



Gladstone Ports Corporation

Growth, Prosperity, Community.

Statement of Corporate Intent

2018–19

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1. Corporate objectives and strategies

1.1. Scope / Policy position

Gladstone Ports Corporation Limited (GPC) is a Government Owned Corporation (GOC) under the *Government Owned Corporations Act 1993 (GOC Act)*. Under Section 102 of the GOC Act, each GOC must prepare a Statement of Corporate Intent (SCI) for each financial year. GPC converted to a company GOC on 1 July 2008. The SCI outlines strategies that will be implemented in 2018–19, forming part of the longer-term Corporate Plan which provides the five year strategic direction for achieving GPC's vision over the period 2018–19 to 2022–23. GPC is required to earn a commercial rate of return through improved capacity throughput and financial performance driven by efficiency whilst ensuring that its monopoly power is not exploited.

GPC has a key obligation to ensure that its activities are undertaken in a manner which complies with the requirements of its approvals and does not adversely affect the environments in which it operates. GPC will maintain ISO14001–2004 certification for its environmental management system to ensure environmental obligations are met.

GPC will maintain AS4801 certification for its safety management system to ensure safety compliance obligations are met and a positive safety culture is instilled within the workforce.

1.1.1. Main undertakings

GPC's operations are key contributors to developing a strong, diverse economy that can withstand external shocks and provide continued jobs growth into the future. GPC directly supports the resources sector by operating facilities required to export significant quantities of the State's vital resources (coal/alumina products/Liquefied Natural Gas (LNG) and other commodities) to international markets and by planning and building infrastructure to grow the region for the Queensland economy. GPC supports a diverse range of industries through the import/export of agricultural products, containerised trade and other smaller commodities.

GPC's Core Business is:

1. managing port infrastructure and port land at the Port of Gladstone, Port of Rockhampton and Port of Bundaberg;
2. managing cargo handling operations for coal and other bulk products;
3. developing, managing and leasing Strategic Port Land (SPL);
4. managing services and functions that support the core business.

There is one subsidiary company within the operational structure:

1. Gladstone Marine Pilot Services Pty Ltd (GMPS) which is a 100% subsidiary of GPC. GMPS was formed in November 2013 to accommodate pilots and launch transfer crew who were transitioned from the State Government.

1.2. Outlook and changes from prior periods

Tonnage throughput for 2018-19 is projected to be 127.9 million tonnes (Mt), 5.4Mt higher than the 2017-18 forecast. The increase is primarily a combination of the continued ramp up of the Wiggins Island Coal Terminal (WICT) (11Mt) and increased throughput anticipated at RGTCT to 63.6Mt. Coal prices are starting to return to consistently high levels, following the significant decline experienced in 2015 and 2016. The alumina and bauxite trade is predicted to remain steady, with 27.3Mt throughput expected over the next financial year.

GPC continues to review marketing plans with particular reference to attracting Central and Central West bulk trade to the ports. A focus will be the point to point transport (inclusive of shipping) costs that Central Queensland traders incur and whether the utilisation of the ports at Gladstone, Bundaberg and Rockhampton can provide a better alternative overall. Investment in infrastructure facilities to support these activities will also continue to be explored.

The budgeted profit for 2018-19 of \$66.063 million, is significantly greater than the profit predicted in the 2017-18 SCI forecast of \$53.620 million. This is due to increased revenue associated with contracted rate increases on some major revenue agreements, increased coal volumes and a focus on cost efficiencies, offset by some major maintenance requirements and increased depreciation on asset valuation and capitalisations, and effective life reviews.

Major capital expenditure investments in 2018-19 centre around improvements to port capacity and safety through the commencement of the Clinton Vessel Interaction Project (CVIP), condition based replacement and upgrades to RGTCT, and major upgrades to entity wide systems.

1.3. Corporate and operational strategies and major initiatives

The Corporation's strategic direction will continue to build on the foundations established during the previous financial year. Our priorities are to add value to our business, our community and our state, while also reflecting the first steps of our sustainability pathway based on our business, our environment, our community and our people.



Draft concept framework for GPC's Sustainability Plan.

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GPC's strategies and initiatives are linked to our strengths, challenges and opportunities, both internally and externally.

They also include the following initiatives, which are a focus on an ongoing basis:

- Maintain ISO 14001-2004 Environmental Standards accreditation;
- Maintain an AS4801 accredited Safety Management System;
- Maintain a minimum investment grade credit rating;
- Continue to review costs to ensure appropriate returns are achieved;
- Minimise borrowings for new capital investment;
- Position GPC as a leader and influencer for Port and Trade on a state, national and international level;
- Improve efficiencies across the coal transport chain through the Capricornia Coal Chain Steering Committee (CCCSC);
- Increase the Port of Gladstone's shipping capacity through focus on effective and efficient use of key water space utilisation and services (towage, pilotage, Maritime Safety Queensland (MSQ) scheduling);
- Undertake Master Planning of community interface areas including stages of Auckland Point and East Shores;
- Advance the Corporation's Information Technology (IT) improvement process;
- Progress key environmental improvement projects for wharf spillage, dust management and storm water management;
- Successfully execute GPC's Indigenous Land Use Agreement (ILUA) and Reconciliation Action Plan (RAP) to ensure the continuation of sustainable contributions to the local indigenous community;
- Deliver strong support and leadership to the community, through the implementation of major community initiatives such as the Botanic to Bridge (B2B) event and GPC's community sponsorship program.

The table below reflects the key initiatives being delivered in 2018-19, aligned with shareholding Ministers' expectations:

Major initiatives	Measure
OUR BUSINESS	
Finalise the implementation of the RGTCT capacity maximisation program, at a slower rate due to down turn in coal market with a focus now on efficiency.	Complete plans to ensure RGTCT's capacity meets contract requirements.
Finalise and implement a "whole of life" asset management policy.	Policy completion.
Undertake Clinton Channel widening works.	Business Plan complete; Approvals in place; Funding Approved; Execution of Works.
Successfully secure a new Exclusive Towage Licence for the Port of Gladstone (5 year term + 3 year extension).	Tenders completed; Licence established; Transition Completed.
Develop a Sustainable Ports Strategy.	Strategy developed.
Finalise the concept strategic development plans for Port Central, Fisherman's Landing and Barney Point.	5 year; 15 year; 30 year Precinct Development plans.

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Major initiatives	Measure
Undertake a pre-feasibility study, including community and stakeholder consultation, for an Outer Harbour at the Port of Bundaberg.	Complete pre-feasibility study.
Finalise Strategic Plan for Port Alma.	Complete Strategic Plan.
Formalise and implement a GPC Business Development program for all three ports.	Three business development programs, including plans, developed.
Develop a Risk Management Capability Program.	Program implemented.
Develop a Corporate Governance Framework.	Framework implemented.
Complete the Financial Management Practice Manual.	Progress review.
Revision of the Port of Gladstone 50 Year Strategic Plan and Land Use Plans for the Port of Gladstone and Port of Bundaberg.	Plans revised, approved, published and have statutory effect.
Work with Government agencies to commence detailed planning for Port Access Road Stage 2 in Gladstone.	Planning documentation finalized.
Establish an enterprise-wide ship vetting and approval system for GPC's three ports.	Prerequisite of all shipping calls across three ports.
Commence the Corporation's Port Management Information System Project.	Phase 1 - Scope and Design; Phase 2 - Platform Establishment; Phase 3 - Transition; Phase 4 - Integration.
OUR ENVIRONMENT	
Facilitate Federal and State Government discussions for a workable outcome relating to future capital dredging in the Port of Gladstone.	Channel Duplication and Targinnie Environmental Impact Statement (EIS) processes.
Finalise EIS process for the development of outer channels (Gatcombe and Golding) by September 2018.	Draft EIS submitted by end June 2018.
OUR COMMUNITY	
Commence Auckland East Shores Stage 1B and Auckland Point cruise ship interface design and construction works.	Commence construction of Stage 1B and Auckland Point cruise ship terminal by Q4 2018.
Devise and implement a major Public Relations/Educational Program to focus on promoting the Port of Gladstone as a world class commercial harbour and a sustainable fishing and crabbing harbour.	Community satisfaction rating.
OUR PEOPLE	
Transform the Corporation's safety culture to ensure the ongoing health, safety and wellbeing of employees and the subsequent improvement in safety performance.	Number of injuries – Lost Time Injury Frequency Rate (LTIFR) and Total Injury Frequency Rate (TIFR).
Foster new and reinvigorated leaders by reinitiating the Internal Leadership Development Program.	Project completed

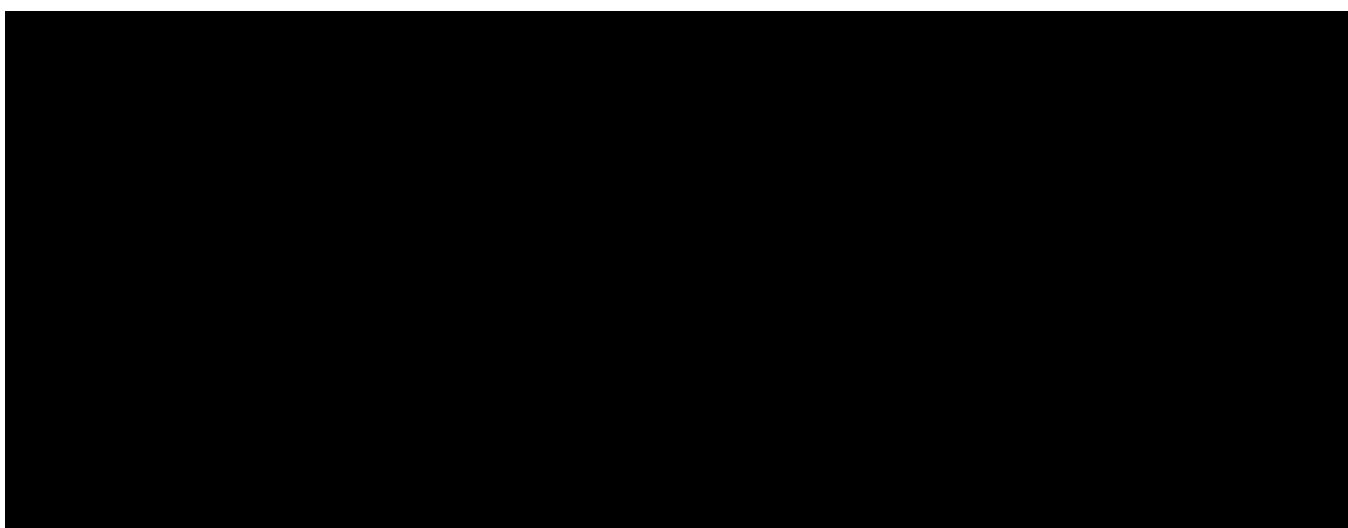
2. Mandatory matters

In accordance with section 119(3) of the GOC Act, the Board of GPC undertakes that the financial and non-financial targets in Sections 2.1 and 2.2 and the financial statements in Section 3.1 will form the basis for assessment of quarterly outcomes as reported to shareholding Ministers. Definitions for the financial and non-financial SCI targets are provided in Attachment 1 and are consistent with the key performance indicator (KPI) definitions included in the Corporate Plan and Quarterly reporting templates submitted by GPC to shareholding Ministers.

