



PORT AUTHORITY
OF NEW SOUTH WALES



Annual Report 2021/22

Port Authority of New South Wales



Keeping the ports of NSW safe, secure and open to the world

Port Authority of New South Wales

Port Authority of New South Wales manages the navigation, security and operational safety needs of commercial shipping in Sydney Harbour, Port Botany, Newcastle Harbour, Port Kembla, Eden and Yamba.

More than 5000 commercial vessels visit the working ports of NSW each year, contributing billions of dollars to our economy, creating thousands of jobs and supporting countless businesses. We work 24/7 to ensure safe navigation for these ships, security for our ports and protection for our marine environment.

From land and water, our teams of maritime professionals provide port users with safe, efficient and sustainable marine services: harbour master directions; marine pilotage; vessel traffic services; aids to navigation; emergency response; hydrographic surveying; and port and terminal operations.

Together, we keep the working ports of NSW safe, secure and open to the world.

Find out more at portauthoritynsw.com.au.

Our responsibilities

Port Authority is a statutory state-owned corporation, operating under the *Ports and Maritime Administration Act 1995 (NSW)* to provide safe, efficient and sustainable marine services to NSW.

Appointed under the *Marine Safety Act 1998 (NSW)*, we hold the role of harbour master in all the working ports of NSW and have responsibility for all port safety functions under the Port Safety Operating Licence granted by the NSW Government.

We are the lead agency for responses to maritime incidents in Sydney Harbour, Port Botany, Newcastle, Port Kembla, Eden and Yamba and in coastal waters from Fingal Head, Port Stephens to Gerroa, and three nautical miles out to sea.

As part of the NSW Transport cluster, we work closely with Transport for NSW and State and Federal agencies to support the needs of NSW.

See page 126 for more about our legislative obligations.

Acknowledgement of Country

Port Authority of New South Wales acknowledges that Aboriginal and Torres Strait Islander peoples are the First Peoples and Traditional Custodians of Australia, one of the oldest continuing cultures in the world.

We pay respect to Elders past and present and commit to respecting the many lands and waters where we work, in Yamba, Newcastle, Sydney, Port Botany, Port Kembla and Eden. We also pay respect to our Aboriginal and Torres Strait Islander colleagues.

We pay tribute to the diversity of Aboriginal and Torres Strait Islander peoples, their cultural and spiritual connection, and their customs and practices. Port Authority celebrates the deep and enduring connection of Aboriginal and Torres Strait Islander peoples to this Country and acknowledge their continuing custodianship of the land, waters and sky.





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Letter of submission



The Hon. Matt Kean MP

Treasurer
52 Martin Place
Sydney NSW 2000

The Hon. Damien Tudehope MLC

Minister for Finance and Employee Relations
52 Martin Place
Sydney NSW 2000

Dear Mr Kean and Mr Tudehope,

Report on operations for the year ending 30 June 2022

We are pleased to submit Port Authority of New South Wales' annual report detailing performance, operations and financial results for the year ending 30 June 2022.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984 (NSW)*, and the applicable provisions of the *Public Finance and Audit Act 1983 (NSW)* and the *State-Owned Corporations Act 1989 (NSW)* and is submitted for presentation to Parliament.

Yours sincerely,

Mr David Marchant AM
Chair

Mr Philip Holliday
Chief Executive Officer and Director

Our role

How we keep ships and the ports of NSW safe and secure

Our primary role is to ensure safe navigation and berthing for commercial vessels in the ports of NSW. We also own and operate key port infrastructure across NSW including Sydney’s Overseas Passenger Terminal and White Bay Cruise Terminal; port facilities at Glebe Island and White Bay; and the Welcome Centre and cruise wharf in Eden.

Our key roles in the ports of NSW





Our ports

Where we work

These ports are the heart of our coastal communities, have shaped our past, continue to support our present and will help create our future. Gateways to the world, the working ports of NSW are some of the most economically significant in Australia.



Sydney Harbour

The world-famous working harbour

One of the most beautiful natural harbours in the world, Sydney Harbour is a working port where iconic sights and spectacular shorelines sit alongside a thriving maritime industry. Australia's busiest waterway, thousands of recreational, passenger and working boats share the harbour with the trade vessels supporting the state's growth and the cruise ships bringing millions of tourists to NSW. And at its heart is Glebe Island, a working port that's provided Sydney with a vital maritime supply route for over 100 years.

portauthoritynsw.com.au/sydney-harbour

Newcastle Harbour

The Hunter's historic trading gateway

The largest port on the East Coast and Australia's oldest export port, Newcastle Harbour is a vital trading gateway for the resource-rich Hunter Valley and north and northwest NSW. With around 2,200 trade vessel visits each year, Newcastle Harbour is one of the country's largest tonnage throughput ports exporting valuable bulk cargo such as coal, grain, vegetable oils, alumina, fertiliser and ore to markets overseas.

Newcastle's landside port operations are managed by Port of Newcastle, which is a private operator. Port Authority contributes to the commercial market by its participation in the smooth operation of the Hunter Valley Coal Supply Chain.

portauthoritynsw.com.au/newcastle-harbour

Port of Eden

Serving the South Coast economy

The southernmost deep-water harbour in NSW, Port of Eden serves the South Coast's key fishing, forestry and tourism industries. Home to one of NSW's largest fishing fleets, Eden is also a regular port of call for recreational vessels and has fast become a popular cruise destination as a tourism gateway to the stunning Sapphire Coast. Each year, around 100 commercial vessels visit Eden's privately owned woodchip terminal, the multi-user Royal Australian Navy wharf, and Port Authority's Eden Cruise Wharf.

portauthoritynsw.com.au/port-of-eden



Port Botany
 Delivering for NSW and beyond

Port Botany is one of Australia’s largest container ports and one of its most vital maritime assets. Every year, around 1600 ships bring over 2.5 million containers into Port Botany to provide the country’s largest population centre with essential goods and valuable resources including petroleum and natural gas. Port Botany is home to Sydney’s vessel traffic services which provides safe navigation for mariners in Sydney Harbour, Botany Bay and beyond.

Port Botany’s landside port operations are managed by NSW Ports, which is a private operator.

portauthoritynsw.com.au/port-botany



Port Kembla
 Connecting the Illawarra’s industries with the world

One of NSW’s key economic assets, Port Kembla sees around 800 commercial vessels visit each year to connect the industries of the Illawarra with the world. Port Kembla is the largest motor vehicle importation terminal in NSW, the principal grain export port for southern and southwestern NSW and provides the region’s significant steel and mining industries with the marine capabilities at the centre of their supply chain.

Port Kembla’s landside port operations are managed by NSW Ports.

portauthoritynsw.com.au/port-kembla



Port of Yamba
 Supporting the needs of Northern NSW

Australia’s easternmost port, the Port of Yamba in northern NSW serves the Northern Rivers and New England regions and the towns of Grafton, Maclean, Ballina, Lismore, Casino and Coffs Harbour.

Supporting the import and export needs of the region, Yamba is the home of NSW’s second-largest fishing fleet and supports a vibrant shipbuilding and repair industry. Overseen by the Newcastle Harbour Master, around 40 commercial vessels visit Yamba each year.

portauthoritynsw.com.au/port-of-yamba



Our Vision and Strategic Plan 2020-25

Our plan for a successful, sustainable future

Our plan defines our vision, values and purpose and identifies the strategic goals and priorities that will guide Port Authority forward.

This plan offers our teams a clear and meaningful framework to align their work with our long-term objectives and drive initiatives that deliver better outcomes for our customers, stakeholders, port communities and people.



Our vision

Navigating a safe and prosperous future together



Our values

Care | Accountability
Integrity | Collaboration



Our purpose

To provide safe, efficient and sustainable maritime services and port assets for our customers and stakeholders

Our strategic goals

The key to our future success, our plan sets out our long-term objectives essential for a successful and sustainable future.

- One Port Authority
- A professional and engaged workforce
- A consistent and strong safety track record
- Efficient, growing, commercial ports that support engaged customers
- A focus on embedding sustainability across our organisation
- Recognised by customers, stakeholders and communities as ethical, responsive and collaborative
- A strong balance sheet, strengthening our return on assets.

Committing to a sustainable future

Underpinned by a commitment to sustainability, our Strategic Plan was developed in tandem with our plan to embed sustainable initiatives across our organisation.

Our Sustainability Plan identifies key focus areas for us to define, develop and deliver initiatives that support a sustainable future and improve social, environmental and economic outcomes in and around our ports.

To realise our goals, all our activities are guided by sustainable business governance practices and procedures to embed sustainability across our business, including:

- Financial sustainability
- Business continuity
- Regulatory compliance
- IT resilience and integrity
- Contract management
- Risk mitigation and control.

Our five strategic priorities are a framework to align our work and deliver initiatives that contribute to securing our strategic goals



One team, one culture, one Port Authority

Creating a connected and collaborative culture that aligns our ways of working across our ports

This strategic priority will:

- Foster a ‘one-port’ approach
- Support employee health and safety
- Develop our professional and engaged workforce
- Exhibit strong personal leadership
- Progress our customer-focused service culture.



Optimised and sustainable port assets

Ensuring our port assets are safe, efficient, sustainable and optimised to capitalise on future opportunities

This strategic priority will:

- Provide safe, reliable and efficient assets in our ports
- Embed sustainability in the management and development of our assets
- Develop our land assets for future growth and viability.



Commitment to customer service delivery

Adding value to our services and building long-lasting and sustainable relationships with our customers

This strategic priority will:

- Maintain a defined customer value proposition
- Enhance our customer experience
- Invest in service delivery
- Grow customer relationships and revenues.



Stakeholder and community engagement

Strengthening our relationships to promote our role and foster support for the working ports of NSW

This strategic priority will:

- Develop and grow the Port Authority brand
- Partner with and advocate for our customers
- Collaborate with our stakeholders
- Work to build stronger relationships with our port communities.



Operational excellence

Increasing the quality, efficiency and reliability of our service delivery

This strategic priority will:

- Embed clear accountabilities aligned to customer and stakeholder needs
- Create visibility of performance through measurement
- Optimise service delivery through continuous improvement.

Chair's report

Planning for the future of shipping positions Port Authority to support the growth and prosperity of NSW

David Marchant, Chair

 **\$64.1m**
EBITDA

As we close out another reporting year, disruptions from Covid-19 are slowly dissipating and we're starting to return to a new normal. For NSW there's been a focus on infrastructure projects to stimulate economic recovery, and our ports have played a pivotal role in supporting this focus from government and industry alike. Port Authority's people have continued to deliver outstanding service and support to the shipping industry and broader supply chain, overcoming challenges and ensuring our ports continued to be open and safe to benefit all of NSW. This work is critical, and I acknowledge Port Authority's commitment to this key operational objective whilst ensuring the safety of its people and the security of the supply chain.

Continuing to operate a strong commercially focussed business is core to Port Authority's success. To further strengthen our governance arrangements, a Statement of Expectations was agreed, with our shareholding Ministers and our portfolio Minister, to maintain Port Authority's strategic alignment with government expectations.

A favourable financial outlook

Notwithstanding the impacts of COVID continuing to be felt across the shipping industry for much of the year, the number of vessel visits to NSW ports improved slightly. Port Authority's financial performance once again demonstrated resilience through change in achieving earnings before interest, taxes, depreciation and amortisation (EBTIDA) of \$64.1 million this reporting period compared with \$59.1 million reported last financial year. This is a positive result and is testament to our ability to adapt to the challenges of the operating environment which existed throughout the period. This result puts the organisation in a favourable position for the years ahead. (page 72)

This strong financial position is a direct result of applying risk mitigation strategies including business interruption insurance, cost controls and savings measures. The business interruption insurance claim helped to ease the loss of revenue predominantly due to the loss of scheduled cruise vessel visits resulting from continued restrictions to cruise activity, in addition to the loss of rent from abatements offered to support retail tenants at the Overseas Passenger Terminal and White Bay Cruise Terminal and others whose businesses were adversely affected by the pandemic, as well as revenue lost from events impacted by restrictions on public gatherings.

Safe return of cruise

A key milestone this year has been the successful and safe return of cruise. Prior to the pandemic, cruise was Port Authority's fastest growing business sector contributing an estimated \$3.3 billion total expenditure to the NSW economy and more than 11,000 jobs to the whole of NSW in 2018-19. The benefits from cruise are felt across many sectors of the economy, from our freight and supply chains to tourism destinations and hospitality businesses. The forward outlook for the cruise market is positive with bookings for upcoming seasons indicating cruise demand is still strong and a post pandemic recovery is expected within the next two to three years. I commend Port Authority's diligence and hard work with stakeholders to prepare for the safe and managed return of cruise.

Planning for a low carbon future

Planning for a clean energy, low carbon future is one of the ways Port Authority will continue to be relevant and successful. The bold and ambitious targets, to supply renewable shore power to berths at Glebe Island and White Bay and to be Net Zero by 2040, tackle global issues and directly influence and support the shipping industry to move to a low carbon future.

Delivering on one of our five key strategic pillars and our Sustainability Plan, nearly \$60 million will be invested for the development of a landside electricity supply for ships at five berths ensuring that this supply is either powered or offset with 100% certified renewable energy, with the first berth to be connected by the end of 2024.

Changes to the Board

I thank the outgoing Chair, Robert Dunn, for his commitment in progressing the important work of Port Authority including leading the Board through the challenges of the pandemic and delivering key initiatives such as Port Authority's Vision and Strategic Plan 2020-25, setting a clear course for a successful and sustainable future.

The Government recently set a target for gender diversity in Boards of State-Owned Corporations, and I am pleased to highlight that Port Authority exceeds this target with three female Directors on our Board of seven. This has been helped in part by our newest member, Justine Jarvinen who joined the Board this year (page 21). I extend a warm welcome to Justine and have no doubt her extensive knowledge and experience will be an asset to Port Authority as we continue to chart our course out of the pandemic to a safe and prosperous future.



David Marchant
Chair

CEO's report

Building on our strategic vision for the ports of NSW and delivering results for our port communities and customers has been a key focus for this year

Philip Holliday, Chief Executive Officer and Director



5,068

Commercial vessels visited NSW

Mariners often say there is no better resource you can have on board than a well-trained crew and I am pleased to say that achieving the results and successes of the last year is all down to the Port Authority crew, who have kept us on course to support our customers and keep ships and trade moving safely in NSW.

Our people

A priority is to support our people, who are central to all we do, and in September we launched our Workforce Plan, with a target of 50% women by 2030 and where 4% of new starters identify as Aboriginal or Torres Strait Islander, to reflect current representation in our population. These commitments recognise the ethical, economic, industry and business imperatives for us to achieve greater gender equity. Just over a quarter of our employees are women; our corporate teams have good representation of women, but areas with technical and operational roles have fewer females, and this is why we have set targets and are building our profile as an Employer of Choice to attract a more diverse workforce. We know that targets work, a clear demonstration of this is our 50/50 recruitment strategy, launched last year, but already showing results with 50% of new starters women and our operational areas now showing closer to 18% female participation.

Keeping our people safe

This year we continued to implement COVID safe measures including an additional COVID control requiring vaccination as a condition of entry to our port facilities, maintaining a COVID safe environment for our essential workers (page 17). This year mental health first aid training was offered to staff. The courses received outstanding feedback and will be a fixture of our WHS training program into the future. Our focus on maintaining a safe working environment resulted in no dangerous incidents or serious injuries and we continued our downward trend in lost time injuries with 1 this financial year.

Near miss reporting and safety inspections doubled providing further evidence of our appetite to share and learn from events using our port wide incident management and reporting system introduced last year.

Sustainable port assets

In March we made the significant announcement detailing our Net Zero Strategy and commitment to deliver shore power for vessels berthed at Glebe Island and White Bay. Providing vessels with land based and 100% certified renewable electricity supply is a key strategy to be Net Zero by 2040 – a decade ahead of the State Government's target (page 56). Good business is clean business and our intention to create a carbon neutral business marks us as national leaders in our industry. This ambitious journey will require the commitment of everyone in Port Authority and our customers if we are to succeed. I am confident the historic agreements between Port Authority, Carnival Australia, Royal Caribbean, Cement Australia, MSC and CSL Australia will be a catalyst for further change in our industry and that many others will follow.

To help achieve our Net Zero targets work on an Energy Strategy has commenced and energy efficiency assessments completed at four main energy consuming sites to identify opportunities to improve efficiencies and reduce energy consumption.

Operational excellence

Central to our success is our people, who have continued to work tirelessly around the ports and behind the scenes to support our customers and reduce the impacts to our communities. Highlights include the work of our marine operations teams who facilitated the safe movement of 5068 commercial vessels visiting our ports (page 32) and responded to 246 marine incidents (page 40); installation of interpretive signs along Macquarie Pier (page 58); delivery of a new contract for helicopter transfers for our Marine Pilots in Newcastle; progress on the design and build of our new multipurpose

vessels; the rollout of OnePort (page 57) to our customers in Eden and Port Kembla; and AMSA accreditation for Newcastle Harbour Vessel Traffic Services (page 38)

Working with our customers

Celebrating the return of cruise ships to our harbours was a milestone moment for Port Authority and NSW. Pacific Explorer, the first cruise ship to sail into Sydney Harbour in more than two years, returned to her home port after the cruise ban was lifted in April 2022. This significant occasion was marked with a flotilla of boats on the Harbour and excited onlookers on the foreshore, demonstrating how much the community had been looking forward to the cruise industry restart. In partnership with industry, state and federal governments, our Customer and Commercial team made sure our terminals and procedures were ready to safely welcome cruise passengers and crew back to NSW. (page 60)

Marking the official restart of passenger cruising in NSW, Pacific Explorer left White Bay Cruise Terminal in June with the first group of fee paying passengers in over two years. Another significant moment in our community's recovery from COVID, reactivating our terminals and highlighting the true value of cruise to businesses from family run farms to major suppliers.

I would like to thank all employees, our Board, our customers, stakeholders and our communities for supporting Port Authority during this challenging yet rewarding period. I look forward to continuing to build on the successes we have had as we continue to navigate a safe and prosperous future together.

Philip Holliday
Chief Executive Officer and Director



The year in numbers

How we kept our ports safe and secure

Visits trending back towards pre-COVID levels, noting absence of cruise for most of the reporting period.



