

North Queensland Bulk Ports Corporation Limited

# Modern Slavery Statement

1 July 2021 to 30 June 2022 ("Reporting Period")



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## Introduction

This Modern Slavery Statement (Statement) is made on behalf of North Queensland Bulk Ports Corporation Limited (ACN 136 880 218) (NQBP) and its two wholly owned subsidiaries described below (the NQBP Group) and has been prepared in accordance with the *Modern Slavery Act 2018* (Cth) (the *Act*). It describes the risks of modern slavery in the NQBP Group's operations and supply chain for the Reporting Period and details the progress that the NQBP Group has made to identify, assess and address those risks.

## Vision, Mission and Values

NQBP acknowledges that modern slavery occurs in diverse ways that can be difficult to detect and combat – “hidden in plain sight.”

NQBP is committed to assessing and addressing the risk of modern slavery in its operations and supply chains.

NQBP's Vision, Mission and Values detailed below are consistent with this aim.

### Vision

To be global leaders in sustainable facilitation of port trade.

### Mission

To manage safe and efficient ports that connect regional Queensland to the world be balancing the needs of iconic natural environments, communities, stakeholders and port users.

### Our Values



INTEGRITY

We stand by our actions and NQBP's values even when no-one is watching.



RESPECT

We care for and treat everyone fairly, recognising and appreciating diversity.



EXCELLENCE

We strive to deliver the best outcomes while being committed to continuous learning and improvement.



UNITY

We share a common purpose to achieve positive outcomes for our organisation and regions.

## Structure, operations and supply chains

### Structure

This Statement covers NQBP and each of its wholly owned subsidiaries.

NQBP is a reporting entity under the Modern Slavery Act 2018 (Cth) (the Act).

NQBP's wholly owned subsidiaries are not reporting entities under the Act as they do not meet the required financial threshold but are voluntarily covered under this Statement.

NQBP is a Queensland Government owned corporation and is subject to the requirements of the *Government Owned Corporations Act 1993* (Qld).

NQBP is responsible for four trading ports being:

- Port of Hay Point;
- Port of Mackay;
- Port of Abbot Point; and
- Port of Weipa.

The Queensland Government is the owner of all shares in NQBP. The shares are held by two (2) shareholding Ministers:

- Treasurer and Minister for Trade and Investment; and
- Minister for Transport and Main Roads.

NQBP has two wholly owned subsidiaries:

- Ports Corporation of Queensland Limited (ACN 126 302 994) (PCQ); and
- Mackay Ports Limited (ACN 131 965 707) (MPL).

The NQBP Group have the same Board of Directors, follow the same policies and procedures and operate in the same sector.

The Board of Directors are responsible for the corporate governance of the NQBP Group and are accountable to the shareholding Ministers for NQBP's performance.

### Operations

NQBP has its head office in Mackay Harbour, Queensland and operates solely in Queensland.

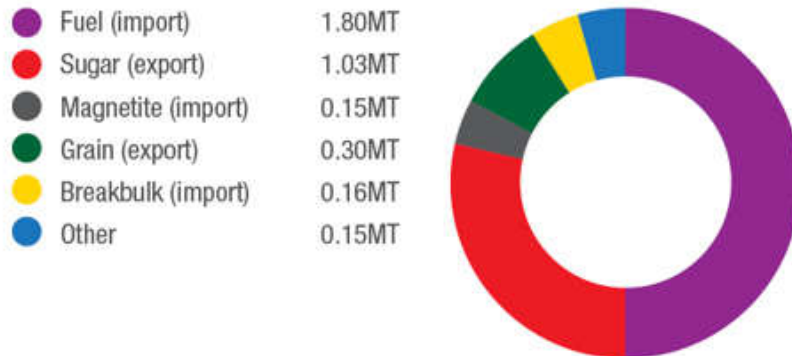
The four ports for which NQBP is responsible for are all located in Queensland.

## Port of Mackay

The Port of Mackay was established in 1939 and is the fourth largest multi commodity port by throughput. The Port of Mackay is located five kilometers north of the city of Mackay and about halfway between Brisbane and Cairns and comprises four wharves within the Mackay Harbour. Mackay is one of the major servicing centers for the Central Queensland mining and agricultural industries.

