contaminant concentration can deviate negatively and positively from the mean. The *95%UCL* is the statistical result that equals or exceeds the true mean, 95% of the time.

The concentrations detected within the majority of contaminants tested were within the acceptable range recommended for placement at sea or on land. However both Chlordane and DDD, a breakdown product of DDT, were found to be over the recommended concentration level (based on 95%UCL) for placement at sea.

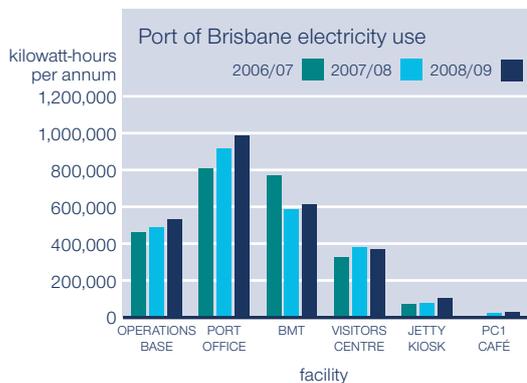
ENERGY AND GREENHOUSE GASES

Electricity use in buildings and other sites

PBC's electricity use is attributed to the offices, hospitality venues, street lights, boat harbours and parklands, the BMT, pumping stations and untenanted facilities. In 2008/2009, our total electricity use was 4,413MWh, comprising 21% of our corporate greenhouse gas emissions (excluding the Port of Bundaberg).

During the year we benchmarked the energy performance of Port Office. With half of the electricity use attributed to air conditioning, we had an improved cooling system designed, which is scheduled to be installed in late 2009. A similar project was completed at the Visitors Centre as increased patronage demands greater air conditioning performance. The installation of a new air conditioning system is planned for 2009/2010.

Our hospitality venues – three cafés and the Visitors Centre – represent 15% of our total electricity use. This year we began purchasing GreenPower™ for these sites, and our purchases were equivalent to a saving of 224t CO_{2-e}.



Summary of greenhouse gas offsets in 2008/2009

Energy use	Offset	Consumption 2008/09	Emissions tonnes CO _{2-e}
GreenPower™	Wind power	246 megawatt-hours	224
Greenhouse Friendly™ Accredited Fuel	Energy efficiency project	212kL	545
Air travel – January-March 2009*	Tree planting	160,000km	26

* Reporting for April-June unavailable at print.

This means that as our GreenPower™ purchases continue for these venues, no greenhouse gas emissions will be attributed to the electricity used in these sites.

Corporate vehicles go diesel

PBC owns 113 on-road passenger vehicles and construction, environment and security vehicles that operate in on-road and off-road terrain.

In early 2009 the greenhouse rating criteria (based upon the Commonwealth Government's Green Vehicle Guide) in our corporate vehicle policy was increased for passenger vehicles. This requires the minimum passenger vehicle greenhouse rating to be at least 5.5 out of 10. The air pollution rating of at least 5.0 out of 10, and the greenhouse rating for work vehicles of at least 3.5 out of 10, remained unchanged.

At June 2009, the rated fuel efficiency of new passenger vehicles was 15% better than the predominantly V6 petrol fleet in place prior to the policy being adopted in February 2008. The improvement is attributed to a shift to diesel vehicles and more efficient petrol vehicles. This puts us on track to reach our Climate Change Commitment target to improve the rated fuel efficiency of our passenger vehicles by 15% from 2008 levels by 2012.

The 545t CO_{2-e} emissions attributed to our 212,000l of fuel were offset under BP's Global Choice program. This represents 67% of our corporate vehicle fleet emissions.

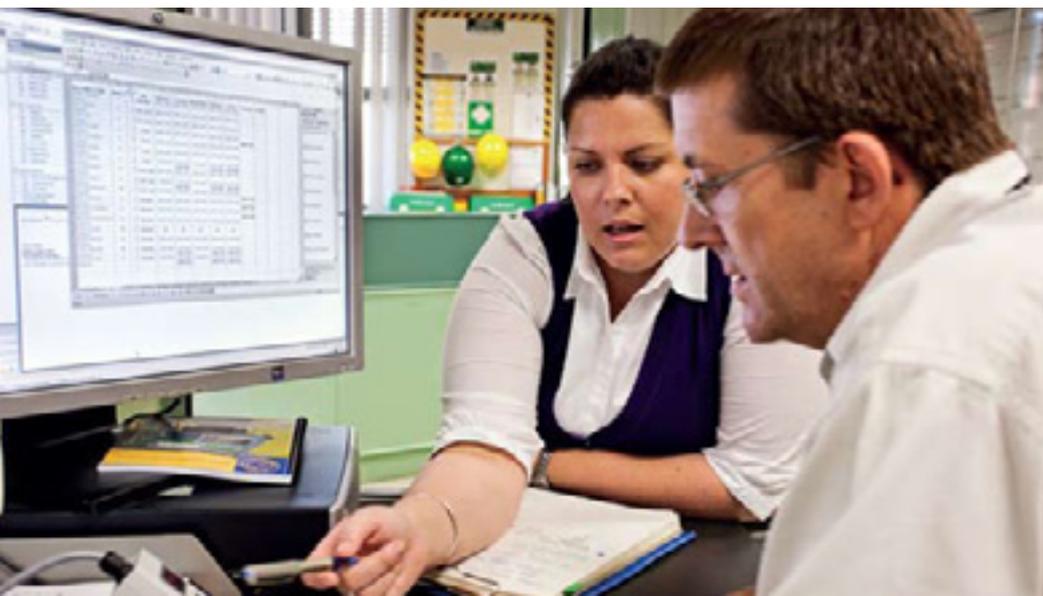
PBC also owns four container forklifts that operate at the BMT, and heavy construction equipment for earthworks at our reclamation areas. Fuel used by these vehicles accounts for 7% of our diesel use.

Dredging vessels largest users of diesel

The *Brisbane* undertakes maintenance and capital dredging projects within our port precinct, and provides contract dredging services to other Queensland ports. The *Amity* is a cutter suction dredger used for development and reclamation work at the river mouth. Unlike the *Brisbane*, it is not self-propelled, nor does it store dredged material.

The *Brisbane* and *Amity* continue to be PBC's largest users of diesel, accounting for 66% and 22% respectively. The vessels have high-speed diesel engines that consume ultra-low sulphur diesel (1 part per million), thus minimising the sulphur dioxide and particulate emissions compared to similar vessels using other fuels.

To achieve cost and fuel savings for our dredgers, during the year we evaluated alternative energy sources, vessel design, and operating improvements. This included consulting the original designer of the *Brisbane* to identify any possible vessel modifications. We plan to invest further in the design and adoption of the effective cost and fuel saving measures.



◀ Sustainability Officer, Allison Brunott, and Senior Coordinator at the BMT, Clint Gee, check the electricity usage data.

Port of Brisbane – greenhouse gas emissions and energy use 2008/2009

Energy source	Consumption 2008/09	Emissions		Energy	
		Tonnes CO _{2-e}	%	GJ	%
Electricity	4,413 megawatt-hours	3,792*	21	15,888	7
Petrol	223kL	484	3	7,358	3
Diesel	5,138kL	13,724	76	198,321	89
Gas (LPG)	25kL	38	0	640	0
TOTAL		18,038	100	222,208	100

* excludes electricity used in our hospitality venues that is generated from GreenPower™.

Port of Bundaberg – greenhouse gas emissions and energy use 2008/2009

Energy source	Consumption 2008/09	Emissions		Energy	
		Tonnes CO _{2-e}	%	GJ	%
Electricity	138 megawatt-hours	123	49	497	21
Petrol	1kL	2	1	33	1
Diesel	46kL	124	50	1,789	77
TOTAL		249	100	2,319	100

Air travel offsets

In the first half of 2008/2009, over 800,000km of air travel were undertaken for port-related business by Port of Brisbane and Port of Bundaberg staff. Since January 2009 we participated in the Queensland Government's air travel offset initiative. From January to March 2009, 26t CO_{2-e} of emissions, attributed to 160,000km of air travel, were offset.

Port of Brisbane greenhouse gas emissions

Since 2002 PBC has voluntarily accounted for its greenhouse gas emissions through the Commonwealth's Greenhouse Challenge program. In addition, in 2007/2008, Ernst & Young verified our corporate greenhouse gas emissions.

Our energy data and greenhouse gas emissions presented in this report have been calculated using the factors published by the Australian Government Department of Climate Change in the National Greenhouse and Energy Reporting (NGER) Determination. We report our energy emissions on an operational control basis as defined by the World Resources Institute/ World Business Council for Sustainable Development.

PBC is subject to mandatory greenhouse and energy reporting obligations under the NGER system. This includes reporting certain greenhouse gas and energy data (where we exceed certain 'facility' or corporate thresholds) from activities where we have operational control, as defined by NGERs. We are required to report information from the 2008/2009 period by 31 October this year.

PBC defined four facilities under which our corporate greenhouse gas emissions are to be reported. They are as follows:

Facility 1: Port of Brisbane precinct operations, both waterside and landside

Facility 2: Upriver operations, including Northshore and Corporate Office

Facility 3: Port of Bundaberg (to be divested in 2009/2010)

Facility 4: Contract dredging services, outside of the Port of Brisbane precinct.

Only Facility 1 triggers reporting obligations under NGERs. NGERs also requires consideration of contractors' emissions, such as earth works and infrastructure projects, over which PBC is viewed as having operational control. Tenants and the transport supply chain have their own reporting obligations through their corporate entities.

Port of Bundaberg greenhouse gas emissions

Energy use at the Port of Bundaberg is attributed to electricity supplied to the office, workshop, wharves and pumping station; petrol for vehicles, and diesel for company vehicles and marine vessels.

Bundaberg reported a favourable 10% drop in electricity use from 2007/2008. Two projects that contributed to this result were the decommissioning of a pumping station and the installation of energy efficient lamps in the port office.

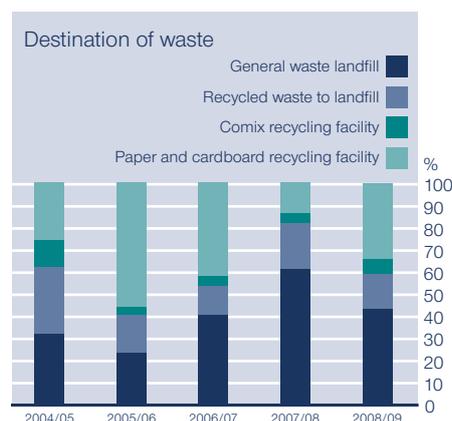
RESOURCE MANAGEMENT

Monitoring the port and its diverse environment

Resource management is fundamental to the sustainable operation of the port. A key aspect of managing the port's natural, built and operating environment is the monitoring of this environment to detect change.

On-site monitoring of PBC's work sites includes waste, potable water use and energy. However, our monitoring programs extend beyond the bounds of our operational control to include mangrove and seagrass health, migratory shorebirds, air quality, stormwater and groundwater quality, and exotic weeds.

See Key environmental performance indicators and targets on page 53 for a summary of the results of some of this monitoring.





◀ Senior Environmental Coordinator, Scott McKinnon, and Environment Technical Officer, Melanie Dixon, monitor the seagrass in front of the FPE.

Waste improvements

As part of PBC's ongoing review of waste management, we undertake summer and winter audits, investigating waste types, composition, and the recycling effort at Port Office, BMT and the Operations Base. Waste generated by our hospitality venues are more correlated to patronage rather than the number of employees; and the *Brisbane* has its own recycling and waste-management practices.

We have conducted waste audits since 2001 and continue to see positive results with the total quantity of waste sent to landfill decreasing, and the amount of recycling increasing. This is likely due to staff education and improved waste management practices. Recent changes have included converting our printers to a double-sided format where appropriate, and the use of a paper stock with a higher recycled component.

The quantity of general and recyclable waste generated per employee working at Port Office, BMT and the Operations Base during 2008/2009 was 44.4kg, down from 46.6kg in 2007/2008.

Our recycling efforts also improved. In 2008/2009, 26.5% of recyclable waste was incorrectly placed in general waste bins at these facilities, compared to 52.6% in 2007/2008.

The quantity of paper and cardboard waste sent to recycling facilities increased in 2008/2009 to almost 18kg per person, up from 8kg per person in 2007/2008. This is likely due to changes in work practices including the use of specialised waste paper collection services and improved paper collection facilities.

Water consumption down

We continue to monitor and measure our water use at Port Office, Operations Base, reclamation office, Visitors Centre, and various construction sites.

In 2008 we developed a Water Efficiency Management Plan (WEMP), consistent with the requirements of the Queensland Water Commission's water restrictions and the *Water Act 2000*. Our WEMP is revised annually to include operational changes and to update progress on our ongoing water saving initiatives.

PBC is not a large consumer of potable water, but we have reduced our combined consumption at these facilities from 23.57ML per annum (2005/2006) to just 2.86ML in 2008/2009. We continue to work with our tenants, several of which have approved WEMPs, to further reduce the demand for potable water.

Mangrove Watch starts

Our biennial mangrove health assessment was last carried out in early 2008. It found that the mangrove communities adjacent to the port at Port Gate continue to show evidence of decline in their overall health. However it appears that this is not an isolated occurrence, and that mangroves across Moreton Bay appear to be in decline.

In partnership with government agencies and through the work of specialist consultants, we continue to monitor and test relevant theories as to the cause of the decline in mangrove health. Our next scheduled review of mangrove health is planned for early 2010.

In 2008/2009, PBC committed to supporting a community-based Mangrove Watch Program in Moreton Bay. Our support of \$30,000 per year over the next three years will establish several monitoring sites within Moreton Bay that will be monitored by trained community volunteers.

Seagrass monitoring in the bay

While the seagrass areas surrounding the port are not under our management control, we are mindful of the potential effects of the port's operations on this sensitive area, and monitor them every two-to-three years.

Our last monitoring results in 2006 indicated that the seagrass meadows adjacent to the port are not impacted by our land-management techniques. The seagrass beds in the western area of Moreton Bay fluctuate significantly most likely in response to seasonal changes and storm activity.

We are currently waiting on the results of a pilot survey using acoustics to monitor the seagrass. We are confident that these results will provide us with a clear indication of any longer-term changes in seagrass distribution, and plan to resurvey these areas in 2010/2011.

In 2008/2009, we adopted a seagrass monitoring site adjacent to the port as part of the Seagrass Watch Program that has been running across Queensland for the past 11 years.

New rocky reef habitat

In 2008/2009 we commissioned a study into the ecological health of the 4.6km rockwall constructed in 2004 as part of the FPE project. The study revealed a fully functional reef system was becoming established, supporting a range of hard and soft corals, seaweeds and fish species.

We will continue to monitor the colonisation of the rockwall and consider the value of the habitat as an important recreational fishing location.

Stormwater results remain constant

Stormwater can carry sediments, nutrients and contaminants, such as oils, greases and heavy metals in our waterways. By effectively managing our stormwater appropriately, we are able to minimise the impacts of the port's operations on Moreton Bay.

In 2008/2009, our automatic stormwater sampler, located at Lucinda Weir, was triggered on seven occasions. On three occasions, samples were collected and tested for a range of potential contaminants. As in previous years, results indicated that from the samples collected the stormwater quality exceeded concentrations for long-term water quality objectives for

selected heavy metals, suspended solids, nutrients and total petroleum hydrocarbons.

The samples that exceeded concentration targets for heavy metals were more often noted in the total concentrations, than in the filtered concentrations. In terms of environmental impact, the filtered concentration is generally a better measure of potential impacts as it is the bioavailable component.

Research undertaken at the port has revealed a link between the suspended solids and total contaminant concentrations. By reducing the suspended solids, we hope to reduce the total contaminant concentrations for targeted heavy metals. The use of water sensitive urban design principles in new developments, and the inclusion of these principles into existing stormwater systems, should result in a reduction of the suspended solids within the stormwater that is discharged into the bay.

Groundwater quality remains high

The water table that underlays the entire port area at Fisherman Islands, provides us with data on water quality, and also allows us to monitor the behaviour of dredged sediments used to reclaim the area.

Six-monthly sampling at the nine groundwater wells continues to reveal no significant contamination by heavy metals or hydrocarbons.

Since our monitoring commenced in 2000, the quality of the groundwater remains high and comparable to National Health and Medical Research Council standards for drinking water. Although we have no intention of using this resource for drinking, the standard provides a useful indication of the quality of the groundwater.

We plan to have our groundwater data peer reviewed in the coming year, and will seek direction on future monitoring strategies as part of this review.

Nest boxes attract fauna

The 60 native fauna nest boxes installed within two of the port's buffers areas last year, have successfully attracted squirrel gliders, possums and native parrots. We will continue to monitor and increase the number of boxes in these areas when appropriate.

The habitat value of the port's buffer zones is improved through regular weed control and fire management practices. Several replanting projects are planned for next year to add biodiversity to these areas.

It has been some years since we last undertook a feral animal (primarily fox and cat) control program, but we did remove four cats from the port in 2008/2009. Uncontrolled feral animals not only have the potential to spread disease and compromise customs-controlled bonded stores, but have been shown to be the primary source of predation on the migratory and resident shorebirds at the port.

In 2008/2009 we engaged the services of a qualified botanist to undertake weed surveillance checks of selected drain lines around the port.