● 408
Sydney Harbour

● 862
Port Kembla

● 1,379
Port Botany

● 91
Eden

● 2,297
Newcastle

● 31
Yamba



We conducted

9,476

Marine pilotage movements

169

Port safety surveys

We responded to

246

Emergencies

152

Pollution incidents

56

Emergency towage and vessel assists

33

Booming operations

5

Firefighting operations

We operated

30

Specialised vessels

254

Navigation aids

We had

204

Workplace safety inspections

0

Medical emergencies

0

Dangerous incidents or serious injuries





Annual highlights

<p>OnePort roll out in Port Kembla and Eden</p>		<p>Continuing our investment in innovative solutions to support our customers and stakeholders, OnePort platform has successfully been in use at Port Kembla and Eden for more than two months, and we are seeing significant impact to efficiency, simplicity and standardisation. Building the platform in-house has allowed our dedicated team to make continual improvements to the functionality that services all port customers, service providers and internal operational units.</p>
<p>New diversity targets</p>		<p>In September we launched our Workforce Plan and documented our targets for gender equality (a workforce that is 50% women by 2030) and where 4% of new starters are Aboriginal and/or Torres Strait Islander people.</p>
<p>VTS accreditation</p>	 	<p>Authorisation has been received from the Australian Maritime Safety Authority (AMSA) to provide Vessel Traffic Services (VTS) in Newcastle. Port Authority is now authorised to provide the highest level of VTS, including Navigational Assistance, which is a testament to the professionalism of the services provided.</p>
<p>Innovative technology breaking records for Port Botany</p>		<p>Dynamic Under Keel Clearance (DUKC) technology utilised by Port Authority allowed for safe arrival of the deepest (MSC Tokyo - 15.1m) and heaviest (MSC Le Havre - 140,480 tonnes) ships ever to arrive at the port.</p>
<p>New multi-purpose vessels</p>		<p>Began construction of two new multipurpose firefighting vessels. The \$10 million contract was awarded to shipbuilders Birdon, Port Macquarie. Building these two new vessels in Port Macquarie contributes to creating jobs, keeping specialist trades in the regions and supports rural economies recovering from the impacts of drought, fires, floods and COVID.</p>
<p>Outstanding service delivery during Newcastle's full fresh flooding events</p>		<p>Multiple flooding events in the Hunter River over the summer months created challenging conditions for port operations in Newcastle Harbour. The influx of fresh water caused significant changes to the salinity of the harbour, and washed debris into the port, affecting port conditions and the manoeuvring characteristics of seagoing vessels within the harbour. A rapid port-wide response, with Port Authority, Port of Newcastle, terminal operators and towage service providers worked together to mitigate the impacts and allow ship movements during the flooding events.</p>
<p>Achieving Bronze Partner status</p>	 	<p>Achieved Bronze Partner status in the Sustainability Advantage Program in recognition of our commitment and determination to embed sustainability across our six port locations.</p>
<p>Eden's Cruise Terminal and Welcome Centre win awards</p>		<p>Cox Architects, the designers of Eden Port Welcome Centre won the Excellence in the Use of Timber products (Recycled Timber) award at the Timber Design Awards at the end of 2021. In February the facility was highly commended in the DCN Australian Shipping & Maritime Industry Awards Port/Terminal of the Year category which fields national nominations and in January, the Eden Visitor Information Centre won Judges' Star Award at the NSW Tourism Awards.</p>

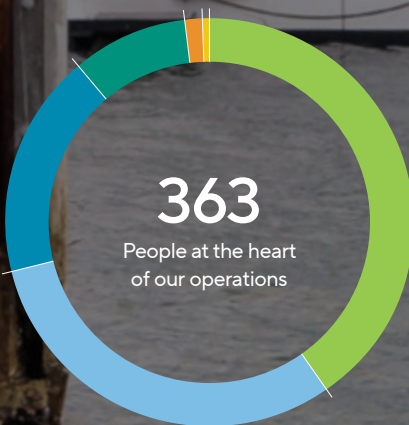
<p>Net Zero Targets</p>	 	<p>The release of our Net Zero by 2040 plan in March 2022 demonstrates our commitment to an aggressive plan to build a carbon neutral business and mark us as national leaders in our industry.</p>
<p>Shore Power announcement</p>	 	<p>In a world first for a dry-bulk precinct and a first in the Southern Hemisphere for a cruise terminal, supported by both industry and government, Port Authority announced in March 2022 that we will be installing and supplying Shore Power in the Bays Port precinct. Port Authority will be investing nearly \$60 million for the development of a landside electricity supply for ships at five berths, either powered or offset by 100% certified renewable energy, with the first berth to be connected by the end of 2024.</p>
<p>Macquarie Pier</p>		<p>Newcastle’s iconic Macquarie Pier has received the final touches to its multi-staged facelift with a heritage walk for locals and visitors commemorating the city’s rich maritime history. The walkway now has new signs and an interactive audio tour captures the importance of the harbour and maritime industry.</p>
<p>Port Kembla wins Business of the Year Award</p>	 	<p>Being named the Illawarra Business of the Year for 2021 and winning the Excellence in Business Award demonstrates the outstanding commitment by staff who have worked hard to keep Port Kembla running efficiently over the course of the past 12 months. By managing the navigation, security and operational safety needs of commercial shipping, we continue to play a leading role in ensuring our ports can deliver prosperity to the Illawarra and all of NSW.</p>
<p>Return to cruise</p>		<p>After more than two years, cruise officially restarted in May with the Pacific Explorer departing White Bay Cruise Terminal marking the first passenger cruise in NSW. The Cruise Schedule for 2022-23 went live with over 40 ships from around 25 different cruise lines scheduled to make more than 300 calls to our ports.</p>
<p>Australia Sail Grand Prix returns to Sydney Harbour</p>		<p>Port Authority sponsored the iconic Australia Sail Grand Prix (SailGP) in December with the eight teams spending a few weeks at White Bay, in the lead up to the race, ensuring their F50 cutting-edge catamarans were ready sail through Sydney Harbour at breathtaking speeds of up to 100 kilometers per hour.</p>
<p>New helicopters for Newcastle</p>		<p>Effective from 1 April 2022, with no disruption to operations, Port Authority began using twin engine helicopters to perform Marine Pilot Transfers in Newcastle in response to changing Civil Aviation Safety Regulations.</p>





Our people

Our people keep our ports open to the world



147
in Sydney operations

33
in Port Kembla operations

112
in Corporate support

5
in Yamba operations

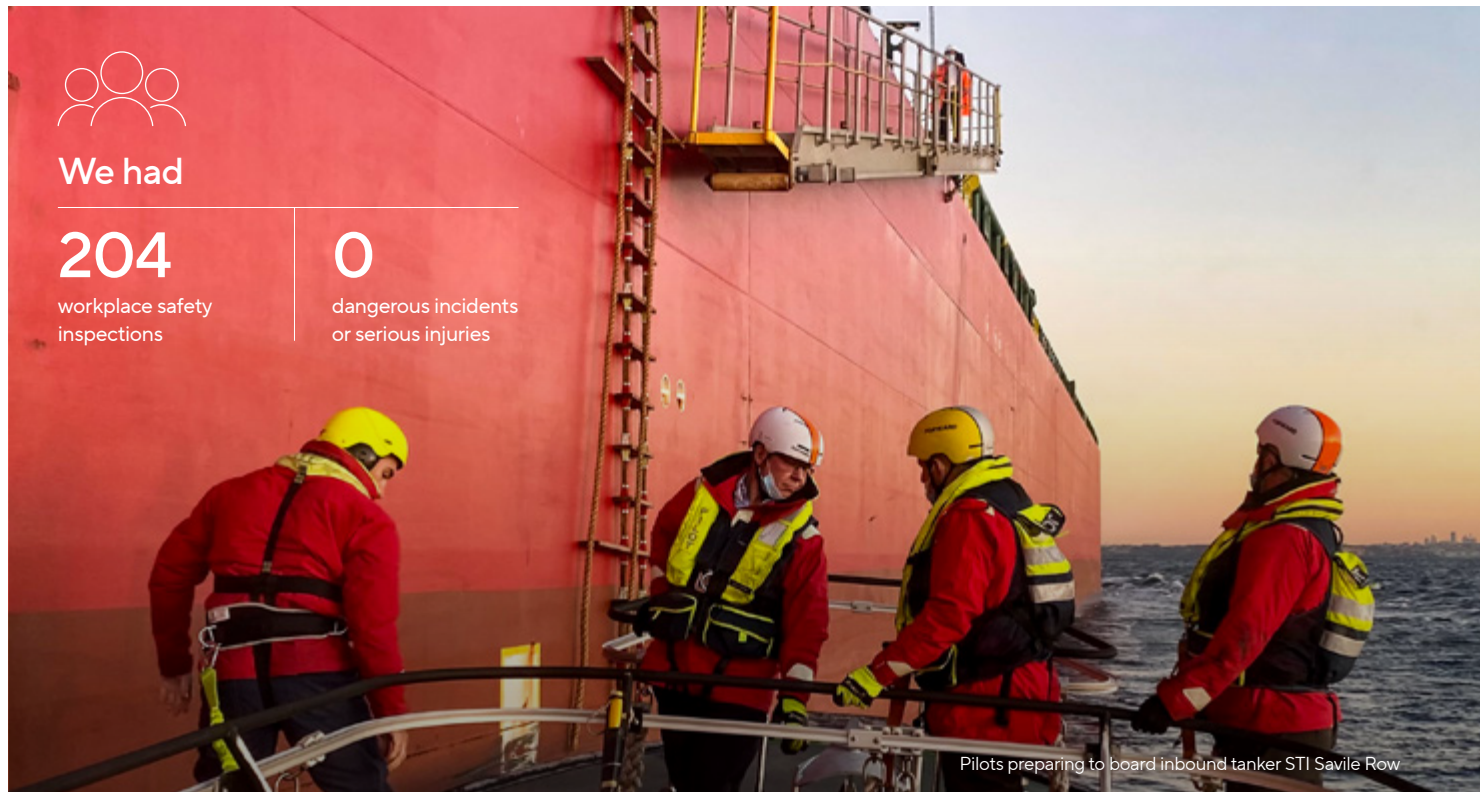
64
in Newcastle operations

2
in Eden operations

Our people are the port officers and marine pilots operating on the open water; Harbour Masters and navigation experts keeping ships and the marine environment safe; project planners building for the future; teams welcoming cruise tourism to our shores; and the corporate and IT teams working to make it all happen.



OUR PEOPLE
Safety



We had

204

workplace safety inspections

0

dangerous incidents or serious injuries

Pilots preparing to board inbound tanker STI Savile Row

This reporting period saw improved safety performance across Port Authority. The number and severity of workplace injuries at work decreased, with no serious injuries recorded. At time of writing this report, Newcastle was seven months injury free, with no open worker compensation claims. Across Port Authority while there were no dangerous incidents, three high potential near misses were reported.

From a lead indicator perspective, incident and near miss reporting as well as safety inspections doubled, showing an appetite to share and learn from events using the port wide incident management system introduced early 2021. With staff returning to the office, there have been more opportunities to hold safety conversations across the operations. 97% of actions raised to prevent reoccurrence were closed out on time.

Keeping our people COVID safe

COVID-19 has continued to be a priority health risk. After workforce consultation, a COVID control policy was introduced in January as was an additional control requiring vaccination as a condition of entry to ports. Workplace representatives continue to review risk assessment controls with local management in line with the latest government and health advice.

Systems and compliance

The Work Health and Safety Management System (WHSMS) was completely overhauled, to align to the recognised ISO45001 standard. All WHS policies and procedures are now common across all divisions at Port Authority. Employee training is being rolled out to support this.

Contractor compliance management has now been standardised. Every contractor, based on the risk profile of the work they undertake, is required to provide and maintain evidence of insurances and licenses to permit work to start. Contractors must ensure site inductions are completed by their staff prior to entry, which is controlled electronically via an App.

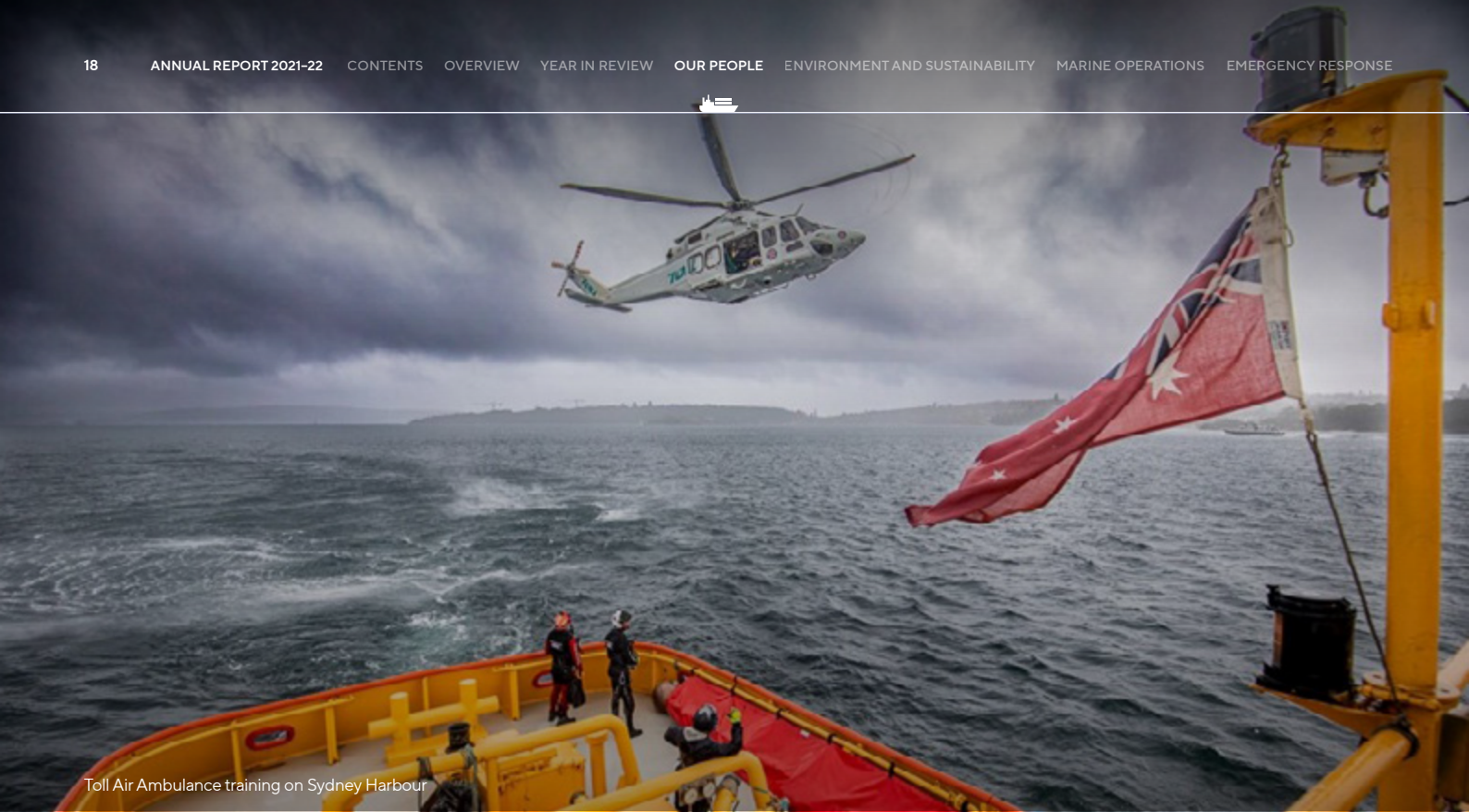
Fitness for work has been a priority focus, with the Pilot Code health standard updated. Consultation is underway for fitness for work requirements for other roles.

Training and development

Mental health first aid was the training focus for 2021-22. Two courses were held during the year, with outstanding feedback received from the 26 participants. Further courses are scheduled to build on the pool of people available with these important skills.

The suite of WHS training and induction courses were revised and refreshed, including a WHSMS course for all employees. Course completion is monitored and reported and is above 95%.

Safety statistics 2021-22	2019-20	2020/21	2021-22
Serious injuries	0	0	0
Lost time injuries	4	2	1
Medical treatment injuries	3	3	3
Lost time injury frequency rate (LTIFR)	6.06	3.0	1.6
Recordable injury frequency rate (TRIFR)	10.61	7.6	4.8
Dangerous incidents	2	0	0
Incidents and hazards reported	149	97	277
High potential near misses	4	2	3
Workplace inspections	126	143	215
Percentage of planned WHS meetings held	100%	100%	100%



Toll Air Ambulance training on Sydney Harbour

OUR PEOPLE

Training and development

The Learning and Development team has identified three key focus areas that will drive the organisation's achievement of its strategic objectives.

1. Setting people up for success in the first 90 days of employment
2. Building internal capability of our teams through internal and external insights
3. Developing the leadership capabilities of current and emerging leaders.

The critical need for learning to keep pace with the speed of change was identified and is more relevant now that Port Authority adopts flexible learning approaches in its recovery from the impacts of COVID-19 and its subsequent restrictions. With hybrid working models the new normal, this has heightened the complexities of learning.

A Learning and Development Specialist was appointed this year with a focus on aligning Port Authority's learning approach with organisational strategy; and designing a strategic curriculum of learning pathways that delivers requirements for a high performing workforce.

Integrate learning in the flow of work

Key priorities for learning and development include:

- Acquiring a learning platform to provide a seamless onboarding experience right through to ongoing development
- Delivery of contextualised learning integrated in the flow of work
- Enabling a culture of continuous learning.

Scale learning to meet the speed of change

As our workforce shifts and adapts to the future of work our learning service will need to adapt and change. The learning platform will aid in providing data-driven insights and analytics to help shift the dial on productivity and execute on skilling strategies.

Training and development activities

Maritime training for Indigenous women

Since 2020 Port Authority has supported the Indigenous Female Cadet Program. The two trainees have been working to achieve qualifications as either Master <24m Near Coastal (Restricted to Sheltered Waters) or Marine Engine Driver Class 3 qualification. Unfortunately, COVID restrictions affected the ability to deliver the planned practical training, so we have extended their arrangements for a further year. We are delighted with the success of the program and our trainees. One of our trainees has achieved outstanding academic recognition and is also now employed as a casual. This year we partnered with the Department of Education and participated in a regional high school outreach program to generate a pipeline for further trainees and promote maritime careers, particularly for women. A decision was made to transition from Tribal Warrior to Maritime Employees Training Limited. This decision was made to ensure the best training solution for our existing trainees and to look at expanding the traineeship program for Port Authority.

Supporting young seafarers through our cadet program

Our Sponsored Deck Cadet Program was developed to support the next-generation of Australian seafarers by providing cadets with placements on seagoing vessels to build their skills and gain the 18-months of sea-time experience required to achieve a Watchkeeping Certificate. We partner with shipping companies to secure opportunities for our cadets and provide them with a mentor throughout their journey on the two-year program. The cadet program was a success last year and will continue. At present we have two cadets.

Leadership development framework

The primary element to creating a future ready leadership team enabling them to drive the organisational change and culture needed is to articulate what capabilities are required to achieve that success. The process of building a leadership development framework has commenced and will continue to be developed and launched in 2022/23.

The intention of the leadership development framework is to set the standards of behaviours for our people via a leadership pathway. This framework is for everyone in the business and provides support and structure around professional development. It also highlights our commitment to providing an environment for continued growth across the organisation and across all levels. We are committed to providing the best learning culture to support a high performing business.

OUR PEOPLE

Diversity and inclusion

We are striving to build one inclusive culture through our approach to diversity and inclusion.

In September we launched our Workforce Plan and documented our targets for gender equality (a workforce that is 50% women by 2030) and where 4% of new starters are Aboriginal and/or Torres Strait Islander people.

15% of our workforce is expected to retire by 2030, and most of these individuals work in Marine Operations which is a male dominated area. Ensuring that women represent 50% of all new starters, particularly in Marine Operations, is a key strategy to improve representation of women at Port Authority.

Our 50/50 recruitment strategy was launched last year, and we are proud to be able to say that since then 50% of new starters have been women.

This year we commenced designing our first Diversity and Inclusion Action Plan with our employees. The process and plan will play key roles in building employee engagement and a sustainable inclusive culture.

Our Diversity and Inclusion Action Plan will embrace an intersectional approach to diversity and inclusion. We will prioritise gender equality and Aboriginal and Torres Strait Islander inclusion but extend our focus to include people with disability, people who are culturally and linguistically diverse and people who identify as Lesbian, Gay, Bisexual, Transgender or Queer+.

Diversity and inclusion activities

Benchmarking our diversity

We recently undertook analysis to benchmark gender diversity which found that women represent 24% of our overall workforce but this varies by division. Our Finance and Strategy and Stakeholder Relations divisions both have more than 60% women; but the Marine Operations, Assets and Development and Information Technology divisions all have a workforce where less than 40% are women. We also explored the cultural diversity of our workforce and found that more than 18% of our workforce were born in twenty-eight countries other than Australia.

Understanding our diversity is important as it allows us to track progress as we strive to establish a more diverse and inclusive workforce. We have started planning projects to collect information that, in addition to gender, will support better accuracy and allow us to annually track the representation of Aboriginal and Torres Strait Islander people, people from non-English speaking backgrounds, people with disability and people who identify as Lesbian, Gay, Bi-sexual, Trans-gender, or Queer+ (LGBTQ+) in our workforce.

Celebrating days of significance

Since the commencement of our Inclusion and Diversity Project Officer in late March, we have started to raise awareness of key diversity groups, by recognising days of significance. We celebrated International Day for Women in Maritime by profiling our women in Operations and in Survey, where they represent a minority and for the first-time, we issued a call to action for our employees to support National Reconciliation Week and used the opportunity to broaden cultural awareness through selected resources.

Efforts are underway to establish a full inclusion calendar that will engage our people in activities, raise awareness and help build an inclusive culture by recognising five diversity streams which include Gender, Aboriginal & Torres Strait Islander, Cultural and Linguistic Diversity, People with Disability and LGBTQ+.

Employee Reference Groups building an inclusive culture

To create a strong inclusive culture, we need to engage with our employees, because building culture is something we do together. We have started establishing Employee Reference Groups, that represent the diversity of our employees, and these groups will kick start the co-design of our first Diversity and Inclusion Strategy and Action Plan. Six percent of our employees have volunteered to take part and they represent all of our locations, divisions, different ages, genders, sexual orientation, cultural backgrounds and organisation levels. We aim to have a draft Action Plan at the end of the 2022 calendar year when we will consult with all employees to ensure our plan is truly co-designed.

Our plan will focus on Gender Equality and Aboriginal & Torres Strait Islander inclusion with an intersectional approach that considers disability and carers, cultural and linguistic diversity, and LGBTQ+.



OUR PEOPLE

Board of directors

During the 2021/22 year, the composition of the Board changed, following the expiry of Robert Dunn’s term as Chair in March 2022. David Marchant was appointed as Chair for a period of three years from April 2022.

Justine Jarvinen was appointed as a Director in April 2022, maintaining the Board at full capacity.



David Marchant

Chair

Appointed Chair April 2022

David is Chair, Queensland Rail and Queensland Rail Ltd and a Board Member of Airservices Australia.

He has previously held a range of executive positions including Managing Director, Lend Lease Engineering and Infrastructure Services and Managing Director and CEO, Australian Rail Track Corporation Ltd.

Committees:

Chair, Nominations; Member, Audit and Risk; Member, People and Culture.



Philip Holliday

CEO and Director

Appointed CEO December 2019

As CEO and Director, Philip leads Port Authority in managing the navigation, security and operational safety needs of commercial trade and cruise shipping in Sydney Harbour, Port Botany, Newcastle Harbour, Port Kembla, Eden and Yamba.