2.1. Financial KPIs

Financial KPIs	2016-17 Actual	2017-18 Budget	2017-18 Forecast	2018-19 Forecast
EBITDA (\$'000s)	206,152	195,698	192,185	220,534
EBIT (\$'000s)	134,880	117,813	114,600	132,892
NPAT (\$'000s)	72,036	52,724	53,620	66,063
Tax Equivalent Payments (\$'000s)	(25,223)	(22,596)	(22,980)	(28,313)
Dividend Provision (\$'000s)	(61,037)	(52,724)	(53,620)	(66,063)
Return on Assets	5.8%	5.2%	4.8%	5.5%
Return on Operating Assets	6.9%	6.0%	5.7%	6.6%
Return on Equity	7.0%	5.4%	5.0%	6.2%
Current Ratio	1.51	1.00	1.51	1.24
Debt to Debt + Equity Ratio	42.3%	45.7%	42.3%	42.3%
Interest Cover	3.59	2.80	3.02	3.45

The financial targets are affected by some older legacy contracts, which by their nature, were structured to reflect prior capital contributions or volume incentives. [REDACTED]



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2.2. Non-financial KPIs

In accordance with the above corporate and operational objectives, the GPC Board undertakes to achieve the following non-financial performance targets in 2018–19:

Quarter (2018–19)				Non-financial KPIs	2016-2017 Actual	2017–18 Budget	2017–18 Forecast	2018-19 Target
Sep	Dec	Mar	Jun					
0	0	0	0	Customers				
				Complaints	0	0	0	0
n/a	n/a	n/a	n/a	Customer relationship (out of 10)	8.0	7.6	n/a	8.0
n/a	n/a	n/a	n/a	Community standing (out of 10)	8.1	7.6	n/a	8.0
n/a	n/a	n/a	n/a	Environment				
				Environmental Authority Exceedances	11	15	10	<15
n/a	n/a	n/a	n/a	Safety				
				Lost time injury frequency rate (LTIFR)	0.79	0.00	1.42	0.00
n/a	n/a	n/a	n/a	Lost time injury duration rate (LTIDR)	317.00	0.00	17.00	0.00
0	0	0	0	Number of security incidents reported	3	0	0	0
0	0	0	0	Staff turnover (%) (annualised)	7.55	10.00	10.00	10.00
0	0	0	0	Net Full Time Equivalent (FTE) Staff Numbers (Incl. GMPS)	726	769	776	765

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Quarter (2018–19)				Non-financial KPIs	2016–17 Actual	2017–18 Budget	2017–18 Forecast	2018–19 Target
Sep	Dec	Mar	Jun					
				Vessel Numbers				
164	164	165	165	RGTCT	618	644	627	658
3	3	2	3	Barney Point Terminal (BPT)	0	9	9	11
17	17	18	18	Port of Rockhampton	80	71	94	70
8	8	8	7	Port of Bundaberg	28	29	24	31
35	35	35	36	Auckland Point	158	129	158	141
25	25	24	24	WICT	82	106	89	98
82	82	82	82	Curtis Island	303	336	337	328
12	12	12	11	Boyne Wharf	47	47	44	47
60	60	60	60	South Trees	247	240	249	240
91	91	92	92	Fisherman’s Landing	357	344	366	366
497	497	498	498	Total	1,920	1,955	1,997	1,990

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Total tonnage throughput summary

	Quarters 2018-2019				2016-17	2017-18	2017-18	2018-19
	Sept	Dec	Mar	Jun	Actual	Budget	Forecast	Forecast
Tonnes - Export / Import								
Port of Gladstone - Coal								
RG Tanna (coal)	15,900	15,900	15,900	15,900	59,754	62,200	58,200	63,600
Barney Point (calcite, woodchip)	53	53	53	53	-	180	85	210
Port Central - AP1 (woodchip, calcite, etc)	-	-	-	-	375	60	222	-
Wiggins Island (coal)	2,750	2,750	2,750	2,750	9,192	11,900	9,900	11,000
Total Operations	18,703	18,703	18,703	18,703	69,321	74,340	68,407	74,810
Other (Non-Coal) Operations								
Port Central - AP2 (grain)	58	58	58	58	272	220	220	231
Port Central - AP3 (petroleum)	210	210	210	210	845	841	844	839
Port Central - AP4 (containers, misc)	149	149	149	149	597	443	590	595
Boyne (aluminum, caustic, carbon)	159	159	159	159	626	636	636	636
South Trees (bauxite, caustic, etc)	3,445	3,445	3,445	3,445	14,180	13,780	13,780	13,780
South Trees (non revenue earning - alumina)	-	-	-	-	-	-	-	-
Fisherman's Landing #1,2 (Comalco bauxite etc)	3,257	3,257	3,257	3,257	13,121	12,905	13,500	13,028
Fisherman's Landing #3 (Bulk products etc)	-	-	-	-	-	-	-	-
Fisherman's Landing #4 (cement products)	483	483	483	483	1,748	1,500	1,930	1,931
Fisherman's Landing #5 (Bulk liquids - caustic, ammonia)	80	80	80	80	305	350	350	320
Curtis Island (LNG)	5,240	5,240	5,240	5,240	19,392	21,485	21,485	20,959
Wiggins - Non coal	-	-	-	-	-	-	-	-
Total Other Operations	13,080	13,080	13,080	13,080	51,087	52,160	53,335	52,319
Total Port of Gladstone	31,782	31,782	31,782	31,782	120,408	126,500	121,742	127,129
Other								
Port of Rockhampton (ammonium nitrate, explosives etc)	51	51	51	51	233	207	207	203
Port of Bundaberg (sugar, molasses)	155	155	155	155	568	575	575	619
Total Other	205	205	205	205	801	782	782	822
Total GPC Port Tonnes	31,988	31,988	31,988	31,988	121,209	127,282	122,524	127,951

Total 2018-19 budget tonnes reflect a continuing rise in throughput, predominantly associated with coal tonnage throughput anticipated to rise from 2018 actual levels due to current prevailing market conditions at both RGCT and WICT.

Tonnage throughput summary by Cargo Type

	Quarters 2018-2019				2016-17	2017-18	2017-18	2018-19
	Sept	Dec	Mar	Jun	Actual	Budget	Forecast	Forecast
Tonnes - Cargo Type								
Aluminium	6,831	6,831	6,831	6,831	27,897	27,366	27,961	27,324
Containers	16	16	16	16	66	145	145	64
Magnesium	5	5	5	5	11	12	12	20
Misc Products	238	238	238	238	1,299	730	1,007	951
Wood	106	106	106	106	83	270	210	422
Agricultural Seeds	58	58	58	58	272	220	220	231
Petroleum	251	251	251	251	1,022	994	994	1,006
Cement	506	506	506	506	1,777	1,635	2,065	2,024
Coal	18,650	18,650	18,650	18,650	68,946	74,100	68,100	74,600
Sugar/Molasses	87	87	87	87	444	325	325	349
LNG	5,240	5,240	5,240	5,240	19,392	21,485	21,485	20,959
Total GPC Port Tonnes	31,988	31,988	31,988	31,988	121,209	127,282	122,524	127,951

2.3. Assumptions

GPC's undertaking to achieve its performance outcomes is predicated upon the following assumptions:

Assumptions	2017-18 Budget	2017-18 Forecast	2018-19 Budget
Economic Indices			
CPI (%)	2.0	2.0	2.5
Base Wages growth (%)	3.0	3.0	3.0
Long term interest rates (%)	4.87	4.87	4.71
General Port charges (%)	2.0	1.8	2.5
Revenue			
Port Services (Rate varies per customer)	In accordance with Harbour Pricing Model	In accordance with Harbour Pricing Model	In accordance with Harbour Pricing Model
Coal agreements	In accordance with Coal Pricing Framework	In accordance with Coal Pricing Framework	In accordance with Coal Pricing Framework
Operating Expenses (increase from prior period)			
Water (%)	2.0	2.0	3.0
Fuels and Oils (%)	5.0	5.0	0
Electricity	15.0	15.0	(4.0)

2.4. Community Service Obligations (CSOs)

No community service obligations have been highlighted for GPC in 2018-19.

2.5. Employment and Industrial Relations (E&IR) Plan

An E&IR Plan meeting the requirements of Section 149 of the GOC Act and the Guidelines for the Development of Employment and Industrial Relations Plans in Government Owned Corporations (E&IR Plan Guidelines) is provided to shareholding Ministers as Attachment 3.

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3. Additional matters

3.1. Financials

Statement of Comprehensive Income (Consolidated)

	Quarters 2018-2019				2016-17	2017-18	2017-18	2018-19
	Sept	Dec	Mar	Jun	Actual	Budget	Forecast	Forecast
Cargo Handling	64,910	64,910	64,910	64,910	238,928	229,037	229,202	259,639
Shipping Services	7,855	7,855	7,855	7,855	31,674	33,131	33,213	31,420
Channel	36,554	36,554	36,554	36,554	138,072	143,684	138,820	146,215
Smallcraft Services	367	367	367	367	2,040	1,580	1,301	1,468
Property Revenue	2,689	2,689	2,689	2,689	13,357	10,931	11,065	10,755
Recoverable Work	174	174	174	174	11,299	512	4,178	695
Interest Revenue	688	688	688	688	2,973	2,753	2,753	2,753
Sundry Revenue	1,266	1,266	1,266	1,266	17,919	5,013	2,884	5,063
Gain/Loss on Sale of FA	-	-	-	-	3,061	-	1	-
Revenue	114,502	114,502	114,502	114,502	459,325	426,642	423,417	458,007
Operations	(19,440)	(20,337)	(19,961)	(20,163)	(84,212)	(80,650)	(82,915)	(79,902)
Maintenance	(19,721)	(22,672)	(17,715)	(19,973)	(72,537)	(74,146)	(73,867)	(80,081)
Direct Overhead	(14,224)	(14,376)	(14,341)	(14,829)	(83,006)	(56,217)	(54,339)	(57,770)
Asset Re/Devaluations	-	-	-	-	4,821	-	-	-
Energy	(4,853)	(4,853)	(4,993)	(5,021)	(18,239)	(19,931)	(20,111)	(19,720)
EBITDA	56,263	52,264	57,491	54,516	206,152	195,698	192,185	220,534
Depreciation and Amortisation	(21,837)	(21,912)	(21,926)	(21,966)	(72,739)	(77,885)	(77,585)	(87,642)
Impairment	-	-	-	-	1,466	-	-	-
EBIT	34,426	30,352	35,565	32,549	134,880	117,813	114,600	132,892
Interest Expense	(9,629)	(9,629)	(9,629)	(9,629)	(37,621)	(42,493)	(38,000)	(38,516)
PBT	24,797	20,723	25,936	22,920	97,259	75,320	76,600	94,376
Tax Expense	(7,078)	(7,078)	(7,078)	(7,078)	(25,223)	(22,596)	(22,980)	(28,313)
PAT	17,719	13,645	18,858	15,842	72,036	52,724	53,620	66,063

Forecast 2018-19 total revenue has increased by 8.2% from the 2017-18 forecast, with Cargo Handling revenue increasing by 13.3%.

Total operating expenditure increased by 2.7%

Depreciation increased by approximately \$10 million, resulting in an increased Earnings Before Interest and Taxation (EBIT) of \$132.892 million and subsequent improved Profit After Tax of \$66.063 million.

