ABOUT THIS REPORT

We remain committed to ensuring that our practices and processes contribute to strong business growth and a sustainable future. A future with a commitment to a healthy and natural environment for the wider Gladstone community at its core. In 2012/13, GPC’s focus on sustainability and growth continued to strengthen, and this is reflected in the continuation of our 2011/12 theme of sustainability across three key aspects – economic, environmental and social.

This report outlines the social, economic and environmental outcomes of our operations across our three Port precincts – Port of Gladstone, Port of Rockhampton (including Port Alma Shipping Terminal) and Port of Bundaberg. It provides qualitative and quantitative information that enables us to compare our performance in 2012/13 against our own previously set benchmarks and forecast performance indicators, and against the performance levels achieved by our peers. It reflects our commitment to our mission to responsibly manage, develop and operate Port facilities and services for the sustainable economic growth and social prosperity of our region, Queensland and Australia and our progress toward our vision to be the most respected Ports Corporation in the nation.

We have a policy of transparent operation and full disclosure – our report exceeds the legislative requirements of the Government Owned Corporations Act 1993 (Qld) (GOC Act) and the Financial Accountability Act 2009 (Qld).

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## PERFORMANCE SNAPSHOT

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<th>Challenges</th>
</tr>
</thead>
<tbody>
<tr>
<td>Achieved a 4.06% increase (2011/12: 26%) in after tax profit</td>
<td>Weather events led to decreased overall tonnages handled through our three Ports</td>
</tr>
<tr>
<td>Provided a dividend of $57.4m (2011/12: $48.1m) for our shareholders</td>
<td>Managing the environmental impacts of Port expansion in accordance with regulatory and community expectations</td>
</tr>
<tr>
<td>Achieved 7.6% (2011/12: 7.4%) return on assets</td>
<td>Managing the impacts of an increasingly dynamic world coal market on operational planning and performance</td>
</tr>
<tr>
<td>Achieved a 45.5% increase in alumina related products throughput at Fisherman's Landing #1 and #2 due to the opening of the Rio Tinto Alcan Yarwun Refinery Stage 2</td>
<td></td>
</tr>
<tr>
<td>Attained AS/NZS 4801 certification</td>
<td></td>
</tr>
<tr>
<td>Reduced LTIFR to 2.02 (2011/12: 2.73)</td>
<td></td>
</tr>
<tr>
<td>Achieved 83% recognition as a good corporate citizen in annual Corporate Image Survey (2011/12: 74%)</td>
<td></td>
</tr>
<tr>
<td>Invested almost $3m in community infrastructure, activities and initiatives</td>
<td></td>
</tr>
</tbody>
</table>
Operational Snapshots

Lost Time Injury Frequency Rate was **reduced to 2.02** (2011/12: 2.73)

RGTCT’s Stockpile 22 increased stockpile capacity by **294,000t**

Environmental Standards accreditation **AS/NZS ISO 14001-2004** maintained successfully

Provision of a **Marina Boat Ramp Complex** for the community

Successful negotiation of the GPC Enterprise Agreement 2012

Record throughput of **85.2Mt of cargo** handled in 2012/13 (2011/12: 83.8Mt)

Western Basin Dredging and Disposal Project **well ahead** of schedule and budget

Planning for a **$45m Redevelopment** of the Auckland Inlet precinct completed
GPC and Gladstone Regional Council partnership to deliver $35m Gladstone Entertainment Centre expansion

(pages 31, 77)

Completion of Stage 4 of the RGTCT process control system upgrade

(page 33)

Dust suppression at RGTCT enhanced now covering more area across the facility

(page 50)

RGTCT Wharf Slurry System Stream 3 detailed design completed, reducing risk of product spill into harbour

(page 40)

Achieved nine point increase in overall reputation, with 83% of the community agreeing GPC is a good corporate citizen

(page 75)

Achieved a 4.06% increase in after tax profit (2011/12: 26%)

(page 88)

Provided a dividend of $57.4m (2011/12: $48.1m) for our shareholding Ministers

(page 90)
Who we are

Gladstone Ports Corporation Limited (GPC) is a Company Government Owned Corporation that manages and operates three Port precincts – Port of Gladstone, Port of Rockhampton and Port of Bundaberg.

This is the Port of Gladstone’s 99th year, having formally commenced in 1914 as the Gladstone Harbour Board. The Rockhampton Harbour Board and Bundaberg Harbour Board commenced operation in 1896, and all three boards became Port Authorities in 1987. The Ports of Gladstone and Rockhampton (including Port Alma Shipping Terminal) became Government Owned Corporations (GOCs) in 1994 and 1995 respectively, and on 1 July 2004 merged and commenced operation as the Central Queensland Ports Authority (CQPA).

On 13 March 2008, CQPA was renamed the Gladstone Ports Corporation. Following this on 1 July 2008, GPC was constituted under the provisions of the Government Owned Corporations Act 1993 (Qld) (GOC Act) as a Company Government Owned Corporation (GOC), and became Gladstone Ports Corporation Limited.

The Port of Bundaberg, previously a wholly-owned subsidiary of the Port of Brisbane, merged with GPC on 1 November 2009.

More about the three Port precincts and their corporate history is available at http://www.gpcl.com.au/AboutGPC/HistoryofGPC.aspx

Across the three precincts we employ 709 people who operate our shiploading and train unloading facilities, and carry out harbour works, quarry operations, reclamation works, general maintenance and administration.

Our commitment to a strong safety culture and continual improvement in our safety performance is reflected in our certification to the AS/NZS 4801 safety standard.

Where we are

Located 525km north of Brisbane, the Port of Gladstone comprises Port land and facilities at various sites. A total of 4,321ha of land falls under our control, including more than 700ha of reclaimed land. The Port of Rockhampton, located to the north of Gladstone, is 62km east of Rockhampton in the Fitzroy River delta, while the Port of Bundaberg, to Gladstone’s south, covers 507ha, and is 19km south of Bundaberg (refer to the map opposite).

What we do

The Port of Gladstone is Queensland’s largest multi-commodity port, and the RG Tanna Coal Terminal (RG TCT) is the world’s fourth largest coal export terminal (by throughput). Cumulatively, our Ports handle the export of resources from Central Queensland and products (such as sugar, grain and tallow) from local industries, and the import of raw materials from national and international sources. Throughout all our operations we maintain a focus on impressing our customers, recognising that they are vital to the success of our business and our relationships with them are highly valued.

We directly support the resources sector by operating the facilities required to export significant quantities of the State’s vital resources (coal/aluminium etc.) to international markets and by planning and building infrastructure to grow the region and the Queensland economy. These activities provide key contributions to the Queensland Government’s objective of growing a four-pillar economy in Queensland through agriculture, tourism, resources and construction.

Our environment

Our Port facilities and services are located in estuarine environments of high conservation value. We have developed, and actively perform our work, under an Environment Management System (EMS) designed to maintain and improve, wherever possible, the social and ecological values of all three precincts. Our EMS continues to be certified to the rigorous requirements of ISO 14001:2004.

Our community

We engage with our community stakeholders regularly to keep them informed about all aspects of our operations. Through our Community Investment Program we support local and regional communities with social, environment and economic initiatives.

More information

You can find more Information about the Port on our website http://www.gpcl.com.au and this Annual Report is available at http://www.gpcl.com.au/NewsPublications/AnnualReports.aspx if you have any questions about our Annual Report or other communications please contact Corporate and Community Relations on +61 7 4976 1625 or email communityrelations@gpcl.com.au
VISION, MISSION, VALUES

Our vision
To be the most respected Ports Corporation in the Nation.

Our mission
To responsibly manage, develop and operate Port facilities and services for the sustainable economic growth and social prosperity of our region, Queensland and Australia.

Our values

- **Sustainability**
  We preserve the inherent worth of Port assets for future generations. We protect the health and safety of our people, the environment and our community. We engage with and contribute to the communities in which we operate.

- **Excellence**
  We continually strive for excellence in all that we do and constructively challenge for a better way. We are open to learning and appreciate that shared knowledge and innovation are essential to our growth.

- **Customers**
  We serve our customers and the Port community with pride and passion. We respond with urgency, anticipate their needs, and exceed their expectations.

- **Respect**
  We build relationships based on equality, dignity, honesty and trust. In all our dealings we strive to be friendly and courteous, as well as fair and compassionate.

- **Empowerment**
  We support and empower people to give their best and reach their potential. We fully apply our skills and capacity, are accountable in our actions, and perform to the best of our ability.

- **Teamwork**
  We are one company, one team. We work together to achieve our objectives.
Summary of Statement of Corporate Intent

The Statement of Corporate Intent (SCI) represents our commitment to our shareholding Ministers. It outlines the strategies that will be implemented in a given year to support our contribution to the Queensland Government’s objective of growing a four pillar economy in Queensland through agriculture, tourism, resources and construction. GPC directly supports the resources sector. The SCI complements longer term five-year and 50-year Strategic Plans that provide further strategic direction for achieving the Corporate Vision.

BUSINESS

OBJECTIVE: To carry out Port operations in accordance with world’s best practice

<table>
<thead>
<tr>
<th>Outcomes 2012/13</th>
<th>Targets 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continue implemention of logistical software to enhance operational efficiencies and maintenance windows – continuing to 2015</td>
<td>Continue analysis for the introduction of Port vessel management system</td>
</tr>
<tr>
<td>Continue analysis for the introduction of Port vessel management system – continuing</td>
<td>Progress the development of Curtis Island and Fisherman’s Landing areas for LNG projects</td>
</tr>
<tr>
<td>Progress the development of Curtis Island and Fisherman’s Landing areas for LNG projects – continuing</td>
<td>Ensure dredging program with LNG proponents meets schedule and continues to satisfy all environmental compliances/Government initiatives</td>
</tr>
<tr>
<td>Progress development of Wiggins Island for coal exporting project – continuing</td>
<td>Progress a 50-year plan for Port of Rockhampton under the National Ports Strategy guidelines</td>
</tr>
<tr>
<td>Develop a 50-year plan for Port of Rockhampton under the National Ports Strategy guidelines – continuing</td>
<td>Facilitate establishment of the Fitzroy Terminal Project at Port of Rockhampton</td>
</tr>
<tr>
<td>Support feasibility study for proposed Balaclava Island Coal Exporting Terminal at Port of Rockhampton – proponent has deferred project</td>
<td>Continue to develop a Master Plan for Port of Rockhampton, including Sea Hill investigations</td>
</tr>
<tr>
<td>Support proposed Fitzroy Terminals Project at Port of Rockhampton – continuing</td>
<td>Continue strategic planning and business development process for Port of Bundaberg, including a 50-year strategic plan</td>
</tr>
<tr>
<td>Ensure dredging program with LNG proponents meets schedule and satisfies all environmental compliances/Government initiatives – continuing</td>
<td>Progress trials for ebb tide movement of vessels</td>
</tr>
<tr>
<td>Continue to develop a Master Plan for Port of Rockhampton, including Sea Hill investigations – continuing</td>
<td>Continue assessment of Port of Gladstone’s shipping capacity</td>
</tr>
<tr>
<td>Continue strategic planning and business development process for Port of Bundaberg – continuing</td>
<td>Continue to collaborate with the rail operators and coal customers to improve efficiencies across the coal transport chain through the Capricornia Coal Chain Maximisation Project</td>
</tr>
<tr>
<td>Dredge Clinton Bypass Channel – achieved</td>
<td>Divest land assets where appropriate and when not required for current or future core Port business</td>
</tr>
<tr>
<td>Prepare comprehensive assessment of Port of Gladstone’s shipping capacity – continuing</td>
<td>Initiate strategies to improve container/break bulk trade through the Gladstone and Rockhampton ports</td>
</tr>
</tbody>
</table>
### INFRASTRUCTURE

**Objective:** To facilitate and provide import and export shipping infrastructure to the Central Queensland region

<table>
<thead>
<tr>
<th>Outcomes 2012/13</th>
<th>Targets 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Complete construction of Stockpile 22 at RGTCT – substantially achieved</td>
<td>- Complete construction of new tug terminal</td>
</tr>
<tr>
<td>- Continue construction of new tug terminal – continuing</td>
<td>- Continue EIS process for the development of Gladstone’s outer channels</td>
</tr>
<tr>
<td>- Continue EIS process for the development of outer channels, including new marina facility at Boyne River – continuing</td>
<td></td>
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</tbody>
</table>

### ENVIRONMENT

**Objective:** To maintain the environmental integrity of the Port of Gladstone, Port of Rockhampton and the Port of Bundaberg in line with community and stakeholder expectations

<table>
<thead>
<tr>
<th>Outcomes 2012/13</th>
<th>Targets 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Finalise the construction of an environmental bund to create increased settlement capacity at RGTCT – substantially achieved</td>
<td>- Maintain AS/NZS ISO 14001-2004 Environmental Standards accreditation</td>
</tr>
<tr>
<td>- Maintain AS/NZS ISO 14001-2004 Environmental Standards accreditation – achieved</td>
<td>- Support the Gladstone Healthy Harbour Partnership</td>
</tr>
</tbody>
</table>

### COMMUNITY

**Objective:** To actively involve ourselves in the community through programs that provide benefit to both ourselves and the regional community in which we operate

<table>
<thead>
<tr>
<th>Outcomes 2012/13</th>
<th>Targets 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Ensure achievement of objectives and outcomes of the Reconciliation Action Plan (RAP) for our Indigenous community – achieved</td>
<td>- Continue to implement and promote the Reconciliation Action Plan (RAP) for our Aboriginal and Torres Strait Islander and Australian South Sea Island communities</td>
</tr>
<tr>
<td>- Commence construction of the Auckland Inlet foreshore development Stage 1 and progress Stages 2-4 detailed design – achieved for Stage 1a</td>
<td>- Complete construction of the Auckland East Shores Inlet development Stage 1a</td>
</tr>
<tr>
<td>- Finalise construction for Marina Boat Ramp facility – achieved</td>
<td>- Seek appropriate approvals to progress an Indigenous Land Use Agreement that will improve planning certainty and contribute to the local Indigenous community</td>
</tr>
</tbody>
</table>
## PEOPLE

**OBJECTIVE:** To support, develop and maintain a safe workplace and a skilled, motivated, fulfilled workforce

<table>
<thead>
<tr>
<th>Outcomes 2012/13</th>
<th>Targets 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negotiate a Collective Agreement that enables our people to deliver critical business processes and outcomes – achieved</td>
<td>Deliver the productivity initiatives stipulated in the GPC Enterprise Agreement 2012</td>
</tr>
<tr>
<td>Manage and deliver employee programs that enhance internal communications, provide recognition of efforts, engage families and assist in retention – continuing</td>
<td>Progress succession management and leadership development</td>
</tr>
<tr>
<td></td>
<td>Target zero lost time injuries and a 20% improvement in safety statistics</td>
</tr>
<tr>
<td></td>
<td>Maintain AS/NZS 4801 accredited safety management system and continued roll out of behavioural-based safety program</td>
</tr>
<tr>
<td></td>
<td>Optimise employee health outcomes through proactive health management</td>
</tr>
</tbody>
</table>

## CORPORATE GOVERNANCE

**OBJECTIVE:** To provide the vision and direction to promote and develop business opportunities whilst ensuring compliance with legal and contractual obligations

<table>
<thead>
<tr>
<th>Outcomes 2012/13</th>
<th>Targets 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduce a Capital Investment System (CIS) to provide a more rigorous framework for evaluating and managing new capital investments – continuing</td>
<td>Revise the CIS to provide a more rigorous framework for evaluating and managing new capital investments</td>
</tr>
</tbody>
</table>
FINANCIAL

OBJECTIVE: To earn commercial long-term rates on shareholders’ funds; generate funds to meet Port infrastructure requirements; retain current and develop future business opportunities; and maintain a sound financial position

<table>
<thead>
<tr>
<th>Outcomes 2012/13</th>
<th>Targets 2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>▶ Commence implementation of replacement commercial systems – continuing</td>
<td>▶ Complete the installation of an Enterprise Resource Planning (ERP) system</td>
</tr>
<tr>
<td>▶ Achieve after tax profit of $58.0m – achieved</td>
<td>▶ Achieve after tax profit of $59.4m</td>
</tr>
<tr>
<td>▶ Provide dividend of $46.4m – achieved</td>
<td>▶ Provide a dividend of $45.8m</td>
</tr>
<tr>
<td>▶ Achieve 6.6% EBIT return on assets – achieved</td>
<td>▶ Achieve 7.2% EBIT return on assets</td>
</tr>
</tbody>
</table>

Key performance indicators – 2012/13 financial year

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>SCI target</th>
<th>Variance actual to target (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue ($m)</td>
<td>889</td>
<td>761</td>
<td>16.8</td>
</tr>
<tr>
<td>Operating expenses (including depreciation) ($m)</td>
<td>787</td>
<td>639</td>
<td>23.1</td>
</tr>
<tr>
<td>EBIT ($m)</td>
<td>138</td>
<td>122</td>
<td>12.9</td>
</tr>
<tr>
<td>Cash from operations ($m)</td>
<td>102</td>
<td>113</td>
<td>-9.7</td>
</tr>
<tr>
<td>Return on assets %</td>
<td>7.6</td>
<td>6.6</td>
<td>15.1</td>
</tr>
<tr>
<td>Return on equity %</td>
<td>10.8</td>
<td>6.8</td>
<td>58.6</td>
</tr>
<tr>
<td>Debt/equity ratio %</td>
<td>34.7</td>
<td>39.6</td>
<td>-12.5</td>
</tr>
<tr>
<td>Current ratio (times)</td>
<td>1.1</td>
<td>1.0</td>
<td>12.4</td>
</tr>
<tr>
<td>Interest cover (times)</td>
<td>3.9</td>
<td>3.1</td>
<td>26.6</td>
</tr>
<tr>
<td>Tonnes (million)</td>
<td>86</td>
<td>93</td>
<td>-7.3</td>
</tr>
</tbody>
</table>
It is fair to say that 2012/13 ended well, particularly given some of the challenges that we faced as an organisation.

Despite flooding in Gladstone and Bundaberg, a tough world coal market and the pursuit of an intensive capital works and development program, the team still managed to produce a strong overall result, which finished up on last year.

Earnings before interest, tax, depreciation and amortisation (excluding impairments) (EBITDA), landed at $187.8m which will allow a dividend of $57.4m to be paid to the shareholding Ministers.

At this time, I offer a special note of recognition to the team at GPC for achieving this result, particularly given the additional financial burden the flood events placed on the operation. I am also very pleased with the manner in which we responded to the flooding at both Gladstone and Bundaberg. RGCT was up and running within four days of having suffered flood damage. In Bundaberg, as most would know, enormous damage was done to the port and river system. Notwithstanding the challenges this placed on the operations team, it is worth noting that at the Port of Bundaberg dredging commenced within weeks of the event to enable sugar transportation as soon as possible.

We now find ourselves well into the next term and with a strong focus on planning for growth. At the Port of Gladstone we are progressing the operational readiness plans for WICET and working with LNG proponents to complete their mainland operational centres and Port shipping protocols.

In the coming year we will take responsibility for the harbour’s pilot services. In addition the towage operator will be increasing its tug fleet to meet the increasing vessel movements. This will ensure that when WICET and the LNG facilities commence trading that we have the requisite control to safely handle the fast growing needs of shipping movements in the harbour. This is also a precursor to the Gatcombe and Golding channel duplication which will support simultaneous shipping movements and ensure safe navigation.

In 2012/13, our focus was not limited to building the infrastructure that industry growth and diversification require. We also made significant advances in projects that support our local communities. Activities in the community arena ranged from the substantial progress on the $35m Gladstone Entertainment Centre (to be delivered in October 2013) and commencement of the $45m East Shores project to sponsorships and donations to local community groups and causes.

While investing in industry and community, this year we also took steps to invest in our processes and people.

In 2013/14 we commenced a program to streamline and improve our business policies and processes and began implementation of our business surveillance framework. In combination these initiatives will ensure that we have a workforce that is capable and well equipped to drive the future growth that is essential to our success.

As most readers will be aware, GPC’s Chief Executive Officer Leo Zussino will finish his 12-year term in August 2013. On 26 July 2013 we announced the appointment of Craig Doyle to take on the operational leadership of the organisation and I take this opportunity to warmly welcome Craig to an exciting and dynamic operation. On behalf of the Board I also take this moment to thank Leo for his many years of service to GPC. He is leaving behind a strong and successful organisation and a solid base for his successor to build on. We all, at GPC, wish him well in his future endeavours.

I would also like to acknowledge the cooperative and significant support we have received from our shareholding Ministers and the State Government in general.

Finally, thank you to my fellow Directors, our Senior Management Team and our committed workforce for their support and contribution to our successes this year.

Mark Brodie
Chairman
Over the next five years trade throughput for GPC’s Ports is projected to grow by over 50 million tonnes per annum (Mtpa) due primarily to the growth in Liquefied Natural Gas (LNG) and coal exports.

As such, during the past 12 months (2012/13) GPC has been focused on facilitating the establishment of three new LNG plants and the Wiggins Island Coal Export Terminal (WICET) and on preparing the organisation for the dramatic growth in trade during 2014/15 to 2017/18.

In addition to the provision of Port infrastructure to facilitate the establishment of new trade, GPC has been engaged in the process of transforming our organisation through a continuous improvement and business development program.

The heightened activity associated with the $34 billion development within the Gladstone Port precinct has not distracted GPC from its task of serving our existing Port customers.

During 2012/13, Port trade reached a record 85.8Mt despite the fact that due to flood impacts and lower export demand, coal exports were down on 2011/12.

Likewise, our financial performance was strong, achieving a net profit after tax of $72.7m combined with a return on operating assets of 7.5% and a return on equity of 10.8%.

Primary safety measures continue to trend down

It was pleasing to see that our Lost Time Injury Frequency Rate (LTIFR) and Total Injury Frequency Rate (TIFR) continued to trend down over 2013. Our LTIFR was 2.02 compared to 2.73 in 2011/12 and down significantly against the 3.49 recorded in 2010/11. This is a particularly pleasing result when set in a context of increased hours worked over the comparative periods.

I believe there is a clear link between these positive results and our safety awareness campaigns and programs that are designed to keep safety top of mind and target identified problem areas. In 2013, these included our safe spine program and our hand safety education campaign.

This year also saw us continue the development of our behavioural-based safety program. This program, which will embed a sustainable safety culture throughout GPC, is consistent with the goals of our people performance framework. It will help us to help our people go home from work in the same fit state that they arrived. This is complemented by our Health and Wellbeing Management Strategy, which in turn is underpinned by our Work Healthy – Retire Well philosophy and encourages employees to improve, achieve and maintain optimal health outcomes during all phases of their life/work cycle.

Our new safety system (compliant with AS/NZS 4801) was implemented, audited and accredited during the year; completing a two-year journey of review and improvements to our workplace health and safety systems and processes. Accreditation to this standard is a tangible outcome of our commitment to achieving an optimum safety culture.

In 2013/14, we will continue to identify and address areas for improvement and education, and in the process continue to make significant inroads toward meeting our ‘Zero Harm’ commitment.

Scrutiny of our environmental stewardship continues

2012/13 saw GPC continue to be the subject of scrutiny in relation to fish and other marine animal health in Gladstone Harbour. While public debate has continued since concerns were first raised in 2011, the results of Queensland Government’s ongoing investigations were compiled in the Gladstone Harbour 2012 Program Report that summarised the key findings to date.

On release of the report the Environment Minister Andrew Powell said “The findings continue to show no evidence to link water quality with illness in fish or people, and pleasingly, clear evidence that fish health has improved significantly”.

Monitoring and compliance

Our operations are subject to significant compliance requirements under both development approvals and legislation. These requirements cover areas such as air, water and stormwater quality.
I am pleased to say the dust emissions that in the past have been a major issue for our operational and local community areas have been efficiently dealt with. Last year we commenced installation of an internally developed and innovative dust suppression system that also reduced water use. This year the system has been substantially implemented and its effectiveness is reflected in the reduction in complaints in this area; these are now a rare occurrence.

We have maintained our focus on water quality, marine ecosystems and the health of seagrass beds that have the potential to be impacted by development in the Western Basin. Water quality is monitored daily, seagrass health quarterly. The extensive monitoring programs we established prior to commencement of the Western Basin Dredging and Disposal Project (WBDDP) continued this year – these will remain in place for the lifetime of the project, with pre-commencement results referenced as a benchmark.

While overall development approval breaches reduced by two-thirds, aging infrastructure at the Port presented a challenge for compliance during the year. We are meeting that challenge by working on a rolling program to ensure our old infrastructure has what it takes to meet modern environmental requirements and is capable of supporting our target of zero compliance breaches.

Engaging the community on environmental matters

Quarterly community barbeque updates on the WBDDP were conducted with scientists, engineers and managers on hand to provide information and answer questions. These events were supported by opportunities for the community to undertake tours and education sessions. Information was also provided at events such as Ecofest, Beach, Arts, Music (BAM) and Calliope Markets, and through advertising and interviews with local media and the provision of web-based daily updates on project progress.

As part of our larger commitment to keep our community informed of our work in the environment we started work on a community communication project designed to provide an enhanced understanding of the area’s threatened and migratory species and their habitats. We also continued our support for the turtle monitoring program for the twentieth year.

Rain affects our Ports and our customers

The region was again impacted by adverse weather, with two significant events in January and February bringing torrential rain and flooding. All three Port precincts were affected, with shipping restrictions lasting from days at Port of Gladstone and Port of Rockhampton to months at Port of Bundaberg. Flooding mines and rail closures again affected our customers and their supply routes to our Ports, with the rail network taking six weeks to recover and resulting in an estimated 5Mt loss to the supply chain.

Despite this, we managed to increase trade performance marginally, with total cargo throughput across the three precincts increasing to 85.8Mt (2011/12: 84.5Mt). While at 57.3Mt coal exports were slightly down on last year’s figures (2011/12: 59.8Mt), the opening of the Stage 2 Yarwun Refinery resulted in alumina increasing to 26.9% of throughput (2011/12: 22.5%).

Driving supply chain improvements

The GPC-developed, web-based technology introduced last year was put to the test supporting weekly and daily supply chain planning between the rail network provider, above rail operators, GPC and our customers. This system allows customers to track the progress of their coal as it moves from mine to port, and it also enables better planning, resulting in time savings of eight minutes per train as it allows us to validate its load prior to arrival.

Achieving project milestones

This year we attained substantial milestones that will result in the delivery of major economic and social infrastructure in 2013/14, including:

- 2012/13’s dredging program, well ahead of schedule and budget, will see completion of the WBDDP in early 2013/14.
- Significant advances were made during 2012/13 in the dredging and facilitation works that will support the LNG plants on Curtis Island.
We joined with the Gladstone Regional Council throughout 2013 to construct the $35m Gladstone Entertainment Centre complex (this project will deliver important social and commercial infrastructure in 2014 – an improved entertainment and events venue for the local community and new office space, including the hi-tech regional headquarters for Maritime Safety Queensland).

Awarding construction contracts for Stage 1a of the $45m East Shores project (also known as the Gladstone Coal Exporter Maritime Precinct). We are partnering with the WICET proponents to deliver a family friendly foreshore development, set to become a source of pride for the City of Gladstone (Stage 1a will be delivered in 2013/14).

Other growth initiatives

There are many other signs of the growth forecast for the Port reflected in both infrastructure changes that will underpin increased throughput and procedural changes designed to drive efficiencies and cost savings. The success of these activities is critical to our ability to deliver against the challenge of almost doubling Port throughput in the next three years (from 85Mtpa to 154Mtpa). Some of these activities are outlined in the following paragraphs.

At RGTCT procedural changes are helping to increase loading rates, while the plans for a fifth berth will increase capacity to 90–100Mtpa. The recently completed Stockpile 22 provides additional stockpile capacity in the area.

Fisherman’s Landing reclamation works will provide 274ha for new industry opportunities, with 200ha available for stockpiling and materials handling. When fully developed its 4 existing berths will be expanded to 11 berths that will accommodate Panamax size vessels and handle a variety of commodities, such as bulk, break bulk, and liquid bulk.

Duplication of the Gatcombe and Golding channels will support near future shipping demand and, having been declared a significant project, an EIS is underway. Approvals for this project are expected to be in place by early 2015.

Our new tug harbour has been dredged, and works commenced on the new base that will be home to our fleet of more (up to 10) and larger tugs (80t bollard pull) by 2015.

Our harbour enhancement program and healthy harbour programs and partnerships will direct research and monitoring activities. These activities are designed to keep our world-class commercial harbour in a condition that maintains our community’s confidence in our stewardship.

We agreed upon and commenced a new Enterprise Agreement that has as its cornerstone an employee-led initiative to identify and deliver sustainable efficiencies and I look forward to the constructive suggestions that this initiative will yield over its four year life. The productivity gains made through the auspices of this Enterprise Agreement, coupled with mandatory training and core and technical capability building initiatives will ensure our people are well equipped for the challenges ahead.

During this year and into next year we will maintain a strong focus on our continuous improvement program, targeting safety, environment and operational processes.

Sustained growth is essential for the Port’s future. Our forecast growth will suffer if the three key aspects of sustainability (economic, environmental and social) are not appropriately and adequately considered. If these considerations are equally respected then we will fulfill our first corporate value of sustainability which commits us to preserve the inherent worth of Port assets for future generations; protect the health and safety of our people, the environment and our community; and engage with and contribute to the communities in which we operate. It will also enable us to deliver the economic benefits that will see prosperity for our region and increased royalties for the State of Queensland.

Enhancing community amenity

During the year we reviewed and revamped our Community Investment Program, enhancing our value proposition to the community and ensuring due diligence is observed in our decision making process. We will continue to target community investments that have an impact on lives, address critical needs and provide long-term value.

This was the third year of our Botanic to Bridge FUND Run, and with nearly 4,100 participants, it continues to be a very popular event with our local community. This year, beneficiaries included local schools, the Special Olympics and Mission to Seafarers. My thanks go to the many staff who volunteer each year and help to make this event a great success.
Chief Executive Officer’s Review (continued)

We look forward to the opening of the Entertainment Centre, our joint project with Gladstone Regional Council, which will enliven our CBD, and provide a forum for larger/international acts when it opens later this year.

Our beautiful Marina Parklands also continue to be a drawcard for residents and visitors alike, and the Marina Boat Ramp opened this year is a wonderful addition that benefits our recreational boaties. As noted above, the foreshore area will be further enhanced by the opening of the East Shores project’s first stage toward the end of 2014.

Acknowledgements

I thank all our employees for their efforts toward achieving economic, environmental and social sustainability for GPC. Our collective, continuing commitment to these objectives will see us not only achieve them but confirm our right to an ongoing social licence to operate within our local communities.

My thanks go to our Board of Directors for their direction and counsel throughout the year and to our shareholding Departments for their support and assistance.

Leo Zussino
Chief Executive Officer
Throughput lower than expected, but records still achieved

In 2012/13 the combined throughput for our three Ports totalled 85.8Mt (2011/12: 84.5Mt). This was only a minor increase on 2011/12, but it was an outcome affected by both the significant rain and flooding that inundated the region in January and February of 2013 and the general slowdown in coal markets.

The severe weather caused shipping movements at each of our three Ports to be suspended, inundated the rail network and affected our customers’ mining operations. At the Port of Gladstone total throughput was 85.2Mt. This was 1.4Mt more than 2011/12’s 83.8Mt, but 6.7Mt less than forecast. Port of Rockhampton contributed 349,710t to the total, down 71,536t from 2011/12. This was despite a 50% increase in general cargo handled, and largely due to a significant drop in industry demand for ammonium nitrate. The Port of Bundaberg contributed 204,800t to total throughput (2011/12: 260,084t). Of the three Ports it was the most affected by the severe weather, with shipping movements suspended for some months to allow emergency dredging works to be undertaken.

For the second year the expected return to target levels for coal throughput did not eventuate; at 57.3Mt coal exports were down 2.5Mt compared to 2011/12 exports of 59.8Mt. As noted above, the result was impacted by flooding at the mines, damage to the rail network and continuing uncertainty in the global economy.

While coal tonnages decreased, they were partially offset by growth in other imports and exports. Growth in the alumina industry was particularly strong, and with Stage 2 of the Rio Tinto Yarwun Refinery coming on line, alumina represented 26.9% of total Port throughput.

Revenue significantly increased

Revenue for the financial year increased from $841.1m in 2011/12 to $889.2m in 2012/13. Our revenue is comprised of two streams; trading and other. This year trading revenue totalled $363.0m (an improvement of 8.6% on 2011/12) and other income totalled $562.2m.

The largest component of other income was $520.4m derived from contract dredging and other recoverable works. This result was driven by the LNG construction projects.

Earnings before interest and tax (EBIT) was $137.7m (2011/12: $135.0m). Net gains and losses from revaluations and impairments showed an $11.7m loss. This contrasts against last year where GPC benefitted from a net $7.4m gain from revaluations and impairments. Net profit after tax was $72.7m (2011/12 $69.8m).

New and existing industry supported

The financial year saw us pursue construction and improvement activities to support new industry and support and grow existing industry. This included:

- Western Basin dredging to support construction and future operation of the four LNG facilities on Curtis Island – this dredging program is now expected to be delivered in early 2013/14; 15 months ahead of schedule
- dredging of the Clinton Bypass Channel
- dredging to support construction of the final stages of WICET
- dredging as the first stage of construction of the new Tug Base which will support the increased number of tugs required to handle our larger shipping volumes
- GPC’s public wharves supported construction cargo handling for the LNG projects. At our Auckland Point Wharf #4 throughput was up 16.9% on 2011/12 figures and 55.6% better than forecast. We also refurbished and re-purposed pontoons in the Marina area for users supplying to the LNG constructors
- we commenced an EIS for the near future duplication of the Gatcombe and Golding channels in support of the increased trade that will come with the commissioning of WICET and the LNG facilities
- work on extending Auckland Point Wharf #4 commenced – an additional 48m will be added to enable Panamax size vessels to berth and in turn support a growing container trade
- operational readiness planning commenced in preparation for the commissioning of WICET and the first of the LNG facilities
- commencement of the ERP replacement project to deliver up to date financial and maintenance systems.
Local business supported

An outcome of our support for new and existing industry is support for local business. Through GPC’s purchasing policy we are committed to buying locally where possible, and seeing the benefits of our business flow to local, regional, and State businesses and economies. 2012/13 saw a significant increase in spending (refer Table S1.1). A key driver for this was the increased construction requirements of Port and industry related assets.

Operating expenses

Our operating expenses increased this year to $590.7m from $555.9m, as the ongoing project infrastructure and dredging works for the LNG industry and WICET drove our single largest expense, contractor costs. The ongoing recoverable works activity these projects created was also a primary component of our trade creditors.

Our finance costs decreased slightly (just over 2%) in 2012/13.

The number of full time equivalent employees increased by 1% to 682. Our workforce is forecast to grow when the new Wiggins Island Coal Terminal is commissioned in 2014/15. Due to the nature of our business, for the foreseeable future our largest operating expense will continue to be our staff.

Loan balances held steady

The balance of loans with the Queensland Treasury Corporation was maintained. GPC currently holds one loan under client specific loan arrangements. This loan, with a book value of $461.9m was used to fund GPC’s Port expansions over the period 2007 to 2010. No new borrowings were transacted this year.

Damage from severe weather event

GPC suffered a severe weather event in January 2013 when ex cyclone Oswald passed over Central Queensland and shipping was suspended at our three Ports as a result. The Port of Gladstone experienced damage and incurred clean up costs at RGTCT and BPCT. The Port of Bundaberg experienced significant damage to the channel and training walls in the Port precinct. The channel experienced siltation and scouring which has resulted in almost $6m of dredging works required to restore required depths. The training wall was also damaged and the repair works are expected to commence in mid 2013/14. We are working through the damage and loss of revenue claims with our insurers.

Committed to environmental oversight

The State and Commonwealth approvals for the WBDDP required GPC to commit to a number of in-kind and financial offsets. 5,000ha of Strategic Port Land has already been surrendered as a project offset and $5m has been contributed to Fisheries Queensland to support future research/studies into the region’s fisheries habitat and productivity.

When the WBDDP project is completed in 2013/14 GPC’s environmental oversight under the terms of the project’s approvals will continue until 2020, committing us to expend:

- $2m to enhance the understanding of marine fauna, support species protection programs and undertake habitat enhancement and restoration in the region
- $5m to fund research and monitoring of marine megafauna over a 10-year period

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<td>42.0</td>
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Table S1:1/ Our purchasing policy helps us to add value to our local, regional and State economies
$2m over 10 years to monitor and research migratory shorebirds

$5m for the Biodiversity Offset Strategy to offset unavoidable impact to the marine environment and listed threatened and migratory species.

Looking ahead

In the coming year at the Port of Gladstone we will finalise construction of the new tug facility, Auckland Point Wharf #4 extension, undertake further channel dredging and continue to reinvest in RGTCT, enhancing ageing infrastructure and growing capacity.

During 2013/14 we will focus on operational readiness plans for WICET. We will also work with LNG proponents to complete mainland operational centres and finalise shipping protocols for the LNG carriers.

We will continue our roll out of the Continuous Improvement Program as an effective tool to leverage the best outcomes for existing and new coal and other commodity customers, and for new LNG customers. This will enable us to provide a level of service that adds value for all our customers.