Philip joined Sydney Ports Corporation in 2011 as Executive General Manager, Operations and Harbour Master. Following the amalgamation of the Sydney, Newcastle and Port Kembla port corporations, he then became Chief Operating Officer and Harbour Master, Sydney.

Philip spent his early career in the shipping industry, gaining his Class 1 (FGN) Masters certificate before joining the UK’s largest port operator, Associated British Ports (ABP) in a port operations role. Following a number of roles within ABP he became the Harbour Master for the ABP Port of Southampton and the Marine Advisor for the group’s 21 UK ports.



Zorana Bull

Director

March 2016

Zorana is a Non-Executive Director of HealthShare NSW. She is the Managing Director of strategy and management consulting firm Altura Partners Pty Ltd.

She was previously a Partner with international consulting firm PA Consulting Group, with postings in Europe and Asia-Pacific, and Chief Operating Officer of the Australian business. During this time, she specialised in strategy development, restructuring and performance turnaround.

Prior board appointments have included Moorebank Intermodal Company Ltd, AirRoad Pty Ltd, Guide Dogs NSW/ACT, Australian Centre for Eye Health and Fancy Engineering Ltd.

Committees:

Chair, People and Culture; Member, Nominations.



Matthew Irwin

Director

February 2019

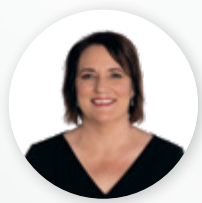
Matthew has spent over 30 years involved in infrastructure, utilities and major project delivery and currently provides a range of consulting and advisory services. Matthew is advising the NSW Government on renewable infrastructure and is a panel member of Infrastructure NSW.

Prior to joining the Board, Matthew held the position of Chief Financial Officer at TransGrid up to 2018, the NSW electricity transmission business. Matthew has held senior executive and leadership positions with Transfield Services (now Broadspectrum), Leighton Group in Australia and Asia and Deutsche Bank in Sydney, Johannesburg and London.

Matthew is Chair of University of New England Smart Regional Incubator Advisory Committee. Prior Board appointments include Expressway Spares Limited, Transfield Services Infrastructure Fund, Macarthur Water and Yan Yean Water.

Committees:

Chair, Audit and Risk; Member, Nominations.



Dr Kirsten Molloy
Director
March 2021

Kirsten is a business leader and Non-Executive Director, sitting on a range of Boards of commercial and not-for-profit businesses since 2013. She is also a Non-Executive Director of the NRMA and the Hunter New England Local Health District (HNELHD).
Kirsten’s executive career included a role as CEO of HVCCC, a complex member-based construct in the resources/supply chain sector, and executive commercial and technology roles at Orica, a large global mining equipment, technology and services (METS) organisation. She provides leadership and strategy advisory services, workshops, executive mentoring and coaching via her business Verity Leadership. Kirsten is very interested in social progress and community and is a passionate advocate for diversity and inclusion. Kirsten is President of the Equal Futures Project, an organisation creating awareness and raising funds in support of diversity, equity and inclusion.

Committees:
Member, Audit and Risk;
Member, People and Culture.



Andrew Scipione AO APM
Director
March 2021

Andrew was New South Wales Police Commissioner from 2007 until his retirement in 2017 after serving 37 years with the NSW Police Force. He has previously held non-executive director roles with Crim-Trac Australia, the Australian Crime Commission, the NSW Crime Commission and the Australian Crime Intelligence Commission. Andrew is a non-executive director of World Vision Australia, World Vision International, Special Olympics Australia, Georges River Life Care (a not-for-profit community support service) and is an external strategic advisor to the Strategy and Performance Board, Australian Federal Police.

Committees:
Member, People and Culture.



Justine Jarvinen
Director
April 2022

JJ is an energy executive with international experience spanning the energy, finance, education and non-profit sectors over 28 years. JJ has a wealth of experience across the energy value chain, and has worked in technical, commercial, strategic, management, advisory and governance roles, for organisations such as Exxon, Shell, Caltex, JBWere and AGL Energy.

JJ is Managing Principal Sustainability and Climate Change at Aurecon, independent Chair of energy technology company Wattwatchers, and director of Climate-KIC Australia. She has previously been director of ASX-listed Milton Corporation and CEO of the UNSW Energy Institute. She is a graduate of the Australian Institute of Company Directors, holds a Bachelor of Engineering (Chemical) with First Class Honours, and is a Fellow of the Financial Services Institute of Australia.

Committees:
Member, Audit & Risk;
Member, People and Culture.



PREVIOUS BOARD MEMBER
Robert Dunn
Chair
(until 31 March 2022)

Robert was a non-executive director of Sydney Ports Corporation from 2012, becoming a non-executive director for Port Authority in 2014 following the amalgamation of Sydney, Newcastle and Port Kembla port corporations. Robert was the global executive director for not-for-profit Opportunity International until August 2020 and was previously CEO for Opportunity International Australia and Finance Director for Patrick Corporation. Robert is the chair of BaptistCare NSW & ACT and former chair of investment company Dia Vikas Capital and director of North East Small Finance Bank. Robert is a member of Chartered Accountants Australia and New Zealand.

Committees:
Chair, Nominations;
Member, Audit and Risk;
Member, People and Culture.





OUR PEOPLE

Executive team

Leading our divisions and driving our strategic priorities.

Port Authority's executive team leads our divisions to ensure our achievements align with our long-term objectives and support our five-year strategic plan.


Philip Holliday
Chief Executive Officer and Director

Philip leads Port Authority to ensure we deliver safe, efficient and sustainable maritime services and port assets for NSW and drive the strategies that navigate our way forward.


Amy Beaumont
Group General Counsel

Amy leads our legal team to provide legal advice to our divisions and oversees our sustainability, planning, environmental management, WHS and people and culture functions.


John Finch
Chief Operating Officer

John leads the management, functions and capabilities of our marine operations teams and the strategies to deliver consistent operational excellence across our ports.


Lawrence Ho
Chief Financial Officer

Lawrence leads our finance division and the teams responsible for finance, corporate planning, business analysis, procurement, corporate services, internal audits, and the company secretariat.


John McKenna
Chief Customer and Commercial Officer

John leads the development and growth of our commercial and customer divisions and drives commercial projects across services, facilities, property, infrastructure and cruise.


Trent Morosin
Group Executive, Infrastructure, Assets and Development

Trent leads our Assets and Infrastructure Development teams to oversee the strategic management of all Port Authority assets and the planning, development and delivery of current and future infrastructure projects.


Garry Voutos
Chief Information Officer

Garry leads our information technology teams and the strategy, development, implementation, and security of the systems that support our teams and operational capabilities.


Kylie Yates
Group Executive, Strategy and Stakeholder Relations

Kylie leads our corporate affairs, government relations, community and stakeholder engagement, and strategic planning functions to support our goals and engage with our port communities and stakeholders.



Environment and sustainability

Securing a sustainable future for the ports of NSW

Port Authority aims to achieve a sustainable future for our working ports, local communities and the environment.

Powered by our people, we're embedding sustainable initiatives across our organisation, developing solutions to minimise the impacts of port operations, and preserving our unique maritime heritage to help secure a sustainable future for the ports of NSW.





ENVIRONMENT AND SUSTAINABILITY

Sustainability plan

Our Sustainability Plan is the result of an employee-led, collaborative and co-design process.

It provides a framework for embedding sustainable initiatives across our organisation to improve social, environmental and economic outcomes in and around our ports. The Plan includes the structure and guidance to deliver sustainability initiatives in each of our four sustainability focus areas:

	<p>Our People: Ensuring our people continue to thrive in safe, healthy and supportive working environments</p>
	<p>Operations and Ways of Working: Optimising operations and processes to support the longevity of our business and influence sustainable outcomes</p>
	<p>Environment and Places: Furthering our responsibility to the natural environment and improving our working environments and places</p>
	<p>Communities and Partnerships: Collaborating with stakeholders to improve social, environmental and economic outcomes</p>

2021-2022 marks the first full year after the launch of our Sustainability Plan and the focus shifted to embedding sustainability across the organisation by developing and implementing sustainability initiatives.

Net Zero and carbon emissions reduction

All ports

In August 2021, Port Authority committed to achieving a 75% reduction in our Scope 1 and 2 greenhouse gas emissions by 2030 (based on 2019 baseline year) and to reach Net Zero by 2040. These ambitious and achievable targets were selected, in part, to meet or exceed the Science Based Targets Initiative aiming to limit global warming to 1.5°C.

Significant elements to our endorsed Net Zero strategy include:

- Utilise 100% renewable electricity for Port Authority sites at Bays Port by end 2022
- Utilise 100% renewable electricity for Port Authority sites State-wide by end 2023
- Define, measure and set a reduction commitment in Scope 3 emissions by 30 June 2023.

A high-level road map to achieve the Net Zero targets was developed and further refinement of the roadmap and implementation of initiatives to achieve the targets is ongoing.

Energy efficiency assessments

Energy efficiency assessments were undertaken at our four main energy consuming sites which represent more than 70% of our total electricity usage. These assessments identified opportunities to improve efficiencies and reduce energy consumption, including nominal payback periods, to allow informed decisions to be made about where to target time and financial resources, including the consideration of on-site solar power generation.

Energy Strategy

A significant element in achieving our Net Zero targets will be through the development and delivery of an energy strategy. Work on this strategy commenced in 2022 and in late June, Port Authority executed a Power Purchase Agreement (PPA) for 3.7GWh of renewable electricity supply annually. This will include 2.5GWh of wind power from an operating wind farm, from 1 July 2022, and 1.2GWh of solar power from a solar farm targeted to commence production in July 2023.

The wind power is expected to provide more than enough electricity to offset consumption at Bays Port (Glebe Island and White Bay). The PPA covers 90% of Port Authority's total projected electricity usage with the remaining 10% met by purchasing 100% renewable energy offsets under the State Government supply contract (both from 1 July 2022).

Work on the broader energy strategy will continue next financial year including consideration of behind-the-meter solar PV installations at our key sites, operational efficiencies in our vessel operations and the potential for an embedded network at Bays Port, which would allow for all our port tenants to also transition to 100% renewable offset electricity.

Scope 3 emissions

A significant commitment as part of our Net Zero targets is the mapping, baseline setting and consideration of a reduction target for Scope 3 (value chain) emissions. It is expected that Port Authority's Scope 3 emissions, measured in accordance with the Greenhouse Gas Protocol, will far exceed our Scope 1 and 2 emissions, highlighting the importance of this Net Zero commitment.

Port Authority was selected to be part of the NSW Government's Sustainability Advantage's Scope 3 Value Chain Emissions Pilot Project. By the end of June 2022, work under the pilot project was nearing completion with the output to include a detailed Scope 3 emissions inventory, opportunities for further refinement of this data for the future, and potential opportunities for reductions including consideration of the key stakeholder consultation that has occurred to date.

100% renewable shore power

Sydney – Botany Bay

In a world-first for a dry-bulk precinct and a first in the Southern Hemisphere for a cruise terminal, Port Authority committed to installing and supplying 100% renewable shore power to five berths at Bays Port.

The commitment includes the provision of shore power at the first berth by end of 2024, with shore power at all major commercial berths in the precinct to be operational by 2030.

A project steering committee and working group was established to oversee the delivery of shore power to the precinct including the capital works program and stakeholder liaison regarding the design of the system to meet industry requirements and to consider the most appropriate mechanisms for the pricing/ incentivising the utilisation of shore power facilities to maximise the uptake and associated benefits.

Bronze Partner Status – Sustainability Advantage

All ports

November 2021

Port Authority achieved Bronze Partner status in the NSW Government's Sustainability Advantage Program in recognition of our commitment, determination and progress in embedding sustainability across our organisation.

The path to Bronze Partner status began with the development and launch of our Sustainability Plan in late 2020 and the progress made on a number of key sustainability initiatives. The next step will be to achieve Silver Partner status in the near future as we continue to work on embedding sustainability across the organisation.

Seabin and marine litter

Sydney – Moores Wharf

Installed October 2021

The installation of a Seabin at our Moore's Wharf operational base in Sydney Harbour is the result of an employee-led sustainability initiative to help care for our marine environment.

This single Seabin is removing rubbish from Sydney Harbour at an average rate of 3.2 kilograms (kg) each day. More than 40% of the total plastics collected in the Seabin are microplastics and microfibres, which are more difficult to remove via conventional means and have significant consequences for the environment and for aquatic organisms.

In the first three months of operation, our Seabin captured over 180kg of marine litter including over 3500 plastic items and filtered over 35.4 million litres of water in Sydney Harbour.

Port Authority marine operational staff play an active role in this initiative with daily checks and emptying of the bin for collection, sorting and reporting by the Seabin Project.

Seagrass partnership

Sydney – Botany Bay

Installed October 2021

Port Authority recognises the importance marine ecosystems and has historically invested several million dollars to rehabilitate and expand Penrhyn Estuary (located adjacent to Port Botany) to provide habitat for migratory seabirds as well as a multi-year ecological monitoring project that included monitoring the extent and health of seagrass within the Estuary and off Foreshore Beach.

In February 2022, Port Authority's Board approved the sponsorship to the University of New South Wales for the Australian Research Council (ARC) Linkage Program application Restoring and future-proofing the bio-cultural values of endangered seagrass (Program). The value of the sponsorship is for a payment of \$100,000 over three years, and up to \$60,000 of in-kind support for the Program conditional upon UNSW's acceptance into the Program. This sponsorship follows a tripartite research collaboration agreement entered into by Port Authority with UNSW and the La Perouse Aboriginal Land Council in 2021.

The project has the potential to develop world-leading, best practice methods for restoring and future-proofing endangered Posidonia australis seagrass meadows along the NSW coastline and will use Port Authority managed lands to facilitate part of the project and as a seagrass restoration site.

Embedded sustainability in procurement policy, procedure and templates

All ports

Port Authority reviewed its Procurement Policy, Procedures and templates to embed sustainability considerations across this suite of documents to help ensure future engagement decisions consider sustainability.

Workshops with relevant staff will be held in FY2022-23 to introduce these changes.

Sustainability induction and outreach

All ports

Port Authority developed a general sustainability and environmental induction that all staff will be required to undertake from FY 22/23. The induction will provide all staff with:

- Port Authority's sustainability vision
- An overview and information on the elements of the Sustainability Plan, its focus areas and opportunity areas
- An introduction to useful resources and tools to help develop sustainability initiatives
- An introduction to the new Corporate Environmental Management Plan (EMP) and Environmental Policy
- General responsibilities and requirements for staff under the EMP.

Sustainability outreach activities to various Port Authority teams continues with the overarching aims of embedding sustainability across the organisation, assisting Divisions and teams with the consideration of sustainability initiatives to prioritise in business planning and to engage sustainability advocates across the organisation.



ENVIRONMENT AND SUSTAINABILITY

Managing port impacts

Balancing the needs of our communities and working ports.

During 2021-22

52

Ship visits to Glebe Island and White Bay monitored for noise

13

Non-compliance warnings issued to visiting commercial vessels

Port Authority proactively manages its port assets by monitoring operations and developing mitigation measures to reduce impacts to the local community and the environment. We work closely with port operators and consult with our communities to find workable solutions that meet the needs of operations, whilst protecting our natural ecosystems.

Working ports like Sydney's Glebe Island and White Bay bring substantial benefits to NSW but these benefits can be accompanied by impacts such as noise or air emissions that affect those living and working nearby. We are committed to working with communities and developing strategies to address these impacts.

Managing port impacts activities 2021-22

Shore power

Glebe Island and White Bay (Bays Port)

Following on from the board's endorsement in August 2021 of Port Authority's commitment to a net zero strategy and the installation of shore power using certified renewable electricity at the commercial berths at Glebe Island and White Bay, the NSW Minister for Transport David Elliott MP, Port Authority's CEO and industry partners formally announced the project to the public on 21 March 2022.

The project includes the delivery of the world's first shore powered dry bulk shipping precinct and the first shore powered cruise terminal in the Southern Hemisphere. The commitment includes the provision of shore power at the first berth by end of 2024, with all major commercial berths in the precinct to be operational by 2030.



Shore power announcement, March 2022

The shore power project was supported by an historic agreement between Port Authority and key customers in the precinct, Carnival Australia, Royal Caribbean, Cement Australia, MSC and CSL Australia. Engagement with these customers to progress the delivery of the project, and to gain support of additional stakeholders, will now commence.

Corporate Environmental Management Plan and Policy

*All ports
May 2022*

In May 2022 Port Authority completed a Corporate Environmental Management Plan and released a new Environmental Policy.

Our Environmental Policy is a statement of our commitment to protect the environment. It covers our commitment to protecting and preserving the natural environment in which we operate to minimise adverse impacts and enhance outcomes from any of our activities undertaken on land or water.

The Corporate Environmental Management Plan (EMP) describes the set of environmental management system components that Port Authority adheres to across the organisation. It comprises a set of processes and practices to ensure Port Authority is minimising the environmental impacts of its port activities, supports the commitments made in its Environmental Policy, and establishes a consistent approach to environmental management and continual improvement across the organisation in its daily activities.

The Corporate EMP applies to all of Port Authority's operating sites and offices. Staff and contractors who undertake any work for or on behalf of Port Authority are expected to comply with this Corporate EMP.

Commencing in June 2022, all staff are required to undertake a general environmental training package with specialised training to be rolled out in 2022 to staff whose roles may have direct environmental impacts.

Noise mitigation strategy for White Bay Cruise Terminal

White Bay

The noise mitigation strategy was developed to address community impacts from cruise ship noise at White Bay Cruise Terminal and White Bay 4. It aims to mitigate noise impacts by treating affected homes and limiting noise levels from cruise ships.

Noise Attenuation Program

Launched in 2018, the Noise Attenuation Program involves physical treatments to properties near White Bay Cruise Terminal and White Bay 4 where modelling indicates average noise levels reach or exceed 55 decibels at night. As of 30 June 2022:

- 109 properties have been offered treatment
- 80 offer deeds have been issued for signature by residents
- 63 properties have been fully attenuated.

A further six properties are anticipated to have noise attenuation completed by December 2022.



Pilot vessel escorting ship, Port Kembla

ENVIRONMENT AND SUSTAINABILITY

Measuring, reporting and compliance

Noise monitoring

During the year, we completed noise monitoring of all commercial ships as required by our Glebe Island and White Bay Port Noise Policy. We monitored 52 ship visits to end June 2022 with 38 in compliance with noise levels set in the policy. 13 non-compliances were identified for ships at berths within the Bays Port.

Where there was non-compliance, we asked vessel operators and tenants to provide a management plan to mitigate noise prior to their next visit to the port. We have reviewed and accepted these plans which contain actions including physical measures such as attenuators and exhaust silencers and operational changes such as modifying discharge rates.

Establishment of the port monitoring system across the port is underway with the installation of four permanent monitoring devices which provide information about whole-of-port noise, including vessel and landside noise. An online monitoring platform has been developed which analyses the raw data and determines compliance of each vessel in the port with the Policy's trigger limits. A further two monitoring devices on land surrounding the port will be installed following receipt of landowner approval.

Noise from cruise ships at White Bay Cruise Terminal and White Bay 4 continues to be managed by Port Authority's 2018 Noise Restriction Policy. Seven cruise ships were monitored during the 2021-22 year.

Noise monitoring reports are available at: [Vessel Noise Operating Protocol – Noise Monitoring Reports | Port Authority New South Wales](#) (portauthoritynsw.com.au)

Air emissions monitoring

Legislation, regulation and enforcement of emissions from commercial shipping in Australia is managed by the Australian Maritime Safety Authority (AMSA). To keep the community informed about air quality levels around White Bay Cruise Terminal, we operate an air quality monitoring station that provide real-time data at [Air quality monitoring data | Port Authority New South Wales](#) (portauthoritynsw.com.au). The monitored parameters include sulphur dioxide (SO₂), particulate matter less than 2.5 micrometres in diameter (PM2.5), wind speed and wind direction.

We continued monitoring air quality during 2021-22 which indicated local air quality levels in the absence of cruise ships.

As of March 2022, air quality monitoring was temporarily paused whilst changes to the monitoring instrumentation are implemented. Port Authority is seeking input from relevant agencies regarding the future requirements for monitoring. When the system resumes operation, further information will be made available on our website.

The available 2021-22 data showed levels were generally below ambient air quality standards and show consistent results with the nearest Department of Planning and Environment air quality stations.

Air quality reports are available at: [Air quality monitoring reports | Port Authority New South Wales](#) (portauthoritynsw.com.au)

Reports and publications

Noise and Air monitoring reports as noted above [Shore Power Considerations report – March 2022](#)

ENVIRONMENT AND SUSTAINABILITY

Heritage

We take pride in maintaining our heritage assets to preserve the port and maritime history of NSW.

Summary:

38

Heritage-listed assets

22

With State significance

16

With local significance

Port Authority is committed to conserving the port heritage and maritime history of NSW. Across our ports, we own, manage and maintain 37 heritage-listed assets with local or state significance. We also own land that forms part of two State Heritage listed areas, the Sydney Cove West Archaeological Precinct at Circular Quay and the Coal River Precinct in Newcastle.