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Statement of Financial Position

	Quarters 2018-2019				2016-17	2017-18	2017-18	2018-19
	Sept	Dec	Mar	Jun	Actual	Budget	Forecast	Forecast
Cash and Cash Equivalents	166,770	161,383	155,996	150,609	159,735	91,546	172,158	150,609
Trade and Other Receivables	83,143	83,454	83,764	84,075	81,608	58,220	82,832	84,075
Inventories	12,025	12,070	12,115	12,160	11,803	13,565	11,980	12,160
Prepayments	1,950	1,993	2,037	2,080	1,732	2,036	1,906	2,080
Assets Classified as Held for Resale	522	522	522	522	522	425	522	522
Derivative Financial Instruments	2,855	2,855	2,855	2,855	2,855	2,702	2,855	2,855
Current Assets	267,265	262,277	257,289	252,300	258,255	168,494	272,253	252,300
PP&E and Intangibles	2,019,723	2,028,339	2,036,955	2,045,571	2,023,622	2,006,615	2,011,107	2,045,571
Investment Properties	90,851	90,775	90,700	90,625	90,899	106,737	90,926	90,625
Deferred Tax Assets	18,520	18,543	18,566	18,589	18,405	14,150	18,497	18,589
Non Current Assets	2,129,094	2,137,658	2,146,222	2,154,785	2,132,925	2,127,502	2,120,530	2,154,785
Total Assets	2,396,359	2,399,935	2,403,510	2,407,086	2,391,180	2,295,996	2,392,783	2,407,086
Current Trade and Other Payables	(60,667)	(60,894)	(61,121)	(61,347)	(59,547)	(52,302)	(60,441)	(61,347)
Short-term Provisions - Employee	(32,226)	(32,578)	(32,930)	(33,282)	(34,430)	(32,373)	(31,874)	(33,282)
Short-term Provisions - Other	(4,328)	(4,328)	(4,328)	(4,328)	(4,328)	(6,481)	(4,328)	(4,328)
Short-term Provisions - Dividend	(56,731)	(59,842)	(62,952)	(66,063)	(61,037)	(52,724)	(53,620)	(66,063)
Income Tax Payable	(29,237)	(31,437)	(33,637)	(35,837)	(8,849)	(22,596)	(27,037)	(35,837)
Derivative Financial Instruments	(2,905)	(2,905)	(2,905)	(2,905)	(2,905)	(2,801)	(2,905)	(2,905)
Current Liabilities	(186,094)	(191,984)	(197,874)	(203,763)	(171,097)	(169,277)	(180,205)	(203,763)
Non-current Trade and Other Payables	(17,363)	(16,780)	(16,196)	(15,613)	(20,164)	(17,922)	(17,946)	(15,613)
Long-term Provisions - Employee	(11,654)	(11,781)	(11,908)	(12,036)	(12,848)	(11,707)	(11,526)	(12,036)
Long-term Provisions - Other	(12,459)	(12,459)	(12,459)	(12,459)	(12,459)	(12,459)	(12,459)	(12,459)
Long-term Borrowings	(778,834)	(778,834)	(778,834)	(778,834)	(778,834)	(778,834)	(778,834)	(778,834)
Deferred Tax Liabilities	(322,012)	(320,154)	(318,296)	(316,438)	(327,835)	(328,192)	(323,870)	(316,438)
Long-term Finance Lease Liability	-	-	-	-	-	-	-	-
Non Current Liabilities	(1,142,322)	(1,140,008)	(1,137,694)	(1,135,380)	(1,152,141)	(1,149,114)	(1,144,636)	(1,135,380)
Total Liabilities	(1,328,416)	(1,331,992)	(1,335,568)	(1,339,144)	(1,323,238)	(1,318,391)	(1,324,841)	(1,339,144)
Net Assets	1,067,942	1,067,942	1,067,942	1,067,942	1,067,942	977,605	1,067,942	1,067,942
Issued Capital	675,496	675,496	675,496	675,496	675,496	675,496	675,496	675,496
Asset Revaluation Reserve	381,411	381,411	381,411	381,411	381,411	302,110	381,411	381,411
Retained Earnings	11,036	11,036	11,036	11,036	11,036	-	11,036	11,036
Equity	1,067,942	1,067,942	1,067,942	1,067,942	1,067,942	977,605	1,067,942	1,067,942

NB: Cash and Cash Equivalents includes both working capital bank accounts and the QTC Advance Facility. For the 2019 year, forecast cash holdings are anticipated to be ~\$15million working capital and \$135.61million within the QTC Advance Facility. For the 2018 year, forecast cash holdings are anticipated to be ~\$15million working capital and \$157.16million within the QTC Advance Facility.

The significant continuing capital program planned for 2018-19 results in a marginally reduced cash balance of \$150.609 million.

There is no requirement for additional borrowings during the year, however given the continuing 100% dividend policy, there is also no loan pay down assumption incorporated, resulting in GPC's balance sheet strength remaining consistent with current and prior years.

Statement of Corporate Intent 2018–19

Statement of Cash Flows

	Quarters 2018-2019				2016-17	2017-18	2017-18	2018-19
	Sept	Dec	Mar	Jun	Actual	Budget	Forecast	Forecast
PAT	17,719	13,645	18,858	15,842	72,036	52,724	53,620	66,063
Depreciation and Amortisation	21,837	21,912	21,926	21,966	72,739	77,885	77,585	87,642
Asset Re/Devaluations	-	-	-	-	(4,821)	-	-	-
Impairment	-	-	-	-	(1,466)	-	-	-
Gain/Loss on Sale of FA	-	-	-	-	(3,061)	-	(1)	-
Net Cash from Operations	39,556	35,556	40,784	37,808	135,427	130,609	131,204	153,705
Movements in Receivables	(311)	(311)	(311)	(311)	(25,096)	(860)	(1,224)	(1,242)
Movements in Other Assets	(44)	(44)	(44)	(44)	(199)	(174)	(174)	(174)
Movements in Inventory	(45)	(45)	(45)	(45)	1,364	(200)	(177)	(180)
Movements in Deferred Tax Asset	(23)	(23)	(23)	(23)	(4,395)	(70)	(92)	(92)
Movements in Trade Creditors	(357)	(357)	(357)	(357)	6,815	(1,443)	(1,325)	(1,426)
Movements in Other Liabilities	-	-	-	-	104	-	-	-
Movements in Provisions	479	479	479	479	11,029	1,480	(3,878)	1,918
Movements in Income Tax	2,200	2,200	2,200	2,200	1,315	(1,497)	18,188	8,800
Movements in Deferred Tax Liability	(1,858)	(1,858)	(1,858)	(1,858)	(1,498)	1,484	(3,965)	(7,432)
Net Operating Cashflows	39,598	35,599	40,827	37,851	124,867	129,328	138,557	153,876
Property Plant & Equipment	(30,451)	(30,451)	(30,451)	(30,451)	(58,541)	(174,961)	(65,098)	(121,805)
Proceeds from Sale of Property, Plant & Equipment	-	-	-	-	3,777	-	1	-
Net Investing Cashflows	(30,451)	(30,451)	(30,451)	(30,451)	(54,765)	(174,961)	(65,097)	(121,805)
New Loans	-	-	-	-	-	-	-	-
Repayment of Borrowings	-	-	-	-	317,641	45,000	-	-
Dividends Paid	(13,405)	(13,405)	(13,405)	(13,405)	(405,827)	(56,219)	(61,037)	(53,620)
Net Financing Cashflows	(13,405)	(13,405)	(13,405)	(13,405)	(88,185)	(11,219)	(61,037)	(53,620)
Miscellaneous	(1,130)	2,870	(2,358)	618	-	-	-	-
Total Cash Movements	(5,387)	(5,387)	(5,387)	(5,387)	(18,083)	(56,851)	12,423	(21,549)
Opening Cash and Cash Equivalents	172,158	166,770	161,383	155,996	177,818	148,397	159,735	172,158
Total Cash Movements	(5,387)	(5,387)	(5,387)	(5,387)	(18,083)	(56,851)	12,423	(21,549)
Closing Cash and Cash Equivalents	166,770	161,383	155,996	150,609	159,735	91,546	172,158	150,609

NB: Cash and Cash Equivalents includes both working capital bank accounts and the QTC Advance Facility. For the 2019 year, forecast cash holdings are anticipated to be ~\$15million working capital and \$135.61million within the QTC Advance Facility. For the 2018 year, forecast cash holdings are anticipated to be ~\$15million working capital and \$157.16million within the QTC Advance Facility.

GPC's Net Operating Cashflows continue to remain strong into the 2018-19 year. This results in a continuing large cash balance forecast at year end, even in light of a continuing large capital spend forecast of \$121.805 million.

Equity Injections/(Reduction) (\$'000s)	2016-17 Actual	2017-18 Budget	2017-18 Forecast	2018-19 Budget
Equity injections	Nil	Nil	Nil	Nil
Equity reduction	Nil	Nil	Nil	Nil
Issued Capital and reserves	Nil	Nil	Nil	Nil

GPC is not forecasting any requirement for equity injections or paybacks during the coming 2018-19 year.

Statement of Corporate Intent 2018–19

Contributions to the State

\$'000s	2016–17 Actual	2017–18 Budget	2017–18 Forecast	2018–19 Budget
Tax Equivalent Payments	(25,223)	(22,596)	(22,980)	(28,313)
Dividend Provisions	(61,037)	(52,724)	(53,620)	(66,063)
Equity Returns	-	-	-	-

Financial contributions: Major Business Divisions

Business Division	Nature of Business	Contribution to GPC 2017-18 (\$'000s)	Contribution to GPC 2018-19 (\$'000s)	Explanation of Variation

3.2. Undertakings and Businesses

GPC continues to operate as a consolidated entity with GMPS a subsidiary company through which Marine Pilot operations are undertaken.

3.3. Capital Expenditure Program

3.3.1. Assets under construction

The GPC Capital Investment Program is reported on the following page. It is split into projects over \$500,000 and split by business centre for new projects to be approved in 2017-18, and for continuing spend on currently approved projects that will be undertaken in the 2018-19 year. Investment in port expansions, including associated planning activities, will be undertaken through proponent or other external funds arrangements. GPC undertakes to notify and seek shareholding Ministers' approval of investments of \$10 million and \$30 million respectively.

Statement of Corporate Intent 2018-2019

Capital Expenditure Budget 2018-19

		APPROVALS (\$'000's)		CASHFLOW (\$'000's)							
Project Details		Original SCI Year	Prior Year Approved Projects	YEJ2019	Prior Year Spend	SCI19-23					
SCI and Corporate Plan Categorisation						18/19	Quarter 1 July - Sep	Quarter 2 Oct - Dec	Quarter 3 Jan - Mar	Quarter 4 Apr - Jun	Subsequent Years
	TOTAL PROJECTS UNDER \$500K										
	AUCKLAND POINT										
	AP1 Concrete Remediation (Anode Slotting on Unrepaired Areas)	SCI18									
	AP Cruise Terminal & Infrastructure	SCI19									
	BARNEY POINT										
	BPT Loading Assets Life Extension for Multi Products 18/19	SCI19									
	Seal BPT Roads for Truck Path/Conveyor Overpass	SCI19									
	Woodchip Stockpile	SCI19									
	BUNDABERG										
	Port of Bundaberg Roads (Newman Street)	SCI19									
	EARTHWORKS										
	Unit 322 (46 Tonne Excavator)	SCI19									
	Unit 321 (45 Tonne Excavator)	SCI19									
	FINANCE										
	Strategic Feasibility Assessment and Project Contingency 18/19	SCI19									
	FISHERMANS LANDING										
	Land Reclamation Cell 1/2 Fisherman's Landing (Northern Services Corridor)	SCI19									
	INFORMATION SYSTEMS										
	SCI19 Application Portfolio Rationalisation	SCI19									
	SCI19 Enterprise Data Management Tool	SCI19									
	SCI19 HRIS and Payroll Upgrade / Replacement	SCI19									
	SCI19 IS Infrastructure Lifecycle & Enhancement	SCI19									
	SCI19 Oracle JDE Upgrade	SCI19									
	SCI19 PMIS	SCI19									
	SCI19 Security Improvement Program	SCI19									
	SCI19 Service Enhancement Program	SCI19									
	SCI19 Standard Desktop Operating Environment Upgrade	SCI19									
	MARINA										
	Pontoon Piles Replacment 18/19	SCI19									
	MARINE PILOTS SERVICE										
	Pilot Boat 16/17	SCI17									
	PORT ALMA										
	Purchase of Freehold Land (Fisherman)	SCI19									
	PORT SERVICES										
	Flinders Parade Road Improvements	SCI18									
	Marina Bulk Earthworks (East of Alf O'Rourke Dr) 18/19	SCI19									
	East Shores Stage 1B	SCI18									