In 2013/14 we look forward to celebrating our 100th year of operation. It is a year which will be capped by the delivery of substantial projects for our customers – notably WICET and LNG proponents. It will also see significant projects delivered for our local community, with the opening of Stage 1a of the new Coal Exporters Marine Precinct and the new Entertainment Centre. The latter will also bring benefits for Maritime Service Queensland who will make the top floor of the Centre their headquarters, and gain an unrivalled line-of-sight to our busy harbour.

Our key challenges in 2013/14 will be:

- finalising the ERP project
- finalising the installation of a new payroll and HR system
- continuing to deliver commercial rates of return for the State whilst supporting the establishment of new industries and the continued growth of existing ones.

Mike Galt
Commercial General Manager
Our Operations, Focused on Growth

OUTCOMES 2012/13

- Achieved total coal exports of 57.3Mt (2011/12: 59.8Mt) at Port of Gladstone (forecast 2012/13: 68.0Mt)
- Achieved total throughput of 85.2Mt (2011/12: 83.8Mt) at Port of Gladstone (forecast 2012/13: 91.9Mt)
- Achieved total throughput of 349,710t (2011/12: 421,246t) at Port of Rockhampton (forecast 2012/13: 380,000t)
- Achieved total throughput of 204,800t (2011/12: 260,084t) at Port of Bundaberg (forecast 2012/13: 240,000t)
- Achieved total throughput of 85.8Mt (2011/12: 84.5Mt) at Port of Gladstone, Port of Rockhampton and Port of Bundaberg
- Continued to improve tenant and lessee management strategies and mechanisms
- Implemented the GPC Land Use Plan 2012

TARGETS 2013/14

- Achieve coal exports of 65Mt through Port of Gladstone
- Achieve total throughput of 93Mt at Port of Gladstone
- Achieve total throughput of 380,000t at Port of Rockhampton
- Achieve total throughput of 240,000t at Port of Bundaberg
- Select divestment of non-strategic land assets
- Strengthen internal processes for managing Strategic Port Land

GROWTH CONTINUES TO BE RESILIENT DESPITE SOME TRADE DECREASES

Another record year!

At the Port of Gladstone we achieved another record with 85.2Mt of cargo handled in 2012/13, up 1.3Mt from 2011/12 but 6.6Mt below forecast. The shortfall against forecast is partially attributable to the significant flood event at the end of January which affected not only Port operations, but also our customers’ operations and landside road and rail access (see Floods story on page 20).

Coal exports accounted for 67.2% of total Port throughput in 2012/13 (71.3% of total Port throughput in 2011/12). This percentage change reflects the rise in cargo throughput in other industry areas and a reduction in coal throughput compared to 2011/12. The alumina industry for example has increased throughput by 16.5% on 2011/12 tonnes as result of the commissioning of the Rio Tinto Alcan Stage 2 Yarwun Refinery. The Yarwun Refinery alone has increased throughput by 46% on 2011/12 figures, and combined with Queensland Alumina Limited (QAL) this now represents 26.9% of total Port throughput.

Financial year 2012/13 throughput by industry

Figure S1:2/ While alumina throughput grew considerably in 2012/13, coal continues to be our primary cargo.
OUR THROUGHPUT, DRIVEN BY MARKET DEMAND

Port of Gladstone, overview

- The coal industry accounted for 67.2% of total Port throughput, with total exports of 57.3Mt.
- Alumina industry cargoes from QAL and the Rio Tinto Alcan Yarwun refinery contributed 26.9% of the Port’s throughput (2011/12: 22.5%).
- Cement Australia’s cement clinker exports increased 23.5% on 2011/12 figures, however this was offset by a decline in cement exports of 24% on 2011/12 figures. Combined, this represented a 7.3% decrease on 2011/12 figures.
- Petroleum products increased 11.6% on 2011/12 figures as a result of diesel imports through Auckland Point Wharf #3 which was a 13.2% increase on forecast for 2012/13. This increase was due to ongoing support for both the mining sector and construction activities in the region.
- The following details each of the Port of Gladstone’s wharf centres and their performance in 2012/13.

Port of Gladstone has five main wharf centres comprising 16 berths:

1. RG Tanna Coal Terminal (RGTCT) – four berths
2. Barney Point Coal Terminal (BPCT) – one berth
3. Port Central – four berths
4. Fisherman’s Landing – four berths
5. South Trees – three berths.

By tonnage throughput, RGTCT continues to lead the Port of Gladstone’s wharf centres with a total of 54.3Mt of coal exported this year. This represents a decrease of 2.6% on 2011/12, with the coal industry severely impacted again by flooding in 2012/13.

BPCT handled 2.9Mt of coal during 2012/13. This represented a 38% decrease on the previous year’s figures, and again is attributed to the significant rain event and flooding in early 2013 (refer page 20).

While RGTCT and BPCT are dedicated to coal, our other wharf centres handle a diverse mix of commodities:

Port Central comprises four commodity wharves.

- Auckland Point Wharf #1 handled 200,654t during 2012/13 which was predominately calcite, dead burn magnesia and general cargo.
- At Auckland Point Wharf #2 tonnes exceeded 2012/13 forecasts by 55.9% with total cargo (wheat, sorghum, chick peas) handled up 13.2% on the previous year.
- Auckland Point Wharf #3 handled 1.2Mt of cargo during 2012/13. This represented an 11.6% increase on the previous year and can be attributed to continuing demand for diesel supply to both the mining sector and construction activities in the region.
- Auckland Point Wharf #4 achieved an increase of 16.9% on 2011/12 and a 55.6% increase on forecast throughput during 2012/13. This was primarily associated with the construction of WICET and the LNG plants on Curtis Island.

Fisherman’s Landing Wharf Centre comprises four wharf facilities:

- Fisherman’s Landing wharves #1 and #2 were strong performers due to the expansion at Rio Tinto Alcan Yarwun Refinery becoming operational. This resulted in a throughput increase of 45.5% on 2011/12 figures with 10.3Mt of cargo handled during 2012/13.
- Fisherman’s Landing Wharf #4 achieved 1.29Mt throughput during 2012/13. Last year’s trend was reversed with cement clinker exports rebounding 23.5% on 2011/12 exports, while cement exports decreased by 24%.

Port of Rockhampton, results dampened

Port of Rockhampton has three wharf facilities. Berths 1 and 2 are suitable for general cargo operations and Berth 3 is dedicated to tallow/ fuel cargoes.

General cargo increased by 50% on 2011/12 figures, while there was an 81% decrease in ammonium nitrate from 265,059t in 2011/12 to 146,426t in 2012/13. In total, only 349,710t of cargo was handled, a decrease of 20.5% on 2011/12’s record throughput and slightly (8%) below the 2012/13 forecast. While the result
In early 2013, the Central Queensland region experienced the damaging after effects of ex-tropical cyclone Oswald, battering the coast with destructive winds and heavy rain. All three of GPC’s operational centres were affected. Initially shipping movements were suspended, this was followed by restrictions on vessels sizes and operating hours until the Harbour Master lifted the restrictions at each Port. The length of restrictions varied, with the Port of Bundaberg suffering the most significant impact.

The Bundaberg region was devastated by the unprecedented flooding of the Burnett River – homes, businesses and infrastructure across the region were destroyed. At the Port, the effects of the destruction of navigational aids and sunken recreational vessels in the area were compounded by significant siltation in the shipping channel.

Subsequently, hydrographic surveys confirmed that the channel was badly impacted, and there had been a major reduction in the Port’s channel depth.

GPC and the Queensland Government undertook emergency dredging works in April to reopen the Port of Bundaberg. Approximately 335,000m³ of silt was removed to return the channel to a depth of 8.5m, enabling smaller commercial shipping (up to 15,000t) to resume on a restricted basis.

On Tuesday 18 June, we welcomed a sugar vessel, the first commercial shipping through the Port of Bundaberg since late January.

Due to poor visibility and wind conditions, Maritime Safety Queensland also enforced a suspension of shipping movements through the Port of Gladstone. At RGTCT and BPCT operations temporarily ceased to ensure that safety and compliance were not compromised by the significant amount of water deposited in the Gladstone area. It was four days before operations resumed and train unloading and shiploading activities returned to normal conditions.

The Port of Rockhampton suffered similar impacts.

was primarily influenced by lower industry demand for ammonium nitrate, the floods and restrictions to shipping movements within the Port also contributed to the overall decrease in Port throughput.

Flooding rains impact
Port of Bundaberg

The Port of Bundaberg is serviced by two main wharves:
- Sir Thomas Hiley Wharf
- John T. Fisher Wharf.

The Sir Thomas Hiley Wharf exported 204,800t of sugar in 2012/13, down 26.9% on the previous year. No molasses was imported over the John T. Fisher Wharf.

This was 14.7% below the 2012/13 forecast. This result can be attributed to the unprecedented flooding that occurred early in the year. This caused major damage to Port infrastructure. Vessel movements within the Port were restricted to small craft for a period of four months while emergency dredging and other restoration works were completed.

Coal exports

The past financial year saw coal exports, which were significantly impacted by the flooding events in early 2013, fall by 2.5Mt (5%) from last financial year.

Japan remains Gladstone’s largest market for export coal receiving over 18.4Mt of coal from the Port during 2012/13. China overtook India as the second largest importer of coal from Gladstone with an increase of 23% on 2011/12 figures. Asian countries accounted for 95% of all coal #4 wharf structure was completed in 1998, and designed to cater to the container terminal trade, heavy lifts and other general cargo shipments.
exported from the Port of Gladstone during the past financial year. European markets dropped 52% on coal exports and South American exports were down 21% on 2011/12.

Port land
This year GPC’s Board made the decision to pursue a divestment strategy whereby non-strategic land assets held by GPC were to be sold. GPC has received ministerial approval to send the properties to market, and a sale strategy will be formulated and valuations undertaken in 2013/14.

2012/13 was the first financial year of the implementation of the ‘GPC Land Use Plan 2012’. The plan’s implementation has resulted in a new framework for administering industrial and community land held by GPC.

Marina provides sought after services
During 2012/13, the demand for private and commercial berths increased significantly due to the LNG Industries at Curtis Island. The occupancy rate increased to an average of 75% with a reserve of 25% kept for transient vessels. Although a high demand was placed on the Marina, GPC continued to manage the influx of clientele as required.

A 2013/14 target for the Marina and Parklands is investigation into the establishment of waterfront dining facilities for the local community, the Marina’s recreational boating clientele and visitors to Gladstone.

An alfresco style restaurant is in the preliminary planning stages. Final preparations are also in progress for a café to be established in the existing kiosk at Spinnaker Park.

Projects have been identified and implemented to achieve continuous improvement strategies for the Marina, and in particular earn a ‘5 Gold Anchor’ rating for the Gladstone Marina. This rating, awarded by Marine Industries Australia, is internationally recognised in the Marina industry.

We are currently undertaking a review of the Marina’s services and procedures in preparation for the independent audit of our services, facilities and infrastructure we will undergo as part of the Gold Anchor accreditation process. This is supported by several sub-projects that are underway to ensure the Marina meets the requirements of the Gold Anchor rating system. These projects include, a $200,000 sullage pump-out facility, transport services, and availability of food and beverages.

While the steps we are taking will contribute to the achievement of Gold Anchor rating, more importantly they will also significantly enhance the customer experience at the Gladstone Marina.

Looking ahead
The Port of Gladstone is forecast to handle in excess of 93Mt of cargo in 2013/14. The coal industry will continue to lead trade growth with exports forecast to reach 65Mt. Strong support is again expected from the alumina industry with forecast tonnages expected to reach 23.5Mt.

The Port of Rockhampton is forecast to handle 380,000t in 2013/14. Port of Bundaberg is expected to remain steady with a consistent forecast of 240,000t in 2013/14. 2013/14 will continue to bring an unprecedented period of industrial growth for the Port of Gladstone. This will position it to become the leading multi-commodity port in Australia. The ongoing support of industry representatives and government departments will ensure we remain positioned to support future trade growth in a sustainable and responsible manner.

Figure S1:4// Asia is the primary market for coal exported from the Port of Gladstone

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<td>20,402,713</td>
<td>22,340,204</td>
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## PORT OF GLADSTONE

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-14.7%

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In the face of increasing demands for capacity it is essential that the use of Port infrastructure is optimised to gain the most effective long term development outcomes and support the viability of the Port. Port Planning and Development plays a critical role in ensuring that the efficiency of the Port is maintained.

The capacity of the channel is critical to the development of the Port, and by monitoring the impacts of additional Port shippers on that capacity and exploring options for alternative sailing times, the duplication of the channels can be deferred and progressively developed. We use tools such as the Port Capacity Model and Full Bridge Simulation to facilitate planning.

Port Planning and Development is responsible for ensuring that existing infrastructure is maintained and can be relied on by shippers; thus minimising delays to vessels and other shippers. This is facilitated through the inspections of the infrastructure and the planning of maintenance over the forthcoming year and up to five years in advance.
Keeping Pace With Growth Needs

OUTCOMES 2012/13
- Western Basin Dredging well in advance of schedule and budget
- WICET passed 50% construction milestone
- Gladstone Entertainment Centre and Car Park Project under construction with major structure completed
- Executed Tug Base dredging
- Completed Gladstone Coal Exporters Maritime Precinct (East Shores) planning and design

TARGETS 2013/14
- Complete Gladstone Entertainment Centre and Car Park to allow transfer of pilots and Maritime Safety Queensland
- Complete Tug Base complex for first escort tug arrivals in June 2014
- Substantially complete Gladstone Coal Exporters Maritime Precinct (East Shores) Stage 1a
- Complete channel duplication EIS

CURRENT PROJECTS

Western Basin Dredging and Disposal Project

The Western Basin Dredging and Disposal Project (WBDDP) underpins the significant Curtis Island LNG (refer page 29) and WICET (refer page 28) projects. During 2012/13, GPC continued to inform and educate the community about the WBDDP through community information sessions, community harbour tours, school harbour tours, school education sessions, community barbecue updates and the Western Basin Port Development webpage www.westernbasinportdevelopment.com.au.

These events were attended by project marine and environmental scientists, dredging engineers and project managers who answered questions and provided information sheets/booklets and conducted water quality demonstrations. Information sessions were also held at local RSL, CCW, Lions and Fishing clubs.

In 2012/13 we introduced seagrass light based management updates on the website. These updates include daily graphs highlighting the amount of light reaching the seagrass meadows which are a cornerstone of sustainable growth in the Gladstone harbour. Through the website we also facilitated local commercial fishermen with their compensation claims for loss of access to the Western Basin due to industry development. We did this by providing access to information on how to apply for and calculate compensation, and the appeals process.

GPC also provides the community with up to date information about the project through regular advertising and community updates in local print and radio media.

Figure S2:2// Material is removed from the seabed by trailing suction hopper dredges, cutter suction dredges and backhoe dredges.
CURRENT PROJECTS

WICET

The Wiggins Island Coal and Export Terminal (WICET), which will be managed and operated by GPC on its completion, has surpassed its 50% constructed milestone. With completion planned for late 2014/early 2015, WICET’s owners (and constructors) are committed to ensuring that the project remains on schedule.

With all major contracts well underway (the successful completion of the Stage 1 dredging works, a comprehensive geotechnical works program and the emergence of above ground infrastructure) GPC’s focus is now on establishing and executing the framework for operational readiness.

As part of our operational readiness activities, in 2012/13 we determined an Operating Service Delivery Model, Operational Readiness Plan Framework and Budgets and Recruitment schedules. The outcomes of these activities will ensure that we have the operational capability that matches the value proposition which WICET’s customers expect.

Stockpile 22

Construction of Stockpile 22 commenced in October 2011 and the project was substantially delivered on budget, and Lost Time Injury free, in December 2012. On full commissioning, Stockpile 22 delivered an increased coal stockpile capacity of 294,000 on ground tonnes at RGTCT.

Systems commissioning of the CC32 conveyor and associated stockpile dischargers commenced in December 2012 and was completed in January 2013. Load commissioning of the CC32 conveyor system was disrupted by the wet weather early in 2013. Resumption of coal deliveries allowed load commissioning to recommence in February. Performance testing of the CC32 Conveyor system has continued and control system improvements to the stockpile dischargers has led to improved control of coal flow.

The completion of the asphalt roads is dependent on the completion of the grated concrete drain along the CC5B export conveyor. This drain will improve the amenity of the stockpile and the management of stockpile run-off water.
The south-western end of Curtis Island was designated as the LNG precinct, with four LNG companies now in the process of establishing plants and outloading facilities. Of the four LNG companies (APLNG, QCLNG, GLNG, Arrow) three have commenced construction. The fourth is awaiting Environmental Impact Statement (EIS) approval and Final Investment Decision (FID). QLNG is forecast to commence exports from 2014, with GLNG and APLNG expected to start shipping in 2015 – ultimately the Curtis Island facilities are expected to export in excess of 27Mt annually.

The industry’s development is strongly linked to access to marine infrastructure for the handling of the LNG. Dredging for the project commenced with the WBDDP in 2011. Expected to be completed by 2014, the dredging work will accommodate:

- three LNG berths initially, each capable of handling up to 155,000cum LNG carriers
- four additional berths in the future.

2013 saw the construction of the first pipelines to the island with QCLNG and APLNG placing pipelines in trenches in the harbour. The GLNG and Arrow projects require tunnels under the harbour to join the mainland pipelines to the LNG plants – 2012/13 saw construction of the first 4km long tunnel commence.

In terms of LNG construction access, berth pockets were complete with just the main access channels required for the LNG proponents to begin exporting gas.

To date, construction of the project has created thousands of jobs and, as one of Australia’s largest capital infrastructure projects, resulted in billions of dollars invested in the region, the State and the nation. Once operational the plants will create many new permanent jobs in the Gladstone area and provide Queensland with a new export industry that will continue to generate significant economic benefits. In 2014, GPC will work with the LNG proponents to facilitate the completion of the mainland LNG operational centres and the Port shipping protocols for the LNG vessels.

**CURRENT PROJECTS**

**LNG**

Figure S2:5// The first LNG plant will commence operation in 2014

Figure S2:6// Three LNG plants are currently under construction: APLNG, GLNG and QCLNG
FUTURE GROWTH

Tug Harbour

The commencement of LNG shipping brings with it the requirement to provide additional tugs for escort and standby duties. When combined with the growth of other trades within the Port of Gladstone, the number of tugs needs to expand from the existing fleet of five tugs to at least ten tugs by the end of 2015.

In order to provide a safe haven for these vessels, it was necessary to develop a new tug base with capacity to cater to the increased size and number of tugs. The new base will be developed behind the RGTCT wharf and provide a central location close to the development occurring within the Western Basin.

The new base has given us the opportunity to change from a fixed deck structure to a floating pontoon system that provides improved access for the crew members. A total of three pontoons will be delivered during the next twelve months to accommodate the new tugs.

During 2012/13, dredging of the base was undertaken to provide depths at the berths of 7m so as to accommodate the new, and much larger, 80t bollard pull escort tugs.

The facility, when developed, will include a new office and workshop.

Gladstone Coal Exporters Maritime Precinct (East Shores)

GPC is partnering with the WICET proponents to plan and develop the foreshore of Auckland Inlet as a public recreational facility.

Detailed design of the development was completed by URBIS in line with a brief to provide concepts for a precinct that will be a source of local pride for the City of Gladstone and a family focused oasis within the city and harbour.

After a public tender process, the contract to construct the first stage of this world-class development was awarded. This stage will focus on development of a water play park that is attractive to visitors of all ages.

The water play park will be enhanced by a waterfront promenade with shade structures, a boardwalk incorporating a viewing platform and extensive landscaping and barbeque areas. It will also provide a safer and more accessible walkway up Auckland Hill plus the necessary services and car parking to facilitate comfortable and convenient public access. The water play park will reshape the use of the waterfront, and attract users to the other amenities for community and family activities that are available in the area.

This new precinct will be in addition to the 43ha of foreshore parklands already provided by GPC in the Spinnaker Park and Gladstone Marina area.

GPC and WICET are proud to be partners in this project, which demonstrates the support of coal exporters through the Port of Gladstone for the city and the local communities who have supported the development of critical export infrastructure in the region.

Construction will commence in September 2013, with the full program expected to take approximately 12 months.
FUTURE GROWTH

**Gladstone Entertainment Centre and Car Park Expansion Project**

GPC and Gladstone Regional Council continue to work together to deliver a significant redevelopment of the Gladstone Entertainment Centre. When complete, the development will provide purpose built commercial office space, increased car parking, and a significantly improved entertainment and events venue for the Gladstone community which will add to the revitalisation of the CBD.

The project will expand into the neighbouring car park on Oaka Lane, adding three levels of public car parking and two storeys of commercial office space.

As part of GPC’s commitment to providing facilities that ensure Gladstone Harbour is managed to the highest possible standards, the top floor of office space will become the new regional headquarters for Maritime Safety Queensland (MSQ). These new facilities will provide MSQ with high-tech equipment and unrivalled line-of-sight to the harbour, ensuring shipping in Gladstone’s extremely busy and valuable harbour continues to be controlled in a safe and efficient manner.

This project demonstrates the cooperative working relationship between GPC and Council to deliver important social and commercial infrastructure for the growing Gladstone community.
FUTURE GROWTH

Channel Duplication Project

Two major developments, scheduled for commissioning by 2014/15, are currently under construction. When the LNG industry facilities (refer page 29) and WICET (refer page 28) are commissioned they will drive a substantial increase in throughput at the Port of Gladstone.

With the potential for new industries to be established in Gladstone, GPC’s 50-year Strategic Plan incorporates objectives for the future development of the Port. Underpinning this development is the requirement to construct new berths, expand existing wharves and wharf centres and duplicate outer harbour shipping channels to accommodate an increase in vessel movements.

The long term proposal is to duplicate the outer harbour channels to allow simultaneous shipping movements and ensure safe navigation. Channel capacity modelling, which considered forecast future traffic volumes, suggested that development of the channel infrastructure could be staged to keep pace with capacity requirements.

Initially, the Gatcombe and Golding channels will be developed to meet the near future demand. Subject to the rate of industry growth, dredging might be undertaken in two stages – in the first stage dredged to a depth of -13.5m and then deepened to -16.1m in the next stage.

This development was declared a ‘significant project’ by the Coordinator General on 25 September 2012 and on 23 October 2012, the Minister for the Department of Sustainability, Environment, Water, Population and Communities (DSEWPac) declared the development a ‘controlled action’.

The EIS process to gain development approval has commenced, with the final Terms of Reference for the EIS provided by Coordinator General in December 2012. The final Guidelines from DSEWPac (the Federal body charged with protection and conservation of the environment) were received in March 2013.

The EIS study is expected to be completed by 2014 with the requisite approvals in place by early 2015. The general arrangement drawing (Figure S2:12) shows the extent of the proposed channel development works to be included in the EIS study. As the existing spoil ground is reaching capacity, an additional study requirement is the identification and securing of requisite approval for a long term dredge spoil disposal site. This site will be selected for its ability to cater not only to this project but also to future capital and maintenance dredging needs.

Of primary concern in undertaking the EIS is that the works can be delivered efficiently and effectively with minimal impact to the environmental values of the harbour and the adjoining Great Barrier Reef Marine Park. The EIS studies will be conducted over an extended period of time to ensure that the seasonality of the environment is captured and the potential impacts are fully addressed.
Cargo Handling Operations

The major weather event at the end of January 2013 significantly impacted the region and brought the rail network and our Port facilities to a standstill. The return to normal operation occurred gradually over a number of months. The impact of this event on our Port operations resulted in a disappointing year for coal shipment which finished more than 9Mt below forecast.

In spite of these difficulties, we managed to maintain our safety and environment focus and finished the year achieving a number of record weeks for coal unloading. Our ship loading figures also returned to above plan rates for the last weeks of the financial year. During 2012/13 we completed a significant volume of work, with a number of major projects being completed, milestones achieved and our cargo handling operations’ maintenance teams completed close to 15,000 jobs throughout the year.

Facilitating New and Existing Trade

OUTCOMES 2012/13

- Completed upgrade and replacement of new RGTCT CC1B and CC1F unloading trippers
- Completed Stage 4 of the RGTCT process control system upgrade project
- Substantially completed construction of Stockpile 22 and commenced integration into RGTCT operation
- Completed replacement of RGTCT Mobile Equipment Workshop doors significantly improving safety within the workshop
- Completed RGTCT stockpile access barriers to provide a safe access into key areas on the stockpiles
- Commenced major safety initiative to automate GPC tunnel cleaning and remove the requirement to manually clean each tunnel
- Completed structural upgrades and refurbishment on major RGTCT assets including CC1B Gantry, CC1F Gantry, THCC8 Tower, Central Tower 1 and tunnels
- GPC oversaw the auditing of the Aurizon supply chain rail model to determine its ability to predict future increased demand on the coal supply chain
- Continued development of the ‘Day of Operations’ planning and execution system in order to systemise current knowledge based processes
TARGETS 2013/14

- Install two further trippers CC1E and CC1A
- Complete of Stage 5 of the RGTCT process control system upgrade project
- Commence lighting upgrade of process areas to improve visibility and safety for employees
- Commence installation of the RGTCT site wide security camera upgrade
- Commence construction of the RGTCT High Voltage ring main to provide full plant redundancy
- Complete structural upgrade of RGTCT Shiploader 2 to enable future improvements and extend life of the machine with an additional focus of a new MCC room and cabin relocation from the boom to the main structure
- Continue major structural upgrades and refurbishments on RGTCT assets including CC1E Gantry, CC1A Gantry, THCC1, North Tower 4 and further tunnels
- Complete full integration of Stockpile 22 into Operations including completion of all punch list items
- Continue development and introduction of planning and execution decision support processes focused on improving operational efficiency and delivery of operating targets
- Continue implementation of the Capacity Maximisation Program, with specific focus on the efficiency of coal throughput, improved dozer efficiency and increased time between stoppages
- Continue operational readiness planning for WICET

CARGO HANDLING OPERATIONS

GPC’s Cargo Handling Operations process coal, calcite, dead burn magnesia and ilmenite through the following three wharf centres, owned and operated by GPC:
1. BPCT
2. RGTCT
3. Auckland Point #1.

In 2012/13, 611 vessels ranging in size from Cape class (up to 300m in length and 220,000 dead weight tonnes (DWT)) to Handy class vessels (from 150–200m in length and 40,000–56,000 (DWT)) were loaded through these three wharf centres.

Our role in the value chain

We work closely with our customers and other stakeholders to facilitate existing and new trade through the region. In 2012/13 we handled bulk product for over a dozen customers spread throughout Central Queensland.

Coal was the largest product (by volume) handled through our facilities, with our terminals (RGTCT and BPCT) receiving coal from 17 mines within the Southern Bowen Basin. We handle 42 coal types across our 94 stockpile zones, with the majority of exported coal destined for use in the manufacture of steel. Our reputation as a coal export terminal has been built on our ability to blend coal from our stockpiles to reliably and accurately meet the strict quality requirements of our customers.

Coal exports for the financial year reached 57.3Mt, with the key limiting factor to throughput being the extremely heavy rain experienced in late January and February 2013. Within a four day period we had approximately 900mm of rain falling in Gladstone and nearby falls of 1,400mm causing large sections of the rail network to be inundated with flood water for a number of days. Following the January rain, the rail network recovered quickly, returning to normal within a few weeks only to suffer a second flooding event in February. As a result of these events, the rail network took over six weeks to return to normal operation and created an estimated loss of 5Mt to the supply chain.

A flexible and responsive approach to service

We work closely with our customers, knowing that our joint success requires cooperation and coordination and a focus on both short and long term planning. Remaining flexible and responsive to our customer requirements has proven successful over many years, in delivering the value and performance they require. Looking forward, the challenge is to incorporate this flexibility into systems that allow us to maximise terminal throughput whilst maintaining the operating characteristics, particularly customer focus, that represent our competitive advantage.

To meet our customer needs and improve our own operational performance, we work closely with all stakeholders within our value chains. Through the Capricornia Coal Chain Steering Committee, we’ve continued to work with our three key stakeholder groups in the coal supply chain (rail network provider, above rail operators and coal mines) to continue improving our collective capability to export coal through Gladstone. Over the last 12 months, a key focus of our cooperative efforts was collaboration for weekly and daily supply chain planning.
To aid the collaborative process GPC developed a system to provide customers with the ability to check on their trains and cargo, in near real time, as they journey from the mine to the port. The system not only enables better planning but also facilitates GPC’s ability to validate and accept trains prior to arrival at our facilities. Trains validated prior to arrival produce an average saving of 8 minutes per train.

Figure S2:13/ GPC’s key contribution is the live view of trains en route to our terminals

The rail network provider has also continued the development of their new planning and day of operation systems. These two systems are complementary and once both systems are established collaboration can be formalised and scheduling can be undertaken across multiple locations involving all stakeholders.

**Operational systems development is a key element for our world-class aspirations**

As planning improves across the coal value chain, it is essential that our internal planning and schedules also improve. As our coal facilities have grown the complexity of planning and scheduling our multi-user stockpiling facility has also increased, as has our dependence on capable operating systems. To ensure optimum future performance, development of the Day of Operation (DOOP) planning and execution system commenced during the year. The system enables real time operational goals, targets and milestones to be visualised and understood by all internal stakeholders. Results and information are presented in sufficient detail, in near real time, to allow operational decisions to be made and validated at the source.

**Working with stakeholders**

Working with stakeholders beyond our immediate supplier and customer group continued to be a focus during the year. GPC regularly hosted visits and Port tours for local and overseas organisations, and groups, with various needs and agendas from current users of our facilities and potential business opportunities, to research and educational programs. These tours afford an opportunity for interested parties to inspect our Port facilities and experience our capabilities first hand. During the year, 754 visitors from 86 companies came to the Port of Gladstone to meet with management and tour our facilities.
**Improving operational performance**

With an overarching imperative to not only deliver performance today but also build our capability to meet future demands, we have maintained a strong focus on continuous improvement. Drawing on proven techniques and methodologies, such as Lean Manufacturing and Reliability Centred Maintenance (RCM) we are targeting improvements in all key performance areas including safety, environment and operational processes.

To assist in focusing our improvement efforts, we have undertaken a process mapping exercise where approximately 250 business processes were mapped, providing a basis for identifying improvement opportunities. This work is also assisting our operational readiness planning for the commencement of WICET which will be operated and maintained by GPC.

While many of our safety and environmental improvements have been to our physical assets, such as the replacement of our Mobile Equipment Workshop doors, a key employee-based project has been the introduction of the SafeSpine program. This is a musculoskeletal health education program specialising in injury reduction. The program engages all employees in an educational process and daily activities to prepare for the type of work they are about to undertake. With the program roll out nearing completion, we are looking forward to realising the benefits of this program throughout the coming year.

**Driving gains in unloading and loading rates**

Aligning our improvement efforts with our business targets for the coming years has focussed our attention on delivering operational productivity gains. Having undertaken significant analysis of our operational processes and performance, we have identified five key initiatives that will become the focus of cross functional improvement teams.

These initiatives will focus on reducing processing times, increasing processing rates and reducing unplanned delays. These gains will largely be achieved through reducing variation within our processes and standardising work activities around best practice.

**Reliability of operating assets**

Improving the reliability of our assets continues to be a focal point, with the RGCT Control System and Electrical Hardware Upgrade Project Stage 4 (of seven stages) being completed this year. With a number of areas of plant now upgraded, we are seeing the benefit of a more reliable and better controlled operating plant. Safety is also a major benefit with the new hardware improving safety standards across the site.

When complete the replacement of our older gantry trippers will not only provide more reliable plant but will also address a number of safety concerns with the old design. Of the six trippers to be replaced a further two, worth approximately $6m each, were completed during the year. The gantries supporting the new trippers required upgrading to place the unloading facilities in a good position for future growth.

With an ageing facility, managing the structural condition of our critical assets is crucial. During 2012/13 approximately $6.2m of structural refurbishment and upgrade were completed. In addition to the two tripper gantry upgrades, two critical tower upgrades and a major tunnel upgrade were completed.

**Improving safety at the mobile equipment workshop**

The maintenance team at the mobile equipment workshop had been experiencing difficulty with the doors on the workshop for some time. Working in the area meant increased manual handling and though safe work practices had been developed, the work regimen was less than optimal. However a near miss highlighted an issue with the integrity of the door infrastructure as a result all machinery access doors were replaced. The new doors with safety features such as fold back on collision, have significantly improved safety and reduced manual handling within the workshop.
A major focus in 2012/13 was to improve compliance performance across all of GPC’s activities.

This year saw us continue to work closely with the Office of Transport Security, other agencies, Port users and the maritime industry, undertaking exercises to test the robustness of our security plans. During the year we also developed plans to rationalise GPC’s security arrangements.

At the beginning of the financial year we opened our MSIC issuing office. This newly opened office has performed well over the year, issuing over 1,500 cards to employees and contractors.

During the year the number of development approval breaches recorded were reduced to around a third of the previous two years. This is testament to the efforts put into resolving issues which have previously given rise to dust and stormwater problems. We are still faced with the challenge of ensuring that old infrastructure, in places more than 30 years old, perform to meet modern environmental requirements. We have a significant workload ahead of us to achieve our target of zero breaches. Attaining this target will continue to be a priority into 2013/14.

In the past year we continued our commitment to developing and embedding management systems to enable GPC to more effectively meet its compliance responsibilities. A significant effort was put into developing an integrated and organisationally consistent approach to risk management. A new Risk Management Policy and a range of supporting standards and procedures are due to be released early in the new financial year. Work on our risk system will continue to be a major focus in the next twelve months.
Keeping Our Port Secure

OUTCOMES 2012/13

- Revised maritime security plans for Port of Rockhampton and the Port of Bundaberg were approved by the Office of Transport Security
- Ran exercises to test Maritime Security Plans for Port of Rockhampton, Port of Gladstone and Port of Bundaberg
- Constructed new security infrastructure at Fisherman’s Landing
- Completed plans for rationalising the land-side maritime security zones at Port Central and commenced implementation

TARGETS 2013/14

- Finalise arrangements for long-term access control Fisherman’s Landing
- Significantly progress the implementation plan for rationalising the land-side security zone at Port Central
- Work with the LNG companies to ensure integration of security provisions ahead of the first LNG shipments

Security incidents and events

GPC is required to monitor security regulated zones within the Port. We must respond when security requirements are breached, and report these breaches to the Office of Transport Security.

Breaches fall into two categories:

- Incidents are the most serious breaches and relate to situations where there is a real or potential threat of unlawful interference with maritime transport and offshore facilities and the threat is, or is likely to be, a terrorist attack.
- The events category captures all other non-compliance issues. At GPC these events typically involve unauthorised access to security regulated areas. For example, ship crew attempting to walk through Port areas to go to town, or small vessels encroaching within water side restricted zones around our wharfs.

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Table S3.1// Security events and incidents are used to categorise and report breaches of our security requirements
MSIC issuing body

GPC commissioned its MSIC Issuing business unit during 2012/13. Prior to this we had acted as an agent to the Port of Brisbane issuing office. The new business unit enhances the service provided to the users of the Port of Gladstone. Since commencing the office has issued over 1,500 cards.

Looking ahead

To fulfill our obligations under the Maritime Transport and Offshore Facilities Security Act 2003 (Cth) we will continue to periodically test our maritime security plans. Wherever possible, we will do this in conjunction with other parties in order to improve integration of effort and foster mutual learning.

The rationalisation of the land-side security zone at Port Central is a key project for improving the efficiency of our security service and to ensure compliance with legislative requirements.

The commencement of LNG shipments in late 2014 early 2015 will add an additional degree of complexity to the security picture at the Port of Gladstone. We will be working with the LNG companies to ensure that our security approaches are complementary and satisfy legal requirements.

As activity continues to increase at the Fisherman’s Landing precinct, the need to ensure efficient and effective access control will also increase. In 2013/14, activities in this area will address the major issue of managing public access in order to maintain their safety.

Figure S3:2// In just over a year of operation over 1,500 cards have been issued by our MSIC business unit
Operational Centre Projects

OUTCOMES 2012/13

- Completed detail design of the RGTCT Wharf Slurry System Stream 3 and commenced project execution
- Continued construction of RGTCT misting sprays system for dust suppression; now covering more area, with initial focus on the higher risk areas
- Made lighting improvements across RGTCT to reduce energy consumption including:
  - Continued installation of the control logic in tunnels at RGTCT that turn the lights off at all opportunities
  - Installed LED lighting on CC1B and CC1F unloading trippers
  - Commenced RGTCT stockpile lighting glare reduction initiative with trials installed and reviewed
- Commenced RGTCT fuel bay upgrade plan with Stage 1 detail design completed. Stage 1 includes the upgrade of the three newest fuel bays to the environment standard
- Commenced evaluation of BPCT and RGTCT stormwater infrastructure and processes

TARGETS 2013/14

- Complete the RGTCT Wharf Slurry System Stream 3
- Complete the RGTCT misting sprays system which will cover all of the coal terminal's boundaries and high risk areas, lowering the risk of exceeding compliance levels
- Complete Stage 1 of the fuel bay upgrade plan including the full upgrade of Fuel Bay 18, Fuel Bay 19 and Fuel Bay 22
- Continue installing the upgraded lighting control in RGTCT tunnels and installing LED lighting a CC1E and CC1A unloading trippers
- Commence installation of the dozer air conditioning system to reduce fuel consumption during idle time
- Continue work to improve stormwater settlement ponds and infrastructure to support ongoing compliance

Preventing wharf spillage

Preventing wharf spillage is, and will continue to be, a priority for GPC. GPC has a comprehensive plan intended to be executed over a number of years to reduce the amount of spillage on the wharf and prior to the coal reaching the wharf. The Wharf Slurry System Upgrade Project Stream 3 is the cornerstone project for executing this plan.
The Stream 3 slurry system’s scope includes sealing the entire sample and upgrading the slurry system with redundancy to capture, crush and remove any spilt coal from all critical spillage source spots along Stream 3. In parallel, settlement pond modelling and upgrades have taken place to ensure the extra load from the slurry system is then managed to compliance. The Stream 3 system is due for completion in the 2013/14 financial year and will be critical to the progression of solutions for Streams 1 and 2.

