PORT OF BRISBANE CORPORATION LIMITED

STATEMENT OF CORPORATE INTENT
2008/2009

COMMERCIAL IN CONFIDENCE

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This document contains confidential matter relating to the business affairs and financial interests of the Port of Brisbane Corporation and its contents cannot be disclosed by any Government agency in response to a Freedom of Information (FOI) request pursuant to the exemptions contained in Part 3, Division 2 of the FOI Act.

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INTRODUCTION

This Statement of Corporate Intent (SCI) for the Port of Brisbane Corporation Limited (PBC) for the financial year ending 30 June 2009 has been prepared in accordance with the *Government Owned Corporations Act Qld 1993* (the GOC Act) and guidelines provided by the Queensland Government dated February 2006.

This SCI is to be read in conjunction with the Corporate Plan which provides a five year outlook for the business.

On 15 April 2008, the Government announced the sale of PBC's remaining shareholding in BAC Holdings Pty Limited (BACH).

The Corporation will work closely with the Government throughout the period of the SCI to ensure the decision is fully implemented.

This SCI has been prepared on a business as usual basis and includes forecast financial statements incorporating the BACH investment.

Following the sale of BACH investment, revised budget forecasts will be provided to shareholding Ministers for acceptance as a modification to this SCI.

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Corporate Overview

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CORPORATE OVERVIEW

OUR VISION

Our vision, mission, values and our key strategy areas are outlined in this document.
Our vision for 2008/2009 remains:

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

Our positioning line, which is used throughout our communications, is "Here for the future".

OUR MISSION

The fundamental purpose of our organisation, and the way in which we intend to carry out our core business and implement the strategies outlined in this plan, is:

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, and*

** behaving at all times in line with our corporate values*

OUR VALUES

We are committed to the following core values, which we believe will enable us to achieve our vision:

CORPORATION 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.

This Statement of Corporate Intent (SCI) outlines strategies that will be implemented in 2008/2009, forming part of the longer-term five-year Corporate Plan, which provides the strategic direction towards achieving the corporate vision over the period 2008 – 2013.

1.1 CORE BUSINESS

The statutory functions of the Port of Brisbane Corporation Limited, as a company GOC are consistent with our Constitution and in regard to the port authority's functions and powers are:

- to establish, manage, and operate effective and efficient port facilities and services in its port;
- to make land available for -
  - i. the establishment, management and operation of effective and efficient port facilities and services in its port by other persons; or
  - ii. other purposes consistent with the operation of its port;
- to provide or arrange for the provision of ancillary services or works necessary or convenient for the effective and efficient operation of its port;
- to keep appropriate levels of safety and security in the provision and operation of the facilities and services;
- to provide other services incidental to the performance of its other functions or likely to enhance the usage of the port;
- to provide or arrange for the development and use of its strategic port land –
  - i. at Eagle Farm and Hamilton, for residential accommodation, community infrastructure and ancillary services;
  - ii. at the Port of Brisbane and Port of Bundaberg, for local commercial activities; and
- to perform any other functions conferred on it under this or another Act or under the regulations.

1.2 CORPORATE OBJECTIVES

Consistent with the medium to long-term corporate objectives as detailed in the Corporate Plan 2008 – 2013, the Port of Brisbane Corporation's key corporate objectives for 2008/2009 are to:

Facilitate trade growth in an efficient manner

……working with our key stakeholders to ensure that trade passing through our port grows in an efficient and cost-effective manner.

Plan, develop and manage port infrastructure and assets

….developing sustainable plans and strategies, which provide clarity to all port users in terms of land allocations and infrastructure provision, and ensuring that our assets are systematically managed and maintained.

Land, facilities, infrastructure and assets include, for example:

All land/water areas held by the Corporation under various forms of tenure, port machinery/vehicles, buildings and associated areas/facilities, roads, infrastructure systems, jetties, pontoons, vessels, boat harbour facilities etc.

Provide port-related commercial and regulatory services

……providing a range of port-related commercial and regulatory services to ensure the sustainable growth of the port and our business.

Commercial and regulatory services include, for example:

Dredging services, the Brisbane Multimodal Terminal (BMT), dangerous goods management, boat harbour service facilities, the Visitors Centre, the Jetty Kiosk and port security etc.

Manage strategic projects and investments

……commercially managing a range of strategic projects and investments to ensure continued growth of our business.

Strategic projects and investments include, for example:

Our remaining investment in the Brisbane Airport, our rationalisation of port land holdings, our lands within the 'City Reach' area and our lands at Hamilton etc.

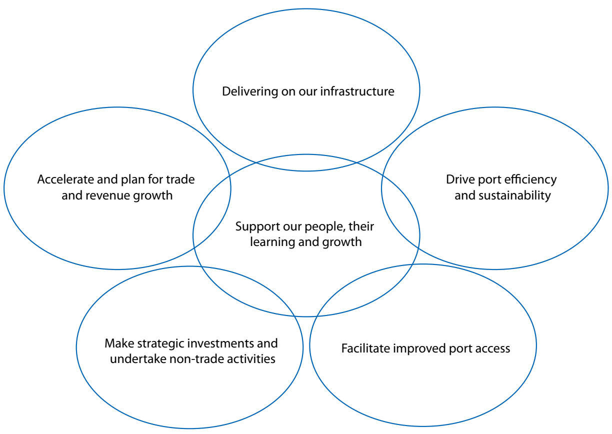
1.3 OPERATIONAL OBJECTIVES

Consistent with our Corporate Plan 2008 – 2013, our main operational objectives can be broadly grouped into the following categories:

- A commitment to safety at each of our worksites;
- A strong focus on demand management through continuous monitoring of relevant markets and industry trends;
- A strong focus on customer service;
- Full compliance with any statutory responsibility in terms of operational issues (namely relevant planning, environment and maritime legislation);
- A strong focus on maintenance;
- Focus on government priorities as prescribed.

1.4 CORPORATE STRATEGIES

Consistent with our 2008 – 2013 Corporate Plan, the key corporate strategies for achieving our Corporate Objectives for 2008/2009 are graphically displayed in the following diagram.



A full listing of current strategies can be found in section 1.6.

Our balanced scorecard software system allows continuous monitoring of our key Corporate objectives and Divisional responsibilities as outlined in this document and the Corporate Plan 2008 – 2013, which include a number of operational objectives.

1.5 PERFORMANCE DRIVERS

There are a diverse range of influences that will affect our ability to meet performance objectives and targets set out in this plan. These influences are discussed in more detail in our Corporate Plan 2008 – 2013 and are summarised as follows:

- Changes to the economic climate, including significant changes in the global credit market and domestic monetary policy;
- Sustained growth in our major commodities;
- Access to and efficient delivery of sand for land development;
- Timely provision of road and rail connections;
- Consolidation of new ownership structure of the major providers, for example Toll's takeover of Patrick and DP World Brisbane operating the Previous P&O stevedoring business and their commitment to ongoing investment;
- Access to and retention of quality people;
- Labour market issues;
- Ability to obtain/source a range of 'resources' in a competitive market including:
  - > contract labour;
  - > fill material;
  - > labour; and
  - > water resources to ensure our sustained infrastructure development programme.

1.6 CORPORATE PERFORMANCE OUTCOMES

Corporate strategies and targets are also set out in the Corporate Plan, with the quantitative targets measured by the Corporate Plan Scorecard (Key Performance Indicators – KPIs), which is reported monthly to management and quarterly to Directors.

Qualitative targets and divisional Performance Indicators (PIs) are also discussed at quarterly management workshops and are also reported to the Board quarterly.

The Port of Brisbane Corporation is made up of a number of divisions with operational and strategic responsibilities, namely:

Finance and Business Services: responsible for financial operations, payroll, financial and balanced scorecard reporting (including KPIs and PIs), information technology, and other commercial services and financial management; as well as Business Development, which is responsible for the planning and implementation of business and property development strategies; and the maintenance of existing, and encouragement of new, shipping services that generate increased trade through the port.

Corporate Services: responsible for the full range of human resource functions, including recruitment, performance management, orientation, induction and onboarding, leadership and management development, and succession planning, learning and development, health and safety, industrial relations, Equal Employment Opportunity, as well as knowledge management, records/information management and quality systems.

Planning, Environment and Community: responsible for all planning, environmental, property administration, corporate relations, hospitality services and landcare issues; with the aim of ensuring that the port develops and operates in a well-planned, commercial and sustainable manner.

Port Development: responsible for the development and maintenance of port facilities and infrastructure, the planning and management of reclamation, and technical services (drafting, survey support and dredging).

Port Operations: responsible for working with port service providers to offer superior customer-service delivery in an efficient port operating environment, managing security and emergency preparedness, and the BMT.

Northshore Harbours and Bundaberg: responsible for the coordinated delivery of infrastructure and the sale of Northshore Hamilton land, while ensuring that ongoing port users are protected and can continue to operate until relocated, as well as the management of Boat Harbour assets and has direct management of the Port of Bundaberg.

Performance Objectives for the 2008/2009 year (consistent with our Corporate Strategies for 2008 – 2013)

Our key corporate strategies address the strategic risks that we consider the Corporation will face in the short to medium term. Our list of strategies are:

i. **Accelerate and plan for trade and revenue growth**

We consider the risks faced in this particular category revolve around our ability to generate trade, manage pricing, manage our tenants and to maintain relationships in an increasingly difficult environment. Each of our critical success factors for this strategy are underpinned with a number of Key Performance Indicators (KPIs) to measure our performance against plan.

ii. **Deliver on our infrastructure projects**

Critical to our success and trade for South East Queensland is the delivery of infrastructure to be able to manage the significant increases in volumes. The risk associated with this strategy in terms of project delivery is significant, and our KPIs and measures will assist in delivering this strategy.

iii. **Facilitate improved port access**

We have identified a significant risk to be addressed is continued good access to the port. In particular, good road access is essential given the increases in volumes of trade, particularly containers, and their predominant transportation by truck. We have developed a number of initiatives to cope with the exponential increase in the number of trucks that the port precinct will be required to handle.

iv. **Make strategic investments and undertake non-trade activities**

We are a diverse organisation with a number of different business units. In order to address the risks associated with these particular investments, a core strategy has been developed, with a number of critical success factors identified to assist management in the risk mitigation process.

v. **Drive port efficiency and sustainability**

Congestion and unsustainable development and business-practices are fundamental risks to our success. While we are seeking to improve our efficiency and optimise the return on capital employed, we are also seeking to drive our stevedores and tenants to do the same. We constantly monitor the performance of our port operators and work with them to ensure an efficient operation, as well as promote sustainable initiatives with regard to both developments and business operations. As a matter of course our stringent environmental standards and initiatives are collated within this strategy.

vi. **Support our people, their learning and growth**

Our most valuable asset and greatest risk is our people. Given full employment in the economy and our aim to be an employer of choice, we have developed a number of initiatives in order to attract and retain staff.

The following section includes targets for the SCI year (2008/2009) against our corporate strategies, with commentary also included regarding other strategic projects and business matters.

It should be noted that the successful delivery of a number of key infrastructure and land development projects is dependant upon a range of internal (controllable) and external (uncontrollable) actions and factors such as resource (both physical and human) availability, government approvals, and competition with other major infrastructure works within the region.

Key Corporate Strategies 2008/2009

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STRATEGY NO 1 – ACCELERATE AND PLAN FOR TRADE AND REVENUE GROWTH

CRITICAL SUCCESS FACTOR	KPI	CORPORATE PLAN MEASURE	TARGET	OWNER
Grow trade	*Implement container strategy*	*Number of teus divided by the budgeted number year to date (ytd)*	*100% (1m teus 08/09)*	*Finance and Business Services (FABS)*
	Implement motor vehicle (mv) strategy	*Number of motor vehicles year to date divided by the budgeted number ytd*	*100% (225k 08/09)*	*FABS*
	Total trade tonnage	*Increase trade total tonnage*	*(32.2m 08/09) 100%*	*FABS*
	Develop bulk land rationalisation and optimisation strategy	*In line with strategy timeframes*	*100% Compliance*	*FABS*
	Marketing strategy	*In line with strategy timeframes*	*100% Compliance*	*FABS/ Planning, Environment and Community (PEC)*
Optimise return on land	*Achieve land rental increases to market values*	*Land revenue divided by budget ytd*	*100%*	*FABS*
Land take-up	*Port West*	*Stage one committed (leases committed) 12ha*	*December 08 100%*	*FABS*
	Port Gate (east)	*6ha leased*	*June 09 100%*	*FABS*
Ensure realistic pricing	*Finalise pricing review*	*Finalise pricing review with recommendations to the executive and board*	*September 08*	*FABS*
Implement transhipment strategy	*Commence marketing of transhipment strategy*	*Marketing campaign to begin current financial year with 25% increase in mv transhipments*	*July 08*	*FABS*
Negotiate lease agreements with stevedores	*Finalise negotiations with DP World Brisbane and Patrick Corporation Pty Ltd*	*Completed negotiations for new leases and submit for shareholding Ministers (SM) approval*	*September 08*	*FABS*
Maintain relationships with key customers and stakeholders	*Implementation of customer and stakeholder strategy in line with established call plan*	*Demonstrated achievement of project deliverables*	*100% Compliance*	*FABS*

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STRATEGY NO 2 – DELIVER ON OUR INFRASTRUCTURE PROJECTS

CRITICAL SUCCESS FACTOR	*KPI*	*CORPORATE PLAN MEASURE*	*TARGET*	*OWNER*
Implement reclamation strategy	*Bring on land on Fisherman Islands*	*Completion of ground-improvement trials*	*December 08*	*Port Development (PD)*
Deliver wharf infrastructure	*Construct wharves*	*Complete General Purpose Berth (SM approved)*	*June 09*	*PD*
Develop port estates	*Create land*	*Port Gate (East) Stage 2 prepared for development*	*November 08*	*PD*
	Implement strategy	*Investigate strategic waterfront options at Port West*	*Stage 1 December 08*	*PD*
			Stage 2 June 09	

STRATEGY NO 3 – FACILITATE IMPROVED PORT ACCESS

CRITICAL SUCCESS FACTOR	*KPI*	*CORPORATE PLAN MEASURE*	*TARGET*	*OWNER*
Develop relevant strategies	*Finalise Heavy Transport Corridor Strategy*	*Successful completion of the strategy and consultation with key stakeholders*	*December 08*	*PD*
	Progress Rail Model Strategy	*Complete Stage 2 of the Rail Model Study investigating impacts of inland hubs*	*December 08*	*FABS*

