

North Queensland Bulk Ports Corporation Limited

# Modern Slavery Statement

1 July 2022 to 30 June 2023 ("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) (“NQB”) and its two wholly owned subsidiaries described below (“the NQB 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 NQB Group’s operations and supply chain for the Reporting Period and details the progress that the NQB Group has made to identify, assess and address those risks.

## Vision, Mission and Values

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

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

NQB’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 by balancing the needs of iconic natural environments, communities, stakeholders and port users.

### Our Values



INTEGRITY

We stand by our actions and NQB’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 Ports Corporation of Queensland Limited (ACN 126 302 994) (PCQ) and Mackay Ports Limited (ACN 131 965 707) (MPL).

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

PCQ and MPL do not trade, nor do they have any assets, liabilities or employees. 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 and Minister for Digital Services.

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.

From an operational and governance perspective NQBP, PCQ and MPL are considered one entity.

### Operations

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

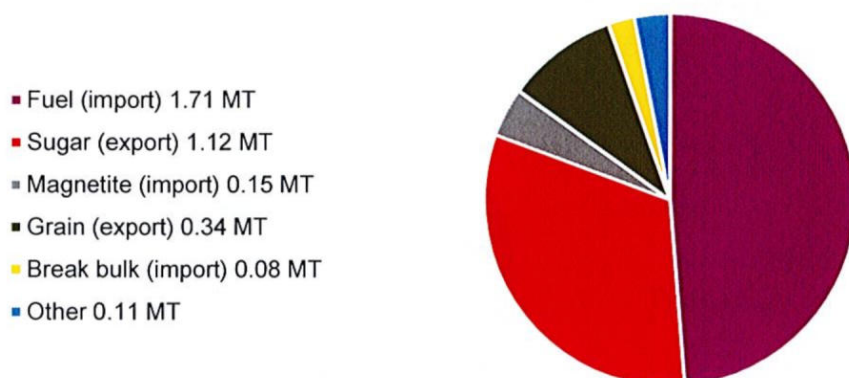
The four ports for which NQBP is responsible, are all located in Queensland.

## 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 centres for the Central Queensland mining and agricultural industries.

Port of Mackay statistics during the Reporting Period:

- Total throughput tonnage = 3,508,243

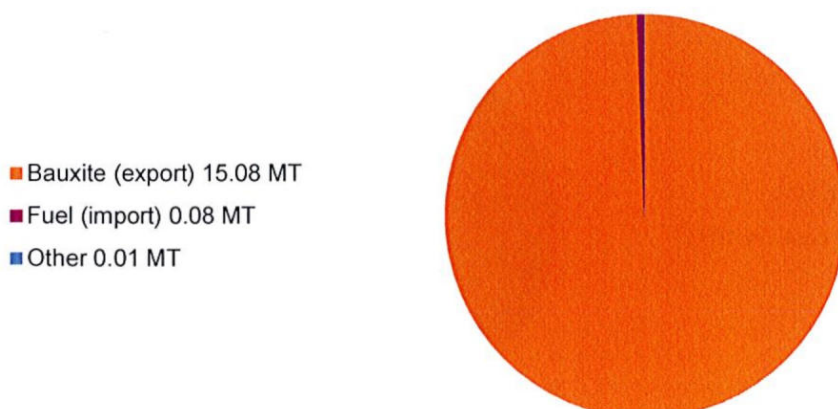


## Port of Weipa

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 = 15,169,332



## 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:

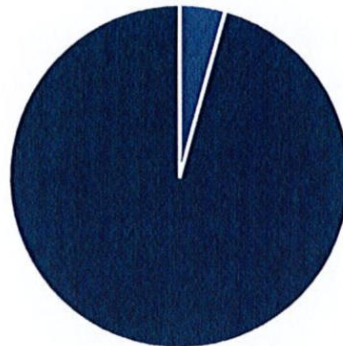
- Hay Point Coal Terminal (“HPCT”) which is owned by BHP Billiton Mitsubishi Alliance and is operated by Hay Point Services; and
- Dalrymple Bay Coal Terminal (“DBCT”), which is leased from the Queensland Government Dalrymple Bay Infrastructure.