Parallel projects that also aim to reduce wharf spillage include systems to remove water from belts (a common cause of wharf and land based spillage) and the coal flow control projects to remove surging that are currently being implemented across RGTCT. Feasibility studies for shiploader wash down improvements and conveyor stoppage times versus chute containment will commence in 2013/14.

**Fuel bay upgrade plan**

GPC requires dozer fuel bay facilities on site to refuel the dozers without the need for large transit times/distances. There are currently 11 operational dozer fuel bays on site, ranging from 5 years to 30 years old. During recent audits of the fuel bays it became evident, particularly in the older fuel bays, that fatigue issues were starting to occur and an upgrade plan was required. The planning process provided an opportunity for us to rationalise the number of fuel bays on site. A multi year plan has been developed which includes decommissioning, upgrading, relocating old and building new facilities. The target is to reduce the number of dozer fuel bays on site from 11 to 6 while keeping the same storage capacity.

During the 2012/13 financial year the detailed design phase of Stage 1 was completed; this includes the upgrade of the three newest facilities being Fuel Bay 18, Fuel Bay 19 and Fuel Bay 22. Completion of Stage 1 is planned for the 2013/14 year as is commencement of Stage 2 of the plan.
Improving our stormwater infrastructure

In 2012/13 we commenced an investigation of stormwater infrastructure and processes at RGTCT and BPCT. This work, including stormwater modelling will continue into 2013/14. The stormwater system will be enhanced by the new settlement pond at Stockpile 22, which was substantially completed this year. Scheduled for completion in the coming financial year, this settlement pond will provide additional retention capacity at RGTCT and in the short term ease the burden on its ageing infrastructure.

Under GPC’s licence conditions, stormwater discharging to the harbour must be of a certain quality and it undergoes testing to gauge compliance. At the north-east settling pond, Stormwater Discharge Point 2 was constructed to enable control of stormwater discharging to the harbour in accordance with RGTCT’s licence conditions. The capacity of the primary stormwater settling ponds here was also increased to enhance the stormwater treatment process prior to controlled discharge to the harbour.

To help us ensure that we are compliant with our licence conditions automatic samplers were designed and procured to automate the sampling process for testing stormwater discharge against our licence conditions. 2013/14 will see the samplers installed at both BPCT and RGTCT.

The year ahead will see significant work in the area of stormwater systems. In addition to the projects noted above, work will also be undertaken to:

- remove coal and then clean the south-east settling pond at BPCT to enhance the stormwater cleaning treatment process prior to a controlled discharge to the harbour
- increase settlement capacity at BPCT by enlarging the western settling pond and constructing additional settling capacity in other areas of BPCT
- construct an environmental catchment pit adjacent to Stockpile 22 to catch coal for recycling prior to it entering the stormwater settling ponds.

Figure S3:5// Our licence conditions require stormwater discharge to the harbour to be of a certain quality

Figure S3:6// Construction of the new settlement pond at Stockpile 22 will enhance stormwater retention capacity
PROJECT COMPLIANCE
Western Basin Dredging and Disposal Project

The Western Basin Dredging and Disposal Project (WBDDP) is being carried out in line with GPC’s Environmental Policy and we are operating in a manner that allows for sustainable development with minimal environmental harm to the Port and surrounding areas.

Work on the WBDDP progressed very well over the past year, exceeding expectations and setting up an early finish date in 2013/14 – 15 months ahead of schedule. This is a significant achievement which has positive ramifications for our goal of sustainable Port development – with the reduction in time for dredging in the Western Basin leading to enhanced environmental and economic outcomes.

Figure S3:7// Cutter section dredges are deepening the Port access channel

CASE STUDY
Cutter Suction Dredges (CSDs) are used to deepen the Port access channel by cutting material from the harbour floor. As this material (spoil) is removed it mixes with water to create a slurry which is transported via a system of pumps, floating lines, sinker lines and land lines to the reclamation site where it is deposited. While much of the infrastructure associated with the dredging may impede access and egress, the sinker lines do not. The sinker lines are steel pipelines placed on the seabed to limit the interference with other users of the harbour. These lines are relocated regularly along with the other dredging infrastructure and will be removed at the completion of the project. Currently there are two CSDs working on the project, the ‘Al Mahaar’ and the ‘Athena’ the latter recently replacing the CSD ‘Castor’.

The reclamation area where the slurry is deposited was created by the construction of a perimeter bund wall constructed of a mix of large rock for the base and armour, and finer material for the core structure. The material was sourced locally from the GPC-owned quarry and transported to the site via constructed haul roads. These have subsequently been removed and the area rehabilitated. The bund structure created a 274ha reclamation area for slurry deposition. The reclamation process sees the spoil retained and the water returned to the environment through the licensed discharge point. As the dredge spoil is deposited, the heavier and larger materials immediately settle, with the finer materials remaining suspended in the water. The reclamation system, divided into three distinct areas, is designed so that as the water travels through each area a percentage of the finer materials settles out of suspension. Discharge water quality is achieved by decanting the clean upper layer of water from each area so that by the time the water reaches the discharge point, the licensed discharge criteria are met. With a 24/7 dredging operation, continuous discharge can be expected, only stopping when the discharge criteria cannot be met. Cessation of discharge is achieved by raising the weir level at the discharge point. If the weir level reaches its maximum and water quality cannot be maintained, dredging will be required to cease in order to stop the inflow of additional water to the system. A continuous monitoring system is installed at the discharge point in order to manage the discharge quality in accordance with the approved conditions.

Dry earthworks machinery such as bulldozers and excavators are used to manage the reclaimed material; levelling some areas or building other areas higher than the original perimeter bunds, in order to provide the required capacity for additional material. At project completion, reclamation levels will be +16m LAT in the south and +9.5m LAT in the north with the perimeter being of competent material and the remainder consisting of finer material which requires long term consolidation or ground improvements before being used for development.

The majority of the dredge spoil (16.8 million m$^3$ of 21.2 million m$^3$) was placed in the reclamation. The remaining 4.4 million m$^3$ was disposed of at East Bank Spoil Disposal Ground, an area that has been used for offshore disposal for more than 20 years. During the disposal activities continuous water quality measurements were taken to ensure compliance with turbidity limits. Verification of the intensity and extent of the plume was also undertaken and this work confirmed that plumes generated during disposal activities were within the expected intensity and extent. The budget for the approved works is approximately $1.2bn and it is expected that the project will be completed ahead of schedule and under budget.
Gladstone Harbour
Fish Health
Interdepartmental Committee

The Queensland Government set up Gladstone Harbour Fish Health Interdepartmental Committee to address concerns raised by commercial fishers over the health of fish and humans in Gladstone waterways. The Committee worked closely with key interest groups to understand the extent and nature of the issue and identify any specific causes. The extensive program included sampling and testing of fish, water quality and sediment in and around Gladstone Harbour, and investigations into human health concerns. In January 2013 the Committee released the Gladstone Harbour Integrated Aquatic Investigation Program 2012 Report. Key findings from this work include:

▲ No link was identified between the conditions found in fish and the reported human health issues, or between water quality and reported human health conditions. The human health cases described did not form a single outbreak of disease.

▲ The results of sampling do not suggest that the water quality of Gladstone Harbour and related waterways present a threat to fish health, with the possible exception of sites around South Trees Inlet.

▲ There is no evidence that dredging in Gladstone Harbour has increased dissolved metal concentrations or led to acidic conditions.

▲ It is unlikely that metals are at a level that would cause any ongoing suppression of the immune system or increased susceptibility to disease in fish and other aquatic organisms throughout Gladstone Harbour.

▲ No single cause has been identified for all fish health issues. The conditions that have been identified are naturally occurring organisms that have been seen elsewhere in Queensland.

▲ Results of sampling in 2012 indicated that fish health was much improved:

▶ most barramundi sampled were in good condition, and did not display the ulcerative lesions, eye conditions and infections from Neobenedenia that were documented in 2011; and there was evidence that previously observed physical injuries were healing

▶ crustaceans displayed a low incidence of shell erosion

▶ no significant signs of ill health were observed in any other focus species

▶ seafood available through retail outlets is from regulated and wide-ranging sources and continues to be safe to purchase and eat.

The report also noted that sharks across all sites, including reference sites, displayed redness and the presence of the parasitic flatworm Dermophthirius maccallumi.

GPC welcomes the key finding of the Committee’s report, especially as the bulk of the dredging work for the WBDDP was occurring when fish and marine organism health was found to be improving.

Direct toxicity testing in the harbour

To further examine the potential toxicity of the harbour water GPC initiated a Direct Toxicity Assessment (DTA) program. The work was contracted to an NATA accredited Laboratory, who are national leaders in the field of DTA. The first round of sampling was completed in April 2013. Water samples were taken from two locations, one within the central harbour and the other in the Narrows. One group of samples was tested for a range of contaminants and algal biomass to establish a baseline for the DTA test. A second sample was used for DTA, focusing on Barramundi (Lates calcarifer), micro algae (Nitzschia closterium), Bivlave Tropical milky oyster (Saccostea echinata), and amphipod (Melita plumulosa) responses.

Results from this work confirmed contaminant and algal biomass were within typical ranges and no toxic response was observed. This work will continue biannually during 2013/14.

Water quality monitored daily

Water quality will remain the focus of the WBDDP Environmental team in 2013. Water quality monitoring in the harbour has been a part of GPC’s environment program since 1991 – well before it was a legislated requirement. In preparation for the WBDDP a Water Quality Monitoring Program was developed which used turbidity as an indicator of water quality. Under the program 32 monitoring sites were established within and outside the harbour. Of the 32, six compliance sites were nominated to help manage the dredging and protect the...
environmentally sensitive locations (i.e., seagrass meadows). Monitoring at these sites occurs every 15 minutes. Four of these sites are located in the inner harbour and two in the outer harbour. Under the program, water quality data has been collected on a continuous basis since November 2009. Other data, including pH, temperature, dissolved oxygen, and salinity are recorded. At compliance sites trigger values are set for wet and dry seasons. Any elevated level of turbidity detected is investigated to determine whether an operational response to dredging or disposal works is required. During the past year, there have been occasions where turbidity exceedances have occurred, during these occasions management measures to reduce any additional turbidity included bringing forward scheduled maintenance to coincide with peak tidal range events. Elevated turbidity often coincided with natural events e.g., Spring tides that in themselves result in large tidal ranges and highly turbid waters.

Total and dissolved metals, nutrients (total and dissolved), chlorophyll a, and total suspended solids are monitored monthly. This data helps provide an understanding of key water quality characteristics in the Western Basin, and enable us to identify any changes that require a proactive management response.

This data is reported to government regulators and made available to the public on a routine basis on the WBDDP website. During the year there have been no water quality observation of concern, the only major change in water was associated with significant flood events (i.e., January and February 2013).

**Dredge Technical Reference Panel provides project oversight**

The water quality monitoring program is overseen by the Dredge Technical Reference Panel (DTRP), which comprises representatives from regulators and independent scientific and technical experts, including scientific experts in seagrass and benthic habitat research and management, water quality science, statistical analysis, and a technical expert in dredging. The DTRP, a requirement of the approvals for the dredging project, will meet regularly over the life of the project. The DTRP routinely reviews seagrass health, water quality monitoring data and dredging practices. The Panel provides high-level advice and recommendations (as and if necessary) to ensure that any impacts the project might have on the environment are minimised and that the dredging works meet all of the required water quality and seagrass approval conditions.

GPC values the DTRP as an important part of our commitment to improving and responding to technical issues on the WBDDP.

**Seagrass monitoring**

Under the WBDDP, seagrass has been monitored quarterly at six locations in Port Curtis and one (a reference site) in Rodds Bay since November 2009 covering a total of 15 seagrass meadows. The program was established to determine seasonal and inter-annual variability in seagrass condition and provide a baseline for assessing seagrass condition during the WBDDP.

Throughout the year key seagrass meadows have been visited monthly by marine scientists. These monthly surveys are conducted from the air to avoid damaging sites through repeated on-ground sampling. In addition to monthly visits GPC has engaged marine scientists to thoroughly map the extent of seagrass meadows in the Western Basin and the Rodds Bay reference site.

The data collated from the monthly visits has provided clear evidence of the seasonal changes in seagrass cover or density at key seagrass meadows. Generally, there is a growing season (July – December) and a senescent season (January – June).
years of reduced distribution and abundance. Mean biomass of seagrass had increased in each of the six locations from 2011 to 2012 with significant increases in five of the fifteen monitoring meadows. Dugong and their feeding trails were observed in the Western Basin region in areas where they have historically been present, as well as for the first time in the South Trees Region providing positive signs of recovery. Importantly, Gladstone is one of the few locations along the developed east coast of Queensland where seagrasses have shown recovery in 2012.

During the dredging project a significant investment has been made in developing scientifically robust ways to help establish the light requirements of seagrass and non lethal means of detecting stress. The research outcome, focused on establishing the light requirements of key seagrass meadows in the Western Basin, has been adopted in the State Government approval conditions for the dredging project. More work has also been commissioned to pursue world leading genomics science that will provide a better understanding of the sub cellular condition of the seagrass in a rapid and responsive way. If successful, this work will take linkages between seagrass health and management response to an entirely different level.

**Biodiversity Offset Strategy providing for long term conservation**

The Commonwealth approvals for the WBDDP require the delivery of a range of environmental offsets to counteract the unavoidable impacts arising from the project. The approvals require GPC to develop, implement and fund a Biodiversity Offset Strategy. In developing the strategy GPC sought advice from government agencies, natural resource management organisations, universities, the DTRP and the Ecosystem Research and Monitoring Program Advisory Panel (ERMPAP) (see opposite). The overriding objective is to provide for the long term conservation of threatened and migratory species (and their habitats) that might be impacted by activities associated with the project.

This strategy has been approved by the Commonwealth Department of Sustainability, Environment, Water, Populations and Communities, and will cost a minimum $5m.

An update on progress on initiatives under the strategy is provided below.

Work has started on projects including stormwater debris assessments, installation and awareness of tangler bins and assessment of contents, assessment of ecological values of available land parcels, identification of high value habitat areas suitable for enhancement, identification of coral distribution in the bioregion, and a communication project that will enhance the community’s understanding of threatened and migratory species and their habitats in the area. The latter communication project will be complemented by the development and implementation of education programs. Social surveys will be delivered to determine the effectiveness of signage and education campaigns.

Further projects are scheduled for development, including:

- studies to assess the environment before and after restoration – effectiveness will be monitored over a three-year period (i.e., fish and coral habitat)
- a study of commercial and recreational boat traffic to investigate the establishment of enforced ‘go slow’ zones
- enhancement and restoration of habitats, including measures such as removal of debris and rubbish, installation of fencing and signage, flora planting and landscaping. Studies will be undertaken to assess the environment before and after restoration and effectiveness will be monitored over a three-year period
- up to 20 environmentally-friendly moorings will be installed to reduce the impact of traditional mooring equipment on the benthic environment
- high value ecological land will be acquired and granted to relevant authorities for conservation and management.

Assistance will also be provided for the establishment and/or operation of a marine rehabilitation facility.

Funding will be provided to the Department of National Parks, Recreation, Sport and Racing to conduct declared Fish Habitat Area investigations and consultation processes in the Central Queensland region.

GPC is committed to conducting the WBDDP in accordance with Commonwealth and State environmental obligations.
Developing a better understanding of the marine environment

The Commonwealth approval for the WBDDP requires the development and implementation of an Ecosystem Research and Monitoring Program (ERMP). This is overseen by an advisory panel of scientific experts (ERMPAP) appointed by the Commonwealth Minister for the Environment.

The objective of the ERMP is to develop a detailed understanding of the marine environment of Port Curtis and Port of Rockhampton. The information it provides is used by the WBDDP team and government regulators to monitor, manage and/or improve the marine environment and to offset any impacts on listed threatened and migratory species and the values of the Great Barrier Reef World Heritage Area.

Under the ERMP, GPC must provide funding of no less than:
- $5m over a 10-year period for research and monitoring of marine megafauna such as dugongs, dolphins and turtles
- $2m over a 10-year period for research and monitoring of migratory shorebirds.

In addition, the ERMP includes research and monitoring of corals, tidal wetlands and mangroves. During 2012/13, four migratory shorebird surveys were undertaken and the first tier of projects developed under the ERMP was completed. This work focused on analysing existing data on water quality; animals, such as turtles, inshore dolphins, dugongs and migratory shorebirds; corals and associated benthos; as well as plant life such as mangroves, saltmarsh and seagrass. The second tier of the projects within the ERMP will build on this desktop based work, undertaking a range of projects. In 2012/13 a scope of work for research and monitoring on migratory shorebirds, aquatic ambient noise, coastal lighting effects on marine turtles, marine turtle nesting populations, and marine megafauna pathology and genetics was developed. These additional projects will further add to the world-class research into Gladstone’s marine life programs and help underpin a sustainable and environmentally aware Port development. The ERMP is conditioned to run until at least 2020.

Gladstone Seafood Promotion Fund

During 2013, the state of the fishery in Gladstone Harbour continued to be the subject of conjecture, with a small but vocal group within the local fishing community consistently claiming that local seafood was not fit for consumption. Despite reassurances from relevant Government Departments and other independent investigations this critical commentary continued, resulting in a significant loss of confidence in the quality of local seafood and negative impacts on the activities of local fishing businesses.

To help overcome this problem, GPC established the Gladstone Seafood Promotion Fund. The Fund is overseen by a Committee which is led by independent Chairman Mr. Peter Milne and comprises representatives from commercial fishers, fish retailers, Gladstone Area Promotion and Development Ltd (GAPDL), Queensland Fisheries and GPC.

The Committee’s brief is to develop strategies for promoting the local seafood brand. While a formalised strategy was being developed, the Committee elected to showcase local seafood at the Gladstone Harbour Festival and the Boyne Tannum Hook Up by giving away samples of locally caught crab and prawns. It is estimated that over 9,000 people sampled the products and the feedback was overwhelmingly positive.

In May the Committee convened a workshop for representatives from the local fishing industry to develop an understanding of their situation and priorities. The discussions identified a number of critical issues which needed to be addressed to support future promotion of local seafood. The Committee is currently working with government agencies to address these issues.

Development and implementation of Gladstone seafood promotion strategies will continue into the coming year.
Environmental Enhancement

OUTCOMES 2012/13

- Developed and implemented an organisation-wide Environmental Strategy and developed an Environmental Standard that applies to all activities on Port land
- Improved compliance by investigating and designing infrastructure upgrades
- Developed a Port land user (tenant) register documenting the scale and scope of the activities that occur
- Consolidated our EMS using surveillance audits with continuous improvement plans being implemented and aligned; plus updating of management plans across all our activities
- Continued the implementation of the environmental programs to offset the impacts of dredging and reclamation activities

TARGETS 2013/14

- Rationalise and negotiate new licence conditions to provide a more uniform and consistent approach across GPC activities following the implementation of the new Greentape legislation
- Roll out the Environmental Standard to GPC employees, contractors and Port land users; this includes the instigation of more proactive tenant engagement
- Aid the development of more integrated GPC management systems including more robust project management and change management processes. This is to ensure that environmental requirements are properly considered and incorporated into new projects and development
- Prepare for, and assume responsibility for, the commitments and obligations that follow the completion of the WBDDP
- Continue to implement the environmental programs to offset the impacts of dredging and reclamation activities

Continuing to build on 20 years of responsible environmental monitoring and partnership

GPC’s environmental management was subject to continued focus at local, national, and international levels. As dredging continued various assessments were initiated across these levels. The Federal Government has commissioned an independent review of environmental management arrangements and governance of the Port of Gladstone. In response to UNESCO’s scrutiny, the Australian and the Queensland governments formally agreed to undertake a comprehensive strategic assessment of the Great Barrier Reef World Heritage Area and adjacent coastal zone. These assessments are being undertaken in accordance with the Environment Protection and Biodiversity Conservation Act 1999 (Cth).

We have a long history of acting in an environmentally sustainable manner and undertaking major monitoring campaigns that add to our knowledge base. This knowledge base also includes findings from many studies of Port Curtis that have been undertaken by others.

As part of our commitment to the enhancement and protection of the commercial, social and environmental values of the Curtis Coast region GPC commissioned The Curtis Coast Coastal and Marine Resource Inventory Report 2012 which was released during the year. This updates the Curtis Coast Study Resource Report, a joint initiative between the Central Queensland Ports Authority and the Department of Environment and Heritage Protection (EHP) that was published in 1994. GPC’s analysis of the two reports shows that the cumulative impact of Port development (which has included over 10 million m³ of dredging and the establishment of 8 new wharf centres) on Gladstone Harbour between 1994 and 2012 has been minor. The 2012 report will provide a basis for doing similar analyses in the future.

The Gladstone Healthy Harbour Partnership (GHHP), a consortium representing government, industry, research groups, and the community, is currently being established. GPC is pleased to be a part of and to support this group as it builds on the work of PCIMP over the past decade. The primary goal of GHHP is to gain a shared understanding of what a ‘healthy’ Gladstone harbour should be, environmentally, socially and economically and it will hopefully take the monitoring of Port Curtis to the next level. The understanding gained will inform the development of a monitoring program to satisfy the healthy harbour vision. This optimal program can then be compared with current monitoring approaches and steps can be taken to fill any identified gaps.
Certification, a cornerstone of our sustainable development

GPC’s environmental management system (EMS) provides a framework for GPC to manage environmental risk. It is designed in accordance with, and is independently certified to, the requirements of AS/NZS ISO 14001:2004. It is a requirement of this Standard that an Environmental Policy is documented, implemented and maintained for the purpose of guiding the EMS. GPC’s Environmental Policy sets the direction for environmental planning and illustrates our commitment to operating in a manner that fosters sustainable development while minimising environmental harm to our Ports and their surrounding areas.

To ensure the elements of the EMS are effectively addressed it is regularly audited; all areas and facilities we manage or operate are included in the audit scope. These audits provide the opportunity to evaluate compliance and enable continual improvement.

Addressing our areas of risk through continuous improvement

An initiative GPC introduced to the EMS last year was the development of site based Continual Improvement Plans (CIPs). CIPs are based on area specific risks and aligned with the associated Environmental Management Plans (EMPs) to ensure that all activities across GPC are being assessed for improvement. Targets are set in order to benchmark the improvements and these are assessed during six monthly reviews.

Due to the scale of activities in our Cargo Handling Operations area a separate portfolio is used to undertake and measure continuous improvement. Over the past year we have made significant progress in addressing issues in the five risk areas that comprise our Cargo Handling Environmental Improvements Portfolio. Specific improvements include upgrades to:

1. wharf spillage (refer to page 40)
2. stormwater infrastructure (refer to page 42)
3. dust management systems
4. fuel bays – a housekeeping standard continues to be rolled out across these areas, in conjunction with the planned capital upgrade program designed to modernise and optimise the fuel bays (refer to page 41)
5. waste management – while the GPC-wide centralised waste program progresses through the internal approval processes incremental improvements have continued with an increase in office and crib room recycling.

Measuring our environmental performance

Stormwater management, a focus of attention

During 2012/13, we experienced a significant reduction in the number of incidents where the quality of stormwater discharges from our sites exceeded the limits set in our Environmental Authorities (EAs). In part this result can be attributed to the persistent La Nina conditions that delivered 12 months of rain over a 4-day period. The same volume of rain spread over the whole year would have triggered many more sampling events and increased the chance of more exceedances.

As reported last year, the majority of the exceedances at BPCT were a consequence of changes made to the new EA, specifically the realignment of the site boundary which places the key compliance point upstream of the stormwater treatment device. Generally, the stormwater discharging from the treatment device met the EA conditions; however, as these discharges are technically an exceedance of the EA we are obliged to report them. GPC is negotiating a way leave arrangement with the owner of the land through which the stormwater travels to our treatment device in order to resolve this issue. This will allow the boundary of the licence to be redrawn around the existing treatment infrastructure and result in stormwater being treated prior to being sampled.

A total of 25 stormwater exceedances were reported at RGTCT. The stormwater infrastructure at RGTCT is old and has been modified several times to accommodate the expanding stockpile footprint. To address these issues the current reclamation activities associated with the Stockpile 22 development project will provide additional stormwater retention capacity and enhance stormwater treatment capabilities on site. The construction of a new stormwater discharge structure at RGTCT is now complete and will allow better control of discharges from one of the main stormwater ponds at RGTCT.

Figure S3:13// We have maintained our certification to AS/NZS ISO 14001:2004

Figure S3:14// Stormwater management will continue to be a priority in 2014
In June 2012 the EHP issued GPC with a notice to conduct an environmental evaluation of our stormwater management system due to the on-going issues experienced with the quality of stormwater discharges. This required a detailed investigation of site characteristics (i.e., catchment areas, likely rainfall intensities, and receiving environment values) quantification of peak stormwater flows, and characterisation of stormwater quality. Based on the findings of this investigation, by 31 August 2013 we will need to develop and submit to the EHP a proposal for improving the remaining sections of the stormwater system so that it meets the water quality conditions included in our EA. Site flooding in January hampered efforts to install a stormwater monitoring unit (to validate modelling) and the lack of winter rain has caused issues with collecting adequate data. This will be addressed by either extending the Environmental Evaluation (EE) until April 2014, or entering into a Transitional Environmental Program with EHP with defined milestones to complete.

Stormwater management has been a focus of attention at the quarries operated by GPC. Infrastructure upgrades to both the Ticor and Byellee quarries, along with improved management plans and increased awareness ensure that through raised compliance environmentally responsible operation is enhanced.

**GPC - Stormwater development approval breaches 2012/13**

![Chart](image)

Figure S3:15/ Steps have been taken or are in progress that will address incidents related to the quality of stormwater discharges from our sites

**Dust management – results reviewed**

Programs designed to improve dust management at our coal terminals continued during the year. Our coal terminals have two rings of monitoring equipment; an outer ring to measure the impact of our activities on the community and an inner ring used to manage the operational activities of the terminals. The approach is based on the concept that if we maintain air quality at the operational ring we will not have impacts in the community.

![Image](image)

Figure S3:16/ Monitoring shows that our efforts to manage dust are being effective
A total of eight exceedances of EA conditions were reported. Analyses by a third party specialist of the wind direction and speed on the day of the exceedance showed that these exceedances were not related to activities at RGTCT. This analysis indicated that the major cause of the reported dust exceedances were bush fires affecting the local area with the remainder caused by activities occurring to the east of the compliance site at RGTCT. GPC has therefore applied to EHP for the removal of these results as recorded exceedances against the EA.

**Understanding and addressing incidents**

**Driving improvements effectively**

Capturing information about environmental incidents and complaints in existing operations is an effective mechanism to drive continuous improvement. Incidents and complaints are investigated, root causes identified and corrective actions assigned to prevent a recurrence. There are several types of incident and these are categorised based on the environmental value they could affect; e.g., air, water, land, biodiversity, and waste. This categorisation gives us the ability to identify emerging trends and determine where to focus effort to ensure environmental impact from operations is minimal.

During 2012/13 increased awareness of the importance of reporting incidents and complaints resulted in improvements particularly in the areas of Tenant Management, Port of Bundaberg and the Marina/Parklands operations.

**Monitoring and measuring our operational impacts**

**Air quality**

During 2012/13, GPC continued to monitor its air quality using both Real Time and Deposition techniques. The network of Real Time monitors was improved to allow a proactive approach to dust management by our operational activities. The network provides dust data every two minutes to help identify and manage potential high dust events.

GPC maintained a network of Depositional Dust Gauges (DDG) in and around its operations and community during 2012/13. Samples are collected monthly from the nine compliance and 17 operational sites. These are analysed for coal dust, mineral dust, plant and insect matter settling in the area. Reflecting the success of the mitigation techniques that we have implemented over past years, no exceedances were recorded at our compliance sites.

**Stormwater**

During 2012/13, GPC maintained its existing stormwater monitoring network. Real Time data for water levels at stormwater retention ponds provided our team with remote access and allowed them to check for potential discharges during rain events. Stormwater samples were collected during releases from site after rain events and tested for pH, dissolved oxygen, suspended solids, total petroleum hydrocarbons and dissolved metals (if pH is below 6.5). Continuous improvements to infrastructure and a better understanding of our stormwater model for each site will help us to minimise our exceedances against licence conditions in the future.
Port Curtis Integrated Monitoring Program Inc. (PCIMP)

GPC is one of the sponsoring members of PCIMP. PCIMP, which comprises 16 stakeholder organisations who support the mid to far-field ambient monitoring in Port Curtis, started a new (externally reviewed) interim water quality monitoring program this year. The full review of the monitoring program continues with the input of various independent scientific specialists and experts. The new program is expected to be implemented in full next year.

PCIMP is involved in the formation of the Gladstone Healthy Harbour Partnership, as PCIMP data will be a key component in the planned Report Card.

While seagrass is normally monitored annually under GPC’s involvement in PCIMP, this year monitoring significantly increased due to the WBDDP (refer to page 45).

Reviewing our environmental approvals and compliance

Our operations at the Port of Rockhampton, Port of Gladstone and Port of Bundaberg are subject to a large number of environmental approvals issued by various regulating bodies under several sections of Federal and State legislation. As our operations evolve, approvals expire and new projects are proposed requiring new approvals or amendments from the regulating bodies. In order to manage these approvals and their compliance requirements, GPC continues to maintain our environmental legal obligations to register, undertake compliance inspections on site and record all compliance requirements within the EMS.

Cutting the Greentape

In an initiative to reduce the amount of legislative red tape associated with obtaining and managing environmental approvals, the Queensland Government undertook the Greentape Reduction Project (Greentape) which resulted in the implementation of changes to Queensland’s Environmental Protection Act 1994 (EP Act) and subordinate legislation. The Greentape amendments came into effect on the 31 March 2013. Greentape provides opportunities for significant reform of operational EAs issued under the EP Act. GPC is committed to undertaking this reform process in collaboration with EHP, starting with the Port of Gladstone over the next 12 months, with expansion to the other 14001s later in the year. The reform process will result in more streamlined Environmental Authorities and more consistent compliance requirements across Port operations.

GPC sought two Transitional Environmental Programs (TEPs) from EHP in the previous financial year in order to transition RGTCT and BPCT into compliance with their new approvals. These programs outlined actions needed to bring management of stormwater and dust at both facilities into line with environmental best practice. Both TEPs were completed during 2012/13. A second TEP for BPCT has been sought to implement the stormwater infrastructure improvements which resulted from the site’s initial TEP. The new BPCT TEP is scheduled for completion in December 2013. A TEP was also undertaken and completed in 2012/13 to improve stormwater management at GPC’s Ticor Quarry as the inherited infrastructure was not up to modern standards.

GPC’s Sea Dumping Permit, issued by the Federal Government Department of Sustainability, Environment, Water, Population and Communities (DSEWPaC) was extended to February 2013. GPC is in the process of seeking a new five-year permit to continue this activity in association with maintenance dredging activities. GPC’s Environmental Authority issued by EHP for maintenance dredging also requires amendment to include in its scope the new channels and structures which will soon be completed as part of the WBDDP and WICET projects.

Port land users are compliant too

Partnering in environmental stewardship

As a landlord and an owner and operator of cargo handling facilities, GPC is unique among Australian Port Corporations. We not only manage Strategic Port Land, but we are ultimately responsible for the activities that occur on that land.

Under the standards GPC has set for compliance our Port land users are accountable for, and assessed against, their environmental performance just as we are. The standards that we set for Port land users are the same Environmental Standards by which we are measured.

In 2012/13, all new developments with the potential to impact Port operations or GPC’s 50-year Strategic Plan were assessed. The assessment process required us to compare the project application to relevant government legislation, guidelines and policies to determine its potential impact. This function is carried out through powers issued under the Sustainable Planning Act 2009 (Qld) and the Transport Infrastructure Act 1994 (Qld). Our involvement in the process ranges from the role of assessment manager to concurrence/advice agency depending on the location of the planned activity. This approach has been adopted in recent years in order to ensure appropriate management of all Port assets including strategic and non-strategic Port land.

During 2012/13 GPC developed a range of Environmental Standards that will be rolled out to GPC staff, contractors and Port land users in the coming year. Through the delivery of the standards GPC hopes to align both our internal and external practices to ensure environmental best practice across all GPC-owned land.

Long term management of Port land is achieved by issuing development approvals with appropriate conditions related to the environmental management of the land.
Our Port land users must show how they will manage their environmental impact by supplying and implementing EMPs. The commitments and obligations provided in the EMP forms the benchmark for performance that they are assessed against via inspection and audit.

**Improving and maintaining environmental awareness**

GPC is committed to raising environmental awareness with our employees and contractors. The education process starts with inductions providing information regarding our:

- Environmental Policy
- EMS
- significant environmental risks
- legal requirements, i.e., General Environmental Duty and Duty to Notify
- roles and responsibilities for environmental management.

The site-based CIPs address ongoing engagement with employees and other Port land users. The CIPs work by identifying initiatives that ensure that, whether working for or on behalf of GPC, information on the environmental risks associated with the activities being undertaken is provided to employees and contractors.

Education and awareness of employees is also achieved through Environmental Toolbox Talks. This key initiative aims to develop and present GPC-related environmental topics at pre-start meetings. Our Environment team members present the toolbox and are available to answer questions from attendees. Some of the topics covered this year include:

- oil spill response
- stormwater management
- dust
- erosion and sediment control
- animal awareness
- vegetation clearing
- cultural heritage.

**Preparing for oil spills**

Several GPC staff undertook the Marine Pollution Response Basic Operators Course run by MSQ and qualifying them as initial responders to marine based pollution incidents. Following the training GPC staff from the Marina and Environment teams carried out an oil spill exercise in Auckland Inlet to ensure our internal response equipment and capabilities were acceptable.

**Taking a collaborative approach with our regulators**

GPC works closely with multiple Federal and State Government agencies to ensure that development approvals and permits adequately cover the scope of activities and that compliance is managed. Meeting with local representatives from the Department of Environment and Heritage Protection on a monthly basis to discuss approvals, permits, compliance and any incidents that might arise has been successful in building a solid relationship. This collaborative approach ensures that GPC optimises environmental outcomes for sustainable development in the Port.
Involving our community

Our turtle monitoring ongoing
GPC continued to support and fund the Curtis Island flatback turtle nesting monitoring program. This program has been undertaken by the Queensland Parks and Wildlife Service since 1969. GPC has supported this important program for nearly 20 years and will continue to do so.

Site and harbour tours and school visits – tools to build understanding
GPC undertakes site tours for schools and other organisations to enable them to see our environmental management and monitoring initiatives at work. We also participate in, and provide specialist advice during, the WBDDP harbour tours.

Members of our Environment Team also attend local schools, giving talks about GPC’s role in the Port’s environmental management, providing career advice to students and discussing other topics as nominated by the school.

Through our efforts in providing information in these forums we hope to build a better understanding of the Port environment and our activities within it.

Facing Island Marine debris and Heritage surveys
In 2012/13 GPC environmental staff continued to assist CQ University to survey and collect marine debris from Facing Island and determine the amounts, types and sources of debris in the region. During this year’s visit over 100kgs of debris was collected, again a large proportion was of foreign origin, including water bottles, buckets, buoys and ropes.

During the same visit GPC staff began to map some of the listed Cultural Heritage sites on the island, the majority of which are shell middens. An exciting find was one large previously unmapped midden site that will be revisited for further assessment with members of the Port Curtis Coral Coast Native Title Claimant Group.

Commercial Fisheries Compensation Program
In July 2010, the Queensland Coordinator-General issued The Coordinator-General’s Report for an Environmental Impact Statement for the Western Basin Dredging and Disposal Project (WBDDP). The report recommended that subject to a number of conditions and recommendations (outlined in the report) the WBDDP could proceed. In particular, Conditions 20 and 21 of Schedule 3 of the report provided that:

Condition 20: GPC must mitigate all reasonable financial losses to existing commercial fishing operators attributable to the maritime development in the Western Basin of the Port of Gladstone. This is to cover temporary and permanent loss of access to fishing areas and marine fish habitat.

Condition 21: GPC must meet any costs associated with the investigation, negotiation and administration of any compensation package, including all costs incurred by DEEDI (now the Department of Agriculture, Forestry and Fisheries) in the management of development of any compensation package.

In response to these conditions, GPC developed the WBDDP Commercial Fisheries Compensation Program. The objective of the program is to compensate commercial fishing operators who have suffered financial losses caused by the circumstances outlined in the conditions, i.e., the loss of access to fishing areas and marine fish habitat.

The program was launched in early March 2013.

GPC appointed QRAA, a Queensland Government Statutory Authority, as its agent to assess the applications received under the program and provide assessment reports for consideration. QRAA is a specialist administrator of government financial assistance programs.