STRATEGY NO 4 – MAKE STRATEGIC INVESTMENTS AND UNDERTAKE NON-TRADE ACTIVITIES

CRITICAL SUCCESS FACTOR	KPI	CORPORATE PLAN MEASURE	TARGET	OWNER
Progress of Northshore Development	*Achieve land sales*	*Progression in line with sales programme*	*One sale per annum from 09*	*Northshore Harbours and Bundaberg (NHB)*
Dispose and/or rationalise targeted properties	*Successfully execute strategy*	*Disposal of City Reach properties*	*December 08*	*PEC*
Develop Bundaberg	*Develop future strategy for Port of Bundaberg*	*Develop strategy for the development of Bundaberg, completing Land Use Plan*	*December 08*	*NHB*
		Burnett Heads Boat Harbour and non-trade Development Plan	*June 09*	
	Bundaberg infrastructure	*Burnett Heads Bridge*	*June 09*	*PD*
Development of Port Head Office (Port Central 2)	*Complete detailed design for Head Office*	*Design completed and approvals in place*	*December 08*	*PEC*
Boat Harbours	*Develop additional berths in boat harbours*	*Implement single channel initiative in Manly*	*June 09*	*NHB*
		Complete new marina development at Scarborough	*June 09*	

STRATEGY NO 5 – DRIVE PORT EFFICIENCY AND SUSTAINABILITY

CRITICAL SUCCESS FACTOR	KPI	CORPORATE PLAN MEASURE	TARGET	OWNER
Promote port efficiency	*Teus per quayline metre*	*Number of teus being handled by container wharfs*	*> 620*	*Port Operations (PO)*
	Shipping delays controllable	*Number of delays that can be managed*	*< 5 hours*	
	Terminal truck turn time	*Truck turn time, in and out of gate*	*< 30 minutes*	
Strategy development	*Development of Port Productivity Strategy*	*Strategy developed*	*December 08*	*PO*
		Strategy milestones achieved	*December 09*	
Effective implementation of sustainable design into port development	*Sustainable design initiatives included in new developments*	*To include a comprehensive range of sustainable design initiatives in new developments*	*>15*	*PEC*
Reduce environmental incidents	*Environmental incidents*	*Number of Class A or B environmental incidents recorded as a result of PBC activities*	*0 incidents*	*PEC*
Improve the Corporation's greenhouse gas emission performance	*Development of Sustainability Strategy*	*Implementation of strategy initiatives*	*December 08 and ongoing*	*PEC*
Implement and maintain Environmental Management System	*Maintain our environmental standards*	*Adherence to ISO14001. Number of conformance issues.*	*0 non conformances*	*PEC*
Promotion of Port of Brisbane employment opportunities	*Implementation of Port Employment Initiative*	*Adherence to Initiative timetable*	*June 09*	*PEC/ Corporate Services (CS)*

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STRATEGY NO 6 – SUPPORT PEOPLE, THEIR LEARNING AND GROWTH

CRITICAL SUCCESS FACTOR	KPI	TARGET	OWNER
PEOPLE, LEARNING AND GROWTH			
Attraction and retention of people	People turnover	< 15%	CS
	% externally advertised jobs offered and filled	>95%	
Valuing diversity	A working environment accepting of people from diverse backgrounds	0 complaints	
Understanding what our people value most (18 monthly)	Overall satisfaction rating as measured by Culture Survey	> 90%	
	Overall employee engagement rating as measured by Culture Survey	>60%	
Developing our people	Average hours of learning and development per person*	8.75 hours per qtr	
	Average expenditure on learning and development per person*	$900 per qtr	
Health, safety and well-being	A safe working environment	0 LTI’s	
	Continuous improvement of the IMS reflected by ongoing accreditation against the AS 4801 Standard	0 non conformances	

*National HR benchmarks reported in Annual Report

2.1 FINANCIAL TARGETS

SHAREHOLDER VALUE ADDED

The Port of Brisbane Corporation is expected to gain $62.3m in shareholder value in 2008/2009. This result is based on the continued strength of the port's container trade. The Corporation is also successfully divesting itself of non-core land assets, in conjunction with providing developed sites for sale, and achieving commercially sound returns.

FINANCIAL TARGETS

In accordance with the above corporate objectives, the Port of Brisbane Corporation undertakes to achieve at least the following performance targets in 2008/09:

PERFORMANCE TARGETS	2008/09 BUDGET	2006/07 ACTUAL	2007/08 BUDGET	2007/08 EST ACTUAL
EBIT	318,713	203,565	313,025	508,856
EBITDA	345,737	225,790	337,349	533,371
NPAT	191,814	115,600	267,737	416,900
Return on Total Assets	13.4%	9.8%	14.9%	22.8%
Return on Equity	15.7%	10.7%	25.2%	41.1%

Based on the Corporation achieving these performance targets, the following financial indicators will be achieved in 2008/09:

PERFORMANCE INDICATORS	2008/09 BUDGET	2006/07 ACTUAL	2007/08 BUDGET	2007/08 EST ACTUAL
Debt/Equity	58%	25%	66%	54%
Current Ratio	1.5	1.1	7.7	1.6
Interest Cover (EBITDA/Interest)	8.3	6.7	9.8	17.0

2.2 NON-FINANCIAL TARGETS

A range of strategies and targets has been developed to attract total trade of 225,000 motor vehicles and 1,000,000 teus. It is also expected that we will export nearly six million tonnes of coal and import nearly 9.4 million tonnes of oil. There are also a number of targets for individual trades contained in the Performance Indicator level for the Port of Brisbane Corporation. Projected trade volumes for the Port of Bundaberg include 250,000 tonnes of sugar for export.

The key corporate strategies and targets have been included in the Corporate Plan 2008 – 2013. Section 1.6 of this document highlights some of those strategies. It should also be noted that a number of other important performance indicators are measured through the Port of Brisbane Corporation's Balanced Scorecard system. Divisional Performance Indicators (PIs) are also measured, with the overall results from each division being reported quarterly to the Board.

The Port of Brisbane Corporation is also seeking to enhance shareholder value through better utilisation of assets, ensuring adequate provision of critical infrastructure, promoting improved access through surface transport linkages, attracting new business, and a renewed focus on improving value-destroying parts of the business.

As requested by Queensland Treasury, a new performance indicator will be measured, being: "Timely compliance with statutory reporting timeframes and data submission and reporting requirements in Treasury Financial Circulars". The Port of Brisbane Corporation's target will be 100%.

Although the Corporation cannot directly influence port-operator performance, improved asset utilisation is sought through a range of strategies, including operational measurement and reporting, and the inclusion of performance standards in new leases.

2.3 ASSUMPTIONS

The Port of Brisbane Corporation's undertaking to achieve its performance outcomes is predicated upon the following assumptions:

ASSUMPTIONS	*2008/09 BUDGET*	*2006/07 ACTUAL*	*2007/08 BUDGET*	*2007/08 EST ACTUAL*
CPI	*3.0%*	*3.0%*	*3.0%*	*3.0%*
Wages Growth	*4.0%*	*4.0%*	*4.0%*	*4.0%*

2.4 COMMUNITY SERVICE OBLIGATIONS

No Community Service Obligations have been identified for the Port of Brisbane Corporation for 2008/2009.

2.5 EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN

An Employment and Industrial Relations Plan, meeting the requirements of section 171 of the *(GOC Act)*, has been provided to shareholding Ministers and is included as Attachment 1 to this SCI.

3.1 FINANCIALS - INCOME STATEMENT

QUARTERLY 2008-09				YEARLY 2008-09			
SEPT	DEC	MAR	INCOME STATEMENT	2008-09 BUDGET	2006-07 ACTUAL	2007-08 BUDGET	2007-08 ESTIMATE
$'000	$'000	$'000		$'000	$'000	$'000	$'000
			OPERATING REVENUE				
12,628	26,576	39,074	Harbour and river dues	53,466	45,732	48,966	49,689
13,131	26,333	38,916	Rental	51,668	42,672	44,573	45,450
9,030	18,924	27,913	Wharfage	38,287	31,846	32,984	34,260
2,925	8,550	8,895	Services - dredging	9,240	9,596	8,214	10,415
2,506	5,172	7,514	- other	10,017	9,884	8,452	9,377
5,029	6,531	8,031	Interest/Dividend earned	9,531	26,469	12,053	12,758
12,378	23,707	29,281	Proceeds on disposals of non-current assets	69,434	70,290	36,700	67,241
(1,828)	(7,241)	(9,836)	Less Cost of Sales	(29,989)	(32,591)	(23,075)	(22,503)
0	0	0	Revaluation of Investment Property	200,000	76,595	100,000	100,000
364	718	1,071	Other	1,424	1,851	127,161	284,101
56,163	109,270	150,859	TOTAL OPERATING REVENUE	413,078	282,344	396,028	590,788
			OPERATING EXPENSE				
8,848	17,418	25,802	Salaries, wages and on costs	34,279	26,489	28,330	29,518
13,282	28,171	41,296	Operations	54,180	47,935	48,854	48,127
9,445	19,568	30,368	Interest expense	41,845	33,497	34,540	31,456
6,566	13,133	20,041	Depreciation and amortisation	27,024	22,225	24,324	24,515
38,141	78,290	117,507		157,328	130,146	136,048	133,616
3,841	7,320	15,078	Less capitalised cost of internal development work	21,118	17,870	18,505	20,228
34,300	70,970	102,429	TOTAL OPERATING EXPENSE	136,210	112,276	117,543	113,388
21,863	38,300	48,430	OPERATING PROFIT BEFORE TAX	276,868	170,068	278,485	477,400
7,182	12,627	16,006	Income tax attributable to operating profit	85,055	54,468	10,748	60,500
14,681	25,673	32,424	OPERATING PROFIT AFTER INCOME TAX	191,814	115,600	267,737	416,900

3.1 FINANCIALS — INCOME STATEMENT CONTINUED

QUARTERLY 2008-09				YEARLY 2008-09			
513,548	513,548	513,548	*Accumulated profits as at 1 July*	513,548	339,776	400,153	405,790
528,229	539,221	545,972	*Total available for appropriation*	705,361	455,376	667,890	822,690
0	0	0	*Distribution to Owners*	0	0	0	118,455
0	0	0	*Dividends provided for or paid*	41,451	49,586	158,190	190,687
528,229	539,221	545,972	**ACCUMULATED PROFITS AS AT 30 JUNE**	663,910	405,790	509,700	513,548

BALANCE SHEET

QUARTERLY 2008-09				YEARLY 2008-09			
SEPT	DEC	MAR	CURRENT ASSETS	2008-09 BUDGET	2006-07 ACTUAL	2007-08 BUDGET	2007-08 ESTIMATE
$'000	$'000	$'000		$'000	$'000	$'000	$'000
2,344	*3,073*	*3,176*	*Cash*	*5,149*	*17,885*	*5,000*	*6,838*
71,304	*33,844*	*31,048*	*Receivables*	*28,425*	*28,425*	*28,638*	*69,800*
28,539	*92,329*	*95,308*	*Inventories*	*69,000*	*9,825*	*71,260*	*29,989*
			Assets held for sale	*0*	*427,800*	*0*	*0*
4,693	*4,693*	*4,693*	*Other*	*4,693*	*4,693*	*4,831*	*4,693*
106,880	*133,938*	*134,225*	**TOTAL CURRENT ASSETS**	*107,267*	*488,628*	*109,729*	*111,320*
			NON-CURRENT ASSETS				
222,810	*222,810*	*222,810*	*Financial assets*	*233,951*	*212,200*	*171,240*	*222,810*
735,937	*666,937*	*666,937*	*Investment property*	*866,937*	*665,926*	*668,883*	*735,937*
1,156,598	*1,206,514*	*1,260,365*	*Property, plant & equipment*	*1,355,606*	*904,714*	*1,185,457*	*1,106,321*
4,131	*4,131*	*4,131*	*Deferred tax assets*	*4,131*	*4,131*	*4,215*	*4,131*
2,119,476	*2,100,392*	*2,154,243*	**TOTAL NON-CURRENT ASSETS**	*2,460,624*	*1,786,971*	*2,029,795*	*2,069,198*
2,226,357	*2,234,330*	*2,288,468*	**TOTAL ASSETS**	*2,567,891*	*2,275,599*	*2,139,524*	*2,180,518*
			CURRENT LIABILITIES				
267,998	*210,350*	*208,109*	*Trade and other payables*	*109,553*	*113,085*	*59,377*	*126,038*
3,622	*3,622*	*3,622*	*Tax payable*	*3,622*	*0*	*3,622*	*0*
0	*0*	*0*	*Borrowings*	*0*	*323,504*	*0*	*0*
1,333	*1,336*	*1,339*	*Provisions*	*1,370*	*1,291*	*749*	*1,330*
272,953	*215,308*	*213,070*	**TOTAL CURRENT LIABILITIES**	*114,545*	*437,880*	*63,748*	*127,368*

BALANCE SHEET — CONTINUED

QUARTERLY 2008-09				YEARLY 2008-09			
			NON-CURRENT LIABILITIES				
270,008	*269,633*	*269,258*	*Deferred tax liabilities*	*375,029*	*341,475*	*289,947*	*306,228*
648,862	*703,862*	*753,862*	*Borrowings*	*763,862*	*294,673*	*708,077*	*613,862*
5,314	*5,314*	*5,314*	*Provisions*	*5,314*	*5,314*	*4,160*	*5,314*
924,184	*978,809*	*1,028,434*	**TOTAL NON-CURRENT LIABILITIES**	*1,144,205*	*641,462*	*1,002,184*	*925,404*
1,197,137	*1,194,117*	*1,241,504*	**TOTAL LIABILITIES**	*1,258,750*	*1,079,342*	*1,065,932*	*1,052,772*
1,029,220	*1,040,213*	*1,046,963*	**NET ASSETS**	*1,309,141*	*1,196,257*	*1,073,592*	*1,127,747*
			EQUITY				
324,290	*324,290*	*324,290*	*Share capital*	*324,290*	*324,290*	*323,542*	*324,290*
176,703	*176,703*	*176,703*	*Asset revaluation reserve*	*320,940*	*466,177*	*243,972*	*289,909*
528,227	*539,220*	*545,970*	*Accumulated profits*	*663,911*	*405,790*	*509,700*	*513,548*
1,029,220	*1,040,213*	*1,046,963*	**TOTAL EQUITY**	*1,309,141*	*1,196,257*	*1,077,214*	*1,127,747*

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STATEMENT OF CHANGES IN EQUITY