Port of Mackay statistics during the Reporting Period:

- Total throughput tonnage = 3,587,126

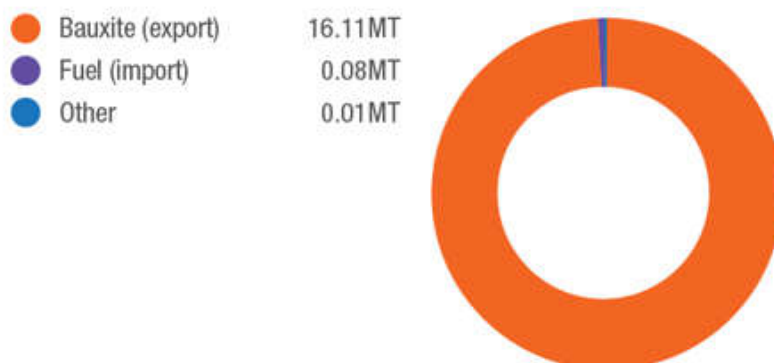


## Port of Weipa

The Port of Weipa is situated around 200 kilometers from the tip of Australia and facilitates the export of bauxite from mines in the region and the import of fuel and cargo to support those mining operations and other trading activities.

Port of Weipa statistics during the Reporting Period:

- Total throughput tonnage = 16,201,682





## Port of Hay Point

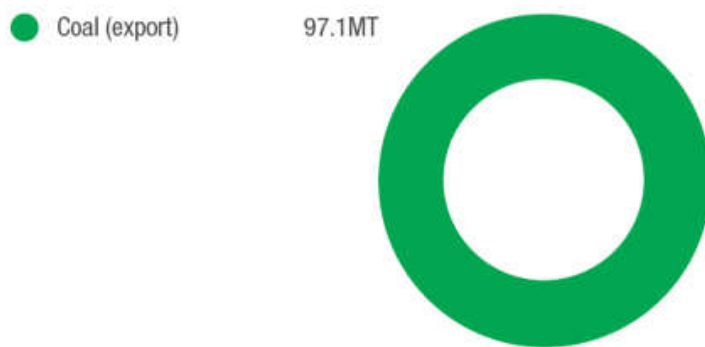
The Port of Hay Point, which has been in operation since 1971, is one of the largest coal export ports in the world, primarily exporting metallurgical coal a key resource in the steel-making process. The Port of Hay Point comprises two separate coal export terminals:

- Hay Point Coal Terminal (HPCT) which is owned by BHP Billiton Mitsubishi Alliance and operate by Hay Point Services; and
- Dalrymple Bay Coal Terminal (DBCT), which is leased from the Queensland Government Dalrymple Bay Infrastructure.

HPCT and DBCT service coal mines in the Central Queensland Bowen Basin.

Port of Hay Point statistics during the Reporting Period:

- Total throughput tonnage = 97,099,911



## Port of Abbot Point

The Port of Abbot Point has been in operation since the 1980's and is located between the existing industrial centers of Townsville to its north and Mackay to its south. The Port of Abbot Point is a strategic asset due to its proximity to the Abbot Point State Development Area, and the resources rich Bowen and Galilee basins. The Port of Abbot Point has one operating terminal, North Queensland Export Terminal (NQXT). The trade through the Port of Abbot Point consists of both metallurgical and thermal coal.

Port of Abbot Point statistics during the Reporting Period:

- Total throughput tonnage = 28,227,943



## Employment at NQBP

As at 30 June 2022, NQBP directly employed 118 people at its ports and offices in Queensland.

NQBP has two Enterprise Agreements ("EA's):

- General Workforce EA - covering administration and port staff, maintenance and operations; and
- Marine Pilot EA - for marine pilots.

NQBP's consultation processes for renewal of the EAs is as follows:

- Prior to the expiry of an EA's, NQBP seeks approval of an EA negotiation framework from the Queensland Government Cabinet Budget Review Committee ("CBRC.")
- On approval from the CBRC, NQBP commences negotiations with an EA committee comprised of employees and union representative (EA Committee).
- Once an in-principal agreement is reached between NQBP and the EA Committee the updated EA is submitted to CBRC for approval; and
- Once CBRC approval is obtained the updated EA is put to a vote of the employees.

In total 77% of NQBP's employees are covered by Enterprise Agreements. The remaining employees are engaged under individual contracts.

## Engagement of suppliers and contractors

NQBP's standard contractual terms with suppliers and contractors include a requirement that all employees and subcontractors engaged by a supplier are employed in accordance with any applicable laws, awards or agreements.

## Supply chain

NQBP's supply chain covers a broad range of goods and services associated with the operation of its business including construction, pilotage, business support services, property and facility management and trade.