Statement of Corporate Intent 2018-2019

Project Details		Original SCI Year	APPROVALS (\$'000's)		Prior Year Spend	CASHFLOW (\$'000's)					
SCI and Corporate Plan Categorisation	Prior Year Approved Projects		YEJ2019	SCI19-23							
				18/19		Quarter 1 July - Sep	Quarter 2 Oct - Dec	Quarter 3 Jan - Mar	Quarter 4 Apr - Jun	Subsequent Years	
● Old Harbour Board Building Refurbishment (Flinders Parade)		SCI19									
● Auckland Hill Marina Viewing Platform		SCI19									
● Channel Duplication Investigations		SCI11									
● Clinton Bypass Channel Widening		SCI19									
● Dredging - Targinnie Channel EIS		SCI19									
● RG TANNA											
● Isolation of Meduim Voltage Conveyor - CCSA Trial		SCI18									
● Wharf Slurry System Upgrade - Stream 1 & 2 - Early Works		SCI18									
● CCS Structural Life Extension		SCI18									
● Local Isolators for 5 Series Conveyors		SCI19									
● SL2 Mechanical Life Extension - Shuttle and Long Travel Upgrades		SCI19									
● SL3 Cabin Relocation & Control/Electrical - Execution		SCI19									
● CCS Structural Life Extension - Stage 2		SCI19									
● Tunnel Ventilation/Water Addition Upgrades		SCI19									
● Wharf Slurry System Upgrade - Stream 1 & 2 - Tail End Execution		SCI19									
● RGT Feasibilities		SCI19									
● CC1B Life Extension - Stage 1		SCI18									
● Replacement Water Cart WC1000		SCI18									
● D11 Dozer Replacement (18/19)		SCI18									
● DS2, CDS1, CC1 Life Extension		SCI18									
● DS1 Feeder Hopper Replacement		SCI18									
● CC1B Life Extension - Stage 2		SCI19									
● CAT Certified Rebuild SCI19		SCI19									
● CAT Certified Rebuild SCI19		SCI19									
● Dozer Major Rebuilds SCI19		SCI19									
● CC1 & CC18 VSD Upgrade and Redundancy		SCI15									
● Fuel Bay Upgrade - Stage 4		SCI17									
● Stockpile Management - Stage 2		SCI15									
● Capacity Maximisation (SCI17)		SCI17									
● Capacity Maximisation (SCI19)		SCI19									
● Increase DP1 Stormwater Retention Capacity		SCI18									
● Seal Approximately 500m of road in aid of dust prevention		SCI19									
● RGT Environment Pit (Inside Loop)		SCI19									
● RGTCT Drain/Kerb Replacement 18/19		SCI19									
Subtotal											
TOTAL											

Approved	
● Board	
● Shareholding Ministers	
Not Approved	
● Board	
● Shareholding Ministers	

3.4. Sponsorship, Advertising, Corporate Entertainment, Donations and Strategic Community and Stakeholder Engagement Activities

Consistent with the Corporate Entertainment and Hospitality Guidelines and GPC's Corporate Entertainment and Hospitality Policy, GPC has budgeted the following total amounts for Sponsorship, Advertising, Corporate Entertainment, Donations and Strategic Community and Stakeholder Engagement Activities in 2018-19. Full details of the budgeted expenditure are provided in Attachment 4.

Activity	2017-18 Budget (\$)	2017-18 Forecast (\$)	2018-19 Budget (\$)
Sponsorships	225,000	230,750	231,000
Advertising	68,075	62,632	81,020
Corporate Entertainment	6,450	11,122	8,270
Donations	10,000	19,091	10,000
Strategic Community and Stakeholder Engagement Activities	196,270	170,650	200,500
Total	505,795	494,245	530,790

The table includes all activities both above and below \$5,000. GPC will provide details of any significant changes to the listed commitments in quarterly reports to shareholding Ministers and will notify shareholding Ministers of any significant proposed sponsorship arrangements prior to the signing of a binding contract.

GPC actively participates in the Gladstone Healthy Harbour Partnership (GHHP) in a manner which ensure the Gladstone community and other stakeholders are better informed about the state of the environs of Gladstone harbour. GPC's contributions actual and budgeted are below:

Other Strategic Community and Stakeholder Engagement Activities	2017-18 Budget (\$)	2017-18 Forecast (\$)	2018-19 Budget (\$)
GHHP	150,000	100,000	100,000

3.5. Other

As part of its performance agreement with shareholding Ministers, the Board of GPC provides additional undertakings as outlined in the following sections.

3.5.1. Prudential financial information

Without limiting the obligations imposed on the Board and the Chief Executive Officer (CEO) by the GOC Act and, where applicable, the *Corporations Act 2001*, the Board will ensure GPC takes full responsibility to ensure that prudent financial practices are applied and commits to:

1. abide by the Code of Practice for Government Owned Corporations' Financial Arrangements (Code of Practice) as issued by the Queensland Government

2. establish, maintain and implement appropriate financial risk management practices and policies required and as specified in the Code of Practice.

3.5.2. Capital structure

As an integral part of the financing of GPC, the overall debt will be managed to ensure that GPC maintains the appropriate credit or other rating as directed by shareholding Ministers.

3.5.3. Weighted Average Cost of Capital (WACC)

The Board will ensure that GPC reviews its WACC on a regular basis as part of the financial reporting process; GPC's beta and optimal capital structure have been determined in consultation with shareholder representatives.

Separate WACC's may be calculated for those parts of GPC's operations that face materially differing business risk profiles.

GPC collects revenue from its Cargo Handling and Port Management activities in addition to charges for the use of various infrastructure assets and its pricing strategy is reflected by:

1. prior long-term contractual agreements;
2. current contractual agreements;
3. general short-term use of infrastructure or other GPC owned assets and services;
4. handling charges – for handling product, including receipt, storage, loading;
5. harbour dues and tonnages – for use of harbour wharves and port infrastructure;
6. other shipping services – such as water, mooring, brow hire etc.;
7. property rentals;
8. marine pilot services; and
9. marina and smallcraft, other general.

3.5.4. Dividend policy and payment

The dividend process is governed by the *Government Owned Corporations Act 1993* and the *Corporations Act 2001* (Cth). GPC recommends a dividend amount equivalent to 100% of GPC's adjusted profit for the 2017–18 year. When determining the actual dividend to be paid based upon the audited financial results, the Board will ensure shareholding Ministers' are consulted through their Departments.

A dividend recommendation letter was provided by the Board to shareholding Ministers in May 2018, which included an estimate of the 100% dividend for the financial year ended 30 June noting the potential for adjustment when actual 2017–18 results are known. Adjusted profit is defined as:

1. the total of income less expenses (including income tax equivalent expense), excluding the components of other comprehensive income (other comprehensive income comprises items of income and expense that are not recognised in profit or loss as required or permitted by Australian Accounting Standards)
2. adjusted for material non-cash items including any associated tax credit or expense.

Statement of Corporate Intent 2018–19

GPC commits to providing information in its dividend letter to shareholding Ministers for 2018–19 that includes, but is not limited to, the following:

1. a statement of compliance with the requirements of section 254T of the *Corporations Act 2001* and the *Corporations Act 2001* generally
2. the current and estimated amount of consolidated profit for the financial year (excluding components of other comprehensive income)
3. the current estimated amount of adjusted consolidated profit for the financial year inclusive of the details of adjustments
4. a statement that adjustment items or further adjustment items may be identified during audited financial statement preparation
5. GPC's recommended dividend as a percentage of the estimated adjusted consolidated profit and the current estimated dollar amount
6. a statement that the dividend is to be declared out of profits and that the dividend payment will be the dividend approved or directed as a percentage of adjusted audited consolidated profit
7. a statement that any material differences between the estimated dollar amount of the dividend and the actual dividend to be paid for 2018–19 will be advised by GPC as soon as identified.

3.5.5. Borrowings

The Board will not be seeking any additional borrowings for 2018–19 due to delays in major infrastructure project undertakings (largely the CVIP). GPC continues to have access to a short-term funding facility of \$30 million with Queensland Treasury Corporation.

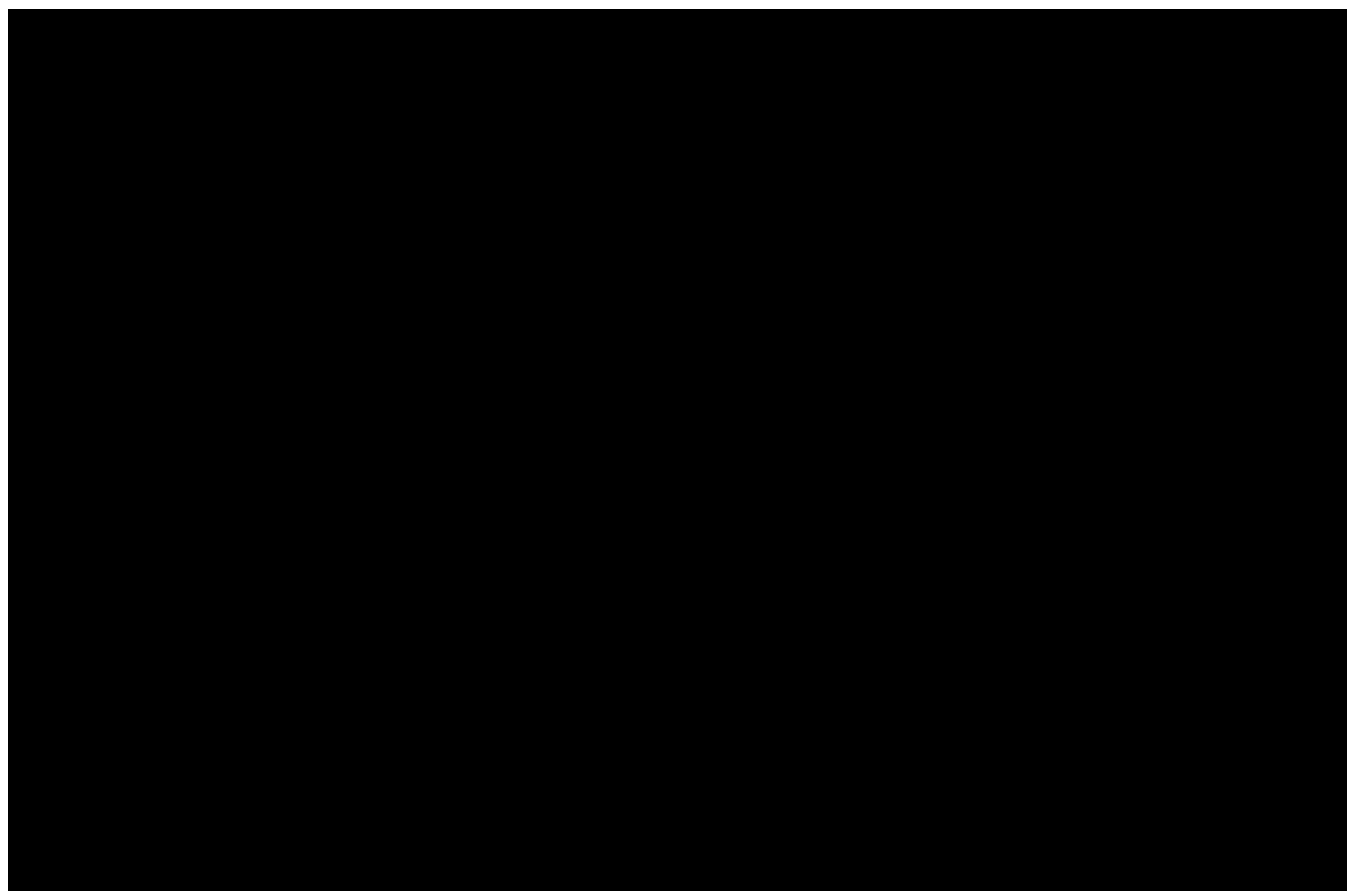
3.5.6. Corporate Governance Guidelines for Government Owned Corporations

The Board of GPC undertakes to continually monitor and review its corporate governance arrangements to reflect good practice, having regard to the Corporate Governance Guidelines for Government Owned Corporations (Corporate Governance Guidelines).