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

Port of Hay Point statistics during the Reporting Period:

- Total throughput tonnage = 99,965,465

- Energy (thermal coal) 4.33 MT
- Metallurgical (metallurgical coal) 95.64 MT



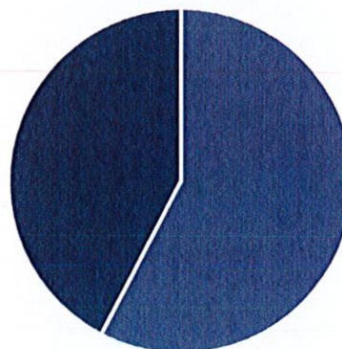
## Port of Abbot Point

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 = 33,435,176

- Energy (thermal coal) 19.28 MT
- Metallurgical (metallurgical coal) 14.16 MT



## Employment at NQBP

As at 30 June 2023, NQBP directly employed 119 people at its ports and offices in Mackay, Bowen, Weipa and Brisbane.

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 representatives ("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 68% of NQBP's employees are covered by Enterprise Agreements. The remaining employees are engaged under individual contracts.

NQBP undertakes both internal and external audits of its payroll system to ensure that NQBP pays its workers correctly. During the Reporting Period, a payroll internal audit was undertaken.

## 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 5 contracts which fall into the following two (2) categories that NQBP had with suppliers during the Reporting Period:

Product / Category	Country of Supplier	Industry
Nautical Infrastructure / Wharves	Australia	Non-building construction
Marine Operations / Helicopters	Australia	Air and Space transport

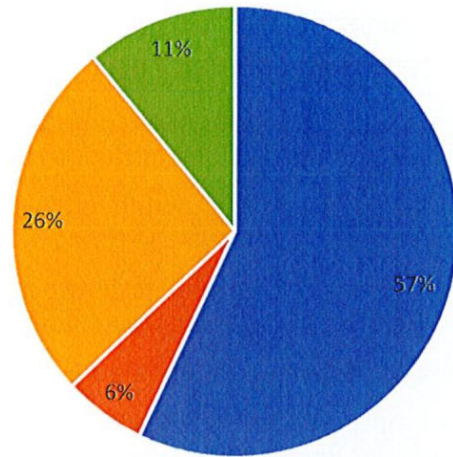
NQBP had a recorded external spend of \$52.83 million for the Reporting Period of which \$52.71 million was addressable with registered suppliers.

NQBP also had 1003 registered suppliers during the Reporting Period. NQBP specifically purchased from 388 registered suppliers during the Reporting Period.

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 \$17.48 million.

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

**Key goods, services and materials  
purchased by NQBP in 2023**



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



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

During the Reporting Period, NQBP undertook an external risk assessment of its operations and supply chains to identify modern slavery risks in its operations and supply chains to better understand its risk of modern slavery. The external risk assessment determined that NQBP's modern slavery risk was 0.0116 probable slaves per million based on industry category and likely country of source to 10 tiers.

This external risk assessment which considered the risk of modern slavery in NQBP's operations and supply chain including all factors that have the potential to cause, contribute or be directly linked to modern slavery in any material way was carried out based upon the 388 registered suppliers that NQBP had engaged with during the Reporting Period. The external risk assessment determined that during the Reporting Period based on spend with NQBP's first tier suppliers, NQBP's top 3 risk categories were:

- AUS Other business services
- AUS Construction work
- AUS Supporting and auxiliary transport.

The external risk assessment further determined that these products and / or services were sourced from Australia. Overall, during the Reporting Period NQBP's risk of causing, contributing or being directly linked to modern slavery was determined as very low.

Whilst NQBP acknowledges that the presence and risk of modern slavery in its business operations is very low, NQBP is aware that it may have exposure to modern slavery through its customers and suppliers and via the goods and services it procures. NQBP is continuing to engage with its suppliers to better understand these modern slavery risks as well as ensuring compliance with its procurement and contract procedures as detailed below.

NQBP considers there to be a low risk of modern slavery occurring within its direct workforce. NQBP undertakes regular audits of its payroll system to ensure employees are receiving their correct entitlements. NQBP is of the view that the greatest risk that NQBP may be causing, contributing or being directly linked to modern slavery lies within in operations and supply chains and this Statement has focused its assessment on NQBP's suppliers.

NQBP determined that NQBP's risk of modern slavery for the Reporting Period was very low. In determining NQBP's risk of modern slavery for the Reporting Period, NQBP considered the following:

- The external risk assessment undertaken by FairSupply;
- The sectors NQBP operates in;
- Geographical risks – of the majority of NQBP's suppliers operated in Australia; and
- The products and services NQBP sources - the goods and services NQBP procures are from countries with a low inherent risk of modern slavery.

## Pilotage

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.

Whilst the risk of modern slavery in NQBP's operations and its supply chain is considered 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 is committed to ensuring the safety and welfare of seafarers and preventing them from encountering modern slavery. During the Reporting Period, NQBP developed and implemented a modern slavery induction for NQBP's pilots. NQBP and AMSA took NQBP's pilotage team through a presentation on the risk of modern slavery with international vessels. Modern slavery and the welfare of seafarers remains a key area of focus during operation meetings of the pilotage team. NQBP continues to support 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).