We use an Australian Quarantine and Inspection Service (AQIS) target weed species list, and the Queensland declared pest listing as the standard for identifying exotic weed species. Once detected, these are treated by our Landcare maintenance team. Weed surveys conducted in November 2008 and March 2009 identified four AQIS weed species and nine Queensland weed species. We treated these as soon as practical to reduce the potential for spread. Copies of our weed surveillance reports are sent to AQIS as a condition of maintenance for our AQIS declared clear areas.

We continued to work with the Queensland Wader Study Group to carry out monthly shorebird counts at the port. Our migratory shorebird roost site and areas within our reclamation paddocks continue to provide seasonal roosting habitat. With some 40,000 migratory shorebirds spending the summer in Moreton Bay, our counts confirm that up to 11,000 of these birds use the port to roost at high tide in the peak of summer.

This year we extended our monitoring program to include the roosting areas in Bundaberg. With the assistance of the Burnett Mary Regional Group for Natural Resource Management Inc, these counts have confirmed the importance of these areas to a range of shorebird and water bird species on the Fraser Coast.



Squirrel gliders found in one of the nesting boxes located in the port's buffer zone.



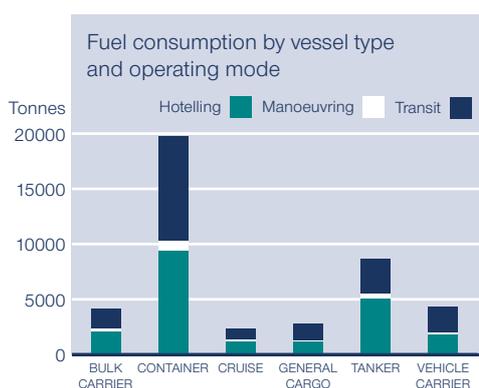
◀ The waterside and landside inventories will establish a baseline for future strategies to reduce the port's emission.

Inventory of port precinct air emissions

In 2008/2009, PBC examined the fuel use and air emissions attributed to ships, trains, trucks, and cargo handling equipment within the port precinct.

A waterside inventory survey, involving 121 participants, was conducted by PBC with the assistance of Brisbane Marine Pilots. Fuel use, machinery type and operating practice information was gathered; and the vessel movement data, and published machinery specifications reviewed for all the ocean-going vessels, tugs, pilot boats, and dredgers operating in the port in 2007/2008.

The total fuel use, air pollution and greenhouse gas emissions were calculated from this data, and examined by vessel type, operating mode (such as transit through the port precinct, manoeuvring, and alongside the berth or hotelling), machinery type, and fuel type. The waterside inventory quantified the greenhouse gas emissions to be 179,437 CO_{2e} or approximately 10 times greater than our corporate emissions. A summary of the findings is shown in the graph below.



The landside inventory is due for completion in late 2009. Together, the waterside and landside inventories will enable PBC to identify and prioritise emission reduction opportunities and to have a baseline against which these can be measured over time.

ENVIRONMENTAL COMPLIANCE

No Class A incidents

Under our IMS all environment, safety and property incidents should be identified, reported and assessed. We classify environmental incidents as either:

Class A – incidents that have caused major or significant environmental harm

Class B – incidents that have caused serious or moderate environmental harm

Class C – incidents that have caused minor actual, or probable environmental harm.

During 2008/2009, less than 1% of all reported incidents were related to environmental matters, consistent with the 2007/2008 result. No Class A, one Class B and four Class C incidents were reported in 2008/2009.

See table: Environmental incidents directly associated with our activities during 2008/2009 on page 52.

Oil and chemical spill response

Under a Deed of Agreement with MSQ, we are required to provide the initial response for any oil or chemical spills that may occur within port limits. Under MSQ's direction, we assess the nature of the spill, help to determine the resources required for corrective or preventive action, and implement these actions through our First Strike Response Team.

During 2008/2009, we responded to 48 oil and chemical spills that occurred on our tenants' sites and on common areas of the port, such as roads and waterways. This compared with 42 in 2007/2008. Most spills were minor, and required an initial investigation and response by our Port Operations Coordinator. We also assisted with the response to the oil spill from the *Pacific Adventurer*.

See Moreton Island oil spill – part of the clean-up team on page 51.

Pollution reports are prepared by our Duty Officers on all oil and chemical spills, in accordance with MSQ requirements. As a preventive measure, we aim to inspect 30% of the oil-tanker and bunker operations of vessels that enter the port limits each year. In 2008/2009, 37.7% of tankers were inspected, compared to 31.8% in 2007/2008.

Environmental notices

Our activities operate within environmental legislation administered by local, state and federal authorities. In 2008/2009 we did not receive any environmental infringement notices from the relevant environmental regulators identifying any breach of environmental conditions, or receive any penalty infringement notices relating directly to our activities. This year we received one vegetation notice from the Brisbane City Council, regarding the provision of a firebreak along a property boundary at a vacant site within our Northshore precinct. In response, we increased maintenance of the fence line.

Bundaberg received a pest control notice from the local authority relating to noxious weeds. These were quickly identified and sprayed by our Bundaberg staff.

Bundaberg also received a letter from DERM regarding a complaint about dust coming from port land. While it was not an infringement notice, we inspected the site. Despite not identifying any evidence of dust, the site was seeded with grass, and we prepared a revegetation plan and additional management plan for this and similar situations that may occur in the future.

Environmental complaints

We have a formally documented procedure for receiving and responding to complaints. This includes a requirement to respond to each complaint within 24 hours. While a matter may not be able to be resolved within this period, we are committed to ensuring that the correct action plan is established, and that all parties are notified of the actions proposed.

In 2008/2009 we received two environmental complaints. We responded to each within 24 hours.

See Environmental complaints table on page 52.

Moreton Island oil spill – part of the clean-up team

In the early hours of 11 March 2009, the Hong Kong registered vessel, *Pacific Adventurer*, encountered difficulties seven nautical miles east of Cape Moreton en route from Newcastle to Brisbane.

The Master of the vessel had reported heavy seas and gale force winds from a tropical cyclone located north of Fraser Island. For reasons yet to be determined, 31 shipping containers containing ammonium nitrate prills (pellets) broke free of their lashing and fell overboard. The Master reported that the containers had damaged the side of the vessel, rupturing fuel storage tanks. As a result, approximately 270t (270,000l) of bunker oil, used to propel the vessel, was lost into the sea.

Under the *The National Plan to Combat Pollution of the Sea by Oil and other Hazardous and Noxious Substances (The National Plan)* the responsibility for oil spill clean-up within state coastal waters lies with MSQ. PBC provides a First Strike Response under the direction of MSQ.

The response to this spill, which involved PBC, MSQ, state and national agencies, and Non-Government Organisations, is an outstanding example of teamwork and cooperation in very trying and ever-changing conditions.

PBC provided an immediate response, sending our Manager Environment to Moreton Island within six hours of the incident being reported. The initial shoreline assessment carried out on

the morning of 11 March found no evidence of containers or oil washed onto the eastern beach of Moreton Island, but it quickly became apparent that the slick would eventually wash up along this part of the coast.

By midday of 11 March, oil began washing up on Cape Moreton. Within 24 hours, oil was reported as far north as the Sunshine Coast and extended some 15km along the eastern coast of Moreton Island.

Response teams from all relevant agencies had already begun to make arrangements to despatch clean-up teams to these areas. The logistics of mobilising people, equipment and supporting infrastructure to Moreton Island presented a significant challenge.

One of our first tasks was to establish a decontamination site on the eastern beach of the Island. It was important to ensure restrictions were placed on accessing those areas impacted by the oil to prevent the chance of spreading oil-impacted sand across a wider region. This meant that workers and vehicles had to be cleaned every time they exited the worksite.

The Moreton Island clean-up relied heavily on workers shovelling and raking the top layers of sand to collect the thin layer of oil which had been deposited across a large area. This technique was required to minimise the amount of clean sand removed as part of the clean-up. All oiled sand had to be placed in bags, loaded into lined bins and transported by four-wheel drive trucks and helicopter back to a barge for relocation to Brisbane. Narrow sand tracks (which were inaccessible after rain), high tides and

National Park protection laws, meant this was always a tough and time-consuming task.

Worker fatigue, impact on equipment and resources, the remoteness of the Island, and related logistical issues were also major considerations in need of daily assessment.

In spite of these conditions, approximately 3,150t of oiled sand was removed by 400 workers, often working in protective overalls in 30 degree heat over a seven-day period. For our part, we provided decontamination teams, four-wheel drive trucks and drivers, and key relief roles including the Incident Controller (our General Manager Port Operations), Media Liaison Officer (our Communications and Marketing Executive) and procurement staff.

The Incident Controller was responsible for everything from helicopter operations, people transport and specialised equipment to implementing security, health and safety plans, rosters, and the provision of food and water for the 200 plus daily workforce, dedicated to the clean-up task.

Many of our finance, safety and administration staff spent several weeks rostered on duty either at the MSQ Operations Base at Pinkenba, or the Incident Control Room on Moreton Island.



See www.qld.gov.au/oil-spill for more information.



▲ Workers on the beach at Moreton Island.

Environmental complaints 2008/2009

Complaint	Response	PBC Reference
Rubbish illegally dumped on port land. This was a potential fire hazard and added to the midge problem in the area.	Rubbish was removed and disposed of appropriately. The weeds along the fence line were sprayed for midges.	00067
Concern raised regarding sand dust from a preloaded reclamation area.	A water truck was deployed to the site to assist in dust suppression, and a second water truck located if required.	00070

Environmental incidents directly associated with our activities during 2008/2009

Accident/incident	Immediate action	Long-term preventive action
Class A – None reported		
Class B		
A land slip into a tidal drain at Port West caused a blockage. The blockage had the potential to cause upstream flooding if a significant rainfall event occurred.	A Restoration Plan in accordance with QPI&F* <i>Code for Self Assessable Development</i> was prepared for the immediate removal of the slip material in the drain and the long-term stabilisation of the area.	
Class C		
A small amount of oil overflowed out of the bund around the Operations Base waste oil tanks, and spilt onto the hardstand.	The minor spill was immediately cleaned up using the onsite spill kit and disposed of appropriately.	To prevent a recurrence we installed new oil level indicators, a floodlight and an automatic shut-off valve on the Operations Base waste oil tank.
Oil leaked from a damaged hydraulic line on a machine while it was driven to the workshop for repair.	The spill was immediately cleaned up using the onsite spill kit and disposed of appropriately.	The procedure of stopping machinery immediately after detecting an oil leak, rather than proceeding to the workshop, was reiterated in a toolbox talk.
A small amount of fuel spilt on the deck and overboard when refuelling the <i>Koorinal</i> at the Operations Base.	The spill overboard was contained and absorbed with a floating boom. The spill on the deck was cleaned up using the onboard spill kit.	The procedure for overseeing the distribution of fuel through the gauges and valves in the vessel engine room was reiterated in a toolbox talk.
A small amount of fuel leaked from a tourist bus at the Visitors Centre into a garden bed.	The spill was immediately cleaned up using the onsite spill kit and disposed of appropriately.	The procedure for responding to spills was reiterated during a team meeting.

* Queensland Primary Industries and Fisheries

Outlook

Integrate sustainable practices

We will continue to build on our understanding of the surrounding environment and manage the potential environmental impacts of port operations through our ongoing monitoring programs. We will also use our lease and tender processes to integrate sustainable practices throughout the port.

With the completion of both the waterside and landside emissions surveys in late 2009, we will have the relevant air pollution and greenhouse gas emission data we need to prioritise actions for emission reductions and seek agreement on

a port wide target for emissions. At the same time we will continue to work towards achieving the goals of our Climate Change Commitment.

Look for dredging reuse options

Our research into existing and new technologies and opportunities for the reuse of dredged material will continue. We will also seek to build our understanding through ongoing research of the possible sustainable use of Mud Island as a long-term placement area for clean dredged material.

The dredge strategy to improve the fuel efficiency of our dredgers will be implemented in 2009/2010.

Retain port buffers

The retention of the port's buffer areas is fundamental to the separation between port operations at Fisherman Islands and our nearest residential neighbours. We will continue to protect and enhance the biodiversity of these areas, providing ongoing operational benefit to the port and our tenants.

Maintain environmental accreditation

We will also maintain our ISO14001 certification, promoting best practice environmental management within the port sector.

Key environmental performance indicators and targets

Indicator	2007/08	2008/09	Target 2008/09	Target 2009/10	✓ ✗
No. of environmentally focused training programs delivered to staff per year.	4	4	4 or more		✓
No. of sites tested in Brisbane River and Moreton Bay that contain material unsuitable for disposal at sea. ¹	12	18	Continue as measure of river health		✓
Total est. quantity of general and recyclable waste generated per employee. ^{2,6}	46.6kg	44.4kg	Continuous improvement		✓
Total est. % of recyclable material disposed of to landfill. ²	52.6%	26.5%	Continuous improvement working towards 0		✓
Total greenhouse gases/emissions. ^{3,7}	21,490t CO _{2-e} *	18,038t CO _{2-e} ⁸	Continuous improvement		✓
Total energy use. ³	258,849GJ	222,208GJ	Continuous improvement		✓
Total electricity use. ³	5,506MWh	4,413MWh	Continuous improvement		✓
Extent and condition of mangroves adjacent to the port (FI).	Increase of mangroves in poor health. Slight increase in areas of dead mangroves. ⁴		Continue biennial monitoring		
Contamination of wetland sediments.	No hydrocarbons detected at FI or WI. Elevated levels of arsenic found at both locations.		Continue to monitor sediment condition		
No. of AQIS target weed species identified during Lucinda Drain survey.	0	4	Six-monthly inspections of Lucinda Drain		
No. of turtles killed by the operation of the <i>Brisbane</i> .	1	0	0	0	✓
No. of reported environmental accidents/incidents resulting from PBC's practices, processes or services.	7	5	0	0	✗
No. of environmental notices issued to PBC.	0	0	0	0	✓
No. of environmental complaints received.	4	2	0	0	✗
No. of system or operational non-conformances from SAI Global's audit of PBC against ISO 14001:2004.	0	0	To maintain our systems to the highest standard through regular and scheduled external audits.		✓
Quality of stormwater run-off from FI (Lucinda Weir discharge).	Heavy metals, suspended soils, nutrients and total petroleum hydrocarbons exceeded long-term water quality objective concentrations		Continue to monitor discharge		
Est. quantity of potable water used directly by PBC at our FI facilities and at our Operations Base (including irrigation areas). ⁵	2.62ML	2.86ML	Reduction in reliance on potable supply through substitution where possible.		✗
Quality of groundwater.	Average groundwater remains below the Australian Drinking Water Guidelines values. Ammonia levels remain above the physico-chemical indicator value for the 80th percentile guideline value for SE Qld sub-region.		Six-monthly monitoring		✓

1 A total of 45 sites tested within the Brisbane River, including 9 sites tested between the inner Bar and Outer Bar Cuttings.

2 Refers to waste data collected at the Port Office, Operations Base and BMT, and is calculated on the number of employees working at these locations.

3 These figures exclude Port of Bundaberg.

4 Results based on survey completed in March 2008.

5 Refers to Port Office, Operations Base, Visitors Centre, irrigation areas and various temporary construction sites managed by PBC on FI.

6 New indicator.

7 Net of GreenPower™.

8 Excludes electricity used in our hospitality venues that is generated by GreenPower™.

* Carbon dioxide equivalent

CORPORATE GOVERNANCE

STRATEGIC

adjective. to plan a method or series of manoeuvres to obtain a specific goal or result



IFC	ABOUT THIS REPORT
IFC	OUR VISION, MISSION AND VALUES
1	OUR HIGHLIGHTS
2	OUR HISTORY
3	OUR ORGANISATION
10	CHAIRMAN AND CEO'S REPORT
14	OUR KEY CORPORATE STRATEGIES
18	OUR OPERATIONAL PERFORMANCE
30	OUR SOCIAL PERFORMANCE
40	OUR ENVIRONMENTAL PERFORMANCE
54	CORPORATE GOVERNANCE
62	OUR ECONOMIC AND FINANCIAL PERFORMANCE
74	INDEPENDENT LIMITED ASSURANCE REPORT
76	GRI CONTENT INDEX
80	INDEX, INCLUDING TABLE, GRAPH AND DIAGRAM INDEX
82	GLOSSARY AND ABBREVIATIONS
84	PORT OF BRISBANE MAP
86	CONTACT US
87	FEEDBACK FORM
IBC	OUR FINANCIAL REPORTS (ON CD)

The Board assumes overall responsibility for corporate governance, and monitors the performance of PBC, its management and staff.

Corporate governance includes the policies and procedures that PBC's Directors employ in their conduct of the organisation's affairs, and their relationships with our shareholding Ministers, to whom they are responsible as managers of the shareholders' interests in the company.

Our corporate governance encompasses a number of activities and functions, such as leadership, assurance and stewardship.

In 2009 Queensland Treasury published the second version of its *Corporate Governance Guidelines for Government Owned Corporations*. The guidelines are intended to provide a framework for GOCs to develop, implement, review and report upon their corporate governance arrangements. They are based on the eight principles set out in the *ASX Corporate Governance Principles and Recommendations*. This year we have set out the corporate governance section of our Annual Report under each of the eight principles, to clearly demonstrate how we perform against these standards.



See www.ogoc.qld.gov.au/policiesandguidelines.shtml for the Corporate Governance Guidelines for Government Owned Corporations.

PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

The Board

The criteria for membership of the Board are in accordance with the GOC Act: namely, that in appointing a person as a Director, the Governor in Council must have regard to that person's ability to make a contribution to the GOC's commercial performance and implementation of its SCI. All appointed Directors are non-executive. For information on the skills, expertise and appointment terms of each Director, see pages 6-7.