3.5.7. Risk management

The Board is accountable for the effective management and monitoring of all internal and external risks faced by the Corporation. The Corporation adopts AS/NZS ISO 31000: 2018 as its risk management Standard and is also guided by its Risk Appetite Statements when managing risks. Risk Management Plans have been incorporated into GPC's corporate planning processes.

The major risks facing GPC in 2018–19 are:



A detailed summary and mitigation strategies are included in the Corporation's Corporate Plan 2018 – 23.

3.5.8. Compliance with Government Policies

The GPC Board will comply with all relevant Government Policies and Guidelines as advised by shareholding Ministers from time to time.

4.0 Performance Agreement

DIRECTORS' STATEMENT AND AGREEMENT OF SHAREHOLDING MINISTERS

This SCI and all attachments, for 2018–19 are presented in accordance with Chapter 3, Part 8 of the *Government Owned Corporations Act 1993 Qld* (GOC Act).

In accordance with Chapter 1, Part 3, Section 7 of the GOC Act, the SCI represents a formal performance agreement between the Board of GPC and its shareholding Ministers, The Hon. Jackie Trad MP, Deputy Premier, Treasurer, Minister for Aboriginal and Torres Strait Islander Partnerships, and The Hon. Mark Bailey MP, Minister for Transport and Main Roads with respect to the financial and non-financial performance targets specified for the financial year. The SCI also represents an acknowledgement of an agreement to major activities, objectives, undertakings, policies, investments and borrowings of GPC for 2018–19.

This SCI is consistent with GPC's 2018–23 Corporate Plan submitted to, and agreed to by, shareholding Ministers in accordance with Chapter 3, Part 7 of the GOC Act.

In signing this document the Board of GPC undertakes to ensure that the document and all reports to shareholding Ministers are prepared with accuracy and timeliness.

In signing this document GPC's Board undertakes to achieve the targets proposed in the SCI for 2018–19.

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

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



Leo M Zussino (Chairman)

Date: 28/05/18

The Hon. Jackie Trad MP

Deputy Premier
Treasurer

Minister for Aboriginal and Torres Strait Islander Partnerships

Date:

The Hon. Mark Bailey MP

Minister for Transport and Main Roads

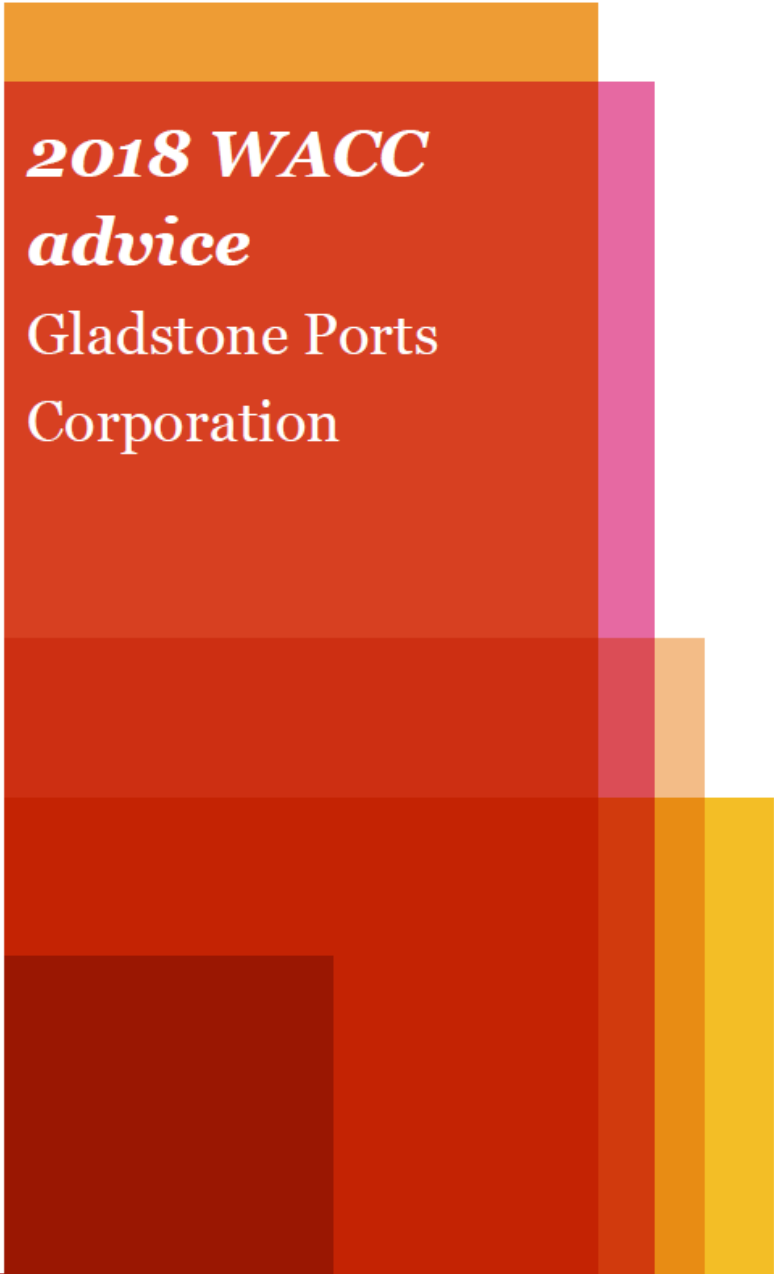
Date:

Attachment 1 – List of financial and non-financial target definitions

Target description	Definition
Current Ratio	Current assets / current liabilities
EBITDA	Earnings before interest, tax and depreciation
EBIT	Earnings before interest and taxation
Interest Cover	EBIT / interest expense
Lost time injury frequency rate (LTIFR)	(Number of lost time injuries x 1,000,000) / the total man hours worked in the period
Lost time injury duration rate (LTIDR)	Number of days lost / by the number of lost time injuries
NPAT	Net profit after taxation
Return on Assets	EBIT / average assets
Return on Operating Assets	EBIT / property, plant and equipment
Return on Equity	Profit after tax / average equity
Ship loading delays	Gross process, external and equipment delays
Train unloading delays	Gross process, external and equipment delays

Attachment 2 – WACC Calculations

www.pwc.com.au



2018 WACC advice

Gladstone Ports Corporation

Gladstone Ports
Corporation
WACC advice
31 January 2018

pwc

Executive summary

In this report we have calculated a discount rate for Gladstone Ports Corporation (GPC) applying a Fair Value (FV) methodology.

We understand that a significant proportion of GPC's commercial arrangements apply price setting mechanisms broadly consistent with a regulated entity, and so it is arguably appropriate to adopt the same discount rate basis a regulator would use. However, in an open market it is less clear that investors would separately value the benefits of imputation and so we have estimated a range of FV rates which, at the high end, reflects no imputation and at the low end reflects imputation.

This advice on the discount rate should not be considered in isolation from the cash flows that the rate will be applied to. Once the cash flows are developed and the discount rate applied, the reasonableness of the outcomes should be considered. We understand the cash flows GPC adopts for its analysis are typically conservative and risk adjusted. For example, we understand that the cash flows only incorporate the current term of the take or pay contracts and to the extent the contracts contain an option to extend this option is not considered in the cash flows. Given this, we consider the discount rate applied to these cash flows should be estimated on a consistent basis and it should not incorporate any additional risk premium. However, if GPC was to adopt riskier cash flows then the discount rate may be adjusted accordingly.

We estimate the FV WACC for GPC to be between [REDACTED] expressed as a nominal, post-tax value. We acknowledge that our 'mid-point' is not the mathematical mid-point of the range but does reflect the rate based on the approximate mid-point of the range of assumptions adopted. It reflects the fact the relationship between the high and low assumptions is not always linear. This discount rate would be applied to nominal post-tax cash flows which are not adjusted for the impact of imputation. This rate is suitable for use in impairment testing using the FV approach, and is appropriate to adopt as a hurdle rate for considering projects GPC may undertake. In Appendix B we present the results of sensitivity analysis applying different parameter values, including variations to the asset beta, equity market risk premium, gamma and gearing.

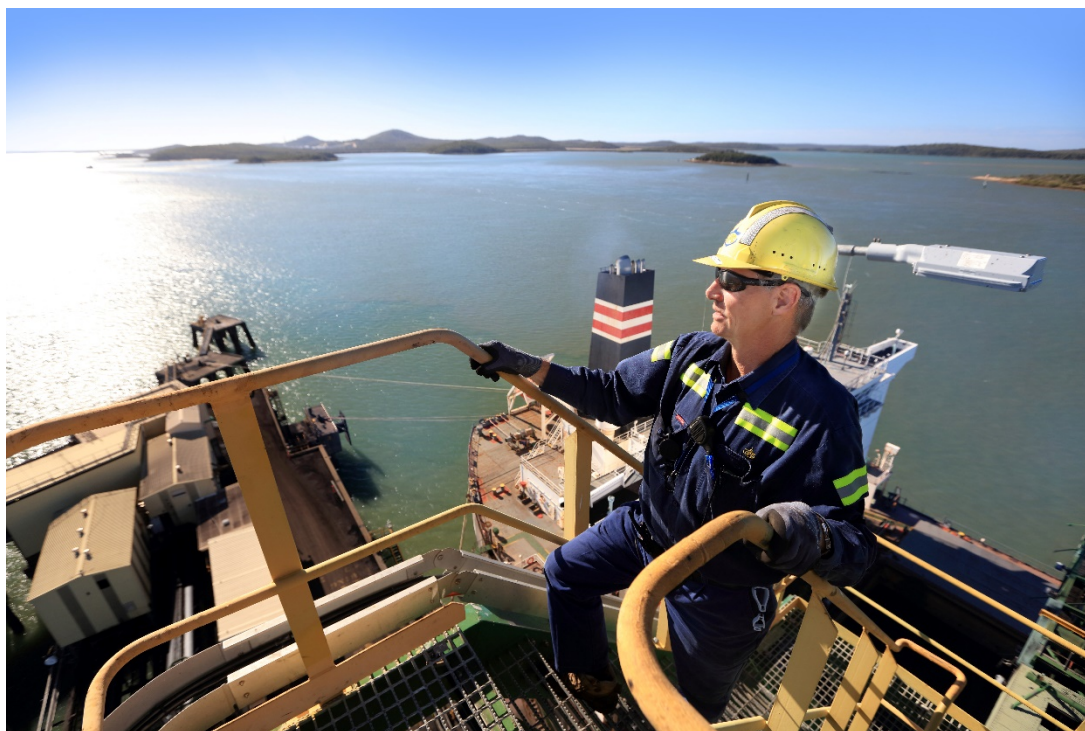
Attachment 3 – Employment and Industrial Relations Plan 2018–19



Gladstone Ports Corporation

Growth, Prosperity, Community.

