NORTH QUEENSLAND BULK PORTS CORPORATION LIMITED

EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN
2011/2012

March 2011

Prepared by the Directors and Management of North Queensland Bulk Ports Corporation Limited ACN 136 880 218 for the shareholding Ministers

- Minister for Finance and The Arts; and
- Minister for Main Roads, Fisheries, and Marine Infrastructure

COMMERCIAL IN CONFIDENCE

E11/34595

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# Table of Contents

1. **EMPLOYMENT AND INDUSTRIAL RELATIONS (E&IR) PHILOSOPHY/ DIRECTION** .......................... 3
2. **SIGNIFICANT AND EMERGING ISSUES** ............................................................................. 4
3. **DIRECTORS/SENIOR EXECUTIVE REMUNERATION** .......................................................... 4
4. **EMPLOYMENT CONDITIONS** ............................................................................................... 7
5. **ENTERPRISE BARGAINING AND PRODUCTIVITY INITIATIVES** ........................................... 8
6. **EMPLOYEE FLEXIBILITY** ...................................................................................................... 11
7. **TYPE OF EMPLOYMENT** ....................................................................................................... 12
8. **WORKPLACE HEALTH AND SAFETY** .................................................................................. 14
9. **EQUAL EMPLOYMENT OPPORTUNITY (EEO) AND ANTI-DISCRIMINATION** ..................... 15
10. **INTERSTATE ACQUISITION/OPERATIONS** .......................................................................... 15
11. **JOINT VENTURE PROJECTS** ............................................................................................... 16
12. **MANAGEMENT OF THE RELATIONSHIP BETWEEN GOCS AND UNIONS** ....................... 16
13. **REDUNDANCY PROVISIONS** ............................................................................................... 16
14. **JOB SECURITY** .................................................................................................................... 18
15. **CONTRACTING OUT** ........................................................................................................... 18
16. **SUPERANNUATION** ............................................................................................................. 18
17. **CONSULTATION** ................................................................................................................ 19
18. **REPORTING** ....................................................................................................................... 20

**ATTACHMENT 1** ..................................................................................................................... 21

**ATTACHMENT 2** ..................................................................................................................... 25
Shareholder Information

1. Employment and Industrial Relations (E&IR) Philosophy/ Direction

North Queensland Bulk Ports Corporation Limited (NQBP) recognises that employees are the most important asset of any organisation.

NQBP’s overall industrial relations strategy has been since its inception to build one sustainable organisation out of the merger of Mackay Ports Limited (MPL) and Ports Corporation of Queensland (PCQ). A sustainable organisation will have the following attributes:

- One culture which supports its employees delivering NQBP objectives; is responsible to customer and stakeholder needs; and is appropriate for an organisation under Government ownership.
- One organisational structure appropriately assigned to service all our customers (in whichever location) efficiently.
- An integrated employment and industrial framework meeting shareholder expectations at all levels (from the Chief and Senior Executives through to field and office staff) protected by appropriate industrial agreements providing the flexibility to deliver organisational objectives efficiently.
- Mechanisms to continuously monitor and improve the above elements to ensure NQBP remains responsive to its changing business needs whilst planning its workforce and supporting staff development to meet future requirements.

Given the histories, business models and industrial frameworks of MPL and PCQ, the achievement of an integrated, uniform and sustainable organisational platform represents a large body of work. NQBP has made substantial progress and has key strategic milestones (documented below) set to meet these objectives. Many of these strategic milestones have already been achieved whilst other milestones are yet to be finalised.

- An NQBP organisation structure has been developed by the Board and approved by shareholding Ministers.
- A Ports Review Industrial Relations framework has been approved by Government and developed with input from affected Port authorities and unions. Whilst still formally retaining employment with MPL or PCQ, existing employees were allocated positions within the NQBP structure.
- An Instrument of Delegation and key employment and governance policies have been put in place by the NQBP Board to apply to the NQBP group (i.e. NQBP itself, as well as MPL and PCQ). This is the key step in delivering a unified culture within NQBP.
- The senior executive team have been appointed.
- In line with the Ports Review Industrial Relations framework, a single Enterprise Agreement is being developed for existing PCQ and MPL employees.
- In consultation with staff NQBP has developed a corporate Mission, Vision and set of Values.
- Mechanisms to monitor and improve HR and business processes including workforce planning and staff development are being improved. Change management processes are being implemented to support these processes.
- All PCQ and MPL policies were reviewed with the intention of putting into place a comprehensive set of NQBP policies. Given the difference in the existing PCQ and MPL industrial environments it is not possible to put in place all human resources policies for NQBP until the NQBP Enterprise Agreement is developed.

The key area of work still outstanding is the development of a NQBP Enterprise Agreement and the transfer of employment from PCQ or MPL to NQBP for employees covered by industrial agreements. The negotiating framework for the agreements was considered by the Human Resources and Industrial Relations Committee and was approved by Government prior to the commencement of formal negotiations.
2. Significant and Emerging Issues

Emerging issues which need to be considered in moving forward include:

- The asset sale of the Abbot Point Coal Terminal.
- Significant business development opportunities being investigated by NQBP.
- NQBP is embarking on several major projects simultaneously to address world coal demand including Abbot Point terminals 2, 3, 4-7, Multi cargo facility and master planning for Dudgeon Point.
- The significant challenge concerning the development of integrated industrial agreement/s that provides uniform conditions and are customised for NQBP business requirements whilst under the shareholder requirement to deliver savings and show restraint.
- Ongoing development and training of human resources policies and procedures to deliver improved human resource practice and compliance.

These factors will be considered as the work identified in Section 1 progresses to ensure NQBP fully complies with its legal obligations, binding policy to the negotiated Industrial Relations framework and shareholder expectations.

3. Directors/Senior Executive Remuneration

3.1 Non-Executive Directors

The current directors are appointed to three boards: Ports Corporation of Queensland Limited, Mackay Ports Limited and North Queensland Bulk Ports Corporation Limited. Only one director’s fee applies for each director.

<table>
<thead>
<tr>
<th>Non-Executive Directors</th>
<th>Directors Fees ($)</th>
<th>Committee Fees ($)</th>
<th>Superannuation ($)</th>
<th>Other ($)</th>
<th>Total ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leonie Taylor (Chairperson)</td>
<td>43,054</td>
<td>12,498</td>
<td>4,999</td>
<td>1,905</td>
<td>$62,456</td>
</tr>
<tr>
<td>Graham Davies</td>
<td>20,832</td>
<td>4,166</td>
<td>2,249</td>
<td></td>
<td>$27,247</td>
</tr>
<tr>
<td>Julie Bignell</td>
<td>20,832</td>
<td>9,722</td>
<td>2,749</td>
<td></td>
<td>$33,303</td>
</tr>
<tr>
<td>Kasper Kuiper</td>
<td>20,832</td>
<td>4,166</td>
<td>2,249</td>
<td></td>
<td>$27,247</td>
</tr>
<tr>
<td>Robynne Dudley</td>
<td>20,832</td>
<td>9,722</td>
<td>2,749</td>
<td></td>
<td>$33,303</td>
</tr>
<tr>
<td>Stephen Golding</td>
<td>20,832</td>
<td>9,722</td>
<td>2,749</td>
<td></td>
<td>$33,303</td>
</tr>
<tr>
<td>Peter Tait</td>
<td>20,832</td>
<td>4,166</td>
<td>2,249</td>
<td></td>
<td>$27,247</td>
</tr>
</tbody>
</table>

1. The Chairperson is provided a motor vehicle with a salary sacrifice equal to the grossed-up fringe benefit value.
2. Membership of the Brisbane Club is provided for the Chairperson. This is considered a requirement of the position for business purposes only. Qantas Club membership is also provided for the Chairperson. The amounts shown are ex GST.