NQBP is committed to assisting and supporting organisations such as Stella Maris Australia who provide care and welfare for all seafarers through making an annual donation.

NQBP recognises the below welfare organisations that provide assistance and support to seafarers at each of its Ports:

Port	Welfare Organisation
Mackay	Stella Maris
Hay Point	Stella Maris
Weipa	The Mission to Seafarers
Abbot Point	The Mission 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 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 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 upon 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 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

NQBP undertakes procurement in accordance with the Queensland Procurement Policy. 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 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 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's standard contracts contain mandatory slavery criteria that must be addressed 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 (the **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.

During the Reporting Period, NQBP's standard contract terms and conditions were amended to include a requirement that all NQBP's suppliers must meet and comply with the Queensland Government Ethical Supplier Mandate (the **Mandate**) and Ethical Supplier Threshold (the **Threshold**). The Mandate ensures that the suppliers supplying to the Queensland Government including NQBP uphold their economic, ethical, social and environmental commitments made in tenders and contracts or requirement by policies or laws. The Threshold outlines the wage and entitlement standards expected of suppliers who wish to do business with Queensland Government including NQBP.

During the Reporting Period, NQBP's tender documents were amended to include mandatory compliance with the Mandate and Threshold including declarations from the supplier that:

- the supplier is compliant or has breached the Threshold criteria;
- the supplier will co-operate by providing requested documents related to compliance with the Threshold to NQBP, the Queensland Government Procurement Compliance Branch, and any relevant regulatory bodies for compliance and investigated purposes;
- The supplier agrees to information sharing mechanisms between NQBP, Queensland Government Procurement Compliance Branch and any regulatory bodies including Work Health Safety Queensland, Queensland Building and Construction Commission, Fair Work Commission and the Australian Taxation Office to verify compliance information about the supplier.

NQBP has implemented compliance with the Mandate and Threshold as an assessment criteria when evaluating a tender for contract award. Non-compliance with the Mandate or Threshold results in NQBP not engaging the supplier.

In accordance with the Mandate prior to contracting with a supplier, NQBP undertakes compliance checks through the Procurement Compliance Portal to ensure that a potential supplier is not the subject of a current sanction under the Threshold.

During the Reporting Period NQBP did not identify any concerns of non-compliance by its suppliers with the Mandate or the Threshold.

## 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 provides 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 it has in place these include:

- NQBP's operations occur in Australia and are governed by Commonwealth and State legislation;
- The key goods, services 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; and
- NQBP has in place, operating procedures 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.

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:

- external risk assessment of modern slavery; and
- internal review for compliance with suppliers tendering responses and implementation of a modern slavery induction for NQBP's pilotage team.

In 2023, NQBP engaged an external consultant to undertake a risk assessment of NQBP's supply chains. The review was conducted by FairSupply based on NQBP's external spend data for the financial year ending 30 June 2023. The 2023 review spanned 388 suppliers to NQBP, and their supply chains based on industry category and likely country of source to 10 tiers. The assessment identified the likeliness of NQBP causing contributing or being directly linked to modern slavery at Tier 10 was estimated as 0.0116 of the total probable slaves per million. The overall risk of modern slavery based on that external assessment of NQBP causing, contributing or being directly linked, is considered very low.

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 will assess the effectiveness of its actions by:

1. exploring and implementing tools to assess and identify modern slavery risks with suppliers at the commencement of their engagement with NQBP;
2. continuing to undertake an internal review of its tender forms and contracts for compliance with the Supplier Code, Ethical Mandate and Threshold and modern slavery criteria at the end of each Reporting Period;
3. continuing through its Pilotage team, engage with AMSA and report any instances of modern slavery; and
4. continuing to undertake internal and external audits in accordance with its Risk Management Framework.

## 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.

In preparation of this Statement, a Board paper was prepared for the Boards of NQBP, PCQ and MPL advising of the requirements under the Act and risk of modern slavery in NQBP's supply chain and operations. At the Board meeting held on 30 November 2023 the Boards of NQBP, PCQ and MPL used the Board meeting for the purpose of reviewing, considering and consulting each other on the proposed Statement. After working through the consultation process, the Boards of NQBP, PCQ and MPL at the meeting passed a resolution approving this Statement.


## Board approval

This Statement was approved by the Boards of NQBP, PCQ and MPL on 30 November 2023.



Jane McTaggart

Chair of the Boards of NQBP, PCQ and MPL



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