Looking ahead

The main challenges for GPC continue to revolve around ensuring our systems are flexible and robust enough to meet current and future needs as we continue to expand our activities. Some examples of specific improvements are discussed below.

Monitoring

Planned improvements to our monitoring systems include:

- a review of the data management system which will coincide with the completion and handover of the WBDDP
- a review of the operational dust monitoring locations by an external specialist to optimise the current system, inform the preparations for new installations and help us understand the potential contributions to and from WICET
- the upgrade of the wharf analysers, which was put on hold while the WBDDP monitoring is being undertaken
- the installation of monitoring buoys at Port of Gladstone and Port of Rockhampton aligned to the robust PCIMP methodologies and for measuring any potential impacts associated with maintenance dredging.

Compliance

The focus for next year will be the completion of the RGTCT EE and BPCT TEP.

EMS

The key improvement and workload in this area is the preparation and integration of GPC’s Management Systems and continuing to set the foundations for future growth.

Approvals

The alignment and rationalisation of our approvals and permits will continue next year, which includes all those associated with maintenance dredging.

Port land users

The Environment Standard is to be rolled out next year across GPC, which will coincide with a more proactive approach with our tenants.

Figure S3.20 // All GPC’s work associated with construction of the LNG plants on Curtis Island is subject to stringent compliance requirements
Measuring and Minimising Our Corporate Footprint

OUTCOMES 2012/13

- Obtained approval from the Department of Resources, Energy and Tourism for GPC’s Second Energy Efficiency Assessment Plan
- Continued to implement processes and systems that enabled us to better manage our energy use

TARGETS 2013/14

- Continue to implement and integrate our processes and systems to manage energy use to progressively develop an Energy Management System (to be completed by 2016)
- Develop an organisation-wide communication plan to raise staff’s understanding of the importance of energy management and increase their involvement in the identification of energy efficiency opportunities
- Develop a carbon management plan to minimise GPC’s carbon footprint

Compliance obligations

GPC is subject to a range of energy and greenhouse gas emissions obligations from the following legislation:

- Energy Efficiencies Opportunities Act 2006 (Cth) (EEO Act)

Our energy usage and greenhouse gas emissions

Our main energy and emissions sources are electricity and diesel fuel. GPC’s total electricity usage for 2012/13 was 285TJ (Terajoules) and the total diesel energy use was 409TJ. Combined, energy use at GPC resulted in greenhouse gas emissions for the year totalling 98.6 kilotonnes of CO₂ equivalent.

![Energy use by source chart]

![Emission use by source chart]

Figure S3.21// Our main sources of energy are electricity and diesel fuel

Note: Information for 2012/13 is indicative only as final figures were not available at the time of printing. These values will be adjusted in the 2013/14 annual report.
Improving our energy management

We have a three pronged strategy to improve energy management and identify energy efficiency opportunities:

- improving our systems to capture, collect and analyse energy and process data from train unloading, shiploading, dozer activities and stockpile configuration
- installing data management software that allows us to visualise and analyse energy use, enabling GPC to quickly identify areas of improvement
- using the information gathered from the aforementioned systems to develop an organisation wide energy use and energy efficiency communications plan.

The continued development of our improvement strategy has led to increasing the energy efficiency of our coal handling operations. Changes to stockpile configuration and management, and our dozer drivers’ practices have resulted in steady improvements in the tonnes of coal moved per megawatt of electricity and litres of diesel expended. The general trends evident in the two graphs below illustrate these improvements.

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Energy efficiency initiatives

GPC’s primary energy efficiency work during the year focused on the development of our five year energy assessment plan and the continued development of Energy Mass Balance (EMB) assessments across our operations. The EMBs provide summaries of energy inputs and outputs for specific parts of the plant or buildings. These will assist in the identification of specific areas where energy savings can best be achieved.

To date, we have undertaken EMBs for the following equipment:

<table>
<thead>
<tr>
<th>Equipment</th>
<th>RGCT</th>
<th>BPCT</th>
<th>Corporate buildings</th>
<th>Marina</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coal conveyor 5</td>
<td></td>
<td></td>
<td>Yarroon Street building</td>
<td></td>
</tr>
<tr>
<td>Coal conveyor 29</td>
<td></td>
<td></td>
<td>Kullaroo House building</td>
<td></td>
</tr>
<tr>
<td>Coal conveyor 1 tripper</td>
<td></td>
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</tr>
<tr>
<td>Shiploader 2</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Dump station 2</td>
<td></td>
<td></td>
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</tbody>
</table>
In an attempt to capture the diversity of our processes and equipment we elected to assess RGTCT and BPCT as they jointly represent over 90% of our total energy use.

During the year our Energy and Climate Steering Committee continued to actively engage staff in generating ideas for energy savings. In fact, we have invited a group of GPC staff to participate in workshops where we get their opinions and feedback about potential energy efficiency opportunities in their work areas.

During the workshops, our staff identified several energy efficiency opportunities which will be evaluated and potentially implemented in the future. Some of these include better management of lighting at RGTCT in the:

- fuel bays
- shiploaders and berths
- dump stations
- conveyor belts.

**Continued implementation of energy efficiency opportunities**

A number of ideas generated by staff in previous years have been implemented and others have progressed to pre-feasibility investigations. As outlined following, several initiatives progressed over the past years are proving to be effective in reducing our energy usage.

**Tunnel lighting**

Until recently RGTCT’s 24 reclaim tunnels were lit 24-hours-a-day in order to provide safe working conditions for staff when in the tunnels. Conversely, for safety reasons staff did not work in the reclaim tunnels while plant was in operation. A different control philosophy now allows for the lights to be turned on only when personnel access the tunnel by an interlock with the tunnel ventilation fans.

We have already implemented this change in conveyors CC2, CC2A, CC22, CC23, CC25, CC10, CC20, CC3, CC3A, CC12 and plan to complete CC15, CC16 and CC9 this upcoming year. The new control philosophy reduces light activation within each tunnel by up to 85% and translates into a $2,620 cost reduction per tunnel per year. This means GPC has saved a total of $49,780 since the project began in 2010.

**Further roll-out of alternative cooling systems for dozers**

GPC has successfully trialled an alternative cooling system on our D11T dozers. The cooling system enables us to reduce idling time by over 50%, resulting in cost savings of over $55,000 per machine per year. GPC will install a further six units this year upcoming year and save $330,000 on dozer operating costs. At a price of less than $20,000 per cooling unit, the payback period is under five months. The environmental benefits of reducing fuel consumption are also significant, enabling us to reduce our greenhouse gas emissions by approximately 120t.

**Increasing efficiency in the built environment**

The commercial offices in the Gladstone Entertainment Centre Precinct, to be completed in October 2013, will be environmentally efficient. The offices are being built in accordance with the Green Star building standard, developed by the Green Building Council of Australia. The offices will have a Five Green Star Rating, which will achieve the following environmental benefits compared to the average Australian building[^1]:

- reduce greenhouse gas emissions by 62%
- reduce electricity consumption by 66%
- reduce the use of potable water by 51%.

![Figure S3:23](https://example.com/image.png)

**Figure S3:23** The new Gladstone Entertainment Centre offices will be environmentally friendly

[^1]: As presented in the Report: "The Value of Green Star – A Decade of Environmental Benefits" by the Green Building Council of Australia.
Our People Overview

The business landscape we operate in is dynamic and set for yet another period of exponential growth. The health and safety, commitment and capability, and performance of our workforce has always been, and will remain, critical to our success.

This year, much work has been directed toward laying new foundations for a culture that:

- is characterised by applied capability and meaningful and valued contributions
- fosters a stable, appropriately resourced and competent workforce
- ensures the alignment of core values, accountabilities and incentives with business strategy at all organisation levels
- builds and embraces diversity as an accepted source of talent, creativity and experience
- assures a safe and healthy workforce where fitness for work is optimised and harm is eliminated
- generates mutual value through positive stakeholder relationships.

The focus has been on the development of revised people practices and supporting systems, aligned to five success factors:

1. Quality of leadership
2. Quality of employees
3. Openness and action orientation
4. Continuous improvement and innovation
5. Sustainability orientation.

We achieved significant milestones in 2012/13, including a newly negotiated Enterprise Agreement 2012, an organisational wide capability framework, a revised Code of Conduct, and robust performance management processes. Our corporate induction and mandatory training processes were updated and modernised to align with business needs. Our employment strategies and standards have been reviewed to ensure a quality, diverse and talented workforce well into the future. The fundamentals are now set.

Underpinning the strategic initiatives that position us to meet future business challenges is the safety and health of our employees. In 2012/13, we continued our proactive approach to optimising safety and personal health outcomes for our people. This is reflected in our accreditation to AS/NZS 4801, our LTIFR (which continues its five year downward trend) and also the further development of our ‘Work Healthy – Retire Well’ philosophy. The latter supports the mutually beneficial outcomes to be delivered through our Health and Wellbeing Management Strategy which sees the integration of three components: (1) workplace rehabilitation, (2) work health surveillance, and (3) health promotion and support.

Implementation will be next year’s mantra. The design efforts of last year will come to fruition with the roll out of our revised people practices and health and safety approaches.

All in all, we are well positioned to ensure that GPC remains a preferred employer with contemporary people practices that foster a high performance organisation.
Improving Our Safety Performance

OUTCOMES 2012/13
- Attained AS/NZS 4801 certification for the GPC Workplace Health and Safety Management System
- Completed occupational monitoring as scheduled
- LTIFR reduced to 2.02 (2011/12: 2.73)
- Implemented revised safety committee structure

TARGETS 2013/14
- Maintain AS/NZS 4801 certification for our Workplace Health and Safety Management System
- Continue the development and implementation of a Behavioural-based Safety program
- Continue the development and implementation of Fit for Work Programs

AS/NZS 4801 audit and accreditation

For the past two years we have worked toward having our safety management system certified to the Australian and New Zealand Standard (AS/NZS) 4801. Our new safety management system was implemented in early 2013 and after a period of consolidation was audited against AS/NZS 4801. The auditor recommended that the GPC safety management system be certified to AS/NZS 4801.

Through the audit process 27 actions were identified to be addressed prior to the next audit, which will be conducted in the second half of the 2013 calendar year. A plan to address the actions is in place and work is well advanced to ensure these are completed in a timely manner.

Restructure of Safety Committee

A review of our safety committee structure resulted in the establishment of a new GPC Safety Committee. This Committee, which is chaired by the CEO, comprises senior management and elected health and safety representatives from each of our workgroups and is supported by our health and safety team. It is a consultative forum that focuses on strategic health and safety matters (including the management review requirements of AS/NZS 4801).

The new committee structure brings with it improvements that will ensure that GPC continues to meet its legislative obligations and fulfil the requirements of AS/NZS 4801. Some of the key tasks of the Committee are to:
- facilitate cooperation between GPC and its employees in initiating, developing, implementing and monitoring measures designed to ensure the health and safety of workers and visitors at GPC workplaces
- assist in the development, implementation and review of GPC’s health and safety related policies, standards, practices and procedures
- assist in the resolution of health and safety related issues
- review information on risk assessments and risk treatments
- review incidents with a high potential to cause harm to our employees and visitors, including: circumstances giving rise to the incident, investigation findings and action plans
- monitor the overall performance of the rehabilitation program for employees who suffer work-related injuries.

The safety committees in each workgroup continue to focus on specific safety risks and incident assessments. If these committees identify an issue of a strategic nature that requires attention they refer these to the new GPC Safety Committee.
Procedural reviews
As part of the national harmonisation of safety legislation, new safety legislation was introduced in Queensland in January 2011. The new legislation triggered the review of a significant number of codes of practice and regulations. As these reviews are finalised GPC has, in turn, undertaken a process of reviewing its internal standards and procedures to ensure compliance with the revised codes of practice and regulations.

The review of our hazardous chemical management procedure is just one example of this process. The new Work Health and Safety Regulations introduced a new system of chemical classification and hazard communication on labels and safety data sheets and led to a complete review of GPC’s hazardous chemicals management process. The review resulted in an update of the procedure; consolidation of the hazardous chemical registers for Port of Gladstone, Port of Bundaberg and the Port of Rockhampton; and revision of the internal approvals process. The review has led to the development of an online training module which is mandatory for all employees to complete.

Monitoring occupational risks
GPC has an ongoing occupational monitoring program that covers a wide range of work locations and activities. The areas and activities monitored are selected on the basis of the risk that the work activities pose to our workers.

During 2012/13 we undertook occupational monitoring to assess risks arising from:

- welding fumes
- ammonium nitrate/explosives
- PPE breathing air (supplied breathing air – sandblasting)
- indoor air quality mobile plant
- ilmenite
- noise monitoring RGTCT and BPCT
- light monitoring
- whole body vibration
- asbestos.

The monitoring did not identify any major risks but did identify opportunities for improvement. These were predominantly related to noise issues within the dump stations. These opportunities have been developed into an improvement program which is being implemented.

Hazard identification
Detailed hazard and risk registers underpin a comprehensive safety management system. During the year we commenced a business wide hazard identification exercise. This is being implemented through the workgroup safety committees and elected health and safety representatives. The approach was trialled at the Marina and is now being rolled out across other operational areas.

Comprehensive hazard identification will enable the development of more detailed risk registers and ensure that recognised risks are being appropriately managed.

Figure S4.2// A. B. Office and operational locations are subject to our ongoing occupational monitoring program.
LTIFR and TIFR continuing downward trend

GPC uses lost time injury frequency rate (LTIFR) and total injury frequency rate (TIFR) as primary measures of safety performance.

Both the LTIFR and TIFR continued a downward trend over the past twelve months. Our LTIFR at the end of the year was 2.02, compared to 2.73 in 2011/12.

The table below highlights an ongoing reduction in key safety performance measures over the past five years whilst also noting an increase in hours worked over the same timeframe.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of LTIs</td>
<td>7</td>
<td>7</td>
<td>5</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Hours worked</td>
<td>1,371,068</td>
<td>1,427,162</td>
<td>1,433,461</td>
<td>1,464,599</td>
<td>1,484,854</td>
</tr>
<tr>
<td>Lost days</td>
<td>149</td>
<td>35</td>
<td>46</td>
<td>98</td>
<td>79</td>
</tr>
<tr>
<td>LTIFR</td>
<td>5.11</td>
<td>4.90</td>
<td>3.49</td>
<td>2.73</td>
<td>2.02</td>
</tr>
<tr>
<td>LTIDR</td>
<td>21.29</td>
<td>5</td>
<td>9.2</td>
<td>24.50</td>
<td>26.33</td>
</tr>
<tr>
<td>Total injuries</td>
<td>109</td>
<td>127</td>
<td>113</td>
<td>109</td>
<td>107</td>
</tr>
<tr>
<td>TIFR</td>
<td>79.5</td>
<td>88.99</td>
<td>78.83</td>
<td>74.42</td>
<td>72.06</td>
</tr>
</tbody>
</table>

LTI – Lost Time Injury
LTIFR – Lost Time Injury Frequency Rate
LTIDR – Lost Time Injury Duration Rate
TIR – Total Injury Rate
TIFR – Total Injury Frequency Rate

Table S4:1// Our key safety performance measures are showing a steady downward trend

Figure S4:3// A, B. Many of our crews now start their day with safe spine exercises
We use a severity and outcome based system to monitor the impact of injuries and illnesses on our workers. The following table provides a summary of the injuries and illnesses recorded during 2012/13.

During 2012/13, 107 incidents of injury or illness were reported, with the majority these being minor or moderate in nature.

<table>
<thead>
<tr>
<th>2012/13</th>
<th>No lost time</th>
<th>Restricted work days</th>
<th>Lost time</th>
<th>Severity total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minor injury</td>
<td>45</td>
<td>2</td>
<td>0</td>
<td>47</td>
</tr>
<tr>
<td>Moderate injury</td>
<td>27</td>
<td>29</td>
<td>3</td>
<td>59</td>
</tr>
<tr>
<td>Significant injury</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
<tr>
<td>Major injury</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Catastrophic injury</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Outcome total</td>
<td>73</td>
<td>31</td>
<td>3</td>
<td>107</td>
</tr>
</tbody>
</table>

Table S4:2// The majority of injury/illness reported this year was minor or moderate in nature

Only one significant injury occurred, however it did not result in restricted work or lost time. Three incidents were recorded as resulting in lost time. In two of these instances the lost time was incurred following corrective surgery.

**Nature of injuries**

Analysis of the injury data has shown a wide spread of injury types and affected body parts with sprains and strains of the lower limbs (knee and ankle) the most frequent.

The incidents of sprain and strain injuries to the back and shoulders have decreased in the past 12 months. We believe that this result correlates with the implementation of the Safe Spine program across GPC, though further statistical analysis will be required to confirm this. The Safe Spine program is designed to educate workers about the way their spine works and teaches a series of exercises that will assist in activating employee’s bodies prior to starting manual tasks.

Further analysis of injuries identified that hand related injuries of various types have increased in the past year. A dedicated safety awareness campaign has been produced to highlight the issue and educate workers in the importance hand safety.

**Looking ahead**

In the coming year we will continue to implement our Workplace Health and Safety System and maintain certification to AS/NZS 4801.

We will continue the development of behavioural-based safety initiatives which are consistent with the goals of our people performance framework.

We will continue our Occupational Monitoring program according to the schedule with specific focus on noise, light, and indoor air quality.

We will continue to develop and maintain our Occupational Risk map for GPC operations.

We will continue to improve our Fit for Work programs with a focus on the second developmental phase of GPC’s fatigue risk management program.

We will put a significant focus on reviewing and updating our safety hazard and risk registers across the organisation.
Driving Positive Health and Wellbeing Outcomes

OUTCOMES 2012/13
- Developed Health and Wellbeing Management Strategy
- Implemented components of the Pre-employment Strategy
- Implemented Safe Spine Program across whole of organisation

TARGETS 2013/14
- Implement client database reporting tool
- Continue to implement and embed the Pre-employment Strategy
- Consolidate Health Restricted Case Management processes
- Health and Wellbeing Program branding and messaging ‘Work Healthy – Retire Well’
- Introduce men’s health program
- Facilitate Safe Spine Program sustainability

SupPORTing a healthy team

GPC is committed to ensuring that employees are fit to undertake the tasks inherent in their substantive positions. It is equally important that these tasks are undertaken in a safe and effective manner without risk to the individual or their work mates, and without risk of damage to plant and equipment.

During 2012/13, we developed our Health and Wellbeing Management Strategy. This strategy articulates GPC’s approach to the management of health and wellbeing services and is underpinned by our ‘Work Healthy – Retire Well’ philosophy (formulated in 2011/12).

The aim of the ‘Work Healthy – Retire Well’ philosophy is to:
- encourage employees to improve, achieve and maintain optimal functional capacity and health outcomes during all phases of their life/work cycle
- promote a general state of employee wellness
- provide employees with opportunities to address both work and non-work related health problems.
Achieving a Sustainable Future for Our People and Our Community  S:4

The three core activities of the ‘Work Healthy – Retire Well’ philosophy (see Figure S4:4) provide opportunities for employees to improve their overall health:

- workplace rehabilitation
- work health surveillance
- health promotion and support.

**Workplace rehabilitation – promoting return to work**

While our aim is zero harm, GPC understands that from time to time employees might suffer from either work or non-work related injury or illness and that this might impact their fitness to attend work. Our aim is to work respectfully and cooperatively with the employee, their treating practitioner(s) and individual GPC departments to facilitate a productive and early return to work.

During 2012/13, on average 16.1 full time equivalent (FTE) employees were managed across 488 restricted days per month.

- Work related injuries and illnesses averaged 10.5 FTE/month accounting for 65% (319 days) of restricted days.
- Non-work related injuries and illnesses averaged 5.6 FTE/month accounting for 35%, (169 days) of restricted days.

Of the 107 employees who suffered work related injuries during 2012/13, 94.4% successfully returned to their substantive roles, with 5.6% remaining in active rehabilitation and return to work programs.

**Work Health Surveillance – monitoring our employee health**

At GPC we understand that we have an obligation to provide a safe work environment. We also acknowledge that some work activities have the potential to place an employee at risk of injury or illness. This is why we put in place appropriate strategies to remove or mitigate those risks and to monitor potential exposures during an employee’s work life. The aim of our work health surveillance programs is to identify and understand workplace risks and to apply appropriate health surveillance measures.

During 2012/13, we focused on developing our Work Health Surveillance framework, (Figure S4:4), identifying and progressing four key components:

- surveillance business mapping – identification across the business of work groups who may be potentially exposed to health risks (e.g., dump station operators exposed to excessive noise)
- employment screening – identification of specific health surveillance activities for at risk groups (e.g., audiometric testing), and medical screening for employment during the employment lifecycle (e.g., pre-employment, job transfer and termination)
- health restricted case management – identification and management of individuals who are unable to undertake the inherent aspects of their role in a safe and effective manner due to permanent health issues
- biological health management – identification and management of potential biological health issues (e.g., epidemic management).

During 2012/13 we focused on improving our Hearing Preservation Program in accordance with the Managing Noise and Preventing Hearing Loss at Work, Code of Practice 2011. Three hundred and fifty-two (352) employees from identified at-risk groups have undergone audiometric screening and ear plug fit and training. Within our high risk area (Dump Stations) double hearing protection with radio communications has been introduced, with a range of hearing protection products being used to meet individual needs. We have also introduced specific hearing protection devices for employees who already suffer hearing impairment, so that the balance of their hearing is protected.
Health Promotion and Support – promoting wellness

GPC is committed to providing opportunities for employees to maximise their health and wellness to reduce their risk of injury and illness, and to minimise the personal impact of any injury or illness.

Our Safe Spine Program has been fully implemented across GPC with approximately 74% of our workforce (526 employees) attending at least one of the 51 workshops held during the year.

The Safe Spine Program was considered by 93.3% of attending employees to be very good/excellent and 94.2% of employees felt valued by GPC in being offered the program. Program evaluations revealed a 46% shift in employee’s willingness to participate in safe spine activities, with 95.5% reporting they better understood the importance of regular stretching and 81.8% of participants indicating that they are prepared to participate in Safe Spine pre-starts.

We revitalised our Employee Assistance Service during 2012/13, engaging Assure Programs to provide a 24 hour counselling service to employees and their immediate family. Since the service commenced in October 2012 seven employees have accessed the service for three workplace concerns that reported a mild to moderate impact on their personal functioning and four personal concerns that reported a moderate to serious impact on their personal functioning.

Looking ahead

2013/14 is shaping up to be an exciting period in the ongoing development and consolidation of our health and wellbeing programs with the following initiatives planned to be undertaken.

Workplace Rehabilitation

- We will be introducing our new client database reporting program 2CRISK, which will allow us to collect and store employee information confidentially and facilitate our reporting requirements.
- We will also consolidate our processes to respectfully manage permanently health restricted cases and ensure fair and equitable employment decisions.

Work Health Surveillance

- We will be continuing to focus on the development of our Job Banks, identifying physical and functional requirements of roles along with the specific health surveillance activities for identified health risks and appropriate PPE requirements.
- Our pre-employment screening medicals will be reviewed with processes in place to ensure that candidates meet the minimum functional requirements of advertised roles.
- We will focus on branding our ‘Work Healthy – Retire Well’ message on all our Health and Wellbeing services during 2013/14.
- In addressing the health needs of our ageing, predominantly male workforce we will focus on introducing programs and services to promote better health.
- As sprain and strain injuries remain our highest injury group, we aim to embed Safe Spine within workgroups during 2013/14, to support sustainability of the program and assist with reduction of these injuries.
People Performance and Development

OUTCOMES 2012/13

- Implemented initiatives to support a more capable, focused and accountable workforce
- Developed new and revised existing Policy, standards and specifications to support our workforce
- Developed and communicated a revitalised code of conduct
- Introduced a new induction program for visitors and contractors
- Developed a set of core capabilities and levels of work to support future employee development activities
- Gained two gold medals at the regional WorldSkills Competition; our apprentices placed 5th and 7th nationally
- Developed new recruitment and employment practices designed to ensure we employ the right people in the right roles

TARGETS 2013/14

- Launch the new People Performance Standard and Specifications that formalise our business performance and development planning processes
- Implement Phases 2, 3 and 4 of our eLearning modules
- Develop and implement a new Employee Induction Program
- Continue to increase target group representation within our workforce
- Continue to drive productivity gains through initiatives under our Enterprise Agreement
- Design and implement a GPC Leadership Development and Succession Management Program

Workforce profile

As at 30 June we employed 709 people across the Port precincts of Gladstone, Bundaberg and Rockhampton, slightly fewer than the 714 employed in 2011/12. While there was a reduction in the overall number of people employed, the number of permanent employees within our workforce grew. Up from 612 in 2011/12, we now have 634 permanent employees, with the remaining 75 employed on either a temporary or casual basis.

<table>
<thead>
<tr>
<th>Department</th>
<th>Casual</th>
<th>Fulltime</th>
<th>Part time</th>
<th>Headcount by department</th>
<th>FTE by department</th>
<th>Female</th>
<th>Male</th>
<th>Indigenous</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial</td>
<td>20</td>
<td>80</td>
<td>5</td>
<td>8</td>
<td>113</td>
<td>91.70</td>
<td>48</td>
<td>65</td>
</tr>
<tr>
<td>Corporate and Employee Relations</td>
<td>0</td>
<td>40</td>
<td>8</td>
<td>2</td>
<td>50</td>
<td>49.50</td>
<td>33</td>
<td>17</td>
</tr>
<tr>
<td>Office of the CEO</td>
<td>0</td>
<td>3</td>
<td>0</td>
<td>0</td>
<td>3</td>
<td>3.00</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Port Operations – Cargo Handling</td>
<td>3</td>
<td>451</td>
<td>33</td>
<td>6</td>
<td>493</td>
<td>488.20</td>
<td>26</td>
<td>467</td>
</tr>
<tr>
<td>Port Planning and Development</td>
<td>0</td>
<td>24</td>
<td>2</td>
<td>1</td>
<td>27</td>
<td>26.70</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>Safety, Environment and Risk</td>
<td>0</td>
<td>19</td>
<td>4</td>
<td>0</td>
<td>23</td>
<td>23.00</td>
<td>16</td>
<td>7</td>
</tr>
<tr>
<td>Headcount</td>
<td>23</td>
<td>617</td>
<td>52</td>
<td>17</td>
<td>709</td>
<td>682.10</td>
<td>130</td>
<td>579</td>
</tr>
<tr>
<td>FTE*</td>
<td>4.8</td>
<td>614.70</td>
<td>52</td>
<td>10.6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table S4:5// We employ 709 people across our three Port precincts
Supporting a capable, focused and accountable workforce

In the performance and development space, initiatives have been designed to support our workforce as they become more capable, focused and accountable. The past year has seen a range of new tools and programs delivered and a number of existing practices strengthened, including:

- People Policy and supporting governance framework for:
  - People practices
  - People Performance initiatives
  - Capability Framework
  - Equity and Diversity programs.

A number of supporting Standards and Specifications have also been developed. The following standards have been endorsed in preparation for a July 2013 launch.

- Code of Conduct
- People Performance
- Learning and Development
- Recruitment and Employment
- Equity and Diversity, Harassment and Discrimination.

Embedding our values through a revitalised code of conduct

As evidenced by our values (page 5 of this report), we are committed to creating and maintaining an environment for employees, customers and visitors that is safe, professional, customer focused and free from any form of unlawful or inappropriate behaviour. This commitment supports the expectations held by our shareholding Ministers (and through them, the people of Queensland) that all activities undertaken by GPC are conducted with efficiency, impartiality and integrity.

Our new Code of Conduct clearly describes the appropriate lawful and ethical standards of conduct expected of our people, as depicted through our guiding principles of:

- respect for people
- integrity and impartiality
- accountability and transparency
- promoting a positive public image.

Introduced via a comprehensive communications and awareness strategy, we believe that the new Code of Conduct will be embraced as a vital tool supporting our vision and mission and over the coming years, embed our values as part of the daily routine at GPC.

Formalising performance standards

GPC is committed to maximising each of our employee’s capability and providing them with the opportunity to contribute to a high performance organisation. If we are to achieve our vision, mission and organisational objectives, people who perform effectively are essential. In support of our objectives we developed a people performance framework. Scheduled to launch in July 2013, and detailed within the People Performance Standard and related Specifications, the framework will formalise GPC’s whole of business performance and development planning processes.

LEARNING AND DEVELOPMENT

We value all our employees, and through our capability development activities ensure that they are able to contribute to our organisational success in their current capacity, and are engaged in building organisational capability for the future.
Capability Framework

The GPC Organisational Capability Framework (see Figure S4:6), underpins our development activities and specifically targets business requirements in terms of:

- mandatory knowledge and/or skills
- core capabilities
- technical competencies or capabilities
- functional capacity (physical ability).

Mandatory training – meeting legislative requirements

Our mandatory training initiative is focused on meeting our legislative and policy requirements and falls into two categories – Corporate Mandatory and Job Specific Mandatory. This strengthens our commitment to ensuring that any person, whether an employee, contractor or visitor on any GPC site is provided with the knowledge and/or skills required to behave safely and productively on that site.

1. Corporate mandatory training is determined by position category (office or industry), regulatory and corporate policy requirements across the following themes:
   - Governance Essentials
   - Safety Essentials
   - Environment Essentials
   - Commercial Essentials
   - People Essentials.

   We began implementing our Corporate Mandatory Training suite of programs across all departments during the past year. With the goal of 100% compliance and adopting a phased rollout approach, we have developed fully customised eLearning modules, as shown in Table S4:6.

2. Phase 1 of the initiative was successfully launched in 2012/13, with additional phases coming online over the course of 2013/14.

3. Job Specific Mandatory Training is determined by the responsibilities, and regulatory and corporate policy requirements of specific positions.

   GPC has developed a suite of customised Job Specific Mandatory Training initiatives through close partnering between our learning and development specialists, subject matter experts and external training provider panel members. Several thousand hours of job specific training were completed by our employees last year, ensuring that all work activities were performed by fully qualified personnel in accordance with relevant legislation.

Induction

In keeping with our commitment to 100% compliance with legislative and policy requirements, GPC launched new induction programs for visitors and contractors over the past year, with a revised induction program for new GPC employees planned for implementation in 2013/14. The new induction programs ensure everyone at GPC has the skills and knowledge required to interact safely and appropriately with our people, systems, resources and environment.

Our revised Visitor Induction streamlines safe access to all GPC sites. Visitors read and confirm their understanding of a ‘Visitor Induction Guide’ prior to each entry.

In January 2013, GPC launched a new online Contractor Induction Program. This 45 minute eLearning module was developed in-house and provides GPC contractors with the flexibility to access and complete the required training at their convenience. In the six months from January, 316 contractors have successfully completed the program.

Planned for 2013/14, the new GPC Employee Induction will focus on an intensive 3-month induction process for new employees. Covering generic corporate information through to very detailed and customised local area knowledge requirements, this blended delivery program will be embraced by the business in coming months.

Core capability

Core capabilities at GPC are defined as the essential knowledge, skills and abilities required across all roles within GPC, differentiated by levels of work (LoW).
In 2012/13, we completed the task of categorising each role in our business against the relevant LoW and defined the three core capabilities required across the organisation. The core capabilities are outlined in Table S4:7.

<table>
<thead>
<tr>
<th>1. Problem Solving</th>
<th>The ability to reason, think analytically, conceptually and laterally in order to solve problems and take appropriate decisions.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Social Influencing</td>
<td>The ability to achieve personal goals in social interaction while simultaneously maintaining positive relationships with others over time and across situations.</td>
</tr>
<tr>
<td>3. Driving Results</td>
<td>The ability to overcome obstacles to achieve results, bring ideas into action, and ‘push forward’ with energy, enthusiasm and urgency.</td>
</tr>
</tbody>
</table>

Table S4:7// These three core capabilities will underpin all future employee development activities

These core capabilities will underpin all future employee development activities, particularly in relation to leadership development and succession management initiatives. As GPC continues to realise unprecedented growth, the development of our leaders and deployment of a corporation-wide succession management methodology are considered critical to business success.

Technical capability

GPC’s business environment requires a diverse range of technical competencies or capabilities to safely and productively perform the predetermined scope of each role. Technical competency requirements for operational and trade roles have been redefined through a comprehensive review of relevant Job Profiles. The review of technical capability requirements across our administrative, professional and leadership roles will be finalised in 2013.

35,000 hours of technical training and professional development were completed by our employees in 2012/13; an average of approximately 51 hours for each employee. Driven by our Capability Framework and supported by web based learning, our development activities are now more aligned to business goals; levels of work; mandatory, core and technical capability requirements; and delivered in a more flexible and targeted way.

Skills for the future

GPC remains committed to our apprentice and traineeship programs. GPC’s 2013 intake included 18 new Apprentices and Trainees, taking our overall numbers to 64 as shown in the table below.

<table>
<thead>
<tr>
<th>Electrical</th>
<th>Mechanical</th>
<th>Building Trades</th>
<th>Horticulture</th>
<th>School-based</th>
<th>Trainees</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Intake</td>
<td>4</td>
<td>6</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Total apprentices and trainees</td>
<td>20</td>
<td>22</td>
<td>4</td>
<td>6</td>
<td>2</td>
<td>10</td>
</tr>
</tbody>
</table>

Table S4:8// Commited to facilitating skill development for the future, we are now mentoring and training 64 apprentices and trainees

The quality of our apprentices, and our apprenticeship program, was again illustrated by our strong performance at the National WorldSkills Competition, held in Sydney in August 2012. Our two regional gold medal winners competed in the electrical control and electrical installation categories, placing 5th and 7th nationally.

GPC implemented a revised Work Experience Program from January 2013, to ensure the program continued to meet the needs of both the business and the work experience students. The program provided 69 students from schools throughout the Gladstone region with the opportunity to experience working life at various Port facilities. Both GPC and the students benefited enormously from the placements within the Mechanical, Electrical, Building Services, Community Relations, Environmental, Engineering, Horticulture and Security sections of the business. Feedback from both students and supervisors has been exceptionally positive, particularly regarding the influence the experience had on their future career decisions.
Recruiting and employing the best
Our newly developed recruitment and employment practices ensure that the right people are employed in the right roles, i.e., roles that maximise individual potential and organisational performance. These practices provide a foundation for focused selection decisions based on the demands and requirements of the job and the capabilities identified as necessary for high performance.

GPC continues to be considered a preferred employer within the Gladstone region and enjoyed a relatively low voluntary turnover rate of 6.06% in 2012/13.

Equity and diversity
To promote the achievement of employment equity at GPC, we are focused on implementing practices which enable target group members the opportunity to pursue their chosen careers; compete for recruitment, selection, promotion; and/or transfer as effectively as people who are not members of those groups.

At GPC, we have set ourselves high targets and expectations with regard to target group representation (see Table S4.5). For example, our Aboriginal and Torres Strait Islander and Australian South Sea Islander target is 3.6% by 2015 and 5.0% by 2020. As a result of our targeted Equal Employment Opportunity (EEO) actions over the past 12 months, GPC currently has 3.1% Aboriginal and Torres Strait Islander and Australian South Sea Islander representation within the workforce. In our traditionally male dominated industry, we are proud that 18% of our workforce are women. We are employing more women in non traditional roles such as Operators, Tradespersons (electrical), Safety and Environment, Engineering and Security.

Annually, GPC offers one of our female employees a sponsorship opportunity that supports their participation in leadership development programs through the Australian Graduate School of Management. To further enhance their development, they are also offered the opportunity to undertake a secondment or project that will allow them to apply their newly acquired skills on the job. They are coached and mentored by senior leaders through these new challenges.

Going forward, the program will seek to broaden the scope of participation in leadership development activities for women at the Port.

Looking ahead
- In recognition of the fact that our leaders ‘set the tone’ for success, we will embark on the design and implementation of a GPC Leadership Development and Succession Management Program
- Diversity and inclusion will remain a priority, with the deployment of a revised Aboriginal and Torres Strait Islander and Australian South Sea Islander employment strategy, a Peer Support Officer (PSO) Program and the continuation of our Women in Business Program.
ENTERPRISE AGREEMENT – PRODUCTIVITY INITIATIVES

GPC’s 2012 Enterprise Agreement (EA) was approved by Fair Work Australia on 26 November 2012.

Preparations for the EA negotiation process began in March 2012 with a series of team-based forums and employee information sessions held at all GPC sites. The sessions were held well in advance of the formal negotiations for the new agreement – these involved union and employee representatives and commenced in early August 2012.

The purpose of the sessions was to ensure that our employees were well informed about what was involved in the renegotiation process and the making of the new enterprise agreement. They provided opportunities for employees to discuss their views and ideas on improvements for the new agreement, cost savings and efficiencies. Employees discussed their suggestions at the team based forums and formally submitted their ideas on paper-based forms or through the dedicated intranet site.

The early engagement strategy was very successful in affording our employees ownership of the process and generating many constructive and worthwhile suggestions. The process yielded high employee participation rates and proved to be extremely positive for GPC, its employees and unions. The renegotiation process was achieved in just over five weeks and when the ballot was conducted it produced a resounding vote of employee approval for the proposed new agreement.

One key aspect of the EA was an employee led initiative to identify potential cost savings and sustainable productivity efficiencies. Following the EA’s commencement on 3 December 2012, an EA Productivity Program Group was established. The group comprises project teams that are charged with reviewing operations from the perspective of shiploading, roster and payroll, unscheduled absences and material supply management and driving the requisite outcomes.