We actively protect and conserve our heritage assets under the *Heritage Act 1977* and undertake all assessment and approval requirements in relation to activities at or near our heritage assets.

Our heritage assets include iconic landmarks such as Hornby Lighthouse and the Overseas Passenger Terminal in Sydney, Nobbys Headland and Macquarie Pier in Newcastle; through to unique maritime artifacts on display across our ports.

Heritage activities 2021–22

Transitioning lighthouses to solar power *Sydney*

Port Authority completed the transition of the Henry Head Lighthouse in La Perouse, near Port Botany to solar power which included the removal of over 1km of mains electricity wires and poles running through Gamay National Park.

We also undertook a heritage review and assessment to plan the transition of the Grotto Point Lighthouse in Clontarf to solar power, to ensure minimal impacts to the heritage significance of this site and to allow for the removal of electrical poles and wires running through Sydney Harbour National Park. This site will transition to solar in FY22/23.

Maritime archaeological investigations – Overseas Passenger Terminal

Sydney Harbour

As part of a project to install underwater scour protection deepen parts of the berthing box for cruise ships at the Overseas Passenger Terminal (OPT), Port Authority obtained an archaeological excavation permit under Section 140 of the Heritage Act 1977 relating to a former wharf at the northern end of the OPT and in the immediate vicinity of the required works.

Maritime archaeological excavation works under this permit were undertaken in 2022 and approximately 40 boxes of archaeological material was collected. Cleaning, sorting and recording of this material is ongoing.

Hornby Lighthouse – Chance Brothers Lens *Sydney*

The Hornby Lighthouse, Chance Brothers Lens is one of Port Authority’s moveable heritage assets. After many years of storage at the workshop of the Sydney Heritage Fleet, Port Authority collected the lens for cleaning and refurbishment.

The lens was manufactured in 1875 and was used on the Lightship “Bramble”, built in 1877 and moored off Sow and Pigs Shoal (until replaced by a solid structure on the Sow and Pigs Shoal). It was then used at the Shark Island Lighthouse. Following this, it was used at Hornby Lighthouse from 1948 until 1995. Both of these light houses are items of State heritage significance on Port Authority’s Register.

Once the restoration is complete, Port Authority will put this significant historic lens on display.



Shark Island Lighthouse



Heritage continued

Item name	State Heritage Inventory (SHI) number	Location	Assessed level of significance
Automatic Tide Gauge	4560010	4 Towns Place, Barangaroo	State
Bay Class Bronze Propeller	4560061	Robert Street, Rozelle (White Bay 5)	Local
Blues Point Light Structure	4560034	Blues Point Reserve, McMahons Point	State
Bradleys Head Lighthouse	4560001	Bradleys Head, Mosman	State
Dawes Point Lighthouse	4560029	Hickson Road, Sydney	State
Eastern Channel Lighthouse	4560031	South End Eastern Channel Sydney Harbour	State
Eastern Channel Lighthouse – Front Lead	4560003	80 Wentworth Road, Vaucluse	State
Eastern Channel Lighthouse – Rear Lead	4560007	12 Wentworth Avenue, Vaucluse	State
Eden Harbour Master's Telescope and Barometer	4560063	Harbour Masters Office, Eden	Local
Glebe Island Bridge approach	4560015	James Craig Road, Rozelle (north of Sydney City Marine)	Local
Glebe Island Dyke Exposures	4560056	Sommerville Road, Rozelle (near intersection with Solomons Way)	Local
Glebe Island Plaque – Opening of Container Terminal	4560013	Sommerville Road, Rozelle (near intersection with Solomons Way)	Local
Glebe Island Sandstone Quarry Sample	4560014	Sommerville Road, Rozelle (near intersection with Solomons Way)	Local
Glebe Island Silos	4560016	Sommerville Road and Solomons Way, Rozelle	Local
Glebe Island World War II Monument	4560012	Sommerville Road, Rozelle (near intersection with Solomons Way)	Local
Grotto Point Lighthouse	4560006	Sydney Harbour National Park, Clontarf	State
Henry Head Lighthouse	4560009	Henry Head, La Perouse	State
Hornby Lighthouse	4560002	Inner South Head, Watsons Bay	State
Hornby Lighthouse – Chance Brothers Lens 1877-1995	4560032	Pymont Wharf 7 Workshop – Sydney Heritage Fleet and Australian Maritime Museum	State
Macquarie Pier (Including Sandstone Retaining Wall and Steps)	3930015	Nobbys Road, Newcastle East	State
Maritime Services Board Autograph Book	4560059	20 Windmill Street, Millers Point (Corporate Safe)	Local
Moore's Wharf Building	4560018	4 Towns Place, Barangaroo	Local
Mooring Anchors	5063342	4 Towns Place, Barangaroo	Local
Nobbys Headland	2170241	Nobbys Road, Newcastle East	State
Obelisk Bay Obelisks (Front and Rear Leads)	4560028	Middle Head Road, Mosman	State
Overseas Passenger Terminal ¹	4560023	Circular Quay West, The Rocks	Local
Overseas Passenger Terminal – Mural ²	4560024	Circular Quay West, The Rocks	Local
Port Botany Old Government Wharf Remains	4560021	Foreshore Road, Banksmeadow (in waterway)	Local
Robertsons Point Lighthouse	4560004	Milson Road, Cremorne Point	State
Shark Island Lighthouse	4560008	Off Northern End of Shark Island	State
Stone Boat Harbour (Relic) ³	2170258	51-55 Wharf Road, Newcastle East	Local
Sydney Cove West Archaeological Precinct	TBA	The Rocks	State
The Spit Lighthouse	4560030	Parriwi Road, The Spit	State
Timber Cabinet 1, Enfield	4560058	Glebe Island Storage Shed (Building 3)	Local
Timber Cabinet 2, Enfield	4560057	Glebe Island Storage Shed (Building 3)	Local
Western Channel Lighthouse	4560005	Southwest End Western Channel Sydney Harbour	State
White Bay Power Station (Inlet) Canal	4560062	Robert Street, Rozelle	State
White Bay Power Station (Outlet) Canal	4560026	James Craig Road, Rozelle	State

1. Formerly 'Sydney Cove Passenger Terminal'.

2. Formerly 'Sydney Cove Passenger Terminal – Mural'.

3. Formerly 'Pilot Station Boat Harbour & Boat Sheds'.



Marine operations

Safe and efficient marine services for the ports of NSW

Every year, thousands of commercial vessels visit the ports of NSW: Sydney Harbour, Port Botany, Newcastle Harbour, Port Kembla, Eden and Yamba.

Led by our Harbour Masters, Port Authority's highly skilled marine operations teams work 24/7 to ensure safe navigation for these ships, efficient marine services for port users and security for our working ports.

Working together from land and water, our marine operations teams provide marine pilotage, vessel traffic services, navigational assistance, hydrographic surveying, emergency response, dangerous goods management and port security.



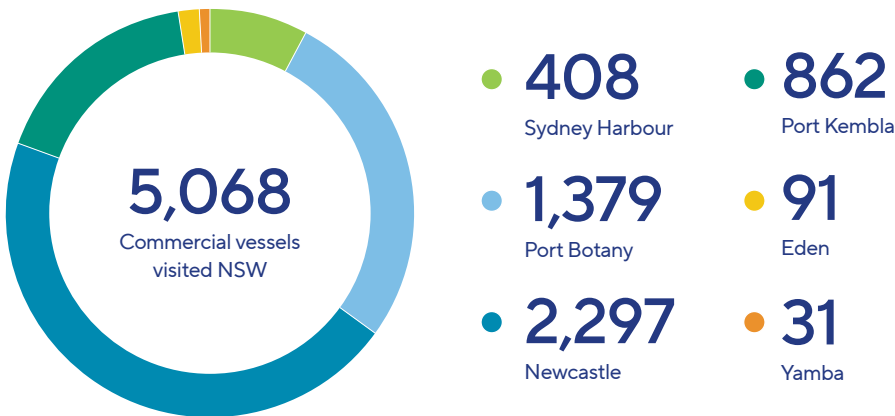


MARINE OPERATIONS

Vessel visits to NSW

We assist thousands of commercial vessels visiting NSW to deliver the goods we depend on and to take our exports overseas.

During 2021-22



Commercial vessel visits to NSW 2021-22

A total of 5,068 commercial vessels visited NSW’s six working ports over 2021-22. This is an overall increase from a total of 4,903 in 2020-21 which can be attributed to the return of the cruise activity in April 2022, and the steady activity of bulk tankers to Gore Bay, with an increasing trend in the later months on oil tankers linked to a surge on international long-haul flights and domestic road travel.

In contrast, Port Botany vessel performance was positive for the year with only a 1% drop in activity throughout FY2021-22, and despite the serious weather events and flooding in the second half of this financial year, Newcastle Port has managed to perform at higher levels when compared to FY2020-21.

Following the lifting of the Federal Governments Cruise Ban on 17 April 2022, a total of 13 cruise ships visited NSW during 2021-22. See more information about return to cruise in NSW on page 60.

Total commercial visits (trade and cruise) to NSW by port and month: 2021-22

	2017-18	2018-19	2019-20	2020-21	2021-22	Variance from previous year
Sydney Harbour ¹	1,256	1,130	931	325	408	26%
Port Botany	1,678	1,660	1,531	1,388	1,379	-1%
Newcastle	2,283	2,312	2,290	2,227	2,297	3%
Port Kembla	838	796	754	830	862	4%
Eden	116	104	106	112	91	-19%
Yamba	54	38	30	21	31	48%
Total	6,225	6,040	5,642	4,903	5,068	3%

Note: Includes visits at Port Authority’s berths and privately owned terminals.

1. Includes commercial and service provider vessels (such as bunker vessel ICS Reliance)

Total commercial vessel visits to NSW by port and month: 2021-22

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sydney Harbour ¹	22	17	21	36	46	48	22	26	40	29	48	53
Port Botany	110	111	111	118	119	105	108	113	117	121	127	119
Newcastle	204	195	211	204	185	204	207	163	168	189	177	190
Port Kembla	75	68	70	75	70	76	69	72	75	59	81	72
Eden	7	10	6	7	8	7	9	10	13	4	7	3
Yamba	1	0	3	3	0	3	2	5	5	1	2	6
Total by month	419	401	422	443	428	443	417	389	418	403	442	443

Note: Includes visits at Port Authority's berths and privately owned terminals.

1. Includes commercial and service provider vessels (such as bunker vessel ICS Reliance).

Trade vessel visits to NSW 2021-22

Trade vessel visits to NSW by port

	2017-18	2018-19	2019-20	2020-21	2021-22	Variance from previous year
Sydney Harbour	904	807	654	325	395	22%
Port Botany	1,678	1,660	1,531	1,388	1,379	-1%
Newcastle	2,272	2,297	2,278	2,227	2,297	3%
Port Kembla	836	795	748	830	862	4%
Eden	101	89	88	112	91	-19%
Yamba	54	38	30	21	31	48%
Total	5,845	5,686	5,329	4,903	5,055	3%

Cruise ship visits to NSW 2021-22

Cruise ship visits to NSW by port

	2017-18	2018-19	2019-20	2020-21	2021-22	Variance from previous year
Sydney Harbour	352	323	277	0	13	100%
Newcastle	11	15	12	0	0	0%
Port Kembla	2	1	6	0	0	0%
Eden	15	15	18	0	0	0%
Total	380	354	313	0	13	100%

Cruise ship visits to Sydney Harbour by terminal

	2017-18	2018-19	2019-20	2020-21	2021-22	Variance from previous year
OPT	219	214	165	0	3	100%
White Bay ¹	121	95	81	0	5	100%
Other	12	14	31	0	5	100%
Total	352	323	277	0	13	100%

1. Includes visits at both White Bay Cruise Terminal and White Bay.



MARINE OPERATIONS

Pilotage and operations

Our marine operations teams work to the highest standards to provide NSW with safe and efficient marine services.

During 2021-22

Our operations teams provided:

9,476

Marine pilotage movements

241

Marine work permits

1,095

Bunker-vessel permits

Port Authority's operational capability is integral to our ability to deliver safe, efficient and sustainable marine services for the ports of NSW.

Our operational functions are underpinned by rigorous processes and procedures that maintain our high safety and performance standards, and our operational capabilities are enabled by our technology, marine assets and highly skilled maritime professionals. This commitment to operational excellence ensures our teams provide reliable and consistent services for port users and strong safety outcomes for our people and port environments.

Meeting performance standards

All ports

Port Authority holds a Port Safety Operating Licence (PSOL) that sets out key safety and performance standards for port operations. The PSOL is issued by the Minister, with compliance monitored by the State Regulator (Transport for NSW). Port Authority is audited against its standards each year.

In May 2022, the audit focused on our survey and depth promulgation processes, vessel arrival system, towage licensing regime and operational processes. The audit was undertaken utilising desktop reviews and conducting site-based visits and confirmed we meet all statutory operational obligations, relevant performance standards and quality assurance undertakings.

Significant projects

All Ports

State-wide Simulation Training facility

In late 2021 Port Authority went to market to invite suitably qualified and experienced organisations to deliver a state-wide simulation training facility for all NSW based Marine Pilots.

The contract was awarded to Australian Maritime College (AMC) in February 2022 and will standardise Marine Pilot training for all port locations for emergency scenarios, Advanced Marine Pilot training courses and check pilot training. The arrangement also allows for a standardised approach to other training requirements such as Vessel Traffic Services.

Investigations and enforcement

Port Authority completed a new state-wide standardised marine investigations and enforcement guideline. This involved developing a new suite of documentation, investigations training for key staff, evidentiary sample training for oil spills and ongoing competency requirements. This has resulted in Port Authority significantly increasing its capability in both investigation and enforcement of breaches of marine legislation.

OnePort Management System

Port Authority designed and developed software to replace three disparate systems across the ports (PORTS, ShIPS and cPORTS). The in-house project team has developed a new Port Management System, called OnePort, which was successfully implemented in Port Kembla and Eden in 2021-22 and will be further rolled out in Newcastle and Sydney / Port Botany in 2022-23.

Portable Pilotage Units

Port Authority commenced a state-wide standardisation project for portable pilotage units, which are critical aids to navigation technology used by our Marine Pilots. A tender process was undertaken during 2021-22 with the results expected to be finalised in early 2022-23, resulting in a standardised and state-wide technology solution.

Pilotage Fatigue Risk Management System (PFRMS)

Port Authority went to market to invite suitably qualified and experienced organisations to deliver a state-wide PFRMS that would include appropriate quantitative and qualitative bio-mathematical model capability.

This new system was delivered in partnership with FAID Quantum and was implemented in June 2022.

Newcastle specific

Vessel Traffic Service Accreditation

Our Newcastle operation completed VTS accreditation with Australian Maritime Safety Authority (AMSA) in May 2022 after a full documentary review and audit process, resulting in the issuance of an approved Instrument of Authority for VTS.

This achievement marks the completion of Port Authority's VTS accreditation project across all sites.



Port Authority pilot vessel

Marine operations activities 2021-22

	Pilotage movements	Work permit audits	Bunker permits (refuelling)
Sydney Harbour	249	78	156
Port Botany	2,731	70	120
Newcastle	4,613	3	601
Port Kembla	1,769	69	166
Eden	58	21	51
Yamba	56	—	1
Total	9,476	241	1,095

Note: Pilotage movements include vessel arrivals and departures and vessel movements within port.

New helicopters

Due to a change in Civil Aviation Safety Authority (CASA) requirements, Port Authority was required to move away from single-engine helicopters that had been used within the port for over 20 years to transfer marine pilots to and from ships.

Aviator Group was awarded the contract and commenced operations on 1 April 2022 to supply a new type of helicopters, twin-engine EC135 machines. This project was successfully delivered without any impact to port operations and the transition to twin-engine EC135 machines has been smooth and well received by our operations team.

Managing impacts to port operations

All ports

During 2021-22 flooding from significant rainfall events in Northern NSW and Newcastle had a significant impact on port operations and interactions with ships. The influx of fresh water from the Hunter Valley catchment area into Newcastle Harbour impacted water movement and caused changes to water salinity affecting ship buoyancy, propulsion and steerage and making them harder to manoeuvre.

In these challenging conditions, our marine pilots' expertise enabled the continued movement of shipping with minimal impacts to port operations and the supply chain.

Across all our ports, marine related incidents were managed in accordance with port processes and procedures and there were no significant impacts to port operations within the year.

Technology – Dynamic Underkeel Clearance System integration with Portable Pilotage Units

Dynamic Under Keel Clearance (DUKC) system was rolled out in Port Botany, with enhancements in Port Kembla and Newcastle, marking another milestone in NSW's journey delivering new efficiencies, safety outcomes and environmental protections for ships and our port waters. Port Authority's partnership with OMC International has centralised and upgraded the DUKC systems for Port Authority providing UKC calculations, system implementation, ongoing maintenance and support, quality assurances and data management processes for all large commercial vessels at Newcastle, Port Kembla and Port Botany.



MARINE OPERATIONS

Hydrographic survey

Our hydrographic survey team measures and maps the seafloor to help ships navigate safely through the ports of NSW.

During 2021-22

Our survey team conducted:

169 Port safety surveys	5 Whole-of-port surveys	46 Contract surveys	3 New met-ocean sensor installations	8 Met-ocean sensor upgrades
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Port Authority’s hydrographic survey team ensures the waters of Sydney Harbour, Port Botany, Port Kembla, Yamba and Eden are safe for shipping. Using our purpose-built survey vessel, Port Explorer, the team use state-of-the-art soundwave technology to search for hazards and monitor changes to depths in our ports and harbours.

From this data, the survey team create bathymetric charts and high-resolution 3D images to show what’s under the water so ships can navigate safely. This information is used to create pilotage plans, promulgate port depths, assist marine construction, and assist to create nautical charts by the Australian Hydrographic Office.

The team also conduct surveys for external clients; carry out engineering, monitoring and environmental surveys; deploy and calibrate wave measuring buoys; maintain our met-ocean sensors and manage wave, wind, current and tide data at wavewindtide.portauthoritynsw.com.au.

Lastly, the team produce mapping products for all sectors of the business for reporting and documentation. The team have begun transitioning key information to a Geographical Information System (GIS) enabling all sectors of the business to link their information visually. The GIS will be further developed over the next year to incorporate a digital twin of the Port environment enabling greater utilisation and management of our business assets.

Hydrographic survey activities 2021-22

Port safety surveys across our ports:

Sydney, Port Botany, Port Kembla, Eden, Yamba and NSW minor ports (Kiama and Broken Bay)

In support of Port Authority’s PSOL, our hydrographic survey team conduct regular surveys of our port’s berths and channels to ensure safe navigation for ships. During the year, the team conducted 169 port safety surveys across NSW:

- 48 surveys of PSOL areas in Sydney Harbour
- 37 surveys of PSOL areas in Port Botany
- 2 whole of port surveys in Port Kembla (58 PSOL areas)
- 1 whole of port survey in Eden (12 PSOL areas)
- 2 whole of port survey in Yamba (14 PSOL areas).

Kiama and Broken Bay minor ports were surveyed for the first time. Broken Bay survey area covered 10.5km², with all survey data sent to the Hydrographic office for chart production.

Charts produced by the Australian Hydrographic Office:

Yamba, Eden, Sydney, Botany and Kembla

Electronic navigational charts (ENCs) are official nautical charts used in digital displays to provide vessels with precise navigational data. This year, our hydrographic survey team continued their regular survey program to continue to be one of the only ports in Australia regularly producing bathymetric ENCs with the Australian Hydrographic Office. This form of Electronic Chart enables visiting ships to experience the same level of detailed seabed knowledge as port pilots.

Met-ocean activities 2021-22

New and upgraded met-ocean sensors:

Sydney, Port Botany, Newcastle, Port Kembla, Eden

Our met-ocean sensors take measurements of water currents, wind and weather conditions and relay the information to marine pilots and ship captains to assist with safe navigation and berthing in port.

Management and maintenance of our met-ocean sensors continued to be conducted by our hydrographic survey team and, this year, they commissioned and installed three new sensors across our ports and upgraded a further eight whilst ensuring the entire network of sensors remains online 24/7. The total sensor network is now 44 sensors across our six major port locations.

Sydney Harbour

Upgrades:

- Glebe anemometer upgraded to include precipitation sensor, required for Bays Noise Monitoring System
- Fort Denison Bureau of Meteorology wind enclosure upgrade and relocation
- Fort Denison tide gauge stilling well works
- Circular Quay Acoustic Doppler Current Profiler (ADCP) mount and enclosure upgrade.

Port Botany

Commissions:

- Tide gauge installed at Kurnell, Ampol Wharf.

Upgrade:

- Kurnell Waverider upgraded to 0.9m SG buoy.

Port Kembla

Commissions:

- Waverider buoy base station to allow monitoring of MHL offshore waverider.

Upgrades:

- West Channel ADCP cable armouring
- West Channel ADCP new electronics enclosure.

Eden

Commission:

- Waverider Base Station in Eden Welcome Centre.

Upgrade:

- Multipurpose wharf enclosure and anemometer upgrade.