The Board assumes overall responsibility for corporate governance of PBC. It monitors the performance of PBC, its management and its staff, both directly and through the established Board Committees.

The Board operates under a formal charter that details its functions and responsibilities. This has been made publicly available on our website. Duties and responsibilities as defined by the charter include, but are not limited to:

- ensuring that appropriate processes are in place for risk assessment and management, internal control, and monitoring performance against agreed benchmarks
- evaluating, approving and monitoring the annual budgets, Corporate Plan and SCI
- evaluating, approving and monitoring major capital expenditure (subject to shareholding Ministers' approval), capital management and all corporate transactions
- appointing, monitoring, managing the performance of, and, if necessary, terminating the employment of the Chief Executive Officer
- monitoring performance in relation to principles of best-practice corporate governance.



See www.portbris.com.au/corporation/corporategovernance/board_charter for our Board Charter.

Director induction and continuing professional education

A process is in place for the induction of all new Directors. This involves the participation of the Chairman, the relevant Board Committee Chairman, Chief Executive Officer, Company Secretary, and all other members of the Executive Team.

Board members are familiarised with their responsibilities as a Director, their role as a Committee member, the Code of Conduct and other applicable policies. To explain the role and diverse activities of PBC, each General Manager provides new Directors with a thorough briefing on the role of their division.

An online handbook, in the form of a Board website, has been developed. This provides Directors with secure access to corporate and government policies, committee charters, meeting dates, committee agenda papers, and daily news updates on issues affecting the organisation.

Directors are advised of the various workshops, seminars and conferences on offer to update their skills and knowledge, so that they can undertake their role effectively. A Directors' Continuing Professional Education (CPE) Policy sets out the approval process for CPE opportunities and the appropriate funding arrangements.

Performance evaluation of senior executives

The Board is responsible for appointing, monitoring, managing the performance of, and, if necessary, terminating the employment of the Chief Executive Officer. The Chief Executive Officer's performance is evaluated annually by the Chairman and Deputy Chairman against a set of Key Performance Indicators, which are approved by the Board each year. This evaluation occurred during the 2008/2009 year and the result was deemed acceptable by the Board.

Senior executive performance is evaluated by the Chief Executive Officer every six months in accordance with PBC's established Development and Performance System. Accordingly, reviews were conducted twice during 2008/2009.

PRINCIPLE 2 – STRUCTURE THE BOARD TO ADD VALUE

Board meetings

Ten meetings of the Board were held during the year. The table on page 61 provides details of Directors' attendance at those meetings.

The Chairman and Chief Executive Officer discuss and finalise the agenda for each meeting, which routinely includes: monthly reports on PBC's financial and non-financial performance (through a Chief Executive Officer's Report detailing the activities of each division), quarterly due diligence reports, and commercial and governance decisions requiring resolution. Each meeting also includes presentations by PBC staff or invited guests on issues impacting the organisation. Board papers are circulated in paper format one week before the meeting, to enable Directors to request additional information to support them in their decision-making.

Board committees

The Board may delegate its powers to a committee of Directors. PBC has three such committees: the Audit and Risk Committee, the People and Culture Committee, and the Planning, Construction and Environment Committee.

These committees have up to four Directors as members, one of whom is appointed as Chairman by the Chairman of the Board. The Chief Executive Officer and the other relevant members of management also attend committee meetings.

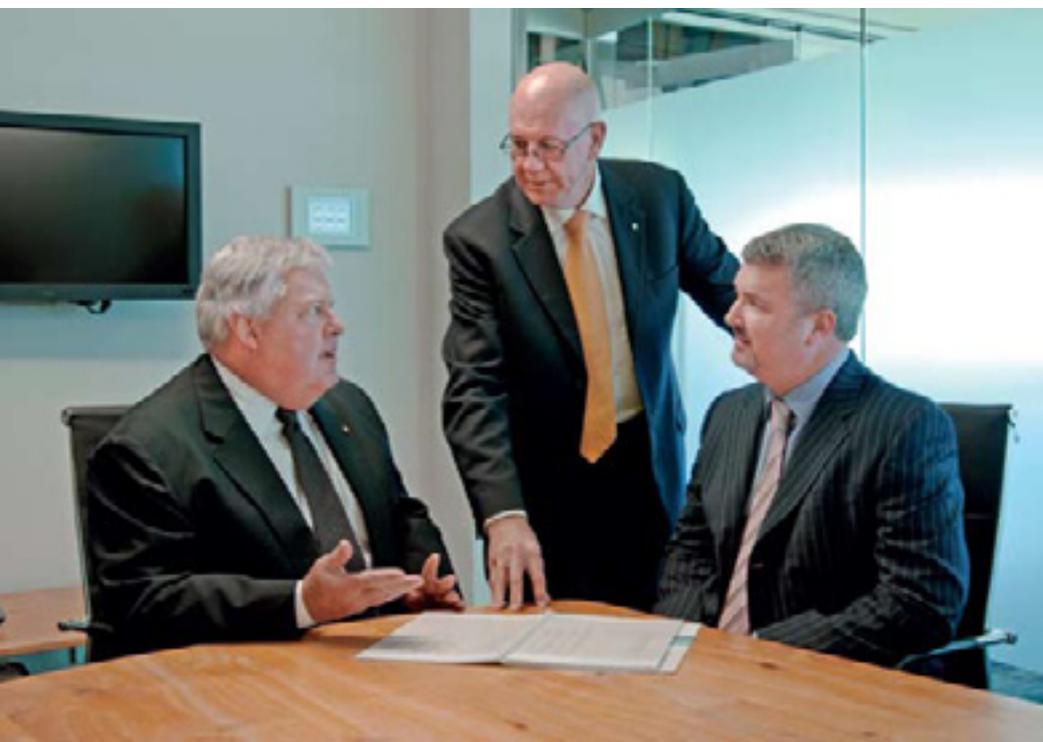
Each of the committees has its own charter.

See www.portbris.com.au/corporation/corporategovernance for our Board committee charters.

Director independence

The following materiality thresholds are included in the Directors' Independence Policy:

- a material professional adviser or consultant is one whose fees to PBC in a financial year exceed \$100,000
- a material supplier is one the value of whose sales to PBC in a financial year exceeds 2% of the value of our total purchases
- a material customer is one the value of whose purchases from PBC in a financial year exceeds 2% of our revenue
- a material contractual relationship, other than any of those described above, is one in which the consideration payable under the contract exceeds \$100,000.



Materiality is assessed on a case-by-case basis from the perspective of both PBC and the relevant Director, having regard to the Director's individual circumstances.

The Board may determine that the Director is independent notwithstanding the existence of a relationship of the kind referred to above. However, the Board will state the reasons for making its determination in such a case.

All our Directors are deemed to be independent against these thresholds.

Board performance evaluation

Every two years, an evaluation of the performance of the Board is undertaken to assist Directors to identify the strengths and weaknesses of the Board and identify areas for improvement.

An evaluation was completed during the year and finalised in April 2009. It was facilitated by an independent third-party consultant, and took the form of a questionnaire and interview-based process, which focused on key governance areas like board competencies, structures and behaviours.

The consultant concluded that the Board had performed well with a very strong overall performance rating. The evaluation showed that the Board:

- had very good working relationships with the senior management team
- provided good oversight on key business activities
- had a strong understanding of its obligations
- had an appreciation of the attributes of a high performing Board.

The consultant also made several recommendations on potential areas of Board development, and these are currently being implemented. The final evaluation report was also sent to shareholding Ministers. The next evaluation is planned for the 2010/2011 year.

Independent professional advice

Directors have agreed on a procedure which allows them to seek independent professional advice, at PBC's expense, in carrying out their duties.

Port of Bundaberg

In 2009/2010, our responsibility for the Port of Bundaberg will be transferred to GPC, as part of the Queensland Government's *Renewing Queensland* plan.

PRINCIPLE 3 – PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

Ethical standards and disclosure of interests

A Directors' Code of Conduct has been developed, and approved by the Board. It is reviewed annually and then signed by each Director.



See www.portbris.com.au/corporation/corporate_governance/code_of_conduct for our Directors' Code of Conduct

Our Directors' Code of Conduct includes our policy for trading in securities by Directors. It also refers to our provisions for enabling employees to alert management of misconduct, consistent with the requirements of the *Whistleblowers Protection Act 1994*.

Each Director is required to sign a confidentiality agreement at commencement of their directorship and an annual disclosure of interests form, to identify any areas of activity that may lead to a conflict of interest. Each meeting of the Board commences with a declaration of interests by Board members. Directors absent themselves from the meeting while any matters of potential conflict of interest are discussed, and all reference to these matters is removed from the copy of the minutes that they receive.

In addition to the Directors' Code of Conduct, we have an Employees' Code of Conduct. An online learning program has been developed to ensure that employees understand the provisions of the Code, and they are required to repeat this every two years to remind themselves of the Code's requirements. In addition, face-to-face training sessions are held for all new employees as part of their induction. A copy of the Code of Conduct is distributed at these sessions and is also available on our Intranet for ease of reference.

PRINCIPLE 4 – SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Audit and Risk Committee

PBC has an Audit and Risk Committee that meets a minimum of four times a year, and at year-end comprised Susan Rix (Chairman), David Harrison, and Peter Lancaster. The membership of this committee changed during the financial year, with the first three meetings attended by Sue Palmer, and the last one by Susan Rix.

The qualifications of Audit and Risk Committee members have been included in Directors' biographies on pages 6-7. Attendance at meetings is included in the table on page 61.

The responsibilities of the Committee include, but are not limited to:

- ensuring compliance with statutory responsibilities relating to accounting policy and disclosure by review of financial statements
- assessing the adequacy of accounting, financial and operational controls
- assessing the quality, and reviewing the scope, of work and reports of the internal auditors
- enabling the auditors to communicate any concerns to the Board via the Committee, independently of management influence
- identifying any related-party transactions
- assessing the effectiveness of the management of business risk and the reliability of management reporting
- monitoring PBC's compliance with the Maritime Security Plan.

The Committee also assumes primary responsibility for risk management. This entails:

- monitoring the operation of the risk-management system
- liaising with management to ensure that there is a common understanding of the key risks to PBC (which are clearly documented in a risk register)
- monitoring all risk-management functions within PBC, and ensuring that appropriate risk-management activities are being undertaken for all key risks, including financial and non-financial (such as operational) risks. (Oversight of occupational health and safety and environmental risk-management activities is the responsibility of the People and Culture, and Planning, Construction and Environment Committees respectively.)
- determining the Risk Management Policy for PBC, including: risk-management philosophy, responsibilities and reporting, risk assessment and evaluation criteria, risk appetite; and risk tolerances, for approval by the Board.

The Audit and Risk Committee has observed the terms of its charter, which has due regard to the Queensland Treasury's Audit Committee Guidelines (January 2000).



See www.portbris.com.au/corporation/corporategovernance/audit_committee to read the Audit and Risk Committee Charter.

External audit arrangements

In accordance with the GOC Act and the *Financial Administration and Audit Act 1977*, PBC uses the Queensland Audit Office as its external auditor.

Internal audit review

The Audit and Risk Committee defines the internal auditor's scope of work through establishment of an annual internal audit plan. It reviews the reports of the internal auditor, and assesses the quality of work performed.

The Audit and Risk Committee Chairman meets regularly with the internal auditor, independently of management.

Ernst & Young has now been our internal auditor since January 2001. Towards the end of 2008 we tested the market through a tender process, and as a result Ernst & Young was re-appointed for another two years.

During the year Ernst & Young submitted internal audit reports on:

- Balanced Scorecard
- Follow Up of Prior Internal Audit Recommendations
- Controlled Self Assessment
- IT Change Management
- Program Management Review
- Internal Audit Plan 2009
- Asset Accounting
- Storage Area Network.

Directions and notifications given under the GOC Act

We received one direction from our shareholding Ministers during the past financial year. This was in relation to the transfer of our shares in Gateway Investments Corporation Pty Ltd (GIC) to Queensland Investment Corporation (QIC). GIC was the subsidiary through which PBC owned shares in Brisbane Airport Corporation Holdings (BACH). See *Schedule of Interests* below for more information.

Dividend policy

Our dividend policy takes into account the return that shareholders expect from their investment, and the ongoing capital-investment requirements of our business. In December 2008, the Board paid a special dividend to shareholders from the proceeds of the sale of the balance of our shares in BACH (as mentioned above). In June 2009, shareholders approved the Board's recommendation of a further dividend payment of 80% of after-tax operating profit, adjusted for the accounting impact of the BACH share sale and any unrealised capital gains arising from revaluation of investment properties.

Schedule of interests

At the commencement of the year PBC had two subsidiaries, namely Bundaberg Port Corporation Pty Ltd (since 1 October 2007) and GIC (since 15 May 1999). On 5 December 2008, the Treasurer issued a direction under section 14 of the *Airports Assets (Restructuring and Disposal) Act 2008*, to PBC and the Board of PBC, to approve and arrange for the execution and delivery of a share transfer agreement, and a transfer of the shares in GIC from PBC to QIC Infrastructure Management Pty Ltd. GIC ceased as a member of the PBC consolidated group on 15 December 2008. See page 21 in *Notes to the Financial Statements* for further information (on CD).

PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE

Corporate planning and reporting

The Board has approved a Shareholder Communication Policy. This policy sets out the framework for providing our shareholding Ministers with sufficient information to maintain an informed view of PBC and its operations, and to maintain effective relationships with management and the Board. The policy includes a range of formal and informal periodic and ongoing communication measures.

We present a five-year Corporate Plan and 12-month SCI for shareholding Ministers' approval annually. The SCI forms the basis of the performance contract between the Board and shareholding Ministers. Status reports to shareholding Ministers are submitted on a quarterly basis. Performance against key targets and result areas is reported monthly to the Board.

The Chairman and Chief Executive Officer seek quarterly meetings with our shareholding Ministers. They also request ad hoc meetings as required, when there are issues of significance to discuss. In addition, Directors and shareholding Ministers are advised of any issues that may arise, as well as our successes. This is done through written briefings as required.



See www.portbris.com.au/corporation/corporategovernance to read the Shareholder Communication Policy.

Due diligence reporting

A system of compliance and due diligence reporting to the Board has been established. The Board seeks management representation on a range of issues, including workplace health and safety, the environment, the *Trade Practices Act 1974*, consultant and contractor selection, equal employment opportunity, industrial relations, IT, litigation and public liability. Management overviews are also provided at quarterly, half-yearly and annual intervals. Issues raised are monitored or acted upon, as required.

PRINCIPLE 6 – RESPECT THE RIGHTS OF SHAREHOLDERS

This principle requires GOCs to respect the rights of shareholding Ministers and their representatives, having regard to the requirements of responsible government, and facilitate the effective exercise of those rights. GOCs should not only comply with existing legal and regulatory requirements, but also go beyond them where relevant in order to build credibility and confidence.

PBC's Shareholder Communication Policy, as described previously, sets out both the formal and informal measures through which our shareholding Ministers are kept up-to-date with corporate information. At all times, PBC staff and Directors strive to ensure proactive, timely and thorough communication with government.

PRINCIPLE 7 – RECOGNISE AND MANAGE RISK

Strategic risk management and quality systems

Our philosophy towards risk is not to be risk averse, but to enable risks to be identified, discussed, mitigated, and monitored in a balanced manner. We are committed to maintaining and integrating our risk-management systems and processes to support this philosophy, without creating an unnecessary burden on the business.

Our Risk Management Policy sets out the processes, responsibility, and accountability for risk management at PBC. It recognises that risk management is an integral part of good management and corporate governance practice, and that, in relation to commercial strategy, an element of risk is inevitable and, in some cases, encouraged.



See www.portbris.com.au/corporation/corporate_governance/risk_management for our Risk Management Policy.

Our Risk Management Policy supports a structured and focused approach to managing risk. This complements the strategies adopted to achieve the corporate objectives, and increase confidence in, and enhance the value that we provide to our stakeholders.

The principles behind this policy are based on the Australian/New Zealand Standard AS/NZ 4360:2004 *Risk Management*, and on Principle 7 of the *Queensland Government's Corporate Governance Guidelines for Government Owned Corporations – February 2009*.

During 2008/2009, we completed the implementation of our Enterprise Wide Risk Management System. The system has been reviewed by our internal auditors to assess its reliability, and we will further refine the system to ensure that we maintain our best-practice principles.

Ongoing risk identification and review of internal processes continues to be a key focus of day-to-day operations. Our risk systems underpin our key corporate strategies.

As part of our corporate culture to continually improve, we have developed an overall strategic risk management framework. This involves identifying our strategic risks, identifying the controls that we need to have in place to address them, and then auditing critical controls of those risks.

The risk-assessment process considers a number of key risk areas, such as our reputation, and the political, strategic business, financial, social, economic, safety, and environmental risks.

We have developed a platform that involves four risk registers, including: Strategic; Assurance and Governance; Environment, Community and Human Resources; and Safety and Quality Assurance. Within each of these registers, risks are identified and rated. We then apply our control and assurance process to establish the residual risk.

Quality standard maintained

We maintained our accreditation and received no non-conformances in the surveillance audits of our systems under ISO 9001:2008 – the recognised international standard for processes affecting quality. The auditors complimented us on an effective implementation of the standard across the organisation, and acknowledged our staff for their positive input to the audit process.