The following table depicts the top 3 contracts NQBP had with suppliers during the reporting period:

Product / Category	Country of Supplier	Industry
Nautical Infrastructure/ Wharfs	Australia	Non-building construction
Environmental / Advisory & Fees	Australia	Market research and other business management services
Marine Operations / Helicopters	Australia	Air and Space transport

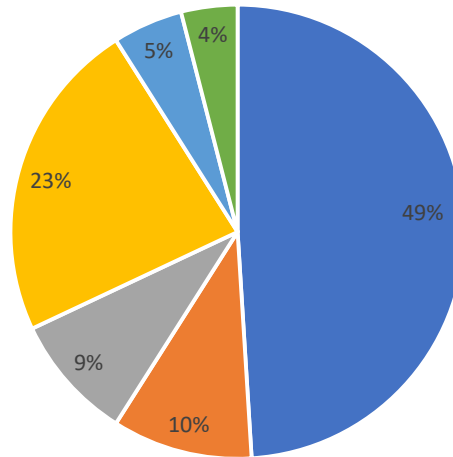
NQBP had a recorded external spend of \$51.358 million for the Reporting Period of which \$50.015 million was addressable with registered suppliers.

NQBP also had 1185 registered suppliers (being suppliers NQBP has purchased from) during the Reporting Period. NQBP specifically purchased from 558 registered suppliers during the Reporting Period. During the Report Period 98% of NQBP's suppliers were Australian owned and operated.

NQBP primarily procures spend for major one-off works being capital expenditure or repairs and maintenance to its assets. For the Reporting Period, this amounted to \$25.03 million.

During the Reporting Period the key goods, services and materials purchased by NQBP were:

**Key goods, services and materials  
purchased by NQBP in 2022**



■ Construction & Maintenance ■ Dredging ■ Operations ■ Pilotage ■ Property ■ Risk & Assurance



## Risks of modern slavery practices in NQBP's operations and supply chain

During the Reporting Period, NQBP undertook an internal risk assessment of its operations and supply chains to identify any modern slavery risks in its operations and supply chains.

Following this assessment NQBP determined that NQBP's risk of modern slavery remained low, which is consistent and in line with NQBP's 2021 external review. In determining NQBP's risk of modern slavery for the Reporting Period, NQBP took into account the following:

- The sectors NQBP operates in.
- Geographical risks – 98% of NQBP's suppliers were owned and operated in Australia and there had been no significant change in suppliers from the 1 July 2020 to 30 June 2021 reporting period; and
- The products and services NQBP sources - the goods and services NQBP procures are from countries with a low inherent risk of modern slavery.

NQBP recognises that a supplier may source a product such as fabric, steel, bolts, parts or technology products from overseas and these overseas sources may be linked to modern slavery practices, and these are areas of vulnerability in NQBP's secondary levels of its supply chains.

NQBP acknowledges that the risk of modern slavery may be heightened in some of the goods and services NQBP procures such as cleaning, catering, materials and textiles as these sectors are known to be at risk of modern slavery.

NQBP's 2021 external review considered whether NQBP may cause, contribute or be directly linked to modern slavery practices. NQBP's 2021 external review determined that NQBP was assessed as having a very low risk of theoretical slaves across supply chains, being 0.29 (probable slave per million) at tier 1 (direct suppliers) and 0.79 (probably slaver per million) at tier 10 supplier level. It was determined that NQBP's highest risk area is associated with NQBP procuring services to water and air transport, non-building construction, technology, uniforms, repairs and maintenance.

### Pilotage

During the Reporting Period the risk of modern slavery occurring with respect to international vessels was significantly elevated and continued to pose a significant risk due to COVID-19 quarantine requirements, the closure of various international borders and mandatory vaccination requirements of countries.

Whilst the risk of modern slavery in NQBP's operations and its supply chain is low, NQBP is aware that its employees and in particular marine pilots, may be exposed to, may observe or be personally advised of modern slavery occurring on international vessels. NQBP takes any incidents of modern slavery seriously and NQBP reports any incidents directly to Australian Maritime Safety Authority (AMSA) who has jurisdiction to investigate welfare concerns pertaining to seafarers.

NQBP is committed to ensuring the safety and welfare of seafarers and preventing them from encountering modern slavery. NQBP supports its pilotage team being a member of AMSA's Welfare Committee and NQBP's pilotage team engages with the International Seafarers' Welfare and Assistance Network who provide resources on promoting and supporting the welfare of seafarers (including pamphlets and business cards with contact details for services that can provide support and assistance to seafarers).