Contract Surveys

During the year, our Hydrographic Survey team conducted 46 contract surveys for clients and stakeholders across our ports, including:

Bluescope

Port Kembla

Bluescope commissioned our team to conduct a hydrographic survey to assist with obtaining accurate survey information in their berth boxes and under their wharf structures, including embankments. This will enable Bluescope to plan upgrades and future development for their assets in Port Kembla

Clarence Valley Council

Port of Yamba

The survey team have assisted the Clarence Valley Council with monitoring surveys of their Ebb tide diffuser in the Clarence River and additional bank erosion monitoring surveys in Maclean. These works will assist council in ensuring safety of road infrastructure close to the riverbank and undermining of flood levy structures.

SMC Marine

Port Jackson

SMC commissioned the survey team to conduct post dredge surveys for the Sydney Fish markets site to enable independent check surveys of post dredge works.

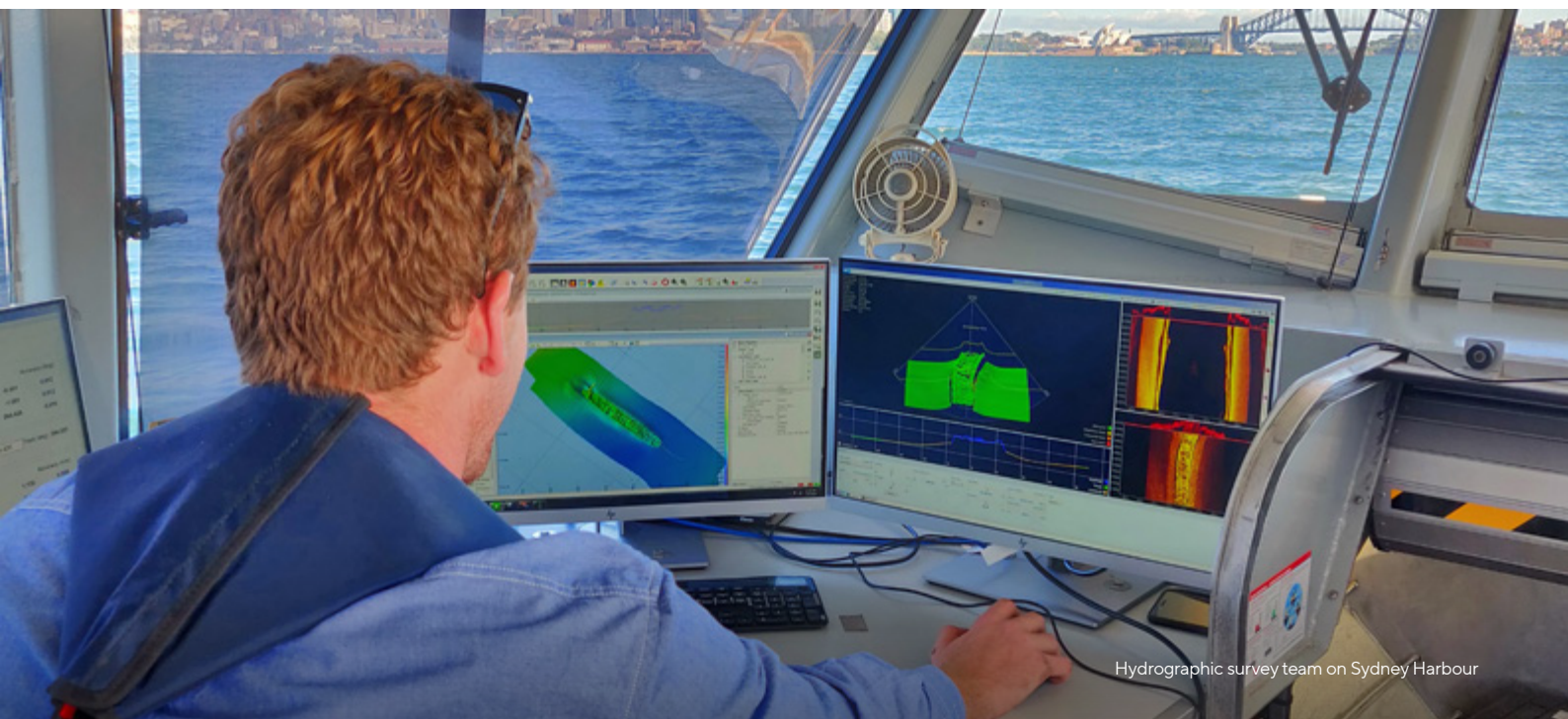
SMEC

Port Kembla

SMEC engaged the survey team to conduct survey works over the outer harbour bund area for the proposed dredge works associated with the Australian Industrial Energy development in the port.

Mapping and GIS activities 2021-22

Development and growth of our GIS capability establishing a visual information system which spatially links location to assets. This technology assists with collaboration and exchange of information across teams more freely and with effective planning tools. The team have planned to continue to grow this tool over the next 12 months to incorporate the use of state-of-the-art drone and scanning technologies in order to establish a 3D visual model of the port, otherwise known as a digital twin.



Hydrographic survey team on Sydney Harbour



Mustafa Kirzik, Port Kembla VTS

MARINE OPERATIONS

Vessel Traffic Services

Our vessel traffic services teams keep watch 24/7 to manage the safe movement of ships in the ports of NSW.

During 2021-22

Our VTS teams responded to:

909

marine incidents across our Sydney ports

Port Authority NSW has three Australian Maritime Safety Authority (AMSA) authorised Vessel Traffic Services (VTS) centres located in Newcastle, Port Botany, and Port Kembla.

The purpose of VTS is to contribute to safety of life at sea, safety and efficiency of navigation, and protection of the marine environment, adjacent shore areas, work sites and offshore installations from possible adverse effects of maritime traffic. The VTS team does this by providing timely and relevant information on factors that can impact ship traffic at sea and assist onboard decision-making.

VTS centres monitor and manage vessel movements by utilising navigation equipment such as electronic charts, radars, vessel Automatic Identification Systems (AIS), as well as high-definition CCTV installed around the harbour.

VTS is structured to be at the centre of all decision-making processes in the harbour. VTS operators are responsible for facilitating traffic control on the water and responding to community concerns, coordinating search and rescue with the Water Police and AMSA Joint Rescue Coordination Centre.

In Sydney there are 18 highly professional operators working 12 hour shifts to provide 24/7 coverage. To maintain a high level of professional development, VTS operators complete the dedicated course at AMC college every five years, taking part in Full Mission Bridge simulator exercises. These exercises bring together VTS operators and marine pilots and use cutting-edge technology to work through the annual competency assessment to validate and maintain their Master tickets and Certificate of Local Knowledge.

In Newcastle and Port Kembla, our highly trained VTS operators communicate with vessels, coordinate operations with marine pilots; advise ships of dangers, sea and weather conditions; and support the safe movement of ships through port.

Vessel Traffic Services activities 2021-22

VTS authorisation in Newcastle *Newcastle*

Port Authority has obtained authorisation from the Australian Maritime Safety Authority (AMSA) to provide Vessel Traffic Services (VTS) in Newcastle. Port Authority already held authorisation to provide VTS in Sydney and Port Kembla.

Port Authority is authorised to provide the highest level of VTS, including Navigational Assistance, which is a testament to the professionalism of the services provided. The service is provided 24/7 year around, in accordance with the highest international standards.

MARINE OPERATIONS

Dangerous goods

We enforce the safe storage and handling of dangerous goods in the ports of NSW.

During 2021–22

Our operations teams provided:

2,200

vessels carrying dangerous goods

18,052,692

tonnes of dangerous goods cargo transited NSW ports

Port Authority is responsible for controlling how dangerous goods such as explosives and chemicals are stored and handled in operational port areas.

We process advance notifications for dangerous goods which is imported, exported, or transits our ports. We also process applications to conduct various work activities, such as hot work and engine immobilisations, that are conducted onboard vessels carrying dangerous goods.

Importantly, Port Authority conducts audits and inspections to ensure that dangerous goods are appropriately segregated and separated, and that it does not exceed the permitted time limits before it leaves the operational port areas.

In some cases where non-compliance is identified during an audit or inspection, Port Authority issue fines in accordance with the relevant Regulations.

Port Authority administers Part 7 of the Ports and Maritime Administration Regulation 2021 in relation to the management of Dangerous Goods in its ports.

Dangerous goods activities 2021–22

Introduction of Ports and Maritime Administration Regulation 2021 (NSW)

All Ports
1 September 2021

Ports and Maritime Administration Regulation 2021 (NSW) was introduced 1 September 2021. The new Regulation absorbed Part 11 of the repealed Dangerous Goods Regulation 1999 (NSW), which was preserved by the Work Health and Safety Regulation 2011 (NSW).

With the introduction of the new Regulation, Port Authority updated many of its associated processes and procedures.

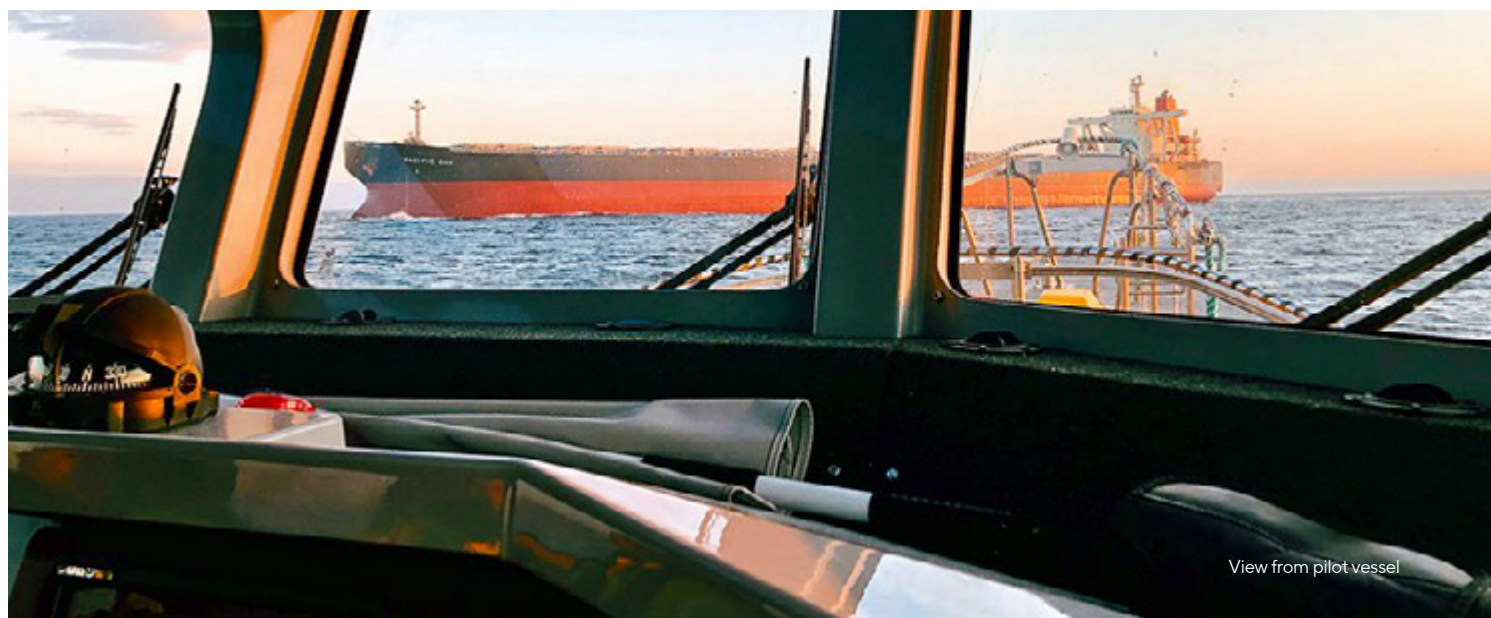
Introduction of OnePort in Port Kembla

Port Kembla

The introduction of OnePort in Port Kembla has changed the way in which stakeholders provide advance notifications of Dangerous Goods shipments to Port Authority.

Dangerous goods activities 2021–22

	Number of advance notifications	Number of vessels carrying DG	Total quantity of DG (tonne)
Yamba	–	–	–
Newcastle	199	138	2,595,439
Sydney	201	146	1,958,938
Botany	178,304	1,911	13,199,575
Port Kembla	281	–	298,654
Eden	20	5	86
Total	179,005	2,200	18,052,692



View from pilot vessel



Emergency response

Protecting our coastline and port environments

Maritime incidents and marine pollution have the potential to put our environment, infrastructure, industries and communities at risk.

Port Authority is ready to respond to these incidents 24/7. Our skilled emergency response teams operate specialised equipment and a fleet of purpose-built vessels equipped for firefighting, oil spill containment, and vessel assistance.

We provide emergency response capabilities across Sydney Harbour, Port Botany, Newcastle, Port Kembla, Eden and Yamba and are the lead emergency response agency in coastal waters from Fingal Head, Port Stephens to Gerroa, south of Port Kembla.





Emergency response vessel, Port Kembla

EMERGENCY RESPONSE

Summary of operations

Port Authority works 24/7 to ensure the safety of ships, the security of our working ports and the protection of our marine environment.

During 2021-22



• **152**
Pollution incidents

• **56**
Emergency towage and vessel assists

• **33**
Booming operations

• **5**
Firefighting operations

0
Medical emergencies

Port Authority responded to 246 marine incidents across NSW during 2021-22.

Port Authority is the lead agency for responses to maritime incidents in coastal waters stretching from Fingal Head, Port Stephens to Gerroa, Seven Mile Beach, south of Port Kembla. This includes our major and minor ports of Sydney Harbour, Port Botany, Newcastle Harbour, Port Kembla, Eden and Yamba.

Port Authority's emergency response capability includes highly trained staff, a variety of response equipment and purpose-built vessels equipped to respond to incidents. Port Authority's well planned and tested processes ensured the response to all reported incidents is both fast and effective.

No major incidents occurred for this reporting period with only one incident in Sydney Harbour requiring ongoing support from Port Authority, this was the sinking of Baragoola at Balls Head.



Summary of operations continued



Shirley Smith Tugboat, Sydney Harbour

Significant emergency responses 2021-22

Pollution incident Port Botany – London Express – slow leak of heavy fuel oil from ship’s hull

*Port Botany – Brotherson Dock Berth 9
20 August 2021*

On Friday 20 August 2021, the ship London Express reported a light sheen in the water off its starboard side. Marine Operations crews immediately responded and found a moderate size sheen around the starboard side of the vessel. Further investigations were undertaken by staff which found a small bubble of fuel oil escaping from a location under the ship’s hull. Containment boom and absorbent material were immediately deployed by Marine Operations, successfully containing the spillage to a localised area. Port Authority worked closely with the ship’s crew to determine the leak location which was rectified by commercial divers the next day.

Fire – Sydney Harbour Slipway

*Drummoyne
30 December 2021*

On the afternoon Thursday 30 December 2021, Marine Operations crews responded to reports of a land-based fire at Drummoyne. On arrival, the crews found the 1963 President Shipwright slipway well alight. In consultation with Fire and Rescue NSW, Marine Operations staff utilised their onboard firefighting equipment to support the land based firefighting efforts from the waterside. The crew and vessel stayed fighting the fire for almost two hours before being stood down by Fire and Rescue NSW.

Sinking of Baragoola

*Balls Head
1 January 2022*

In the late hours of the evening, Port Authority was notified that the vessel Baragoola (an old ferry), was sinking at its berth at Balls Head. Marine Operations crews quickly attended and assessed the situation. It was established the vessel could not be saved from sinking and required immediate booming to contain any hydrocarbon release, including any vessel debris. During the evening, Marine Operations staff successfully boomed the entire area and contained all material and marine pollutants. Port Authority continue to support and work closely with TfNSW on salvage and recovery of the vessel.

Emergency responses by port 2021-22

Incidents	Sydney Harbour	Port Botany	Newcastle	Port Kembla	Eden	Yamba	Total
Booming operations	31	1	0	0	1	0	33
Pollution incidents	106	29	6	7	3	1	152
Firefighting operations	5	0	0	0	0	0	5
Emergency towage and vessel assists	46	10	0	0	0	0	56
Medical / lifesaving emergencies	0	0	0	0	0	0	0
Total	188	40	6	7	4	1	246

EMERGENCY RESPONSE

Exercises

Ensuring we are ready to respond when our ports and coastline need protecting.

During 2021-22

Our survey team conducted:



Each year, Port Authority plans and takes part in exercises to practice and refine our emergency response procedures across our ports. The exercises enable our emergency response teams to test our capabilities, put our plans into action and coordinate real-time operations in the field.

Through these exercises we also develop our important working relationships with other agencies, improving how we communicate, collaborate, cooperate and respond in an emergency situation. Key emergency response agencies participating in our exercises this year included Fire and Rescue NSW (FRNSW), NSW Police and Marine Rescue NSW, Transport for NSW and National Parks and Wildlife Service; and key port stakeholders, operators and service providers.

Spillex 21

Newcastle, 15 and 16 September 2021

Our teams conducted an oil-spill drill, developed to evaluate the efficacy of the Incident Control Plan, exercise and assess the Incident Management Team and examine conditions of spill mitigation equipment and deployment familiarity.

The exercise was observed by key operational staff from Port of Newcastle and Transport for NSW.

Spillex 21

Yamba, 29 September 2021

Port Authority conducted a desktop oil spill exercise in Yamba on 29 September 2021. The drill scenario involved two vessels rafted up at Palmers Island Wharf which had sunk with diesel sheen on the water and a strong smell in the area. Port Authority was the Combat agency. The exercise was developed and conducted to evaluate the efficacy of the Incident Control Plan, exercise and assess the Incident Management Team and examine conditions of spill mitigation equipment and deployment familiarity.

Exercise Juliet – dangerous goods exercise

Port Botany, 30 September 2021

A multiagency exercise was held at Port Botany to test our mutual understanding of the activation and response to a serious Dangerous Goods incident in a container terminal. The scenario involved DP World notifying FRNSW and Port Authority (VTS) of an unidentified leaking container(s) reported on the vessel alongside at BD10. Key stakeholders involved included Transport for NSW, NSW Ports, Stevedore Companies, FRNSW, NSW Environment Protection Authority, Regional Emergency Management Office and Police.

Gore Cove 2022

*Gore Cove, Sydney Harbour
15 June 2022*

In partnership with Viva Energy, Port Authority conducted its annual exercise at the Viva Terminal in Gore Cove. The exercise was held to exercise Viva’s first strike response plan as per the ‘Gore Cove Marine Oil & Chemical Spill Contingency Plan’, understand roles, actions and containment options in relation to a Port Emergency, test Port Authority’s Pollution Response Plan Sydney and included the development of an Incident Action Plan (IAP) at Gore Cove Terminal before deployment exercises commenced.

Exercise Penrhyn

*Port Botany
31 May 2022*

Port Authority lead a multi-agency exercise with Transport for NSW, Fire & Rescue NSW (observing), NSW Police (observing) NSW Ports (observing), Marine Rescue NSW (observing), Environmental Protection Agency (observing) to assess the response capabilities under Port Authority’s Pollution Response Plan Botany to a Level 2 (NSW State Water Marine Oil and Chemical Spill Contingency Plan) Marine Incident in Port Botany.

The exercise focused on the use of Port Authority’s Pollution Response Plan Botany to respond to a Level 2 Marine Incident and on Port Authority’s capabilities as part of the initial first strike response. An emphasis was placed on the operational deployment of marine assets including multiple vessels from Port Authority and supporting agencies, containment booms, and shoreline response equipment, such as a decontamination area.

Port Authority established an Incident Management Team before the field deployment to develop an Incident Action Plan. On the day of the field deployment, a forward operating base was set up at Foreshore Boat Ramp to oversee the equipment deployment.

EMERGENCY RESPONSE

Training and development

Developing skills to respond to marine emergencies and pollution.

Port Authority develops the specialised emergency-response skills of its marine operations teams through accredited and nationally recognised courses. This year, our people completed COVID-safe courses using online, face-to-face and field-training methods and collaborated with response agencies including Transport for NSW, NSW Police, Australian Border Force and Fire and Rescue NSW to support our capability for multi-agency incident management.

During the financial year Port Authority staff undertook training in various disciplines to enhance and maintain our high capability for emergency response.

Basic equipment operators course

Sydney – 2021/2022 FY

Twenty-two Port Authority staff completed the AMSA-accredited Basic Equipment Operators course. The intensive two-day training is the foundation for our marine pollution response capabilities and ability to deploy equipment across NSW.

Australasian Inter-service Incident Management System – AIIMS

Various – 2021/2022 FY

Nine Port Authority staff undertook AMSA accredited AIIMS training – the nationally recognised system for incident management. AIIMS training provides the foundational principles of incident management and is vital knowledge for our emergency response teams comprising of staff from across all disciplines of the business.