This standard is a major component of our Integrated Management System (IMS), which incorporates international and national standards of quality, occupational health and safety, and environmental management systems, as well as maritime safety and rail.

Planning, Construction and Environment Committee

To further address the risks we face on a social and environmental level, we have a Planning, Construction and Environment Committee that meets quarterly, and at year-end comprised Catherine Sinclair (Chairman), Ted Brown, Peter Low and Bill Guest.

The committee's responsibilities include, but are not limited to:

- ensuring compliance with statutory environmental and planning obligations
- monitoring adherence to the Environmental Management Program and policies
- ensuring incorporation of sustainable development principles into all areas of port operation and development
- overseeing coordination with other agencies, customers and stakeholders on environmental and disaster planning, including consideration of emergency response plans.

The qualifications of Committee members have been included in Directors' biographies on pages 6-7. Attendance at meetings is included in the table on page 61.

PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY

People and Culture Committee

PBC has a People and Culture Committee that meets a minimum of three times a year, and at year-end comprised David Harrison (Chairman), Loftus Harris and Glen Toll.

The qualifications of People and Culture Committee members have been included in Directors' biographies on pages 6-7. Attendance at meetings is included in the table on the opposite page.

The People and Culture Committee's responsibilities include, but are not limited to:

- monitoring procedures for dealing with human resources and industrial relations issues and policies
- providing strategic direction for human resource management, training, planning and development
- making recommendations to the Board on remuneration issues
- ensuring compliance with statutory occupational and workplace health and safety standards
- monitoring adherence to PBC's health, safety and quality policies
- monitoring performance against PBC's strategic objectives for workplace health and safety under AS 4801.

Remuneration arrangements for Directors and senior executives

The Directors of the Company are to be paid by way of fees for their services the amounts, if any, approved by the Company in general meeting. The compensation arrangements for the Chief Executive Officer and senior executives are determined by the Board.

Chief Executive Officer and senior executive remuneration is set within a remuneration policy approved by the Board, in accordance with the *Government Owned Corporations Governance Arrangements for Chief and Senior Executives* of February 2009.

Details of remuneration to Directors and senior executives are disclosed in the Notes to the Financial Statements (see pages 35-36 of Financial Statements on CD), in accordance with remuneration disclosure requirements of GOCs.

While PBC does not have a specific Remuneration Committee, the People and Culture Committee considers remuneration arrangements for all employees.

The Committee reviews the remuneration of non-award employees, including senior executives, every year, in accordance with PBC's Development and Performance System, and Chief and Senior Executive Remuneration Policy.

External consultants provide Directors with the necessary reports to compare remuneration levels with the approved industry sector.

Remuneration levels for award employees are reviewed through the enterprise bargaining process.

Performance payments

The objectives of PBC's Development and Performance System are to:

- provide role clarity, reduce subjectivity, and encourage people to take ownership of their development progress
- achieve our corporate goals through alignment of divisional and individual objectives
- develop a commercially focused organisation committed to excellence in customer-service delivery
- develop our employees in areas that enhance both business and personal success
- recognise and reward people for their achievement and contribution
- improve organisational communication.

The Development and Performance System is monitored to ensure consistency and fairness in approach, and the privacy and confidentiality of the individual's information is respected and maintained.

For all non-award staff, the system incorporates a remuneration component. Our remuneration reward strategy supports efforts aimed at achieving performance goals and demonstrating consistency with our identified Leadership Behaviours. It is linked to the achievements of the individual, as determined by their performance management rating.

Key elements of the strategy are as follows:

- the link to the at-risk or incentive payment of 15% applies only to the Executive Team and non-award staff. Award staff receive a net payment of \$500 if they achieve the individual goals agreed with their General Manager, and a further \$500 net payment if predetermined corporate goals are achieved
- work-value assessments, conducted by external remuneration specialists, are used as the basis for determining market remuneration rates for all non-award positions.

The following are other pertinent details relating to our determination of remuneration for non-award staff:

- total fixed remuneration for all non-award staff is set up to the market median for the work value of each position, as advised by an independent remuneration consultant
- remuneration increases are contingent upon the individual at least meeting their performance objectives
- remuneration increases cannot exceed 10% in any year
- overall, PBC aims to pay all non-award staff to within 90% of the assessed market median
- an 'at-risk' or incentive component (paid in the form of a one-off lump sum) of up to 15% above the policy line/market rate, may be awarded if:
 - a) the employee exceeds, or far exceeds, their individual objectives and behaviours; and
 - b) the relevant divisional corporate goals have been exceeded
- employees must 're-earn' the incentive component each year.

Directors' Attendance at Board and Committee Meetings

	Board (10 held)	Audit and Risk Committee (4 held)	People and Culture Committee (3 held)	Planning, Construction and Environment Committee (4 held)
David Harrison	9	4	3	
Catherine Sinclair	10			4
Bill Guest	10			4
Ted Brown	9			3
Glen Toll	8		2	
Peter Lancaster	9	2		
Peter Low	8			4
Loftus Harris	10		3	
Sue Palmer	5 (out of 7)	3 (out of 3)		
Susan Rix	1 (out of 1)	1 (out of 1)		

2008/2009 Corporate Entertainment and Hospitality expenses over \$5,000

In 2008/2009, the Board sought and obtained agreement from the shareholding Ministers to make two modifications to PBC's 2008/2009 Statement of Corporate Intent, to include additional information in relation to sponsorship, advertising, corporate entertainment, donations and other arrangements.

Event	Date	Cost (\$)
Family Day (biennial staff event)	October 2008	25,269
Dinner Dance (annual staff event)	July 2008	26,151
Corporate Christmas Cocktail Function (annual customer event)	November 2008	16,213
Ports Australia Conference (biennial industry conference)	October 2008	10,000
Brisbane Customer Forum (End-of-financial year customer forum)	August 2008	12,773
Rugby package (customer event)	July/September 2008	16,000
Soccer World Cup Qualifier (customer event)	October 2008	9,900
TOTAL		116,306

Outlook

A key focus for the Board over the next 12 months will be on successfully preparing our business for the privatisation process. The priority will be to ensure our corporate governance practices will hold us in a strong position throughout this demanding transition period.

We will also continue to further develop our strategic risk-management system in accordance with the AS 4360-2004 Risk Management standard, to ensure ongoing close scrutiny of our key business strategies.

OUR ECONOMIC AND FINANCIAL PERFORMANCE

STRENGTH

noun. the quality
or state of being
strong; power;
force; vigour



IFC	ABOUT THIS REPORT
IFC	OUR VISION, MISSION AND VALUES
1	OUR HIGHLIGHTS
2	OUR HISTORY
3	OUR ORGANISATION
10	CHAIRMAN AND CEO'S REPORT
14	OUR KEY CORPORATE STRATEGIES
18	OUR OPERATIONAL PERFORMANCE
30	OUR SOCIAL PERFORMANCE
40	OUR ENVIRONMENTAL PERFORMANCE
54	CORPORATE GOVERNANCE
62	OUR ECONOMIC AND FINANCIAL PERFORMANCE
74	INDEPENDENT LIMITED ASSURANCE REPORT
76	GRI CONTENT INDEX
80	INDEX, INCLUDING TABLE, GRAPH AND DIAGRAM INDEX
82	GLOSSARY AND ABBREVIATIONS
84	PORT OF BRISBANE MAP
86	CONTACT US
87	FEEDBACK FORM
IBC	OUR FINANCIAL REPORTS (ON CD)

Financial Trend Analysis to 30 June 2009

	2005 \$M	2006 \$M	2007 \$M	2008 \$M	2009 \$M
Income statement					
Operating revenue	189.1	271.6	282.7	606.6	677.4
Operating expenses including employee benefits	46.7	49.8	57.9	62.6	74.6
Depreciation/amortisation	25.0	18.7	22.2	35.8	31.5
EBIT	117.4	203.1	202.6	508.2	571.3
Finance costs	25.4	32.0	33.5	10.9	23.4
Income tax expense	28.0	50.8	54.2	58.5	91.9
Net profit after tax	64.0	120.3	114.9	438.8	456.0
Dividends provided for or paid	28.0	35.8	49.6	205.7	339.1
Balance sheet					
Total assets	1,609.0	1,893.3	2,268.5	2,231.8	2,732.8
Total liabilities	738.6	925.1	1,077.2	1,072.3	1,281.8
Net assets/shareholders' equity	870.4	968.2	1,191.3	1,159.5	1,451.0

Revenue Composition

	2005 \$M	2006 \$M	2007 \$M	2008 \$M	2009 \$M
Trade-related charges	64.7	70.6	77.6	86.9	84.5
Rentals	31.3	33.9	42.7	50.6	66.5
Services	19.6	16.6	19.5	22.1	27.2
Other	24.7	42.1	67.0	66.8	25.6
Subtotal	140.3	163.2	206.8	226.4	203.8
Fair value gains on investment property	48.3	108.0	75.6	104.3	259.4
Net gains on disposal of financial assets	-	-	-	275.9	214.2
TOTAL	188.6	271.2	282.4	606.6	677.4

There has been good revenue growth, driven by growth in trade and increases in property rentals from new leases and higher land values. Services revenue is up on last year, due to dredging contracts and security cost recovery. Other revenue has decreased due to the timing of sales of inventory and property, plant and equipment.

OPERATING RESULTS

Earnings

Earnings before interest and taxation (EBIT) for the year amounted to \$571.3 million, of which \$214.2 million was due to the sale of our remaining shares in BACH. A further \$259.4 million was a result of the fair value gain on our investment properties. Operational EBIT therefore amounted to \$97.7 million.

Economic Value Management (EVM)

EVM measures profit after subtracting the cost of capital and adjustments for non-cash items.

The result for EVM of \$159.7 million was dominated by the revaluation of our investment properties, which contributed

in excess of \$259 million in revenue. However, asset revaluations have increased the cost of capital charge, partially offsetting these gains.

Work in progress continues to unfavourably impact economic profit, as a number of projects in our significant capital expenditure program are not yet generating income. The capital program has accelerated in recent years given the number of major projects, which has resulted in a larger work-in-progress amount and associated impact on economic profit. However, this expenditure will contribute strongly to future returns.



Our General Manager Finance and Business Services, Darryl Mutzelburg. ▲

Trade revenue

Trade revenue declined by \$2.4 million from 2007/2008 to \$84.6 million for the year (\$7.2 million less than budget). This decrease was largely attributable to the global financial crisis and the subsequent decline in consumer spending. However, a decrease in imports of full containers was partially counter-balanced by increased exports of coal and agricultural products.

Fair value gains on investment properties

We continued to achieve record fair value gains due to investment property valuations. An independent revaluation resulted in a fair value gain of \$259.4 million, compared to our budgeted amount of \$200 million. Our investment property portfolio now exceeds \$1 billion in value. We have achieved consistent growth in this portfolio, as a result of continued capital investment in our landholdings.

Gain on sale of assets

The net gain on asset sales totalled \$233.4 million. This was mainly due to the sale of our remaining shares in BACH, through our subsidiary company Gateway Investments Corporation Pty Ltd (GIC). The sale resulted in a net gain of \$214.2 million for our 12.4% shareholding. In December 2008, we sold GIC to a subsidiary of the Queensland Investment Corporation.

We also continued our strategy to dispose of non-core land in conjunction with providing developed sites for sale in precincts like Eagle Farm, Colmslie, Pinkenba and Hamilton.

Other revenue

Other revenue increased by \$4 million from 2007/2008. This was despite the inclusion in 2007/2008 of dividend revenue of \$12.3 million and a \$6.6 million market value gain on payout of the loan held by GIC.

Rental revenue increased by \$16 million to \$66.5 million from the previous year, and this was \$14.8 million over budget. This was mainly due to continued rental reviews associated with land valuation increases.

Dredging operations continue to provide economic benefit to PBC, contributing \$14 million to other revenue. This was \$4.8 million over budget and \$2.9 million above the previous year.

Other services such as our hospitality venues, the BMT and our security services, contributed \$14.8 million to other revenue.

Interest revenue totalled \$4.6 million, an increase of \$2.7 million from the previous year. This was mainly due to the short-term investment of the proceeds from the BACH share sale.

Employee expenses

Employee benefit expenses totalled \$34.3 million, an increase of \$4.8m or 16% on 2007/2008. This was due to pay increases from enterprise bargaining and the need to recruit additional positions, which is a direct result of our continued growth. Full-time equivalent employees increased from 331 to 378 during the year, a 14% increase.

Operating expenses

Operating expenses before capitalised internal development costs totalled \$57.3 million, which was \$3.1 million over budget and a \$2.6 million increase on 2007/2008. However, this was mainly the result of large increases in land tax (a \$3 million increase over last year and \$5.6 million over budget) and the \$4.1 million major refit of the *Brisbane*.

As a reaction to the slowdown in our trade revenue, resulting from the global financial crisis, we further reviewed our operations with the purpose of generating additional efficiencies and savings. We were able to reduce costs in areas like advertising and promotion, services and consultants, materials and supplies, and staff training and development. As a direct result of the review, we were able to achieve a saving on operating expenses of \$5.6 million compared with 2007/2008 (\$3.4 million under budget for those items).

Depreciation, amortisation and impairment expense

Depreciation, amortisation and impairment expense totalled \$31.5 million for 2008/2009, a \$4.3 million decrease from 2007/2008. This decrease was mainly due to a reduction in asset impairment expense, which accounted for \$7.3 million.

Finance costs

Finance costs increased to \$45.2 million before capitalisation of \$21.8 million, resulting in a net finance cost of \$23.4 million. This was an increase of \$12.4 million from 2007/2008. The increase was due to additional loan borrowings of \$70 million and an increase in borrowing rates. All borrowings are sourced from the Queensland Treasury Corporation (QTC) and are unsecured.

Income tax expense

Income tax expense totalled \$91.9 million, an increase of \$33.5 million from 2007/2008. The effective tax rate of 16.8% (calculated as total tax expense divided by NPBT*), was also slightly higher than the 2007/2008 rate of 11.8%.

Our effective tax rate was much lower than the income tax rate of 30%, mainly due to the income tax treatment on the profit from the sale of the BACH shares.

Of the \$91.9 million expense, \$77.8 million was attributable to the fair value gain on investment properties. This was offset by an \$8.4 million over provision from the previous year, as a result of finalisation of the 2007/2008 research and development claims.

Income tax is paid to the Queensland Government under the provisions of the National Tax Equivalents Regime (NTER).

* Net profit before tax

BALANCE SHEET

Assets

At 30 June 2009, assets under management totalled \$2.73 billion, an increase of \$501 million from 2007/2008. The increase was mainly due to the revaluation of our non-current assets, including investment property and property, and plant and equipment. We also invested an additional \$155.6 million in assets through our capital program.

This increase occurred despite the sale of our BACH shares, the divestment of several non-core land parcels, and the sale of developed sites.

Cash holdings increased by \$5.5 million, while receivables decreased by \$22.1 million. Our \$10.5 million current tax asset, at 30 June 2008, was realised following the lodgement and settlement of our 2007/2008 income tax return.

Inventories increased by \$19.5 million from 2007/2008, mainly due to the transfer of assets from work-in-progress. Our inventories are comprised of land and buildings that are available for sale, held in suburbs including the Brisbane CBD, Colmslie, Hamilton, Eagle Farm, Pinkenba and Bulwer Island.

Liabilities

Total liabilities increased by \$209.5 million to \$1.28 billion. This was mainly due to an increase of \$156 million in our provision for deferred income tax, and a \$70 million increase in loan borrowings. Trade creditors decreased by \$18 million.

Equity

Contributed equity remained unchanged at \$324.3 million. Asset revaluation reserves increased by \$174.7 million, which was a direct result of the \$298.9 million revaluation increment of property, plant and equipment, offset by the \$124.2 million elimination of our Financial Asset Reserve following the sale of shares in BACH.

Retained profits increased by \$116.9 million. This was a result of our net profit after tax of \$456 million, less dividends paid and declared of \$339.1 million.

OTHER

Suppliers

As a result of our significant capital investments and ongoing operating activities, we annually incur significant amounts on goods and services.

The value of goods and services sourced from Queensland suppliers totalled 93%, of which 88% came from within the greater Brisbane area. 6% was sourced from the local Wynnum/Manly area.

Our spending pattern injects significant activity into the local and state economies. We have been able to maintain this high level of local expenditure due to the continued growth of the port precinct and our commitment to land and infrastructure development.

Sustainable procurement

Our capital expenditure and purchases of goods and services also present an opportunity to enhance our economic performance by incorporating social and environmental aspects into the transaction. As a result, we have started to develop a Sustainable Procurement Strategy to broaden and strengthen our commitment to sustainable procurement.

During the year we met with a cross-section of our main suppliers, ranging from product suppliers and maintenance services to infrastructure contractors, to gain their input into the strategy. Their input was vital in shaping the strategy for its implementation in 2009/2010.

We have also established sustainable guidelines for many of the products that we purchase on a regular basis, including stationery, computers and monitors, and cleaning products. We now purchase photocopy paper with a minimum 50% recycled content, and all our hospitality venues only serve Fair Trade coffee.

Productivity

Productivity, as measured by teus per quayline metre, dropped this financial year. This was due to a decrease in the number of containers that came through the port, and the addition of extra quayline following the commissioning for Wharf 10. Future productivity is expected to increase to previous levels with the increase of trade expected over coming years. We will continue to encourage best-practice service-delivery standards, to ensure our long term competitiveness.