**Shiploading**

Shiploading’s key objective is to lift the net capability of the coal terminals to meet future capacity requirements and to remain competitive against other Australian and international coal export terminals.

**Roster and Payroll Simplification**

Roster and Payroll Simplification has as its objective the development of improved rostering and payroll methodologies, practices, systems and processes to enhance labour efficiency.

**Unscheduled Absences**

Unscheduled Absences will target the development of strategic processes for the management of improved workplace health and attendance.

**Material Supply Management**

Material Supply Management’s objective is two-fold as it will not only seek opportunities for improvement in current practices, but also consider how to deal with increasing demand as our GPC businesses grow.

**Looking ahead**

The joint commitment of GPC’s employees, management, and unions successfully achieved the 2012 Enterprise Agreement. Through continuing commitment and collaborative effort, sustainable productivity gains and efficiencies will be delivered for our shareholders and customers for the life of, and beyond the 4 year term of the new agreement.

The EA implementation projects are on course to achieve the desired outcomes.
Our Community Overview

Over the years, GPC has been an active and dedicated contributor to the communities in which we operate. Our commitment to social sustainability remains as strong as ever.

We have a strong heritage in the Central Queensland region and have enjoyed a lengthy and positive reputation that has been bolstered by our community investments. GPC is considered a pivotal entity within our community, with strong economic performance, employment credentials, and funding and support flowing to community projects and events.

We have sought to undertake community investments, both in-kind and financial, which:

- provide the best community reach and impact
- address critical need(s) within the community
- provide long-term value to the community.

In accordance with our corporate value of Excellence, we continually strive for improvement and this year has been no exception. During 2012/13, we undertook a collaborative review of our Community Investment Program to be sure that we make a real and positive contribution to all the regional communities in which we operate. The program now provides opportunity for open and meritorious community sponsorships and donations within the Gladstone, Rockhampton and Bundaberg areas. The positive reception from our community has been tremendous, with a substantial number of new applications received for funding this year and also for our first funding round in 2013/14. In 2012/13 we invested almost $3m in community infrastructure, events and activities, including:

- foreshore parklands and recreation areas (Spinnaker Park, Marina and Central Queensland University)
- community sponsorships and donations (for Social, Environmental and Economic sustainability)
- community and not for profit concessional leases
- Reconciliation Action Plan (RAP)
- Queensland Flood Appeal
- Bundaberg Sailing Club, including Sailability, an organisation which fosters freedom on the water regardless of disability
- Gladstone Harbour Festival
- Botanic to Bridge 2012 FUND Run.

The Botanic to Bridge (B2B) FUND Run continues to be popular, with nearly 4,100 people participating in the 2012 event. With the participation of our valued sponsors and our community, almost $45,000 was raised for local schools and beneficiaries. This flagship community event truly makes a real difference in the lives of children within our community.

With the re-launch of the Reconciliation Action Plan (RAP) we continued our ongoing commitment to strengthening relationships, fostering respect and increasing opportunities within our Aboriginal and Torres Strait Islander and Australian South Sea Islander community.

We will seek to build upon the continuous improvements made this year through our revamped Community Investment Program, and eagerly await the quality partnership opportunities that are bound to emerge.

The next Botanic to Bridge is locked in for 18 August 2013! With the ongoing commitment of our sponsors and community, we are striving once again to raise $20,000 of beneficiary funds, and a further $25,000 for local schools.

The development of the Gladstone Coal Exporters Maritime Precinct, Auckland East Shores, will also commence in 2013/14. Once completed, the redeveloped area will form part of GPC’s foreshore parklands, open to the community and to be enjoyed by one and all.

Figure S4:9// Our parklands provide the ideal location for fun and exercise
Providing a Lasting Community Legacy

OUTCOMES 2012/13

- Reviewed and revised our Community Investment Program, enhancing our value proposition for the community
- Invested almost $3m in community infrastructure, activities and initiatives
- Completed planning for the $45m redevelopment of the Auckland Inlet precinct
- Achieved a nine point increase in overall reputation within the community
- Achieved Board approval and Reconciliation Australia endorsement for our refreshed Reconciliation Action Plan

TARGETS 2013/14

- Deliver Stage 1a of East Shores
- In partnership with Gladstone Regional Council deliver the $35m Gladstone Entertainment Centre
- Continue to work with local Aboriginal and Torres Strait Islander and Australian South Sea Islander community to develop beneficial initiatives, programs and strategies

COMMUNITY INVESTMENT

A strategy to deliver sustainable investment to the community

GPC is considered a pivotal entity within the community with strong economic performance, employment credentials, and funding and support for community initiatives. We have always sought to support community initiatives and undertake community investments that positively enhance our reputation as a good corporate citizen and cement our social licence to operate. While we have had a strong commitment to continued investment in the community throughout our history, it is a commitment that has largely evolved on an emergent and intuitive basis.

In 2012/13 with the continuing growth of the Port and our community it was clear that a more structured approach was needed, and a comprehensive review of our Community Investment Program was undertaken in November 2012. This review delivered a strategy to enhance GPC’s value proposition to the community and provide opportunities to leverage returns on strategic objectives. It was also designed to ensure that due diligence was observed in making investment choices and assessing the returns on those investments to GPC and the community in order to inform future investment decisions.

The new community investment strategy was implemented in three phases:

1. A situational analysis of the current state
2. Investment processes realigned to enhance Program governance
3. Transformation to value-adding investment.

The Community Investment Strategy has now been implemented into our operations, providing structure, responsible resource management, and delivering sustainable value for GPC and the community.

Figure S4:10// The Marina Parklands hosted many community events  Figure S4:11// B2B attracted nearly 4,100 participants this year during 2012/13
Supporting our community
During 2012/13, GPC invested almost $3m in community infrastructure, activities and initiatives. This investment is consistent with previous years and represents our ongoing commitment to the communities in which we operate.

Our community parklands, the Marina and Spinnaker Park, continue to be popular spaces for community events and recreational activities, and we are proud to provide them for community use on a complementary basis. This year, 153 event applications were approved, representing a 26% increase from 2011/12. The parklands are also a popular venue for personal training and fitness, with 441 formal personal training sessions taking place during the year.

The Marina Parklands are a preferred destination for major events and festivals in the Gladstone region. This GPC infrastructure was the backdrop to several cultural and social activities for the community during the year, including events such as Australia Day Celebrations, Gladstone Harbour Festival, Multicultural Festival and Carols by Candlelight, as well as corporate functions and fundraising initiatives. In addition to providing a perfect parkland location and associated infrastructure, GPC also financially supported these major events through its Community Investment Program.

Under the program GPC also invested $195,000 in the communities of Gladstone, Rockhampton and Bundaberg, supporting various projects and donations. The Botanic to Bridge continued to play an integral part in GPC’s Community Investment Program, with nearly 4,100 participants attending the popular event in 2012. The event is designed to educate families on the importance of healthy lifestyles, raise funds for local schools, and for a community nominated beneficiary. The 2012 event raised $24,000 for regional schools, and $10,135 each for the Mission to Seafarers and Special Olympics Gladstone Region.

Engaging our community
Community engagement activities remained a prominent part of GPC’s operations throughout the 2012/13 year, and were particularly focused on engaging stakeholders in the Port’s active project portfolio.

The WBDDP continued to be a topic of interest for the community, and several forums to educate, inform and connect with the community were held. These forums included regular community information sessions, email newsletters, advertising and stories in local media, and educational tours of the Western Basin development area.

Consultation regarding the development of Auckland East Shores Inlet was also a focus, and a multi-medium engagement strategy was delivered. Communication included face to face forums, brochures and informative print material, advertising, and email. Once complete, the parklands will deliver a world-class waterfront for Gladstone which will include family friendly recreational areas, a water play park, waterfront promenade and exhibition areas.

Consultation will continue with the community and key stakeholders in the coming year as development commences.

GPC’s community tours continued to deliver another engagement opportunity, with 651 residents and visitors participating in the tour program. The tour program has been a part of GPC’s community engagement portfolio for many years, and provides an opportunity to educate and inform residents and visitors alike on GPC’s operations and initiatives.

School engagement activities also took place throughout the year with GPC representatives providing information to regional schools on environment, careers and the Community Investment Program.

Corporate Image Index
In order to measure the success of our community initiatives and the perception of our operations, we conducted a Corporate Image Study. This research commenced in 2004 (initially on a three year basis) and has been conducted annually since 2010.

The community’s perception of GPC’s overall reputation, at 74% in 2011, was significantly lower than previous years. The reduction in reputation was considered attributable to the negative exposure surrounding the WBDDP.

In the 2012 survey an increase of nine points was achieved, with the community rating GPC’s overall reputation as a good corporate citizen at 83%. Increased positive perceptions in relation to the East Shores development and maintenance, community investment programs, community relations, environmental awareness and responsible environmental policies were all factors in this overall improvement.
Reconciliation Action Plan

In 2012 we reported on the work and planning that had gone into promoting and embedding the principles and philosophies of the Reconciliation Action Plan (RAP) into practices at GPC. This is an ongoing commitment to our community that in 2013 has seen us continue to collaborate with the Future Directions Community Liaison Group (FDCLG) and the local Aboriginal and Torres Strait Islander and Australian South Sea Islander community. Together we have worked toward the RAP’s goals for Aboriginal and Torres Strait Islander and Australian South Sea Islander initiatives, programs and strategies both within GPC and with its partners, striving to:

- **Strengthen relationships** by facilitating opportunities to work cooperatively and in consultation with our Aboriginal and Torres Strait Islander and Australian South Sea Islander community, and by keeping people informed.
- **Foster respect** through developing and implementing cultural protocols and promoting cultural awareness.
- **Increase opportunities** through the development and leadership of Aboriginal and Torres Strait Islander and Australian South Sea Islander employment programs, initiatives and policies.
- **Ensure accountability** by reviewing progress and reporting regularly to all stakeholders.

By leveraging opportunities, in 2013 GPC and RAP partners turned good intentions into actions, with key outcomes including:

- the refreshed Reconciliation Action Plan, approved by GPC Board was endorsed by Reconciliation Australia and re-launched and shared with employees and the community
- hosting Community Forums focusing on Employment and Environment, which were attended by representatives from the local Aboriginal and Torres Strait Islander and Australian South Sea Islander community
- participating in and supporting community events and celebrations, including National Reconciliation Week and NAIDOC Week
- providing Cultural Heritage and Cultural Awareness training for Western Basin Dredging and Disposal Project staff and major project partners
- reviewing and endorsing the Future Directions Community Liaison Group’s Terms of Reference and membership
- achieving an increase in GPC’s Aboriginal and Torres Strait Islander and Australian South Sea Islander employment rate, rising from 2.5 to 3.1% (2015 Target = 3.6%)

- launching the ‘Talent Today – Talent Tomorrow’ bursary for Aboriginal and Torres Strait Islander and Australian South Sea Islander students attending secondary schools in the Gladstone Region.

Looking ahead

- We will continue to support and encourage Aboriginal and Torres Strait Islander and Australian South Sea Islander students from the Gladstone Region, both at local schools as well as those participating in further study at tertiary institutions.
- We will continue to facilitate opportunities for sustainable Aboriginal and Torres Strait Islander and Australian South Sea Islander employment both within GPC and with our project partners.
- We will continue to facilitate opportunities to acknowledge ‘Connections to Country’ within GPC, with the co-naming and re-signing of identified areas at the Marina and Spinnaker Park, incorporating local Traditional Owner language, and the purchase and installation of additional artwork from local Aboriginal artists at key locations across the Port precinct.

<Figure S4:13> In 2013 we re-launched our RAP, sharing it with employees and the community. Pictured above: Gooreng Gooreng elder, Aunty Jacqueline Johnson, Lee-ann Dudley, Melena McKeown, Richard Geesu and Naomi Johnson.
SOCIAL INFRASTRUCTURE

Marina Public Boat Ramp Complex

In January 2013, GPC unveiled a $6m complex comprising recreational facilities for the region’s keen boating fraternity and an operational centre for the Volunteer Marine Rescue Association of Gladstone.

The facility was constructed to not only meet the future demands of the region, but to also provide ongoing access to the harbour. The complex provides recreational fishers with an improved boating facility, ample car parking and associated amenities, and an enhanced operational centre for the Volunteer Rescue Association of Gladstone. The complex is another example of our commitment to the sustainable co-existence of industry and recreation.

Gladstone Coal Exporters Maritime Precinct (East Shores)

Gladstone Ports Corporation is partnering with WICET to deliver a $45m project that will transform Gladstone’s recreation scene.

The development complements both GPC’s and WICET’s commitment to the Gladstone community, and when complete will provide valuable social infrastructure for a growing region.

The entire development is family focused, designed to enhance the amenity of a sustainable industrial city and to be a source of pride for the people of Gladstone.

The Auckland East Shores masterplan comprises three stages that include recreational, residential and retail precincts.

The first stage of this world-class development will focus on a water play park facility suitable for residents and visitors of all ages. This water play park will be enhanced by a waterfront promenade with shade structures, a boardwalk incorporating a viewing platform, an outdoor amphitheatre, and open spaces for recreational activities. This new maritime precinct will complement the existing 43ha of foreshore parklands provided by GPC in the Marina and Spinnaker Park parklands.

With work commencing in July 2103, it is expected that Stage 1a of the precinct will be delivered to the community of Gladstone by mid 2014.

Gladstone Entertainment Centre Precinct Expansion

Gladstone Ports Corporation is partnering with Gladstone Regional Council to deliver the Gladstone Entertainment Centre Precinct Expansion, a $35m project for the Gladstone community.

The project commenced construction in July 2012, will deliver three significant outcomes:

1. For the community: a state-of-the-art, multi-purpose entertainment and conference facility to enhance cultural and entertainment opportunities for the region
2. For the community: 100 additional car parking spaces for the Gladstone CBD
3. For GPC: two levels of commercial office space, the top level providing an improved line of sight for Maritime Safety Queensland, to ensure that our shipping channels are used efficiently and safely, especially given the ever-escalating growth of trade.

The GEC expansion project demonstrates a cooperative working relationship between GPC and Council that is focused on delivering important social infrastructure for a growing community. The project is jointly funded by both parties, each responsible for funding the part of the project they will ultimately own.

The project which is more than 70 percent complete, is expected to be delivered in November 2013. It will not only enhance the safe operation and growth of the Port, but also provide a significantly improved entertainment and events venue for the growing Gladstone community.
OUR BOARD OF DIRECTORS

Mark Brodie, Chairman

Mark is Chairman of the National Retail Association, Chairman of the City of Brisbane Investment Corporation, Member of the Salvation Army Red Shield Appeal Committee, and Fellow of the Australian Institute of Company Directors. Mark previously served as Chairman of the Lord Mayor’s Business Round Table, Chairman of the Greater Brisbane Area Consultative Committee, Director on the Brisbane Marketing Board and the Southbank Corporation Board and both Chapter Chairman and Education Chairman of the Young Presidents’ Organisation (QLD Chapter). Mark is the Managing Director of Brodie Group Pty Ltd and founder of Brodies Mealmakers. Mark also chairs the Human Resources Committee and is a member of the Audit and Compliance Committee.

Appointed as Chairman from 7 June 2012 until 30 September 2015.

Charles Ware BA LLB (Hons), MBus (Pub Mgt) LLM, FAICD Deputy Chairman

Charles is a legal consultant in a private legal practice in Central Queensland. He previously served as Chair of the Rockhampton Port Authority and has held several Board positions in the corporatised Queensland electricity supply industry. Charles is Chair of the Central Queensland Hospital and Health Board. He is also Deputy Chancellor of Central Queensland University. Charles holds undergraduate degrees in Arts and Law and Masters degrees in Business and Law. He holds a current practising certificate as a solicitor. Charles is a member of the Human Resources Committee.


Chris Greig BE, MEng St, PhD Director

Chris is Professor of Energy Strategy and the Director of the University of Queensland’s (UQ) Energy Initiative. He has extensive executive and major project experience in the engineering and resources sectors and as a company director of both private and ASX-listed companies. He served as CEO and Project Director for ZeroGen (a leading edge power project), General Manager Projects and Project Director with Ensham Resources Pty Ltd, and the Managing Director and Chairman of a family-owned group of companies with businesses in civil construction, agriculture and quarrying. Chris is a Chemical Engineer with a Masters and PhD. He has received a number of awards, including the Fluor Chemeca Award for Excellence in Engineering Management.

Appointed 16 August 2012 until 30 September 2015.
Gail Davidson GAI CD Director

Gail has held management roles in a number of areas for over 40 years and is currently Executive General Manager Disability and Community Services for Endeavour Foundation. Gail has been involved in the disability sector for over 23 years, having previously worked in the hospitality and health sectors. She is also a member of the Gladstone Foundation Board of Advice and has been a member of the Disability Council of Queensland, the Gambling Community Benefit Fund, under Treasury, the Complaints Management Quality Committee advising the Minister and was the Inaugural Chair of the Regional Disability Council of Central Queensland. At present, she is also a Queensland representative in Canberra on policy matters for the National Disability Service. Gail has qualifications in management, is a graduate of the Australian Institute of Company Directors and is continuing her studies. Gail is a member of the Human Resources Committee.

Appointed 1 October 2008 until 30 September 2011. Reappointed from 1 October 2011 until 30 September 2014.

Judy Reynolds BBus, CA, MAICD Director

Judy is a chartered accountant with over 20 years experience consulting to and advising SMEs and is a director and shareholder of her consulting and coaching company, Opening Gates Pty Ltd. She has extensive experience in business and people development and strategic growth strategies for businesses over a wide range of sectors. Judy has chaired the national Sothertons Board, and was a director and shareholder of Sothertons Chartered Accountants for over 15 years, and an advisor to the Gladstone Foundation and a director of the Gladstone Economic and Industry Board. She has a Bachelor of Business and for many years was a Fellow of the Taxation Institute of Australia. Judy is Chairman of the Audit and Compliance Committee.

Appointed 1 October 2008 until 30 September 2011. Reappointed from 1 October 2011 until 30 September 2014.

Helen Skippen BBus, MBA, MAICD Director

Helen is a partner in the strategic management consultancy Corporate Context, and a member of the Australian Institute of Company Directors. She holds Bachelors and Masters degrees in business from QUT. Helen has spent 30 years as a strategic management/marketing consultant and has broad knowledge of market research/analysis methods, including stakeholder engagement processes; business and market strategy frameworks; organisation diagnostic frameworks and written communication methods for complex concepts. Helen has expertise in governance processes and has worked with a broad range of public and private sector clients from large public companies and government entities to not-for-profit organisations and SMEs.

Currently Helen is director and Chair of the Audit and Risk Committee of Help Enterprises in the disability services sector. From 2003 to 2012, she was a director of WorkCover Queensland and Chair of the Audit Committee for a term. She has also previously chaired the advisory boards of two medium sized professional services firms in the property sector.

Appointed 1 October 2010 until 30 September 2013.

William (Bill) I Moorhead BSurv (Hons) Director

Bill is the Managing Director of Multilow Pty Ltd, a privately owned property development company based in Bundaberg, Queensland. He is currently on the Access Disability Committee for the Bundaberg Regional Council, a Fellow of the Urban Development Institute of Australia (UDIA) and President of the local UDIA branch. Bill has been a Licensed Real Estate Agent since 1992, and is a foundation member of the Surveying and Spatial Sciences Institute and Birdlife Australia. He has served on various committees including the Regional Advisory Group (for the Sugar Industry), contributing committee member for the Wide Bay 2020, Past President and life member of the Wide Bay Australian Football Umpires Association. Bill received the Australian Sport Medal in 2000, and today still plays Masters Australian Football and umpires senior football.

Appointed 16 August 2012 until 30 September 2015.

The Cargo Handling Operations team will focus on improving the operational efficiency of their terminals and building their operational capability to meet future needs of the business. The team will further develop their Asset Management System with particular focus on ‘whole of life’ strategies for their key assets and extension of their Reliability Centred Maintenance (RCM) program. They will be actively involved in the Capricornia Coal Chain Steering committee focused on increasing the capacity of the coal supply chain.

A major focus of environment and risk management will be ensuring the safety and wellbeing of our employees and visitors. This remains paramount. Our obligation to the environment will continue to strive for best practice.

For corporate and employee relations management the focus will be on implementing revised people practices, health and wellbeing initiatives, supporting systems designed to enable high performance and contribution to the regional communities in which we operate.

Management challenges in 2013/14 will centre on the expansion of sustainable Port facilities, operational efficiency, sound environmental performance, employee safety and a high performance workforce.

Leo Zussino, Chief Executive Officer

Leo directs and controls our business and operational activities, providing leadership by developing plans and strategies to ensure short and long term objectives and sustainable outcomes are achieved.

For 2013/14, Leo has prepared the plans and strategies to ensure that GPC is ready to face the challenges ahead as the next major phase of strategic planning and development of additional Port facilities nears completion. GPC’s focus will be on the delivery of these projects in a manner which meets the needs of the State, the region and the expanding industries of Central Queensland, whilst ensuring that the ecological health of GPC’s Ports is maintained.

Leo will be completing his 12-year leadership of the Gladstone Ports Corporation on 31 August 2013. Prior to his commencement as CEO on 22 October 2000, Leo had been Chairman of GPC from 1990 to 1999.

Mike Galt, Commercial General Manager

Mike is principal financial adviser to the CEO and Board, and is responsible for managing our commercial strategy, commercial agreements with customers, governance and corporate risk management functions. His department also manages the Port property portfolio, information systems, procurement, marina, Port of Rockhampton, Port of Bundaberg and new business functions.

In 2013/14, Mike will focus on implementing an Enterprise Resource Planning (ERP) System, maintaining the secure and stable commercial outcomes that have been delivered, and identifying future opportunities. As always, good governance will remain a priority, and our continuous improvement program will continue to be progressed.

Gary Carter, Port Planning Development General Manager

Gary is responsible for all activities undertaken by the Port Planning and Development Department which covers the full spectrum of Engineering Services associated with planning, project development and asset management of Port infrastructure, and earthworks.

In 2013/14, Gary will focus on progressing/delivering the significant Port infrastructure projects that are in progress and planning for future Port developments. This will extend to operational earthworks activities, planning for expansion of the Gladstone channel and providing infrastructure services for shipping demand associated with the growth of the coal and LNG industries.
Allan Brown, 
**Cargo Handling Operations General Manager**

Allan is responsible for managing all cargo handling activities and associated infrastructure, including operating capability and performance, terminal asset management and maintenance, engineering support, and service delivery improvement.

In 2013/14, Allan will continue to focus on delivering current stakeholder commitments whilst building operational and asset capability to meet forecast operational needs. Allan will oversee further development of the team’s Operating System Improvement and Asset Management programs, with particular focus on improving operational support systems. As a key stakeholder in the Capricornia Coal Chain (CCC), Allan and his team will also play an active role, through the CCC Steering Committee, in increasing the capacity of the coal chain.

John Sherriff, 
**Safety, Environment and Risk General Manager**

John is responsible for managing our safety, environmental and operational risk management functions. This includes oversight of Port security, the energy and climate change portfolio, and the Port’s environmental offsets obligations.

In 2013/14 John’s team will continue its emphasis on initiatives to increase the effectiveness and efficiency of its business systems.

Trina Schmidt, 
**Corporate and Employee Relations General Manager**

Trina is responsible for employee and community focused strategies and services. Her areas of accountability include employee relations, learning and development, health and wellbeing, equity and diversity, corporate communications and community relations, and parks and recreation facilities.

In 2013/14, Trina will focus on the implementation of revised people practices, health and wellbeing initiatives, and supporting systems designed to enable high performance. Trina will also oversee GPC’s community engagement and investment activities, with the continued objective of making a real and positive contribution to the regional communities in which we operate.
DELIVERING CONFORMANCE AND DRIVING PERFORMANCE

GPC's corporate governance structure underpins our performance and conformance with policies and procedures. It sets the standards and provides the direction that GPC's Directors and employees use in their conduct of the company’s affairs, and their relationships with our shareholding Ministers and other stakeholders.

Our governance framework endorses good governance practices and sets the bar for the organisation-wide commitment to high standards of legislative compliance and financial and ethical behaviour that GPC requires to:

- Support our vision
- Embark on our mission
- Endorse our values
- Sustainably, efficiently and effectively achieve our goals and objectives.

GOC's operate under the second edition of the Corporate Governance Guidelines for Government Owned Corporations released February 2009. These guidelines are based upon the eight principles set out in the ASX Corporate Governance Principles and Recommendations. This section of our annual report lays out the eight principles and demonstrates our performance against them.

Our Corporate Governance policies are available at: www.gpci.com.au

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PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Our Board

CQPA was renamed the Gladstone Ports Corporation (GPC) on 13 March 2008. GPC converted to a Company Government Owned Corporation (GOC), constituted under the provision of the Government Owned Corporations Act 1993 (GOC Act) on 1 July 2008, and became Gladstone Ports Corporation Limited as part of this process. As at 30 June 2013, the shareholding Ministers were the Treasurer and Minister for Trade and the Minister for Transport and Main Roads.

Our Directors are appointed by the Governor in Council, pursuant to the GOC Act, and on the recommendation of the shareholding Ministers. GPC is required to have a minimum of four directors and any director may be removed at any time by the Governor in Council. No director is subject to retirement by rotation.

A structure that adds value

The criteria for Board membership are in accordance with the GOC Act. This states that in appointing a person as a director, the Governor in Council must have regard to that person's ability to make a contribution to the statutory GOC’s commercial performance and implementation of its Statement of Corporate Intent (SCI).

All Directors are non-executive Directors. GPC is committed to ensuring that all new members of the Board receive an effective induction to their Board and Committee responsibilities as well as an overview of our structure, operations, policies and processes. Directors are appointed for a term of no more than five years, but may be reappointed after that time.

Role of the Board

Our Board assumes overall responsibility for corporate governance practices within GPC and monitors the performance of the organisation, its Management and employees. The Board, in conjunction with the Chief Executive Officer, establish and implement our operational, financial and strategic direction as outlined in our one year (Statement of Corporate Intent 2012–2013), five year (Corporate Plan 2012–2017) and long term (50-year Strategic Plan 2012–2062) plans. Ongoing government, customer, community and employee consultation assists the Board to enact the corporate objectives defined in these plans.
Induction of new members and continuing professional development

A comprehensive Directors’ induction is carried out for new Directors appointed to the Board. This includes a site visit to familiarise them with our operations. As part of the induction process, information and briefings are also provided. These cover enabling legislation, corporate planning documents, relevant policies and detail of Board administrative arrangements.

New Directors are provided with an opportunity to attend the GOC Directors’ Forum organised by the Office of Government Owned Corporations. This forum is usually held on an annual basis and provides an overview of the issues, processes and practices that are specific to GOCs and with which Directors should be familiar in order to fulfill their role effectively.

Directors are kept advised of relevant industry related seminars and conferences available to update their skills and knowledge. Directors are also encouraged to attend workshops and seminars as part of a continuing professional development policy to enable them to undertake their role effectively.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Board meetings

A total of six Board meetings were held during the year. Details of each Director’s attendance at those meetings is provided in Table S5.1.

<table>
<thead>
<tr>
<th>Board (eligible to attend/attended) (6 held)</th>
<th>Audit and Compliance Committee (eligible to attend/attended) (3 held)</th>
<th>Human Resources Committee (eligible to attend/attended) (4 held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Brodie</td>
<td>6/6</td>
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<tr>
<td>Charles Ware</td>
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<tr>
<td>Judy Reynolds</td>
<td>6/5</td>
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<tr>
<td>Gail Davidson</td>
<td>6/6</td>
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<tr>
<td>Helen Skippen</td>
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<td>3/3</td>
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<tr>
<td>Chris Greig</td>
<td>5/5</td>
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<tr>
<td>Bill Moorhead</td>
<td>5/3</td>
<td>*</td>
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</tbody>
</table>

Table S5.1// Directors’ attendance at Board and Committee meetings

Note: The following Directors were members of the Board at the commencement of the financial year. In the period to the end of their tenure they were not eligible to attend a Board or Committee meeting. Glen Toll (resigned 6 July 2012), Tony Kelly (ceased as a Director 16 August 2012), Peter Corones (ceased as a Director 16 August 2012).

The Chairman and Chief Executive Officer discuss and finalise the agenda for each meeting, standing items include:

- apologies, declarations and minutes of meetings
- declarations of interest or pecuniary interest
- Board action list and correspondence
- committee reports
- monthly reports on GPC’s financial performance
- monthly reports on GPC’s non-financial performance (through a Chief Executive Officer’s report detailing the activities of each department)
- commercial and governance decisions requiring resolution
- monthly reports on expansion projects and new infrastructure.

Meetings may include presentations by GPC employees or invited guests. Board papers are circulated in paper format one week before the meeting to provide sufficient time for review of agenda items and enable Directors to request additional information to support them in their decision making.

Board committees

The Board may delegate its powers to a committee of Directors. GPC has two committees, the Audit and Compliance Committee comprising three Directors and the Human Resources Committee comprising four Directors. One Director on each committee is appointed Committee Chairman by the Chairman of the Board. Management personnel attend these meetings as required. GPC’s external and internal Auditors attend the Audit and Compliance Committee meetings.
**Director independence**

Each Director must declare their material interests external to GPC to allow for the identification of any areas of activity that may lead to a conflict of interest. A declaration of Directors’ other interests is a standing agenda item at the commencement of every ordinary Board meeting. Directors absent themselves from meetings while any matters of potential conflict of interest are discussed. In accordance with its Charter, the Board (at least annually) ensures that the independence criterion as set out in the Charter is satisfied for each Director.

The following materiality thresholds apply to the above definition of independence:

- a material professional advisor or consultant is one whose fees to GPC in a financial year exceed $100,000
- a material supplier is one whose sales to GPC in a financial year exceed 2% of the value of GPC’s total purchases including capital expenditure
- a material customer is one whose purchases from GPC in a financial year exceed 2% of GPC’s gross revenue
- a material contractual relationship, other than any of those described above, is one in respect of which the consideration payable under the contract exceeds $100,000.

Materiality is assessed on a case by case basis from the perspective of both GPC and the relevant Director having regard to the Director’s individual circumstances.

**Gaining independent advice**

Independent professional advice at GPC’s expense is available to the Board and individual Directors to assist them in carrying out their designated duties.

**Board performance review**

The Board, as part of its governance process, has committed to ensure a regular process of review is in place. The Chairman conducts a review of the skills around the Board table and identifies any skills that may be required in the future. Whilst the Chairman does not himself have the right to appoint Directors, it is acknowledged that shareholding Ministers take skill requirements into account when appointing Directors.

Performance of the Board, its Committees and individual Directors is reviewed and evaluated on a regular basis. The review involves individual sessions between the Chairman and each Director. In addition, from time to time, an external consultant may be engaged to assist with the evaluation and review of Board performance. Directors’ attendance at 2012/13 Board meetings was in accordance with their individual terms of appointment to the Board.

**PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING**

GPC’s ethical standards such as the Code of Conduct, Fraud, Corruption and Official Misconduct Policy, and Risk Management Policy, and the means by which we implement them, form part of the induction for all new Board members and employees. Updates are provided as new policy developments occur and as part of our Chief Executive Officer’s annual business update sessions. Policies are available on the GPC internal website as well as at: www.gpcl.com.au/ReleaseOfInformationPublicationScheme.html

**Code of conduct**

A Code of Conduct has been developed and formally adopted by the Board. The code gives detailed advice on the responsibility and accountability of individuals for reporting and investigating reports of unethical practices. It also provides comprehensive examples to illustrate application of the code. Employees are reminded of their obligations under the code during annual business update sessions presented by the Chief Executive Officer. Our code reflects the requirements of the Public Sector Ethics Act 1994 (Qld).

**Fraud and corruption prevention**

Fraud and corruption prevention applies to all Directors and our employees. A policy was developed to assist Management and employees in the discharge of their responsibilities by setting out the procedures for managing fraud, and corruption. The Company Secretary is the Fraud Control Officer for the purposes of the policy. All incidences of theft and related activity are reported to the Audit and Compliance Committee by the Fraud Control Officer on a regular basis for consideration of fraud control initiatives. Employees are also reminded of their obligations under this policy at the annual business update sessions.

**Procedure on Public Interest Disclosure**

On 1 January 2010, the Public Interest Disclosures Act 2010 (Qld) (the Act) came into effect. The Act creates an obligation on GPC to implement reasonable procedures to deal with public interest disclosures.

GPC is committed to creating and maintaining a workplace where strong ethical standards are upheld and displayed through employee behaviour. This includes the reporting and management of misconduct and reprisal, legally referred to as Public Interest Disclosure (PID).

This Procedure has been developed to encourage the reporting of public interest disclosures, provide transparent and accessible reporting processes, and protect employees who make a public interest disclosure.
The Company Secretary is the Public Interest Disclosure Officer for the purposes of the Procedure. All PIDs and related activity are reported to the Audit and Compliance Committee by the Public Interest Disclosure Officer on a regular basis for consideration. Employees are also reminded of their obligations under this Procedure at the annual business update sessions.

**Whistleblowers’ Hotline**

All suspected and actual misconduct and reprisal action must be reported in accordance with the Public Interest Disclosure Procedure. Under our Code of Conduct, all GPC employees are required to report any reasonably based suspicion of official misconduct to their manager, another appropriate officer of GPC, the Public Interest Disclosure Officer, through GPC’s confidential reporting hotline (1800 063 408), or through Crime and Misconduct Commission on www.cmc.qld.gov.au or 1800 061 611.

While the GPC Hotline is intended primarily to be a service for employees, contractors and customers of GPC, the same reporting channel is available for the community to raise issues and concerns. No calls to the Hotline will be dismissed on the basis of their source. The service is provided by our internal auditors. No official misconduct matters were received on our Hotline during the year. One environmental report was received during the year and the relevant department attended to this. Where calls were received about other matters, these were redirected to the relevant departments for action.

**Decision making for capital investment**

The Capital Investment System, to improve decision making and management of capital projects, commenced implementation. This was originally a target for 2009/10, but will now be completed in 2013/14.

**PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING**

**Audit and Compliance Committee**

The Audit and Compliance Committee comprises Judy Reynolds (Chair), Mark Brodie and Helen Skippen. The qualifications of the members have been included in Directors’ biographies. The Committee is assisted by the Chief Executive Officer and the Commercial General Manager. The internal and external auditors are invited to attend Committee meetings to present relevant reports and to openly discuss any concerns with the Committee, without Management influence. The responsibilities of the Audit and Compliance Committee include, but are not limited to:

- following the internal audit charter, and overseeing the internal audit and compliance functions of GPC
- making recommendations on the results of various internal audit reviews carried out throughout the year
- making recommendations based upon the reports of the external auditors
- reviewing and approving the annual financial statements
- overseeing the ethical conduct and governance functions of GPC.

The Audit and Compliance Committee operates under a charter established by GPC’s Board. During 2012/13, the Audit Committee observed the terms of its charter and had due regard to Queensland Treasury’s Audit Committee Guidelines.

**External audit arrangements**

GPC, in accordance with the Government Owned Corporations Act 1993 (Qld) and the Financial Accountability Act 2009 (Qld), uses the Queensland Audit Office as its external auditor.

**Internal audit**

Internal audit is an independent function that assists the Board and Management in the effective discharge of their responsibilities. The Audit and Compliance Committee defines the internal auditors’ scope of work through establishment of an annual internal audit plan. It also reviews the reports of the internal auditors, and assesses their quality of work. Deloitte Touche Tohmatsu was appointed GPC’s internal auditors for a period of three years, ending 31 December 2011, with an option to extend for two further years. The Board approved the extension for a period ending 31 December 2013.

The Audit and Compliance Committee has monitored management’s performance and internal audit reports from Deloitte Touche Tohmatsu. The following internal audit reports were submitted to the Audit and Compliance Committee for consideration and assessed for subsequent implementation of their recommendations:

- Dredging Works Funding Contribution Agreement (DWFCA) Review Two
- Dredging Works Funding Contribution Agreement (DWFCA) Review Three
- Employee Training and Induction
- Process Control Systems
- Procurement and Purchasing
- Operational Performance and Production Accounting
- Furniture and Fittings Reclassification
- Inventory and Stores Management
- Enterprise Risk Management Health Check
- DWFCA Review Four – Procurement and Purchasing Processes and Environmental Permits.
Dividend policy

GPC’s dividend policy takes into account the return that shareholders expect from their investment and the ongoing capital investment requirements of our business. In 2012/13, the Board recommended to shareholders a dividend payment of 80% of after tax profit, adjusted for any unrealised movements from the revaluation of non-current assets.

Records management

GPC is aware of its responsibilities under the Public Records Act 2002 (Qld) and is formulating strategies in line with ISO 40 Recordkeeping used under the Financial Accountability Act 2009 (Qld) to improve recordkeeping practices. This will ensure that operational business needs, legal, evidential and accountability requirements are met and stakeholder expectations are fulfilled.

Summary of directions and notifications given to the Board by shareholding Ministers

There were no directions and notifications issued by shareholding Ministers under the GOC Act for the 2012/13 financial year.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Corporate planning and disclosure

GPC presents a 12-month Statement of Corporate Intent (SCI) and five-year Corporate Plan to shareholding Ministers annually. The SCI forms the basis of the contract between GPC and shareholding Ministers. Status reports are presented monthly and quarterly to shareholding Ministers and reports against key performance indicators are provided to the Board on a monthly basis.