Advanced firefighting training

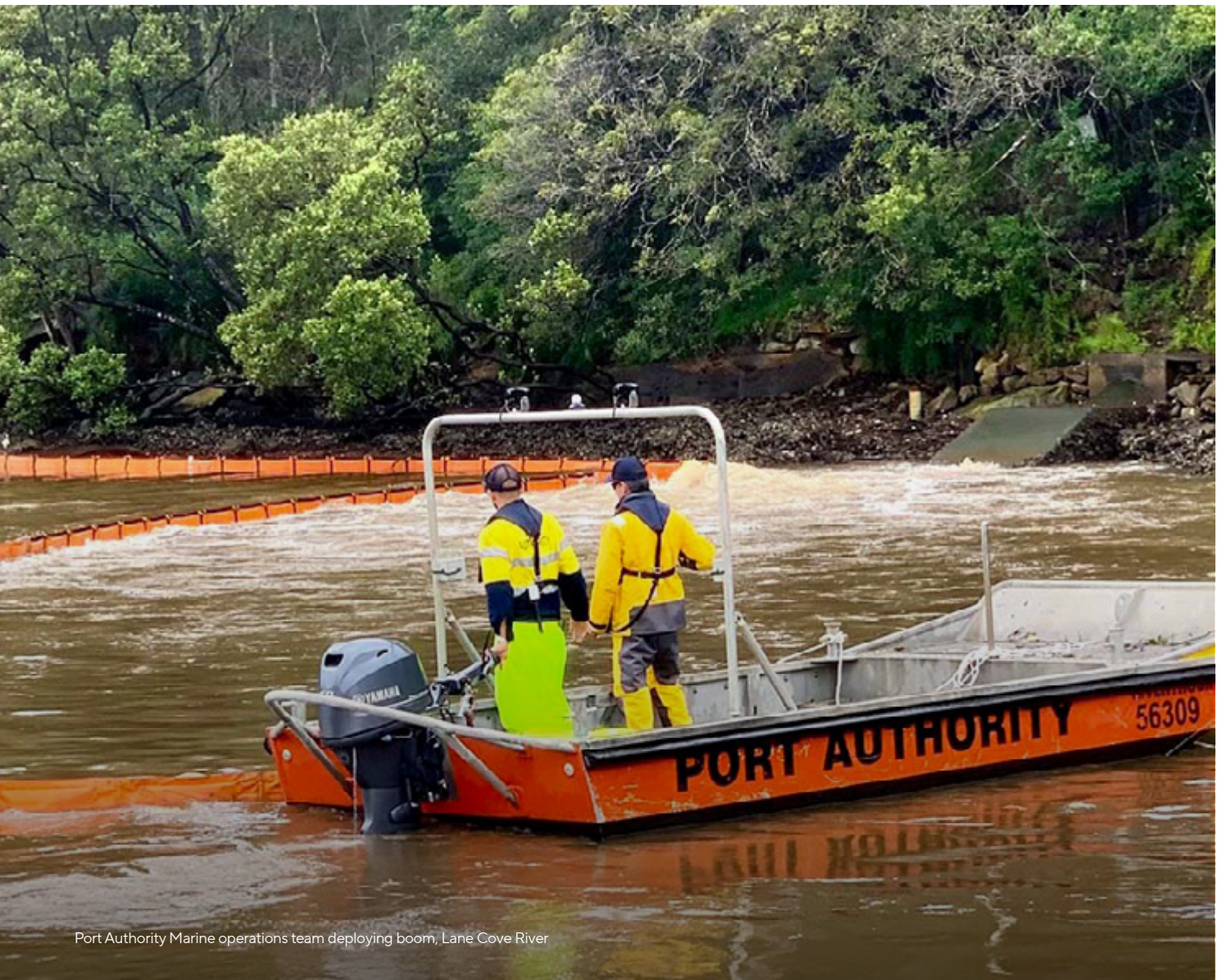
Fire and Rescue NSW – Albion Park Throughout 2021/2022 FY

Fifty-seven marine operations staff from Sydney undertook intensive firefighting training to enhance staff training in firefighting techniques for both land based and vessel fires.

Certificate IV in Government Investigations

Various – June 2022

Nine Port Authority staff completed the Investigation and Enforcement program. This has resulted in delegated members of staff enhancing their skills and capability in investigation and enforcement.



Port Authority Marine operations team deploying boom, Lane Cove River



Port assets

Our port assets provide NSW with world-class maritime capabilities

Port Authority's port assets give our teams the tools and technology to deliver safe, efficient and sustainable marine services for NSW.

Our vessels and equipment enable our operational on-water capabilities; our navigation aids assist the safe movements of ships; our IT systems share critical information with port users; and our terminals, berths and port facilities provide NSW with crucial maritime infrastructure.



PORT ASSETS

Glebe Island and White Bay

A working port for over 100 years, Glebe Island and White Bay provide the last deep-water wharves for commercial shipping in Sydney Harbour.

During 2021-22

There were:



206

trade vessel visits to Glebe Island and White Bay

Owned and operated by Port Authority, the deep-water berths at Glebe Island and White Bay give Sydney a low-cost, low-impact and sustainable maritime supply route for bringing dry bulk materials directly into the city.

A working port since 1901, Glebe Island and White Bay remains a vital maritime asset and the heart of Sydney Harbour’s maritime industry. Operating 24/7, Glebe Island provides Sydney with essential construction and manufacturing supplies; logistical support for major infrastructure projects; a staging ground for the city’s celebrated harbour events and a filming location for Australia’s film industry.

Glebe Island and White Bay: trade vessels by year

	2018-19	2019-20	2020-21	2021-22	Variance from previous year
Glebe Island ¹	106	89	52	60	15%
White Bay ¹	441	295	136	146	7%
Total	547	384	188	206	10%

1. Includes commercial and service provider vessels (such as bunker vessel ICS Reliance)

Port activities 2021-22

Glebe Island and White Bay

The past year has seen increased activity around the precinct as the Sydney Metro West (SMW) project starts to ramp up and West Connex Stage 3B project hits peak construction activity. These projects have increased their land use at Glebe Island and White Bay to improve the operational efficiency of their respective projects. Co-ordination between the major projects, port operations and the recently re-commenced cruise operations has occurred seamlessly without incident.

Infrastructure NSW have also been occupying part of the berth at Glebe Island 2 where they have a laydown yard to assist with the facilitation of the new Sydney Fish Markets at Blackwattle Bay. Large shipments of materials, coming from overseas for this project, are being delivered directly into this yard for processing and then barged to the site for installation on the project.

Next financial year will likely see an increase in activity in the precinct as new projects commence and existing projects increase their operational capacity.

Glebe Island

In April 2022, Glebe Island was used for the launch of the refurbished heritage vessel ‘John Oxley’ by the charity, the Sydney Heritage fleet. After twenty years of restoration, the vessel was re-floated at Garden Island and then re-launched at Glebe Island.

White Bay

In April and June 2022, the Royal Australian Navy commenced short-term licenses for their vessels, ‘HMAS Canberra’ and ‘HMAS Warramunga’ at White Bay to provide additional berth capacity.

Both precincts (NSW Govt events)

In partnership with the NSW Government, Glebe Island and White Bay were used as the operational sites for preparations and waterside logistics related to Australia Day and New Year’s Eve celebrations respectively.

Port maintenance and development

Wharf restoration and repair

Glebe Island 1

Settling of the wharf pavement at Glebe Island 1 over time had reduced its capacity to support loads, resulting in approximately 100 metres of berth quay line unable to be fully utilised. This year, we undertook works to repair and restore the wharf to its maximum load capacity and provide structural integrity for the next 30 years. This project was successfully completed in December 2021.

Marine Bollards

Marine bollards, also known as mooring bollards, are critical tie up points for ships’ mooring lines. In the past year, Port Authority conducted integrity testing of bollards in Glebe Island and White Bay, and restored a number of bollards, ensuring continued and safe operation of the wharves.



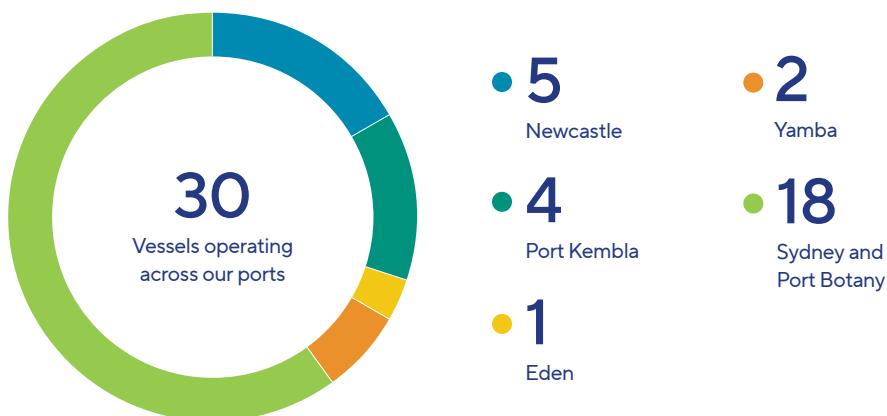
PORT ASSETS

Vessels and equipment

Our vessels and equipment give our teams the on-water capabilities to keep our ports safe and secure.

Port Authority’s highly specialised vessels and maritime equipment give our marine operations teams the capabilities to provide marine services for the ports of NSW. Our fleet of distinctive vessels includes powerful cutters to transfer our marine pilots to ships at sea; firefighting tugs to combat on-water and shoreline fires; emergency and oil spill response vessels to deploy booms and manage marine incidents; survey vessels to scan the seafloor for hazards and operations vessels to allow our teams to manage our marine infrastructure.

Port Authority vessel numbers by port



Vessels and equipment activities 2021-22

Improving asset utilisation

The 2021-22 focus has been on optimised/increased asset utilisation across all ports. This approach ensures asset decisions and strategies align with and support marine operations business decisions and customer/stakeholder expectations.

The analysis of fleet utilisation, service planning and life cycle assessments as resulted in recommendations to adjust and optimise the fleet. These changes included the pilot Vessel Governor Macquarie being sold. The pilot Vessel Governor King relocating from Yamba to Newcastle and the Sydney pilot Vessel Alvina reinstated for pilotage in the Port of Yamba.

Modifications to our crane barge, Manns Point has increased the vessel’s agility, flexibility, and asset utilisation. These modifications also enhance the vessel’s oil response capability.

Standardising our maintenance management system

To support asset management decisions across all ports the team have focused on integrating and standardising our existing Computerised Maintenance Management System, this approach ensures the assets team can achieve the desired levels of service based on understanding of asset condition and operational environment, vessel performance with a consideration of costs and risk across all ports. The standardised Computerised Maintenance Management System will dovetail into an overall strategic asset management plan that will document policies, plans, strategies, and actions to ensure all objectives are met.

Vessel maintenance program

This year, the vessels major planned maintenance program focussed on the standardisation of vessel systems and equipment. The outcome of this strategy has seen improved maintenance costs, enhanced onboard operation and training while ensuring technical compliance is met. Vessel compliance is continually monitored throughout the year. AMSA accredited marine surveyors routinely conduct audits to validate all our compliance obligations have been met.

New multipurpose vessels

The two new multifunction vessels are on track for delivery in late 2022 and early 2023. Port Authority has had extensive input working with Birdon’s engineering team throughout the preliminary drawing review and detailed design review processes. These two new multifunction vessels have synergy with Port Authority’s future operating model and will result in lower overall service delivery costs, greater flexibility and agility in maintenance schedules and facilities.

Standardised vessel traffic system for all ports

Delivery is underway for a standardised vessel traffic system across all ports. A new VTS disaster recovery centre and additional Radar and Radio site was commissioned in Port Kembla. This now provides sufficient redundancy in VTS operations and is aligned with AMSA VTS accreditation.

Vessels and equipment continued

Port Authority vessels by name and function

Precinct	Vessel name	Vessel function
Eden	Quintrex Bayhunter	Marine operations, emergency response
Newcastle	Henry Newton	Pilotage
Newcastle	PT1	Pilotage transfer
Newcastle	Response 1	Pilotage transfer, oil spill response
Newcastle	Riverkeeper	Oil spill response
Newcastle	Gov King	Pilotage
Port Kembla	Dinghy (flat bottom)	Marine operations, emergency response
Port Kembla	Elourie	Marine operations, emergency response
Port Kembla	Kestrel	Pilotage
Port Kembla	Shearwater	Pilotage
Sydney and Port Botany	Botany Punt	Survey work, shallow water inspections
Sydney and Port Botany	Brian Cecil	Survey work
Sydney and Port Botany	FRV2	Oil spill response, crane operations
Sydney and Port Botany	Manns Point	Crane operations, oil spill response
Sydney and Port Botany	Millers Point	In-harbour transfers, emergency response
Sydney and Port Botany	OSV Banks	Oil spill response
Sydney and Port Botany	OSV Denison	Oil spill response
Sydney and Port Botany	Port Explorer	Survey work
Sydney and Port Botany	PV Sever	Pilotage
Sydney and Port Botany	PV Sharp	Pilotage
Sydney and Port Botany	PV Sinclair	Pilotage
Sydney and Port Botany	Response I	Oil spill response, boom deployment
Sydney and Port Botany	Response II	In-harbour transfers, emergency response
Sydney and Port Botany	River Truck 1	Oil spill response
Sydney and Port Botany	River Truck 2	Oil spill response
Sydney and Port Botany	River Truck 3	Oil spill response
Sydney and Port Botany	Shirley Smith	Firefighting
Sydney and Port Botany	Ted Noffs	Firefighting
Yamba	Alvina III	In-harbour transfers, emergency response
Yamba	Flat Punt	Marine operations, response vessel

PORT ASSETS

Terminals and venues

Despite continuing COVID-19 restrictions, Port Authority hosted more than 100 events in financial year 2021/22. These included Sydney-wide events such as Australia Day Live, New Year's Eve and Vivid back on the calendar for 2022, and conferences, product launches and activations from luxury and well-known household brands hosted in the Overseas Passenger Terminal (OPT) and White Bay Cruise Terminal (WBCT).

Overseas Passenger Terminal and White Bay Cruise Terminal continue to be the preferred venues for some of Australia's most trusted international and national brands, with filming demonstrated to favour both the Overseas Passenger Terminal and White Bay as well as at Port Botany Boat Ramp.

Terminal and venue activities 2021-22

Australia Day

Sydney Harbour

Sydney's 2022 Australia Day featured a respectful and inclusive program which honoured the strength and resilience of our First Nations people and brought together families, friends and communities. The program was enriched through the guidance and insights from First Nations representatives who were instrumental in creating the Sydney program and bringing deeper meaning, authenticity and innovation.

The event celebrated the vibrant and diverse state of NSW implementing initiatives that supported the renewal of local economies and communities through employment, stimulating engagement, and creating opportunities for businesses to leverage off the program.

Vivid Sydney

Overseas Passenger Terminal

Vivid returned to Sydney after a two-year hiatus. For the first time in the festival's history, the lights, music and ideas all centred around a theme – The Soul of Our City – using the opportunity to explore the character of great cities.

The Overseas Passenger Terminal was a focal point during Vivid Sydney – hosting First Light – a special and powerful acknowledgement inspired by our First Nations people and the first harness able source of light and warmth – fire on the opening night of the Event. Other notable events on the opening weekend included the Paramount Plus Drone Show.

The Arrivals Hall featured Port Authority's own curated lighting activation – Equilateral which the Sydney Morning Herald reported was the "one" must see lighting installation of Vivid. In addition, the Arrivals Hall hosted a curated Digital Art exhibition featuring some of Sydney's best upcoming graphic and street artists which proved to be extremely popular with patrons.

SailGP

White Bay Cruise Terminal

White Bay 3 and 4 hosted the Sydney leg of SailGP in December 2021. SailGP is an international sailing competition using high performance F50 foiling catamarans where teams compete across a season of multiple grand prix event around the World. Tom Slingsby's Australia SailGP won both the Sydney leg and his second consecutive title in the 2021-22 SailGP Championship.

Brand launches and activations

Many high-profile launches and brand activations were held by our venues in 2021-22. This included activation of the Squid Game doll from the cult Netflix series Squid Game on the Overseas Passenger terminal northern wharf, Gucci's transformation of the Customs Hall into the backstage of Paris Fashion Week Runway Show; Woolworths celebrated another successful year and Harley Davidson launched a new motorbike at White Bay Cruise Terminal as 2021 drew to a close.

Community and charity events

Throughout 2021-22, our venues were used for community and charity events. Several large events were also held in the OPT during Vivid, these included Bon Fromage, a weekend celebration of cheese, wine and food, The Tiffany Sapphire Ball and Universal Music's Bring an Artist Summit.

Food Truck Boulevard in the Southern Forecourt was a major drawcard for activity around The Rocks with food truck vendors welcoming the chance to serve the Sydney visitor economy once again, providing an opportunity for many small businesses to get back on their feet after challenging two years.

The Makers and Shakers Market came to White Bay for the first time early in 2022. The popular event featured a curated line up of established and emerging creatives and offers shoppers the best in handmade: from beautiful homewares, stunning lifestyle products to delicious food. The Makers & Shakers Market is designed specifically for people who appreciate where things come from, how things are made and who made them.

The CEO Vinnies Sleepout was once again held at the WBCT raising money to provide crisis accommodation, food, healthcare, counselling, education, employment, and support to find a permanent home for people throughout the country, all year round.

Utilising the WBCT for this event gives participants a safe and relatively comfortable taste of what more than 116,000 homeless Australians face every night. Former homeless volunteers shared their stories about the circumstances which led them to homelessness, what it was like to live on the streets and how St Vincent de Paul supported them into accommodation and back on their feet.

Our continued support for this event aligns with our corporate values of care – care for each other, our customers, stakeholders and community. In sponsoring a charity event that addresses a major and growing social issue, we live our values by using our port facilities in ways that benefit the broader community whenever we can. We demonstrate our intention to operate as part of the community with respect and goodwill.

PORT ASSETS

Aids to navigation

Our navigational aids guide vessels safely through the ports of NSW.

254

Navigation aids

86

Floating buoys

156

Fixed structures

12

Lighthouses

Port Authority’s network of buoys, markers, beacons and lighthouses provides navigational information to assist the safe movement of ships, goods and people through our ports. From the smallest buoy to Sydney’s heritage-listed Hornby Lighthouse, our aids to navigation are a guiding light for ships in NSW.

Located on land and in the water, our aids to navigation (AtoNs) face harsh conditions in challenging environments. In accordance with our Port Safety Operating Licence, our teams manage and maintain this important marine infrastructure to ensure safe passage for ships and protection for the port environment.

Aids to navigation owned by Port Authority by type and port

Port structures	Floating buoys	Fixed structures	Lighthouse	Total
Sydney Harbour	37	32	11	80
Port Botany	23	59	1	83
Newcastle ¹	0	0	0	0
Port Kembla ¹	11	20	0	31
Eden	2	13	0	15
Yamba ¹	13	32	0	45
Total	86	156	12	254

1. Aids to navigation in Newcastle are owned and operated by Port of Newcastle. Lighthouses in Newcastle (Nobbys Head) and Yamba are owned and operated by the Australian Maritime Safety Authority. Aids to navigation in Port Kembla are owned by Port Authority and maintained by NSW Ports.



Aids to navigation, buoy replacement program, Sydney Harbour



Aids to navigation activities 2021-22

New port-wide management plan

We continued to develop and implement the port-wide management and maintenance plan for our aids to navigation (AtoNs) established in 2021 in line with our one-port strategy.

The plan provides broad oversight of our AtoNs, increasing their reliability and reducing the risk of operational downtime, with three core objectives now completed:

- Audits of our ports to ensure compliance with our Port Safety Operating License (PSOL)
- Development of new maintenance contracts focussing on responsibility and liability
- Completion of all identified urgent works to repair, upgrade or replace AtoNs.

The Assets team continue to develop and implement the plan to achieve three remaining core objectives:

- Maintain safe and efficient operations
- Maximise the use of systems and tools and develop procedures for AtoN management
- Use risk-based predicative modelling for future asset management and maintenance.

During the past 12 months, following the completion of all identified urgent repair and upgrade works and the implementation of a AtoN maintenance contract for all Sydney and Botany AtoNs, the Assets team continued to work on optimising systems, data collection and analysis, and establishing risk-based modelling to improve efficiency in AtoN management.

In conjunction with the Assets team, the Development team completed six scheduled AtoN upgrade/replacement projects in accordance with our Project Management Framework. A further seven significant AtoN replacement projects are currently in the Define stage and are scheduled to be delivered in 2022 – 23.

Scheduled replacement of three navigation buoys

Sydney Harbour

Having reached the end of their serviceable life, three steel navigation buoys were replaced with high-density polyethylene (HDPE) buoys. The new buoys have a 25-year design life and require minimal maintenance therefore provide a cost-effective replacement solution. The mooring chains and anchors were replaced together with the buoys.

The buoys are manufactured in Australia and are fitted with modern and sustainable marine lanterns. Each buoy also features new name plates featuring Port Authority's logo and VTS phone number.

A second similar project is scheduled for the end of 2022 to replace a further five navigation buoys in Sydney Harbour.

Replacement of Shark Island Lighthouse access platform

Sydney Harbour

The access landing accommodates safe mooring and access to Shark Island Lighthouse and had reached the end of its serviceable life. A new access platform was designed in accordance with heritage requirements and current safety standards. Construction of the new access platform has been completed.