Ratio Analysis

Rate of return on total assets is used to measure the rate of return earned by management through operating activities. We achieved a 23.2% return on assets in 2008/2009, compared to our target of 13.4%. The extra return was mainly due to the \$214.2 million unbudgeted sale of shares in BACH. Excluding the share sale, we achieved a rate of return of 14.4%, which was still 1% better than budget and 4.1% better than 2007/2008.

Return on equity for 2008/2009, adjusted for the profit on the BACH share sale, equated to 18.5%, which was 2.8% better than our target of 15.7%. Our 2008/2009 return was 4.6% higher than the previous year, in spite of the global financial crisis. This was mainly due to the better than expected fair value gain on our investment properties.

Our financial stability indicators, debt/equity ratio and interest cover again highlighted our ability to sustain operations in the long term, and satisfy our long-term commitments.

Our debt/equity ratio (long-term borrowings divided by total equity) reached 48% compared to our target of 58% and our 2007/2008 result of 54%. This was due to better than expected net profit after tax, resulting from the sale of shares in BACH, the fair value gains for investment properties, and our loan draw downs being less than anticipated.

Interest cover, which is an indication of our ability to satisfy our interest payments from current year profits, reached 16.6 at 30 June 2009. This result, adjusted down for the elimination of the sale of our shares in BACH, surpassed our target of 8.3.

Outlook

Our asset values have increased due to major asset revaluations and the completion of Berth 10 and the General Purpose Berth. However, due to the global financial crisis, this increased asset base has not been offset by higher trade revenue.

We have substantial landholdings where increases in land values are reflected in increased rental income. In fact, our rental income is expected to surpass trade income within the next five years.

Our diverse range of income will assist us in improving our returns to shareholders, and provide us with cash flow to implement our significant capital works program.

We are also successfully divesting ourselves of non-core land assets, in conjunction with providing developed sites for sale, and these are achieving commercially sound returns.

Notwithstanding, we consistently review our operations in order to generate efficiencies and savings. These savings have been reflected in our Corporate Plan for 2009-2014.

2009/2010 Financial Targets

We have committed to achieving the following financial performance targets in 2009/2010:

Performance Target	2009/10 Budget
EBIT	\$176.6 million
EBITDA	\$206.0 million
NPAT	\$108.4 million
Return on Assets	6.4%
Return on Equity	7.6%
Debt/Equity	57%
Current Ratio (excluding dividend payable)	1.25
Interest Cover	4.52

Future Developments

On 2 June 2009, the Queensland Government announced its intention to undertake a significant asset sale program.

The *Infrastructure Investment (Asset Restructuring and Disposal) Act 2009* was passed to facilitate the restructure and disposal of particular businesses, assets and liabilities of government entities. The Act grants extensive powers to the Treasurer to direct the restructuring, disposal or other processes necessary for the sale program with respect to 'declared

projects'. Under section 5(1)(b) the disposal of all or part of the businesses, assets and liabilities of PBC is a 'declared project'. The Port of Bundaberg will be transferred to GPC prior to the disposal of the businesses, assets and liabilities of PBC.

At balance sheet date there is significant uncertainty around the timing and nature of the disposal.

Audited financial statements

This year, in order to reduce the length and weight of our printed Annual Report, we have published our audited financial statements on a CD (located in the inside back cover). The statements are downloadable in PDF format from the CD, and are also available from our website. We have provided a Financial Review section over following pages, allowing readers to get a concise overview of our financial performance without needing to refer to the statements.



Darryl Mutzelburg
General Manager Finance and Business Services

PERFORMANCE AGAINST SCI

PBC's actual performance during the year exceeded most targets set in the SCI.

A summary of actual performance against these targets is set out in the following table:

Statement of Corporate Intent 2008/2009 Key Performance Indicators

	Excluding transfer of shares in BACH		
	Actual Result	Actual Results	Target
EBIT	\$571.3 M	\$357.1 M	\$318.7 M
EBITDA (EBIT before Depreciation and Amortisation)	\$602.8 M	\$388.6 M	\$345.7 M
NPAT	\$456.0 M	\$241.8 M	\$191.8 M
Return on Assets (EBIT divided by average assets)	23.0%	14.4%	13.4%
Return on Equity (NPAT divided by average equity)	34.9%	18.5%	15.7%
Debt/Equity	47.85%	47.85%	58%
Interest Times Cover (EBITDA divided by interest expense)	25.8	16.6	8.3
Current Ratio	1.4	1.4	1.5
Tonnage	31.9 M	31.9 M	32.2 M
Teus	896,199	896,199	1,000,000

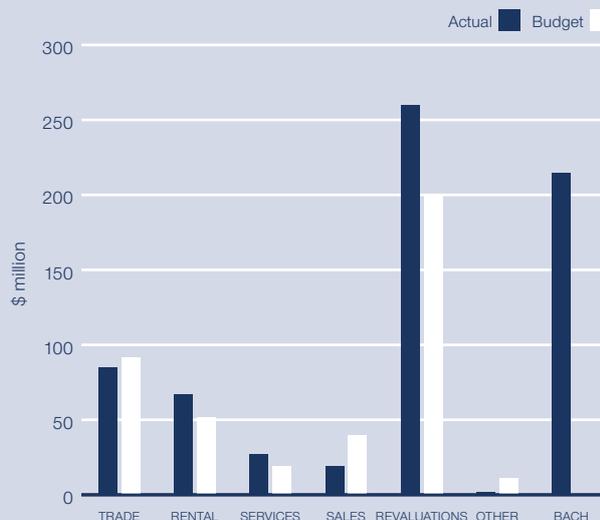
FINANCIAL PERFORMANCE AGAINST BUDGET

Revenue Total revenue exceeded budget by \$264.3 million. The BACH share sale accounted for \$214.2 million of this, while fair value gains on investment property accounted for \$59.4 million.

Trade revenue is derived from harbour dues and wharfage charges for use of the port and PBC's wharves, respectively.

Service revenue is primarily derived from PBC's dredging activities in Queensland and other ports, but it also includes the BMT, security and hospitality venue revenue.

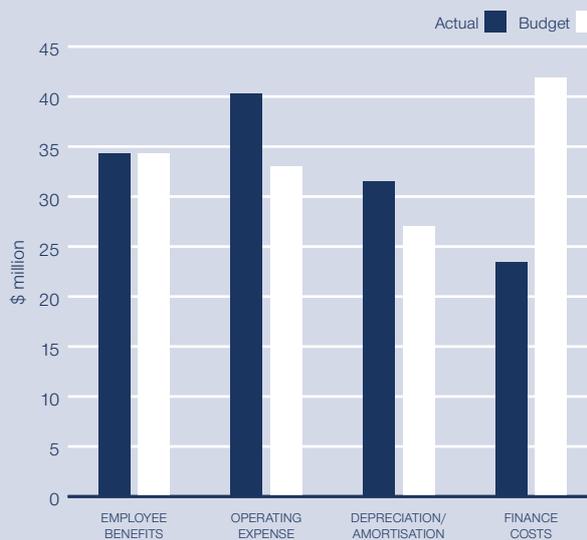
Inventory sales are from non-strategic land sales at up-river sites.



Expenses Operating costs were over budget, mainly due to greater than expected land tax.

Finance costs for PBC were favourable by \$18.5 million, resulting from less than expected borrowing requirements, and greater than expected capitalised interest.

Depreciation and amortisation expenses exceeded budget by \$4.5 million, of which \$1.3 million was due to unbudgeted impairments.



Profitability EBIT, at \$571.3 million, exceeded our target of \$318.7 million by \$252.6 million. EBITDA, at \$602.8 million, exceeded our target of \$345.7 million by \$257.1 million.

EBIT excluding the sale of BACH shares totalled \$357.1 million, which exceeded the budget target of \$318.7 million, and EBITDA at \$388.6 million exceeded the budget target of \$345.7 million. This was mainly due to higher than budgeted fair value gains on investment properties.



FINANCIAL PERFORMANCE 5-YEAR ANALYSIS

Revenue Rental revenue continued to rise in line with increases in property valuations and new leases. This was offset by a slight decrease in trade revenue, resulting from the global financial crisis.

Dredging and other services increased in 2008/2009. Other revenue decreased from 2007/2008, due to the \$6.6 million market value gain on the extinguishment of the loan in respect to BACH shares (in 2007) and a decrease in the profit on the sale of assets.

Revaluation gains and the sale of BACH shares have been excluded from this graph.

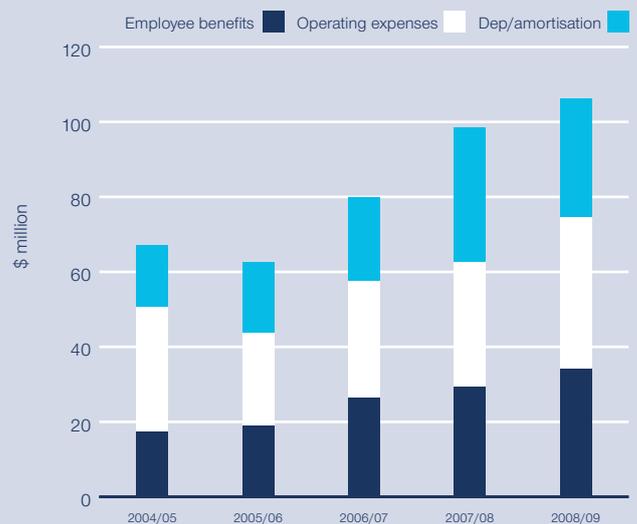


Expenses Depreciation, amortisation and impairment expenses increased compared to previous years, due to an increase in our asset base.

Operating expenses are shown after deducting the cost-of-works capitalised to the relevant assets, and are therefore significantly affected by major fluctuations between years in the level of works capitalised.

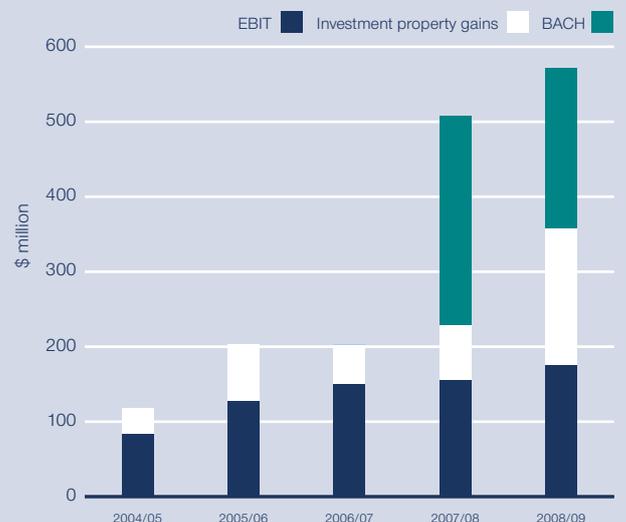
Employee benefits expense increased by 16.2%, due to increases from enterprise bargaining, the need to recruit additional employees, and a full financial year of BPC employees who became PBC employees at 1 October 2007.

Operating expenses increased by \$7.2 million. This was mainly due to a \$3 million increase in land tax, and a \$3.6 million increase in repairs and maintenance resulting from the biennial refit of the *Brisbane*.



EBIT increased, mainly due to the sale of our remaining shares in BACH and the fair value gain on our investment properties.

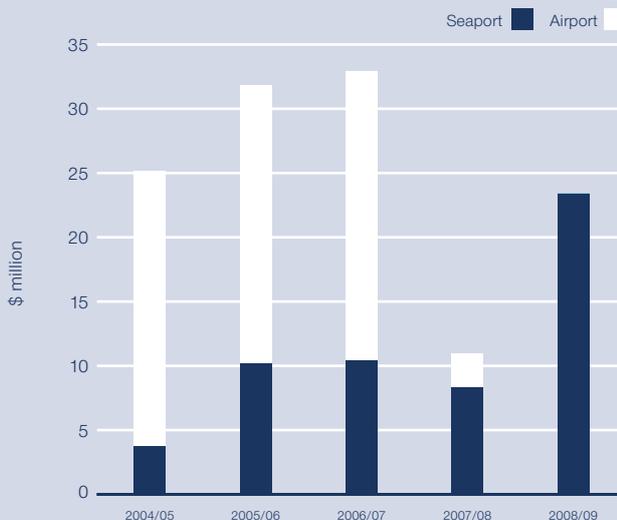
This, along with steady improvement in rental revenue and related services, has boosted seaport EBIT over the past five years.



Borrowing costs Interest expense after capitalisation of borrowing costs increased in 2008/2009, as a result of additional borrowings and an increase in interest rates.

Seaport debt increased by \$70 million, which reflects our current commitment to the capital works program.

Borrowing costs of \$21.8 million were capitalised to assets constructed during the period.



NPAT increased by 3.9% to \$456 million.

Excluding the effects of the sale of shares in BACH, NPAT increased by \$79 million from 2007/2008. This was solely due to the increase in fair value gain from the revaluation of our investment properties.

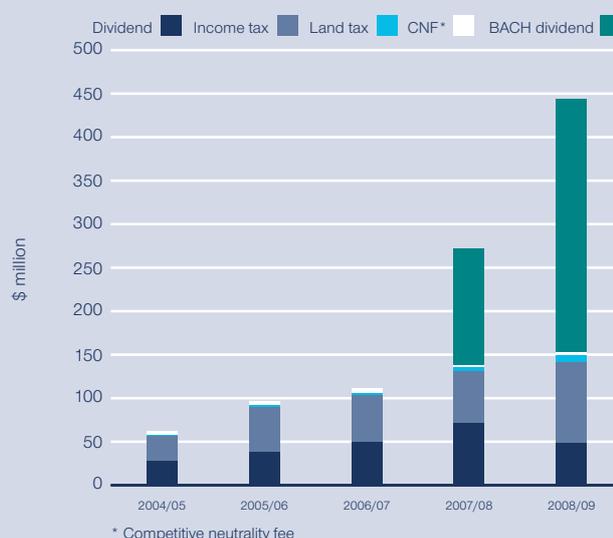


Taxes and dividends After consultation with shareholding Ministers, the Board recommended a dividend payout of 80% of realised after tax profits for the current year.

We operate under a tax equivalents regime, and pay income and other taxes to the state on an equivalent basis to a private company. Income tax expense resulting from the fair value gains on investment properties is held in the Deferred Tax Liability account, and will only be paid when the capital gain on the properties is realised.

Total payments to the state will exceed \$360 million for the 2008/2009 year.

A special dividend of \$291 million, relating to the sale of BACH shares, was paid in December 2008.

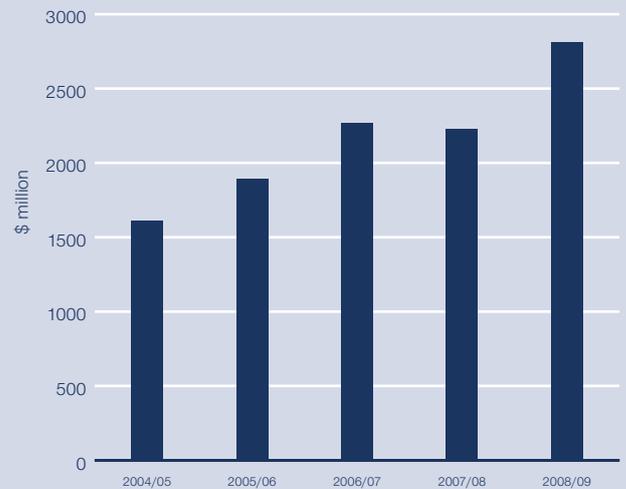


* Competitive neutrality fee

Total assets Asset growth for the seaport has been significant over the past five years, increasing from \$1.63 billion in 2004/2005, to \$2.73 billion in 2008/2009.

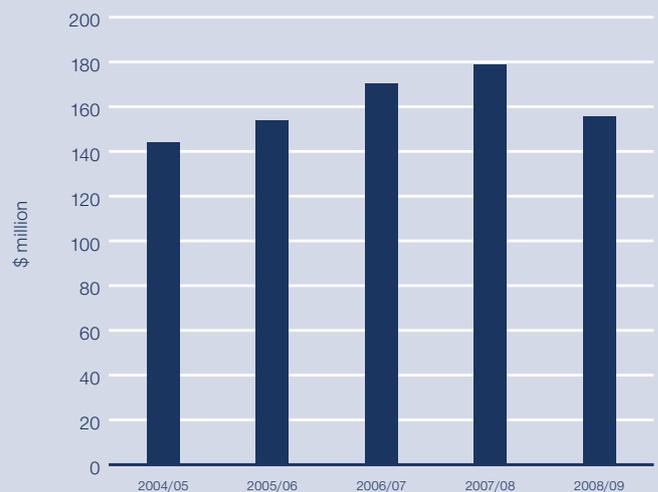
This year our consolidated assets increased by \$501 million from 2007/2008. This was mainly due to a revaluation increase of \$686.3 million on our investment property, and property plant and equipment, in addition to a \$155.6 million increase from our capital investment program. This increase was offset by a \$246 million reduction in asset value due to the sale of our shares in BACH.

Significant developments for the year included the continued development and construction of port infrastructure. This included land reclamation, property development and construction of additional berths and wharves, all required to keep pace with future trade growth.



Capital Expenditure We have maintained a significant capital expenditure program over recent years, to increase future revenue and develop infrastructure for the long-term benefit of the port.

This year saw significant expenditure on major infrastructure projects including the General Purpose Berth, Wharves 11 and 12, Port West, Northshore Hamilton, and reclamation at Fisherman Islands.