## Actions taken by NQBP to assess and address these risks

During the Reporting Period NQBP has conducted the following actions to address NQBP's modern slavery risks.

### Governance

NQBP's Board of Directors is responsible for the corporate governance of the organisation and is accountable to the shareholding Ministers for NQBP's performance.

The Board has adopted the governance principles set out in the Queensland Government's Corporate Governance Guidelines for Government Owned Corporations (**Guidelines**), in NQBP's Governance Policy. The Governance Policy is reviewed biannually to improve, where appropriate, NQBP's compliance with the Guidelines. NQBP's Governance Policy is published on NQBP's website.

NQBP has developed internal guidance on the Act and the Human Rights Act (Qld) (**HR Act**) which has been distributed to NQBP's Executive Leadership Team and employees. NQBP will continue to provide training and guidance on the Act and the HR Act as required from time to time.

NQBP is committed to promoting ethical decision making. Its business is dependent on good relationships and fair treatment of its customers, employees, and the public, with due consideration of the operating requirements of the business.

NQBP's policies, procedures, standards and guidelines require NQBP's Board and employees to promote integrity within NQBP's operations and also require directors and employees to act honestly and comply with the law. The policies and procedures which apply to NQBP's Board and employees are as follows;

- Compliance Procedure;
- Code of Conduct Standard;
- Trading Guidelines;
- Disclosure Procedure; and
- Whistleblower and Public Interest Disclosure Protection Procedure.

NQBP has in place a training program to ensure all NQBP employees are made aware of the *Public Interest Disclosure Act 2010* (Qld) and the whistle-blower regime established under the *Corporations Act 2001* (Cth). In addition, NQBP has in place a Whistle-blower and Public Interest Disclosure Protection Procedure whereby NQBP personnel can make disclosures anonymously to an independent external whistle-blower consultant.

NQBP is committed to respecting Human Rights and complying with its obligations under the HR Act including ensuring that its business and operational decisions are compatible with human rights.

NQBP has a Grievance Resolution Procedure in place to ensure that all grievances (including grievances in respect of human rights violations) are managed and investigated in a fair and timely manner. An employee may lodge a grievance with NQBP either personally or by appointing a representative. Where appropriate or necessary a grievance will be investigated by an independent external party. During the Reporting Period, NQBP did not have any reports of actual or suspected violations of human rights.

## Procurement and Contracting

All procurement activities performed by NQBP must be performed with integrity and in a manner able to withstand scrutiny from both internal and external sources.

NQBP has adopted a Procurement Procedure and Contracting Procedure that are approved by Executive Leadership Team and reviewed annually.

NQBP's Chief Financial Officer oversees NQBP's external spend. NQBP's Finance department controls the registration and ongoing control of vendors to be used by NQBP.

NQBP is committed to achieving the highest standards of ethical behavior in the conduct of its business. NQBP has set standards to which it expects suppliers to adhere. NQBP's standard contracts contain mandatory slavery criteria that must be address by its suppliers, including to ensure suppliers are able to demonstrate compliance with the *Act*. NQBP's standard contract terms set out NQBP's expectations and requirements for its suppliers and their subcontractors regarding compliance with international standards around modern slavery. The standard contract terms provide NQBP with the ability to audit a supplier where NQBP holds concerns of compliance.

NQBP has implemented compliance with the *Act* as an assessment criteria when evaluating a tender for contract award. NQBP's tender forms require tenderers to describe the controls (including due diligence processes in connection with procurement and contract management) that tenderers have in place to maintain awareness of their supply chains in order to ensure that there is no modern slavery utilised or practiced in any level of their supply chain. During the Reporting Period NQBP undertook an internal review of tender forms submitted by tenderers and determined that tenderers were appropriately responding to and addressing the modern slavery criteria and that NQBP did not otherwise identify any concerns of non-compliance by its suppliers with modern slavery.

NQBP's standard contract terms and conditions include a requirement to comply with the Queensland Government Supplier Code of Conduct (***Supplier Code***). The Supplier Code requires that procurement is conducted in an environment of integrity, probity and accountability and that suppliers and business within the supplier's supply chain are not engaged in or complicit with human rights abuses, such as forced or child labour. NQBP undertook an internal review of tender forms submitted by tenderers during the Reporting Period and did not identify any non-compliance or any unwillingness of tenderers to comply with the Supplier Code.

During the Reporting Period NQBP did not identify any concerns of non-compliance by its suppliers with the Supplier Code.