QUARTERLY 2008-09	YEARLY 2008-09			
STATEMENT OF CHANGES IN EQUITY	2008-09 BUDGET	2006-07 ACTUAL	2007-08 BUDGET	2007-08 ESTIMATE
	$'000	$'000	$'000	$'000
TOTAL EQUITY AT THE BEGINNING OF THE FINANCIAL YEAR	*1,127,747*	*968,195*	*1,045,996*	*1,196,257*
Revaluation increment property, plant and equipment - net of tax	*23,233*	*37,433*	*19,169*	*18,999*
Changes in fair value of available-for-sale financial asets - net tax	*7,798*	*133,840*	*(97,498)*	*(195,267)*
Hedging gain	*0*	*0*	*0*	*0*
Net income recognised directly in equity	*1,158,778*	*1,139,468*	*967,667*	*1,019,989*
Profit for the year	*191,814*	*115,600*	*267,737*	*416,900*
Change in share capital	*0*	*(9,225)*	*0*	*0*
Dividends paid or provided for	*(41,451)*	*(49,586)*	*(158,190)*	*(309,142)*
TOTAL EQUITY AT THE END OF THE FINANCIAL YEAR	*1,309,141*	*1,196,257*	*1,077,214*	*1,127,747*

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STATEMENT OF CASH FLOWS

QUARTERLY 2008-09				YEARLY 2008-09			
SEPT	DEC	MAR	*STATEMENT OF CASH FLOWS*	2008-09 BUDGET	2006-07 ACTUAL	2007-08 BUDGET	2007-08 ESTIMATE
$'000	$'000	$'000		$'000	$'000	$'000	$'000
			CASH FLOWS FROM OPERATING ACTIVITIES				
52,051	*147,783*	*189,143*	*Receipts from customers*	*274,912*	*220,700*	*206,112*	*176,644*
(20,037)	*(37,627)*	*(48,322)*	*Payments to suppliers and employees*	*(67,341)*	*(56,682)*	*(84,902)*	*(57,417)*
45	*90*	*135*	*Interest received*	*180*	*1,055*	*334*	*424*
(9,617)	*(19,683)*	*(30,426)*	*Borrowing costs*	*(42,448)*	*(14,549)*	*(35,814)*	*(26,027)*
(6,604)	*(13,208)*	*(19,812)*	*Income taxes paid*	*(26,416)*	*(6,062)*	*(15,592)*	*(53,747)*
15,838	*77,355*	*90,718*	*Net cash provided by operating activities*	*138,887*	*144,462*	*70,138*	*39,876*
			CASH FLOWS FROM INVESTING ACTIVITIES				
(56,844)	*(113,325)*	*(174,085)*	*Payments for property, plant & equipment*	*(233,120)*	*(170,504)*	*(264,647)*	*(158,791)*
(2,500)	*(5,000)*	*(7,500)*	*Borrowing costs*	*(10,000)*	*(6,129)*	*(5,000)*	*(5,000)*
0	*0*	*0*	*Proceeds from sale of property, plant & equipment*	*0*	*2,103*	*0*	*0*
4,012	*4,012*	*4,012*	*Dividends received*	*9,351*	*39,482*	*11,876*	*12,334*
(55,332)	*(114,313)*	*(177,573)*	*Net cash used in investing activities*	*(233,769)*	*(135,048)*	*(257,771)*	*(151,457)*
			CASH FLOWS FROM FINANCING ACTIVITIES				
0	*(56,807)*	*(56,807)*	*Dividends paid*	*(56,807)*	*(35,811)*	*(174,921)*	*(183,466)*
35,000	*90,000*	*140,000*	*Proceeds from borrowings*	*150,000*	*76,000*	*360,000*	*284,000*
0	*0*	*0*	*Repayment of borrowings*	*0*	*(60,000)*	*0*	*(319,459)*
35,000	*33,193*	*83,193*	*Net cash used in financing activities*	*93,193*	*(19,811)*	*185,079*	*(218,925)*
(4,494)	*(3,765)*	*(3,662)*	*Net increase (decrease) in cash held*	*(1,689)*	*(10,397)*	*(2,554)*	*(330,506)*
6,838	*6,838*	*6,838*	*Cash at the beginning of the year*	*6,838*	*28,282*	*7,554*	*17,885*
2,344	*3,073*	*3,176*	***CASH AT THE END OF THE YEAR (NOTE 1)***	*5,149*	*17,885*	*5,000*	*(312,621)*

NOTES TO THE STATEMENT OF CASH FLOWS

QUARTERLY 2008-09				YEARLY 2008-09			
SEPT	DEC	MAR	***NOTES TO THE STATEMENT OF CASH FLOWS***				
$'000	$'000	$'000					
			1. RECONCILIATION OF CASH				
100	*100*	*100*	*Cash*	*149*	*13,569*	*100*	*1,838*
2,244	*2,973*	*3,076*	*Deposits at call*	*5,000*	*4,316*	*4,900*	*5,000*
2,344	*3,073*	*3,176*		*5,149*	*17,885*	*5,000*	*6,838*
			2. RECONCILIATION OF NET CASH PROVIDED BY OPERATING ACTIVITIES TO OPERATING	**2008-09 BUDGET**	**2006-07 ACTUAL**	**2007-08 BUDGET**	**2007-08 ESTIMATE**
			PROFIT AFTER INCOME TAX	*$'000*	*$'000*	*$'000*	*$'000*
14,679	*25,672*	*32,422*	***OPERATING PROFIT AFTER INCOME TAX***	*191,814*	*115,600*	*267,737*	*416,900*
0	*0*	*0*	*Revaluation gains on Investment properties*	*(200,000)*	*(76,595)*	*(100,000)*	*(100,000)*
(4,984)	*(6,441)*	*(7,896)*	*Dividend*	*(9,351)*	*(25,413)*	*(11,876)*	*(12,334)*
6,566	*13,133*	*20,041*	*Depreciation and amortisation*	*27,024*	*22,225*	*24,324*	*24,515*
0	*0*	*0*	*Provision for doubtful debts*	*0*	*143*	*0*	*0*
3	*6*	*9*	*Increase (decrease) in other provisions*	*40*	*38,262*	*22*	*39*
(10,550)	*(16,466)*	*(19,445)*	*Gain on sale of assets*	*(39,445)*	*(909)*	*(13,625)*	*(44,738)*
0	*0*	*0*	*Loss on sale of assets*	*0*	*2,225*	*0*	*0*
(1,362)	*(1,362)*	*(1,362)*	*Increase (decrease) in income taxes payable*	*(1,361)*	*27,353*	*(9,695)*	*(989)*
			CHANGE IN ASSETS AND LIABILITIES				
(1,504)	*35,956*	*38,752*	*(Increase) decrease in receivables*	*41,375*	*4,937*	*(1,271)*	*(41,375)*
1,450	*(62,339)*	*(65,318)*	*(Increase) decrease in inventories*	*(39,011)*	*2,931*	*23,075*	*(20,164)*
0	*0*	*0*	*(Increase) decrease in other assets*	*0*	*6,908*	*0*	*0*
146,944	*89,296*	*87,055*	*Increase (decrease) in creditors*	*(11,501)*	*7,763*	*(6,968)*	*36,200*
(135,404)	*(99)*	*6,460*	*Increase (decrease) in other liabilities*	*179,303*	*19,032*	*(101,585)*	*(218,178)*
15,838	*77,355*	*90,718*	*NET CASH PROVIDED BY OPERATING ACTIVITIES*	*138,887*	*144,462*	*70,138*	*39,876*

3.2 ASSETS

The Port of Brisbane Corporation has primarily four types of assets. These assets include our land portfolio, infrastructure such as wharves and roads, the channel and a portfolio of buildings including our head office, operations base and warehousing. These asset classes make up the bulk of our asset value. Each group is constantly monitored both in a financial sense for reporting purposes and in terms of providing a robust maintenance programme. For specific details, please refer to Balance Sheet entries and notes contained in the Annual Report.

3.3 CAPITAL PROGRAMME

Capital expenditure for this year will continue at a high level, reflecting the port's need to expand to meet its growth needs.

The Major Capital Programme is divided this year into four major categories – Port Infrastructure, Land Development, Property Development, and Northshore Hamilton .

Individual projects identified in the capital budget require a full business case and approvals in accordance with the Investment Evaluation Policy. Any investments above our Investment Threshold will be referred to shareholding Ministers for their approval.

PORT INFRASTRUCTURE

The General Purpose Berth will be completed this year. This berth will allow many of the remaining trades handled at Hamilton to be consolidated at Fisherman Islands. The berth will also handle the bulk of the clinker imports for Sunstate Cement, which are presently handled across the adjacent Coal Berth. This change will have advantages for both Sunstate and the coal trade, as it will allow the Coal Berth to have the capacity to handle additional coal.

The other major construction project under this category for 2008/09 is the Berths 11 and 12 Project. An Agreement to Lease has been signed with Hutchison Port Holdings (HPH), committing the Port of Brisbane Corporation to complete Berth and Wharf 11 by June 2012 and Berth and Wharf 12 by 2014. Total expenditure approved by the Board and shareholding Ministers for the wharfs 11 and 12 is $342.5 million. This expenditure commenced in 2007/08 and is spread across the full five years of the Corporate Plan. This year, the work will focus on dredging in Berth 11, commencement of construction of the wharf 12 rock wall and initial procurement activities for wharf 11.

The other major focus under this category for this year is the upgrade of the Fisherman Islands road network, in particular the duplication of the Captain Bishop Bridge over the Boat Passage. This duplication is necessary for both traffic reasons and to reduce the risk of road closure should there be traffic or other incidents on the existing bridge. Shareholding Ministers' approval is likely to be sought in the first quarter of 2008, with the project expected to take around two years to complete once approved. Funding provision has accordingly been made in 2008/09 and 2009/10.

There are also a number of smaller-valued projects around the port planned for 2008/09, including:

- development of a common user truck parking area on Fisherman Islands;
- further works within the DP World leased Terminal 4-6 to facilitate additional capacity within this terminal;
- upgrade of the coal berth to allow larger vessels to use it. This work mainly involves re-fendering of the wharf, but there is also a need to modify some of the mooring arrangements on the wharf;
- fender replacement programme on other wharves (rubber fenders used on our wharves have a useful life of 15-20 years and so we are progressively replacing fenders on the older wharves at Fisherman Islands);
- conversion of the disused Coal Unloader Barge Wharf into lay-up berth for small vessels, including our dredger, Brisbane;
- initial infrastructure works for Port West (roadworks to allow access for Stage 1 of the estate);

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- installation of cathodic protection onto further wharves (four of our older wharves already have this system installed to protect the concrete, and the eventual aim is to have it on all wharves considered to be at risk of concrete deterioration); and
- potential upgrade works on the City Reach Boardwalks (this work may be required as part of the resolution of the long standing tenure conversion process).

LAND DEVELOPMENT

The major focus for 2008/09 under this category is the land preparation works associated with Terminals 11 and 12. As noted above, an Agreement for Lease has been signed with HPH for these terminals. This agreement provides for handover of the Terminal 11 site by June 2011 and Terminal 12 by June 2013. Each of these dates is one year prior to the required completion date for the relevant wharf, allowing HPH twelve months to construct the pavements and other terminal facilities so that both wharf and terminal can be completed together. The total approved expenditure for land preparation works for the terminals is $194.14 million. Of this amount, $29.29 million is budgeted for 2008/09, with the remainder in following years.

Other works budgeted under this category for 2008/09 are:

- construction of additional internal bunds in the Fisherman Islands reclamation area;
- removal of surcharge from the last development area on our Port Gate Estate;
- movement of surcharge from Stage 1 of the Port West Estate;
- additional ground improvement works in the Bishop Drive Estate on Fisherman Islands; and
- additional filling to allow for expansion of the coal terminal at Fisherman Islands.

The first three projects have already been approved by the Board as part of the relevant overall project. Approval for the remaining projects will be sought at the appropriate time. None of these projects require shareholding Ministers' approval.

PROPERTY DEVELOPMENT

Additional warehousing and container facilities in the port area have been identified as needed to both support and generate growth in the port. In line with our strategy to identify strategic partners in the port industry, we will be funding some of this development on Fisherman Islands, at the nearby Port Gate Estate and at Pinkenba. Likewise we are continuing to develop the last sites on our Colmslie and Eagle Farm estates for sale, in accordance with our strategy to exit these sites to maximise returns from these assets. The 2008/09 budget makes an overall provision for development on these estates of $51 million. It is expected that most individual projects will be between $3 million and $10 million in value, meaning that generally each project will only require Board approval. All projects will require a full business case and approval in accordance with the Investment Evaluation Policy. Expenditure on these types of development will continue over time so an appropriate allocation has been made under this category in the later years of the Corporate Plan.

At Port Central's Corporate Office Park, we are planning to commence the second building on the site. This will be used as the Port of Brisbane Corporation's new head office, as the current office accommodation is not large enough to house all office staff, and at present staff are located in a number of buildings across the port. The existing 'Port Office' will subsequently be redeveloped for other tenancies. Expenditure on this project will be in excess of $15 million and shareholding Ministers' approval will be required. However, provision for the expenditure on both this building and the refurbishment of Port Office has been made over 2008/09 to 2011/12.

The final project under this category for 2008/09 is the development of a new office building at Manly for the Environmental Protection Agency. Works on this project commenced in 2007/08 and it will be completed in 2008/09.

NORTHSHORE HAMILTON

The first site works for Northshore Hamilton commenced in 2007/08, with the construction of a new extension to MacArthur Avenue and associated services, the Northshore Riverside Park and the Northshore Riverside Cafe and Information Centre. It is expected that further sewerage works and negotiations for the recycled water strategy for Northshore will commence during the 2008/09.

These works, along with some land purchases made in previous years have all been approved by the Corporation's Board and shareholding Ministers. Current approvals also allow for some additional sewerage and road works. These projects have been put on hold pending the outcome of the detailed planning process being undertaken by the Urban Land Development Authority (ULDA). It is expected that both the delays to the works, as well as likely changes to design that may be made by the ULDA will increase the cost of the works.

These increased costs as well as provision made for additional infrastructure in later years will require further shareholding Ministers' approval.

OTHER WORKS

The Capital Budget for 2008/09 also provides for a number of smaller projects to meet our internal needs, including replacement of reclamation equipment and pipelines, replacement of a vessel pontoon, refurbishment of office space at our Operations Base, Information Technology and Electronic Records system upgrades, minor works at Boat Harbours, Boat Ramps and replacement of one of our tugs used in conjunction with our dredgers.

The Port of Bundaberg is also currently being assessed and recommendations for infrastructure will be made at the completion of the Port of Brisbane Corporation's review.