In addition, the Chief Executive Officer regularly advises shareholding Ministers’ departments on developing projects and GPC’s proposed actions. This is also done through written briefings as required.

GPC complied fully with all SCI requirements during 2012/13.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

This principle requires GOCs to respect the rights of shareholding Ministers and their representatives, having regard to the requirements of responsible government. As a GOC, GPC at all times seeks not only to comply with statutory and legal requirements but to go beyond where relevant.

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Our Board retains ultimate responsibility for risk management and for determining the appropriate level of risk that the Board is willing to accept in the conduct of our business activities. The Chief Executive Officer provides the interface between the business units and the Board. Overall, the Chief Executive Officer has the ultimate responsibility for maintaining a Board-endorsed, robust corporate risk management system within GPC that through transparency in reporting reflects the true state of business’ risk exposure. GPC is committed to:

- behaving as a responsible corporate citizen, protecting employees, customers, contractors and their property, as well as the community and the broader environment from unnecessary injury, loss or damage
- achieving our business objectives by minimising the impact of risks we can meaningfully and realistically control which would otherwise significantly affect our assets and earnings
- finding the right balance between the cost of control and the risks we are willing to accept as the legitimate grounds for earning reward.

Supervisors are required to ensure that as new risks are identified, or current risks are removed or escalated, the Business Risk Database is updated and that risks are communicated to their respective business units. A formal review of each business unit’s risks must also be conducted by supervisors at least once a year as part of the business planning and budgeting process. These reviews consider the completeness of the risks identified, the accuracy of assessments, and review the effectiveness and continued operation of identified controls and accountabilities.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

Human Resources Committee

The Human Resources Committee comprises Mark Brodie (Chairman), Charles Ware, Gail Davidson and Bill Moorhead. The Committee was restructured in September 2012, following an internal review. The Committee is assisted by the Chief Executive Officer, Commercial General Manager and the Corporate and Employee Relations General Manager.

The Committee’s responsibilities include, but are not limited to:

- monitoring and implementing recommendations relating to salaries and enterprise agreements
- reviewing reports and overseeing the implementation of recommendations arising from audits and reviews of systems and processes
- providing strategic direction for human resource management, training, planning and development
- making recommendations to the Board on remuneration issues.

During 2012/13 the Committee monitored the progress of working groups developed as part of the Enterprise Agreement negotiations, and the progress of strategic people initiatives throughout GPC.

Remuneration for the Board

Directors’ remuneration is determined by shareholding Ministers and the 2012/13 details of Directors’ remuneration are disclosed in the Notes to the Accounts in accordance with GOC remuneration disclosure requirements (see Note 24).

Remuneration for senior management

Senior executives’ remuneration is approved by the Board in accordance with the Government Owned Corporations Governance Arrangements for Chief and Senior Executives (February 2009).

Proposed remuneration is reviewed and approved by the Board, and shareholding Ministers are notified. Remuneration packages are constructed to attract, retain and motivate high quality senior executives to ensure operational effectiveness and efficiency. Senior executive remuneration and associated responsibilities are benchmarked against the market by an independent Human Resources consulting firm approved by Queensland Government. Details of senior executives’ remuneration are disclosed in the Notes to the Accounts in accordance with GOC remuneration disclosure requirements (see Note 24).

Performance based payments for senior management

In 2010 the Board took the decision to exclude performance-based payments from the remuneration of members of the Senior Executive. The last performance based payment was made in 2010 for the year ended 30 June 2010.

Corporate entertainment

GPC did not incur any expenses in excess of $5,000 for any event during 2012/13.

BUSINESS CONTINUITY

In 2013 GPC commenced development of an integrated business resilience framework. This reflects GPC’s commitment to ensuring the protection of people, the environment, and our property, systems and processes. This protection is manifested in the management of risks, the building of internal resilience and development of the capacity to efficiently respond to, and recover from, incidents and events.

The work begun this year is ongoing, and designed to build on our established processes and plans to deliver a robust framework that features:

- Proactive business resilience – our formalised management of change processes will be broadened across GPC and complemented by active consideration of resilience in planning, design and procurement decisions.
- Efficient incident and emergency response – emergency response plans and instructions will be updated and tailored for all operational and business sites. By increasing ease of use, this will in turn enhance the efficiency of the response.
- Business resilience management – current plans will be reviewed and focused toward mitigating disruption of our critical business functions. These functions are those that are critical to sustaining our core businesses of managing Port infrastructure, providing shipping services and facilities, managing cargo handling operations, and developing, managing and leasing Port lands.
- Crisis management – we will review, revise and enhance our current procedures to ensure they remain fit for purpose.


Stakeholder consultation, training and testing through scenario and live exercising have been and will remain key elements in the development and maintenance of our business resilience capabilities.
Financial Review

OUTCOMES 2012/13

- Achieved after tax profit of $58.0m
- Provided a dividend of $46.4m
- Achieved 6.6% EBIT return on assets

TARGETS 2013/14

- Achieve after tax profit of $59.4m
- Provide a dividend of $45.8m
- Achieve 7.2% EBIT return on assets

The following outlines our financial performance for the year, and provides an explanation of the movements within our financial performance indicators.

FINANCIAL PERFORMANCE 5-YEAR ANALYSIS

Revenue

Revenue increased in 2013 due primarily to LNG related recoverable works. Recoverable revenue remained high as the LNG dredging works continued throughout 2013.
Expenses
Expenses increased in 2013 primarily as a result of LNG recoverable works. Operation expenses remained high as a result of the LNG dredging works continuing throughout 2013.

EBIT
EBIT increased by 2.0% in 2012/13. This has mainly been a result of one off recoverable works profits generated in 2012/13 which were partially offset by increased impairments.

NPAT
NPAT increased slightly in 2012/13 as a result of additional recoverable works profits being partially offset by $11.7m of impairments. In addition GPC benefited from additional trade arising from the construction of three LNG facilities in Gladstone.

Capital expenditure
Capital expenditure of $168.4m was incurred in 2012/13. The major projects included Clinton Bypass dredging, continuation of Stockpile 22 construction, new CBD office building and commencement of the new tug terminal. Significant additional capital expenditure is forecast in 2013/14 as existing projects continue and new projects such as the East Shores project commence.
Shareholder equity

Contributed equity remained static in 2012/13. The asset revaluation remained steady in 2012/13 as land assets showed no significant increase in value when revalued during the year. Retained profits have also continued to increase steadily over the last five years to $135.3m in 2012/13.

Dividends and taxes

The 2012/13 dividend is an increase of 19.3% on the prior year. Our income tax payable continues to increase as taxable profits rise.
Return on assets remained stable in 2012/13 at 7.6% as a result of profits and asset bases remaining stable.

Return on equity continued to increase in 2012/13 as profits continue to increase.

Total assets reduced in 2012/13 as a result of cash funds being used to finance significant capital expenditure programs.

Interest bearing liabilities remained static as GPC neither increased borrowings nor reduced debt levels.
GLADSTONE PORTS CORPORATION LIMITED

ACN 131 965 896
ABN 96 263 788 242

Annual Financial Statements
For the year ended 30 June 2013

Purpose and scope

Gladstone Ports Corporation Limited (GPC) is a company Government Owned Corporation (GOC), constituted on 1 July 2004 under the provisions of the Government Owned Corporations Act 1993 (the Act). GPC converted to a company GOC on 1 July 2008, under the provisions of the Act. Under the terms of s118 of the Act, the Financial Accountability Act 2009 applies to GPC as if it were a statutory body.

These statements have been prepared to:

i. comply with the provisions of the Corporations Act 2001, and other prescribed requirements;

ii. comply with the provisions of the Financial Accountability Act 2009 and other prescribed requirements;

iii. communicate information concerning GPC’s financial performance for the year and its financial position at year end.

The statements are general purpose in nature and provide a full presentation of all of the financial activities of GPC. The financial report of Gladstone Ports Corporation Limited for the year ended 30 June 2013 was authorised for issue to shareholding Ministers in accordance with a resolution of the Directors on 29 August 2013.
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DIRECTORS’ REPORT
FOR THE YEAR ENDED 30 JUNE 2013

The Board comprises non-executive Directors who have a diversity of business experience as well as community responsibilities. The criteria for membership of the Board are in accordance with the Act. The Act requires that, in appointing a person as Director, the Governor in Council must have regard to that person’s ability to contribute to GPC’s commercial performance and implementation of its Statement of Corporate Intent (SCI). Directors are appointed for a term of not more than five years but may be reappointed.

In order to comply with the provisions of the Corporations Act 2001 the Directors submit their report for the year ended 30 June 2013.

Directors

The names and details of the Company’s Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Chairman

Mark Brodie

Mark Brodie was appointed as Chairman on 7 June 2012 until 30 September 2015.

Mark is currently Chairman of the National Retail Association, Chairman of the City of Brisbane Investment Corporation, Member of the Salvation Army Red Shield Appeal Committee, and Fellow of the Australian Institute of Company Directors. Mark previously served as Chairman of the Lord Mayors Business Round Table, Chairman of the Greater Brisbane Area Consultative Committee, Director on the Brisbane Marketing Board and the Southbank Corporation Board and both Chapter Chairman and Education Chairman of the Young Presidents Organisation (QLD Chapter). Mark is the Managing Director of Brodie Group Pty Ltd and founder of Brodies Mealmakers. In addition to being Chair of the Board, Mark is also Chair of the Human Resources Committee and a member of the Audit and Compliance Committee.

Deputy Chairman

Charles Ware, BA LL.B (Hons), MBus (Pub Mgt) LL.M, FAICD, MLGMA

Charles Ware assumed the role of Deputy Chairman on 27 September 2007. Appointed 1 July 2004 until 30 June 2007; reappointed on 1 July 2007 until 30 September 2010; reappointed on 1 October 2010 until 30 September 2013.

Charles is a legal consultant in a private legal practice in Central Queensland. He previously served as Chair of the Rockhampton Port Authority and has held several Board positions in the corporatised Queensland electricity supply industry. Charles is Chair of the Central Queensland Hospital and Health Board. He is also Deputy Chancellor of Central Queensland University. Charles holds undergraduate degrees in Arts and Law and Masters degrees in Business and Law. He holds a current practising certificate as a solicitor. Charles is a member of the Human Resources Committee.

Gail Davidson, GAICD

Appointed 1 October 2008 until 30 September 2011; reappointed on 1 October 2011 until 30 September 2014. Gail is a member of the Human Resources Committee.

Gail has held management roles in a number of areas for over 40 years and is currently Executive General Manager Disability and Community Services for Endeavour Foundation. Gail has been involved in the disability sector for over 23 years, having previously worked in the hospitality and health sectors. She is also a member of the Gladstone Foundation Board of Advice and has been a member of the Disability Council of Queensland, the Gambling Community Benefit Fund, under Treasury, the Complaints Management Quality Committee advising the Minister and was the Inaugural Chair of the Regional Disability Council of Central Queensland. At present, she is also a Queensland representative in Canberra on policy matters for the National Disability Service. Gail has qualifications in management, is a graduate of the Australian Institute of Company Directors and is continuing her studies. Gail is a member of the Human Resources Committee.

Judy Reynolds, BBus, CA, MAICD Director

Appointed 1 October 2008 until 30 September 2011. Reappointed from 1 October 2011 until 30 September 2014.

Judy is a chartered accountant with over 20 years experience consulting to and advising SMEs and is a director and shareholder of her consulting and coaching company, Opening Gates Pty Ltd. She has extensive experience in business and people development and strategic growth strategies for businesses over a wide range of sectors. Judy has chaired the national Sothertons Board, and was a director and shareholder of Sothertons Chartered Accountants for over 15 years, and an advisor to the Gladstone Foundation and a director of the Gladstone Economic and Industry Board. She has a Bachelor of Business and for many years was a Fellow of the Taxation Institute of Australia. Judy is Chairman of the Audit and Compliance Committee.
Helen Skippen, B.Bus, MBA, MAICD
Appointed 1 October 2010 until 30 September 2013.

Helen is a partner in the strategic management consultancy Corporate Context, and a member of the Australian Institute of Company Directors. She holds Bachelors and Masters degrees in business from QUT. Helen has spent 30 years as a strategic management/marketing consultant and has broad knowledge of market research/analysis methods, including stakeholder engagement processes; business and market strategy frameworks; organisation diagnostic frameworks and written communication methods for complex concepts. Helen has expertise in governance processes and has worked with a broad range of public and private sector clients from large public companies and government entities to not-for-profit organisations and SMEs.

Currently Helen is director and Chair of the Audit and Risk Committee of Help Enterprises in the disability services sector. From 2003 to 2012, she was a director of WorkCover Queensland and Chair of the Audit Committee for a term. She has also previously chaired the advisory boards of two medium sized professional services firms in the property sector. Helen is currently a member of the Audit and Compliance Committee.

Chris Greig, BE, ME St., PhD
Appointed 16 August 2012 until 30 September 2015.

Chris is Professor of Energy Strategy and the Director of the University of Queensland’s (UQ) Energy Initiative. He has extensive executive and major project experience in the engineering and resources sectors and as a company director of both private and ASX-listed companies. He served as CEO and Project Director for ZeroGen (a leading edge power project), General Manager Projects and Project Director with Ensham Resources Pty Ltd, and the Managing Director and Chairman of a family-owned group of companies with businesses in civil construction, agriculture and quarrying. Chris is a Chemical Engineer with a Masters and PhD. He has received a number of awards, including the Fluor Chemeca Award for Excellence in Engineering Management.

William (Bill) Moorhead, B.Surv (Hon)
Appointed 16 August 2012 until 30 September 2015.

Bill is the Managing Director of Multilow Pty Ltd, a privately owned property development company based in Bundaberg, Queensland. He is currently on the Access Disability Committee for the Bundaberg Regional Council, a Fellow of the Urban Development Institute of Australia (UDIA) and President of the local UDIA branch. Bill has been a Licensed Real Estate Agent since 1992, and is a foundation member of the Surveying and Spatial Sciences Institute and Birdlife Australia. He has served on various committees including the Regional Advisory Group (for the Sugar Industry), contributing committee member for the Wide Bay 2020, Past President and life member of the Wide Bay Australian Football Umpires Association. Bill received the Australian Sport Medal in 2000, and today still plays Masters Australian Football and umpires senior football.

Peter Corones AM

Tony Kelly, LL.B
Appointed 11 October 2007 until 30 September 2009; re-appointed from 1 October 2009 to 30 September 2012. Resigned 6 July 2012. Tony was a member of the Audit and Compliance Committee.

Glen Toll, B.Comm, LL.B (Hons)
Appointed 1 October 2009 until 30 September 2012. Glen ceased as Director on 16 August 2012. Glen was a member of the Audit and Compliance Committee.

Company Secretary
Mariette Lansdell, B.Comm (Hons), MBA
During the past nineteen years Mariette has participated in the banking, marketing, telecommunications and marine industries in Australia, Europe and Africa. She has been engaged in several of GPC’s projects during the past four years. She was appointed by the Board as Company Secretary in March 2011.
Principal activities
Our primary role is to:

a. provide import and export shipping infrastructure to the Central Queensland region through the Port of Gladstone, Port of Rockhampton (formerly known as Port Alma Shipping Terminal) and Port of Bundaberg, and encourage the use of these facilities for the economic benefit of stakeholders
b. manage cargo handling facilities for coal and other bulk products at Port of Rockhampton, RG Tanna Coal Terminal, Barney Point Coal Terminal and Auckland Point facilities
c. develop, manage and lease land and other assets for port related purposes
d. manage ancillary services and functions which support core business activities.

Operating results for the year
GPC’s net profit after income tax is $72,662 million (2012: $69,830 million) representing an increase of 4.06% from the previous year. All profits are from continuing operations. The 2013 results included devaluations of $0.086M (2012: revaluations of $13.308M). In addition net impairment losses of $11.689M were identified in 2013 compared to $5.919M in 2012. This was the result of assets being impaired at the Port of Bundaberg, Marina and at Barney Point Coal Terminal and East Shores Project.

Auditor independence
A copy of the Auditor’s Independence Declaration as required under section 307C of the Corporations Act 2001 is included following the Directors’ Report.

Dividends
Dividends paid to shareholders during the financial year were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
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<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Dividends paid from prior year profits</td>
<td>48,111</td>
<td>42,083</td>
</tr>
<tr>
<td>Dividend per share</td>
<td>11.96</td>
<td>10.47</td>
</tr>
</tbody>
</table>

In addition to the above dividends, Directors recommended the payment of a final dividend at 80% of profits, as adjusted for revaluations. The final dividend amounts to $57,416M (14.28 cents per share).

Review of financial conditions and likely developments
2013 saw a decrease in coal throughput compared to 2012 as a result of severe weather events that impacted coal production and delivery to the port. A number of GPC’s commercial contracts include take or pay arrangements of varying levels which assist in mitigating volume risk. It is anticipated that subject to global conditions, coal, GPC’s major cargo, will increase during the year ended 30 June 2014. Other port trade is expected to remain in line with that achieved in 2013. Significant recoverable works, which included the Western Basin Dredging Project (being invoiced at cost), continued into 2013. Recoverable works revenue was $520M and expenses $510M. The Western Basin Dredging Project will terminate in early 2014.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of GPC.

Environmental regulation
GPC’s operations are subject to significant environmental regulations under both Commonwealth and State legislation. Refer to comments under the section ‘Building a Sustainable Environmental Future’ of the 2013 Annual Report.
Indemnification and insurance of Directors and Officers

During the financial year GPC indemnified all Directors and Executive Officers in respect of Directors and Officers liability and company reimbursement insurance. The premium paid amounted to $74,761.42.

Under the policy the insurer agrees to pay:

a. all losses which each insured person becomes legally obligated to pay on account of any claims for wrongful acts
b. all losses for which the company may grant indemnification to each insured person.

GPC has not otherwise during or since the end of the financial year, except to the extent permitted by law, indemnified an officer of the company against a liability incurred as such an officer.

Directors’ attendance at board and committee meetings

<table>
<thead>
<tr>
<th>Name</th>
<th>Board (6 held)</th>
<th>Audit and Compliance Committee (3 held)</th>
<th>Human Resources Committee (4 held)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Brodie</td>
<td>6</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Charles Ware</td>
<td>6</td>
<td>0 (out of 0)</td>
<td>4</td>
</tr>
<tr>
<td>Gail Davidson</td>
<td>6</td>
<td>0 (out of 0)</td>
<td>4</td>
</tr>
<tr>
<td>Judy Reynolds</td>
<td>5</td>
<td>3</td>
<td>0 (out of 0)</td>
</tr>
<tr>
<td>Helen Skippen</td>
<td>6</td>
<td>3</td>
<td>0 (out of 0)</td>
</tr>
<tr>
<td>Chris Greig</td>
<td>5 (out of 5)</td>
<td>0 (out of 0)</td>
<td>0 (out of 0)</td>
</tr>
<tr>
<td>Bill Moorhead</td>
<td>3 (out of 5)</td>
<td>0 (out of 0)</td>
<td>3 (out of 4)</td>
</tr>
<tr>
<td>Peter Corones AM</td>
<td>0 (out of 0)</td>
<td>0 (out of 0)</td>
<td>0 (out of 0)</td>
</tr>
<tr>
<td>Tony Kelly</td>
<td>0 (out of 0)</td>
<td>0 (out of 0)</td>
<td>0 (out of 0)</td>
</tr>
<tr>
<td>Glen Toll</td>
<td>0 (out of 0)</td>
<td>0 (out of 0)</td>
<td>0 (out of 0)</td>
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</table>

Committee membership

At the date of this report GPC had an Audit and Compliance Committee and a Human Resources Committee.

**Audit and Compliance Committee:**
- Judy Reynolds – Chair
- Mark Brodie
- Helen Skippen

**Human Resources Committee:**
- Mark Brodie – Chair
- Charles Ware
- Gail Davidson
- Bill Moorhead

Directors’ interests

The Directors have no interest in any shares of GPC as all shares are held for the benefit of the State of Queensland by Ministers of the Crown.

Risk management

GPC, in carrying out its business, maintains a risk management philosophy that appropriately:

a. protects the wellbeing of GPC’s workforce, the wider community in which it operates and its physical environment
b. manages threats that could adversely affect GPC’s ability to meet its corporate objectives, its growth in shareholder value and its stewardship of company assets.
Rounding of amounts
The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that class order, amounts in the financial report and Directors’ Report have been rounded to the nearest one thousand dollars, unless otherwise stated. Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Proceedings against the Company
There are no proceedings against the company.
The Directors’ Report is signed in accordance with a resolution of the Directors made pursuant to s298(2) of the Corporations Act 2001. On behalf of the Directors:

Mark Brodie
Chairman
Dated: 29 August 2013
AUDITOR’S INDEPENDENCE DECLARATION
FOR THE YEAR ENDED 30 JUNE 2013

To the Directors of Gladstone Ports Corporation Limited:

This auditor’s independence declaration has been provided pursuant to s.307C of the Corporations Act 2001.

Independence Declaration

As lead auditor for the audit of Gladstone Ports Corporation Limited for the year ended 30 June 2013, I declare that, to the best of my knowledge and belief, there have been:

a. no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
b. no contraventions of any applicable code of professional conduct in relation to the audit.

O Clare, FCPA
as Delegate of the Auditor-General of Queensland
Dated: 22 August 2013
Brisbane
## STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Continuing operations</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>3(a)</td>
<td>362,998</td>
</tr>
<tr>
<td>Other income</td>
<td>3(a)</td>
<td>526,220</td>
</tr>
<tr>
<td>Net profit on disposal of non-current assets</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Fair value revaluation of investment properties</td>
<td>8(d)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td></td>
<td><strong>889,218</strong></td>
</tr>
<tr>
<td>Employee expenses</td>
<td></td>
<td>(98,881)</td>
</tr>
<tr>
<td>Operational expenses</td>
<td>3(b)</td>
<td>(590,694)</td>
</tr>
<tr>
<td>Depreciation/amortisation expenses</td>
<td>3(b)</td>
<td>(50,148)</td>
</tr>
<tr>
<td>Finance costs</td>
<td>3(b)</td>
<td>(35,084)</td>
</tr>
<tr>
<td>Impairment (net of impairment reversals)</td>
<td>8(e)</td>
<td>(11,689)</td>
</tr>
<tr>
<td>Net loss on disposal of non-current assets</td>
<td></td>
<td>(22)</td>
</tr>
<tr>
<td>Fair value devaluation of investment properties</td>
<td>8(d)</td>
<td>(86)</td>
</tr>
<tr>
<td><strong>Profit from continuing operations before income tax</strong></td>
<td></td>
<td><strong>102,614</strong></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>4(a)</td>
<td>(29,952)</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td></td>
<td><strong>72,662</strong></td>
</tr>
<tr>
<td><strong>Other comprehensive income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revaluation of property, plant and equipment</td>
<td>8(d)</td>
<td>1,024</td>
</tr>
<tr>
<td>Income tax relating to components of other comprehensive income</td>
<td>4(e)</td>
<td>(307)</td>
</tr>
<tr>
<td><strong>Other comprehensive income for the year, net of income tax</strong></td>
<td></td>
<td>717</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year</strong></td>
<td></td>
<td><strong>73,379</strong></td>
</tr>
<tr>
<td><strong>Profit attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of Gladstone Ports Corporation Limited</td>
<td></td>
<td>72,662</td>
</tr>
<tr>
<td><strong>Total comprehensive income for the year is attributable to:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owners of Gladstone Ports Corporation Limited</td>
<td></td>
<td><strong>73,379</strong></td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
# STATEMENT OF FINANCIAL POSITION

## AS AT 30 JUNE 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012 Restated</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5</td>
<td>238,060</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6</td>
<td>126,835</td>
</tr>
<tr>
<td>Inventories of maintenance and operations spares</td>
<td>7</td>
<td>10,699</td>
</tr>
<tr>
<td>Prepayments</td>
<td>17</td>
<td>1,072</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>376,666</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6</td>
<td>301</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8</td>
<td>1,325,577</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>4(d)</td>
<td>10,802</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>9</td>
<td>5,300</td>
</tr>
<tr>
<td>Investment properties</td>
<td>10(a)</td>
<td>91,963</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td></td>
<td>1,433,943</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td></td>
<td>1,810,609</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>11</td>
<td>239,499</td>
</tr>
<tr>
<td>Short-term provisions</td>
<td>13</td>
<td>87,547</td>
</tr>
<tr>
<td>Income tax payable</td>
<td>4(c)</td>
<td>7,948</td>
</tr>
<tr>
<td>Derivative financial instruments</td>
<td>17</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td></td>
<td>334,994</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>11</td>
<td>23,333</td>
</tr>
<tr>
<td>Long-term borrowings</td>
<td>12</td>
<td>461,925</td>
</tr>
<tr>
<td>Long-term provisions</td>
<td>13</td>
<td>5,099</td>
</tr>
<tr>
<td>Deferred tax liabilities</td>
<td>4(e)</td>
<td>114,449</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td></td>
<td>604,806</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td></td>
<td>939,800</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>870,809</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Issued capital</td>
<td>18</td>
<td>673,558</td>
</tr>
<tr>
<td>Reserves</td>
<td></td>
<td>61,903</td>
</tr>
<tr>
<td>Retained profits</td>
<td></td>
<td>135,348</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td></td>
<td>870,809</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.
### STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>Contributed equity</th>
<th>Asset revaluation reserve</th>
<th>Retained profits</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance 1 July 2011</td>
<td>673,558</td>
<td>60,634</td>
<td>98,354</td>
<td>832,546</td>
</tr>
<tr>
<td>Total comprehensive income attributable to owners of the equity</td>
<td>-</td>
<td>581</td>
<td>69,830</td>
<td>70,411</td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends proposed 15</td>
<td>-</td>
<td>-</td>
<td>(48,111)</td>
<td>(48,111)</td>
</tr>
<tr>
<td>Balance 30 June 2012</td>
<td>673,558</td>
<td>61,215</td>
<td>120,073</td>
<td>854,846</td>
</tr>
<tr>
<td>Total comprehensive income attributable to owners of the equity</td>
<td>-</td>
<td>717</td>
<td>72,662</td>
<td>73,379</td>
</tr>
<tr>
<td>Transfers Within Equity</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposal of revalued assets</td>
<td>-</td>
<td>(29)</td>
<td>29</td>
<td>-</td>
</tr>
<tr>
<td>Transactions with owners in their capacity as owners</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends provided for or paid 15</td>
<td>-</td>
<td>-</td>
<td>(57,416)</td>
<td>(57,416)</td>
</tr>
<tr>
<td>Balance 30 June 2013</td>
<td>673,558</td>
<td>61,903</td>
<td>135,348</td>
<td>870,809</td>
</tr>
</tbody>
</table>

The accompanying notes form part of these financial statements.

The asset revaluation reserve represents a reserve of upwards revaluations in property, plant and equipment assets as a result of independent revaluations.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Cash flows from operating activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receipts from customers</td>
<td>1,046,757</td>
<td>976,089</td>
</tr>
<tr>
<td>Tax equivalents paid to Queensland Treasury</td>
<td>(21,635)</td>
<td>(31,120)</td>
</tr>
<tr>
<td>Net FBT, Fuel Tax Credit and GST paid to ATO</td>
<td>(5,643)</td>
<td>(21,058)</td>
</tr>
<tr>
<td>Payments to suppliers and employees</td>
<td>(886,690)</td>
<td>(579,867)</td>
</tr>
<tr>
<td>Interest received</td>
<td>4,588</td>
<td>8,512</td>
</tr>
<tr>
<td>Interest paid/competitive neutrality fee</td>
<td>(35,084)</td>
<td>(35,791)</td>
</tr>
<tr>
<td><strong>Net cash flows from operating activities</strong></td>
<td><strong>102,293</strong></td>
<td><strong>316,765</strong></td>
</tr>
<tr>
<td>Cash flows from investing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment</td>
<td>356</td>
<td>123,730</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment</td>
<td>(148,358)</td>
<td>(71,001)</td>
</tr>
<tr>
<td>Purchase of intangibles</td>
<td>(3,528)</td>
<td>(1,814)</td>
</tr>
<tr>
<td><strong>Net cash flows used in investing activities</strong></td>
<td><strong>(151,530)</strong></td>
<td><strong>50,915</strong></td>
</tr>
<tr>
<td>Cash flows from financing activities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repayment of borrowings</td>
<td>(192)</td>
<td>(122,606)</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(48,111)</td>
<td>(42,083)</td>
</tr>
<tr>
<td><strong>Net cash flows from financing activities</strong></td>
<td><strong>(48,303)</strong></td>
<td><strong>(164,689)</strong></td>
</tr>
<tr>
<td>Net increase/(decrease) in cash and cash equivalents</td>
<td><strong>(97,540)</strong></td>
<td><strong>202,991</strong></td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the financial year</td>
<td>335,600</td>
<td>132,609</td>
</tr>
<tr>
<td>Cash and cash equivalents at the end of the financial year</td>
<td>238,060</td>
<td>335,600</td>
</tr>
</tbody>
</table>

*The accompanying notes form part of these financial statements.*
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

1. Statement of Compliance

Gladstone Ports Corporation Limited (GPC) is a public company incorporated and operating in Australia. GPC’s registered office and principal place of business is:

40 Goondoon Street
Gladstone QLD 4680
Tel: (07) 4976 1333

2. Summary of significant accounting policies

a. Basis of accounting

These financial statements are a general purpose financial report and have been prepared in accordance with the Corporations Act 2001, the Financial Accountability Act 2009, applicable Australian Accounting Standards and Interpretations.

The financial report complies with Australian Accounting Standards, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The financial statements of Gladstone Ports Corporation Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

This financial report has been prepared under the historical cost convention, except for some classes of property, plant and equipment, investment properties and derivative financial instruments, which have been measured at fair value. The financial statements are presented in Australian Dollars which is the entity’s functional currency.

GPC has not adopted Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective for the annual reporting period ended 30 June 2013. These are outlined in the table below:

<table>
<thead>
<tr>
<th>Title</th>
<th>Operative for reporting periods beginning on/after</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 9: Financial Instruments</td>
<td>1 January 2013</td>
</tr>
<tr>
<td>AASB 13: Fair Value Measurement</td>
<td>1 January 2013</td>
</tr>
<tr>
<td>AASB 119: Employee Benefits</td>
<td>1 January 2013</td>
</tr>
<tr>
<td>AASB 1053: Application of Tiers of Australian Accounting Standards</td>
<td>1 July 2013</td>
</tr>
<tr>
<td>AASB 2010-2: Amendments to Australian Accounting Standards arising from reduced disclosure requirements</td>
<td>1 July 2013</td>
</tr>
<tr>
<td>AASB 2010-7: Amendments to Australian Accounting Standards – Disclosures arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Interpretations 2, 5, 10, 12, 19 and 127]</td>
<td>1 January 2013</td>
</tr>
<tr>
<td>AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]</td>
<td>1 July 2013</td>
</tr>
</tbody>
</table>
## 2. Summary of significant accounting policies (cont’d)

### a. Basis of accounting (cont’d)

**Basis of preparation (cont’d)**

<table>
<thead>
<tr>
<th>Title</th>
<th>Operative for reporting periods beginning on/after</th>
</tr>
</thead>
<tbody>
<tr>
<td>AASB 2012-5: Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle</td>
<td>1 July 2013</td>
</tr>
<tr>
<td>Interpretation 21: Levies</td>
<td>1 July 2014</td>
</tr>
</tbody>
</table>

GPC has not reviewed the impact of the above Standards and Interpretations in relation to their adoption in future periods. GPC intends to apply accounting standards and interpretations as they are required and not earlier.

### Accounting policies

Unless otherwise stated, all accounting policies applied are consistent with those of the prior year. Where appropriate, comparative figures have been amended to accord with the current year’s presentation and disclosure.

### Classification between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid. The asset or liability is classified as current if it is expected to be turned over within the next twelve months, being GPC’s operational cycle. Items are classified as current unless there is a legal right to defer receipt or payment.

### Rounding of amounts

The company is of a kind referred to in ASIC Class Order 98/0100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and Directors’ Report have been rounded to the nearest one thousand dollars, unless otherwise stated.

### b. Revenue recognition

Revenue is recognised when services are delivered and is measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to GPC and the revenue can be reliably measured. Revenue has been calculated based on existing signed contracts. For specific LNG recoverable works, revenue is billed in advance in accordance with the terms of each contract. This is based upon future expectations of works to be undertaken for that project at the time of invoicing.

Lease income from investment properties is recognised in income on a straight-line basis over the term of the lease. Interest income is recognised as interest accrues using the effective interest method.

### c. Sale of assets

The profit or loss on sale of an asset is determined when control has passed to the buyer. In accounting for the sale of non-current assets, the net gains/losses on sale of assets sold are included in the Statement of Profit and Loss and Other Comprehensive Income.

### d. Cash and cash equivalents

For purposes of the Statement of Cash Flows, cash includes cash on hand, deposits at call and term deposits with banks and Queensland Treasury Corporation where maturity is no more than 90 days.

### e. Receivables

Trade debtors are recognised at the nominal amounts due at the time of sale or service delivery, with settlement being required within 30 days from month end.

The likelihood of collection of receivables is assessed on an ongoing basis with provision being made for impaired debts. Debts which are regarded as not recoverable are written off.

Other debtors generally arise from transactions outside the usual operating activities of GPC and are recognised at their assessed values.
2. Summary of significant accounting policies (cont’d)

f. Inventories of maintenance and operations spares
Inventories held for use are valued at the lower of cost or net realisable value. Costs are assigned to individual items of stock on the basis of weighted average costs.

g. Property, plant and equipment
Property, plant and equipment are stated at cost or fair value, less accumulated depreciation and any impairment losses.

The purchase method of accounting is used for all acquisitions of assets, being the fair value of the assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition.

The cost of non-current assets constructed by GPC includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the Statement of Profit and Loss and Other Comprehensive Income as incurred.

Depreciation is provided on a straight line basis on all non-current assets, except land, at rates so as to write off the cost or valuation of assets less their residual value over the expected economic lives of assets. The depreciation rates used for major assets in each class are as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>2.50%-10.00%</td>
<td>2.50%-10.00%</td>
</tr>
<tr>
<td>Channels, swing basins and berth pockets</td>
<td>2.50%-3.51%</td>
<td>2.50%-3.51%</td>
</tr>
<tr>
<td>Commercial wharves</td>
<td>2.50%-20.00%</td>
<td>2.50%-20.00%</td>
</tr>
<tr>
<td>Recreational and fishing wharves</td>
<td>2.50%-20.00%</td>
<td>2.50%-20.00%</td>
</tr>
<tr>
<td>Roads and services</td>
<td>2.00%-15.40%</td>
<td>2.00%-15.40%</td>
</tr>
<tr>
<td>Plant</td>
<td>2.50%-25.00%</td>
<td>2.50%-20.00%</td>
</tr>
<tr>
<td>Furniture</td>
<td>10.00%-27.02%</td>
<td>10.00%-27.02%</td>
</tr>
</tbody>
</table>

Where assets have separately identifiable components, these components are assigned useful lives distinct from the asset to which they relate.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset. Work-in-progress (WIP) is not depreciated until it reaches service delivery capacity.

The assets’ residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

Revaluations
Any revaluation increment is credited to the asset revaluation reserve included in the equity section of the Statement of Financial Position, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in the Statement of Profit and Loss and Other Comprehensive Income, in which case the increase is recognised in the Statement of Profit and Loss and Other Comprehensive Income.

Any revaluation decrease is recognised in profit and loss, except to the extent that it offsets a previous revaluation increase for the same asset, in which case the decrease is debited directly to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset.

Additionally, any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amounts of the assets and the net amounts are restated to the revalued amounts of the assets.
2. **Summary of significant accounting policies (cont’d)**

**g. Property, plant and equipment (cont’d)**

**Revaluations (cont’d)**

Upon disposal or de-recognition, any revaluation reserve relating to a particular asset being sold is transferred to retained earnings.

Non-current physical assets measured under ‘fair value principles’ are independently revalued at least once every five years, with interim valuations being otherwise performed where the change would be material to that class of assets.

The following classes of assets are valued using ‘fair value principles’: land, buildings, channels, swing basins and berth pockets, commercial wharves, recreational and fishing wharves, plant, furniture and fittings and roads and services (structural improvements).

An asset recording threshold of one thousand dollars has been adopted and applies to all assets acquired with a useful life of more than one year.

**Impairment**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may be reversed.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**Disposal**

An item of property, plant and equipment is de-recognised upon disposal or when no further economic benefits are expected from its use or disposal.

Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss and Other Comprehensive Income in the year the asset is de-recognised.

**h. Intangible assets**

Intangible assets with a cost or other value greater than $100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset is amortised over its estimated useful life, less any anticipated residual value. The residual value is assumed to be zero for all intangible assets.

It has been determined that there is not an active market for any of the intangible assets. As such, the assets are recognised at their initial cost and carried at cost less accumulated amortisation less accumulated impairment. Work-in-progress (WIP) is not depreciated until it reaches service delivery capacity.

Intangible assets are tested annually for impairment. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset’s fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Assets are tested for possible reversal of the impairment whenever events or changes in circumstances indicate that the impairment may be reversed.