## Risk Management

Risk management is an integral part of NQBP's business management. NQBP takes a proactive and well-informed approach to risk management and has a risk management policy, procedure and guidelines (risk management framework) that provide the strategic direction for risk management. Risk management is the responsibility of all NQBP employees. NQBP's management continues to be responsible for identifying changes in the business environment that may generate new risks or require a change to risk ratings or controls.

NQBP's risk profile is under constant review by management and the Board. The Risk Management Framework is supported by an assurance program of scheduled internal and external audits of various aspects of the business, such as legal compliance, finance, contract management, asset management, human resources, environment, health and safety, modern slavery, emergency and business continuity planning and information management.

NQBP has embedded modern slavery into its Enterprise Risk Register. The Chief Financial Officer is the owner of the modern slavery risk. Presently NQBP's modern slavery Enterprise risk sits as very low in the risk register. In determining NQBP's modern slavery Enterprise risk NQBP considered the controls in has in place these include:

- NQBP's operations occur in Australia and are governed by Commonwealth and State legislation.
- 98% of suppliers are Australian owned and operated, a low risk area.
- The key goods service and materials purchased by NQBP being construction & maintenance, dredging, operations, pilotage, property and risk and assurance are low risk in that they are unlikely to cause, contribute and/or be directly linked to modern slavery practices.
- NQBP has in place operating procedure that identify potential modern slavery risks.

To meet strategic objectives, NQBP's Risk Management Framework is designed to apply systematic and consistent risk management methodologies across NQBP to identify critical risk exposures, realise opportunities, prioritise resources and focus on improving capabilities for predicting and managing uncertainties.

During the Reporting Period, NQBP did not identify any instances of modern slavery occurring in its supply chains.

## **Assessment of effectiveness of actions being taken to assess and address modern slavery risks**

As outlined above, NQBP continues to monitor and assess the effectiveness of its actions in identifying and managing modern slavery risks by undertaking internal and external reviews of its governance, procurement and contracting, and risk management processes and controls. Depending on the results of these assessments, NQBP looks to adapt and improve the actions it takes to identify, assess and address modern slavery risks in NQBP's operations and supply chains.

During the Reporting Period NQBP undertook the following actions to assess and address its modern slavery risks;

- internal risk assessment of modern slavery;
- development of a modern slavery induction for NQBP's pilotage team; and
- development of a Modern Slavery Action Plan.

In 2021, NQBP engaged an external consultant to undertake a risk assessment of NQBP's supply chains. The review was conducted by Fairsupply based on NQBP external spend data for the financial year ending 30 June 2021. The 2021 review spanned 815 suppliers to NQBP and their supply chains. An assessment based on spend and category identified the total probable slave per million = 0.79 and the highest risk categories. NQBP did not undertake an external risk assessment of modern slavery for the Reporting Period as the internal risk assessment identified that NQBP's suppliers were largely the same as the 2021 reporting period and there were no significant changes to the key goods and services that NQBP procured.

NQBP recognises that its review and assessment of NQBP's actions to identify and address modern slavery risks in its operations and across its supply chain will be an ongoing and evolving process that NQBP is committed to continue to build upon. To this end NQBP has set itself annual goals to reach so NQBP can look back and assess the effectiveness of its approach and inform NQBP's path forward. NQBP's goals for the next reporting period are as follows:

1. NQBP will engage an external consultant for the 1 July 2022 – 30 June 2023 reporting period to undertake a risk assessment of NQBP's supply chains.

2. NQBP will undertake an internal review of its tender forms and contracts for compliance with the Supplier Code, Ethical Mandate and modern slavery criteria during 1 July 2022 – 30 June 2023 reporting period.
3. NQBP together with AMSA will run a modern slavery presentation on the risk of modern slavery with international vessels for NQBP's Pilotage team.
4. NQBP (through its Pilotage team) will engage with AMSA and report any instances of modern slavery.
5. NQBP will undertake an audit of its General Workforce EA for compliance during the 1 July 2022 – 30 June 2023 Reporting Period.

## Consultation with controlled entities

NQBP's controlled entities, PCQ and MPL are wholly owned and controlled by NQBP. NQBP and its controlled entities are all covered by NQBP's policies and procedures, and are treated as one operational entity from a corporate governance perspective. Accordingly, NQBP did not consider that formal consultation with its controlled entities was necessary or useful in preparing this Statement.

## Board approval

This Statement was approved by the Boards of NQBP, PCQ and MPL on Tuesday, 22 November 2022.



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Jane McTaggart

Chair of the Boards of NQBP, PCQ and MPL.





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