3.3.1 ASSETS UNDER CONSTRUCTION

ASSETS UNDER CONSTRUCTION				
Project	*Budget 2008/09 ($'000)*	*Total Estimated Cost*	*Completion*	*Notes*
PORT INFRASTRUCTURE				
Berth & Wharf 11 (incl. dredging, rockwall & wharf)	*17,500*	*Sh Min approved $194.1M for both*	*2013/14*	*1*
Berth & Wharf 12 (incl. dredging, rockwall & wharf)	*6,000*		*2014/15*	
General Purpose Berth	*29,400*	*57,400*	*2008/09*	
TOTAL - PORT INFRASTRUCTURE	***52,900***			
LAND DEVELOPMENT				
Terminal 11	*4,000*	*Sh Min approved $194.1M for all of these projects*	*2013/14*	*2*
Terminal 12	*10,380*		*2014/15*	
Terminal 11 Back Up Area incl. HTC	*10,040*		*2014/15*	
Terminal 13 (Foreshore Works Only)	*4,870*		*2015/16*	
Total T11, T12 & T13	*29,290*			
Internal Bund in Paddock R3	*4,000*	*7,700*	*2008/09*	*3*
Port Gate East Filling	*2,000*	*13,900*	*2008/09*	*4*
Port West - Filling	*5,000*	*14,570*	*2008/09*	*5*
TOTAL - LAND DEVELOPMENT	***40,290***			
PROPERTY DEVELOPMENT				
Eagle Farm (Scanlan)	*3,000*	*9,780*	*2008/09*	*6*
EPA Office - Manly	*3,000*	*3,894*	*2008/09*	
TOTAL - PROPERTY DEVELOPMENT	***6,000***			
HAMILTON NORTHSHORE				
Roads & Services	*15,400*	*34,800*	*2009/10*	*7*
Demolition & Remediation	*400*		*2009/10*	
Parklands etc	*700*		*2009/10*	
TOTAL - NORTHSHORE HAMILTON	***16,500***			
Bundaberg - Bridge to Burnett Heads	*6,000*	*6,000*	*20089/10*	*8*
TOTAL	***121,690***			

Notes

1 These projects were approved by both the Board and shareholding Ministers as part of a single project

2 These projects were approved by both the Board and shareholding Ministers as part of a single project

3 This project approved by PBC Board in July 2007 and advised to shareholding Ministers in subsequent Quarterly Report

4 This project approved by PBC Board in December 2006 and advised to shareholding Ministers in subsequent Quarterly Report

5 This project approved by PBC Board in June 2007 and advised to shareholding Ministers in subsequent Quarterly Report

6 This project approved by PBC Board in November 2007 and advised to shareholding Ministers in subsequent Quarterly Report

7 Board approved $34.8m in June 2006 for all base infrastructure including these projects, with shareholding Ministers approval subsequently received

8 This project approved by PBC Board in November 2007 and advised to shareholding Ministers in subsequent Quarterly Report

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3.3.2 PROPOSED CAPITAL EXPENDITURE (PROJECTS EXPECTED TO BE APPROVED DURING 2008/09)

PROPOSED CAPEX (FOR APPROVAL IN 2008/09)				
Project	*Budget 2008/09 ($'000)*	*Total Estimated Cost*	*Completion*	*Notes*
PORT INFRASTRUCTURE				
Upgrades of Major Roads	*12,000*	*35,000*	*2009/10*	*1*
Lessee Terminals or Wharves	*9,500*	*9,500*	*2008/09*	*2*
Lay-up Berth	*3,000*	*4,000*	*2008/09*	
Electrical & Communication Upgrades	*1,000*	*1,000*	*2008/09*	
PBC Building & Landscaping Upgrades	*200*	*200*	*2008/09*	
Subdivisional Roadworks (FI Business Park & Port Gate)	*2,000*	*2,000*	*2008/09*	
Port Drive - Truck Parking & Associated Works	*3,000*	*3,000*	*2008/09*	
Port West - Infrastructure	*5,000*	*13,000*	*2009/10*	*3*
City Reach Boardwalks	*1,500*	*1,500*	*2008/09*	
TOTAL - PORT INFRASTRUCTURE	***37,200***			
Ground Improvement - Bishop Drive Estate (S2 & S3)	*2,000*	*2,000*	*2008/09*	
Filling/foreshore works in Bulk Precinct	*2,500*	*2,500*	*2008/09*	
TOTAL - LAND DEVELOPMENT	***4,500***			
PROPERTY DEVELOPMENT				
Port Central	*6,000*	*40,000*	*2009/10*	*1*
Property Developments on Port Estates (incl. Eagle Farm, Colmslie, Port West, Fisherman Islands, Port Gate, Pinkenba & Port West)	*48,000*	*ON GOING*		*4*
PROPERTY DEVELOPMENT	***54,000***			
Other - General	*15,730*	*15,730*	*2008/09*	
TOTAL	***111,430***			
GRAND TOTAL	***233,120***			

Notes

1 These projects are subject to shareholding Minister Approval

2 This category includes funding for three individual projects - Works at DPW, Coal Berth Upgrade and wharf fender replacement programme

3 This category includes the infrastructure works related to the development of Stage 1 of the Port West Estate

4 This category includes a number of separate projects, all expected to be in the range $3m-$10m (refer associated text). Individual projects will have varying time frames

3.4 OTHER UNDERTAKINGS

As part of our performance agreement with our shareholding Ministers, we also provide the following additional undertakings:

3.4.1 PRUDENT FINANCIAL MANAGEMENT

The Board and Chief Executive Officer take full responsibility to ensure that prudent financial practices will be applied both within the Port of Brisbane Corporation and within its subsidiaries (whether fully controlled or otherwise). Without limiting the obligations imposed on the Board and the Chief Executive Officer by the *GOC Act* and where applicable the Corporations Law, this includes a commitment to:

- abide with the Code of Practice for Government Owned Corporations' Financial Arrangements (2002) as issued by the Queensland Government;
- establish, maintain and implement appropriate financial risk management practices and policies required by and as specified in the Code of Practice; and
- notify shareholding Ministers, via the quarterly updating process, of any significant change in the Port of Brisbane Corporation's financial risk management policies, and the details of new and outstanding derivative transactions.
- abide with the spirit and intent of the Government Land Disposal Policies within the Government Asset Management System.

The Corporation is required to achieve a commercial rate of return from the business while not exploiting monopoly powers. The Corporation undertakes a review of its pricing levels biennially to ensure it is not exploiting monopoly powers, the result of which are reviewed by external consultants

3.4.2 CAPITAL STRUCTURE

The Port of Brisbane Corporation will prudently manage the financing of its existing business and new business developments. As an integral part of the financing of the Corporation, the overall debt will be managed to ensure that the Port of Brisbane Corporation maintains the appropriate credit rating or other rating as directed by shareholding Ministers.

3.4.3 WEIGHTED AVERAGE COST OF CAPITAL (WACC)

The Port of Brisbane Corporation will review its WACC on an annual basis. As part of the SCI negotiation process, the Port of Brisbane Corporation's beta and optimal capital structure have been determined in consultation with shareholder representatives. Separate WACCs have been calculated for those parts of the Port of Brisbane Corporation's operations that face differing business risk profiles.

Other than the annual review process, in the event that the Port of Brisbane Corporation encounters a significant change to the risk profile of its business, its WACC will be recalculated in consultation with shareholder representatives.

Details of the Port of Brisbane Corporation WACC calculations are provided in Attachment 2 to the SCI.

3.4.4 DIVIDEND POLICY

The Port of Brisbane Corporation's dividend policy takes into account the return its shareholders expect on their investments. The Board of the Port of Brisbane Corporation will recommend a dividend amount equivalent to 80% of the Corporation's applicable profit for the 2008/09 financial year. The Board will adopt such a recommendation on the basis of its shareholders agreeing to provide the necessary funding for projects that have received Board and shareholding Ministers approval, or for the maintenance of the Corporation's approved capital structure, or for ensuring the operational viability of the port.

The dividend payable is based upon the Port of Brisbane Corporation's Net Profit after Tax reduced by the asset revaluation amount calculated on investment properties. This amount is then multiplied by the dividend rate to formalise the final dollar amount.

3.4.5 CORPORATE GOVERNANCE

The Port of Brisbane Corporation will continually monitor and review its corporate governance arrangements to reflect good practice, having regard to the Corporate Governance Guidelines for Government Owned Corporations. The Port of Brisbane Corporation has adopted all the recommendations in the Corporate Governance Guidelines for Government Owned Corporations.

In carrying out its business activities and other legislative responsibilities, the Port of Brisbane Corporation will comply with all applicable legislation and standards, specifically including the provisions of:

- the *GOC Act*;
- the *Financial Management Standard 1997;* and
- the *Transport Infrastructure Act 1994 (Qld).*

3.4.6 RISK MANAGEMENT

The Board of Directors of the Port of Brisbane Corporation have ultimate responsibility for the management of all potential internal and external risks for the Port of Brisbane Corporation. The Port of Brisbane Corporation's risk identification and management process is monitored by the Audit Committee, which is a sub-committee of the Board that reports to the Board on a regular basis.

The risk management framework is designed to ensure that all potential financial, operational and other risks are regularly identified, assessed, monitored and reported to the Audit Committee and the Port of Brisbane Corporation Board, along with appropriate risk mitigation and management plans.

Risk management plans have been incorporated in the Port of Brisbane Corporation's budgetary and strategic planning process.

In particular, potential security risks have been considered and identified, and a framework to respond to security threats has been developed. The Board will continually monitor security risks and update the Port of Brisbane Corporation's response framework as necessary. The Port of Brisbane Corporation will immediately advise shareholding Ministers of the results of any security audit by the Office of Transport Security which results in findings which are defined as major or substantive non-conformities and have the potential to risk State security. Quarterly reports will indicate the capital and operational costs associated with the counter-terrorism security arrangements, the cost recovery mechanism and the level of cost recovery being achieved to date.

The Port of Brisbane Corporation will provide reports and timely advice on a security confidential basis on security matters as required by Queensland Transport's security reporting regime.

The Port of Brisbane Corporation will adopt the Transport Portfolio Code of Practice for Closed Circuit Television.

3.4.7 COMPLIANCE WITH GOVERNMENT POLICIES

The Port of Brisbane Corporation and its subsidiaries will comply with all relevant Government policies and guidelines as set out in Attachment 4. In particular, the Port of Brisbane Corporation and its subsidiaries will comply with the approval, notification, reporting and other requirements of those policies and guidelines.

3.4.8 SPONSORSHIP, ADVERTISING, CORPORATE ENTERTAINMENT, DONATIONS AND OTHER ARRANGEMENTS

The communities in which we operate provide us with a social licence to grow, so upholding our commitment to them is a priority. Part of this commitment is our sponsorship programme, through which we provide financial and in-kind support for a range of community initiatives. Our target areas include education, youth, environment, community welfare, arts and cultural projects, and local business.

The Port of Brisbane Corporation has budgeted the following amounts for Sponsorship, Advertising, Corporate Entertainment, Donations and Other Arrangements for 2008/09. Full details of budgeted expenditure are provided in Attachments 4 and 5 to the SCI.

MARKETING ACTIVITY	*BUDGET 2008/09 $'000*
Sponsorship	*267.6*
Advertising	*857.0*
Corporate Entertainment	*652.5*
Donations	*0*
Total	*1777.1*

The Corporation will provide details of any significant changes to the listed commitments in quarterly reports to shareholding Ministers and will notify shareholding Ministers of any significant proposed sponsorship arrangements prior to the signing of a binding contract. A post-audit/review will be conducted to verify outcomes against specific corporate objectives for significant sponsorship and advertising programmes, with a report provided to shareholding Ministers in the June quarterly report.

3.4.9 MAINTENANCE MANAGEMENT STRATEGY

The maintenance management strategy employed over the life of infrastructure assets varies widely depending on the complexity of design, maintainability and reliability, predicted life cycle, replacement costs and operational needs and duty cycles.

Preventative (cyclical) and predictive maintenance strategies are often utilised on high-value/long-life assets. At the other extreme, assets of low value and/or limited life term are sometimes placed on a "run to failure" maintenance regime, particularly when operational consequences of failure are minimal. For leased assets, we have in place an intranet-based management system which includes a schedule which indicates the likely life of the asset and who under the lease is responsible for maintenance (i.e. the Port of Brisbane Corporation or the tenant). This allows field staff ready access to this information. Criticality of assets plays a large part in determining priority of annual maintenance and refit programmes.

Regulatory and legislative maintenance is considered mandatory and is programmed according to regulatory frequencies. All maintenance activities are managed through a computerised maintenance management system (MP2). This automatically generates maintenance work orders for preventative/predictive maintenance tasks which are scheduled on a time or hour used basis. It also allows all staff to call for breakdown maintenance tasks on an as required basis.

3.5 REMUNERATION ARRANGEMENTS

The remuneration arrangements for the Directors and Chief Executive and all Senior Executives of the Port of Brisbane Corporation, in line with the Guidelines for the Development of Employment and Industrial Relations Plans, are detailed in the Employment and Industrial Relations Plan provided as Attachment 1 to the SCI.

3.6 INDUSTRIAL RELATIONS/HUMAN RESOURCES PHILOSOPHY AND DIRECTION, AND SIGNIFICANT EMERGING ISSUES

The issue of skill retention has been identified previously but continues to be the most significant emerging issue for the Port of Brisbane Corporation. The ageing workforce, the decline in the number of maritime employees in Australia, and the demand for engineers, town planners, accountants etc., is having a strong negative effect on recruitment.

We consider that this phenomenon, and the historical means of assessing maritime qualifications, will impact on our activities in the recruitment of Masters of our small craft and Masters and Dredge Masters on board our dredger, the *Brisbane*. The shortage of civil engineers, accountants and planners is creating pressures on all employers to increase remuneration to attract quality candidates.

3.7 GOVERNMENT TRANSPORT / INFRASTRUCTURE ISSUES

A number of Government programmes are relevant to our operations such as the South East Queensland Regional Plan and associated South East Queensland Infrastructure Plan and Programme. We are committed to working with the Government agencies throughout this ongoing planning process, which deal with a number of pertinent issues for the longer-term structure of the South East region.

3.8 AGREEMENT

This SCI for the financial year 2008/09 is presented in accordance with section 9 and Part 8 of the *GOC Act.*

The SCI represents a formal performance agreement between the Board of Directors of the Port of Brisbane Corporation and its shareholding Ministers, the Treasurer, and the Minister for Transport, Trade, Employment and Industrial Relations, with respect to the financial and non-financial performance targets specified for the financial year. The SCI also represents an acknowledgment of and agreement on the major activities, objectives, undertakings, policies, investments and borrowings of the Port of Brisbane Corporation for the financial year.