These fees are either set by Government or are in accord with guidelines issued by the Government.

NQBP has three approved Board Committees:

1. Human Resources and Industrial Relations Committee
2. Audit and Financial Risk Management Committee
3. Corporate Governance and Planning Committee

3.2 Chief Executive Officer and Senior Executives

In accordance with Section 146 of the Government Owned Corporations Act 1993, senior executives have been appointed by the NQBP Board.

In accordance with Section 92 of the Government Owned Corporations Act 1993, the current Chief Executive Officer (CEO) was appointed by the NQBP Board on 4 February 2010 for the period commencing 1 July 2009. Written approval of the shareholding Ministers was dated 20 January 2010.
To determine the appropriate level of remuneration for an existing or proposed Chief or Senior Executive position, the NQBP Board has:

- Obtained an assessment of the position utilising one of the Government’s preferred independent consultants;
- Utilised this assessment in accordance with the remuneration database (index) maintained by each of the Government’s preferred independent consultants to determine the relevant median market figure for the position; and
- Determined an appropriate level of remuneration up to the median for outer limit contracts, or 95 per cent for tenured contracts.

In rare cases where the Board considers it is warranted, remuneration might be set at up to median plus 10 per cent, in order to attract or retain an applicant with exceptional skills or experience. In this event, NQBP will seek the shareholding Ministers’ prior written approval. NQBP did not seek payments beyond the median for its Chief Executive or Senior Executives in 2010-11 or 2011-12.

### Remuneration of Senior Executives as at 1 January 2011

<table>
<thead>
<tr>
<th>Senior Executive Position</th>
<th>Senior Executive Name</th>
<th>Base Salary ($)</th>
<th>Employer Superannuation Contributions ($)</th>
<th>Motor Vehicle ($)</th>
<th>Car park ($)</th>
<th>Other Personal Benefits ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Brad Fish</td>
<td>320,016</td>
<td>40,802</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Deputy Chief Executive Officer</td>
<td>Jeffery Stewart-Harris</td>
<td>273,853</td>
<td>24,647</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Executive General Manager Major Projects</td>
<td>Martin McAdam</td>
<td>198,755</td>
<td>25,341</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Company Secretary / General Counsel</td>
<td>Susan Campbell</td>
<td>188,558</td>
<td>24,041</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Bernard Wilson</td>
<td>230,598</td>
<td>29,401</td>
<td>nil</td>
<td>nil</td>
<td>nil</td>
</tr>
</tbody>
</table>

**Note 1:** Motor vehicles are 100% salary sacrifice arrangements for NQBP Executives.

<table>
<thead>
<tr>
<th>Senior Executive Position</th>
<th>Senior Executive Name</th>
<th>Total Fixed Remuneration ($)</th>
<th>Other non-personal benefits($)</th>
<th>Performance Payment Made ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive Officer</td>
<td>Brad Fish</td>
<td>360,818</td>
<td>10,639</td>
<td>46,750</td>
</tr>
<tr>
<td>Deputy Chief Executive Officer</td>
<td>Jeffery Stewart-Harris</td>
<td>298,500</td>
<td>1,790</td>
<td>36,300</td>
</tr>
<tr>
<td>Executive General Manager Major Projects</td>
<td>Martin McAdam</td>
<td>224,097</td>
<td>8,401</td>
<td>28,700</td>
</tr>
<tr>
<td>Company Secretary / General Counsel</td>
<td>Susan Campbell</td>
<td>212,600</td>
<td>845</td>
<td>26,400</td>
</tr>
<tr>
<td>Chief Financial Officer</td>
<td>Bernard Wilson</td>
<td>260,000</td>
<td>7,049</td>
<td>nil</td>
</tr>
</tbody>
</table>

**Note 1:** Qantas Club Membership included is an average cost as memberships may be for more than one year.

**Note 2:** NQBP offers medical assessments and subsidises gym memberships. Membership of professional/business associations are provided for business purposes. The CEO and Deputy CEO (DCEO) are provided a facsimile line and internet broadband access at their residence for business use. Membership of the Brisbane Club is provided for the CEO and DCEO for business purposes only.

**Note 3:** Car parking is provided to meet work requirements. It is a pooled arrangement. The amount represents the statutory formula fringe benefit amount for the Brisbane Corporate Office. No cash remuneration alternative is offered.
Note 4: Bernard Wilson commenced with NQBP 7 February 2011 therefore was not eligible for a Performance Payment.

The Senior Executive role titled Chief Financial Officer was approved by shareholding ministers on 7 October 2010. The position was filled and the Senior Executive commenced employment with NQBP on 7 February 2011.

Other changes of significance to Senior Executive positions are:
- The change of title for Martin McAdam from General Manager Business Development to Executive General Manager Major Projects;
- The resignation of Paul Blewonski, (previously General Manager Corporate Services) effective 7 January 2011; and
- The resignation of Ann MacKinnon (General Manager Financial) effective 4 February 2011.
Employment and Industrial Relations Plan

4. Employment Conditions

As at the present time, MPL and PCQ collectively have three industrial instruments that cover its employees. It is NQBP’s intention to develop a new NQBP Enterprise Agreement to cover all employees remunerated at or below A08 level in the public service. This strategy was previously agreed by the Board and the negotiating framework has been approved by Government. Negotiations for a new agreement commenced in April 2010, with 1 July 2011 the target date for the new agreement to be in place. Due to the complexity of the process and extensive differences between the three existing agreements the process has taken longer than originally planned. The new Agreement will have regard to the current industrial instruments, the Ports Reform Industrial Relations Framework (an outcome of the Port Review), National Employment Standards and Modern Awards. The agreement will be developed in compliance with the “Guidance for Chief Executive Officers – Agreement Making and Industrial Relations in Government Owned Corporations (February 2010)”.

Regarding the Ports Reform Industrial Relations (IR) Framework 2009, it ensures:

- Employees entering the new agreement (as NQBP employees) must not be disadvantaged on an overall basis in relation to the terms and conditions they experienced prior to becoming NQBP employees;
- There will be no forced redundancies; and
- There will be no forced relocations.

