



North Queensland Bulk Ports Corporation Limited

Modern Slavery Statement

1 July 2019 to 30 June 2020

Structure, operations and supply chains

Structure

North Queensland Bulk Ports Corporation Limited (ACN 136 880 218) (**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 the four trading ports of Hay Point, Mackay, Abbot Point and Weipa and the non-trading Port of Maryborough. NQBP is a reporting entity under the *Modern Slavery Act 2018* (Cth).

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**) (together referred to in this statement as **NQBP**). PCQ and MPL are not reporting entities under the *Modern Slavery Act 2018* (Cth).

The Queensland Government is the owner of all shares in NQBP which are held by two shareholding Ministers; the Treasurer and Minister for Investment and the Minister for Transport and Main Roads.

Operations

NQBP has its head office in Mackay Harbour, Queensland. The five ports for which NQBP is responsible are all located in Queensland.

Port of Mackay

The Port of Mackay was established in 1939 and is a multi-cargo import and export hub for Central Queensland's agricultural and mining industries.

During the reporting period 3.19 million tonnes of petroleum, sugar, grain, magnetite, breakbulk, scrap metal, fertiliser, cement, ethanol and tallow passed through the Port of Mackay. The breakbulk trade continued to grow, with eleven roll-on roll-off vessels shipping large mining and agricultural equipment directly to the Central Queensland region.

Port of Weipa

The Port of Weipa 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.

During the reporting period 19.67 million tonnes of bauxite passed through the Port of Weipa. The Port of Weipa also saw the trade in commodities of logs, and fuel which totalled 0.13 million tonnes.

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. The two coal terminals, Hay Point Coal Terminal and Dalrymple Bay Coal Terminal, service coal mines in Central Queensland Bowen Basin.

During the reporting period 110.86 million tonnes of coal passed through the Port of Hay Point.

Port of Abbot Point

The Port of Abbot Point which has been in operation since the 1980's has been a strategic asset due to its proximity to the resources rich Bowen and Galilee basins. The trade through the Port of Abbot Point consist of both metallurgical and thermal coal.

During the reporting period 31.88 million tonnes of coal was exported from the Port of Abbot Point.

As at 30 June 2020 NQBP employed 128 people at its ports and offices.

NQBP has two enterprise agreements: one for its general workforce, covering administration and port staff, maintenance and operations and a second for marine pilots.

NQBP's standard contractual terms with suppliers 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.

NQBP had a recorded external spend of \$76.86million for the year ending 30 June 2020 of which \$53 million was addressable with registered suppliers. NQBP has registered 3890 suppliers over the past six years, of which 446 suppliers were specifically engaged during financial year ending 30 June 2020.

NQBP primarily procures spend for major one-off works being capex or repairs and maintenance to assets. For the year ending 30 June 2020, this amounted to \$34 million. NQBP has contracts with suppliers for major recurring spend. The primary categories are:

- Engineering Services
- Repairs & Maintenance
- Marine Operations (Pilots/Systems)
- Corporate Services (Insurance, Travel, Legal, HR, IT)
- Property
- Advisory & Consultancy

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

During the 2020 financial year, NQBP undertook a review of its operations and supply chains to identify the risks of modern slavery practices. During the review NQBP considered whether NQBP may cause, contribute or be directly linked to modern slavery practices. In determining NQBP's risk, NQBP considered the industry, geographical locations and the types of products and services NQBP procures. During the review NQBP identified that the supplier categories

of Engineering Services, Corporate Services, Advisory and Consultancy are low risk in that they are unlikely to cause, contribute and/or be directly linked to modern slavery practices.

NQBP determined that there is risk associated with NQBP procuring technology, uniforms, repairs and maintenance. 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.

NQBP will continue over the next reporting period to engage with its suppliers to further understand the risks of modern slavery practices within NQBP's supply chain and where necessary take action to reduce those risks.

Actions taken by NQBP to assess and address these risks

NQBP has a Procurement Procedure and Contracting Procedure that is approved by the Executive Leadership Team and reviewed annually. NQBP has a Procurement Manager that oversees external spend. NQBP's Finance department controls the registration and ongoing control of vendors to be used by NQBP.

NQBP has set standards to which it expects suppliers to adhere. NQBP's standard contracts ensure suppliers are able to demonstrate compliance with the *Modern Slavery Act 2018* (Cth). 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 GOCs (***Guidelines***), and this is contained in NQBP's Governance Procedure. The Governance Procedure is reviewed regularly to improve, where appropriate, NQBP's compliance with the Guidelines. NQBP's Governance Procedure is published on NQBP's website.