This SCI is consistent with the Port of Brisbane Corporation's 2008 – 2013 Corporate Plan submitted to, and agreed to by, the shareholding Ministers in accordance with Part 7 of the *GOC Act.*

In signing the document the Port of Brisbane Corporation has undertaken to take all reasonable steps to ensure that the document, and all reports to shareholding Ministers, are prepared with accuracy and timeliness.

Major changes to key assumptions and outcomes detailed in this SCI, and which come to the Port of Brisbane Corporation's attention during the year, will be brought to the attention of shareholding Ministers. Any modifications to this SCI will be dealt with in accordance with the *GOC Act.*

This SCI is signed by the Chairman on behalf of all the Directors in accordance with a unanimous decision of the Board of the Port of Brisbane Corporation.

……………………………………..…………

Mr David Harrison
Chairman
Date

……………..……………………………..………..

The Honourable Andrew Fraser MP
Treasurer
Date

…………………………………………..………

The Honourable John Mickel MP
Minister for Transport, Trade,
Employment and Industrial Relations
Date

PORT of BRISBANE
Here for the future

Attachment 1
Port of Brisbane Corporation Ltd Employment and Industrial Relations Plan 2008

PORT of BRISBANE
Here for the future

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PORT OF BRISBANE CORPORATION LTD EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN 2008

PEOPLE AND CULTURE

A1.1 SHAREHOLDER INFORMATION

Workforce Planning

In 2002 the Corporation developed a Human Resource Strategic Plan for the period 2002-2025. This plan was designed to:

1. Plan and forecast the organisation's long-term human resource requirements as impacted by the Corporate Plan
2. Plan and forecast the organisation's long-term human resource requirements as impacted by the anticipated retirement / exit of Corporation staff over the long term and how this will affect the remaining capability within the Corporation
3. Take into consideration changes in our social structures / attitudes that change the way in which work is performed or impacts on the availability of suitably capable people to do the work required by the Corporation.

These three activities are essential for effectively performing many other HR activities e.g. they help indicate our present and future needs regarding numbers and diversity of people, determine how people can be attracted and recruited, what learning and development needs we will require, the leadership capability that will be required to position the organisation for the future, and how people can be retained.

There were particular areas identified which impacted on the skill requirements needed in the future. These areas included engineers to design and supervise the construction of major engineering projects, maritime qualified employees, accountants, surveyors, planners, environment specialists, information management specialists, human resources expertise, workplace health and safety specialists and people with the ability to take on leadership roles at all levels throughout the Corporation.

The Corporation is continuing to pursue a policy of offering scholarships to university engineering students. These scholarships have been offered to 2nd, 3rd and 4th year engineering students with a bonding arrangement attached. The first of these students commenced employment at the end of 2006, with others commenced in 2007 and 2008. The Corporation has now extended the use of scholarships into other areas of the Corporation such as surveying.

A1.2 WORKFORCE DEMOGRAPHICS

One of the major impacts on the workforce generally will be that workforce growth will slow for the whole decade commencing 2020 due to the retirement of the baby-boomer generation. The pro-active retention and recruitment of people aged 45 years and over can provide an effective strategy for reducing capability shortages. Flexible work practices will enable experienced employees to transfer from full-time employment to part-time employment.

Continuous learning and development opportunities will ensure we have effective leadership within this demographic as well as a pool of coaches and mentors, resources that are highly valued by the younger workforce.

In January 2006, the Corporation developed an Organisational Development (OD) Strategy for the period 2006-2008. This has been reviewed and redeveloped for the period 2008-2012.

The Organisational Development Strategy has six key objectives for the period February 2008 to June 2012 that contribute to the attraction, retention and development of employees, and will contribute to positioning the Port of Brisbane Corporation for the future:

1. to ensure all development activities:
    - are strategically aligned to the vision, corporate KPI's and organisational values;
    - demonstrate observable, sustainable behavioural change;
    - contribute to an organisational culture that focuses strongly on internal customer service, feedback, coaching and future-oriented leadership;
    - contribute to revenue generation;
2. to manage and maintain an up-to-date Orientation, Induction and Onboarding Programme;
3. to strategically and culturally develop leadership & management within the Corporation;
4. to ensure the Development and Performance System remains robust and strategically aligned;
5. to ensure recruitment and selection practices remain robust, consistent and aligned to Corporate KPI's;
6. to ensure the identification and on-going management of leadership potential is robust, rigorous and aligned strategically.

A1.3 FUTURE LEADERS PROGRAMME

It is evident from the numbers that may be retiring in the next ten years that some areas are affected more than others. In particular there may be significant changes in the makeup of the Executive and a significant number of employees elsewhere in the Corporation may be retiring.

The Corporation is in the process of implementing a succession planning and management programme (including an accelerated development programme for identified leadership potential) to ensure we have a workforce capable of fulfilling future leadership requirements.

A1.4 ATTRACTION AND RETENTION

Attraction and retention of suitably qualified employees remains one of the key challenges for the Port of Brisbane Corporation.

Steps the Port of Brisbane Corporation is taking to maximise attraction and retention include:

- Reviewing the Port of Brisbane Corporation's advertising and "brand" presence.
- Ensuring that terms and conditions of employment are competitive.
- Ensuring that rates of pay are competitive.
- Offering new employment incentives such as scholarships for university students.
- Developing strategies to address the "ageing workforce", such as phased retirement options.
- Developing and coaching key employees in behavioural interviewing and selection processes.
- Ensuring new employees and those people changing roles complete a comprehensive programme of orientation, induction and onboarding.
- Developing leadership and management skills by providing curricula and stretch development opportunities as well as pathways to leadership growth and entry and exit points.
- Developing options for employees to maximise career/life choices.
- Increased use of "bonded" arrangements linked with study assistance.

The impact of higher remuneration rates for "skill shortage" areas such as maritime and engineering are being assessed. Our leadership and management development programme ensures we are developing our leaders from within.

The Corporation also has an ongoing attraction and retention issue related to deck officer and engineers on the dredger *Brisbane*. We are continuing to identify alternative ways of qualifying people to fulfil staffing requirements on the Dredge, including the possible provision of trainees on the vessel.

Workforce Mix

The Corporation currently employs people in a variety of ways. These include permanent full-time, permanent part-time, casual, temporary, job share, contractors and labour hire employees. This is considered to be an appropriate mix which provides the flexibility to meet the demands of an expanding port.

A1.5 HUMAN RESOURCES PHILOSOPHY

The Port of Brisbane Corporation's mission encapsulates the direction the Corporation wishes to take in respect of its employees.

The Port of Brisbane Corporation's mission is:

"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; and
- behaving at all times in line with our corporate values."

The employment of high-calibre people is paramount. Attraction, retention and development of people is a critical issue facing all organisations. Every second year the Corporation seeks feedback from all stakeholders, on ways that we can improve. Every 18 months we seek feedback from employees through the Culture Survey.

The Corporation's aim is to be an employer of choice. We aim to do this in a number of ways including the following:

- quality and commercial focus;
- business development;
- developing and rewarding people;
- aligning our activities (incl. advertisements) with our vision and values; and
- peer recognition.

The culture we wish to develop in the Corporation will have the following outcomes:

- commitment to a safe and healthy workplace for all employees and contractors;
- commitment to staff well-being, encouraging personal and professional growth and development of our people; and operating on the basis of mutual trust, respect and integrity;
- acting professionally, enthusiastically and being motivated to provide the highest levels of customer service to both our internal and external customers;

- acting commercially in all aspects of our business to ensure the long-term success of the Corporation, which will benefit the broader Queensland economy;
- using best-practice systems, planning controls and management of our activities to minimise the environmental impacts of our operations;
- building effective relationships with our stakeholders, and contribute to the social and economic well-being of the community;
- striving to set best practice in all aspects of our activities, through innovation, learning, sharing and management of knowledge; and
- commitment to achieving the outcomes that we promise our stakeholders.

A1.6 SIGNIFICANT EMERGING ISSUES

The issue of skill retention has been identified previously but continues to be the most significant emerging issue for the Corporation. The impact of such matters as the ageing workforce and the decline in the number of people entering the market place is having a strong negative effect on recruitment.

The Corporation will ensure that rates of pay and conditions, existing in our Collective Agreements prior to the implementation of WorkChoices amendments and successor acts to the *Workplace Relations Act 1996 (Cth)*, are maintained, subject to requirements of the legislation or agreement otherwise between the Corporation and relevant unions.

A1.7 GENERAL STANCE ON EMPLOYMENT AND INDUSTRIAL RELATIONS ISSUES

The Corporation supports a preference for the regulation of employment conditions via collective agreements with unions.

Three Agreements were successfully negotiated with the relevant unions prior to 31 July 2007. All three Agreements have a nominal expiry date of 30 June 2010 and cover all areas of operation in the Corporation.

The Corporation has commenced the process of Enterprise Bargaining for employees located at Bundaberg by submitting a "Framework" agreement to Government. Negotiations for a new agreement under WorkChoices and successor acts will commence once approval of that framework has been granted.

A1.8 PRODUCTIVITY IMPROVEMENT

One of our values is continuous improvement and is included in every employee's Development and Performance Worksheet. Analysing what we do and how we do it through full consultation with all of our employees will lead to greater productivity and job satisfaction.

A1.9 REMUNERATION ARRANGEMENTS

The remuneration (reward) strategy supports efforts aimed at achieving the Corporation's performance goals and is linked to the achievements of the individual as determined by their performance rating.

Key elements of the strategy are:

- linking remuneration rewards only to the Executive and non-award staff;
- using work value assessments, conducted by external remuneration specialists, as the basis for determining market (remuneration) rates for all non-award positions.

The Corporation has taken the following approach to determine remuneration arrangements for non-award staff as follows:

- for the Chief Executive and Senior Executives – market median rates based on the Industrial and Services Sector as collated by the Hay Group and in accordance with the Chief Executive and Senior Executive Appointments and Remuneration Policy as approved by the shareholding Ministers.
- for the remainder of the non-award/contract staff - market median rates will also be based on the Industrial and Services Sector as collated by the Hay Group.
- ensuring remuneration practice reflects overall organisational performance (remuneration increases are contingent upon organisational performance);
- ensuring remuneration is competitive for the individual's level of competence;
- base remuneration range (Total Fixed Remuneration i.e. inclusive of superannuation etc but not including bonuses or incentives) is set at 80% (of the policy line/market rate) and capped at 100% (being the policy line/market rate);
- an "at risk" or incentive component of up to 15% of the Total Fixed Remuneration will be awarded for exceeding or far exceeding performance assessed against predetermined criteria and in the form of a one-off lump sum payment, subject to approval from shareholding Ministers if required; and
- staff must 're-earn' the incentive component, which is paid in the form of a one-off lump sum payment.

Details of Chief Executive and Senior Executive remuneration arrangements are as follows:

CEO and Senior Executives – as at 1 July 2007							
Senior Executive		Total Fixed Remuneration	Motor Vehicle	Super-annuation	Other Benefits	Total Package	Performance Payments Made
J Coleman	Chief Executive Officer	$353,089	$39,528	$45,019	$2,000	$437,636	
D Mutzelburg	GM Finance & Business Services	$222,210	$27,457	$28,332		$277,999	
G Johnstone	GM Port Development	$209,676	$27,457	$26,734		$263,867	
P Keyte	GM Port Operations	$177,810	$27,457	$22,671		$227,938	
R Morton	GM Planning, Environment and Community	$177,431	$27,457	$22,622	$1,950	$227,510	
W McElwaine	GM Corporate Services	$174,192	$27,457	$22,210	$1,300	$225,159	
J Ryan	GM Northshore, Harbours and Bundaberg	$172,062	$27,457	$21,938		$221,457	
TOTAL ($)		**$1,486,470**	**$204,270**	**$189,526**	**$5,250**	**$1,881,566**	**$215,750**

Non Executive Directors – as 1 July 2007				
DIRECTORS	DIRECTORS FEES ($)	COMMITTEE FEES ($)	SUPERANNUATION ($)	TOTAL ($)
D Harrison	$39,175	$8,846	$4,322	$52,343
CJ Sinclair	$18,955	$8,846	$2,502	$30,303
PJ Low	$18,955	$3,791	$2,047	$24,793
LW Harris	$18,955		$1,706	$20,611
WH Guest	$18,955		$1,706	$20,611
SJ Palmer	$18,955	$5,055	$2,161	$26,171
GA Toll	$18,955		$1,706	$20,661
ET Brown	$18,955	$3,791	$2,047	$24,793
PJ Lancaster	$18,955	$7,582	$2,388	$28,925
TOTAL ($)	**$190,815**	**$37,911**	**$20,585**	**$249,311**

A1.10 EMPLOYMENT CONDITIONS

(a) Collective Agreements

The Corporation has three Collective Agreements, which cover all employees up to the equivalent of the Public Service AO8 level.

This is consistent with a Queensland Industrial Relations Commission (QIRC) decision of 1977. No individual contracts will be offered to any employee below this level of remuneration.

The three Enterprise Bargaining Agreements are:

- For employees at Port Office and Operations Base – *Port of Brisbane Corporation Employees Collective Agreement 2007*
- For employees on the Corporation's dredger *Brisbane – Port of Brisbane Corporation – Brisbane – Employees' Collective Agreement 2007*
- For employees at the BMT – *Port of Brisbane Corporation Brisbane Multimodal Terminal Employees Collective Agreement 2007.*

The three Agreements were made under the provisions of the *Workplace Relations Act 1996 (Cth)* and are currently awaiting Workplace Authority registration.

Bundaberg operational employees are covered by the Bundaberg Operational Employees Enterprise Agreement 2005. The Corporation is currently awaiting approval of the "Framework Agreement" for Bundaberg, at which stage bargaining will commence. It is intended to negotiate an agreement which will replicate conditions of Brisbane employees, will have a common expiry date and will cover all Bundaberg employees.

All "Award" employees are covered by these Agreements, and no AWAs or QWAs are in place. The full-time working hours of an award employee are 76 hours per fortnight. Rostered Day Off (RDO) provisions are also included. No other conditions are included that vary from State standards or Government policies as they apply to the Port of Brisbane Corporation.

The Schedule of Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees December 2007 (the Schedule of Minimum Standards and Entitlements) attached forms part of this Plan and the agreement with shareholding Ministers it represents. Where there are differences between the conditions contained in the Schedule of Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees and those contained in the Corporation's industrial instruments or policies as at 26 March 2006, the 26 March 2006 provisions from the Corporation's industrial instruments or policies will prevail.