Upgrade of Henry Head Lighthouse to solar power

Sydney Harbour

An opportunity was identified to upgrade the traditional power poles and electrical wires with a solar power system to light Henry Head Lighthouse, located in dense bushland. The new solar power system has eliminated potential hazards caused by electrical wires and timber poles during bush fires and has greatly reduced the risk of downtime for the navigation light. This cost-effective solution is in line with our goal to provide more sustainable solutions for asset maintenance.

A second similar project is scheduled in 2023 to upgrade Grotto Point Lighthouse to solar power.

Replacement of AtoN structures at Goat Island and Balls Head

Sydney Harbour

Two AtoNs located in Sydney Harbour near Goat Island and Balls Head had reached the end of their serviceable life and were scheduled for replacement. The replacement of these AtoNs included the installation of two towers that had been reclaimed, restored and painted, back to their original condition. This cost effective solution also meets our aim to provide more sustainable Asset maintenance solutions.

Three similar AtoN structures are scheduled to be replaced in 2023.



Ship being assisted by tugs, Port of Newcastle

PORT ASSETS

Port security

Maritime security for the working ports of NSW.

Port Authority provides maritime security in the ports of NSW to maintain the safety of port users, the public, our people and our port assets. We work alongside port stakeholders to strengthen our security measures and facilitate joint security exercises with Australian and NSW Government agencies to build strong working relationships and effective responses to threats to port security.

Port Authority of NSW is committed to the security of its waterways, assets and infrastructure, the employees and public within these spaces, which include, waterways and shipping channels of Sydney Harbour, Port Botany, Newcastle Harbour, Port Kembla, Port of Eden and the Port of Yamba; two world-class cruise terminals, Overseas Passenger Terminal (OPT) at Circular Quay and the White Bay Cruise Terminal (WBCT) at White Bay (used for dry bulk and import/export operations); Port Botany boat ramp; and Maritime Industry service providers that operate within the waterways.

Port security activities 2021-22

Port Authority implemented several developments throughout 2021-22 to access contemporary risk information provided by federal and state agencies, improve security response and capability.

Focus on security measures across our ports

Port Authority is continually monitoring facilities, undergoing security exercises and drills, and proactively developing contemporary security mitigation to evaluate and respond to the latest world events and trends.

An updated security deployment plan was introduced, incorporating the Covid Eastern Seaboard protocols for the cruise terminals to ensure security integrity is maintained, meets operational expectations and is not cost prohibitive towards industry.

Port Authority lead the development and implementation of the Cruise Terminal Operational Covid (CTOC) plan for the Port Authority. The CTOC plan was to prepare processes and procedures in preparation of the commencement of international and domestic cruise ships operations at Port Authority cruise terminals, Overseas Passenger Terminal (OPT) and White Bay Cruise Terminal (WBCT), to meet safety, health, and hygiene parameters in a COVID-19 environment.

This year, Maritime Security Plans revised for the Port of Eden and the Overseas Passenger Terminal, White Bay Cruise Terminal, and contingency berths, and approved by the Department of Home Affairs.

Terminal security collaboration

Port Authority maintains a strong working relationship with Australian Government regulator from the Department of Home Affairs and was compliant with the external audits and inspections as part of the Departments maritime compliance plan.

Three operational exercises were held in partnership with NSW Police Force Counter Terrorism and the Department of Defence at the OPT and WBCT to enhance critical infrastructure protective security, vehicle borne attacks and crime prevention, in particular addressing armed active offenders and trending 'lone wolf' attacks.

Port Authority continued to build strong port wide security network hosting the scheduled Port Security Committee meetings in Port Kembla and Sydney.



PORT ASSETS

IT infrastructure

Our technology systems provide the code for efficient port operations.

Port Authority's specialised IT systems are critical to efficient operations and the safe movement of ships in the ports of NSW. From shipping schedules to booking functions, permit applications and wind, weather and tide data, our systems provide the functionality that enables shipping customers, port operators and service providers to conduct their business and the information gives our stakeholders and communities visibility into port activities.

Our systems are also central to the safety of shipping in our ports, enabling our operations teams to make informed navigational decisions based on real-time data captured from our network of radars, CCTV, navigation aids and met-ocean sensors.

Our IT team develops and delivers our technology capabilities and protects these critical port systems through stringent cyber security measures.

IT infrastructure activities 2021-22

Single port management system for all NSW

All ports

The development of a new port management platform, OnePort, continued this year. The project will consolidate Port Authority's three port management systems into a unified and consistent platform. The OnePort project will develop a single system for all port users, service providers and operations teams to manage and monitor ship movements, arrivals and departures across all six working ports in NSW. In line with our one-port strategy, the system will align and standardise language, terminology and procedures for more consistent customer service and effective port-wide operations.

Developed in-house by our IT team, the system is being designed in consultation with our marine operations teams and maritime stakeholders to best meet their operational requirements and will be implemented in a phased rollout.

Delivery for Port Kembla and Eden was completed in April 2022. Yamba is expected to be delivered in the second half of 2022, with all remaining ports, including Newcastle, Sydney Harbour and Port Botany, to be delivered by mid 2023.

For further information about OnePort visit page 57.

Cyber security resilience

All ports

Port Authority has adopted the National Institute of Standards and Technology (NIST) Cyber Security Framework (CSF) as a standard for security management and operations.

Adoption of the standard will uplift the cyber security resilience for critical operational systems and allow benchmarking against industry peers. The roadmap for rollout and adoption will be completed in 2022, with the full rollout expected to be completed by the end of 2023.

Under Keel Clearance (UKC) Systems

Newcastle, Port Kembla, Port Botany

Port Authority has completed the implementation of a single Under Keel Clearance (UKC) system for all ports. Under keel clearance is the depth of water available underneath a vessel after considering environmental and vessel factors.

A UKC system supports safe navigation by ensuring every vessel has sufficient UKC for a safe transit. The system provides for bespoke calculations for all draft restricted vessels at Newcastle, Port Kembla and Port Botany.

This initiative provides Port Authority with a single source statewide solution which aligns with our strategic objectives and provides a much improved and consistent solution.

This technology has allowed Port Authority to break records at Port Botany on Friday 15 October when the deepest and heaviest container ship to visit was able to be berthed successfully and without incident. The UKC system allowed our marine pilots and VTS teams to more accurately predict the under-keel clearance required to berth this ship safely.

Major projects

Developing infrastructure to support the maritime needs of NSW

Across our ports, we develop, build and maintain port and marine assets that contribute to our economy, our communities and the ongoing maritime needs of NSW.

Our major projects maintain critical port infrastructure, increase our maritime capabilities, drive the growth of cruise tourism and ensure our ports provide safe berths for ships.





MAJOR PROJECTS

Building new multipurpose vessels

Significant progress was made on the design and construction of two new multipurpose vessels which will join the operational fleet in Sydney and Botany in late 2022 and early 2023. The vessels are being built by NSW-based boat-builders Birdon Marine at their Port Macquarie shipyard and will replace two ageing firefighting tugs, the Shirley Smith and Ted Noffs. The purpose-built vessels will improve Port Authority’s ability to perform operations efficiently and respond quickly to incidents and emergencies including oil spill, debris removal and firefighting.

Project timeline

2021	
April	Design and Construction of two new vessels commenced
June	Preliminary design process completed
July	Vessel 1 construction commenced
September	Vessel 2 construction commenced
2022	
March	Vessel 1 hull completed and turned over
August	Vessel 2 hull completed and turned over
September	Vessel 1 launched
September	Wave baffle tender awarded
December	Pontoon contract awarded
December	Vessel 1 delivered
2023	
January	Wave baffle construction completed
January	Vessel 2 launched
March	Vessel 2 delivered
September	Pontoon construction completed

Project background

In April 2021, Port Authority engaged Birdon Marine to design and construct new multipurpose firefighting vessels for Sydney Harbour and Port Botany. The two new vessels will provide Port Authority’s operational teams with greater agility, flexibility and capability in conducting on-water operations and responding to on-water fire and other maritime incidents. The new vessels will replace the two firefighting tugs (Shirley Smith and Ted Noffs) which, after 40 years of service, have reached the end of their working life.

The vessels will feature two fire pumps, 360-degree visibility from the wheelhouse and an open deck for ease of movement for crew.

The 17.8 metre alloy vessels will provide greater tow capacity and performance characteristics in a variety of sea states and restricted areas of navigation.

The vessels are being built by Birdon in Port Macquarie. Birdon have partnered with Australian vessel designer, Incat Crowther, making the new vessels an all-Australian build.

In response to the addition of the new vessels to the fleet, Port Authority will invest in critical infrastructure at Moores Wharf, Sydney.

The works at Moores Wharf are twofold:

1. Installation of a wave baffle on the outside of the existing tug jetty to provide protection to the Moores Wharf facility
2. Replacement of the existing T-jetty and floating jetty with a new floating pontoon system

The installation of a wave baffle will improve the wave climate at Moores Wharf. The existing T-jetty and floating jetty have reached the end of their design life and are not designed to accommodate existing and future fleet.

Project construction

The vessels are being manufactured in Birdon’s Port Macquarie facility, located on the Hastings River.

The vessels are being built sequentially; with Vessel 2 staged approximately 3 months behind Vessel 1.

The building process starts with construction of the hull, which is assembled and welded upside down. Once completed, the hull is turned over, and fit out commences. The wheelhouse is constructed and fitted out separately to the hull and deck and attached to the deck prior to launch. Following launch, the vessels will undergo sea trials in preparation for final certification and delivery to Sydney and Botany.

The construction work for the Moores Wharf berthing infrastructure is expected to take place in two stages:

1. Delivery of wave baffle in January 2023
2. Delivery of a floating pontoon system to replace the T-Jetty and floating jetty, with estimated completion in September 2023.

Project status

At the end of June 2022, Vessel 1 was undergoing the hull and wheelhouse fit-out stages while Vessel 2 had progressed to hull construction.

To ensure the vessel is fit for purpose, more than 30 modifications have been made throughout the design and build stage as a result of detailed engagement and feedback from our marine operations teams.

The vessels will be highly functional ‘workboat style’ vessels, delivering the following improvements:

- lifting capability
- firefighting capability to international standards
- towing capability
- strong performance characteristics in a variety of sea states
- versatile performance in restricted areas of navigation
- high utilisation rates
- improved overall service delivery costs
- improved flexibility in maintenance schedules
- leading operational working environment for crew.

The first vessel is expected to arrive in December 2022 and the second in March 2023.

Project costs

Project budget is \$11.7m for vessels, and \$3.6m for Moores Wharf berthing infrastructure.

MAJOR PROJECTS

Shore power

Introducing shore power to Bays Port precinct is one way Port Authority is helping to address climate change and reducing impacts on the local community:

- The supply of certified renewable energy for shore power is estimated to achieve a reduction of up to 14,000 tonnes of CO₂ emissions per annum
- Enabling ships to turn off their engines while at berth will reduce the amount of diesel fuel burnt and consequently, reduce odours, air and noise pollution.

Once a ship is safely alongside at berth, some of their engines or generators continue to run – as ships require power to carry out their operations – whether for cargo unloading or to provide electricity for the ship’s crew and passengers, including for lighting, heating and cooling, refrigeration, cooking and food preparation, and communication systems.

When ships can plug-in to renewable energy from the shore, this allows them to power down their auxiliary diesel engines at berth – reducing CO₂ emissions, noise and air pollution.



Shore Power Announcement, White Bay, March 2022

Project timeline

2022	
March	Shore power announcement
May	Ausgrid connection report received
June	Industry consultation continues with other ports, specialist providers, cruise lines and bulk shipping operators
September	Concept design commences
October	33kV feeder to Bays Port precinct design commences
December	Concept design finalised. Equipment design and supply tender commences
2023	
June	Detailed design for equipment supply and installation commences
September	Equipment fabrication, supply and construction of high voltage power supply
2024	
December	Launch shore power at White Bay Cruise Terminal Berth 5

Project background

Following the board’s endorsement in August 2021 of Port Authority’s commitment to a net zero strategy and the installation of shore power using certified renewable electricity at the commercial berths at Glebe Island and White Bay, the NSW Minister for Transport David Elliott MP, Port Authority’s CEO and industry partners formally announced the project to the public on 21 March 2022.

The project includes the delivery of the world’s first shore powered dry bulk shipping precinct and the first shore powered cruise terminal in the Southern Hemisphere. The commitment includes the provision of shore power at the first berth by end of 2024, with all major commercial berths in the precinct to be operational by 2030.

The shore power project was supported by an historic agreement between Port Authority and key customers in the precinct: Carnival Australia, Royal Caribbean, Cement Australia, MSC and CSL Australia. Their investment of significant time and money to ensure a shore power ready fleet will contribute to the success of our plan and hopefully be a catalyst for further change in our industry. Engagement with these customers to progress the delivery of the project continues while work to gain support of additional stakeholders, has commenced.

Project construction

Port Authority plans to provide five shore power connection points within the Bays Port precinct – with four for bulk ships at Glebe Island and one for cruise ships at the White Bay Cruise Terminal.

The program of works will be staged, with enabling works to bring the required power to the precinct, and connection to the White Bay Cruise Terminal to be delivered first. Installation of connections to the Glebe Island Bulk berths will follow.

The physical works involves the installation of an inground power network, electrical transformers, frequency converters, switch gear, and specialised cable management equipment, ensuring safe connection of the shore supply to visiting vessels.

Project status

Port Authority is working with key customers to understand vessel power demand and connection requirements.

The project is currently in concept design phase, with the route for electricity supply and the equipment types and location specifications being finalised in preparation to go to market seeking a shore power equipment supplier at the end of the year.

Project costs

Port Authority will be investing nearly \$60 million for the development of the landside electricity supply.

Our valued partners will also be investing significantly to retrofit their vessels or scheduling their existing fleet to be ready to connect to our Shore Power facilities.



MAJOR PROJECTS

OnePort

Port Authority of New South Wales was established in July 2014 with the amalgamation of the Sydney, Newcastle and Port Kembla port corporations. Following the amalgamation, each port retained its own port management system, which catered for individual port requirements.

Over time, many of the other individual port systems and processes have been consolidated across the business however each continued to retain their bespoke port management system. To continue delivering on our long term business objective of One Port Authority, a review of the commercial market was undertaken for existing port management systems to assess their suitability for use across all ports. After performing a risk review of current platforms, it was agreed a new custom developed port management system was needed. This project was given the name OnePort.

This decision provided Port Authority with the opportunity to develop single, consistent language and processes across all commercial ports in NSW.

Project timeline

There are five stages of the OnePort rollout:

Stage 1, Cruise Booking System

- Managing cruise berths in Sydney and Eden is now live and has been operational for three years.

Stage 2, Situational Awareness

- Graphical view of all port activity
- Live internally in Sydney and Port Kembla (for the last two years)
- External access under review.

Stage 3, Port Management System (the current stage we are at)

- Project commenced
- Replacement for all three existing systems
- Staggered rollout commencing with base system in Port Kembla and Eden
- Create standards and platforms for data sharing and process automation.

Stage 4, Data Sharing

- Two-way data sharing between port stakeholders
- Data standards needed
- Prerequisite to Port Planning.

Stage 5, Port Planning

- Port call optimisation and efficiency
- Linking planning and execution
- Does not replace your own initiatives and will evolve.

Project background

Port Authority delivers online services and transactions to more than 1,000 business customers nationally and internationally.

We oversee thousands of vessel movements across NSW annually. We manage these transactions and vessel movements through our port management systems across our six ports.

In 2021, Port Authority commenced a key project to consolidate its port management systems to a single consistent platform, servicing:

- all port users in NSW
- service providers, and
- internal operational areas.

This project is called OnePort. OnePort will provide the platform for inbound and outbound data sharing to any port stakeholders wanting to participate. Work has commenced to create standards as well as the platforms for data sharing.

OnePort will deliver:

- Greater transparency of port operations
- Reduced data duplication
- Simplified interactions with Port Authority
- Will cater for future data needs in port planning and process optimisation enabling process improvements across the port chain.

OnePort is a significant IT investment and is being designed, delivered, and managed by Port Authority. It is not an off-the-shelf product.

Project development

OnePort is being built by a cross-functional group of dedicated subject matter experts at Port Authority.

The success of OnePort is dependent on close collaboration with industry. Port Authority is working with the NSW maritime industry to harmonise the three operating systems currently in use to deliver an efficient, useful, and dedicated platform to manage port interactions across NSW.

OnePort is being rolled out to ports in a staggered timeline. The roll out began in Port Kembla on 12 April 2022 and moved to Eden on 22 April 2022.

Port Authority is using the Agile framework for the first time on this project. This means we go live with a minimal viable product (base model still functional) then build out the platform in real-time, making continual improvements and enhancements to the platform. Under an Agile methodology, the requirements for the system are defined and delivered in cycles until the business accepts the solutions as complete. Unlike a waterfall methodology, exact timelines are not possible with an Agile framework.

Port Authority has engaged external resource to assist with the build of the new platform.

At the end of this project, Port Authority will have developed and embedded OnePort as standard across all NSW ports.

Project status

Currently in Stage 3:

- OnePort base product was delivered in phase 1 and ran across Port Kembla and Eden, this allowed us to manage the vessel bookings and movements in these ports. This was rolled out across the Port Authority, Agents and Service Providers (Tugs and Lines) in April 2022
- Phase 2, looking to roll out OnePort into Newcastle and Yamba. Port Authority is working closely with Port of Newcastle and other stakeholders, to identify the requirements and build the platform to enhance OnePort. This will allow us to transition from the current port management system
- Phase 3, extending the system we have built into Sydney Harbour and Port Botany ports and enhance further with port specific requirements.

Project costs

Port Authority is building this bespoke solution inhouse, the only external costs relate to the coders engaged to assist the internal team. As at 30 June 2022, the total external project cost is expected to be approximately \$4m.

MAJOR PROJECTS

Macquarie Pier Revitalisation Stage 2

Heritage interpretation signs

Port Authority developed and commissioned a series of ten installations depicting Macquarie Pier through history from 1770 to the present in consultation with local heritage groups.

The series comprises photographs, artwork and graphical representations of the history of the pier to help broaden visitors' knowledge and stretch their imaginations as they travel along the revitalised pathway.

Macquarie Pier was constructed to solve a problem – to stop ships from floundering on the sandbar between Signal Hill (Fort Scratchley) and Nobbys. In solving the problem, it quickly opened up a number of opportunities, for business and pleasure. Macquarie Pier was very soon associated with Newcastle. Equally the people of Newcastle were very soon associated with the pier. In studying the history and influence of the pier and the people, five themes were identified.

These themes are explored in the heritage signs:

- Natural features
- Local economy
- Creating the port
- Military and war
- Local society and leisure.

Project timeline

2020	
August	Award of construction contract
September	Construction commencement
December	Official opening ceremony and path reopening
2021	
February	Completion of new pathway lighting
2022	
March	Installation of heritage interpretation signs
April	Official opening of interpretation signs

Project background

Port Authority's \$1.85 million Macquarie Pier Revitalisation Project constructed an improved and widened 900m pathway, complete with sandstone seating, maritime-style fencing, upgraded lighting and a new paved area for visitors to relax and enjoy the views and activity of Newcastle Harbour.

Macquarie Pier is one of Newcastle's most visited and iconic attractions with thousands of people using the Port Authority walkway every week. The revitalised Macquarie Pier gives the community a place to connect with Newcastle's significant maritime history and discover the story through heritage interpretation signs.

While the major pathway reconstruction was completed and opened to the public on 21 December 2020, the final touches included the installation of the heritage interpretation signs and creation of the heritage walk which was completed in April 2022.

Project construction

Newcastle's iconic Macquarie Pier received the final touches to its multi-staged facelift with a heritage walk for locals and visitors commemorating the city's rich maritime history.

Stage 2 of the Macquarie Pier Revitalisation Project provides the finishing touch on an iconic walk visited by hundreds of people daily

Local historians and archivists from Hunter Living Histories were consulted in the making of the audio tour and signage which explore everything from volcanic activity 300 million years ago that created Nobby's Headland to the period when Newcastle was shelled in war time.

The interpretive signage and audio guide completes Port Authority's overall revitalisation of Macquarie Pier.

Project status

The interpretive signs were officially opened on 6 April 2022.