Interest-bearing liabilities Borrowings remain at a sustainable level.

Borrowings increased by \$70 million to \$694.3 million, due to additional borrowings in seaport-related debt.

Strong assets and earnings growth enables PBC to use borrowings to fund capital investments.



Shareholder equity remains strong, at \$1.5 billion.

At corporatisation in 1994, shareholder equity was \$339 million. Since then, the book value of shareholder equity has grown significantly through retained earnings and growth in asset values. This in part reflects our strategy of increasing asset utilisation, as well as the growth in market value of the port precinct.

This growth in equity has occurred even with significant distribution of dividends to shareholders throughout this time.

Equity increased in 2008/2009, due to a \$456 million increase in retained earnings and a \$298.9 million increase in our asset revaluation reserves.

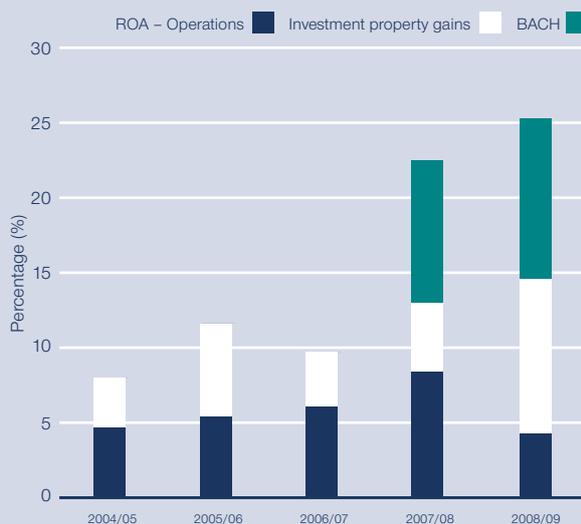
A special dividend of \$291 million was paid to the state following the sale of shares in BACH. Contributed equity remained at \$324.3 million.



Return on assets recorded a substantial increase this year to reach 14.4%, after deducting the \$214.2 million profit on the sale of shares in BACH.

ROA has increased over the past few years due to strong growth in EBIT, largely because of fair value gains in investment property.

ROA before fair value gains in investment property has reduced, due to the increase in our asset base. This increase was a result of the revaluation of investment property, and property, plant and equipment.



Return on equity also recorded an increase, reaching 18.5% after deducting the \$214.2 million after-tax profit on the sale of shares in BACH.

ROE has increased significantly over the past few years as a result of strong growth in NPAT, largely due to fair value gains on investment property.

ROE before fair value gains in investment property has reduced due to the increase in equity. This was a result of gains through the revaluation of investment property, and property, plant and equipment.



Income statement

for the year ending 30 June 2009

	NOTES	CONSOLIDATED		PARENT	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Revenues from continuing operations					
Trade revenues	3	84,539	86,917	84,000	86,588
Fair value gains on investment property	1 (xi),16	259,421	104,328	259,139	104,328
Gain on sale of inventory	1(ix),4	2,685	9,854	2,685	9,854
Other	5	99,991	95,998	420,202	75,518
Operating revenues		446,636	297,097	766,026	276,288
Other income	6	230,736	309,465	16,351	33,615
Total revenue		677,372	606,562	782,377	309,903
Expenses from continuing operations					
Employee benefits expense	1(xv)	34,266	29,496	33,175	28,888
Operations expense	1(iv),7	40,270	33,108	39,032	31,589
Depreciation, amortisation and impairment expenses	1(v),1(vi),1(xiii),16,17,18	31,525	35,833	29,729	35,431
Finance costs	1(vii),8	23,390	10,947	23,390	7,957
Total expenses from continuing operations		129,451	109,384	125,326	103,865
Profit from continuing operations before income tax expense		547,921	497,178	657,051	206,038
Income tax expense	1(viii),1(xviii),9	91,936	58,468	91,953	55,880
Net profit		455,985	438,710	565,098	150,158

The above income statement should be read in conjunction with the accompanying notes.

Balance sheet

as at 30 June 2009

	NOTES	CONSOLIDATED		PARENT	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Current assets					
Cash and cash equivalents	32 (b)	16,245	10,772	15,635	10,428
Trade and other receivables	10	31,073	72,117	30,863	71,705
Inventories	11	71,640	52,115	71,640	52,115
Current tax asset	12	-	10,548	-	10,548
Other	13	5,552	5,571	5,497	5,496
		124,510	151,123	123,635	150,292
Available-for-sale financial assets	14(a)	-	246,000	-	-
Total current assets		124,510	397,123	123,635	150,292
Non-current assets					
Trade and other receivables	10	18,903	-	18,903	-
Financial assets	14(b)	-	-	-	1
Investment property	16	1,053,966	819,633	1,044,094	809,574
Property, plant and equipment	17	1,529,031	1,007,691	1,505,909	986,927
Intangibles	18	2,256	2,133	2,013	1,945
Deferred tax assets	19	4,119	5,182	4,089	5,178
Total non-current assets		2,608,275	1,834,639	2,575,008	1,803,625
Total assets		2,732,785	2,231,762	2,698,643	1,953,917
Current liabilities					
Trade and other payables	21	86,288	105,076	86,127	104,836
Current tax liabilities	22	815	-	501	-
Other	23	623	669	607	669
Total current liabilities		87,726	105,745	87,235	105,505
Non-current liabilities					
Financial liabilities	24	694,288	624,288	663,990	628,175
Deferred tax liabilities	25	492,461	335,806	489,370	286,200
Provisions / Other	23,26	7,293	6,464	6,398	6,464
Total non-current liabilities		1,194,042	966,558	1,159,758	920,839
Total liabilities		1,281,768	1,072,303	1,246,993	1,026,344
Net assets		1,451,017	1,159,459	1,451,650	927,573
Equity					
Contributed equity	27	324,290	324,290	324,290	324,290
Reserves	28(a)	494,449	319,811	493,639	195,595
Retained profits	28(b)	632,278	515,358	633,721	407,688
Total equity		1,451,017	1,159,459	1,451,650	927,573

The above balance sheet should be read in conjunction with the accompanying notes.

This year, in order to reduce the length and weight of our printed Annual Report, we have published our audited financial statements on a CD, provided in the inside back cover.

The statements are downloadable in PDF format from this CD, and are also available from our website.

Independent limited assurance report

Independent Limited Assurance Statement to the Directors of the Port of Brisbane Corporation in relation to social and environmental reporting

Scope of Our Engagement

We have carried out a limited assurance engagement in relation to selected components of the Port of Brisbane Corporation's ('the Port of Brisbane') 'Annual Report 2008/2009' ('the Annual Report'), in order to state whether anything has come to our attention to suggest that the Subject Matter detailed below has not been reported in accordance with the Criteria listed below. The scope of our limited assurance engagement is based on the subject matter over which we provide assurance and the criteria used to evaluate or measure that subject matter.

This is the fourth year that the Port of Brisbane has sought independent assurance over its publicly reported social and environmental performance. In previous years, the Port of Brisbane has published a standalone 'People and Environment Report'. However, this year the Port of Brisbane has integrated reporting of its social and environmental performance with the Annual Report.

Subject Matter

The Subject Matter for our limited assurance engagement included:

1. The Port of Brisbane's adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness.
2. The Port of Brisbane's reported performance data and claims, relating to three sustainability priorities within the boundaries as defined in the 'Our Organisation' section of the Annual Report, being:
 - Dredging
 - Climate change
 - Community

The three sustainability priorities were selected by the Port of Brisbane. Their process for identifying the specific sustainability priorities selected for review is recorded in the 'About this report' section of the Annual Report.

Criteria

The Port of Brisbane has reported performance indicators, statements and claims related to the three sustainability priorities in accordance with the subject matter described above. The following criteria have been applied:

1. The Principles of Inclusivity, Materiality and Responsiveness, as defined in the AA1000 AccountAbility Principles Standard 2008
2. The Port of Brisbane's description of its systems and approaches used to manage the three sustainability priorities, as described throughout the Annual Report
3. The Port of Brisbane's own reported criteria for:
 - Number of sites tested in Brisbane River and Moreton Bay that contain material unsuitable for disposal at sea, as defined on pages 43 to 44 of the Annual Report
 - Total greenhouse gas emissions and energy use, calculated using the factors in the National Greenhouse and Energy Reporting (Measurement) Determination, as defined on page 47 of the Annual Report
 - Total electricity use, as defined on page 46 of the Annual Report
 - Number of turtles killed by the dredging operation of "the Brisbane", as defined on page 43 of the Annual Report
 - Number of community complaints, as defined on page 37 of the Annual Report
 - Amount spent on community support (donations, sponsorships and community tours), as defined on page 39 of the Annual Report
 - Spend on community support as above as a percentage of pre-tax profits, as defined on page 39 of the Annual Report

Port of Brisbane Management Responsibilities

The Annual Report has been prepared by the management of the Port of Brisbane ('Management'). Management are responsible for the collection and presentation of information within the Annual Report and for maintaining adequate records and internal controls that are designed to support the sustainability reporting process and to manage adherence to the AA1000 Principles. There are currently no prescribed requirements relating to the preparation, publication and assurance of sustainability reports.

Ernst & Young Responsibilities

Our responsibility, in accordance with Management's request, was to carry out a limited assurance engagement in relation to the Subject Matter and to express a conclusion about the Subject Matter information.

Our assurance procedures have been planned and performed in accordance with the International Federation of Accountants' International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000') and the AA1000 Assurance Standard 2008. Specifically, our procedures were designed in accordance with a 'Type 2 - AccountAbility Principles and Performance Information' assurance engagement.

Level of Assurance

Our procedures were designed to obtain a limited level of assurance on which to base our conclusions. The procedures conducted do not provide all the evidence that would be required in a reasonable assurance engagement and accordingly we do not express a reasonable level of assurance. While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our limited assurance engagement was not designed to provide assurance on internal controls.

Work Performed

In order for us to provide a conclusion in relation to the above scope of work, we have sought to answer the following questions:

- Inclusivity: Has the Port of Brisbane been engaging with stakeholders across the business to develop its approach to sustainability?
- Materiality: Has the Port of Brisbane provided a balanced representation of material issues concerning its sustainability performance?
- Responsiveness: Has the Port of Brisbane responded to stakeholder concerns with the Annual Report?
- Completeness and accuracy of performance information: Has the Port of Brisbane provided a fair representation of the three sustainability priorities within the Annual Report?

Our assurance procedures included, but were not limited to:

- Understanding the Port of Brisbane's business through discussions with key personnel and participating in a tour of the Fisherman Island operations.
- Interviewing key personnel to understand processes for stakeholder engagement across the organisation.
- Assessing Port of Brisbane's process to determine material issues and reporting against these through interviewing key personnel and viewing evidence of the materiality assessment process and risk registers.
- Assessing the organisation's responsiveness and awareness of material issues, through reviewing Port of Brisbane policies, processes and targets, and communication of responses to stakeholders.
- Interviewing key personnel to understand the activities relating to the three sustainability priorities in the reporting period.
- Checking a selection of Port of Brisbane documentation and publicly available information relating to sustainability management and performance.
- Sample testing the data collection, aggregation and disclosure processes for the three sustainability priorities.
- Checking the Report to determine whether material risks and opportunities and performance issues identified during our procedures on the three sustainability priorities had been adequately disclosed.

Limitations of Our Work Performed

Our scope of work did not include:

- Assessing the accuracy, fairness or balance of data sets, statements, information, systems or approaches relating to areas other than the three sustainability priorities.
- Performing assurance procedures at the Port of Bundaberg.
- Management's forward looking statements.
- Any comparisons made against historical data, with the exception of sustainability priorities which overlap with our 2007-08 and 2008-09 limited assurance engagements.
- Assessing whether the Port of Brisbane's reporting meets the requirements of its application level of the GRI G3 Sustainability Reporting Guidelines.
- Reviewing the accuracy or completeness of data sets presented in the GRI Content Index.
- Assessing the effectiveness of any management systems or approaches.

Restriction of Use

Our responsibility in performing our limited assurance activities is to the Directors of the Port of Brisbane only and in accordance with the terms of reference for this engagement as agreed with them. We do not therefore accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any third party may place on the Subject Matter is entirely at its own risk.

Our Independence

The Australian firm and all professional personnel involved in this engagement have met the independence requirements of Australian professional ethical requirements. Ernst & Young has provided a range of services to the Port of Brisbane including but not limited to the provision of certain internal audit services. We believe the provision of these services has not impaired our independence with respect to this work.

Our Assurance Team

Our assurance team includes specialists from our Climate Change and Sustainability Services network, which undertakes similar engagements with a number of Australian and international businesses. Our team has the required competencies and experience to undertake this engagement.

Conclusion

On the basis of our procedures and criteria for this limited assurance engagement nothing has come to our attention that causes us to believe that the Port of Brisbane does not manage its sustainability performance in accordance with the Principles of Inclusivity, Materiality and Responsiveness as defined in the AA1000 AccountAbility Principles Standard 2008. Further, nothing has come to our attention that causes us to believe that the performance statements, claims and performance indicators relating to the three sustainability priorities are not presented fairly and, where relevant, are not calculated in accordance with methods selected by management as being appropriate for the purpose of disclosure in the Annual Report 2008/2009.

Ernst & Young

Brisbane, Australia
25 September 2009

GRI CONTENT INDEX

Our Annual Report 2008/2009 has been prepared with reference to the G3 GRI *Sustainability Reporting Guidelines*.

We have reported to an application level C, which includes the relevant Profile Disclosures and a minimum of ten Performance Indicators, either core or additional, including at least one indicator in the Economic, Environmental and Social dimensions.

Standard Disclosures Profile	Page reference
1: STRATEGY AND ANALYSIS	
1.1 Statement from the CEO and Chairman.	10-13
1.2 Key impacts, risks and opportunities.	4-5; 14-17; 59
2: ORGANISATIONAL PROFILE	
2.1 Name of the organisation.	FC
2.2 Primary brands, products and/or services.	4; 41
2.3 Operational structure of the organisation.	3-5
2.4 Location of organisation's headquarters.	86
2.5 Number of countries where the organisation operates.	3-5
2.6 Nature of ownership and legal form.	4
2.7 Markets served.	4
2.8 Scale of the reporting organisation.	63-66
2.9 Significant changes during the reporting period.	IFC; 4; 13
2.10 Awards received in the reporting period.	13
3. REPORT PARAMETERS	
3.1 Reporting period.	FC
3.2 Date of most recent previous report.	FC
3.3 Reporting cycle.	FC
3.4 Contact point for the report.	IFC
3.5 Process for defining report content.	IFC
3.6 Boundaries of the report.	3-5
3.7 Limitations on the scope or boundaries of the report.	IFC; 3-5
3.8 Reporting on joint ventures, and other entities.	CD Financial Report
3.9 Data measurement techniques.	39; 53
3.10 Explanation of the effect of any re-statements of information provided in earlier reports.	4; 13; 26
3.11 Significant changes from previous reporting periods.	IFC; 39; 53
3.12 Table of the Standard Disclosures.	76-79
3.13 Independent assurance for the report.	IFC; 74-75

Standard Disclosures Profile		Page reference
4: GOVERNANCE, COMMITMENTS, & ENGAGEMENT		
4.1 Governance structure.	■	6-7; 55-61
4.2 Chair of the highest governance body.	■	6-7
4.3 Independent and/or non-executive members.	■	6-7
4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	■	56; 58
4.5 Compensation and performance.	■	60; CD Financial Report
4.6 Processes to ensure conflicts of interest are avoided.	■	57
4.7 Process for determining the qualifications and expertise of the members of the highest governance body.	■	55-56
4.8 Mission or values, codes of conduct, and principles.	■	IFC; 55
4.9 Management of economic, environmental, and social performance.	■	59-61
4.10 Processes for evaluating the highest governance body's own performance.	■	57
4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	■	59
4.12 Externally developed economic, environmental, and social charters.	■	74-75
4.13 Memberships in associations.	■	6-7
4.14 List of stakeholder groups engaged by the organisation.	■	IFC; 4; 36
4.15 Basis for identification and selection of stakeholders with whom to engage.	■	IFC
4.16 Approaches to stakeholder engagement.	■	36; 65
4.17 Key issues and concerns raised through stakeholder engagement.	■	IFC; 36

Key

- Fully reported
- Not reported/not applicable
- AR Annual Report
- IFC Inside front cover
- FC Front cover
- CORE Core indicator
- ADD Additional indicator

GRI application level

		C	C+	B	B+	A	A+
Mandatory	Self declared	✓	Report externally assured		Report externally assured		Report externally assured
Optional	Third party checked		Report externally assured		Report externally assured		Report externally assured
	GRI checked						

Core Indicators are those indicators identified in the GRI Guidelines to be of interest to most stakeholders and assumed to be material, unless deemed otherwise on the basis of the GRI Reporting Principles.

Additional Indicators are those indicators identified in the GRI Guidelines that represent emerging practice, or address topics that may be material to some organisations but not generally for a majority.