Employment and Industrial Relations Plan 2018–19



Mission Statement

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

SHAREHOLDER INFORMATION

1. Employment and Industrial Relations Philosophy / Direction

Gladstone Ports Corporation's (GPC) vision is to be the most respected Ports Corporation in the nation. GPC's ports have seen significant growth in recent years, however we are now in a period of sustainable and efficiency in our operations. To realise this vision, GPC's employment and industrial relations philosophy is to achieve continued excellence in its operations by engaging with our workforce. This will be achieved by:

- A strong commitment to a consultative approach with employees;
- Fostering a stable, appropriately resourced and competent workforce;
- The alignment of core values, accountabilities and incentives with business strategy at all organisation levels;
- Assuring a safe and healthy workforce where fitness for work is optimised and harm is eliminated; and
- Generating mutual values through positive stakeholder relationships.

The broad strategic objectives for GPC in the area of employment and industrial relations will focus on:

- Aligned and capable workforce;
- Quality of leadership;
- Fairness in relation to conditions of employment;
- Openness and action oriented outcomes;
- Continuous improvement and innovation; and
- Sustainable outcomes.

GPC will strive to maintain a culture of mutual interest and care for our employees. Everyone is encouraged to take an interest in employees including their families and to support the local community. GPC will comply with all relevant policies and guidelines issued by Government.

GPC's primary Employment and Industrial Relations goal for 2018–19 period are to:

- Engage our people and focus upon developing our leadership talent.

GPC has a strong commitment to employee engagement and leadership development. To leverage this commitment, we will focus upon two corporate wide initiatives. During the 2018–19 period we will deliver the actions identified through the 2018 Employee Engagement Survey and will implement a range of leadership development initiatives as defined in our GPC Leadership Development Framework.

A key deliverable of the 2018 Employee Engagement Survey is to identify actions and opportunities for improvement across the working environment of approximately 776 employees. These drivers include:

- | | |
|---------------------------|---|
| • Safety and Environment | • Communications |
| • GPC Leaders | • Motivation, Commitment and Empowerment |
| • My Immediate Supervisor | • Recognition and Rewards |
| • My Team / Colleagues | • Work / Life Balance |
| • My Job | • Diversity and inclusion / Equal Opportunity |
| • Our Workplace Culture | • Overall Satisfaction |

Statement of Corporate Intent 2018–19

GPC will also launch a number of initiatives from the GPC Leadership Development Framework. Such initiatives include the Leadership Development Program (LDP), which will focus on developing our middle managers. Through this program we are also looking to introduce and embed common leadership tools, models, language, concepts and behaviours that will be used across all areas of GPC. Our programs will also further embed the “Switch on” initiative that was rolled out across the business over the past eighteen months.

Other key contributors to the delivery of our 2018 – 19 Industrial Relations strategy include:

- Finalising and embedding the implementation of a major organisational restructure, to ensure our workforce skills are better aligned to the existing and future activities of GPC’s business;
- Aligning our work practices and resources to deliver greater efficiencies;
- Continue to reduce our unscheduled absence and excess accrued annual leave overheads; and
- In consultation with our workforce, we will continue to implement internal changes and key initiatives aimed at reducing costs. The key deliverable of this work is to deliver greater efficiencies for our customers and provide value for shareholders.

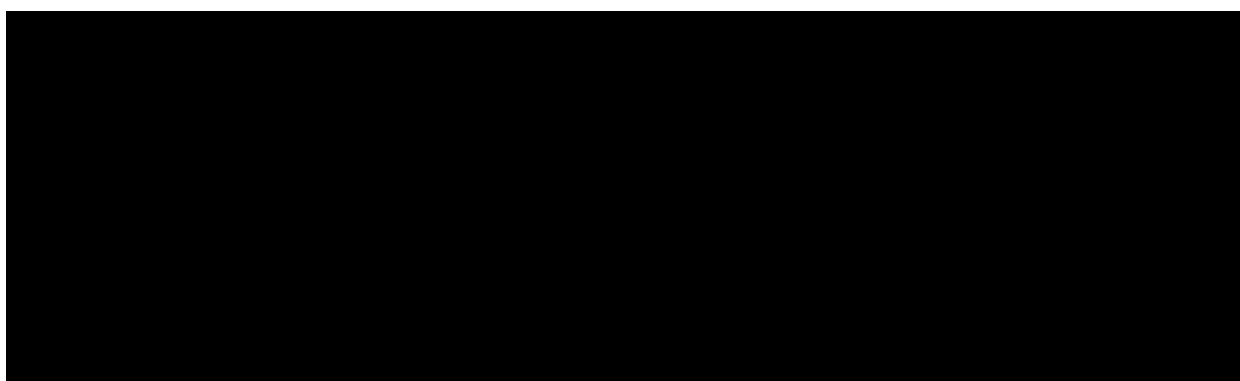
GPC recognises our customers’ expectations in that there is a heightened focus on the efficiency and effectiveness of our operations. GPC is committed in delivering greater efficiencies to meet the needs of a changing market environment in which we operate.

2. Significant and Emerging Issues

The significant issues that will influence GPC’s 2018–19 Employee and Industrial Relations (E&IR) Plan and approach include:

- **Implement the GPC Enterprise Agreement 2016 (EA) Productivity Initiatives**

As part of the Gladstone Ports Corporation Enterprise Agreement 2016, GPC and the parties agreed to realise a number of productivity efficiencies, including:



- **Finalise and implement the GMPS Enterprise Agreements**

The 2017 Gladstone Marine Pilot Agreement and the 2017 Gladstone Pilot Transfer Crew Agreement are in the final stages of receiving Government approval. Following successful employee ballots conducted in March 2018, the finalised Agreements have been submitted to the CBRC for final approval and Fair Work Australia for endorsement and registration.

3. Senior Executive Remuneration

CEO and Senior Executives

CEO/Senior Executives	Base Salary ¹	Employer Superannuation Contributions ²	Motor Vehicle ³	Car park ⁴	Other personal benefits ⁵	Total Fixed Remuneration ⁶	Other non-personal benefits ⁷	Performance Payment Made ⁸
Chief Executive Officer Peter O'Sullivan	539,882.04	68,834.96	Nil	Nil	3,000.00	611,717.00	Nil	Nil
Commercial General Manager Michael Galt	373,917.46	47,674.48	10,328.34	Nil	2,200.00	434,120.28	Nil	Nil
Asset Management & Project Services General Manager Allan Brown	341,619.65	43,556.51	10,541.98	Nil	1,695.00	397,413.14	Nil	Nil
Port Strategy & Development General Manager Craig Walker	323,424.66	30,725.34	Nil	Nil	1,650.00	355,800.00	Nil	Nil
Operations General Manager Ben Hayden*	264,080.00	33,670.20	11,000.00**	Nil	1,650.00	310,400.20	Nil	Nil
People, Community & Sustainability General Manager Rowen Winsor	255,373.15	32,560.08	10,416.77	Nil	1,650.00	300,000.00	Nil	Nil

*Ben Hayden – commenced in role 5 March 2018.

** Motor Vehicle calculation to be confirmed upon vehicle order.

- Includes salary sacrifice items plus cash salary.
- Employer contributions to superannuation (other than by salary sacrifice).
- Value of a motor vehicle for business and personal use (other than by salary sacrifice).
- Value of car park if car park is a personal benefit to the Executive (other than by salary sacrifice).
- Includes, but is not limited to, general/expense allowances, subscriptions, home telephone/communication expenses, FBT not elsewhere included, etc. (other than by salary sacrifice).
- Sum of columns 1 to 5.
- Include the value of non-personal benefits provided to the Executive to assist in the performance of their duties.
- This is the actual payment made in the year immediately preceding the plan year relating to performance in the financial year two (2) years prior to the plan period. There is no gain sharing arrangement.

EMPLOYMENT AND INDUSTRIAL RELATIONS PLAN

4. Employment Conditions

The two (2) distinct types of industrial arrangements that apply for employees of GPC or a wholly owned subsidiary of GPC are:

- Enterprise Agreement registered with Fair Work Australia; or
- Individual contract of employment.

Employees covered by an individual contract of employment include six (6) Executives roles (refer page 36). [REDACTED]

[REDACTED] All other employees are covered by one (1) of the following Enterprise Agreements:

- Gladstone Ports Corporation Enterprise Agreement 2016 (AG2017/4271)
- Gladstone Marine Pilots Agreement 2014 (AG2014/10965); or
- Gladstone Pilot Transfer Crew Agreement 2014 (AG2014/10990).

The above named Agreements contain the significant conditions of employment for all employees excluding Executives.

Gladstone Ports Corporation Enterprise Agreement 2016

The Gladstone Ports Corporation Enterprise Agreement 2016, which is underpinned by the Modern Award the Port Authorities Award 2010, was approved by Fair Work Australia on 27 November 2017 and has a nominal expiry date of 31 October 2020. The Agreement covers all employees directly employed by GPC as the parent company, and provides for a wage increase of 3.0% per annum paid at 1 November each year. [REDACTED]

The Gladstone Ports Corporation Enterprise Agreement 2018 contains business-wide application contained in the head document, and specific conditions pertaining to the production, maintenance and clerical/administrative/professional workforces contained in the respective schedules to the Agreement. Work group specific conditions are permitted by the agreement after approval by the majority of the workgroup and the representative union(s).

Gladstone Marine Pilots Agreement 2017

Following the successful employee ballot held in March 2018, the proposed Gladstone Marine Pilots Agreement 2017 will be endorsed by CBRC and registered by Fair Work Australia in 2018 and covers all Marine Pilots employed under Gladstone Marine Pilot Services Pty Ltd (GMPS), a wholly owned subsidiary of GPC. [REDACTED]

The proposed Gladstone Marine Pilots Agreement 2017 has a nominal expiry date of 31 October 2021. The Marine Pilots employed by GMPS are award free and are covered by a closed Agreement which does not incorporate the terms of any other Award or industrial Agreement.

The Agreement provides for a salary increase of 3.0% per annum paid at 1 November each year until the Agreement expiration.

Gladstone Pilot Transfer Crew Agreement 2017

Following the successful employee ballot held in March 2018, the proposed Gladstone Pilot Transfer Crew Agreement 2017 will be endorsed by CBRC and registered by Fair Work Australia in 2018 and covers all Pilot Transfer Crew employees (i.e. Coxswain, Pilot Vessel Master A/B, Assistant Senior Pilot Vessel Master, and Senior Pilot Vessel Master) employed under Gladstone Marine Pilot Services Pty Ltd (GMPS), a wholly owned subsidiary of GPC. [REDACTED]

The proposed Gladstone Pilot Transfer Crew Agreement 2017 has a nominal expiry date of 31 October 2021. The Gladstone Pilot Transfer Crew Agreement 2017 is a closed Agreement, operating in conjunction and incorporating terms of the Port Authorities Award 2010.

The Agreement provides transfer crew employees a salary increase of 3.0% per annum paid at 1 November each year until the Agreement expiration.

5. Employee Flexibility

GPC and its wholly owned subsidiary provide the following flexible work practices as part of the overall employee value proposition:-

Part-time work arrangements	Yes – the GPC and its wholly owned subsidiary (GMPS) provide for part-time work where this meets both the needs of the employee and the employing entity.
Flexible work hours	Yes – GPC and its wholly owned subsidiary (GMPS) provides flexibility in rostering and work hours to accommodate the needs of both employees and the business.
Reduced working year	No.
Paid maternity / paternity / adoption leave	Yes – 14 weeks paid maternity leave. Yes – working parents have the opportunity to access paternity leave. Yes – opportunity provided for working parents to spend time with their new children with the assurance that their return to the workforce will not be compromised. All leave for these purposes are in accordance with the National Employment Standards.
Job Sharing	Yes – available in agreed positions.
Study Leave	Yes – GPC and GMPS provides paid time for exams and negotiated leave for study.
Special leave	Yes – on compassionate grounds to attend to family matters.
Rostered days off	Yes – many staff are eligible, usually one (1) day a fortnight if sufficient time is accumulated. Office based wages staff enjoy a nine (9) day fortnight which is non-accumulative. Salaried Officers are entitled to one (1) day per month also on a non-accumulative basis.
Family Leave	Yes – GPC and its wholly owned subsidiary (GMPS) allows for employees to attend to family or personal circumstances, considering work / life balance.
Armed Forces Leave	Yes – GPC employees who are members of Defence Force Reserves are able to attend military training without loss of pay.
Domestic & Family Violence Leave	Yes – GPC provides up to 10 days per year non-cumulative paid special leave in order to address matters related to domestic and family violence.
Emergency Services Leave	Yes – GPC and its wholly owned subsidiary (GMPS) supports those employees who choose to participate as an emergency service volunteer.
Flexibility Clause	Yes – <ul style="list-style-type: none"> Gladstone Ports Corporation Enterprise Agreement 2016 (Clause 3.16) provides the opportunity for the parties to agree to more generous parental leave provisions than those provided for by the agreement.