**Software**

Costs associated with the development of computer software systems have been recognised as an intangible asset and are to be amortised on a straight-line basis over a period of 2.5 to 10 years for commercial systems and 10 years for operational systems.
2. **Summary of significant accounting policies (cont’d)**

i. **Investment properties**

   Investment properties are measured initially at cost. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the Statement of Financial Position date. Gains or losses arising from changes in the fair values of investment properties are recognised in the Statement of Profit and Loss and Other Comprehensive Income in the year they arise.

   Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the Statement of Profit and Loss and Other Comprehensive Income in the year of retirement or disposal.

   Transfers are made to investment property when, and only when, there is a change in use, as evidenced by ending of owner occupation, commencement of an operating lease to another party or ending construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner occupation or commencement of development with a view to sale.

j. **Leased non-current assets**

   Operating lease payments are representative of the pattern of benefits derived from the leased assets and accordingly are charged as an expense in the periods in which they are incurred.

k. **Payables**

   Payables are recognised for amounts payable in the future for goods and services received, whether or not billed to GPC. Creditors are generally unsecured, not subject to interest charges and are normally settled within 30 days of month end.

l. **Loans and borrowings**

   All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. Borrowings are subsequently measured at amortised cost.

   Borrowings are classified as current liabilities unless GPC has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. Borrowing costs are expensed as incurred as per the provisions of AASB123 except where they are incurred for the construction of a qualifying asset. In this case the costs are capitalised until the asset is available for use or resale.

   The competitive neutrality fee is a fee payable to the State to ensure the loan from Queensland Treasury Corporation (QTC) reflects market rates on a stand-alone basis, rather than on the strength of any implied State support.

m. **Borrowing costs**

   Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that GPC incurs in connection with the borrowing of funds.

n. **Employee benefits**

   i. **Wages and salaries, annual leave, sick leave and non-monetary benefits**

      A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably. Liabilities for wages and salaries, annual leave, vested sick leave and accumulated time off are recognised and are measured as the amount unpaid at the reporting date at pay rates anticipated on settlement in respect of employees’ services, including related on-costs.

   ii. **Long service leave**

      The provision has been calculated using anticipated wage and salary rates including related on-costs and expected settlement dates based on usage patterns and is discounted using rates attaching to national government securities at balance date which most closely match the terms of the maturity of the related liabilities.

   iii. **Performance payments**

      Performance payments for GPC’s executive officers are based on a percentage of the annual salary package provided under their contract(s) of employment. A liability is recognised and is determined as an estimate of the amount due for the period to date.

   iv. **Superannuation**

      All GPC employees are members of QSuper. QSuper operates both a defined benefit and defined contribution fund. Employees at 30 June 2013 may be a member of the defined benefit fund, defined contribution fund or both. They may remain in either fund. These employees can transfer from the defined benefit fund to the contribution fund but cannot transfer from the defined contribution fund to the defined benefit fund. New employees must join the defined contribution fund. Existing members can transfer from the defined benefit fund to the defined contribution fund.
2. **Summary of significant accounting policies (cont’d)**

n. **Employee benefits (cont’d)**

iv. **Superannuation (cont’d)**

The defined benefit fund is open to many employees across Queensland State Government departments, agencies and government business enterprises. There is insufficient information for GPC to apply defined benefit accounting.

The Treasurer of Queensland, based upon advice received from the State Actuary, determines employer contributions and the amount of this contribution is recognised as an expense.

No liability is recognised for accruing superannuation benefits as this liability is held on a whole of Government basis and reported in the whole of Government financial statements prepared in terms of AAS31 Financial Reporting by Governments.

o. **Provisions**

Provisions are recognised when there is a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events and it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

p. **Dividends**

A provision for dividends is recognised at the reporting date where the dividends have been declared, determined or recommended by the directors prior to the reporting date.

q. **Taxation**

As a GOC, GPC is required to pay income tax equivalents under the National Tax Equivalents Regime (NTER).

The deferred tax assets or deferred tax liabilities represent the net cumulative effect of items of income and expense, which have been brought to account for tax and accounting purposes in different periods.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be used.

The carrying amount of deferred income tax assets is reviewed at each Statement of Financial Position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax to be used.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the Statement of Financial Position date.

r. **Goods and services tax**

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the ATO. In these circumstances, the GST is recognised as part of the cost of acquisition or part of the item of expense.

Receivables and payables are stated with the amount of GST included.

The gross amount payable to the ATO is included as a current liability and the gross amount recoverable is included as a current asset.

Cash flows are included in the Statement of Cash Flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from or payable to the ATO, are classified as operating cash flows.

s. **Financial assets and liabilities**

**Recognition**

Financial assets and financial liabilities are recognised in the Statement of Financial Position when GPC becomes party to the contractual provisions of the financial instrument.

**Classification**

Financial instruments are classified and measured as follows:

- cash and cash equivalents – held at fair value through profit or loss
- receivables – held at amortised cost
- payables – held at amortised cost
- borrowings – are held at amortised cost.

Where GPC is exposed to the risk of fluctuations in foreign currency exchange rates, GPC enters into derivative financial instrument arrangements to reduce this exposure. Financial derivatives may be held to cover a known
2. **Summary of significant accounting policies (cont’d)**

s. **Financial assets and liabilities (cont’d)**

exposure but only to the extent of the exposure and not for speculative purposes. Unrealised exchange gains or losses resulting from these transactions are recognised at 30 June each year. The balance of the gain or loss on the transaction is recognised on settlement of the transaction.

t. **Foreign currency transactions**

In preparing the financial statements, transactions in currencies other than the entity’s functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

u. **Security deposits**

Security deposits may be held on certain contracts and are repayable after the satisfactory completion of the contractual terms.

v. **Critical accounting judgements, estimates and assumptions**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

GPC makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

i. **Income taxes**

There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

ii. **Fair value**

Judgements are made in respect of the reasonableness of revaluation indices applied to investment property, financial assets and property, plant and equipment for management valuations.

iii. **Impairment of non-financial assets**

GPC assess impairment of all assets at each reporting date by evaluating conditions specific to GPC and to the particular asset that may lead to impairment. If an impairment trigger exists the recoverable amount of the asset is determined. This involves value in-use calculations, which incorporate a number of key estimates and assumptions. For more information on the 2013 impairment calculations refer to Note 8(e).

iv. **Sick leave and long service leave provision**

As discussed in Note 2(n) (i) and (ii), the liability for sick leave and long service leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at Statement of Financial Position date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

v. **Recovery of deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to use those temporary differences.

vi. **Estimation of useful lives**

The estimation of the useful lives of assets has been based upon historical experience as well as manufacturers’ warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful life are made when considered necessary.

vii. **Provision for obsolete inventories**

Due to the large volume of inventories, this assessment is based on supportable past obsolescence history and write offs. The provision is estimated by multiplying the gross inventory figure by the average rate of obsolescence identified during regular reviews of the inventories.

viii. **Provision for impaired debts**

Where receivables are beyond normal trading terms, the likelihood of the recovery of these receivables is assessed by management. All receivables are assessed on an individual basis. The provision is outlined in Note 6.
3. **Profit from operating activities**

### a. Revenue

Revenue from continuing operations:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harbour dues</td>
<td>47,021</td>
<td>44,960</td>
</tr>
<tr>
<td>Tonnage rates</td>
<td>38,914</td>
<td>38,316</td>
</tr>
<tr>
<td>Other shipping charges</td>
<td>9,814</td>
<td>9,490</td>
</tr>
<tr>
<td>Cargo handling charges</td>
<td>250,169</td>
<td>226,680</td>
</tr>
<tr>
<td>Property revenue</td>
<td>12,221</td>
<td>10,898</td>
</tr>
<tr>
<td>Smallcraft services</td>
<td>4,859</td>
<td>3,982</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>362,998</strong></td>
<td><strong>334,326</strong></td>
</tr>
</tbody>
</table>

Other income:

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest received</td>
<td>4,588</td>
<td>7,025</td>
</tr>
<tr>
<td>Recoverable works</td>
<td>520,358</td>
<td>480,673</td>
</tr>
<tr>
<td>Workers compensation refunds</td>
<td>84</td>
<td>110</td>
</tr>
<tr>
<td>Apprenticeship rebates</td>
<td>16</td>
<td>61</td>
</tr>
<tr>
<td>Traineeship allowances</td>
<td>5</td>
<td>17</td>
</tr>
<tr>
<td>Other</td>
<td>1,169</td>
<td>401</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>526,220</strong></td>
<td><strong>488,287</strong></td>
</tr>
</tbody>
</table>
3. **Profit from operating activities (cont’d)**

b. **Expenses**

Expenses from continuing operations before related income tax equivalent expense includes:

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Depreciation/amortisation expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>8</td>
<td>47,805</td>
</tr>
<tr>
<td>Intangibles</td>
<td>9</td>
<td>2,743</td>
</tr>
<tr>
<td>Investment properties</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Reallocated to capital expenses</td>
<td>(401)</td>
<td>(19)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>50,148</td>
</tr>
<tr>
<td><strong>Operational expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contractors</td>
<td>526,479</td>
<td>483,193</td>
</tr>
<tr>
<td>Services and consultants</td>
<td>6,992</td>
<td>8,137</td>
</tr>
<tr>
<td>Indirect taxes and government charges</td>
<td>9,728</td>
<td>9,526</td>
</tr>
<tr>
<td>Materials and supplies</td>
<td>18,131</td>
<td>21,211</td>
</tr>
<tr>
<td>Energy</td>
<td>19,474</td>
<td>19,898</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,215</td>
<td>2,844</td>
</tr>
<tr>
<td>Lease payments</td>
<td>2,770</td>
<td>2,624</td>
</tr>
<tr>
<td>Other</td>
<td>3,905</td>
<td>8,495</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>590,694</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>28,717</td>
<td>29,537</td>
</tr>
<tr>
<td>Competitive neutrality fee</td>
<td>6,387</td>
<td>6,462</td>
</tr>
<tr>
<td>Financial instrument (profit)/loss</td>
<td>(367)</td>
<td>(42)</td>
</tr>
<tr>
<td>(Gains)/losses on exchange</td>
<td>347</td>
<td>(166)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>35,084</td>
</tr>
</tbody>
</table>
4. **Income tax equivalent**

a. Income tax equivalent expense

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before income tax equivalents</td>
<td>$102,614</td>
<td>$99,217</td>
</tr>
<tr>
<td>Prima facie tax at 30%</td>
<td>$30,784</td>
<td>$29,765</td>
</tr>
<tr>
<td>Non-deductible expenses</td>
<td>$1</td>
<td>$5</td>
</tr>
<tr>
<td>Overprovision in prior year</td>
<td>$(808)</td>
<td>$(383)</td>
</tr>
<tr>
<td>Prior year adjustment</td>
<td>$25</td>
<td>$-</td>
</tr>
<tr>
<td><strong>Income tax expense</strong></td>
<td><strong>29,952</strong></td>
<td><strong>29,387</strong></td>
</tr>
</tbody>
</table>

Comprises
- Deferred tax asset: $13, $(2,087)
- Deferred tax liability: $1,199, $6,342
- Income tax payable: $28,740, $25,132

b. Amounts charged or credited directly to equity

**Deferred income tax related to items charged or credited directly to equity**

- Net gain on revaluation of property plant and equipment: $26,542, $26,235

**Deferred income tax reported in equity**

- $26,542, $26,235

c. Income tax payable

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>$843</td>
<td>$7,080</td>
</tr>
<tr>
<td>Charged to income</td>
<td>$28,740</td>
<td>$25,132</td>
</tr>
<tr>
<td>Payments</td>
<td>$(21,635)</td>
<td>$(31,369)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td><strong>7,948</strong></td>
<td><strong>843</strong></td>
</tr>
</tbody>
</table>
4. Income tax equivalent (cont’d)

d. Deferred tax asset

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Long service leave</td>
<td>4,303</td>
<td>4,091</td>
</tr>
<tr>
<td>Sick leave</td>
<td>2,472</td>
<td>2,148</td>
</tr>
<tr>
<td>Annual leave</td>
<td>3,466</td>
<td>3,573</td>
</tr>
<tr>
<td>Accumulated time off</td>
<td>176</td>
<td>203</td>
</tr>
<tr>
<td>Provision for doubtful debts</td>
<td>149</td>
<td>118</td>
</tr>
<tr>
<td>Provision for deferred maintenance</td>
<td>152</td>
<td>514</td>
</tr>
<tr>
<td>Obsolete maintenance spares provision</td>
<td>54</td>
<td>5</td>
</tr>
<tr>
<td>Accrued expenses</td>
<td>30</td>
<td>53</td>
</tr>
<tr>
<td>Unrealised loss on financial instruments</td>
<td>-</td>
<td>110</td>
</tr>
<tr>
<td><strong>Balance at 30 June</strong></td>
<td>10,802</td>
<td>10,815</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Opening balance</td>
<td>10,815</td>
<td>8,728</td>
</tr>
<tr>
<td>Amount (debited)/credited to Statement of Profit and Loss and Other Comprehensive Income</td>
<td>(13)</td>
<td>2,087</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>10,802</td>
<td>10,815</td>
</tr>
</tbody>
</table>

e. Deferred tax liability

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Inventory</td>
<td>2,343</td>
<td>2,146</td>
</tr>
<tr>
<td>Accelerated depreciation: plant and equipment</td>
<td>112,106</td>
<td>110,797</td>
</tr>
<tr>
<td><strong>Balance at 30 June</strong></td>
<td>114,449</td>
<td>112,943</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Opening balance</td>
<td>112,943</td>
<td>106,352</td>
</tr>
<tr>
<td>Amount charged to Statement of Profit and Loss and Other Comprehensive Income</td>
<td>1,199</td>
<td>6,342</td>
</tr>
<tr>
<td>Amount (charged)/credited direct to equity</td>
<td>307</td>
<td>249</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td>114,449</td>
<td>112,943</td>
</tr>
</tbody>
</table>
5. **Cash and cash equivalents**

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Cash non-interest bearing</td>
<td>5</td>
<td>11</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>175,418</td>
<td>175,147</td>
</tr>
<tr>
<td>Queensland Treasury Corporation - cash on call</td>
<td>62,637</td>
<td>160,442</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>238,060</strong></td>
<td><strong>335,600</strong></td>
</tr>
</tbody>
</table>

Cash at bank earns interest at floating rates based upon daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Money market investments are limited to investments in bank-backed securities or short-dated securities guaranteed by the Commonwealth or the State. Credit risk exposure on these investments is minimised by the short-term nature of the investment.

Cash at bank and on call includes restricted amounts. A balance of $165,492,000 (2012:$161,402,000) relates to LNG projects and may only be used to fund those projects. Other restricted amounts total $nil (2012:$151,000).

6. **Trade and other receivables**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade debtors</td>
<td>127,078</td>
<td>120,883</td>
</tr>
<tr>
<td>Less: provision for impaired trade debtors</td>
<td>(496)</td>
<td>(394)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>126,582</td>
<td>120,489</td>
</tr>
<tr>
<td>Term debtors</td>
<td>246</td>
<td>246</td>
</tr>
<tr>
<td>Other debtors</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>126,835</strong></td>
<td><strong>120,741</strong></td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Term debtors</td>
<td>301</td>
<td>548</td>
</tr>
</tbody>
</table>

Term debtors are of a longer term nature which falls outside the normal debtor trading terms. Interest is charged at commercial rates until the debt is extinguished.
6. **Trade and other receivables (cont’d)**

*Reconciliation of impaired debts:*

<table>
<thead>
<tr>
<th></th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>394</td>
<td>-</td>
</tr>
<tr>
<td>Impaired debts written off</td>
<td>(11)</td>
<td>(2)</td>
</tr>
<tr>
<td>Impaired debts recovered</td>
<td>-</td>
<td>(7)</td>
</tr>
<tr>
<td>Movement in provision</td>
<td>113</td>
<td>403</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td><strong>496</strong></td>
<td><strong>394</strong></td>
</tr>
</tbody>
</table>

*Sensitivity analysis of trade and term debtor balances at 30 June:*

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not due</td>
<td>Overdue &lt; 1 year</td>
</tr>
<tr>
<td>Debit balance</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td></td>
<td>116,513</td>
<td>8,951</td>
</tr>
<tr>
<td>Impaired debt provision</td>
<td>(3)</td>
<td>(115)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>116,510</strong></td>
<td><strong>8,836</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Not due</td>
<td>Overdue &lt; 1 year</td>
<td>Overdue 1–5 years</td>
<td>Overdue &gt;5 years</td>
</tr>
<tr>
<td>Debit balance</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td></td>
<td>89,981</td>
<td>30,955</td>
<td>741</td>
<td>-</td>
</tr>
<tr>
<td>Impaired debt provision</td>
<td>-</td>
<td>(100)</td>
<td>(294)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>89,981</strong></td>
<td><strong>30,855</strong></td>
<td><strong>447</strong></td>
<td><strong>-</strong></td>
</tr>
</tbody>
</table>

The major component of debtor exposure is to coal producers using the Port of Gladstone for the export of product and LNG industry proponents. Coal producers are mostly major listed companies or their related companies and account for 60% (2012: 62%) of trade debtors at balance date. Credit is only available to established customers on 30 day terms except in the case of coal exporters who may be required to make payment within 14 days of receipt of monthly statements. 2013 includes balances to several LNG industry proponents (2013: 19%, 2012 27%). These are all multi-national entities and are on terms of either 20 working days or 30 working days dependent upon the contract.

Credit risk exposure is minimised in the case of term leases where personal guarantees are required from directors of small private companies. In addition, receivable balances are monitored on an ongoing basis with the result that GPC’s exposure to bad debts is not significant.

7. **Inventories of maintenance and operations spares**

<table>
<thead>
<tr>
<th></th>
<th>2013 $’000</th>
<th>2012 $’000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inventories</td>
<td>10,879</td>
<td>10,779</td>
</tr>
<tr>
<td>Less: provision for obsolete stock</td>
<td>(180)</td>
<td>(17)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,699</strong></td>
<td><strong>10,762</strong></td>
</tr>
</tbody>
</table>
8. Property, plant and equipment

a. Schedule of values

<table>
<thead>
<tr>
<th></th>
<th>Cost or valuation</th>
<th>Accumulated depreciation</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Land</td>
<td>100,248</td>
<td>-</td>
<td>100,248</td>
</tr>
<tr>
<td>Buildings</td>
<td>39,491</td>
<td>(6,880)</td>
<td>32,611</td>
</tr>
<tr>
<td>Channels, swing basins and berth pockets</td>
<td>141,082</td>
<td>(20,611)</td>
<td>120,471</td>
</tr>
<tr>
<td>Commercial wharves</td>
<td>234,754</td>
<td>(27,317)</td>
<td>207,437</td>
</tr>
<tr>
<td>Recreational and fishing wharves</td>
<td>353</td>
<td>(34)</td>
<td>319</td>
</tr>
<tr>
<td>Roads and services (structural improvements)</td>
<td>108,406</td>
<td>(18,729)</td>
<td>89,677</td>
</tr>
<tr>
<td>Plant</td>
<td>709,145</td>
<td>(130,129)</td>
<td>579,016</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>697</td>
<td>(221)</td>
<td>476</td>
</tr>
<tr>
<td>Capital works in progress</td>
<td>195,322</td>
<td>-</td>
<td>195,322</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,529,498</td>
<td>(203,921)</td>
<td>1,325,577</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Cost or valuation</th>
<th>Accumulated depreciation</th>
<th>Net book value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Land</td>
<td>93,147</td>
<td>-</td>
<td>93,147</td>
</tr>
<tr>
<td>Buildings</td>
<td>37,141</td>
<td>(4,990)</td>
<td>32,151</td>
</tr>
<tr>
<td>Channels, swing basins and berth pockets</td>
<td>141,082</td>
<td>(16,636)</td>
<td>124,446</td>
</tr>
<tr>
<td>Commercial wharves</td>
<td>234,536</td>
<td>(20,018)</td>
<td>214,518</td>
</tr>
<tr>
<td>Recreational and fishing wharves</td>
<td>340</td>
<td>(25)</td>
<td>315</td>
</tr>
<tr>
<td>Roads and services (structural improvements)</td>
<td>103,619</td>
<td>(14,648)</td>
<td>88,971</td>
</tr>
<tr>
<td>Plant</td>
<td>686,322</td>
<td>(93,475)</td>
<td>592,847</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>1,420</td>
<td>(118)</td>
<td>1,302</td>
</tr>
<tr>
<td>Capital works in progress</td>
<td>82,622</td>
<td>-</td>
<td>82,622</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,380,229</td>
<td>149,910</td>
<td>1,230,319</td>
</tr>
</tbody>
</table>
### 8. Property, plant and equipment (cont’d)

**b. Reconciliations**

Reconciliations of the carrying amount for each class of property, plant and equipment at 30 June 2013 are set out below:

<table>
<thead>
<tr>
<th>Carrying amount at 1 July 2012</th>
<th>WIP additions</th>
<th>Transfers to/from WIP</th>
<th>Disposals</th>
<th>Depreciation</th>
<th>Transfers from Investment Properties</th>
<th>Revaluations</th>
<th>Impairment</th>
<th>Carrying amount at 30 June 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Land</td>
<td>93,147</td>
<td>-</td>
<td>167</td>
<td>-</td>
<td>5,872</td>
<td>1,062</td>
<td>-</td>
<td>100,248</td>
</tr>
<tr>
<td>Buildings</td>
<td>32,151</td>
<td>-</td>
<td>2,447</td>
<td>(1)</td>
<td>(1,383)</td>
<td>-</td>
<td>(96)</td>
<td>(507)</td>
</tr>
<tr>
<td>Channels, swing basins and berth pockets</td>
<td>124,446</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(3,925)</td>
<td>-</td>
<td>-</td>
<td>(50)</td>
</tr>
<tr>
<td>Commercial wharves</td>
<td>214,518</td>
<td>-</td>
<td>219</td>
<td>-</td>
<td>(6,520)</td>
<td>-</td>
<td>(780)</td>
<td>207,437</td>
</tr>
<tr>
<td>Recreational and fishing wharves</td>
<td>315</td>
<td>-</td>
<td>13</td>
<td>-</td>
<td>(9)</td>
<td>-</td>
<td>-</td>
<td>319</td>
</tr>
<tr>
<td>Roads and services (structural improvements)</td>
<td>88,971</td>
<td>-</td>
<td>4,787</td>
<td>-</td>
<td>(2,740)</td>
<td>-</td>
<td>-</td>
<td>(1,341)</td>
</tr>
<tr>
<td>Plant</td>
<td>592,847</td>
<td>-</td>
<td>23,369</td>
<td>(117)</td>
<td>(33,124)</td>
<td>-</td>
<td>(3,959)</td>
<td>579,016</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>1,302</td>
<td>-</td>
<td>(722)</td>
<td>-</td>
<td>(104)</td>
<td>-</td>
<td>-</td>
<td>476</td>
</tr>
<tr>
<td>Capital works in progress</td>
<td>82,622</td>
<td>148,032</td>
<td>(30,280)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(5,052)</td>
<td>195,322</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,230,319</strong></td>
<td><strong>148,032</strong></td>
<td><strong>(118)</strong></td>
<td><strong>(47,805)</strong></td>
<td><strong>5,872</strong></td>
<td><strong>966</strong></td>
<td><strong>(11,689)</strong></td>
<td><strong>1,325,577</strong></td>
</tr>
</tbody>
</table>

Reconciliations of the carrying amount for each class of property, plant and equipment at 30 June 2012 are set out below:

<table>
<thead>
<tr>
<th>Carrying amount at 1 July 2011</th>
<th>WIP additions</th>
<th>Transfers to/from WIP</th>
<th>Disposals</th>
<th>Transfers to Investment Properties</th>
<th>Depreciation</th>
<th>Revaluations</th>
<th>Impairment</th>
<th>Carrying amount at 30 June 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Land</td>
<td>84,922</td>
<td>-</td>
<td>1,267</td>
<td>-</td>
<td>2,820</td>
<td>-</td>
<td>4,138</td>
<td>93,147</td>
</tr>
<tr>
<td>Buildings</td>
<td>22,499</td>
<td>-</td>
<td>11,494</td>
<td>(3)</td>
<td>-</td>
<td>(1,191)</td>
<td>-</td>
<td>(647)</td>
</tr>
<tr>
<td>Channels, swing basins and berth pockets</td>
<td>130,184</td>
<td>-</td>
<td>135</td>
<td>-</td>
<td>-</td>
<td>(3,979)</td>
<td>-</td>
<td>(1,894)</td>
</tr>
<tr>
<td>Commercial wharves</td>
<td>220,508</td>
<td>-</td>
<td>1,560</td>
<td>-</td>
<td>-</td>
<td>(6,551)</td>
<td>-</td>
<td>(1,000)</td>
</tr>
<tr>
<td>Recreational and fishing wharves</td>
<td>323</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(8)</td>
<td>-</td>
<td>315</td>
</tr>
<tr>
<td>Roads and services (structural improvements)</td>
<td>89,734</td>
<td>-</td>
<td>2,769</td>
<td>-</td>
<td>-</td>
<td>(2,762)</td>
<td>-</td>
<td>(770)</td>
</tr>
<tr>
<td>Plant</td>
<td>584,624</td>
<td>-</td>
<td>40,053</td>
<td>(1)</td>
<td>-</td>
<td>(30,323)</td>
<td>-</td>
<td>(1,506)</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>101</td>
<td>-</td>
<td>1,237</td>
<td>-</td>
<td>-</td>
<td>(36)</td>
<td>-</td>
<td>1,302</td>
</tr>
<tr>
<td>Capital works in progress</td>
<td>191,610</td>
<td>67,725</td>
<td>(58,515)</td>
<td>(118,198)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>82,622</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,324,505</strong></td>
<td><strong>67,725</strong></td>
<td><strong>(118,202)</strong></td>
<td><strong>2,820</strong></td>
<td><strong>(44,850)</strong></td>
<td><strong>4,138</strong></td>
<td><strong>(5,817)</strong></td>
<td><strong>1,324,319</strong></td>
</tr>
</tbody>
</table>
8. Property, plant and equipment (cont’d)

c. Carrying amounts if assets were measured at cost less accumulated depreciation

If assets were measured using the cost model the carrying amounts would be as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Land</td>
<td>74,485</td>
<td>62,271</td>
</tr>
<tr>
<td>Buildings</td>
<td>32,364</td>
<td>30,313</td>
</tr>
<tr>
<td>Channels, swing basins and berth pockets</td>
<td>97,416</td>
<td>103,509</td>
</tr>
<tr>
<td>Commercial wharves</td>
<td>181,718</td>
<td>188,052</td>
</tr>
<tr>
<td>Recreational and fishing wharves</td>
<td>487</td>
<td>502</td>
</tr>
<tr>
<td>Roads and services (structural improvements)</td>
<td>99,630</td>
<td>98,297</td>
</tr>
<tr>
<td>Plant</td>
<td>558,884</td>
<td>574,097</td>
</tr>
<tr>
<td>Furniture and fittings</td>
<td>469</td>
<td>329</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,045,453</td>
<td>1,057,370</td>
</tr>
</tbody>
</table>

d. Valuations

A valuation of land and investment properties was performed as at 30 April 2013 by Mr Geoff Pyman, B.Bus, M.B.Env (ProjMgt), FAPI of AON Valuation Services. Land and buildings were valued at market value. Where impairment calculations allowed, assets were revalued upwards. All devaluations have been reflected in the financial statements.

A full valuation of land and investment properties was conducted by Mr Geoff Pyman, B.Bus, M.B.Env (ProjMgt), FAPI of AON Valuation Services as at 30 June 2010. A full valuation of all GPC assets was conducted by Mr Geoff Pyman, B.Bus, M.B.Env (ProjMgt), FAPI and Michael Pankhurst AAPI of AON Valuation Services as at 30 June 2009. A revaluation review of land was carried out in March 2008 by independent valuers. Previously a comprehensive revaluation of assets except for plant, furniture and fittings at the Port of Gladstone was performed by independent valuers as at 30 June 2004 in accordance with the policy to independently value assets at least every five years. All other assets were independently valued at 1 January 2001.

Where possible fair value is calculated using active market valuations. Where no active market exists, fair value is calculated using depreciated replacement costs and evaluating against net realisable value based upon future cash flows of respective business units. The reconciliation of revaluations is shown below:

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property, plant and equipment revaluations</td>
<td>8(b)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>966</td>
<td>4,138</td>
</tr>
<tr>
<td>Investment property revaluations</td>
<td>10(a)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(28)</td>
<td>10,000</td>
</tr>
<tr>
<td></td>
<td>938</td>
<td>14,138</td>
</tr>
<tr>
<td>Revaluation of non-current assets – Statement of Profit and Loss and Other Comprehensive Income</td>
<td>(86)</td>
<td>13,308</td>
</tr>
<tr>
<td>Revaluation of non-current assets – asset revaluation reserve</td>
<td>1,024</td>
<td>830</td>
</tr>
<tr>
<td></td>
<td>938</td>
<td>14,138</td>
</tr>
</tbody>
</table>
8. Property, plant and equipment (cont’d)

e. Impairment

An impairment review was carried out at 30 June 2013. The assets were separated into cash generating units based upon wharf centres and other income earning centres. In 2012 and prior years, impairment reviews had been carried out on all cash generating units based upon types of income received. Fair value for all assets except land was based upon value in use. Land was valued at fair value less costs to sell as independent market valuations were available. The pre-tax discount rate used was 11.49% (2012: 11.49%). The impairment losses identified are disclosed in Notes 8(b) and 9(b). The impairments were recognised due to known income streams for the relevant cash generating unit being insufficient to support the existing asset base of the relevant cash generating unit. Future incomes were estimated from known sources and anticipated future tonnages. Expenses were estimated from past history making adjustments for estimated future tonnages with CPI increases. The 2013 impairments represent all non land assets at the Port of Bundaberg and Gladstone Marina now being fully impaired as there are insufficient revenue streams to support holding these assets at any value. In addition assets at the Barney Point Coal Terminal have been further impaired as the terminal moves from a coal terminal to a general bulk cargo terminal and the asset values prior to impairment cannot be supported beyond that date. Lastly the work in progress in relation to GPC’s East Shores Project has been impaired as no revenue stream will attach to these costs. The reconciliation of impairments is shown below:

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impairment charged to Statement of Profit and Loss and Other Comprehensive Income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>8(b), 9(b)</td>
<td>11,689</td>
<td>5,919</td>
</tr>
<tr>
<td>Total</td>
<td>11,689</td>
<td>5,919</td>
</tr>
</tbody>
</table>

9. Intangible assets

a. Asset values at cost

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>10,543</td>
<td>5,695</td>
</tr>
<tr>
<td>Capital WIP</td>
<td>1,120</td>
<td>2,440</td>
</tr>
<tr>
<td>Total</td>
<td>11,663</td>
<td>8,135</td>
</tr>
</tbody>
</table>

b. Reconciliation

Reconciliation of the carrying amount for Intangible assets at 30 June 2013:

<table>
<thead>
<tr>
<th>Carrying amount at 1 July</th>
<th>WIP additions</th>
<th>Additions</th>
<th>Depreciation</th>
<th>Impairment</th>
<th>Carrying amount at 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,075</td>
<td>-</td>
<td>4,848</td>
<td>(2,743)</td>
<td>-</td>
</tr>
<tr>
<td>Capital WIP</td>
<td>2,440</td>
<td>3,528</td>
<td>4,848</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>4,515</td>
<td>3,528</td>
<td>-</td>
<td>(2,743)</td>
<td>-</td>
</tr>
</tbody>
</table>

Reconciliation of the carrying amount for Intangible assets at 30 June 2012:


9. **Intangible assets (cont’d)**

b. **Reconciliation (cont’d)**

<table>
<thead>
<tr>
<th></th>
<th>Carrying amount at 1 July</th>
<th>WIP additions</th>
<th>Additions</th>
<th>Depreciation</th>
<th>Impairment</th>
<th>Carrying amount at 30 June</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>2,393</td>
<td>-</td>
<td>94</td>
<td>(310)</td>
<td>(102)</td>
<td>2,075</td>
</tr>
<tr>
<td>Capital WIP</td>
<td>720</td>
<td>1,814</td>
<td>(94)</td>
<td>-</td>
<td>-</td>
<td>2,440</td>
</tr>
<tr>
<td></td>
<td>3,113</td>
<td>1,814</td>
<td>(94)</td>
<td>(310)</td>
<td>(102)</td>
<td>4,515</td>
</tr>
</tbody>
</table>

10. **Investment properties**

a. **Investment properties**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening balance</td>
<td>97,797</td>
<td>87,670</td>
</tr>
<tr>
<td>Additions</td>
<td>326</td>
<td>3,278</td>
</tr>
<tr>
<td>Transfers (to)/from land</td>
<td>8(b)</td>
<td>8(b)</td>
</tr>
<tr>
<td>Revaluations</td>
<td>(28)</td>
<td>10,000</td>
</tr>
<tr>
<td>Disposals</td>
<td>(259)</td>
<td>(330)</td>
</tr>
<tr>
<td>Depreciation</td>
<td>(1)</td>
<td>(1)</td>
</tr>
<tr>
<td><strong>Closing balance</strong></td>
<td><strong>91,963</strong></td>
<td><strong>97,797</strong></td>
</tr>
</tbody>
</table>

Investment properties are carried at fair value, which has been determined based on independent valuations by Mr Geoff Pyman, B.Bus, M.B.Env (ProjMgt), FAPI of AON Valuation Services as at 30 April 2013, in accordance with the policy to independently value assets at least every five years.

The fair value represents the amount at which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm’s length transaction at the date of valuation, in accordance with Australian Valuation Standards.

Investment properties may only be disposed of after obtaining approval from the Portfolio Minister for Transport.

b. **Assets subject to operating leases as lessor**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating lease revenue</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due not later than one year</td>
<td>9,694</td>
<td>9,941</td>
</tr>
<tr>
<td>Due later than one year and not later than five years</td>
<td>25,060</td>
<td>27,382</td>
</tr>
<tr>
<td>Due later than five years</td>
<td>54,994</td>
<td>71,889</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>89,748</strong></td>
<td><strong>109,212</strong></td>
</tr>
</tbody>
</table>

These leases relate to GPC’s business of providing facilities for stevedoring operators as well as land and buildings for industrial use for other business purposes.
11. **Trade and other payables**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade creditors</td>
<td>109,606</td>
<td>155,528</td>
</tr>
<tr>
<td>Revenue received in advance</td>
<td>120,816</td>
<td>112,233</td>
</tr>
<tr>
<td>GST payable</td>
<td>6,689</td>
<td>4,016</td>
</tr>
<tr>
<td>Other</td>
<td>2,388</td>
<td>1,912</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>239,499</td>
<td>273,689</td>
</tr>
</tbody>
</table>

| **Non-current**      |      |      |
| Revenue received in advance | 23,333 | 24,167 |

Due to the short term nature of these payables, their carrying value is assumed to approximate to their fair value. Trade creditors are usually paid 30 days from the last day of the month in which an invoice is received. GST is payable on the 21st day following the period to which it relates.

12. **Loans and borrowings**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Queensland Treasury Corporation loans</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

| **Non-current**      |      |      |
| Queensland Treasury Corporation loans | 461,925 | 462,117 |

The Queensland Treasury Corporation loans comprise advances made under two client specific pool arrangements (CSP). The CSP will comprise a combination of bonds and Floating Rate Debt so that the weighted average term of the underlying cash flows of these instruments matches the weighted average term of the underlying cash flows of GPC’s loans.

One CSP with a book value of $461,924,882 is used for GPC’s normal operations. This is unsecured.

**Fair values**

Unless disclosed below the carrying amount (book value) of GPC’s current and non-current borrowings approximate to their fair value. The fair values have been calculated by discounting the expected future cash flows at prevailing market interest rates.

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Carrying amount</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Fair value</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Queensland Treasury Corporation loans</td>
<td>500,167</td>
<td>504,897</td>
</tr>
</tbody>
</table>

The fair value represents the value of the debt if GPC repaid at that date. As it is the intention of GPC to hold the debt for its term, no provision is required to be made in these accounts.

<table>
<thead>
<tr>
<th>Note</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Restated</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits 14</td>
<td>30,131</td>
<td>31,227</td>
</tr>
<tr>
<td>Contribution for maintenance received in advance 16</td>
<td>-</td>
<td>1,238</td>
</tr>
<tr>
<td>Dividends 15</td>
<td>57,416</td>
<td>48,111</td>
</tr>
<tr>
<td>Total</td>
<td>87,547</td>
<td>80,576</td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits 14</td>
<td>4,593</td>
<td>2,156</td>
</tr>
<tr>
<td>Contribution for maintenance received in advance 16</td>
<td>506</td>
<td>476</td>
</tr>
<tr>
<td>Total</td>
<td>5,099</td>
<td>2,632</td>
</tr>
</tbody>
</table>

Employee benefits comprise of long service leave, annual leave, sick leave and rostered day off provisions.

14. Employee benefits

Employee benefits comprise of long service leave, annual leave, sick leave and rostered day off provisions.