PCQ employees (except for senior officers and executives of PCQ) are currently covered by the Ports Corporation of Queensland Enterprise Agreement 2010/11 No. AE874563 (PCQ Enterprise Agreement) which expires 30 June 2011. PCQ complies with the “Guidance for Chief Executive Officers – Agreement Making and Industrial Relations in Government Owned Corporations (February 2010)”. As at 1 January 2011, 44 employees were covered by the PCQ Enterprise Agreement.

All employees remunerated above the A08 public service equivalent level are directly appointed to NQBP and the Corporation makes a decision which contract is the most appropriate. Common employment conditions apply to these employees.

MPL Agreements were negotiated in general accordance with the “Guidance for Chief Executive Officers – Agreement Making and Industrial Relations in Government Owned Corporations (February 2010)” and with direct involvement of a representative from Workplace Consulting Queensland within the former Department of Employment and Industrial Relations. As at 1 January 2011, 15 employees were covered by the Mackay Ports Authority Certified Agreement 2004 (State) and 25 were covered by the Mackay Ports Authority Certified Agreement 2004 (Federal).

The relevant industrial instruments relating to PCQ and MPL as at 1 January 2011 are:

<table>
<thead>
<tr>
<th>Award/Agreement</th>
<th>Scope</th>
<th>Current Number of Employees</th>
<th>Expiry Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ports Corporation Of Queensland Enterprise Agreement 2010/11</td>
<td>All PCQ employees remunerated up to the Queensland Public Service Level A0-8</td>
<td>44</td>
<td>30 June 2011</td>
</tr>
<tr>
<td>Mackay Ports Authority Certified Agreement 2004 (Federal)</td>
<td>Operational employees</td>
<td>25</td>
<td>1 July 2010</td>
</tr>
<tr>
<td>Mackay Ports Authority Certified Agreement 2004 (State)</td>
<td>Salaried employees</td>
<td>15</td>
<td>1 July 2010</td>
</tr>
<tr>
<td>Regional Port Authority Officers’ (Queensland) Award 1999 (Federal)</td>
<td>Salaried employees</td>
<td>25</td>
<td>N/A</td>
</tr>
<tr>
<td>Apprentices’ and Trainees’ Wages and Conditions (Queensland Government)</td>
<td>Apprentices</td>
<td>1</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Consistent with developing arrangements to safeguard the employment conditions and industrial relations practices for its employees, PCQ and MPL have a Grievance and Dispute Resolution Policy that provides a consistent and clear approach. The parties promptly deal with disputes and refer matters that may not be resolved for assistance available under industrial relations legislation.

NQBP and its subsidiaries have no gain sharing schemes.

NQBP complies with the schedule of “Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporations (GOC) Employees September 2010” (Attachment 2), which forms part of this Plan and the agreement with shareholding Ministers it represents.

The NQBP group industrial instruments and any relevant policies provide at least equivalent or more beneficial employment conditions than those conditions contained in the Government's "Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees September 2010" (refer Attachment 2).

Key elements of the Agreements are as follows:

<table>
<thead>
<tr>
<th>Award/Agreement</th>
<th>Wage Increases</th>
<th>Hours of work per week</th>
<th>Rostered Day's Off</th>
<th>Span of Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ports Corporation Of Queensland Enterprise Agreement 2010/11</strong></td>
<td>• From 1 January 2010 – 4.5% [3.25% wage increase + 1.25% productivity increase]; and&lt;br&gt;• From 1 January 2011 to 30 June 2011 – 2% [1.625% wage increase + 0.375% productivity increase]</td>
<td>38</td>
<td>1 RDO / 4 weeks</td>
<td>12 hours / day by agreement</td>
</tr>
<tr>
<td><strong>Mackay Ports Authority Certified Agreement 2004 (State)</strong></td>
<td>• From 1 July 2009 – 4.5% [3.25% wage increase + 0.75% SDI (ongoing business initiative) + 0.5% SDI (Airport reform)]; and&lt;br&gt;• From 1 July 2010 – 4.5% [3.25% wage increase + 0.75% SDI (ongoing business initiative) + 0.5% SDI (Airport reform)].</td>
<td>38</td>
<td>1 RDO / 2 weeks</td>
<td>12 hours / day (6am – 6pm)</td>
</tr>
<tr>
<td><strong>Mackay Ports Authority Certified Agreement 2004 (Federal)</strong></td>
<td>• From 1 July 2009 – 4.5% [3.25% wage increase + 0.75% SDI (ongoing business initiative) + 0.5% SDI (Airport reform)]; and&lt;br&gt;• From 1 July 2010 – 4.5% [3.25% wage increase + 0.75% SDI (ongoing business initiative) + 0.5% SDI (Airport reform)].</td>
<td>36.25</td>
<td>1 RDO / 2 weeks</td>
<td>12 hours / day (6am – 6pm)</td>
</tr>
</tbody>
</table>

**5. Enterprise Bargaining and Productivity Initiatives**

**5.1 North Queensland Bulk Ports Corporation Limited (NQBP)**

It is NQBP’s intention to develop an integrated enterprise agreement or set of agreements to cover all employees remunerated at or below the AO8 level in the public service. The strategy for this has been developed and considered by the Human Resources and Industrial Relations Committee and the Board in January 2010. Negotiations commenced in April 2010 after Government approved the negotiation framework for the NQBP Enterprise Agreement. Negotiations will continue during 2011, targeting the new agreement to be in place by the revised target completion date of 1 July 2011 with staff being employed directly by NQBP at that time.
To date the relationship between employee representatives and NQBP has been cordial. After numerous negotiation meetings NQBP tabled a ‘draft in-principle agreement’ and requested a written response to the proposal. The key issues proposed by NQBP are:

- Wage increases in line with the Government’s Government Owned Corporations – Wages Policy (2010) of 2.5% on 1 July 2011 and 1 July 2012 and a further possible 1% increase on 1 July 2011 and 1 July 2012 resulting from productivity initiatives.
- Two classification pay systems, one for trades and field employees and another for all other employees.
- A 38 hour working week where employees currently on 36.25 hours per week will have their pay increased to compensate for working the additional 1.75 hours.
- Employees to choose their preferred flexible working arrangements, (i.e. rostered days off (RDO), from no RDO’s, 1 RDO every 4 weeks (the default standard), 1 RDO every 3 weeks or 1 RDO every 4 weeks).
- Four (4) weeks annual leave per annum (non shift workers). However for employees currently entitled to 5 weeks annual leave per annum, this entitlement will be ‘grandfathered’.
- 12 days personal leave per annum. However for employees currently entitled to 15 days personal leave per annum, this entitlement will be ‘grandfathered’.
- Rationalisation of allowances.
- Continuation of the Performance Pay Arrangement (PPA) for existing PCQ staff. MPL staff will be offered access to the PPA however staff will receive 50% of the available performance pay compared to 100% for PCQ staff.

Significant differences remain between the parties and between the PCQ and MPL employees. The differences primarily concern:

- Employees currently working a 36.25 hour working week wish to continue working those hours;
- Employees currently with MPL want to be on the same PPA as their PCQ colleagues; and
- PCQ employees receiving the PPA do not want MPL employees to receive any PPA payment.