	<ul style="list-style-type: none"> • Gladstone Marine Pilots Agreement 2014 (Clause 8.2) provides for flexibility arrangements, including flexible working arrangements for employees with parental responsibilities. • Gladstone Pilot Transfer Crew Agreement 2014 (Clause 8.2) provides for flexibility arrangements, including flexible working arrangements for employees with parental responsibilities.
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6. Superannuation Arrangements

GPC and its wholly owned subsidiary (GMPS) makes superannuation contributions on behalf of eligible employees in compliance with legislative requirements.

The Enterprise Agreements that are referenced in section 4 (Employment Conditions) specify the superannuation arrangements applied for the employees covered by the Agreements. GPC has an approved superannuation Fund - the Trustee of the State Public Sector Superannuation Scheme (QSuper). All eligible employees that are covered by an Enterprise Agreement are required to become a member of the approved Fund.

Employees who are employed under an Enterprise Agreement must be a member of one (1) of the following QSuper categories:

- Accumulation Fund; or
- Defined Benefits Fund.

The QSuper Defined Benefits category was closed to new members as at 12 November 2008. Therefore, the only QSuper category available to new employees is the Accumulation Fund and only those employees who had existing membership of the Defined Benefit category were permitted to remain in that fund.

7. Redundancy Provisions

The Gladstone Ports Corporation Enterprise Agreement 2018, Gladstone Marine Pilots Agreement 2014 and Gladstone Pilot Transfer Crew Agreement 2014 provides specific redundancy provisions within. These provisions include redundancy payments comprised of a severance payment of eight (8) weeks' pay, plus three (3) week's pay for each year of service, up to a maximum of 52 weeks for Pilot Transfer Crew employees and 78 weeks for GPC employees and Marine Pilots, with a pro rata payment for any incomplete year of service.

8. Type of Employment and Workforce Planning

Employment Category	30-Jun-18	30-Jun-19*	30-Jun-20	30-Jun-21
GLADSTONE PORTS CORPORATION				
Permanent Full Time	594.18	602.00	597.00	593.00
Temporary Full Time	31.25	31.00	31.00	31.00
Permanent Part Time	11.02	11.21	11.21	11.21
Temporary Part Time	0.89	2.00	2.00	2.00
Senior Executive Contract	7.00	6.00	6.00	6.00
Apprentices	51.00	49.00	49.00	49.00
Trainees	14.00	12.00	12.00	12.00
Casual Employees	2.95	1.80	1.80	1.80
Total Directly Employed Workforce (FTE)	712.29	715.01	710.01	706.01
Contract Apprentices (3 rd Party - Labour Hire)	2.00	2.00	2.00	2.00
S457 Temporary Visa	-	-	-	-
Total Workforce	714.29	717.01	712.01	708.01
GLADSTONE MARINE PILOT SERVICES				
Permanent Full Time	50.00	45.00	45.00	45.00
Permanent Part Time	1.50	1.00	1.00	1.00
Casual Employees	3.50	4.00	4.00	4.00
Total Workforce	55.00	50.00	50.00	50.00

9. Workplace Health & Safety

Achieving zero harm to workers, visitors and Port users entering its sites is one of GPC's key organisational goals. The continued development of GPC's safety management system demonstrates to the workforce and the wider community the high standards GPC aspires to in this area.

The GPC Safety Management System is accredited to AS 4801 and includes standards, procedures and work instructions that support its Health and Safety Policy.

Governance

A revised GPC Work Health and Safety Policy was approved by the Board on 23 August 2016.

The safety management system is subject to external audit on a twelve (12) monthly basis, with the results of the audit being reported to the Board. A system of internal audits driven by risk has been developed and are being conducted as per schedule.

Statement of Corporate Intent 2018–19

Targets

GPC's safety target is zero harm to workers, visitors and Port users. Progress towards the attainment of this goal is tracked using the following metrics:

Metric	Target
Safety incidents and incident rates	A reduction on 2017/18 totals
Percentage of safety actions completed	>90%
Percentage of scheduled interactions / inspections completed	>90%
Incident investigations completed to standard	100%

Current Safety Performance

GPC's safety performance over the past five (5) years is summarised in the below table:

Financial Year	2013/14	2014/15	2015/16	2016/17	2017/18 @ 31 January
Hours Worked	1,423,507	1,303,340	1,279,646	1,257,890	704,256
Total Injuries	84	61	86	47	35
TIFR	59.01	46.80	67.21	37.36	49.70
Serious Injuries	37	27	34	19	18
SIFR	25.99	20.72	26.57	15.10	25.56
NRFR	33.72	26.09	41.42	22.26	25.56
Lost Time Injuries	6	6	10	1	1
LTIFR	4.21	3.84	7.81	0.79	1.42
Lost Days	224	230	590	317	17
LTIDR	37.33	46.00	59.00	317.00	17.00

TIFR – Total Injury Frequency Rate

NRFR – Nil Restriction Injury Frequency Rate

LTIDR – Lost Time Injury Duration Rate

SIFR – Serious Injury Frequency Rate

LTIFR – Lost Time Injury Frequency Rate

The 2017-18 financial year to date data highlights that GPC is unfortunately on track to exceed last year's total number of injuries and illness in its workplace. However, the severity of the injuries that have been reported are relatively minor and is reflected in the low number of lost days compared to previous years.

The roll out of the 'Switch On' Values Based Safety program was completed for the majority (93%) of the workforce in 2017. 'Switch On' training will continue for new starters throughout 2018. The next stage of 'Switch On' involves the implementation and embedding phase. Key embedding tools will be rolled out in 2018.

'Switch On' supports employees to reconsider how their attitudes and choices influence their personal safety at work and at home. More specifically, through various discussions and activities employees begin to make an important shift in safety beliefs which move them from viewing safety as about rules to safety is about ensuring they stay safe for the people, the hobbies and the goals that are most important to them.

Employee Health

Our commitment to employee health is to ensure employees are fit to undertake the inherent aspects of their substantive positions in a safe and effective manner, without risk to themselves and others, and without risk of damage to plant and equipment.

Our Health and Wellbeing activities are underpinned by the philosophy “Work Healthy – Retire Well” which has three (3) strategies:

- Injury / illness management;
- Work health surveillance;
- Health promotion.

Our proactive health programs promote the “Work Healthy – Retire Well” philosophy, aimed at:

- Encouraging employees to improve, achieve and maintain optimal functional capacity and health outcomes during all phases of their employment with GPC;
- Promoting a general state of employee wellness;
- Providing employees with opportunities to proactively address both work and non-work related health problems.

10. Equal Employment Opportunity & Anti-Discrimination

As reported previously, GPC has an Equity, Diversity, Discrimination and Harassment Standard which includes the principle that all employees will have access to, and compete equitably for recruitment, selection, promotion and transfer opportunities. The Standard is accompanied by a ‘CEO Equal Employment Opportunity Statement’, both of which clearly articulate that persons are not to be excluded from a benefit or opportunity (inclusive of recruitment, selection and promotion) that significantly reduces their chances of obtaining it because of a personal characteristic that is irrelevant to the situation.

EEO and Anti-Discrimination information is included in the corporate induction process and displayed across all GPC sites. Employees are also required to undertake corporate mandatory training in ‘Preventing Workplace Harassment and Discrimination’ which is refreshed every three (3) years.

GPC’s focus for the 2018–19 period will be to continue working in partnership with the local Aboriginal, Torres Strait Islander and Australian South Sea Islander community to develop and implement initiatives that support GPC’s Reconciliation Action Plan (RAP) 2015–18.

GPC’s RAP was formulated through a collaboration between GPC and the Future Directions Community Advisory Group, a reference group formed to provide a vital link between GPC and the community. The RAP is centred around four (4) key pillars; strengthen relationships, foster respect, increase opportunities and ensure accountability and is focused on delivering initiatives, programs and strategies that provide mutually beneficial outcomes both within the Port and the wider community. In February 2018, GPC launched the second cohort of Cross Industry Operations Trainees. The Cross Industry Operations Traineeship is a tailored traineeship for Aboriginal, Torres Strait Islander and Australian South Sea Islander people to experience five (5) very different aspects of employment at GPC. Ranging from Administration to our Marine Pilot Launch

Crew, the traineeship is about providing real opportunities and employment pathways and highlight's GPC's ongoing commitment towards genuine reconciliation and equal opportunities.

11. Consultation

GPC has consulted with the Office of Industrial Relations (OIR), Shareholder and Structural Policy Division (SSPD), the Department of Transport and Main Roads and employees in formulating this plan. Consideration of the views, comments and suggestions has been afforded and where feasible incorporated within the plan. There were no significant items of disparity arising from consultation for consideration.

12. Reporting

GPC will provide shareholding Ministers with quarterly reports on the implementation and progress of the productivity initiatives included in GPC's Enterprise Bargaining Agreement(s).

Attachment 4 – Sponsorship, Advertising, Corporate Entertainment, Donations and Other Arrangements

Table 1. Sponsorship, Advertising, Corporate Entertainment, Donations and Other Arrangements. Details of Individual Expenditure Items

Activity 1	Description / Benefit	2017-18 Budget (\$)	2017-18 Forecast (\$)	2018-19 Budget (\$)	Quarter 2018-19 (\$)			
					Sept	Dec	Mar	Jun
SPONSORSHIP								
GPC Bursary Program	The GPC School Bursary Program supports the academic development of local youth and is critical to ensuring continued prosperity in Central Queensland.	19,000	17,750	18,000	18,000	-	-	-
GPC Indigenous scholarships	The GPC indigenous scholarship program supports the academic development of local indigenous youth and is critical to ensuring continued prosperity in Central Queensland.	21,000	28,000	21,000	10,500	-	10,500	-
GPC Indigenous bursaries	The GPC indigenous scholarship program supports the academic development of local indigenous youth and is critical to ensuring continued prosperity in Central Queensland.	10,000	10,000	10,000	-	10,000	-	-
GPC Family Fun Night – Gladstone Harbour Festival	The GPC Family Fun Night is a night of free family-friendly entertainment held on the GPC Gladstone Marina stage highlighting the Port’s support of local community events.	29,000	31,000	31,000	-	-	31,000	-
National Aboriginal and Islander Day Observance Committee (NAIDOC) Elders Luncheon	The Gladstone branch of NAIDOC has requested GPC support of the Gladstone NAIDOC Week celebrations – to be held in the first week of July.	7,000	-	-	-	-	-	-
Boyne Tannum HookUp 2017	Three day event promoting sustainable fishing and environment. Provides leverage opportunity for GPC to engage on Biodiversity Offset Strategy, environmental responsibility and capital projects.	15,000	10,000	10,000	-	-	10,000	-
Shorebird Monitoring Program	Monitoring enables the Port to assess the significance of the area for wader bird habitat and monitor the area set aside for wader birds in the future.	6,000	6,050	6,000	6,000	-	-	-

Gladstone Men's Shed	Facilitation of early childhood learning resources hand made by support network, Gladstone Men's Shed. Resources are donated to Kindergartens, day care and primary schools throughout the Gladstone region.	-	8,180	8,000	-	8,000	-	-
Gladstone Sportfishing Club	Key Fish Stock Data Project	-	7,740	-	-	-	-	-
Conservation Volunteers Australia	Gladstone Harbour Catchment Care Program	-	20,000	-	-	-	-	-
Uncommitted pending Board approval as per Community Investment Program specification	Applications received are approved by the Board in two rounds conducted annually.	99,000	76,939	120,000	30,000	30,000	30,000	30,000
Total over \$5,000		206,000	215,659	224,000	64,500	48,000	81,500	30,000
Other (total) below \$5,000		19,000	15,091	7,000	2,000	-	3,000	2,000
TOTAL		225,000	230,750	231,000	66,500	48,000	84,500	32,000
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (1)		225,000	230,750	231,000	66,500	48,000	84,500	32,000

ACTIVITY 1

Note: Sponsorship funds are allocated in two funding rounds per annum. This will result in a portion of the total funds being 'uncommitted' (see above table \$99,000) for a period of time. Sponsorships above \$10,000 are approved by the Board of Directors, with sponsorships under \$10,000 requiring CEO and Chair approval. Sponsorships are evaluated on their merit against an established set of KPI's. Sponsorships are reported monthly to the Board and quarterly to Shareholding Ministers.