NQBP is committed to respecting Human Rights and as such NQBP has updated its Procedures to ensure that they comply and promote the protections provided for in the *Human Rights Act 2019* (Qld).

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. These principles are contained in various policies and procedures which apply to Directors and all employees and include the Compliance Procedure, Code of Conduct Standard, Trading Guidelines, the Disclosure Procedure, as well as the Whistleblower and Public Interest Disclosure Protection Procedure. These policies, procedures, standards and guidelines require Directors and employees to promote integrity within NQBP's operations and also require Directors and employees to act honestly and comply with the law.

NQBP's standard contractual terms 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. The Supplier Code requires that contractors and business within the contractor's supply chain are not engaged in or complicit with human right abuses, such as forced or child labour.

NQBP is committed to achieving the highest standards of ethical behavior in the conduct of its business. NQBP has updated its standard contracts to incorporate clauses specifically addressing modern slavery. These new clauses set out NQBP's expectations and requirements for its contractors and their subcontractors regarding compliance with international standards around modern slavery. These new clauses also provide NQBP with the ability to audit a contractor where NQBP holds concerns of compliance.

Following the introduction of the *Modern Slavery Act 2018* (Cth) NQBP undertook an extensive review of its policies and procedures. Where necessary NQBP's policies and procedures were updated. Where required NQBP has updated staff on the amendments to NQBP's standard contracts and NQBP's policies and procedures.

NQBP adopts the Supplier Code which sets out the Queensland Government's expectations of its suppliers. NQBP has made adherence to the Supplier Code a contractual term of doing business with NQBP.

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. During the procurement process NQBP undertakes a due diligence process whereby NQBP requires potential suppliers to describe the controls that they have in place to address and maintain awareness of modern slavery practices in their supply chains and disclose whether there have been any instances of modern slavery within their supply chains in the last five (5) years. NQBP is committed to ensuring that all suppliers engaged by NQBP meet the expectations set out in the Supplier Code.

NQBP has a Grievance Resolution Procedure in place to ensure that all grievances including regarding human rights are managed and investigated in a fair and timely manner and where appropriate are investigated by independent external parties.

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 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.

To meet strategic objectives, the 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.

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, emergency and business continuity planning and information management.

Risk management is an integral part of NQBP's business management. NQBP have a dedicated Risk Management and Assurance team. Their role is to ensure that NQBP as a business is well informed and that risk management is effectively integrated over time into NQBP's processes. In addition, NQBP's management continue 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.

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

NQBP have engaged an external consultant to undertake a further risk assessment of NQBP's supply chains. This will assist NQBP to assess whether it is appropriately identifying and evaluating its modern slavery risks. Following the outcome of this risk assessment NQBP will consider the findings and where necessary implement actions to address any modern slavery risks.

NQBP is committed to exploring further mechanisms to assess the effectiveness of actions taken to assess and address modern slavery risks in NQBP's supply chain. NQBP will, during the relevant reporting period implement the following actions to assess the effectiveness of NQBP's actions to address modern slavery risks:

1. NQBP Executive Leadership Team will engage with their teams on a biannual basis to review NQBP's response to Modern Slavery;
2. NQBP's Procurement, Legal and HR teams will meet at least on a biannual basis to review and discuss any risks within NQBP's supply chains;
3. NQBP will engage an external consultant annually to undertake a risk assessment of NQBP's supply chains.

Consultation with controlled entities

This statement includes details of NQBP's two wholly-owned subsidiaries, PCQ and MPL. NQBP owns all of the shares in PCQ and MPL. All assets and liabilities of PCQ and MPL were transferred to NQBP on 31 March 2012. The three companies (NQBP, PCQ and MPL) have the same Board of Directors and the Board of Directors are responsible for the corporate governance of the three companies and are accountable to the shareholding ministers for NQBP's performance. In light of this, a detailed consultation process with PCQ and MPL was not required.

As NQBP, PCQ and MPL have the same Board of Directors, use the same policies and procedures and operate in the same sector this statement provides a consolidated description of NQBP, PCQ and MPL assessment of modern slavery risks in their operations and supply chains. This statement also provides a consolidated assessment of the actions NQBP, PCQ and MPL have taken to address modern slavery risks.

Board approval

This statement was approved by the Board of NQBP on 27 October 2020.



Brad Fish