Enterprise Bargaining / Productivity Initiatives

The negotiation framework for an NQBP Enterprise Agreement 2010 has been approved by Government. The negotiation framework includes initiatives for ‘consistency across NQBP’ and productivity initiatives. Productivity initiatives currently being considered are:

<table>
<thead>
<tr>
<th>Travel Rationalisation</th>
<th>The frequency of travel of employees between Mackay and Brisbane will be reduced as a result of changing the way work is done. For many occasions where travel was required, the use of Video Conferencing will reduce the need to fly between sites. Additionally, as well as the air travel, this technology will reduce the need for overnight stays, food purchased and taxis.</th>
</tr>
</thead>
</table>
| Optimisation of existing resources | a) Ship Handling
  - At the Port the employees are required to handle the ships line around capstans. This is a job that can be a safety risk. Therefore, where it is feasible, the implementation of Mechanical Aides at the Port will result in better labour utilisation.
  - The job of line handling will be safer and it will reduce the number of staff required to under line handling for ship movements.
  - Employees who are on the ‘shipping’ roster, leave their job when a ship approaches the harbour during dayshift therefore there is a loss of productivity. There are no dedicated employees assigned the task of line handling, but rather employees may make themselves available to fulfill these duties.

b) Water Supply Pipeline Maintenance
Mackay employees are now undertaking the preventative maintenance of the Sun Water Pipeline contract, previously contracted out to an external contractor.

c) Louisa Creek Mowing
Mackay employees are now undertaking mowing and land care tasks at the Louisa Creek site. This work was previously undertaken by external contractors.
d) Louisa Creek Residence Maintenance
Previously all maintenance on rental properties was done by external contractors. Mackay trade and other personnel may be required to attend to job requests where the expected job value is in excess of $1000. Jobs under $1000 continue to be actioned by real estate agents contractors.

e) Internal staff relieving in project positions
- NQBP is dedicated to staff development and giving employees opportunities to expand their knowledge and skills through job development. An opportunity arose to give staff experience working on a large project through the Abbot Point Expansion. An offer was made to internal staff to work in Project Cost Controlling. A PCQ officer was seconded to undertake this role for the life of the project which is expected to continue until mid 2011. Beyond the completion of this project, it is envisaged that further expansion work will require similar duties to be performed over the life of this agreement. The Project Cost Controller's rate is based on an additional casual rate of 23%. Other employees in NQBP have taken on additional tasks to cover this therefore savings are based on 30% of the total amount.
- The employee, in addition to gaining valuable knowledge and skills in the business, is able to develop via the organisation's commitment to career and personnel development.

Efficiency savings from Human Resource Information System (HRIS) implementation - including payroll upgrade
Currently, no HRIS exists in the business. NQBP intends to implement a HRIS requiring employees to enter timesheet data directly online to the system. The HRIS will give the corporation ability to respond and action management queries concerning pay, leave, performance management and employee biographical data. The HRIS payroll upgrade will enable employees to receive electronic pay slips, rather than the current traditional form of a paper based pay slip. Additionally, payroll officers will not be required to enter new and updated employee details, leave requests and timesheets for the fortnightly payroll.

5.2 Ports Corporation of Queensland

Enterprise Bargaining

Productivity Initiatives
Productivity initiatives approved as part of the PCQ Enterprise Agreement have been put into practice as at 1 January 2010. Progress to date:

<table>
<thead>
<tr>
<th>Productivity Program</th>
<th>Source of productivity initiative</th>
<th>Target</th>
<th>Achievement to date</th>
<th>Action required if target/s not met</th>
<th>Other comments/ explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improved induction processes</td>
<td>Ongoing business</td>
<td>Implemented by 1 January 2010</td>
<td>Policy and Procedure implemented. Internal training currently being undertaken</td>
<td>N/A</td>
<td>Nil</td>
</tr>
<tr>
<td>Move to electronic supplier invoicing</td>
<td>Ongoing business</td>
<td>Implemented by 1 January 2010</td>
<td>Project plans are complete.</td>
<td>N/A</td>
<td>This project is yet to be implemented.</td>
</tr>
<tr>
<td>Continuation of rostered days off (previously a trial)</td>
<td>Ongoing business</td>
<td>Ongoing</td>
<td>Rostered day off system has been continued.</td>
<td>N/A</td>
<td>Nil</td>
</tr>
<tr>
<td>Secondment of internal staff for project (rather than labour hire)</td>
<td>Ongoing business</td>
<td>Ongoing</td>
<td>Secondments are in place.</td>
<td>N/A</td>
<td>Nil</td>
</tr>
<tr>
<td>Electronic payslip generation</td>
<td>Ongoing business</td>
<td>1 January 2010</td>
<td>Implemented pay period ending 6th November 2009</td>
<td>N/A</td>
<td>Nil</td>
</tr>
</tbody>
</table>
5.3 Mackay Ports Limited (MPL)

Enterprise Bargaining

The MPL business has two (2) agreements. The MPL Federal agreement largely covers employees in the office whilst the MPL State agreement largely covers employee who are trades persons or field workers (outside workers) such as labourers and gardeners. The nominal expiry date of the agreements was 1 July 2010. However, such agreements provided for a full annual wage increase from 1 July 2010 for the period until 30 June 2011.

Productivity Initiatives

The Service Delivery Improvement (ongoing business initiative) 0.75% payment has been paid to employees in exchange for agreement to move from a weekly payroll process to a fortnightly payroll process.

In conjunction with this payment, employees were given three months notice to implement the new fortnightly payroll process. Any employee requiring financial advice to revise their budget arrangements as a result of moving to receiving their wages fortnightly was given access to such services as provided through MPL. There was minimal take-up of this offer.

<table>
<thead>
<tr>
<th>Productivity Program</th>
<th>Source of productivity initiative</th>
<th>Target</th>
<th>Achievement to date</th>
<th>Action required if target/s not met</th>
<th>Other comments/explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Photography - Abbot Point (use of internal resources)</td>
<td>Ongoing business</td>
<td>1 January 2010</td>
<td>Implemented</td>
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<tr>
<td>Energy Management &amp; Carbon Reduction Plan</td>
<td>Ongoing business</td>
<td>1 January 2010</td>
<td>Plan approved July 2009 Initiatives continue to be implemented in 2011 All printers set to default through the IT Server in October 2009</td>
<td>N/A</td>
<td>Ongoing monitoring and implementation of initiatives</td>
</tr>
</tbody>
</table>

6. Employee Flexibility

A review was undertaken of all existing PCQ and MPL policies with the intention to have in place a comprehensive set of NQBP policies by 1 July 2010. It was recognised that where policy issues are dealt with in either or both entities (PCQ or MPL), a standard NQBP position may not be possible until the NQBP Enterprise Agreement is in place. Given that a single enterprise agreement is not in place, there remains a few policies still to be standardised under NQBP.