(b) Enterprise Bargaining

These Collective Agreements have been negotiated with the three Maritime Unions as part of the enterprise bargaining process.

The Unions are signatories to the Agreements.

The current agreements contain flexibility arrangements, facilitative provisions, the absorption of leave loading, salary sacrifice arrangements, enhanced maternity and parental leave.

The current Agreements are operating satisfactorily and no industrial disputes have taken place in the last year. No issues have been raised by the relevant unions.

It is the intent of the parties to commence negotiations for renewal of the existing Agreements in the Federal jurisdiction. It is intended that negotiations commence by 1 April 2010.

(c) Employee Flexibility

Employee flexibility is provided for in the Hours of Duty Clause, which allows for employees to work eight hours within a spread of hours between 6 am and 6 pm. Flexibility is also allowed by the provision of an RDO system. The Collective Agreement also contains a Flexible Working Arrangements Clause. Family leave provisions allow for family-related absences.

The Corporation has policies covering working from home arrangements and approximately five employees work from home on a regular basis. The Corporation also encourages part-time and casual work where appropriate. The Corporation also has a number of employees studying under the Study Assistance Policy.

Type of Employment				
	30 JUNE 2008	30 JUNE 2009	30 JUNE 2010	30 JUNE 2011
EMPLOYMENT CATEGORY:				
Permanent Full Time	228	242	247	251
Permanent Part-time (FTE)	8	9	10	11
Other Contract	55	56	58	58
Senior Executive Contract	11	11	11	11
Apprentices (In House)	2	2	2	2
Trainees (In House)	1	1	1	1
Casual Employees (FTE)	20	24	26	27
TOTAL DIRECTLY EMPLOYED WORKFORCE:	325	345	355	361

	30 JUNE 2008	30 JUNE 2009	30 JUNE 2010	30 JUNE 2011
EMPLOYMENT CATEGORY:				
Apprentices (Group)	NIL	NIL	NIL	NIL
Trainees (Group)	NIL	NIL	NIL	NIL
Contractor Employees (Trade/Technical)	NIL	NIL	NIL	NIL
Contractor Employees (Professional/ Administrative/ Clerical)	6	7	8	9
Labour Hire (Trade/Technical - FTE)	NIL	NIL	NIL	NIL
Labour Hire (Professional/Administrative/ Clerical - FTE)	5	6	7	8
s457 Temporary Visa	1	1	1	1
Number of employees engaged on AWAs with contractors	NIL	NIL	NIL	NIL
TOTAL WORKFORCE:	**12**	**14**	**16**	**18**

There are currently 259 employees covered by an award or industrial agreement, and 66 employees employed under an employment contract.

(d) Use of Apprentices and Trainees

The Corporation currently employs two Apprentices and one Trainee. It is anticipated that one of each will be employed during 2009.

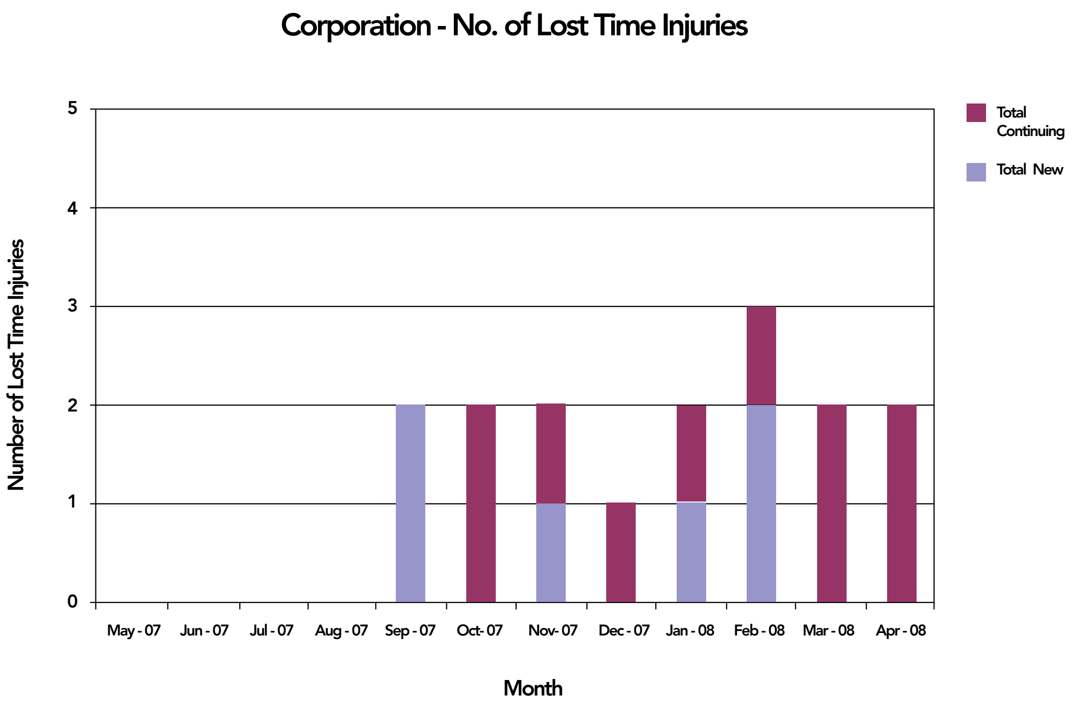
(e) Workplace Health and Safety

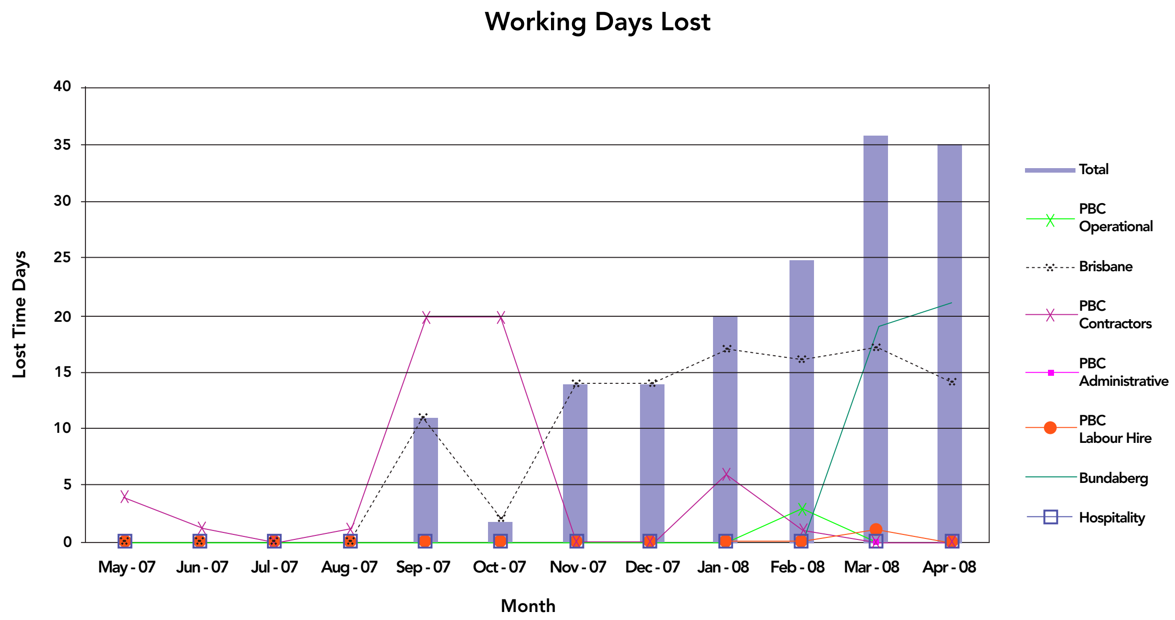
The Port of Brisbane Corporation employs accredited Workplace Health and Safety officers. These officers have been an integral part of the Port of Brisbane Corporation's Workplace Health and Safety programme and coordinate with the Safety and Quality Systems Section that manages the Integrated Management System (IMS).

There are two officers who are accredited Workplace Rehabilitation Officers. These officers are involved not only in the assessment of workplace accidents, but in all instances where employees have injuries or illnesses that require workplace readjustment. The Port of Brisbane Corporation's Workplace Rehabilitation Policy continues to meet WorkCover's legislative requirements.

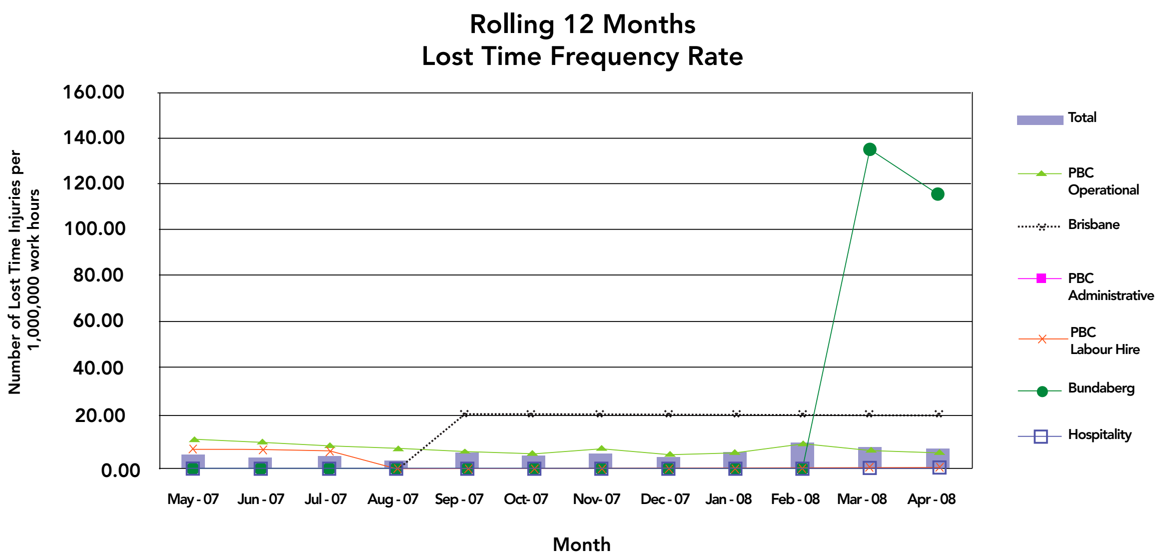
The Port of Brisbane Corporation's benchmark for lost time injuries for 2008/09 and beyond is zero. The IMS incorporates the Port of Brisbane Corporation's safety system and is externally audited every six months (refer to section (n) of this document which outlines in greater detail the objectives, benefits and strategies of the IMS).

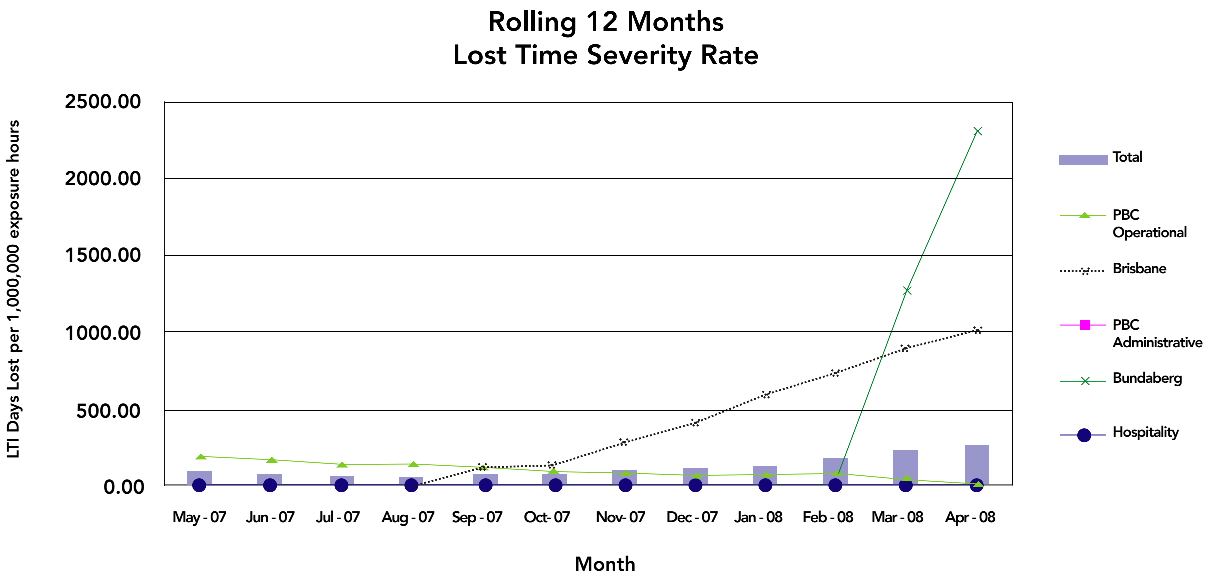
The following graphs illustrate the results of the Port of Brisbane Corporation's current lost time injury performance monitoring. This graph shows the number of full-time staff who have been injured.



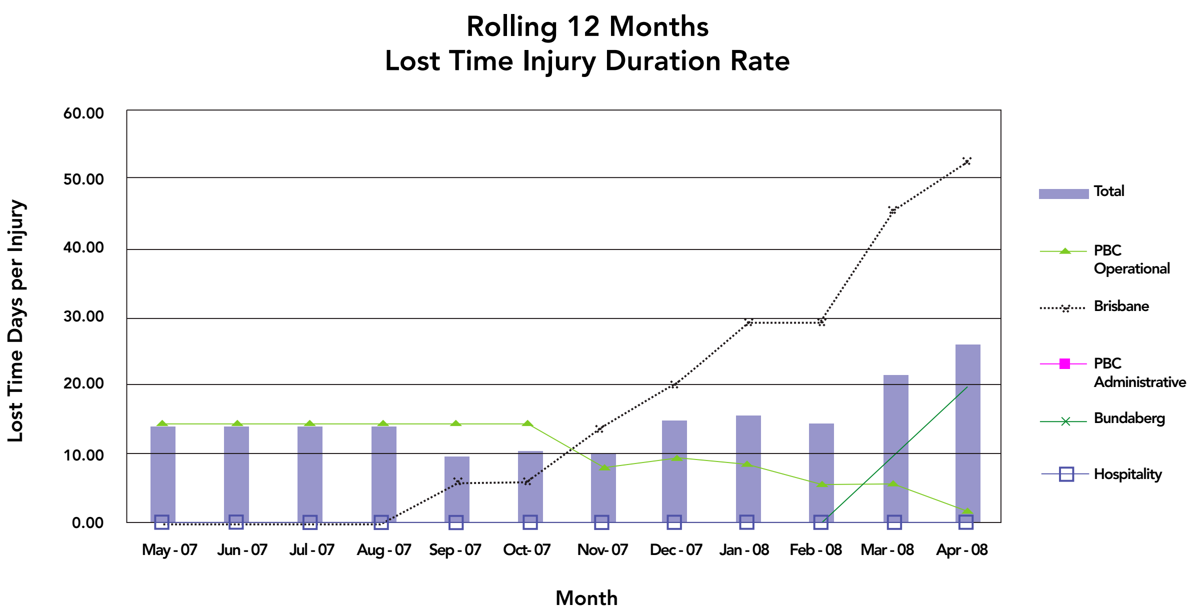


This graph shows the number of working days lost in total for an injured full-time staff member.