Standard Disclosures: Performance Indicators		Page reference	
ENVIRONMENTAL PERFORMANCE INDICATORS			
CORE	EN1 Materials used by weight or volume.	<input type="checkbox"/>	
CORE	EN2 Percentage of materials used that are recycled input materials.	<input type="checkbox"/>	
CORE	EN3 Direct energy consumption by primary energy source.	<input checked="" type="checkbox"/>	46-47
CORE	EN4 Indirect energy consumption by primary energy source.	<input checked="" type="checkbox"/>	47
ADD	EN5 Energy saved due to conservation and efficiency improvements.	<input type="checkbox"/>	
ADD	EN6 Initiatives to provide energy-efficient or renewable energy based products and services.	<input type="checkbox"/>	
ADD	EN7 Indirect to reduce indirect energy consumption and reductions achieved.	<input type="checkbox"/>	
CORE	EN8 Total water withdrawal by source.	<input type="checkbox"/>	
ADD	EN9 Water sources significantly affected by withdrawal of water.	<input type="checkbox"/>	
ADD	EN10 Total volume of water recycled and reused.	<input type="checkbox"/>	
CORE	EN11 Land in areas of high biodiversity value.	<input checked="" type="checkbox"/>	41
CORE	EN12 Impacts on biodiversity in protected areas.	<input type="checkbox"/>	
ADD	EN13 Habitats protected or restored.	<input type="checkbox"/>	
ADD	EN14 Managing impacts on biodiversity.	<input type="checkbox"/>	
ADD	EN15 Number of IUCN Red List species.	<input type="checkbox"/>	
CORE	EN16 Total direct and indirect greenhouse gas emissions.	<input checked="" type="checkbox"/>	46-47
CORE	EN17 Other indirect greenhouse gas emissions.	<input checked="" type="checkbox"/>	46-47
ADD	EN18 Initiatives to reduce greenhouse gas emissions.	<input checked="" type="checkbox"/>	46-47
CORE	EN19 Emissions of ozone-depleting substances.	<input type="checkbox"/>	
CORE	EN20 NO, SO, and other significant air emissions.	<input type="checkbox"/>	
CORE	EN21 Total water discharge.	<input type="checkbox"/>	
CORE	EN22 Total weight of waste by type and disposal method.	<input type="checkbox"/>	
CORE	EN23 Total number and volume of significant spills.	<input checked="" type="checkbox"/>	50-51
ADD	EN24 Weight of treated waste, deemed hazardous under the terms of the Basel Convention Annex I, II, III and VIII.	<input type="checkbox"/>	
ADD	EN25 Biodiversity value of water bodies and related habitats significantly affected by discharges of water and run-off.	<input type="checkbox"/>	
CORE	EN26 Impacts of products and services.	<input type="checkbox"/>	
CORE	EN27 Products sold and their packaging materials that are reclaimed.	<input type="checkbox"/>	
CORE	EN28 Fines, and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	<input type="checkbox"/>	
ADD	EN29 Impacts of transporting products and other goods and materials.	<input type="checkbox"/>	
ADD	EN30 Total environmental protection expenditures and investments.	<input type="checkbox"/>	
HUMAN RIGHTS PERFORMANCE INDICATORS			
CORE	HR1 Investment agreements that include human rights clauses.	<input type="checkbox"/>	
CORE	HR2 Suppliers and contractors that have undergone screening on human rights.	<input type="checkbox"/>	
ADD	HR3 Employee training on human rights.	<input type="checkbox"/>	
CORE	HR4 Total number of incidents of discrimination and actions taken.	<input checked="" type="checkbox"/>	33
CORE	HR5 Risk to freedom of association and collective bargaining.	<input type="checkbox"/>	
CORE	HR6 Risk for incidents of child labour.	<input type="checkbox"/>	
CORE	HR7 Risk for incidents of forced or compulsory labour.	<input type="checkbox"/>	
ADD	HR8 Security personnel trained in human rights.	<input type="checkbox"/>	
ADD	HR9 Incidents of violations involving rights of indigenous people.	<input type="checkbox"/>	

Standard Disclosures: Performance Indicators		Page reference
LABOUR PRACTICES AND DECENT WORK PERFORMANCE INDICATORS		
CORE	LA1 Total workforce.	31
CORE	LA2 Employee turnover.	
ADD	LA3 Benefits for full-time employees.	34
CORE	LA4 Percentage of employees covered by collective bargaining agreements.	34
CORE	LA5 Minimum notice period(s) regarding operational changes.	
ADD	LA6 Workforce represented in formal health and safety committees.	32
CORE	LA7 Absenteeism rates and number of work-related fatalities.	
CORE	LA8 Programs in place regarding serious diseases.	
CORE	LA9 Health and safety in formal agreements with trade unions.	
CORE	LA10 Training per employee.	
ADD	LA11 Skills management and lifelong learning that assist employees in managing career.	
ADD	LA12 Employees receiving performance and career reviews.	39
CORE	LA13 Workforce by diversity.	34
CORE	LA14 Ratio of basic salary of men to women by employee category.	
SOCIETY PERFORMANCE INDICATORS		
CORE	SO1 Manage the impacts of operations on communities.	36-37
CORE	SO2 Analysis on corruption.	
CORE	SO3 Employees trained on anti-corruption.	
CORE	SO4 Actions in response to corruption.	
CORE	SO5 Public policy positions and lobbying.	
ADD	SO6 Political donations.	
ADD	SO7 Anti-competitive behaviour, anti-trust, and monopoly practices.	
CORE	SO8 Fines and non-monetary sanctions for non-compliance with laws and regulations.	
PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS		
CORE	PR1 Life cycle stages of products and services.	
ADD	PR2 Non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services.	
CORE	PR3 Product and service information required by procedures.	
ADD	PR4 Non-compliance with regulations and voluntary codes concerning product and service information.	
ADD	PR5 Customer satisfaction.	
CORE	PR6 Marketing communications, including advertising, promotion and sponsorship.	
ADD	PR7 Non-compliance with regulations and voluntary codes concerning marketing communications.	
ADD	PR8 Complaints regarding breaches of customer privacy.	
CORE	PR9 Monetary value of significant fines.	
ECONOMIC PERFORMANCE INDICATORS		
CORE	EC1 Direct economic value generated and distributed.	63-73
CORE	EC2 Financial implications.	
CORE	EC3 Organisation's defined benefit plan obligations.	
CORE	EC4 Significant financial assistance received from government.	
ADD	EC5 Standard entry level wage compared to local minimum wage at significant locations of operation.	
CORE	EC6 Spending on locally-based suppliers.	65
CORE	EC7 Procedures for local hiring.	
CORE	EC8 Development and impact of infrastructure investments and services.	
ADD	EC9 Indirect economic impacts.	

INDEX

A

About this report IFC
Air emissions 1, 36, 42, 50
Amity 32, 42, 46
AS/NZ 4360 – 2004 59
Assets 1, 4, 11, 12, 63, 64, 65, 66, 68, 69, 70, 71, 73
Audit and Risk Committee 6, 7, 56, 57, 58, 61
Australia TradeCoast 6
Australian Amalgamated Terminals (AAT) 22, 84

B

Balance Sheet 63, 65, 66, 73
Berth 10 1, 11, 22, 66
Berths 11 and 12 9, 11, 22, 29
Board of Directors 3, 6, 7
Brisbane 4, 22, 32, 33, 42, 43, 45, 46, 48, 53, 64, 65, 68, 74
Brisbane Airport Corporation Holdings (BACH) 11, 58, 63, 64, 65, 66, 67, 68, 69, 71
Brisbane City Council (BCC) 4, 37, 50
Brisbane Multimodal Terminal (BMT) 3, 4, 5, 8, 11, 20, 24, 26, 29, 32, 46, 48, 53, 64, 67, 84, 86
Built environment 41
Bundaberg Port Authority (BPA) or Bundaberg Port Corporation (BPC) 4, 7, 68

Business risks 5

C

Capital expenditure 1, 21, 55, 63, 65, 70,
Captain Bishop Bridge 8, 11, 22, 29
City Reach 4, 12, 15, 25, 29, 37, 38
Climate Change Commitment 1, 12, 16, 42, 46, 52
Community complaints 37, 38, 39, 74
Community support 37, 39, 74
Company GOC 2, 4
Container trade 14, 19, 20
Corporate governance 7, 9, 55, 59

D

Debt/equity ratio 65
Department of Transport and Main Roads (DTMR) 4
Department of Environment and Resource Management (DERM) 4, 25, 42, 43, 44, 45, 50
Diversity 11, 12, 13, 16, 17, 31, 33, 35, 36, 41, 49, 52
Dividends 63, 65, 69, 71
DP World 11, 14, 22, 84
Dredged material management 42, 43

Dredging 43
Dredging in boat harbours 43
Due diligence 42, 56, 59

E

E-Teams 1, 37, 38
Earnings before interest and tax (EBIT) 63, 66, 67, 68, 71
Economic performance 63
Electricity use 46, 47, 53, 74
Employee benefits 34, 63, 68, 72
Employee communication 31, 34
Employee numbers 31, 39
Environmental complaints 50, 52, 53
Environmental incidents 16, 50, 52
Environmental KPIs 53
Environmental management system 1, 16, 41, 59
Ethical standards 57
Executive Team 3, 5, 8, 9, 13, 56, 60
Expenses 61, 63, 64, 67, 68, 72

F

Fauna and flora monitoring 49
Financial review 66
Future Port Expansion (FPE) 1, 21, 22, 23, 42, 43, 48

G

Government Owned Corporation (GOC) Act 1993 4, 6, 8, 55, 58
Greenhouse gas emissions 1, 12, 35, 42, 46, 47, 50, 74, 78
Greenhouse gas offsets 46
Groundwater monitoring 47, 49, 53

H

Heavy Transit Corridor 15, 22, 24, 29
Highlights 1
Hospitality venues 9, 36, 46, 47, 48, 53, 64, 65
Hutchison Port Holdings Limited (HPH) 11, 22

I

Income Statement 63, 72
Integrated Management System (IMS) 50, 59
ISO 9001 17, 59
ISO 14001 1, 16, 53

J

Jetty Kiosk 5, 37, 86

K

Key Performance Indicators (KPIs) 14, 39, 53, 66

L

Land Use Plan 15, 26, 41, 45
Landside Logistics Forum 36
Learning and development 17, 33, 39
Liabilities 63, 65, 66, 70, 73
Lost Time Injuries (LTIs) 1, 5, 12, 17, 32, 39

M

Mangrove monitoring 5, 37, 41, 47, 48, 53
Manly Boat Harbour 5, 25, 29, 37, 43
Maritime Security Plan 57
Materiality IFC, 13, 56, 75
Mission IFC
Moreton Bay Marine Park 5, 22, 41, 42, 45
Moreton Island oil spill 51
Motor Vehicle Precinct 85

N

Net profit after tax (NPAT) 66, 69, 71
New Port Office 8, 15, 25
Northshore Hamilton 9, 24, 70

O

Oil spills 50
Organisational structure 3
Our boundaries 4
Our community 5, 36
Our environment 5, 41
Our organisation 3
Our stakeholders 4, 36

P

Patrick 1, 11, 14, 20, 22, 41, 84, 85
People and Culture Committee 6, 7, 56, 60, 61
Performance evaluation 56, 57
Planning, Construction and Environment Committee 6, 7, 42, 56, 58, 59, 61
Port limits 5
Port Central 5, 24, 25, 33, 37, 41, 45, 85, 86
Port Gate 11, 14, 15, 21, 26, 29, 36, 48, 84
Port of Brisbane Motorway 24, 29
Port tours 5, 36
Portcareers 13, 16, 31, 33, 34, 36, 38
Port West 4, 8, 11, 14, 15, 21, 29, 52, 70
Pricing review 14
Privatisation 4, 8, 9, 12, 13, 38, 61
Productivity strategy 1, 12, 16, 26
Profitability 67

Q

Queensland Government 2, 4, 6, 13, 24, 25, 31, 36, 37, 47, 57, 59, 64, 66

R

Reclamation 3, 5, 8, 15, 22, 29, 35, 43, 44, 45, 46, 48, 49, 52, 70, 84

Remuneration 34, 60

Revenue 1, 11, 14, 19, 29, 56, 63, 64, 66, 67, 68, 70, 72

Risk management 3, 9, 12, 26, 58, 59, 61

S

Safety committees 32, 33, 39, 79

Safety incidents 32

Scarborough Boat Harbour 15, 26, 29

Seagrass monitoring 48

Security 1, 3, 4, 8, 24, 31, 32, 37, 46, 51, 63, 64, 67, 78

Shareholding Ministers 3, 4, 6, 13, 14, 36, 55, 57, 58, 59, 69

Ship visits 20, 27

Social KPIs 39

Spitfire Channel 43

Stevedores 4, 14, 28, 36

Stormwater monitoring 47, 48, 49, 53

Sustainable planning 4

T**U**

Urban Land Development Authority (ULDA) 24, 29

V

Values IFC, 4, 77

Vision IFC

Visitors Centre 5, 9, 36, 33, 36, 37, 45, 46, 48, 52, 53, 85, 86

W

Waste 37, 47, 48, 53, 78

Water use 47, 48, 53

Waterside Logistics Forum 29

What we do 4

Where we are 4

Who we are 4

XYZ**TABLE, GRAPH AND DIAGRAM INDEX**

Age profile – all employees (graph) 31

Areas where sediment sampling occurred 2009 (diagram) 44

Average container exchange per vessel (graph) 27

Berth utilisation (graph) 27

BMT rail trade (graph) 20

Borrowing costs (graph) 69

Capital expenditure (graph) 70

Class A incidents during 2008/2009 (table) 32

Community complaints 2008/2009 (table) 38

Contaminant concentrations (table) 45

Corporate Entertainment and Hospitality expenses (table) 61

Crane intensity (graph) 28

Directors' Attendance at Board and Committee Meetings (table) 61

EBIT (graph) 68

Employee length of service (graph) 31

Environmental complaints 2008/2009 (table) 52

Environmental incidents (table) 52

Expenses (graph) 67, 68

Exports by commodity (table) 20

Financial trend analysis to 30 June 2009 (table) 63

Five-year revenue (graph) 11

Five-year trade performance (graph) 11

Fuel composition by vessel type and operating mode (graph) 50

Grain trade (graph) 21

Heavy transit corridor (diagram) 24

Imports by commodity (table) 20

Interest-bearing liabilities (graph) 70

Key environmental performance indicators and targets (table) 53

Key social performance indicators and targets (table) 39

Lost Time Injury Frequency Rate (graph) 32

Major infrastructure projects (table) 22

Net crane rate (graph) 28

NPAT (graph) 69

Our Key Corporate Strategies (tables) 14-17

Our Stakeholders (table) 4

Performance against SCI – financial (table) 66

Port limits (diagram) 5

Port of Brisbane electricity use (graph) 46

Port of Brisbane – greenhouse gas emissions and energy use 2008/2009 (table) 47

Port of Bundaberg – greenhouse gas emissions and energy use 2008/2009 (table) 47

Profitability (graph) 67

Return on assets (graph) 71

Return on equity (graph) 71

Revenue (graph) 67, 68

Revenue composition (table) 63

Shareholder equity (graph) 71

Ship arrivals (graph) 27

Ship visits 2008/2009 (graph) 20

Stakeholder engagement 2008/2009 (table) 36

Summary of greenhouse gas offsets in 2008/2009 (table) 46

Taxes and dividends (graphs) 69

Teus per container (graph) 28

Teus per quayline metre (graph) 27

Top regions – export (table) 20

Top regions – import (table) 20

Total assets (graph) 70

Total container trade (graph) 19

Total trade (graph) 19

Waste composition (graph) 47

Women in management (table) 34

Women in the workforce (table) 34

Workplace profile (table) 34

Yard utilisation (graph) 28

FC Front cover

IFC Inside front cover

IBC Inside back cover

GLOSSARY

AA1000: The AA1000 Assurance Standard is a leading international standard used to provide assurance on publicly available sustainability information.

Australian Quarantine and Inspection Services (AQIS): AQIS plays an important role at the port, making sure that arriving ships, and the imported goods that they are carrying, don't bring exotic pests and diseases into Australia.

AS4360: This is the Australian Standard for Risk Management.

AS4801: This is the Australian Standard for Occupational Health and Safety Management Systems.

Berth: A berth is a place alongside a wharf where a ship loads or discharges cargo.

Brisbane Multimodal Terminal (BMT): PBC operates the BMT, which is the rail interface with the container terminals. The BMT handles the rail transport of imported and exported containers through the port.

Break-bulk cargo: Break-bulk cargo refers to a variety of cargoes that are not transported in a container, or do not fit into a container, e.g. yachts, large machinery parts, timber, steel.

The Brisbane: The *Brisbane* is PBC's trailing suction hopper dredger, commissioned in 2001. The dredger is equipped with state-of-the-art automation control and navigational systems. Environmentally, the vessel features a low-turbidity hopper-loading system, and under-keel discharge of overflow waters through an anti-turbidity valve.

Brisbane City Council (BCC): The Brisbane City Council is Australia's largest local government authority, and is responsible for council issues in our local community. We liaise with Council on a number of issues, including planning, environmental management, and the Brisbane River.

Bulk carrier: A bulk carrier is a single-deck ship designed to carry homogeneous unpacked dry cargoes, such as grain, coal or sugar.

Carbon dioxide equivalent (CO_{2e}): Different greenhouse gases have different levels of impact on global warming. Emissions of greenhouse gases are often measured in CO₂ equivalents. A tonne of each individual greenhouse gas is adjusted to be expressed in terms of how many tonnes of CO₂ would be needed to produce the same global warming impact over 100 years.

Chain of Responsibility (CoR): The CoR means that anybody (not just the driver) who has control in a transport operation can be held responsible for breaches of road laws, and may be made legally liable.

Consolidation: Consolidation refers to the process of squeezing out water in the soft clays and dredged muds (usually by surcharging), to strengthen the reclaimed land area, to bring it to a standard appropriate for development. It is usually expressed as a percentage complete.