Included in this policy list are work practices that promote employee flexibility. Where changes to policy can be made they will be aligned with NQBP’s organisational goals, however the policy will not override provisions as outlined in the relative PCQ and MPL industrial agreements. A summary of the work practices and policies that promote and support employees with family responsibilities include:
### Part-time arrangements
Yes. No formal policy in place, however both PCQ and MPL currently employ part time employees. These arrangements are considered on a case by case basis.

### Flexible work hours
Yes. Employees have access to flexible hours and time off in lieu arrangements and an RDO scheme.

### Reduced working year
No

### Paid Parental Leave - maternity/ paternity/ adoption
Yes. PCQ employees are entitled to a maximum of 52 weeks maternity leave, (paid leave of 14 weeks), and a maximum of 52 weeks spousal leave (paid leave of 1 week) and 52 weeks adoption leave.
MPL employees are entitled to a maximum of 52 weeks parental leave for the birth of their child (paid leave of 14 weeks), or adoption of their child, (paid leave of 14 weeks), and a maximum of 52 weeks spousal leave (1 week paid).

### Working from home
Yes. Where it is agreed and improves productivity.

### Other policies/practices
Carer’s leave is available to employees required to provide care or support to family members.
On a case by case basis, both MPL and PCQ will review requests to assist study and/or training arrangements giving due regard to the specific circumstances and divisional requirements (no presumption of a favourable decision)

### Employee Assistance Program

### 7. Type of Employment

<table>
<thead>
<tr>
<th>EMPLOYMENT CATEGORY</th>
<th>30 June 2011</th>
<th>30 June 2012</th>
<th>30 June 2013</th>
<th>30 June 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent Full Time (Non Senior Executive)</td>
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<td></td>
<td>PCQ 27</td>
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<td>Permanent Part Time (Non Senior Executive)</td>
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<tr>
<td></td>
<td>PCQ 3</td>
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<td></td>
<td>NQBP 1</td>
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<td></td>
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<tr>
<td></td>
<td>PCQ 0</td>
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<td></td>
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<tr>
<td></td>
<td>NQBP 0</td>
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<tr>
<td></td>
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<tr>
<td>EMPLOYMENT CATEGORY</td>
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<td>30 June 2012</td>
<td>30 June 2013</td>
<td>30 June 2013</td>
</tr>
<tr>
<td>-----------------------------</td>
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</tr>
<tr>
<td>Apprentices (Group)</td>
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<td></td>
<td>PCQ 0</td>
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<td></td>
<td>NQBP 0</td>
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<td>NQBP 0</td>
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<tr>
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<td></td>
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</tr>
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<td></td>
<td>PCQ 0</td>
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<td></td>
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<tr>
<td></td>
<td>NQBP 0</td>
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<td>Total</td>
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<td>0</td>
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</tr>
<tr>
<td>Labour Hire (Professional/Administrative/Clerical - FTE)</td>
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<tr>
<td></td>
<td>PCQ 2</td>
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<td>NQBP 0</td>
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<td></td>
<td></td>
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<tr>
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<td>TOTAL WORKFORCE</td>
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<td></td>
<td>PCQ 49</td>
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<td>NQBP 117</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>120</td>
</tr>
</tbody>
</table>
Variation in the total workforce June 2010 to June 2011 is largely a result of the finalisation of the Abbot Point Expansion Project and the subsequent dissolving of its team and the reduction of contractors from the Abbot Point expansion project.

NQBP notes Government’s 2009 election commitment to maintain 5,000 public sector apprenticeships and trainee positions over four years to April 2013 across the Queensland public sector agencies, Government owned corporations, Government departments and statutory authorities. NQBP’s workforce planning and employment policies are underpinned by a clear recognition of the need for a skilled and viable workforce which takes into account the need for on-going renewal and appropriate training to ensure there is sufficient capacity within the organisation to replace retiring or departing employees. Apprentices and trainees are an important part of this forward planning and NQBP therefore supports the Government's commitment. NQBP will continue to make available apprenticeship and trainee opportunities consistent with its workforce planning, training programs and business needs.

**Workforce Planning**

There are no specific changes in the type of employment and trends in various employment types across relevant years.

It is important to note that there are a range of potential projects (for example: Multi Cargo Facility, Abbot Point X80/110 expansions and Dudgeon Point development) that NQBP are exploring which, should they proceed, will require increased levels of NQBP direct employees. Since none of these projects have been formally approved, anticipated employment numbers related to the projects have not been incorporated into the above figures.

As NQBP aligns the business with the new Corporate Plan, various sections of the business may be reviewed over time to align with changing business needs and to improve efficiencies. Such reviews may change job requirements in future and could result in restructures.

No direct employees of NQBP are subject to employment changes as a result of the sale of the Abbott Point Coal Terminal.

Concerns raised by staff (including those of potential future job losses for the business as a whole) have been addressed via communication directly with employees. The CEO and DCEO have communicated the overall plan for business growth of NQBP as well as the positive outlook for projects within the Abbot Point Port.

### 8. Workplace Health and Safety

NQBP has seven worksites, one of which is a single employee site. The larger worksites are the Corporate Offices in Mackay (approximately 44 staff and contractors) and Brisbane (approximately 43 staff and contractors), where the predominant activity at both offices is administration and an office (approximately 19 staff and contractors) at the Abbot Point Expansion Project to project manage construction. The activities at the remaining worksites are principally property maintenance, wharf maintenance and workshop activities. Port handling activities are also carried out in the Port of Mackay.

Because of the higher risk activities associated with a major construction project, the Abbot Point Expansion Project has a Site Health and Safety Officer and a Safety Advisor to ensure contractors implement and maintain their own internal safety management systems. These NQBP safety specialists liaise with contractors on site and carry out regular audits and inspections of their activities.

NQBP is committed to the safe operation of our business and to ensuring the health and safety of our employees and others in our workplaces and has set a target of zero lost time injuries. To that end the safety management systems of PCQ and MPL will be integrated into a single NQBP safety management system. The integration will ensure that the best aspects of both systems are preserved.

The high safety standards expected by NQBP will be maintained and continuously improved through employee awareness and involvement in conjunction with the implementation and ongoing monitoring of sound risk management practices and procedures.
NQBP has adopted the Australian/New Zealand 4801:2001 Standard for NQBP health and safety policies and procedures and will conduct both internal and external safety audits to confirm compliance to that standard once the new safety management system has been implemented. The external safety audit program began at the Port of Mackay in August 2009. The key deficiency highlighted from the external audit resulted in the need for the development of a draft NQBP Workplace Health and Safety Management Plan (to replace the separate PCQ and MPL Safety Management plans). The new NQBP Workplace Health & Safety Management System was implemented on the 3 June 2010. The next audit is scheduled for the second quarter of the 2010/11 financial year.

Currently, there is a re write of the integrated safety management system for NQBP. Training of staff and NQBP’s contractors will be implemented by the 1st half of the 2011 calendar year.

The Board is aware of the harmonisation of workplace health and safety legislation and will be seeking direction and training both for itself and staff.