This graph takes the working days lost and compares to the standard 1,000,000 exposure hours.



(f) Equal Employment Opportunity and Anti-Discrimination

The Corporation continues to observe the Principles of Merit, Equity and Impartiality in Recruitment and Selection, and to exercise impartiality in all areas of employment. Grievance processes are included in the Collective Agreements. EEO Principles are consistently observed.

The Corporation has in place an ongoing programme designed to:

- inform staff of their EEO obligations and the Corporation Sexual Harassment Policies;
- reinforce existing Corporation policies;
- point out ongoing developments, such as an increased emphasis on vicarious liability, and provide ongoing awareness of the Corporation's Workplace Bullying Policy; and
- seek feedback from staff on EEO and sexual harassment matters through an annual culture survey conducted by an external consultant.

The Corporation has submitted an EEO Management Plan to the Office of the Public Service Commissioner.

The Corporation has received exemption under section 25 of the *Equal Opportunity in Public Employment Act 1992* for the purposes of submitting an EEO Management Plan and annual report.

(g) Interstate Acquisitions/Operations

The Corporation does not have any permanent interstate operations. Interstate contracts, such as dredging other Australian ports do occur from time to time but employees' conditions including remuneration remain the same.

(h) Joint Venture Projects

The Corporation is not involved in any joint venture projects at this time, nor is this expected in the near future.

(i) Management of the Relationship between the Corporation and Unions

The Corporation has always negotiated directly with the relevant unions, and we have always maintained a good working relationship. It is our intention to continue this into the future.

(j) Redundancy Provisions

The Corporation has an unregistered redundancy agreement consisting of the following financial package:

- Three weeks pay for every year of service; plus
- 13 weeks early separation incentive payment;
- A "cap" of 75 weeks pay applies; and
- An additional $2,000 is paid for each completed year of service in excess of 25 years.

Pro-rata long service leave payable for any long service leave in excess of seven years service.

(k) Employment Security

Employees of the Corporation are employed in one of the following categories:

- Full Time – Award
- Part Time – Award
- Casual – Award
- Temporary (employed for a project) – Award

- Contract (three years) – Non-award
- Contract (five years) – Non-award
- Contract (no limit) – Non-award

It is acknowledged that unless the shareholding Minister approves otherwise, and all other options to train and redeploy have been exhausted, there will be no forced redundancies in the period of this Plan.

(l) Contracting Out

The Corporation assesses the need for using contractors where outside resources are required. This may be for a number of reasons, including a major construction project, specialist skills that are not required on an on-going basis, and additional skills for a one-off project. The Corporation undertakes effective contractor selection to ensure that works carried out comply with all standards, codes and regulations prescribed by law and by Corporation policy requirements to ensure maximum benefit to the Corporation, to protect the health and safety of all employees, and to protect the environment.

The IMS contains a section relating to contractor selection and management and this is audited six monthly.

The Corporation is committed to orderly and sustainable best practices in relation to the use of contractors, the use of labour hire arrangements and the employment of skilled overseas staff to cover labour shortages through employer sponsored Temporary Long Stay Subclass 457 Visas. In relation to the latter, measures being taken to ensure that the relevant skills will be developed and available locally in the longer term are as follows:

- The Corporation has considered the matter of training employees in areas of skills shortages and will undertake to introduce alternatives to Section 457 Visas where practicable.
- Scholarship arrangements have been put in place to attempt to deal with skill shortages in the areas of Civil Engineering and Surveying. Traineeships and Apprenticeships have been put in place in Administration and Horticulture and a traineeship was offered to an employee who possessed trade qualifications on the Dredger Brisbane in relation to a potential Engineering position. The Corporation will continue to investigate alternatives to Section 457 Visa arrangements.

(m) Superannuation

It is a requirement of the Collective Agreements that all permanent award employees become contributors to the State Public Sector Superannuation Scheme. Non-award employees are required to contribute to the same scheme in accordance with arrangements determined by the Superannuation Office.

Details of contributions are as follows:

Q SUPER	*DEFINED BENEFIT*	*ACCUMULATION FUND*	*OTHER*
Brisbane	*11*	*11*	*-*
Award	*57*	*158*	*13*
Non-award	*34*	*28*	*3*
Board	*-*	*6*	*3*
OTHER FUNDS			
TOTAL	*102*	*203*	*19*

(n) Risk Management

The management of risk is the foundation of the Integrated Management System (IMS). Risk Management issues include safety precautions, health protection, injury prevention, damage control, emergency plans, oil pollution, and environmental effects.

A comprehensive strategic risk review has been completed that will enable us to include other corporate risks such as financial, competition and reputation in our already significant risk management systems.

We adopted these systems as a means of systematic analysis to determine the extent and quality of risk management in the organisation. In line with the corporate mission, the system maximises shareholder returns by identifying sources of loss exposure, and then evaluating the level of risk associated with each exposure before deciding on appropriate control actions.

Benefits of the IMS include:

- reduced operating costs of accidents and other losses by eliminating management inefficiencies;
- a culture which is customer focused, commercially orientated and driven by a quality ethic;
- reduced corporate risk, providing communication, knowledge and skills important for efficient overall management;
- assistance in meeting regulatory requirements and standards for occupational health and safety, and environmental management;
- a quality organisation operating to world's best practice; and
- an environmentally focused commercial entity striving for excellence in business development in an environmentally responsible manner.

(o) Employee Development

We believe we can gain a competitive advantage by developing our people in a number of ways.

We adopt a systematic approach to the identification of staff development needs which takes into account the needs of our customers, the professional and personal needs of the individual, and the short, medium and long-term commitments of the Corporation.

The success of the Corporation depends on our people sharing an understanding of the vision, mission and values of the Corporation. It also depends on our people being empowered to contribute to the processes that identify and satisfy the knowledge, skills and behaviours that will help us achieve the vision.

We have moved towards flexible delivery methods to ensure the needs of all learning styles are met.

We have changed the way we identify learning and development needs by aligning development to the Development and Performance System, which includes Development Plans for all employees.

The Corporation's Leadership and Management Development Programme has been reviewed and enhanced to be progressively implemented throughout 2008. We are continually developing our leadership capability, as we believe it is a key success factor for the organisation. This programme is expected to provide us with effective leadership at all levels of the organisation. Opportunities will then exist for a number of high performing people in the Corporation when leadership positions become available. Opportunities to participate in these programmes will also apply to those people who are in non-supervisory/managerial roles.

By conducting succession planning on an encompassing subject such as leadership, the widest possible cross section of staff can be included in the process. The programme will enhance professional opportunities internally, and will also improve the marketability of our staff. The Corporation will benefit through an overall improvement in leadership capability, the increased potential of our managers, and through the continual development of the corporate culture into one of a learning organisation.

(p) Development and Performance System

We are committed to achieving our objectives through the management of performance at both an organisational and individual level. The Development and Performance System (DPS) incorporates objectives and leadership behaviours aligned to the strategies and objectives outlined in the Corporate Plan. The DPS is a full-year cycle, with performance expectations agreed at the outset. The benefits of this approach are role clarity and reduced subjectivity. Ongoing feedback, coaching and development are also important features of the system.

The DPS applies throughout the Corporation, except that part of the system that links to performance remuneration. This only applies to non-award staff but pay increments for Award employees are linked to achieving agreed levels of performance.

The individual and reviewer share the responsibility of establishing commitment by:

- mutually setting expectations;
- agreeing on methods of measurement and tracking of performance;
- setting up Development Plans;
- jointly monitoring progress; and
- formal review of performance at six-monthly intervals, with more frequent informal reviews and coaching sessions.

Development and Performance workshops have been provided to all staff, and these will be ongoing as the DPS is reviewed and improved through a process of continuous improvement.

The DPS is monitored to ensure consistency and fairness in approach. Privacy and confidentiality of the individual's information is respected and maintained.

(q) Conditions and rates of pay existing prior to WorkChoices and successor acts

The Corporation undertakes that (consistent with Attachment 1) conditions and rates of pay existing prior to WorkChoices and successor acts will be maintained as far as possible and issues are resolved cooperatively with unions and staff.

Where there are differences between those conditions contained in the Minimum Standard provisions schedule and those conditions contained in the Corporation's industrial instruments as at March 2006, the March 2006 provisions from the Corporation's industrial instruments will prevail.

A1.11 CONSULTATION ABOUT THE PLAN

The Employment and Industrial Relations Plan has been distributed to all the relevant unions and all employees of the Corporation.

Consultation with the Department of Employment and Industrial Relations (DEIR), Department of Premier and Cabinet, Treasury and Queensland Transport has also been undertaken with appropriate recommendations being included in this plan.

OGOC will forward a copy of the plan to the Office of the Public Service Commissioner.

The Corporation will provide a brief report on performance against the Plan to DEIR and copy to OGOC by end November 2008, highlighting any significant divergences from the Plan and the background/context for these variances.

ATTACHMENT 1 – MINIMUM EMPLOYMENT, INDUSTRIAL RELATIONS AND JOB SECURITY PRINCIPLES FOR GOVERNMENT OWNED CORPORATIONS

(PORT OF BRISBANE CORPORATION EMPLOYEES - DECEMBER 2007)

Context

The Queensland Government through shareholding Ministers holds the principal financial interest in Government Owned Corporations (GOCs). Consequently Government is an important stakeholder in GOCs, which now operate in the national marketplace. Government also has a leadership role setting minimum employment standards and providing an example of a model employer.

Rationale

The introduction of WorkChoices legislation has created some uncertainty regarding minimum employment standards, industrial relations practices and job security, especially in the government owned corporation sector, which is subject to the WorkChoices legislation. This Government is opposed to the erosion of employment conditions by the WorkChoices legislation introduced in 2006.

Objective

The principles set out below, which have been endorsed by Government, are intended to confirm the Government's position on minimum employment conditions and industrial relations practices and ensure that pre-WorkChoices conditions are not eroded.

As a general principle, GOCs should maintain arrangements and policies existing prior to WorkChoices, including in any GOCs subsidiaries within Queensland unless otherwise agreed with unions. GOCs should also work cooperatively with unions to resolve issues using services available at the State level where possible

Application

GOC shareholding Ministers request that GOCs put in place available safeguards to maintain standard employment conditions, industrial relations practices and job security through the provisions of GOC Employment and Industrial Relations Plans (E&IR Plans). E&IR Plans form part of the annual Statements of Corporate Intent which are considered and approved by the shareholding Ministers by 30 June each year in line with the *Government Owned Corporations Act 1993* provisions.

Legal advice from Crown law supported this approach, except where the relevant GOC is subject to the National Code of Practice for the Construction Industry e.g. Qld Rail as a result of undertaking work on federally funded rail infrastructure projects

Principles

1. Union Encouragement

At the point of engagement, employees are to be provided with a document indicating that the corporation encourages employees to join and maintain financial membership of an organisation of employees that has the right to represent their industrial interests.

Union delegates and job representatives have a role to play within a workplace. The existence of accredited union delegates and/or job representatives is to be encouraged.

Accredited union delegates and/or job representatives shall not be unnecessarily hindered in the reasonable and responsible performance of their duties.

2. No Disadvantage

Rates of pay and conditions of employment included in a Notional Preserved State Award and/or a Preserved State Collective Agreement, when taken as a whole, are not to be reduced in the future except as required by relevant federal legislation or as agreed between the relevant industrial parties.

3. Enterprise Agreements

The following conditions of employment and practices shall continue –

a) collective agreements with unions shall be the preferred means of industrial regulation of rates of pay and conditions of employment;

b) new individual common law contracts shall not be written within the relevant enterprise agreement envelope (individual contracts should only be executed where total fixed remuneration equates to or exceeds the equivalent of the Queensland Public Service AO-8 level (from 1/7/2007 $91424.68 per annum) plus 12.75% plus the equivalent of annual leave loading plus any overtime component) or the top rate in the respective GOC enterprise agreement plus the applicable superannuation and annual leave components, where the aggregate of these is lower –

   (i) An amount lower than outlined in b) above may be negotiated within an enterprise agreement as agreed between the relevant parties; and

   (ii) Developing and utilising alternative employment arrangements under enterprise agreements, which provide hours and overtime flexibility linked to a rolled-up rate of pay, is preferred to the use of individual contracts within the relevant enterprise agreement envelope/s.

4. Payroll Deductions of Union Fees

Requests from employees for payroll deduction of union fees are to be accommodated where the service was made available immediately prior to 27 March, 2006. It is noted that Government agencies provide this facility without charge to relevant unions.

5. Use of Contractors

GOCs will be advised of Best Practice Guidelines for the Use of Contractors by GOCs and for the Use of Overseas Staff under Temporary Visa Arrangements Sponsored by the Employer, to Cover Skill Shortages.

The following general principles will also be included in the Best Practice Guidelines.

(a) Contractors and/or labour on-hire arrangements are to be utilised in an orderly and responsible manner, such that there is not a detrimental effect on the State's or public interest e.g. causing disruption to services to the public or causing damage to the economy or standing of the State.

(b) It is recognised that circumstances arise where the use of Contractors is either desirable or essential. These circumstances are seen to be within the following guidelines:–

   (i) The work volume, type of work or specialisation required is beyond the capacity of resources or staff;

   (ii) It is in the public interest to undertake such work. Public Interest includes issues of cost effectiveness; or

   (iii) The security and tenure of employment of additional staff required to meet work peaks cannot be guaranteed.

(c) The use of contractors is not to be used to avoid training existing staff or employing new staff to cater for emerging areas of work. "Emerging areas of work" does not include one-off works or temporary work peaks.

(d) In addition, contractors and/or their employees are not to be appointed to any position as permanent employees unless normal advertising and selection processes have been followed.