Customs broker: Customs brokers are licensed by the Australian Customs Service to provide professional assistance and advice, on customs, quarantine and import and export matters.

Cutter suction dredger: A cutter suction dredger is a stationary dredger that uses a cutter head to loosen the material to be dredged. The material is then pumped through a pipeline, ashore or onto barges.

Department of Environment and Resource Management (DERM): The Department of Environment and Resource Management is a department of the Queensland Government that conserves and manages our natural environment for the benefit of all Queenslanders. It aims to deliver long-term sustainability for the state's natural environment. Its key areas of responsibility include water, climate change, managing land and vegetation, and environmental services.

Equal Employment Opportunity (EEO): It is the policy of PBC to promote Equal Employment Opportunity for all Aboriginal and Torres Strait Islander people, people from Non-English speaking backgrounds, people with disabilities, women, and older workers (45 years and above).

Environmental Management System (EMS): The EMS is part of our Integrated Management System. It addresses environmental risks and prioritises the actions necessary to achieve best-practice environmental management.

Fisherman Islands: Fisherman Islands is the locality name for the Port of Brisbane's main operational complex at the mouth of the Brisbane River.

Future Port Expansion (FPE): The FPE is a 230ha expansion area at the Port of Brisbane, at the mouth of the Brisbane River, which is progressively being reclaimed as the port continues to expand.

Freight forwarder: A freight forwarder is a person, or company, that arranges the carriage of goods and the associated formalities, on behalf of a shipper. The duties of a freight forwarder include booking space on a ship, providing all the necessary documentation, and arranging Customs clearance.

Gateway Upgrade Project: The \$1.88 billion Gateway Upgrade Project is being delivered by the Queensland Government. It involves the construction of a second Gateway Bridge, and upgrades and additions to the major roads leading to and from the bridges.

Global Reporting Initiative (GRI): The GRI is an international framework for leading practice and knowledge in sustainability reporting and transparency. The G3 Guidelines are the framework within which this report has been prepared.

Greenhouse gases: Greenhouse gases can be any type of gas that contributes to the greenhouse effect, especially greenhouse gases specified under the Kyoto Protocol e.g. carbon dioxide.

GreenPower: GreenPower is a government accreditation program for renewable energy. It is a joint initiative of ACT, NSW, SA, QLD, VIC and WA government agencies to guarantee that the renewable electricity you buy from energy suppliers meets stringent environmental standards.

Green Star: The Green Building Council of Australia launched the Green Star environmental rating system for buildings in 2003. Green Star rating tools help the property industry to reduce the environmental impact of buildings, improve occupant health and productivity, and achieve real cost savings, while showcasing innovation in sustainable building practices.

Integrated Management System (IMS): Our IMS is a management tool that measures our performance in controlling loss. The system incorporates workplace health and safety, our internal processes, and the management of our environment. The IMS is audited under the International Safety Organisation standards ISO 9001:2000 and ISO 14001, as well as the Australian Standard AS 4801.

Incident: An incident is an unplanned event, which may lead, or has led to, injury to persons, or damage to property, equipment or the environment.

ISO 14001: This is the international standard for environmental management systems.

ISO 9001: This is the international standard for quality management systems.

Land Use Plan: PBC's Land Use Plan identifies appropriate land uses in various precincts and defines the economically, environmentally and socially acceptable outcomes for future development on strategic port land.

Lowest Astronomical Tide (LAT): LAT is the lowest tide level that can be predicted to occur under average meteorological conditions, and under any combination of astronomical conditions.

Lost Time Injuries (LTIs): Instances in which permanent staff suffered a physical injury as a result of a safety incident, which resulted in those staff members taking time off work.

Lost Time Injury Frequency Rate (LTIFR): LTIFR is calculated by multiplying the number of lost time injuries by one million, divided by the number of hours worked.

Micrometre or micron (µm): A micrometre is a unit of measure for length equal to 0.001 mm, or about 0.000039 inch. Its symbol is µm. The micrometre is commonly employed to measure the thickness or diameter of microscopic objects.

Maritime Safety Queensland (MSQ): MSQ is a government agency attached to the Department of Transport and Main Roads. It is responsible for improving maritime safety for shipping and small craft; minimising vessel-sourced waste and responding to marine pollution; providing maritime services, such as port pilots and aids to navigation; and encouraging and supporting innovation in the maritime industry.

Quayline: Quayline refers to a length of land lying alongside or projecting into water, for loading and unloading ships. Wharves are then built along the quayline, providing the physical infrastructure for loading and unloading the ships.

Queensland Wader Study Group (QWSG):

The QWSG is a voluntary specialist group within Birds Queensland. It undertakes research on both migratory and resident waders (shorebirds) in Queensland, and works for their conservation.

Ramsar: The Ramsar Convention or 'Convention on Wetlands' aims to promote and protect wetlands throughout the world. Australia became a signatory in 1971, and now has more than 60 Ramsar sites, covering an area greater than the size of Tasmania.

Reclamation: Land reclamation is the process of creating new land where there was once water. It can also refer to the restoration of existing land to a more usable state.

Statement of Corporate Intent (SCI): This is a 12-month business plan that we submit to our shareholding Ministers. The plan sets short-term goals and is produced in association with the five-year Corporate Plan, which sets long-term goals and objectives.

Stevedore: A stevedore is a person or company employed to load and unload cargo ships.

Super B-double: A Super B-double is a type of truck capable of carrying two forty-foot containers.

Surcharging: Surcharging involves placing a temporary load of material (like sand) over an area of reclaimed land, to squeeze water out of the soft clays and dredged muds. The amount of load placed must be equal to, or greater than, the service loading to which the developed facility will be subjected.

Tanker: A tanker is a ship, plane or truck built to carry liquids, such as oil, in bulk.

Teu (twenty foot equivalent unit): A teu is a measurement of containers. Containers are two sizes – twenty foot and forty foot. A teu is one 20-foot container.

Trailing suction hopper dredger (TSHD):

A TSHD works by trailing a suction pipe along the seabed, sucking up material, and depositing it into one or more hoppers in the vessel. The material is then either pumped out of the vessel, or dumped through doors in the hull.

Transshipment: Transshipment is the transfer of goods from one ship to another. This transfer may be direct, or it may be necessary to discharge the goods onto the wharf prior to loading them onto the second ship or onto a vehicle, should the second ship be loading at a different berth.

Truck turn time (TTT): This is a measure of the time taken for a truck to complete the receipt or delivery of its cargo, from the time it enters to the time it exits the terminal.

Vacuum consolidation: This is a reclamation technique that involves applying vacuum pressure to an area already installed with vertical drains.

Wharf: A wharf is a structure built alongside the water, where ships berth for loading or discharging cargo.

Wick drain: A wick drain is a vertical drain used in land reclamation.

FINANCIAL DEFINITIONS

Capital expenditure: refers to payments made, or to be made, for the acquisition of a long-term asset, such as land or infrastructure, as well as the allocation of borrowing costs for capital projects.

Depreciation: is the systematic allocation of the depreciable amount of an asset over its useful life.

EBIT (Earnings before interest and tax): includes operating and non-operating profit before the deduction of interest and income taxes (not including depreciation expenses).

Expenses: includes all costs incurred during the course of business.

Finance costs: are borrowing costs, such as interest.

Impairment: is the amount by which the carrying amount of an asset exceeds its recoverable amount.

Interest-bearing liability: refers to the financing of loans.

NPAT (Net profit after tax): the total of a company's profits after taxes are deducted.

Profitability: is a measure of the financial success of a business.

Revenue: represents what a company earns, before expenses are deducted.

Return on assets (ROA): is an indicator of profitability, calculated by dividing EBIT by average total assets.

Return on equity (ROE): is also an indicator of profitability, calculated by dividing NPAT by average total equity.

Shareholder equity: represents total assets minus the value of total liabilities.

Taxes and dividends: is the total of taxes paid to the government, and dividends paid to shareholders.

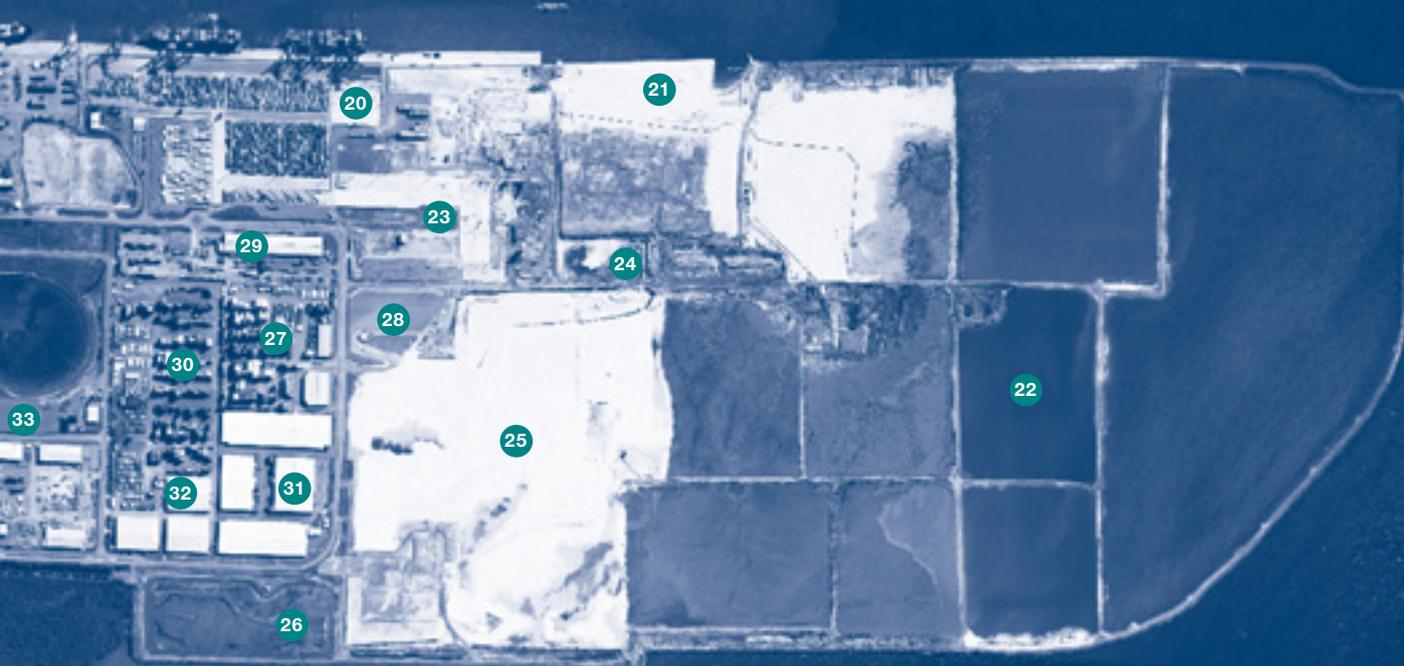
Total assets: is the total value of assets owned by a company.

ABBREVIATIONS

AAT	Australian Amalgamated Terminals
AQIS	Australian Quarantine and Inspection Service
BACH	Brisbane Airport Corporation Holdings Ltd
BCC	Brisbane City Council
BMT	Brisbane Multimodal Terminal
BPC	Bundaberg Port Corporation
CCC	Community Consultative Committee
DERM	Department of Environment and Resource Management
DTMR	Department of Transport and Main Roads
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest and tax, depreciation and amortisation
EEO	Equal Employment Opportunity
EVM	Economic Value Management
FI	Fisherman Islands
FPE	Future Port Expansion
GOC	Government Owned Corporation
GPC	Gladstone Ports Corporation
GRI	Global Reporting Initiative
GST	Goods and services tax
HPH	Hutchison Port Holdings Limited
KPIs	Key Performance Indicators
LAT	Lowest Astronomical Tide
LNG	Liquefied Natural Gas
LTI	Lost Time Injury
LTIFR	Lost Time Injury Frequency Rate
MSQ	Maritime Safety Queensland
NGERS	National Greenhouse and Energy Reporting System
NPAT	Net profit after tax
PBC	Port of Brisbane Corporation
QIC	Queensland Investment Corporation
ROA	Return on Assets
ROE	Return on Equity
SCI	Statement of Corporate Intent
ULDA	Urban Land Development Authority



- | | | | | | |
|---|---|----|------------------------------------|----|--|
| 1 | Svitzer Australia | 9 | Port Gate Precinct | 18 | Brisbane Multimodal Terminal (BMT) |
| 2 | PB Towage | 10 | Truck Stop | 19 | DP World Container Terminal |
| 3 | PBC Operations Base | 11 | Public Boat Ramp | 20 | Patrick Container Terminal |
| 4 | Queensland Combined
Emergency Services Academy | 12 | Queensland Bulk Handling | 21 | Container Terminal Site for
11 and 12 Wharves |
| 5 | Hawkins/Moreton Island Cruises | 13 | General Purpose Wharf and Terminal | 22 | Future Port Expansion Area |
| 6 | Baulderstone | 14 | Queensland Commodity Exports | 23 | Patrick CargoLink |
| 7 | Dredecó | 15 | GrainCorp | 24 | Reclamation Site Office |
| 8 | QPS Water Police | 16 | Patrick Autocare PDI | 25 | Reclamation Area |
| | | 17 | AAT Terminal | | |



- | | | |
|--|---|------------------------------------|
| 26 Shorebird Roost | 35 Australian Terminal Services | 43 Patrick Autocare Storage |
| 27 Patrick Port Services Container Park | 36 Chalmers Freight Station | 44 Motor Vehicle Precinct |
| 28 Patrick Truck Marshalling Area | 37 Chalmers Industries Container Park | 45 Prixcar PDI |
| 29 Patrick Port Services | 38 ACFS | 46 Prixcar Storage Area |
| 30 P&O Trans Australia Container Park | 39 Australian Customs Service Container Examination Facility | 47 Visitors Centre |
| 31 IPS Logistics | 40 Port Central One | 48 Wharf Overflow Area |
| 32 P&O Trans Australia | 41 PBC Port Office | 49 Sunstate Cement |
| 33 Patrick Empty Container Storage Area | 42 Port Central Precinct | |

Port Office

1 Sandpiper Avenue
Port of Brisbane QLD 4178
Tel +61 7 3258 4857
Fax +61 7 3258 4703
Email info@portbris.com.au

Brisbane Multimodal Terminal

Port Drive
Port of Brisbane QLD 4178
Tel +61 7 3258 4857
Fax +61 7 3258 4706
Email bmtera@portbris.com.au

Operations Base

18 Howard Smith Drive
Port of Brisbane QLD 4178
Tel +61 7 3258 4609
Fax +61 7 3258 4623
Email info@portbris.com.au

Visitors Centre

1 Whimbrel Street
Port of Brisbane QLD 4178
Tel +61 7 3258 4677
Fax +61 7 3895 2566
Email visitors.centre@portbris.com.au

Northshore/Chairman's Office

Level 28
12 Creek Street
Brisbane QLD 4000
Tel +61 7 3258 4643
Fax +61 7 3258 4705
Email info@northshoredev.com.au

Northshore Riverside Café

MacArthur Avenue
Hamilton QLD 4007
Tel +61 7 3868 3864
Fax +61 7 3868 4192
Email northshore.cafe@portbris.com.au

Jetty Kiosk

End of Wyvernleigh Close
Manly QLD 4179
Tel +61 7 3396 3504
Fax +61 7 3895 2566

Port Central Café

Port Central One
Port of Brisbane QLD 4178
Tel +61 7 3895 1328
Fax +61 7 3895 2566

Our mailing address

Locked Bag 1818
Port of Brisbane QLD 4178

www.portbris.com.au

Feedback form

Annual Report 2008/2009

PLEASE FAX TO +61 7 3258 4703 OR RETURN VIA REPLY PAID POSTAGE.

My main interest in the report is as a:

- | | | |
|---|--|--|
| <input type="checkbox"/> Customer | <input type="checkbox"/> Contractor/Supplier | <input type="checkbox"/> Transport company |
| <input type="checkbox"/> Business person | <input type="checkbox"/> Employee | <input type="checkbox"/> Port operator |
| <input type="checkbox"/> Government stakeholder | <input type="checkbox"/> Importer/Exporter | <input type="checkbox"/> Local resident |
| <input type="checkbox"/> Member of an environmental group | <input type="checkbox"/> Shipping Line/Company | <input type="checkbox"/> Student |
| <input type="checkbox"/> Member of a community group | <input type="checkbox"/> Freight forwarder | |

How would you rate our performance over the last 12 months?

	Operational	Economic/ Financial	Social	Environment
Worse than most companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Below average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Above average	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Better than most companies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

How do you rate our Annual Report? Poor Fair Good Very good Excellent

Was there anything we didn't cover in this report that you would like to see included?

Do you have any other comments or suggestions?

Please include me on your mailing list for future reports:

Name

Company

Industry

Address

Telephone

Fax

E-mail

PRODUCTIVITY
FORESIGHT
RESPONSIVE
STRENGTH
RESILIENCE
LEADERSHIP
EFFICIENCY
STRATEGIC
LONGEVITY

Port of Brisbane Corporation Limited

Port Office 1 Sandpiper Avenue

Port of Brisbane QLD 4178

Locked Bag 1818

Port of Brisbane QLD 4178

Tel +61 7 3258 4888 Fax +61 7 3258 4703

Email info@portbris.com.au www.portbris.com.au