North Queensland Bulk Ports Corporation will continue to appoint a qualified person as workplace health and safety officer in its workplace(s) where 30 or more workers are normally employed at the workplace.

<table>
<thead>
<tr>
<th>Lost Time Injury Frequency Rate*</th>
<th>Lost Time Injury Duration Rate*</th>
</tr>
</thead>
<tbody>
<tr>
<td>13.24</td>
<td>32</td>
</tr>
</tbody>
</table>

*Figures as at 1 July 2010 to 31 Dec 2010

9. **Equal Employment Opportunity (EEO) and Anti-Discrimination**

NQBP’s Anti-discrimination Policy complies with the *Anti Discrimination Act 1991*.

NQBP believes in fair and equitable treatment for all employees, customers and the general public and employs a no-tolerance policy.

NQBP aims to select the best people for its positions and provide them with training and development opportunities as a key element of the driver for efficiency and productivity. NQBP is also committed to the principle of equal remuneration for male and female employees for work of equal or comparable value. The Recruitment & Selection Policy promotes equal access to employment opportunities for all members of the community and upholds the ethos as described. All employees have a responsibility for promoting and implementing EEO and anti-discriminatory practices.

Grievance and appeal processes are in place for employees of both PCQ and MPL which foster practices that are non-discriminatory.

All policies are included in induction training and are the subject of periodic briefings.

NQBP note that under section 148 of the *Government Owned Corporations Act 1993*, a GOC is a relevant EEO agency for purposes of Chapter 2 of the *Public Service Act 2008*. Therefore, in accordance with section 31 of the *Public Service Act 2008*, NQBP will, for each financial year, provide the Public Service Commissioner with a report about the outcome of its actions required under section 30 of the *Public Service Act 2008* during the financial year. The report will be provided no later than three months after the financial year ends.

10. **Interstate Acquisition/Operations**

The NQBP Group does not have and does not intend to engage employees located interstate or overseas during the currency of this plan.
11. **Joint Venture Projects**

The NQBP Group does not currently have employees involved in the operation of joint venture assets. No such arrangements are planned, however they may be considered particularly as a mechanism for future development at Abbott Point. Specific and separate Government approval will be sought prior to commencement of any commercial arrangements.

12. **Management of the Relationship between GOCs and Unions**

NQBP endeavour to deal with industrial relations matters cooperatively through consultative arrangements with employees and union delegates at the workplace 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.

As part of the induction process, NQBP provides employees with information about their right to be represented for their industrial interests by an organisation of employees.

NQBP encourages accredited union delegates and/or job representatives, and will not unnecessarily hinder them in the reasonable and responsible performance of their duties. NQBP acknowledges Union right of entry. In security regulated areas of our Ports there are restrictions of movement around the Port. Union officials, unless authorised, will need to be escorted around the Port in order to meet our security obligations under Ports Security plans.

NQBP is in regular contact with relevant unions regarding issue management and business improvement processes.

**Right of Entry of Union Officers to the Workplace (Under the Fair Work Act 2009)**

NQBP acknowledges the constructive role democratically elected union delegates undertake in the workplace in relation to union activities that support and assist members. That role is formally recognised, accepted and supported.

NQBP employees are given full access to union delegates/officials during working hours to discuss any employment matter or seek union advice, provided that service delivery is not disrupted and work requirements are not unduly affected.

Provided that service delivery and work requirements are not unduly affected, delegates are provided convenient access to facilities for the purpose of undertaking union activities relating to NQBP membership. Such facilities include: telephones, computers, e-mail, photocopiers, facsimile machines, storage facilities, meeting rooms and notice boards.

**Industrial Relations Education Leave**

Paid time off not exceeding five days per union in any one year non-cumulative will be made available to a duly elected or appointed union representative or delegate, upon written applications by the union at least 6 weeks in advance (or as is mutually agreed by the union and NQBP), to attend courses or seminars conducted by the union or specific training courses approved and accredited by the union. NQBP will give consideration to the special requirements of any regionally based workplaces in applying the limits on paid time off referred to above. This is provided that the granting of such leave does not unreasonably interfere with NQBP’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 NQBP’s operations.

13. **Redundancy Provisions**
There will be no forced redundancies of NQBP, PCQ or MPL employees without the explicit and written sanction of shareholding Ministers.

13.1 North Queensland Bulk Ports Corporation (NQBP)

In any situation of redundancy, options for redeployment and retraining of staff will be exhausted before the offer of voluntary redundancy arrangements is considered.

By the time this plan is operative it is anticipated employees will be covered by redundancy arrangements of industrial agreements or for those not covered by an industrial agreement, redundancy will be specifically dealt with in their employment contract.

**Senior Employees (non executive)**

The greater of 2 weeks’ ordinary pay plus a further 2 weeks ordinary pay for each completed year of service, or a sum representing 2 weeks’ salary per year of continuous service with NQBP up to a maximum 52 weeks’ pay.

**Employees under enterprise agreements**

The PCQ and MPL Agreements contain a redundancy provision which focus on the redeployment and retraining of surplus employees. The Queensland Ports Reform Industrial Relations Framework 2009 (IR Framework) was established by the Ports Review Industrial Relations Consultative Group to assist affected employers and employees during the ports reform process. The IR Framework provides for no forced redundancies of staff employed under awards or Enterprise Bargaining Agreements for the life of the agreement(s). The framework operates for 3 years after the transfer of employment to NQBP.

Consultation and communication with affected employees and the relevant unions occur in line with Agreement provisions.

13.2 Ports Corporation of Queensland (PCQ)

Employees of PCQ covered by the Enterprise Agreement have redundancy provisions documented in the agreement. PCQ has developed a Redundancy Policy, the provisions of which do not compromise the provisions of the Enterprise Agreement. It is noted that employees with at least 5 years service but no more than 10 years service only, the Fair Work Act 2009 provides for more beneficial redundancy entitlements than the PCQ Enterprise Agreement. NQBP has acknowledged and is committed to meeting its obligations under the National Employment Standards.

In any situation of redundancy, options for redeployment and retraining of staff will be exhausted before the offer of a voluntary redundancy arrangement is considered.

The policy allows for the greater of:

- two weeks pay, plus two weeks pay for every year of service. A proportionate amount is payable for an incomplete year of service; or
- the provisions of industrial legislation or agreements.

Given that the legislative requirements of redundancy may change PCQ has structured the policy to capture the greater of agreement provisions and the legislation.

Employees will also receive accrued and pro rata entitlement to Long Service Leave and Annual Leave.

13.3 Mackay Ports Limited (MPL)

Employees of MPL covered by the Collective Agreements have redundancy provisions documented in the agreement.

In any situation of redundancy, options for redeployment and retraining of staff will be exhausted before the offer of voluntary redundancy arrangements is considered.
Employees under the Collective Agreement will receive the following severance payment for periods of continuous service:

Subject to a cumulative maximum of 52 weeks (equivalent to 16 years of continuous service):

- four weeks’ severance payment; plus
- three weeks’ ordinary pay pro-rata for each completed year.

