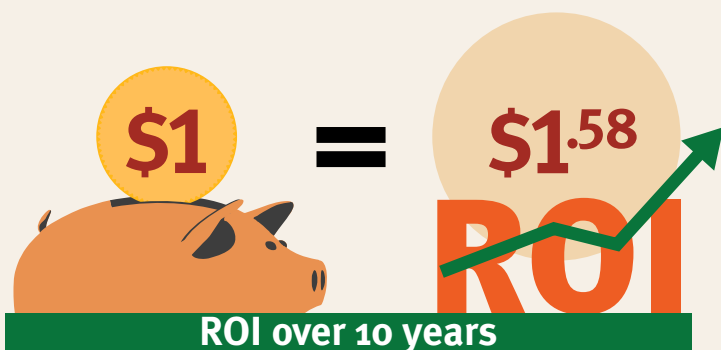


# Port of Brisbane



Over ten years, it is estimated the return on investment for the PBPL investment in the new gym and Healthy Lifestyle Program is \$1.58 of benefits for every \$1 of costs.

## Background

The Port of Brisbane Pty Ltd (PBPL), which manages the Port of Brisbane under a 99 year lease from the Queensland Government, has undergone substantial organisational change in recent years. As part of due diligence for the leasing of the port, the new owners identified that workplace health and safety improvements were a priority given the high incidence of 33 injuries recorded in 2010–11.

To improve the work health and safety culture, PBPL made a number of important changes, including:

- introducing the Healthy Lifestyle Program, a preventative program that involves annual check ups run by Ford Health, with personalised reports provided to staff and annual flu injections
- establishing an on-site gym in vacant office accommodation available free of charge to employees, with a range of fitness equipment (e.g. dumbbells, treadmills)
- fitness classes and personal training run by Fitness First at the on-site gym
- supervisor work health and safety training so they can identify and mitigate risks and help people get back to work on suitable duties plans
- introducing regular lunch time seminars on work health and safety topics including healthy eating and dealing with depression.

It was considered important to invest in facilities on-site, given the remoteness of location.

## Benefits

PBPL recorded 1139 days lost time injury free at 7 December 2015. There have been substantial savings through this health and safety initiative including:

- reducing workers' compensation claim costs from \$86,000 to \$36,000 per annum, a \$50,000 saving per annum
- a 51.5 per cent reduction in injuries
- avoiding additional costs of injury (e.g. paperwork, clean up costs, costs of replacing workers) of \$6,680 per injury, which equates to around \$173,400 per annum, based on a reduction in claims per annum of 26 (from 45 to 19) reported by PBPL.

This has resulted in a total annual benefit of just under \$225,000 per annum.

## Costs

Costs of the cultural change program introduced by PBPL include:

- \$120,000 in upfront costs to set up the gym
- ongoing costs of regular gym classes of around \$15,000 per annum
- contract with Ford Health for Healthy Lifestyle program of around \$115,000 per annum.

## ROI

Over ten years, it is estimated the ROI for the PBPL investment in the new gym and Healthy Lifestyle program is \$1.58 of benefits for every \$1 of costs.

The payback period for the upfront costs associated with the new gym was around 15 months.

### Data and assumptions in ROI calculation – Port of Brisbane

Item	Value	Calculation details
<b>Upfront costs</b>		
Gym equipment	<b>\$120,000</b>	Provided by Port of Brisbane
<b>Ongoing costs (annual)</b>		
Healthy Lifestyle program	<b>\$115,000</b>	Estimate provided by Port of Brisbane
Gym classes	<b>\$15,000</b>	Calculated by multiplying cost of \$300/week by 50 weeks (assuming two weeks Christmas/New Year's shutdown)
<b>Total ongoing costs</b>	<b>\$130,000</b>	
<b>Benefits (annual)</b>		
Estimated workers' compensation premium saving	<b>\$50,000</b>	Assumes reduction in annual claim costs from \$86,000 in 2010 to \$36,000 in 2014 (WorkCover data provided by Port of Brisbane) flows through to premium savings
Other avoided costs from injury reduction (e.g. investigation, clean up and lost productivity costs)	<b>\$173,680</b>	Calculated by multiplying reduction in annual claims between 2010 and 2014 of 26 by \$6,680, the cost of a typical injury estimated by Port of Brisbane using Workplace Health and Safety Queensland's Injury Cost Calculator
<b>Total annual benefits</b>	<b>\$223,680</b>	
<b>Return on investment</b>		
\$ of benefits per \$ of costs over ten years	<b>\$1.58</b>	
Payback period for upfront costs	<b>15 months</b>	

Source: Adept Economics, 2015.

*Note: This is a high-level analysis and should not be relied upon in making any future business decisions. Proponents are strongly urged to make their own estimates and decisions based on their individual business modelling.*