Activity 2	Description / Benefit	2017-18 Budget (\$)	2017-18 Forecast (\$)	2018-19 Budget (\$)	Quarter 2018-19 (\$)			
					Sept	Dec	Mar	Jun
ADVERTISING								
CAMPAIGNS OVER \$5,000								
GPC Port Talk community newsletter	Insertion of GPC Port Talk community newsletter in Gladstone News free magazine (4 editions annually).	8,500	8,000	-	-	-	-	-
GPC Port Talk community newsletter	Placement of GPC Port Talk community newsletter in Gladstone News (Full Page), Gladstone Observer (Full Page), News Mail (Full Page) and The Morning Bulletin (Half Page) (4 editions annually).	4,000	11,775	20,000	5,000	5,000	5,000	5,000
Radio Advertising	Radio promotion of Community, Environmental and Port Operational information.	-	5,790	12,000	3,000	3,000	3,000	3,000
Total over \$5,000		12,500	25,565	32,000	8,000	8,000	8,000	8,000
Other (total) below \$5,000		55,575	37,067	49,020	12,255	12,255	12,255	12,255
TOTAL		68,075	62,632	81,020	20,255	20,255	20,255	20,255
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (2)		68,075	62,632	81,020	20,255	20,255	20,255	20,255

Activity 3	Description / Benefit	2017-18 Budget (\$)	2017-18 Forecast (\$)	2018-19 Budget (\$)	Quarter 2018-19 (\$)			
					Sept	Dec	Mar	Jun
CORPORATE ENTERTAINMENT								
Event Over \$5,000		-	-	-	-	-	-	-
Total over \$5,000		-	-	-	-	-	-	-
Other (total) below \$5,000		6,450	11,122	8,270	1,317	4,318	1,317	1,318
TOTAL		6,450	11,122	8,270	1,317	4,318	1,317	1,318
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (3)		6,450	11,122	8,270	1,317	4,318	1,317	1,318

Activity 4	Description / Benefit	2017-18 Budget (\$)	2017-18 Forecast (\$)	2018-19 Budget (\$)	Quarter 2018-19 (\$)			
					Sept	Dec	Mar	Jun
DONATION								
Port Curtis Coral Coast Trust	Donation towards Native Title Consent Determination Event	-	9,091	-	-	-	-	-
Total over \$5,000		-	9,091	-	-	-	-	-
Other (total) below \$5,000		10,000	10,000	10,000	1,750	3,750	750	3,750
TOTAL		10,000	19,091	10,000	1,750	3,750	750	3,750
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (4)		10,000	19,091	10,000	1,750	3,750	750	3,750

Activity 5	Description / Benefit	2017-18	2017-18	2018-19	Quarter 2018-19			
		Budget	Forecast	Budget	(\$)			
		(\$)	(\$)	(\$)	Sept	Dec	Mar	Jun
STRATEGIC COMMUNITY AND STAKEHOLDER ENGAGEMENT								
Commitment/ entity over \$5,000		-	-	-	-	-	-	-
Gladstone Area Promotions Board Membership	Tourism and economic development in Gladstone. Membership price fluctuation due to value add for GPC with introduction of cruise ship industry.	80,000	80,000	80,000	-	80,000	-	-
Bundaberg Region Futures Program	Tourism and economic development in Bundaberg	20,500	20,000	20,500	-	-	20,500	-
Botanic to Bridge (B2B) Fun Run	To promote healthy living within the Gladstone community (net of sponsorship revenue and advertising)	95,770	70,650	100,000	100,000	-	-	-
Total over \$5,000		196,270	170,650	200,500	100,000	80,000	20,500	-
Other (total) below \$5,000		-	-	-	-	-	-	-
TOTAL		196,270	170,650	200,500	100,000	80,000	20,500	-
Recovered from 3rd Parties		-	-	-	-	-	-	-
Net GPC Total (5)		196,270	170,650	200,500	100,000	80,000	20,500	-

TOTAL (1)+(2)+(3)+(4)+(5)		505,795	494,245	530,790	189,822	156,323	127,322	57,323
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Table 2: Corporate Entertainment. Details of Total Budgeted Expenditure under \$5,000

Activity	2017-18 Budget (\$)	2017-18 Forecast (\$)	2017-18 No. of Activities	2018-19 Budget (\$)	Quarter 2018-19			
					Sept	Dec	Mar	Jun
CORPORATE ENTERTAINMENT TOTAL								
Staff Functions	3,630	5,598	4	1,000	250	250	250	250
Business Development	2,820	2,310	30	1,950	487	488	487	488
Stakeholder and Community Engagement	-	3,214	1	5,320	580	3,580	580	580
TOTAL UNDER \$5,000	6,450	11,122	35	8,270	1,317	4,318	1,317	1,318

Table 3. B2B – Major Event Summary

Activity3	Description / Benefit	2017-18 Budget (\$)	2017-18 Forecast (\$)	2018-19 Budget (\$)	Quarter 2018-19 (\$)			
					Sept	Dec	Mar	Jun
ADVERTISING								
B2B Fun Run 2017		8,750	10,925	-	-	-	-	-
B2B Fun Run 2018				15,575	15,575	-	-	-
TOTAL (1)		8,750	10,925	15,575	15,575	0	0	0
DONATIONS								
B2B Fun Run 2017		48,000	49,610	-	-	-	-	-
B2B Fun Run 2018		-	-	47,000	47,000	-	-	-
TOTAL (2)		48,000	49,610	47,000	47,000	0	0	0
SPONSORSHIPS RECEIVED								
Funds invested by local industry and business to support B2B 2017.	Sponsorships, Registrations, Merchandise	- 138,500	- 48,169	-	-	-	-	-
Funds invested by local industry and business to support B2B 2018.	Sponsorships, Registrations, Merchandise	-	-	- 134,840	- 134,840	-	-	-
TOTAL (3)		-138,500	-48,169	-134,840	-134,840	0	0	0
OPERATING EXPENDITURE								
Operating Expenditure 2017	To promote healthy living within the Gladstone community	177,520	58,284	-	-	-	-	-
Operating Expenditure 2018	To promote healthy living within the Gladstone community	-	-	172,265	172,265	-	-	-
TOTAL (4)		177,520	58,284	172,265	172,265	0	0	0
TOTAL (1)+(2)+(3)+(4)		95,770	70,650	100,000	100,000	0	0	0
Total 2017 Event		95,770	70,650	0	0	0	0	0
Total 2018 Event		0	0	100,000	100,000	0	0	0

The B2B expenses should not be reviewed on a financial year basis as they straddle two (2) financial years and the timing for revenue and expenses may vary from year to year.

The B2B is a GPC sponsored community event that provides GPC with an opportunity to engage with its community, enhance its corporate reputation and reinforce its social license to operate. The inaugural event in 2010 was acclaimed by the community as a major success and this response continued in 2017 with 3,486 registrations.

In 2015, the Board approved the ongoing delivery of the 2017 and 2018 B2B events as key initiatives in its Community Investment Program, within a \$100,000 budget limit.

Table 4: B2B Investment 2010-2018

Description / Benefit	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Operating Expenditure	454,146	374,094	354,744	251,577	180,627	180,496	167,937	170,966	187,840
Donations to schools and community	37,028	41,839	36,839	44,465	42,370	44,190	42,030	49,610	47,000
Less: Income generated	152,957	133,625	101,135	160,958	148,016	147,121	145,757	153,802	134,840
Net Cost to GPC	38,217	282,308	290,448	135,084	74,981	77,565	64,210	66,774	100,000

Note: Assumes targeted in-kind contributions, which have been deducted from operating expenditure

Table 5: Total Expenditure ALL Sponsorship, Advertising, Corporate Entertainment, Donations and Other Arrangements

	2010	2011	2012	2013	2014	2015	2016	2017	2018
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Net Cost to GPC									

Attachment 5 – Glossary of Abbreviations

Abbreviation / item	Description
AP	Auckland Point
AS 4801	Australian/New Zealand standard for effective Occupational Health and Safety Management
AS/NZS ISO 31000	Australian/New Zealand standard for risk management guidelines
B2B	Botanic to Bridge
BPT	Barney Point Terminal
CBRC	Cabinet Budget Review Committee
CCCSC	Capricornia Coal Chain Steering Committee
CEO	Chief Executive Officer
Comalco	Rio Tinto Aluminium Yarwun
Corporate Governance Guidelines	Corporate Governance Guidelines for Government Owned Corporations
CPI	Consumer Price Index
CVIP	Clinton Vessel Interaction Project
EA	Enterprise Agreement
EBIT	Earnings Before Interest and Taxation
EBITDA	Earnings Before Interest, Taxation, Depreciation and Amortisation
EEO	Equal Employment Opportunity
E&IR Plan	Employment & Industrial Relations Plan
EIS	Environmental Impact Study
FTE	Full Time Equivalent
GHHP	Gladstone Healthy Harbour Partnership
GMPS	Gladstone Marine Pilot Services Pty Ltd
GOC	Government Owned Corporation
GOC Act	Government Owned Corporations Act 1993
GPC	Gladstone Ports Corporation Limited
ILUA	Indigenous Land Use Agreement
ISO 14001 - 2004	International Standard for effective Environmental Management
IT	Information Technology
JDE	JD Edwards
KPI	Key Performance Indicator
LNG	Liquefied Natural Gas
LTI	Lost Time Injury
LTIDR	Lost Time Injury Duration Rate
LTIFR	Lost Time Injury Frequency Rate
MSQ	Maritime Safety Queensland
Mt	Million Tonnes
N/A	Not applicable
NAIDOC	National Aboriginal and Islander Day Observance Committee
NPAT	Net Profit After Tax
NRFR	Nil Restriction Injury Frequency Rate
OIR	Office of Industrial Relations
QAL	Queensland Alumina Limited
RAP	Reconciliation Action Plan
RGTCT/RGT	RG Tanna Coal Terminal
SCI	Statement of Corporate Intent

Abbreviation / item	Description
SIFR	Serious Injury Frequency Rate
SPL	Strategic Port Land
SSPD	Shareholder and Structural Policy Division
TIFR	Total Injury Frequency Rate
WACC	Weighted Average Cost of Capital
WICT	Wiggins Island Coal Terminal