Employees will also receive accrued and pro rata entitlement to Long Service Leave and Annual Leave.

14. Job Security

The IR Framework was established by the Ports Review Industrial Relations Consultative Group to assist affected employers and employees during the ports reform process. The IR Framework provides for no forced redundancies of staff employed under awards or Enterprise Bargaining Agreements for the life of the agreement. The IR Framework operates for 3 years after the transfer of employment to NQBP.

The IR Framework also provides for security of employment entitlements and states that: “Upon transferring to a new entity and/or new employer, the employee’s salary, terms and conditions of employment and existing entitlements will be the same as they existed in their previous employment with existing businesses. These terms and conditions of employment will remain in place until new industrial agreements are established.”

NQBP will uphold these previous entitlements as detailed in the IR Framework.

15. Contracting Out

NQBP and its subsidiaries manage resource demands by bringing in consultants to extend the organisation’s capabilities for short-term one-off projects and for specialist skills. NQBP seeks to achieve best value outcomes and internalising positions will occur when this represents the most effective way for the organisation to achieve its objectives.

NQBP will comply with any relevant directions and will have regard to policies and guidelines issued by Government when employing contractors or consultants. The standard conditions of contracts utilised by NQBP when engaging contractors ensures compliance with relevant legislation and NQBP ensures that contractor’s employees are competent and use safe work practices.

Contractors and/or labour on-hire arrangements are utilised by NQBP 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). Contractors will not 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.

The engagement requires contractors to have appropriate licences and levels of competency and to use safe work systems and practices at least equivalent to those operating within the Corporation, and the application of relevant award or agreement conditions. Detailed induction processes are applied to validate that contractors have appropriate licences and levels of competency and that their proposed methods of work are acceptable. NQBP is not envisaging significant outsourcing of any of its core activities in the plan period.

16. Superannuation

The Queensland Government’s QSuper scheme is available to all NQBP and subsidiary employees. Where employees of MPL elect not to access QSuper, their SGL-compliant payment is directed to SunSuper. Directors may nominate where their superannuation contributions will be made and NQBP will consider specific requests by employees who have valid reasons for not wanting to contribute to QSuper.

For non-casual employees in QSuper, NQBP contributes 12.75% of an employee’s salary where the employee agrees to contribute a further 5% (or 5.88% pre-tax for QSuper defined benefit scheme). Casual employees may
choose to contribute from their salary as well; however the default position is no contribution with NQBP contributing 9% of employee salary.

NQBP’s continued use of the QSuper scheme satisfies the requirements for member choice of super schemes under Federal legislation.

In summary, superannuation arrangements currently in place (as at 1 January 2010) for all staff including casuals are:

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<th>Superannuation Fund Type</th>
<th>Number of employees*</th>
<th>Employee contribution</th>
<th>Employer contribution</th>
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</thead>
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</tr>
<tr>
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<td>12.75%</td>
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<tr>
<td>MPL</td>
<td>29</td>
<td>5.88%</td>
<td>12.75%</td>
</tr>
<tr>
<td>NQBP</td>
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<td>12.75%</td>
</tr>
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<td><strong>51</strong></td>
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<tr>
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<tr>
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<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2</strong></td>
<td><strong>2</strong></td>
<td><strong>2</strong></td>
</tr>
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</table>

* Note: the number of staff detailed in this breakdown will not necessarily reconcile with the employment figures provided in Section 7 due to the totals being based on figures calculated at different times.

Contributions by employees to QSuper accounts determine the level of employer contribution rates in accordance with QSuper determined formulae. NQBP meets the superannuation guarantee obligations in relation to Ordinary Time Earnings for all superannuation funds.

Employer contributions for other superannuation funds are made in accordance with the superannuation guarantee requirements (currently 9% of ordinary time earnings).

NQBP has no role in QSuper’s use of “surpluses” (or for that matter “deficits”) in relation to QSuper Defined Benefit Accounts.

17. Consultation

NQBP, in developing and implementing its industrial relations strategies, communicates with its employees, its users, relevant trade unions and central agencies.

In accordance with section 149(7) of the Government Owned Corporations Act 1993 and the Guidelines for the Development of Employment and Industrial Relations Plans In Government Owned Corporations (2010), Office of Government Owned Corporations, Department of Transport and Main Roads, Department of Justice and the Attorney General and Unions are being consulted on the development of this document.

All issues raised in consultation have been satisfactorily addressed with the parties raising the issue and this E&IR Plan is the outcome of that consultation, effectively representing an agreed position between the parties.
18. Reporting

NQBP will provide an update to OGOC each year covering the implementation of the plan, events or matters that have occurred or due to occur that vary the E&IR Plan. Variations to the plan will be explained and any issues that have arisen or are expected to arise during the current E&IR Plan will be outlined.
Attachment 2

[Organizational chart diagram]

(Page 2 of 4)
Abbot Point Expansion Team

Legend:
- Consultants
- PCG staff
- Contractors
- Located at AP

(Page 4 of 4)
Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees

September 2010
Minimum Employment, Industrial Relations and Job Security Principles for Government Owned Corporation (GOC) Employees September 2010

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 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 Government is committed to ensuring employment conditions are maintained, and that standards within GOCs reflect community and Government sector standards (i.e. GOC employment and industrial relations policies). These principles were introduced in order to ensure that there is some certainty regarding minimum employment standards, industrial relations practices and job security, especially with GOCs operating in the federal industrial relations jurisdiction.

Objective

The principles set out below, which have been endorsed by Government, confirm the Government’s position on minimum employment conditions and industrial relations practices in GOCs. These principles should be read in conjunction with all relevant legislation, policies and procedures that apply to GOCs.

As a general principle, GOCs, including any GOC subsidiaries within Queensland, should maintain employment arrangements and policies without reduction in entitlements or protections, 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 accordance with the Government Owned Corporations Act 1993. Departure from this approach should only be undertaken where there is a legal requirement to do so.

Principles

1. 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. This should be the case 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 alternatively existing custom and practice, such arrangements shall be continued.

2. No Disadvantage

It is the position of the Government that GOCs must ensure the rates of pay and conditions of employment in an industrial instrument will meet the federal legislation approval requirements. Additionally, conditions of employment in existing GOC industrial instruments are not to be reduced, except as required by relevant federal legislation or as agreed between the relevant industrial parties.

3. Enterprise Agreements
GOCs must comply with the relevant legislation and Government policies and principles for bargaining, such as the Government Wages Policy.

The following conditions of employment and practices shall continue.

a) Enterprise agreements, with unions as parties to the agreement, shall be the preferred means of industrial regulation of rates of pay and conditions of employment. Enterprise agreements can include a broad range of matters such as:
   • rates of pay;
   • employment conditions e.g. hours of work, meal breaks and overtime;
   • consultative mechanisms;
   • dispute resolution procedures; and
   • deductions from wages for any purpose authorised by an employee.