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Restated</td>
</tr>
<tr>
<td></td>
<td>$'000</td>
</tr>
<tr>
<td>Current</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>30,131</td>
</tr>
<tr>
<td>Non-current</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>4,593</td>
</tr>
<tr>
<td>Total</td>
<td>34,724</td>
</tr>
</tbody>
</table>

Balance of provision at 1 July

<table>
<thead>
<tr>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Balance of provision at 1 July</td>
<td>33,383</td>
</tr>
<tr>
<td>Payment of provisions</td>
<td>(19,816)</td>
</tr>
<tr>
<td>Movement in provision calculation</td>
<td>21,157</td>
</tr>
<tr>
<td>Balance of provision at 30 June</td>
<td>34,724</td>
</tr>
</tbody>
</table>

The 2012 results have been adjusted following a classification movement between current and non-current allocation of employee benefits. The impact was the reallocation of $19,344,000 from non-current to current in the revised results in accordance with AASB 101.
15. **Dividends**

Dividends provided calculations are based on 80% of net profit after an adjustment for upwards revaluations. The effective comparable percentages are 2011 @ 80% and 2010 @ 80%. All dividends are unfranked. Dividends are declared after reporting date but before the financial statements are authorised for issue.

### Dividends provided or paid

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of provision at 1 July</td>
<td>48,111</td>
<td>42,083</td>
</tr>
<tr>
<td>Dividends paid</td>
<td>(48,111)</td>
<td>(42,083)</td>
</tr>
<tr>
<td>Dividends provided for</td>
<td>57,416</td>
<td>48,111</td>
</tr>
<tr>
<td><strong>Balance of provision at 30 June</strong></td>
<td>57,416</td>
<td>48,111</td>
</tr>
</tbody>
</table>

16. **Contribution for maintenance received in advance**

a. Aggregate liability for maintenance received in advance:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td>1,238</td>
</tr>
<tr>
<td>Non-current</td>
<td>506</td>
<td>476</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>506</td>
<td>1,714</td>
</tr>
</tbody>
</table>

b. Accumulated funds received for future maintenance and rehabilitation costs from customers:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of contribution received in advance at 1 July</td>
<td>1,714</td>
<td>1,284</td>
</tr>
<tr>
<td>Funds utilised</td>
<td>(1,654)</td>
<td>-</td>
</tr>
<tr>
<td>Amounts received</td>
<td>446</td>
<td>430</td>
</tr>
<tr>
<td><strong>Balance of contribution received in advance at 30 June</strong></td>
<td>506</td>
<td>1,714</td>
</tr>
</tbody>
</table>

17. **Derivative financial assets and liabilities at fair value through profit and loss**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Derivative financial assets</td>
<td>-</td>
<td>3,621</td>
</tr>
<tr>
<td>Derivative financial liabilities</td>
<td>-</td>
<td>(3,988)</td>
</tr>
<tr>
<td><strong>Balance of financial asset/(liability) at 30 June</strong></td>
<td>-</td>
<td>(367)</td>
</tr>
</tbody>
</table>

Unrealised gains/(losses) on foreign currency hedges:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance of provision at 1 July</td>
<td>(367)</td>
<td>(409)</td>
</tr>
<tr>
<td>Movements on settlement</td>
<td>367</td>
<td>480</td>
</tr>
<tr>
<td>Fair value movements at period end</td>
<td>-</td>
<td>(438)</td>
</tr>
<tr>
<td><strong>Balance of financial asset/(liability) at 30 June</strong></td>
<td>-</td>
<td>(367)</td>
</tr>
</tbody>
</table>
18. Contributed equity

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributed equity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised – ordinary shares</td>
<td>1,000,000,000</td>
<td>1,000,000,000</td>
</tr>
<tr>
<td>Issued – ordinary shares fully paid</td>
<td>402,066,818</td>
<td>402,066,818</td>
</tr>
<tr>
<td>Balance at 1 July</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at 30 June</td>
<td>673,558</td>
<td>673,558</td>
</tr>
</tbody>
</table>

The shares have no par value.

19. Notes to the statement of cash flows

a. Reconciliation of profit for the year after income tax equivalent to net cash provided by operating activities

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit for the year after income tax</td>
<td>72,662</td>
<td>69,830</td>
</tr>
<tr>
<td>Depreciation</td>
<td>50,549</td>
<td>45,161</td>
</tr>
<tr>
<td>Revaluation of non-current assets</td>
<td>86</td>
<td>(14,138)</td>
</tr>
<tr>
<td>Impairment of non-current assets</td>
<td>6,637</td>
<td>5,919</td>
</tr>
<tr>
<td>Net profit or loss on sale or property, plant and equipment</td>
<td>22</td>
<td>(5,202)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Change in assets and liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decrease in receivables</td>
<td>(5,847)</td>
<td>135,279</td>
</tr>
<tr>
<td>Decrease in other assets</td>
<td>11</td>
<td>19</td>
</tr>
<tr>
<td>Decrease in inventories</td>
<td>63</td>
<td>(2,825)</td>
</tr>
<tr>
<td>Decrease/(increase) in deferred tax asset</td>
<td>13</td>
<td>(2,087)</td>
</tr>
<tr>
<td>(Decrease)/increase in trade creditors</td>
<td>(33,121)</td>
<td>122,626</td>
</tr>
<tr>
<td>Increase/(decrease) in other liabilities</td>
<td>2,781</td>
<td>(44,711)</td>
</tr>
<tr>
<td>Increase in provisions</td>
<td>133</td>
<td>6,540</td>
</tr>
<tr>
<td>Increase/(decrease) in income tax creditor</td>
<td>7,105</td>
<td>(6,237)</td>
</tr>
<tr>
<td>Increase in provision for deferred tax liability</td>
<td>1,199</td>
<td>6,591</td>
</tr>
</tbody>
</table>

b. Working capital facility

GPC has access to a $30,000,000 (2012: $60,000,000) working capital facility provided through Queensland Treasury Corporation. This facility has not been drawn upon during the financial year.
20. Financial risk management objectives and policies

GPC’s principal financial instruments comprise receivables, payables, bank loans, cash and short term deposits and derivatives.

GPC manages its exposure to key financial risks, including credit risk, liquidity risk, interest rate and currency risk, in accordance with its financial policies. The objectives of the policies are to support the delivery of GPC’s financial targets whilst protecting future financial security.

GPC enters into derivative transactions, principally forward currency contracts. The purpose is to manage the currency risks arising from GPC’s operations. These derivatives provide economic hedges, but do not qualify for hedge accounting and are based upon limits set by the Board.

The main risks arising from GPC’s financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. GPC uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rate, foreign exchange and commodity prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of the risks summarised below:

a. Credit risk exposure
Credit risk arises from the financial assets of GPC, which comprise cash and cash equivalents and trade and other receivables. GPC is exposed to credit risk from the possibility of counter parties failing to perform their obligations. Credit risk exposure on financial assets other than cash at bank and at call has been recognised in the Statement of Financial Position, with the carrying amount stated net of any provision for impaired debts.

GPC does not hold any credit derivatives to offset its credit exposure. The level of exposure is disclosed in Note 6.

b. Foreign currency risk
GPC has transactional currency exposures in relation to capital purchases in currencies other than Australian dollars. GPC requires management to examine eliminating currency exposure on any individual transactions in excess of $500,000. It is GPC’s policy not to enter into forward contracts until a firm commitment is in place and to negotiate the terms of the hedge derivatives to exactly match the terms of the hedged item to maximise hedge effectiveness. As at 30 June 2013 GPC did have any exposure to foreign currency that is not designated in Note 21. GPC receives revenue from LNG proponents in Euros to offset the requirement to pay a contractor in Euros. GPC only receives those amounts required to meet its contractor obligations and only pays this credit after the Euro have been received from the LNG proponents. Therefore GPC does not believe that any exchange rate risk exposure occurs in relation to these contracts. At 30 June 2013, the Australian Dollar value of Euro trade debtors is $26,883,000 (2012: $19,891,000) and Australian Dollar value of Euro trade creditors is $nil (2012: $58,215,000). At 30 June 2013 GPC held $78,326,000 (2012: $78,510,000) in Euros for payment of LNG related contracts. The amount held is equivalent to the contracted payment amount due in July to September 2013. GPC is of the opinion that no foreign exchange rate risk exists in relation to these amounts.

c. Liquidity risk
GPC’s objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and finance leases.

The table below reflects all contractually fixed and un-fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities, including derivative financial instruments as at 30 June 2013. For derivative financial instruments the market value is presented, whereas for the other obligations the respective undiscounted cash flows are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based upon the conditions existing at 30 June 2013.
### 20. Financial risk management objectives and policies (cont’d)

#### c. Liquidity risk (cont’d)

**Maturity analysis of financial assets and financial liabilities based upon management’s expectations**

<table>
<thead>
<tr>
<th>Year ended 30 June 2013</th>
<th>Note</th>
<th>&lt; 1 year</th>
<th>1 – 5 Years</th>
<th>&gt; 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5</td>
<td>238,060</td>
<td>-</td>
<td>-</td>
<td>238,060</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6</td>
<td>126,835</td>
<td>301</td>
<td>-</td>
<td>127,136</td>
</tr>
<tr>
<td></td>
<td></td>
<td>364,895</td>
<td>301</td>
<td>-</td>
<td>365,196</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>11</td>
<td>239,499</td>
<td>8,333</td>
<td>15,000</td>
<td>262,832</td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>461,925</td>
<td>461,925</td>
</tr>
<tr>
<td></td>
<td></td>
<td>239,499</td>
<td>8,333</td>
<td>476,925</td>
<td>724,757</td>
</tr>
<tr>
<td><strong>Net maturity</strong></td>
<td></td>
<td>125,396</td>
<td>(8,032)</td>
<td>(476,925)</td>
<td>(359,561)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year ended 30 June 2012</th>
<th>Note</th>
<th>&lt; 1 year</th>
<th>1 – 5 Years</th>
<th>&gt; 5 years</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Financial assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>5</td>
<td>335,600</td>
<td>-</td>
<td>-</td>
<td>335,600</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>6</td>
<td>120,741</td>
<td>548</td>
<td>-</td>
<td>121,289</td>
</tr>
<tr>
<td>Derivatives</td>
<td>17</td>
<td>3,621</td>
<td>-</td>
<td>-</td>
<td>3,621</td>
</tr>
<tr>
<td></td>
<td></td>
<td>459,962</td>
<td>548</td>
<td>-</td>
<td>460,510</td>
</tr>
<tr>
<td><strong>Financial liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>11</td>
<td>273,689</td>
<td>8,333</td>
<td>15,834</td>
<td>297,856</td>
</tr>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>462,117</td>
<td>462,117</td>
</tr>
<tr>
<td>Derivatives</td>
<td>17</td>
<td>3,988</td>
<td>-</td>
<td>-</td>
<td>3,988</td>
</tr>
<tr>
<td></td>
<td></td>
<td>277,677</td>
<td>8,333</td>
<td>477,951</td>
<td>763,961</td>
</tr>
<tr>
<td><strong>Net maturity</strong></td>
<td></td>
<td>182,285</td>
<td>(7,785)</td>
<td>(477,951)</td>
<td>(303,451)</td>
</tr>
</tbody>
</table>

The risks implied in the table above reflect a balanced view of cash inflows and outflows.

Leasing obligations, trade payables and other financial liabilities mainly originate from the financing of assets used in our ongoing operations such as property, plant and equipment and investments in working capital such as inventories and trade receivables. These assets are considered in GPC’s overall liquidity risk.

To monitor existing financial assets and liabilities as well as to enable an effective controlling of future risks, GPC has established comprehensive risk reporting that reflects expectations of management of settlement of financial assets and liabilities.

GPC monitors rolling forecasts of liquidity reserves on the basis of expected cash flow. At balance date GPC had available $30 million of unused credit facilities available for use.
20. Financial risk management objectives and policies (cont'd)

d. Interest rate risk exposure

GPC’s exposure to interest rate risk relates primarily to GPC’s long term debt obligations. The level of debt is disclosed in Note 12.

At 30 June 2013 GPC had the following mix of financial assets and liabilities exposed to variable interest rate risk that are not designated as cash flow hedges:

<table>
<thead>
<tr>
<th>Financial assets</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and cash equivalents</td>
<td>238,060</td>
<td>335,600</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial liabilities</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest bearing loans and borrowings</td>
<td>461,925</td>
<td>462,117</td>
</tr>
</tbody>
</table>

GPC’s policy is to manage its finance costs using a mix of fixed and variable rate debt. GPC constantly analyses its interest rate exposure where consideration is given to the mix of fixed and variable interest rates.

The following sensitivity analysis is based upon the interest risk exposures in existence at the Statement of Financial Position date. At 30 June 2013, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

<table>
<thead>
<tr>
<th></th>
<th>Post tax profit</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
<td>2012</td>
</tr>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>+1% (100 basis points)</td>
<td>(434)</td>
<td>(430)</td>
</tr>
<tr>
<td>-1% (100 basis points)</td>
<td>434</td>
<td>440</td>
</tr>
</tbody>
</table>

e. Net fair value

Cash at bank and at call are valued as the amount of the deposit or the purchase price of the underlying security. Receivables are carried at the nominal amount due, less provision for impaired debts which represents the assessed credit risk.

Liability to trade creditors is recognised on receipt of goods and services at nominal value. Payment would normally occur within 30 days.

Borrowings outstanding at 30 June 2013 have been valued at book using long term interest rates negotiated with Queensland Treasury Corporation.
21. Derivative financial instruments

During 2012 and 2013 GPC entered into agreements to purchase mobile plant and dredging contracts with the purchase price denominated in a foreign currency. In order to protect against exchange rate movements, GPC entered into forward exchange contracts to purchase United States dollars and Euros. All agreements were finalised at 30 June 2013.

At balance date, the details of the outstanding contracts are (in Australian dollar equivalents):

<table>
<thead>
<tr>
<th>Maturity:</th>
<th>Sell Australian dollars</th>
<th>Average exchange rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013 $'000</td>
<td>2012 $'000</td>
</tr>
<tr>
<td>0 – 6 months</td>
<td>-</td>
<td>2,020</td>
</tr>
<tr>
<td>6 – 12 months</td>
<td>-</td>
<td>2,041</td>
</tr>
</tbody>
</table>

These contracts are fair valued by comparing the contracted rate to market rates for contracts with the same length of maturity. All movements in fair value are recorded in the Statement of Profit and Loss and Other Comprehensive Income in the period they occur. The net fair value (losses)/gains on foreign currency derivatives during the year were $(366,997) (2012: $42,389). GPC did not reclassify any derivative financial instruments during the year.

The recognised fair values of financial assets and liabilities are classified according to the following fair value hierarchy that reflects the significance of the inputs used in making these measurements:

- Level 1 – fair values that reflect unadjusted quoted prices in active markets for identical assets/liabilities
- Level 2 – fair values that are based on inputs that are directly or indirectly observable for the asset/liability (other than unadjusted quoted prices)
- Level 3 – fair values that are derived from data not observable in a market.

According to the above hierarchy GPC had derivative financial instrument assets of $nil (2012: $3,621,000) and liabilities of $nil (2012: liabilities of $3,988,000) – these are classed as Level 2 instruments.

22. Commitments

Capital expenditure commitments contracted but not provided for:

<table>
<thead>
<tr>
<th>Due not later than one year</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>43,826</td>
<td>51,986</td>
</tr>
</tbody>
</table>

Operating leases as lessee

These leases relate to office equipment, light vehicles and heavy moving equipment:

<table>
<thead>
<tr>
<th>Due not later than one year</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 $'000</td>
<td>1,656</td>
<td>1,460</td>
</tr>
<tr>
<td>Due later than one year and not later than five years</td>
<td>871</td>
<td>559</td>
</tr>
<tr>
<td>2,527</td>
<td></td>
<td>2,019</td>
</tr>
</tbody>
</table>
23. **Auditor’s remuneration**

These are amounts (excluding GST) paid to the Auditor-General of Queensland for audit of the financial statements. No other benefits were received by the auditors:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Remuneration</td>
<td>$100,679</td>
<td>$134,090</td>
</tr>
</tbody>
</table>

24. **Key management personnel disclosures**

**Directors**

Directors’ emoluments are set by the State Government with other fees and allowances determined on the basis of meetings attended and expenditure incurred in performing their roles. Directors do not receive performance related remuneration.

**Specified executives**

The Human Resources Committee recommend executive remuneration to the Board. The committee uses market and industry surveys to ascertain an appropriate level of remuneration to attract appropriately skilled staff. The remuneration policy is subject to State Government guidelines and changes to executive remuneration are approved by the Board and advised to shareholding Ministers.

GPC’s remuneration policy is based on a total employment cost (TEC) concept. The TEC concept ensures all benefits including salary, superannuation, motor vehicle etc. are included in the remuneration package cost.

Short-term benefits are disclosed as the gross salary package (excluding bonuses) and may be taken either as salary or salary sacrificed by the director or employee. Amounts paid on separation are included as a short term benefit.

All disclosed items relate to amounts received by each senior executive for the full financial year irrespective of when they commenced their role listed below. Other benefits are listed as taxable fringe benefits amounts. These may include benefits that are available to all employees of GPC and are not specific to the listed roles.

From 2004 all new senior executive appointments are for fixed three year terms. Senior executives employed prior to this date are employed on tenure, otherwise their terms and conditions of employment are the same. All senior executives’ remuneration levels increase in line with the market assessments up to a maximum of 10% per annum where remuneration remains below the market median. Where remuneration is above market median annual increases are restricted to CPI increases. There are no at risk benefits to senior executives.

Separation benefits, in the event of termination by GPC, other than for misconduct, are allowed for in the agreements. The Chief Executive Officer is entitled to three months notice, or payment in lieu of notice as well as a separation payment of the lesser of 12 months pay and the amount which would otherwise be paid between the determination date and the end of the contract term. Senior executives are entitled to four weeks notice or payment in lieu. In the event of a position being made redundant the executive is entitled to eight weeks pay plus three weeks pay for each year of service, up to a maximum of 52 weeks. In accordance with Ministerial guidelines details of directors and the senior executives of the entity with the greatest authority in office at 30 June 2013 are as follows:
### 24. Key management personnel disclosures (cont’d)

<table>
<thead>
<tr>
<th>Directors</th>
<th>Short term benefits</th>
<th>Post employment benefits</th>
<th>Other benefits</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td></td>
<td>Directors’ fees</td>
<td>Superannuation</td>
<td>Retirement benefits</td>
<td></td>
</tr>
<tr>
<td>Brodie, M (Chairman(^1))</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>54</td>
<td>5</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ware, C(^2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>24</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>26</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Skippen, H(^3)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>24</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>22</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Davidson, G(^4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>13</td>
<td>13</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>8</td>
<td>20</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reynolds, J(^4)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>25</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>27</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Moorhead, B(^5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>21</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Greig, C(^5)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>17</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Brusasco AO, I (Chairman(^6))</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>55</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Kelly, A(^7)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>26</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Corones AM, P(^8)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>26</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Toll, G(^8)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2012</td>
<td>26</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total remuneration: Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
</tr>
<tr>
<td>2012</td>
</tr>
</tbody>
</table>

\(^1\) Appointed 7 June 2012  
\(^2\) Re-appointed 1 October 2010  
\(^3\) Appointed 1 October 2010  
\(^4\) Re-appointed 1 October 2011  
\(^5\) Appointed 16 August 2012  
\(^6\) Ceased 6 June 2012  
\(^7\) Resigned 6 July 2012  
\(^8\) Ceased 16 August 2012

Transactions of a similar nature are disclosed in aggregate except when separate disclosure is necessary and material.
## 24. Key management personnel disclosures (cont’d)

<table>
<thead>
<tr>
<th>Specified executives</th>
<th>Contract expiry date</th>
<th>Short term benefits</th>
<th>Post employment benefits</th>
<th>Other benefits</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
<td>$’000</td>
</tr>
<tr>
<td><strong>Salary</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Separation Payments</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Superannuation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Motor vehicle</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Zussino, L
CEO

- **2013**: 394 - 74 22 10 500
- **2012**: 376 - 70 10 2 458

### Galt, M
Commercial GM

- **2013**: 289 - 54 20 - 363
- **2012**: 272 - 59 11 - 342

### Brown A
Cargo Handling Operations GM

- **2013**: 259 - 48 18 6 331
- **2012**: 211 - 38 12 3 264

### Carter, G
Port Planning and Development GM

- **2013**: 228 - 28 23 1 280
- **2012**: 204 - 32 23 - 259

### Schmidt, T
Corporate and Employee Relations GM

- **2013**: 200 - 37 14 31 282
- **2012**: 112 - 22 5 - 139

### Sherriff, J
Safety, Environment and Risk GM

- **2013**: 182 - 34 15 2 233
- **2012**: 152 - 29 14 3 198

### Greenaway, M
Project GM

- **2013**: - - - - -
- **2012**: - - - 7 7

### Total remuneration: specified executives

- **2013**: 1,552 - 275 112 50 1,989
- **2012**: 1,327 - 250 75 15 1,667

---

1. Appointed Acting GM from 1 August 2011, appointed GM from 1 February 2012
2. Appointed Acting GM from 1 March 2011, appointed GM from 1 December 2012
3. Appointed 28 November 2011
4. Resigned 24 June 2011
25. Related party disclosure

Gladstone Ports Corporation Limited is a company GOC owned by the Queensland Government and established as a body corporate under an Act of Parliament. GOC’s operate in a commercial environment and deliver a range of services across diverse industries such as energy, transport and funds management. All State of Queensland controlled entities meet the definition of a related party in AASB 124 Related Parties. All payments made or received between GPC and other government entities are on an arm’s length commercial basis and shown below:

<table>
<thead>
<tr>
<th>Agency</th>
<th>Nature</th>
<th>2013 $'000</th>
<th>2012 $'000</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arts Queensland</td>
<td>Artwork funding</td>
<td>149</td>
<td>-</td>
</tr>
<tr>
<td>Bundaberg Regional Council</td>
<td>Technical Navy Base Assessment</td>
<td>14</td>
<td>-</td>
</tr>
<tr>
<td>Central Queensland University</td>
<td>Rent</td>
<td>77</td>
<td>76</td>
</tr>
<tr>
<td>Department of National Parks, Recreation and Sport</td>
<td>Rent</td>
<td>10</td>
<td>9</td>
</tr>
<tr>
<td>Gladstone Area Promotion and Development Board</td>
<td>Rent</td>
<td>95</td>
<td>90</td>
</tr>
<tr>
<td>Gladstone Area Water Board</td>
<td>Pipeline Rental for 2013. Earthworks for horizontal drilling of platform at RGTCT for 2012</td>
<td>87</td>
<td>386</td>
</tr>
<tr>
<td>Gladstone Water Police</td>
<td>Rent and berthing</td>
<td>27</td>
<td>26</td>
</tr>
<tr>
<td>Maritime Safety Queensland</td>
<td>Rent, Berth Fees, Pilotage transfers, oil spill response</td>
<td>122</td>
<td>21</td>
</tr>
<tr>
<td>Queensland Boating and Fisheries Patrol</td>
<td>Rent</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Skills and Employment Department of Education</td>
<td>Indigenous Mentor Program</td>
<td>72</td>
<td>-</td>
</tr>
<tr>
<td>Transport and Main Roads Maritime Services</td>
<td>Flood recovery and survey works</td>
<td>25</td>
<td>-</td>
</tr>
<tr>
<td>Wide Bay Institute of TAFE</td>
<td>Rent</td>
<td>108</td>
<td>125</td>
</tr>
<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Australian Quarantine and Inspection Service</td>
<td>Registration fees</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Banana Shire Council</td>
<td>Sponsorship</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Brisbane City Council</td>
<td>Rates</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Bundaberg Regional Council</td>
<td>Rates</td>
<td>58</td>
<td>61</td>
</tr>
<tr>
<td>Central Queensland Institute of TAFE</td>
<td>Bundaberg Futures Program</td>
<td>22</td>
<td>22</td>
</tr>
<tr>
<td>Central Queensland University</td>
<td>Training</td>
<td>65</td>
<td>36</td>
</tr>
<tr>
<td>Charles Ware</td>
<td>Rent and environmental monitoring</td>
<td>64</td>
<td>97</td>
</tr>
<tr>
<td>Child Support Agency</td>
<td>Reimbursement of mileage</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>Employee deductions</td>
<td>82</td>
<td>93</td>
</tr>
<tr>
<td>Department of Agriculture</td>
<td>Environmental works</td>
<td>1,447</td>
<td>1,218</td>
</tr>
<tr>
<td>Department of Employment and Economic Development</td>
<td>Applications</td>
<td>798</td>
<td>-</td>
</tr>
<tr>
<td>Department of Environment and Resource Management</td>
<td>Legal Fees</td>
<td>420</td>
<td>-</td>
</tr>
<tr>
<td>Department of Natural Resources and Mines</td>
<td>Permits</td>
<td>179</td>
<td>76</td>
</tr>
<tr>
<td>Department of Science, Information Technology, Innovation and the Arts</td>
<td>Annual Fees</td>
<td>88</td>
<td>414</td>
</tr>
<tr>
<td></td>
<td>Fees</td>
<td>459</td>
<td>333</td>
</tr>
<tr>
<td></td>
<td>Wave information</td>
<td>48</td>
<td>-</td>
</tr>
</tbody>
</table>
## 25. Related party disclosure (cont’d)

<table>
<thead>
<tr>
<th>Agency</th>
<th>Nature</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Department of State Infrastructure and Planning</td>
<td>Advertising</td>
<td>32</td>
<td>-</td>
</tr>
<tr>
<td>Division of Workplace Health and Safety</td>
<td>Registrations</td>
<td>7</td>
<td>3</td>
</tr>
<tr>
<td>Ecofund Queensland</td>
<td>Environmental provisions</td>
<td>22</td>
<td>24</td>
</tr>
<tr>
<td>Ergon Energy</td>
<td>Electricity</td>
<td>1,195</td>
<td>1,079</td>
</tr>
<tr>
<td>Gladstone Airport Corporation</td>
<td>Car parking</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Gladstone Area Promotion and Development Board</td>
<td>Membership</td>
<td>85</td>
<td>82</td>
</tr>
<tr>
<td>Gladstone Area Water Board</td>
<td>Water and capital contributions</td>
<td>986</td>
<td>885</td>
</tr>
<tr>
<td>Gladstone Regional Council</td>
<td>Rates</td>
<td>2,803</td>
<td>2,944</td>
</tr>
<tr>
<td>Division of Workplace Health and Safety</td>
<td>Office space project</td>
<td>1,868</td>
<td>-</td>
</tr>
<tr>
<td>Leo Zussino</td>
<td>Travel expenses reimbursement</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Mark Brodie</td>
<td>Travel expenses reimbursement</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Office of State Revenue</td>
<td>Land tax and payroll tax</td>
<td>4,622</td>
<td>5,022</td>
</tr>
<tr>
<td>Ports Australia</td>
<td>Membership</td>
<td>53</td>
<td>54</td>
</tr>
<tr>
<td>Ports North</td>
<td>Strategic assessment</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>Queensland Audit Office</td>
<td>Establishment fee</td>
<td>127</td>
<td>-</td>
</tr>
<tr>
<td>Queensland Department of Education and Training</td>
<td>Superannuation contributions</td>
<td>13,282</td>
<td>13,418</td>
</tr>
<tr>
<td>Queensland Department of Transport and Main Roads</td>
<td>Audit fees</td>
<td>108</td>
<td>134</td>
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<tr>
<td>Queensland Fire and Rescue</td>
<td>Sponsorship</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Queensland Government Chief Procurement Office</td>
<td>Including survey work, dredging and registrations</td>
<td>6,219</td>
<td>3,712</td>
</tr>
<tr>
<td>Queensland Police Service</td>
<td>Fire alarm call outs</td>
<td>29</td>
<td>31</td>
</tr>
<tr>
<td>Queensland Ports Association</td>
<td>Training</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Queensland Ports Association</td>
<td>Traffic control</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Queensland Treasury</td>
<td>Membership</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Queensland Treasury Corporation</td>
<td>Dividend, NTER tax and rates</td>
<td>71,292</td>
<td>78,879</td>
</tr>
<tr>
<td>Queensland Treasury Corporation</td>
<td>Loan interest and competitive neutrality fee</td>
<td>35,308</td>
<td>35,955</td>
</tr>
<tr>
<td>SunWater</td>
<td>Water supply</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>Trina Schmidt</td>
<td>Relocation expenses</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>William Moorhead</td>
<td>Reimbursement of mileage</td>
<td>2</td>
<td>-</td>
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<tr>
<td>WorkCover Queensland</td>
<td>Workers’ compensation insurance</td>
<td>1,931</td>
<td>1,341</td>
</tr>
</tbody>
</table>
25. Related party disclosure (cont'd)

The debtor or creditor balances as at 30 June are shown below:

<table>
<thead>
<tr>
<th>Agency</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Debtor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central Queensland University</td>
<td>78</td>
<td>-</td>
</tr>
<tr>
<td>Gladstone Area Water Board</td>
<td>10</td>
<td>27</td>
</tr>
<tr>
<td>Gladstone Area Promotion and Development Board</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Gladstone Water Police</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>Maritime Safety Queensland</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Queensland Boating and Fisheries Patrol</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>Wide Bay Institute of TAFE</td>
<td>10</td>
<td>-</td>
</tr>
<tr>
<td>Creditor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gladstone Regional Council</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Queensland Department of Transport and Main Roads</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Queensland Treasury Corporation</td>
<td>461,925</td>
<td>462,117</td>
</tr>
</tbody>
</table>

26. Aggregate performance payments

At-risk performance payments

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Aggregate performance payments provided for executive employees</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total salaries and wages paid or payable to executive employees</td>
<td>1,552</td>
<td>1,327</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. of employees</td>
<td>No. of employees</td>
</tr>
<tr>
<td>Number of executive employees who received a performance payment</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>The following categories of employees are eligible for at-risk performance incentive remuneration:</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Chief Executive Officer</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Senior executives</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$'000</td>
<td>$'000</td>
</tr>
<tr>
<td>Total salaries and wages paid or payable to all employees</td>
<td>83,116</td>
<td>77,763</td>
</tr>
<tr>
<td>Superannuation paid or payable for all employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defined benefit schemes</td>
<td>3,159</td>
<td>4,624</td>
</tr>
<tr>
<td>Accumulation schemes</td>
<td>5,844</td>
<td>3,836</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>9,003</td>
<td>8,460</td>
</tr>
</tbody>
</table>
27. **Segment information**

GPC operates in a single industry, namely the Maritime Port Industry, at three locations in Central Queensland - the Port of Gladstone, Port of Rockhampton and Port of Bundaberg.

28. **Contingent assets and liabilities**

As at the date of these accounts, the Board is not aware of any material contingent assets or liabilities.

29. **Number of employees**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>No.</td>
<td>682</td>
<td>676</td>
</tr>
</tbody>
</table>

Number of employees at year end (Full Time Equivalent)

The number of employees represents the total number of people employed (Full Time Equivalent) by GPC as at 30 June.
CERTIFICATION OF GLADSTONE PORTS CORPORATION LIMITED

These general purpose financial statements have been prepared pursuant to section 62(1) of the Financial Accountability Act 2009 (the Act), relevant sections of the Financial and Performance Management Standard 2009 and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

a. the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects

b. the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Gladstone Ports Corporation Limited for the financial year ended 30 June 2013 and of the financial position of the Corporation at the end of that year.

L M Zussino  
Chief Executive Officer  
Dated: 29 August 2013

M A Galt  
Commercial General Manager  
Dated: 29 August 2013  
Gladstone
DIRECTORS’ DECLARATION

The Directors declare that:

i. in the Directors’ opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

ii. in the Directors’ opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the Corporations Act 2001.

On behalf of the Directors

M Brodie
Chairman
Dated: 29 August 2013

J Reynolds
Director
Dated: 29 August 2013

Gladstone
INDEPENDENT AUDITOR’S REPORT

To the Members of Gladstone Ports Corporation Limited

REPORT ON THE FINANCIAL REPORT

I have audited the accompanying financial report of Gladstone Ports Corporation Limited which comprises the Statement of Financial position as at 30 June 2013, and the Statement of Profit and Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended a summary of significant accounting policies and other explanatory notes, and the directors’ declaration.

Directors’ responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the Auditor-General of Queensland Auditing Standards, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

The Auditor-General Act 2009 promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can only be removed by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General’s opinion are significant.

In conducting the audit, the independence requirements of the Corporations Act 2001 have been complied with. I confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Gladstone Ports Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor’s report.

Opinion

In my opinion:

a. The financial report of Gladstone Ports Corporation Limited is in accordance with the Corporations Act 2001, including:
   i. Giving a true and fair view of the company’s financial position as at 30 June 2013 and of its performance for the year ended on that date;
   ii. Complying with Australian Accounting Standards and the Corporations Regulations 2001.

b. The financial report also complies with International Financial Reporting Standards as disclosed in Note 2.
Other matters – Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.

O Clare, FCPA
as Delegate of the Auditor-General of Queensland

Brisbane, 30 August 2013
Appendix 1

The following lists the relevant government policies that GPC complied with during 2012/13.

- Biannual Reporting: Guidelines for the Preparation of Interim Reports (2009)
- Community Service Obligations – A Policy Framework (1999)
- Corporate Governance Guidelines for Government Owned Corporations (2009)
- Government Owned Corporations Guidelines for Joint Venture Agreements (2011)
- Government Owned Corporations Governance Arrangements for Chief and Senior Executives (2009)
- Guidelines for the issue of Harbour Towage Licences (2011)
- Guidelines for Preparing Forecast Reports (2010)
- Guidelines for Export of Services by Government Owned Corporations (2001)
- Guidelines for Preparing Forecast Reports (2010)
- Investment Guidelines for Government Owned Corporations (2011)
- State Procurement Policy (2010)

GPC will comply with the spirit and intent of Government Land Disposal Policies.
Glossary

APLNG: Australia Pacific LNG
B2B: Botanic to Bridge
BPCT: Barney Point Coal Terminal
Bulk cargo: Cargo moved in bulk form, such as coal (dry bulk) or naphtha (liquid bulk)
CIP: Continuous Improvement Program
CIS: Capital Investment System
CQPA: Central Queensland Ports Corporation
CQ University: Central Queensland University
CSD: Cutter Suction Dredges
Cth: Commonwealth
DA: Development Approval
DEWSpAC: Department of Sustainability, Environment, Water, Population and Communities
DTA: Direct Toxicity Assessment
DTRP: Dredge Technical Reference Panel
DWT: Dead weight tonnes. A measurement of a ship's tonnage indicating the actual carrying capacity of the ship
EA: Enterprise Agreement
EA: Environmental Authority
EBA: Enterprise Bargaining Agreement
EBIT: Earnings before interest and tax
EBITDA: Earnings before interest, tax, depreciation, and amortisation (excluding impairments)
EE: Environmental Evaluation
EEO: Equal Employment Opportunity
EHP: Department of Environment and Heritage Protection
EIS: Environmental Impact Statement
EMB: Energy mass balance
EMS: Environmental Management System
EP Act: Environmental Protection Act
ERMP: Environmental Research and Monitoring Program
ERMPAP: Environmental Research and Monitoring Program Advisory Panel
FTE: Fulltime equivalent
GADPL: Gladstone Area Promotion and Development Ltd
GHHP: Gladstone Healthy Harbour Partnership
Gladstone Port Central: Includes Barney Point and Auckland Point facilities
GLNG: Gladstone LNG
GOC: Government Owned Corporation
GOC Act: Government Owned Corporations Act 1993 (Qld)

GPC: Gladstone Ports Corporation
Gross shiploading rate:
   Total tonnes loaded
   Total time taken to load including delays
Gross train unloading rate:
   Total tonnes unloaded
   Total time taken to unload including delays
GSDA: Gladstone State Development Area
ha: Hectares
ISO 14001: An international standard for environmental management systems – specification with guidance for use
km: Kilometres
 LNG: Liquefied Natural Gas
LoW: Level of work
LTI: Lost Time Injury
LTIFR: Lost Time Injury Frequency Rate – number of work-related injuries resulting in a lost time injury, per million hours worked
MSIC: Maritime Security Identification Card
MSQ: Maritime Safety Queensland
Mt: Million tonnes
Mtpa: Million tonnes per annum
NER: National Greenhouse and Energy Reporting Act
NPI: National Pollutant Inventory
NSCA: National Safety Council of Australia
PCIMP: Port Curtis Integrated Monitoring Program
QAL: Queensland Alumina Limited
QCLNG: Queensland Curtis LNG
RAP: Reconciliation Action Plan
RCM: Reliability Centred Maintenance
RGTCT: RG Tanna Coal Terminal
SCI: Summarises our Statement of Corporate Intent, a document created under chapter 3, part 8 of the GOC Act. It specifies our financial and non-financial performance targets for activities in the relevant financial year, and is consistent with our corporate plan The Statement of Corporate Intent represents an agreement between the GPC’s Board and our shareholding Ministers

\[ t \]: Tonnes

TEP: Transitional Environmental Programs
TIFR: Total Injury Frequency Rate
 tph: Tonnes per hour
UDIA: Urban Development Institute of Australia
WBDDP: Western Basin Dredging and Disposal Project
WICET: Wiggins Island Coal Export Terminal
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YOUR FEEDBACK IS VALUED

We welcome your feedback as it assists us to ensure we continue to improve our reporting standards and meet your information needs. Feedback can be provided via email to geninfo@gpcl.com.au or by contacting our Corporate and Community Relations team on 4976 1625. This report is available online at www.gpcl.com.au/annualreport.