6. Unfair Dismissal

Responsible and defensible policies and procedures regarding the management of performance, conduct and capacity of staff should be in place and adhered to. That is, except where situations arise warranting summary dismissal under common law, –

(a) if an employee's conduct, capacity or performance is deficient –

- (i) ensure the employee is formally warned about the conduct, capacity or performance and is given a chance to rectify any deficiency; and
- (ii) ensure the employee is given an opportunity to respond formally to any allegation about their conduct, capacity or performance; and
- (iii) ensure employees have a right to be represented through all parts of the process; and

(b) if dismissal is subsequently contemplated –

- (i) provide the employee with a clear reason for dismissal detailing the process gone through to seek improvement as referred to above; and
- (ii) ensure clarity as to whether the dismissal is related to the employee's conduct, capacity or performance.

7. Right of Entry of Union Officers to the Workplace

An officer of a union party to a GOC award or enterprise agreement shall be provided with access to relevant workplaces during business hours to inspect and request information and/or discuss with the employer and members or potential members, a suspected breach of applicable employment legislation, a relevant award or enterprise agreement or a workplace or industrial matter. The above is subject to seeking access from a responsible manager or other person in charge. Permission shall not be unreasonably withheld, but access and the activities undertaken thereafter shall not interrupt the normal continuity of work.

It is noted that by law, entry to certain operations subject to National/State security initiatives can only occur under escort unless the necessary authorities are held. Union officials should make contact with GOCs beforehand to ensure necessary compliance before entering workplaces where this might be the case e.g. ports, airports and like essential infrastructure installations.

8. Industrial Relations Education Leave

Unless an award/enterprise agreement and/or custom and practice immediately prior to 27 March 2006 provides otherwise, paid time off not exceeding five days per union in any one year non-cumulative, is to be made available to a duly elected or appointed union representative or delegate, upon written application by the union at least 6 weeks in advance (or such lesser period as was provided for in an award/enterprise agreement or custom or practice immediately prior to 27 March 2006 or as is mutually agreed by the union and the GOC), to attend courses or seminars conducted by the union or specific training courses approved and accredited by the union. The GOC shall give consideration to the special requirements of any regionally based workplaces in applying the limits on paid time off referred to above, provided that the granting of such leave does not unreasonably interfere with the GOC's operations. The scope, content and level of such courses or seminars shall be such as to contribute to a better understanding of industrial relations within the GOC's operations.

9. Consultative Arrangements

GOCs shall endeavour to deal with industrial relations matters cooperatively through consultative arrangements with employees and union delegates at the workplace level and through employees and/or delegates and union representatives or officials at the organisation level. Paid involvement of delegates and relevant employees shall be considered in relation to such consultative arrangements, as well as in circumstances where their involvement facilitates the resolution of industrial relations issues or assists the employer in developing and implementing new initiatives, provided they are not involved in industrial action. Where paid union meetings have been available as a result of an award/enterprise agreement or custom and practice existing immediately prior to 27 March 2006, such arrangements shall be continued.

10. Job Security

In any situation of redundancy, options for redeployment and retraining of staff shall be exhausted before the offer of voluntary redundancy arrangements is considered. There shall be no forced redundancies without the explicit and written sanction of relevant shareholding Ministers in the case of redundancies at GOCs.

11. Assistance with the Resolution of Disputes

The *Industrial Relations Act 1999* (IR Act) was amended in 2007 to provide for parties to have access to the Queensland Industrial Relations Commission (QIRC) by agreement, to conciliate and/or arbitrate matters in dispute and to provide greater flexibilities in the structure of the QIRC to respond to changing workloads as a result of the introduction of Work Choices.

This includes parties to Preserved State Collective Agreements or Notional Agreements Preserving State Awards. GOCs are encouraged to utilise these avenues as a means of resolving issues at the State level. Wherever possible, GOCs should genuinely attempt to resolve issues through the provisions of the IR Act.

If a matter cannot be resolved as a result of utilising the QIRC functions, such processes will satisfy the requirements of the Workplace Relations Act 1996 regarding alternative dispute resolution, should matters subsequently be referred to the Australian Industrial Relations Commission by way of dispute.

GOCs are advised to develop a Dispute Resolving Policy that provides a consistent and clear approach for the parties to deal with disputes early on. The Disputes Resolving Policy may list the nominated person(s) agreed with the union(s) to assist the parties in resolving disputes and a range of functions and conditions agreed between the parties to determine on a case by case basis the best way to deal with particular disputes.

This is not a process to deal with industrial action.

See attachments: Guidelines for Establishing a Disputes Resolving Policy for use in seeking the assistance of the *Queensland Industrial* Relations Commission under section 273A of the *IR Act*.

Establishing a Dispute Settling Policy

The GOC and Union/s shall have regard to the following principles in establishing a disputes resolving policy.

Step 1 Resolution at the Workplace Level

Involves genuine attempt to resolve the issue using consultative arrangements with employees and union delegates and if necessary, with union officers.

If there is no resolution at the work place level, proceed to next level (Step 2):

Step 2 Alternative Dispute Resolution Process [including QIRC assistance]

Who *The disputes policy shall list the nominated person (s) agreed between the parties to assist in resolving disputes.*

Person/s may include a Queensland Industrial Relations Commission (QIRC) member/s in relation to utilising section 273A under the Industrial Relations Act 1999 or, alternatively establish a panel of agreed persons (eg industry expert, AIRC/QIRC representative and union representative)

How *The parties may determine the appropriate approach to each dispute on a case-by-case basis and must agree in writing how the dispute is to be resolved. If the parties agree to seek the QIRC's assistance, the parties must submit a referral agreement to the QIRC as to how the dispute is to be resolved by the QIRC (refer to section 273A (1)(b under the Industrial Relations Act 1999).*

What ***General Provisions***

Provisions covered in the disputes resolving policy must be agreed between the parties in advance of handling any particular dispute. Such provisions can include:

(i) Commitment from parties to follow agreed process.

(ii) Determine appropriate timeframes to deal the dispute.

(iii) The allocation of any costs associated with a dispute process will be as agreed between the parties on a case-by-case basis or if no agreement can be reached, each party shall meet its own costs.

(iv) Work as directed unless the employee has a reasonable concern about an imminent risk to their health or safety.

(v) At any time industrial action is threatened or taken during the process, either party may directly proceed to AIRC for assistance.

Any time industrial action is threatened or taken, the GOC must inform Department of Employment and Industrial Relations as soon as possible.

Functions of QIRC

The following provisions are consistent with the functions available under section 273A (4) of the Industrial Relations Act 1999:

(a) conciliating;

(b) arbitrating;

(c) granting a remedy or other relief; and/or

(d) deciding any other issue or question.

Furthermore, a decision by the QIRC in performing the dispute resolution functions does not bind the parties unless the referral agreement provides for the decision to bind the parties.

PRO FORMA LETTER TO SEEK INFORMAL ASSISTANCE FROM THE COMMISSION

DATE

Deputy Industrial Registrar
Australian Industrial Relations Commission
Level 14, Central Plaza Two
66 Eagle Street
Brisbane
PO Box 5713 Central Plaza
Brisbane QLD 4001
Fax: (07) 3000 0388

Deputy Industrial Registrar,

We request the informal assistance of [INSERT Commissioner] to resolve a dispute between [INSERT parties involved].

The dispute is in relation to [INSERT subject matter, brief background and timeframe the dispute has existed].

The [INSERT union or other party to the dispute] has been notified and agrees to the Commissioner's assistance to resolve this dispute. The parties request that the Commissioner be requested [INSERT terms of disputes process eg]:

- to conciliate the matter
- to conciliate the matter and if the dispute remains unresolved, arbitrate the matter
- to arbitrate the matter
- granting a remedy or other relief
- deciding any other issue or question arising in the dispute.

In its role as [INSERT mediator / conciliator / arbitrator] the Commissioner is requested [INSERT relevant terms]:

- to observe the confidentiality of the matters in dispute
- to identify and define the matters in dispute
- to develop a procedure that aims to resolve the dispute quickly, fairly and cost-effectively
- to suggest resolution techniques for individual issues aimed at narrowing the matters in dispute
- to act as the facilitator of direct negotiations between the parties
- to make suggestions for resolution (Conciliation process)
- express opinions about a reasonable resolution (Conciliation process)
- that if the matter is unresolved it may within seven days of terminating the process, provide a written report to the parties expressing the opinion of what would be a reasonable resolution of the dispute (Conciliation).
- to determine the matter (s) in dispute by selecting one only of the final round of offers on the basis of which offer the Commissioner believes provides the most reasonable basis on which to resolve the matter in dispute (Arbitration)
- not to amend or otherwise qualify the offer it selects (Arbitration)

- to notify the parties in writing as to the offer it considers to provide the most reasonable basis of settlement as soon as practicable after receiving the final round of offers from the parties (Arbitration)
- to make a recommendation which the parties accept as a binding resolution of the dispute.
  The recommendation can be based on the information provided in conciliation and additional information provided by the parties. The parties agree that the Commission may issue directions for the purposes of obtaining further information. (Informal Determination)
- to make a formal determination and that the parties agree to abide by the determination. The parties will have the opportunity to be heard formally on the matter(s) in dispute and the Commissioner will only regard material including witness evidence, submission and will disregard admissions, concession, offers or claims made in mediation. The Commissioner may also make and issue directions in relation to the process leading to the determination and the parties will abide by those directions. (Formal Determination)

The procedural matters include [INSERT details about]:

- how the parties will present its position
- confidentiality arrangements
- representation
- timing, location and duration of the process
- if a telephone conference is required
- how the process will be recorded
- any other particulars about the Commissioner's role in relation to establishing procedures.

In the event that the requested Commissioner is not available, may we request [INSERT Commissioner] to assist the parties.

We appreciate your assistance in coordinating this process.

For further information or advice please contact [INSERT contact].

[INSERT PORT OF BRISBANE CORPORATION and authorised person]

cc Union

Attachment 2
WACC Calculations

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Attachment 3
Government Policies

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ATTACHMENT 3: GOVERNMENT POLICIES

The Board and the CEO take full responsibility for ensuring that the Port of Brisbane Corporation and any controlled entities will comply with:

- *Agreement Making in Government Owned Corporations - Guidance for Chief Executive Officers (2004)*
- *Audit and Reporting Requirements for Government Owned Corporation Controlled Entities and Investments (2001)*
- *Code of Practice for the Building and Construction Industry (2000)*
- *Code of Practice for Government Owned Corporations Financial Arrangements (2004)*
- *Corporate Governance Guidelines for Government Owned Corporations (2005)*
- *Cost of Capital Principles – Government Owned Corporations – (2006)*
- *Community Service Obligations – A Policy Framework (1999)*
- *Development of Employment and Industrial Relations Plans in Government Owned Corporations - Guidelines (2002)*
- *Government Owned Corporation Subsidiaries - Key Shareholder Requirements for Constitutions (2006)*
- *Guidelines for Export of Services by Government Owned Corporations (2001)*
- *Guidelines for Frequent Flyer Schemes (1999)*
- *Investment Guidelines for Government Owned Corporations (2003)*
- *Local Industry Policy: A Fair Go for Local Industry (1999)*
- *Queensland Port Government Owned Corporations - Local Government General Rates Equivalents Regime: Guidelines for Assessment, Collection & Payment (2000)*
- *State Purchasing Policy (2000)*
- *Guidelines for the Preparation of Statements of Corporate Intent and Corporate Plans For Government Owned Corporations (2006)*
- *Government Owned Corporation Overseas Travel Policy (2006)*
- *The requirement to seek the prior approval of shareholding Ministers before submitting any projects for declaration as a 'significant project' under the State Development and Public Works Organisation Act 1971 (Qld).*
- *The Corporation will observe and comply with the Guidelines for the Issue of Harbour Towage Licences.*

Attachment 4
Sponsorship, Advertising, Corporate Entertainment, Donations and other Arrangements over $5,000

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ATTACHMENT 4: SPONSORSHIP, ADVERTISING, CORPORATE ENTERTAINMENT, DONATIONS AND OTHER ARRANGEMENTS OVER $5,000

BUDGET ACTIVITY	*DATE*	*BUDGET**
SPONSORSHIPS		
Moreton Bay Industry Seafood Association	*Annual*	*$10,000*
Wynnum Spring Festival	*Sept/Oct 2008*	*$10,000*
Lifeline Brisbane – Port of Brisbane Lifeline Blues Cruise and community programme	*Annual*	*$20,000*
Queensland Maritime Museum	*Annual*	*$20,000*
Blue Care Community Wellbeing programme	*Annual*	*$20,000*
BABI community programme	*Annual*	*$20,000*
Pinkenba memorial project	*Annual*	*$70,600*
Premier of Queensland's Export Awards	*Annual*	*$22,000*
Assorted development industry sponsorships for Northshore	*Annual*	*$75,000*
ADVERTISING		
Television advertising	*2008-2009*	*$300,000*
Brownie's Coastwatch 4KQ	*Annual*	*$40,000*
Port Tidings column in Quest Newspapers	*Monthly*	*$22,000*
Port Employment Initiative	*Annual*	*$20,000*
Shipping & Trade Business Development	*2008-2009*	*$80,000*
Port West Estate	*2008-2009*	*$60,000*
Port Central Precinct	*2008-2009*	*$60,000*
Northshore sales and promotion	*Annual*	*$275,000*
ENTERTAINING		
PBC Staff Dinner Dance	*July 2008*	*$20,000*
Corporate Christmas Cocktail Function	*November 2008*	*$40,000*
Thanks a Million function	*December 2008*	*$50,000*
Family Day	*October 2008*	*$50,000*
Ports Australia Conference	*October 2008*	*$20,000*
Brisbane Customer Forum	*August 2009*	*$20,000*
Rugby Package	*July/September 2008*	*$18,000*
PBC Golf Day	*June 2009*	*$40,000*
Northshore sale launch and announcement	*Annual*	*$50,000*
Soccer World Cup Qualifier	*October 2008*	*$10,000*

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Attachment 5
Corporate Entertainment and Hospitality expenditure items under $5000

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ATTACHMENT 5: CORPORATE ENTERTAINMENT AND HOSPITALITY EXPENDITURE ITEMS UNDER $5000

	BUDGET 2008/2009 DETAILS
EMPLOYEE FUNCTIONS	
Number of Functions	*6*
Expenditure (Total $)	*$20,000-*
BUSINESS DEVELOPMENT	
Number of Functions	*731*
Expenditure (Total $)	*$264,000-*
STAKEHOLDER AND COMMUNITY ENGAGEMENT	
Number of Functions	*103*
Expenditure (Total $)	*$50,000-*
Total Expenditure on corporate entertainment and hospitality below $5,000	*$334,475-*

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