Enterprise Agreements should not include unlawful content (such as discriminatory or objectionable terms).

GOCs may use flexibility terms, including existing alternative employment arrangements, as a mechanism for providing additional or different terms and conditions to individual employees. These will not result in terms and conditions which undercut legislated minima or minimum conditions as set by the Government. For example, GOCs must not provide less than the minimum entitlement to annual leave in exchange for additional remuneration. Parties should be better off overall under the resulting arrangement. GOCs are required to provide the Government Department responsible for Industrial Relations with details on the number and terms of individual flexibility or alternative employment arrangements entered into, as requested from time to time.

b) New individual common law contracts may only be made for enterprise agreement covered employees where the total fixed remuneration equates to or exceeds:
   (i) the respective GOC enterprise agreement remuneration envelope (top rate from the agreement plus applicable superannuation and annual leave components); and/or
   (ii) the equivalent of the Queensland Public Service AO8 level per annum plus 12.75% plus the equivalent of annual leave loading plus any overtime component; unless otherwise negotiated within an enterprise agreement.

4. Union Encouragement

GOCs will facilitate access for their employees to union representatives in a fair and reasonable way. Arrangements should take into account the specific circumstances of the GOC to support the efficient operation of, or service provision by the GOC.

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, including during the agreement making process.

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.

5. Right of Entry of Union Officers to the Workplace

The rights and obligations that may be exercised by officials and employers in relation to right of entry are provided for under the relevant legislation.

Written notice may be required to be given by the official before entering a workplace and should be provided in accordance with the requirements outlined under the relevant legislation. Further, the legislation provides the conditions upon which the permit holders must abide, including complying with reasonable occupational health and safety requests, acting in a proper manner and not interrupting the normal continuity of work.
An employer will not unreasonably refuse, delay or obstruct a permit holder from exercising their rights. However, it should be 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. It is recommended that union officials make contact with GOCs beforehand to ensure necessary compliance before entering workplaces where this might be the case e.g. ports, airports and other essential infrastructure installations.

6. Industrial Relations Education Leave

Unless an award/enterprise agreement and/or custom and practice 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. A written application shall be made by the union at least 6 weeks in advance (or such lesser period as provided for in an award/enterprise agreement or custom or practice 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. The granting of such leave is subject to it not unreasonably interfering 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.

7. Payroll Deductions of Union Fees

Requests from employees for payroll deduction of union fees are to be accommodated where the service has previously been provided. It is noted that Government agencies provide this facility without charge to relevant unions.

8. 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. The Government Department responsible for Industrial Relations should be consulted prior to the offer of voluntary redundancy arrangements. There shall be no forced redundancies of award or agreement staff, or contract employees who would ordinarily be subject to awards or agreements, at GOCs without the explicit and written sanction of relevant shareholding Ministers.

Enterprise agreements and/or workplace arrangements should contain provisions relating to redeployment, retraining and last resort redundancy for excess employees. In general, existing redundancy entitlements should not be enhanced unless it is necessary to do so in order to comply with the minimum redundancy entitlements contained within the relevant legislation.

9. Use of Contractors

The following general principles should be followed when using contractors.

(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 exercised to avoid training for 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.

10. Termination of Employment

Responsible and defensible policies and procedures regarding the management of performance, conduct and capacity of staff should be in place and adhered to, 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 given an opportunity to respond formally to any allegation about their conduct, capacity or performance; and
   (ii) ensure the employee is formally warned about the conduct, capacity or performance and is given reasonable opportunity to rectify any deficiency; and
   (iii) ensure the employee has a right to be represented through all parts of the process.

b) If dismissal is subsequently determined:
   (i) provide the employee with a clear reason for dismissal, detailing the process followed 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.

c) If an employee is in their probationary period the legislative provisions and GOC policy relevant to probation are to apply.

11. Resolution of Disputes

Dispute resolution is the process by which disputes within the workplace are finalized between, or for the parties, and is separate to the processes that deal with industrial action during bargaining. Enterprise agreements are required to contain a dispute resolution clause which details the procedure for dealing with disputes. Disputes should be resolved following the same principles as the good faith bargaining requirements.

The Dispute Resolution Procedure should:

- provide a consistent and clear approach for the parties to deal with and resolve disputes early on;
- list the nominated parties to assist in resolving disputes; and
- detail the 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 (eg. through a negotiated, mediated, arbitrated or adjudicated outcome).

Under the *Fair Work Act 2009* (Cth) the dispute resolution provision of an enterprise agreement must include a procedure that requires or allows Fair Work Australia (FWA), or another person who is independent of the employer, employees or employee organisations covered by the agreement to settle disputes.

The parties to the enterprise agreement are to reach agreement about the dispute resolution provider. If agreement can not be reached about the dispute resolution provider the default provider should be FWA.

The *Industrial Relations Act 1999* (IR Act) was amended in 2007 to provide for parties in the federal industrial relations jurisdiction to have access to the Queensland Industrial Relations Commission (QIRC), by mutual agreement, to conciliate and/or arbitrate matters in dispute. The QIRC is still available as an option for parties to agree to be the dispute resolution provider under an enterprise agreement.

A party to a dispute can then refer the matter to the FWA tribunal, QIRC or the relevant agreed dispute resolution provider if discussions at the workplace level do not achieve a resolution.

The procedure must provide for dealing with disputes about any matters arising under the agreement or in relation to National Employment Standards. The procedure must also allow for the representation of employees covered by the agreement for the purposes of dispute resolution. Where the legislation provides a model dispute resolution procedure the GOC must ensure their procedure as a minimum covers all matters provided for in the model procedure.
GOCs are reminded of the requirement to liaise with and inform the Government Department responsible for Industrial Relations matters in accordance with the policy, ‘Guidance for Chief Executive Officers - Agreement Making and Industrial Relations in Government Owned Corporations’. Due to the sensitive nature of industrial disputes and the potential impact of industrial action threatened or taken, GOCs are expected to advise and inform the Government Department responsible for Industrial Relations as a priority.

ATTACHMENT GUIDELINES: Establishing a Dispute Resolution Procedure

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

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 workplace level, proceed to next level (Step 2).

Step 2 Dispute Resolution Process [including QIRC assistance if relevant]

Who

The disputes procedure shall list the nominated tribunal or person(s) agreed between the parties to assist in resolving disputes. Tribunals or person/s may include Fair Work Australia, the Queensland Industrial Relations Commission (QIRC) or, alternatively a person who is independent of the employers, employees and industrial organisation(s) covered by the agreement.

How

The parties may determine the appropriate approach to disputes generally and must agree in their enterprise agreement how the dispute is to be resolved. If the parties agree to utilise the QIRC, the parties must submit a referral agreement to the QIRC as to how disputes are 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 resolution procedure must be agreed between the parties. 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; and
(v) at any time industrial action is threatened or taken during the process, either party may directly proceed to Fair Work Australia for assistance.

Any time industrial action is threatened or taken, the GOC must inform the Government Department Responsible for Industrial Relations as a priority.

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.