Project costs

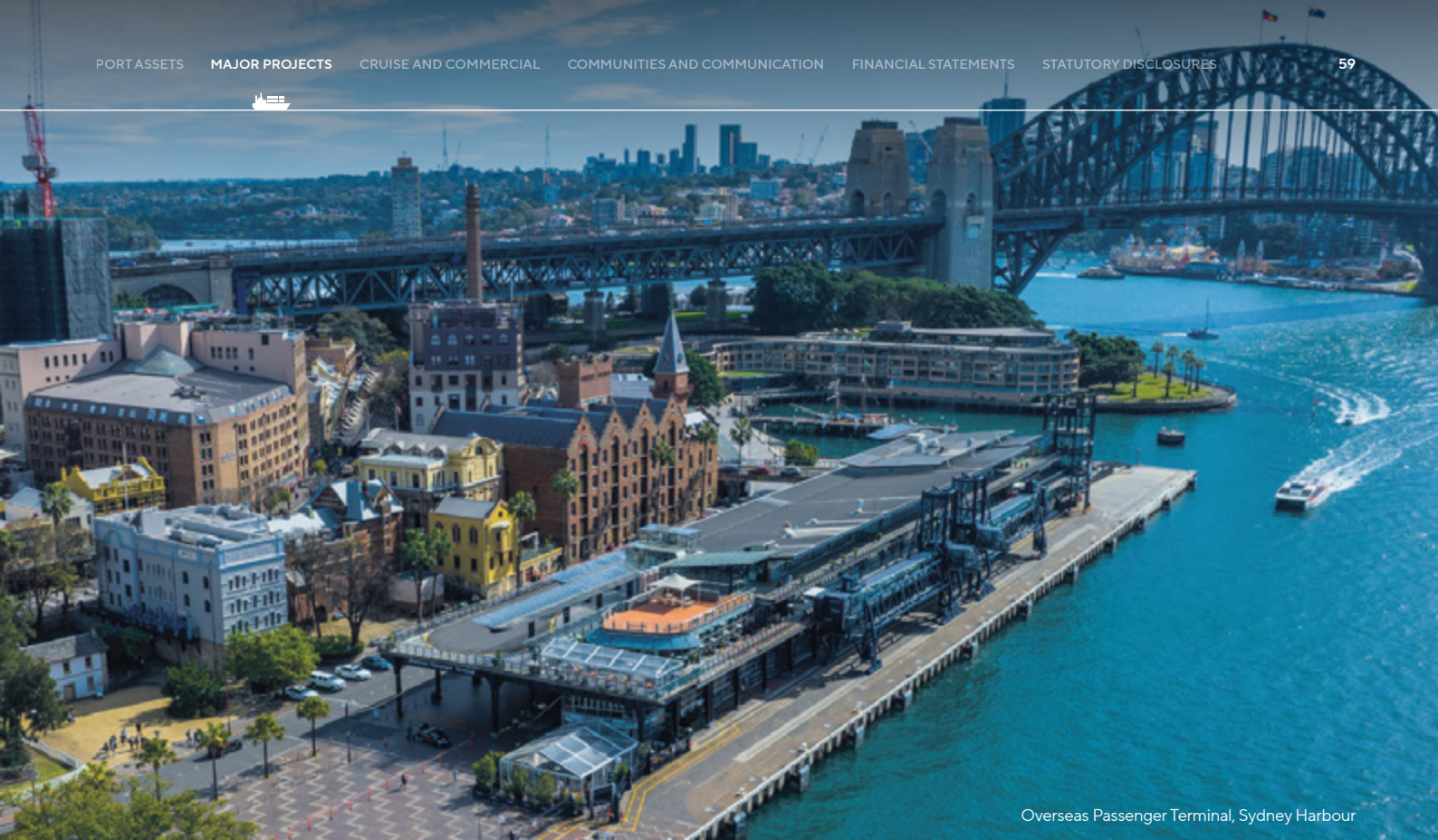
The Macquarie Pier Revitalisation Project is jointly funded by the NSW Government in association with Port Authority of NSW and has been generously supported with contributions from Port of Newcastle. The NSW Government's Newcastle Port Community Contribution (NPCC) Fund supports community projects around the Port of Newcastle.

Development, design, fabrication, supply and installation of the heritage interpretation signs (including audio tour recordings) cost \$50,000.

The entire Macquarie Pier Revitalisation project (including heritage signs) was delivered at a cost of \$1.85 million, 40% below the approved budget of \$3 million. The total cost included a \$500k grant awarded to Port Authority from the Newcastle Port Community Contribution Fund and a contribution of \$200k from Port of Newcastle in support of the project.



Unveiling new signs along Macquarie Pier, April 2022



Overseas Passenger Terminal, Sydney Harbour

MAJOR PROJECTS

Berthing Infrastructure Project

The Overseas Passenger Terminal (OPT) was built in the 1960s, and over time, visiting cruise vessels have increased in size, capacity and power. Turbulence caused by increasing power of vessel propellers has caused changes to the features and depths of the seabed at the berth, extending the entire 360m length of the OPT wharf. A detailed options engineering process was undertaken to select a long-term solution to prevent the ongoing movement of sediment, clear accumulated material from the berthing area and protect the seawall from future erosion. Stage one of the two-stage physical works was undertaken from January to March 2021.

Project timeline

March 2021	Completion of Stage 1 work
March 2022	Completion of Archaeological investigation works
Mid 2023	Commencement of Stage 2 (to be confirmed)

Project status

The project is being delivered in two stages with stage one works completed in March 2021. In stage one, sheet piles were installed to create an underwater retaining wall along the OPT's southern embankment, to prevent the ongoing movement of sediment into the berth box. The sheet piles were installed from the water using a barge alongside the terminal's wharf.

Stage Two of the project will remove accumulated seabed material around the OPT wharf to deepen the berth area and provide room for the installation of concrete mattresses along the wharf's base to protect the seawall from erosion.

Port Authority is currently liaising with Department of Agriculture, Water and Environment to facilitate the approval of the offshore disposal permit required to dispose of removed sediment from the Stage two works. Once the permit is granted, its estimated that stage two works will take four months to complete.

While continuing to work through the permit process, archaeological investigation works have been undertaken at the site to ensure that sand removed to deepen the berth box will not impact items of archaeological significance.

Project cost

The total budget for the project is \$22.9 million.



Cruise and commercial

Marine services delivering value for our customers and NSW



New South Wales is a top tourist destination for cruise passengers and Sydney remains a primary cruise port for Australians and international travellers. Port Authority of NSW operates cruise terminals and berths along the New South Wales coastline including the Overseas Passenger Terminal, White Bay Cruise Terminal and Eden Cruise Wharf.

We provide our maritime expertise and marine assets to around 400 customers from the world's biggest cruise lines to maritime businesses operating in the ports of NSW. As a service provider, we invest in our capabilities and develop our marine infrastructure to add value to our services, increase opportunities for our customers and ensuring our working ports are delivering for NSW.

Hundreds of cruise ships and over 1.6 million passengers visit NSW on an average year and in 2019-20 cruise contributed \$2.9 billion to the NSW economy¹. We bring these ships to our cruise terminals and facilities in Sydney and Eden and help bring the economic benefits of cruise to regional ports across NSW.

After more than two years, the Australian Government's cruise ban lifted on 17 April 2022 with the first commercial passenger cruise departing Sydney on 31 May 2022.

1. Australian Cruise Line Industry Association (CLIA) [Tourism Economic Impact Assessment 2019-20](#) (noting cruise operations suspended internationally March 2020)



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Eden Welcome Centre

CRUISE AND COMMERCIAL

Cruise in NSW

The safe return of cruise to NSW.

Port Authority supported the safe return to cruising by actively contributing to the development of the Eastern Seaboard Cruise Protocols with NSW Government, VIC, QLD and Commonwealth Government agencies and cruise industry representatives. The development of our own Cruise Terminal Operations COVID (CTOC) Plan ensured cruise terminals in Sydney and Eden meet all health and hygiene requirements while maintaining a safe and secure port environment.

With the cruise ban lifted in Australia and restart protocols in place, the industry made deployment decisions to chart its resumption pathway as the operational requirements in key destinations including New Zealand and South Pacific became known.

To help the industry make changes to berth bookings when cruising resumed, Port Authority implemented temporary measures to its cruise booking policy that allowed cruise lines greater freedom to make changes to their bookings without incurring financial penalties. The 2024/25 booking window was successfully opened to the industry with both established and new entrants committing to send ships to Sydney in the future giving added confidence to a strong recovery.

Strengthening relationships

In April, Port Authority's CEO and Chief Customer and Commercial Officer attended the Seatrade Cruise Conference in Miami to strengthen and build customer relationships, including with potential new entrants to the NSW cruise market. A key focus of the visit was meeting port operators and cruise organisations with experience installing and using shore power infrastructure in the northern hemisphere, to aid Port Authority's planning and delivery of shore power at Glebe Island and White Bay.

Regional cruise development activities 2021-22

Eden

Completion of the Eden Welcome Centre in 2021 marked a significant milestone in regional port development with the building now the home of the Eden Visitor Information Centre, and a gateway for cruise visitors coming from the 2022/23 cruise season onwards.

Other regional ports

Work continues to develop regional port offerings across NSW with those communities that welcome cruise. Our focus in 2021-22 has been to work with each respective LGA and stakeholder group to explore opportunities to bring tourism benefits to those areas.



CRUISE AND COMMERCIAL

Tenants

Our tenanted areas include restaurants and bars, marine construction and towage businesses, and a marine park that offers boat maintenance and service facilities.

Port Authority provides crucial land to accommodate state significant infrastructure projects including the Sydney Fish Markets redevelopment, the Sydney Metro West project, and the WestConnex roadway infrastructure.

Some of our key businesses at the OPT are: The Squires Landing, Quay Restaurant, and the Cruise Bar while at the White Bay Cruise Terminal, the Cruzy Café provides food and beverage options on cruise ship days.

Key to the supply chain are the tenants who occupy Port Authority's silos at Glebe Island which include Sugar Australia, Cement Australia and Gypsum Resource Australia.

To the south, the regional port in Eden supports the local visitor information centre within Port Authority's Welcome Centre along with accommodating local tourism and supply businesses that occupy areas along the berths.

In Newcastle, Port Authority has tenants within its office building asset that supports the Hunter Region and the local economy, including Whitehaven Coal Mining and Honeysuckle Health.

Pandemic rental assistance

All

March 2020 – March 2022

During the Pandemic, the Port Authority provided assistance to businesses adversely affected by the COVID pandemic in the form of rental abatement, deferral of rents or a combination of both.

During this period, the Yuki restaurant which occupied the tenancy at the OPT was forced to close operation in February 2022 as it was unable to withstand the impact the pandemic has caused the hospitality industry.

Infrastructure project

Glebe Island

Additional land was provided to the Sydney Fish Market (SFM) redevelopment project and the WestConnex roadway infrastructure project to support the NSW Government's commitment to complete large state significant infrastructure projects in line with their project plans.

The additional area for SFM was a land increase of 7000sqm which resulted in a doubling of their original footprint to keep the project on track during construction.

NYE and Australia Day fireworks

Glebe Island and White Bay

December 2021 – January 2022

In partnership with the Department of Premier Cabinet and the City of Sydney, Port Authority provided land at Glebe Island for the New Year's Eve and Australia Day firework displays. This meant that barges had direct access to the waterside for staging areas for the firework displays.

Eden Welcome Centre

The Welcome Centre supports local service providers as well as regional tourism with commercial office space occupied by Transport for NSW, NSW Police and The Eden Visitor Information Centre.



Communities and communication

Advocating for the working ports of NSW

Our stakeholders and port communities are critical to our ongoing success. We consult, collaborate and engage with them to build positive and productive relationships, promote our work, people and values and advocate for the working ports of NSW.





Vivid, Sydney Harbour

COMMUNITIES AND STAKEHOLDERS

Community, stakeholder engagement and enquiries

Port Authority is proud to be a part of the communities in which we operate. We listen and engage with our local port communities to continually understand their needs with a view to balance these needs with the operational requirements of working ports.

We value our relationships with various community groups.

Port Authority runs the Glebe Island and White Bay Community Liaison Group (CLG) and the Eden Cruise Wharf Community Consultative Committee (CCC) which are forums to discuss port-related matters with the local community and seek their feedback on operational activities and major projects to plan for the future.

Community complaints and enquiries

Port Authority recognises the importance of being a good neighbour. We have a 24/7 community information and enquiries line – managed by Service NSW – to help manage any concerns regarding port activities. This ensures that community complaints are managed any time of the day or night and in real-time, where possible. Port Authority received 109 complaints from 1 July 2021 to 30 June 2022. Most complaints were about noise generated by vessels at berth. Noise typically comes from generators used to power vessels to support liveable conditions for the crew onboard (for lighting, air conditioning, refrigeration, and other onboard systems).

All complaints and enquiries are registered on one consolidated database. All complaints are responded to within three business days. The community can make enquiries via 02 9296 4962, enquiries@portauthoritynsw.com.au and via an [online enquiries and complaints form](#) on Port Authority website.

Community meetings

Port Authority meets regularly with community groups to maintain strong relationships with our local port communities, understand their concerns and get their feedback on port operations and major projects to help plan for the future.

Every quarter, Port Authority meets with the Glebe Island and White Bay Community Liaison Group, made up of key community stakeholders in the Pyrmont and Balmain region.

Port Authority also meets quarterly with the Eden Cruise Wharf Community Consultative Committee, which was established as a condition of the 2018 Eden Wharf extension development forum to discuss projects under the Eden Harbour Revitalisation Program, including the Eden Welcome Centre, the Safe Harbour Project/Wave attenuator (Transport for NSW) and the Harbourside Activation Project (Department of Planning, Infrastructure and Environment).

Port Authority regularly attends meetings for NSW Ports' Community Consultative Committee and Port of Newcastle's Community Liaison Group to provide reports to community members on our respective projects and developments in and around Port Botany and Newcastle.



Glebe Island and White Bay Community Liaison Group

Glebe Island and White Bay in the heart of Sydney Harbour is a working port precinct near residential areas. The Glebe Island and White Bay Community Liaison Group (CLG) is a forum for us and port stakeholders to discuss port-related matters with the local community and consult and seek their feedback on operations and activities. It also gives the community a platform to raise issues and concerns related to port impacts that allows us to develop solutions that meet the needs of the community and port operators.

The CLG is made up of community representatives from the Balmain, Rozelle and Pyrmont areas and meets every quarter. An independent Chair facilitates group meetings with minutes taken by an independent third party.

In March 2022, Port Authority proudly shared news with the CLG that it would be installing and supplying Shore Power in the Bays Port precinct. The CLG have been long time proponents of shore power and welcomed the news of Port Authority’s commitment.

Port Botany, Newcastle

We attended meetings for NSW Ports’ Community Consultative Committee and Port of Newcastle’s Community Liaison Group to provide reports to community members on our respective projects and developments in and around Port Botany and Newcastle.

Return of cruise ships

Port Authority welcomed back Pacific Explorer, the first cruise ship to come to Sydney after the Australian Government lifted its Biosecurity Determination to allow cruising to resume in Australian waters from 17 April 2022.

Pacific Explorer arrived in Sydney on 18 April 2022 after an absence of two years due to Covid-19 restrictions. The ship berthed at several locations during its six-week stay including the Overseas Passenger Terminal and White Bay facilities in Balmain.

Port Authority notified the local port communities around White Bay and the Overseas Passenger Terminal about Pacific Explorer’s stay as we recognised that the return of cruise ships would be a change for local port communities.

Port Authority received several complaints about the duration of Pacific Explorer’s stay. Pacific Explorer’s extended stay allowed the cruise line to train crew, conduct operational manoeuvres, prepare for test voyages and the first passenger voyage.

Port Authority worked closely with Carnival Cruises Australia to mitigate the impacts of Pacific Explorer’s stay, including making the cruise training and emergency drill schedule publicly available on Port Authority’s website.

Eden Cruise Wharf Community Consultative Committee

Eden

Port Authority was pleased to work with the Eden CCC to adopt an updated Terms of Reference this year to focus on port-specific matters which better reflects the original intent of the group and the span of Port Authority’s operations.

In April 2022, Port Authority kicked off community consultation about the proposed modification of the current approval for the Eden Cruise Facility to allow for larger cruise ships and other vessels to use the facility.

Port Authority met with key community stakeholders to get feedback about the proposed modification, describe the planning and approval process and how the public can comment on the proposal.

Port Authority will continue to consult with the local community and key stakeholders throughout the planning process to understand local community issues and identify and address questions or concerns about the proposal.



Eden Welcome Centre first birthday celebrations, Eden



Vinnies Sleepout at White Bay Cruise Terminal

COMMUNITIES AND STAKEHOLDERS

Community events, support and sponsorships

Supporting communities and organisations across our ports.

Port Authority is proud to be an active member of our port communities and we support events, organisations and charities that build community spirit in the places we operate.

We provide ongoing support for Sydney's major celebrations, build long-lasting relationships with community groups and industry organisations and are actively involved with welfare providers such as Mission to Seafarers and the Port Welfare Committees across our ports.

Seabin trial at Millers Point

*Sydney Harbour
October 2021*

We installed a Seabin at our Millers Point depot site, near Barangaroo in October 2021. Port Officers empty the Seabin daily and record the weight of rubbish collected. Since the trial began, the Seabin has captured 182.2kg of marine litter from Sydney Harbour, including 3,570 plastic fragments. Port Authority will expand the project with another Seabin at another Sydney site.

Operation Ginger: supporting the crew of Spirit of Ho Ping

*Newcastle Harbour
October 2021*

While the crew of Spirit of Ho Ping was self-isolating during the pandemic off Newcastle, Port Authority's Newcastle team delivered fresh fruit and vegetables including much needed fresh ginger to a very appreciative captain and his crew. The humanitarian food drops were needed because of the vessel's unplanned prolonged stay off Newcastle.

Marine Pilots annual Christmas hamper drive for seafarers

*Port Botany
November 2021*

What started out as a way to spread some festive cheer to seafarers visiting Port Botany over Christmas has turned into an annual event run by our Marine Pilots. The Pilots' Christmas Hamper Drive continued in 2021 with 2000 packs being put together by more than 20 staff and volunteers at Port Botany.

Australia Sail Grand Prix

*Sydney Harbour
18 December 2021*

Sail Grand Prix is an international sailing competition featuring high performance F50 foiling catamarans with teams competing over a season of multiple grand prix around the world. To support the event, we facilitated the use of White Bay for the SailGP team bases.



Hosting Vinnies CEO Sleepout 2021

Sydney Harbour
23 June 2022

Around 250 CEOs slept overnight at the White Bay Cruise Terminal after we handed over keys for the annual Vinnies CEO Sleepout. It was the fourth time the event – which raises millions to support Australians experiencing homelessness – was held at White Bay.

This year’s NSW effort raised \$3,243,806. These funds will go to providing crisis accommodation, food, healthcare, counselling, education, employment, and support to find a permanent home for people throughout the country, all year round.

Port Kembla Surf Lifesaving Club

Port Kembla
2021/22

We are a major sponsor of the Port Kembla Surf Lifesaving Club, with a three-year commitment of \$15,000. Established in 1910 by a group of dedicated and community-minded individuals, the club oversees beach patrol from September to April each year. The Club has a rich history of competition in all types of surf sports, with members continuing this tradition today.

Partnering with the Maritime Museum for a working-port exhibition

Sydney Harbour
2021/22

We continued our partnership with the Australian National Maritime Museum this year with a permanent exhibition that reveals the inner workings of Sydney’s working harbour above and below the water.

Sponsored by Port Authority, the museum’s Sydney Harbour Gallery shows a behind-the-scenes look at the working port with models of harbour vessels past and present, videos of hydrographic surveys revealing Sydney Harbour’s seafloor and a digital installation showing 365 days of harbour traffic. The gallery also showcases the work of organisations to restore habitats and protect biodiversity in the Immersive audio tour at Macquarie Pier, Newcastle.

Newcastle Harbour
2021/22

We launched an immersive audio tour at Macquarie Pier, Newcastle, offering everyone from kids, parents to history buffs a free trip back through time at one of Newcastle’s most iconic locations. The audio tour is complemented by ten interpretative signs jam-packed with interesting information, from volcanic activity 300 million years ago that created Nobbys-Whibaygamba Headland to the shelling of Newcastle by a Japanese submarine that entered the harbour during the war. The interpretative signage and guide complete Port Authority’s overall revitalisation of Macquarie Pier Harbour.

Dance2bfit sponsorship

Port Kembla
2021/22

We supported Dance2bfit at Port Kembla Public School. Dance2bfit an outfit that specialises in providing primary school dance programs. Dance2bfit offers early stage one, stage one, stage two and stage three dance programs.

Donations to Mission to Seafarers and Stella Maris

All ports
2021/22

As COVID continued to impact the welfare of seafarers around the world, donations to maritime charities Mission to Seafarers and Stella Maris to assist their valuable support services for mariners visiting our ports.

Supporting Sydney’s major celebrations

Sydney Harbour
2021/22

We once again provided our port assets to assist with staging Sydney’s biggest community events: New Year’s Eve, Australia Day, Sydney Fringe Festival, and VIVID Sydney. We also provided the Overseas Passenger Terminal as the base for projections that lit up the Opera House sails over the year and provided venue space to Sydney Dance Company.



Sister Mary from Stella Maris visiting crew during COVID restrictions

COMMUNITIES AND STAKEHOLDERS

Communications

Promoting our people, our work and the value of our working ports.

With a remit to dream big and be bold, our Corporate Affairs team pushed corporate communications into new areas to grow the business’s brand, by promoting our people, projects and initiatives, and building support and goodwill for the working ports of NSW. This involved increasing media opportunities, building connections and engagement with key stakeholders through joint announcements, an increased social media presence and driving higher visitation to our website.

Communications activities 2021-22

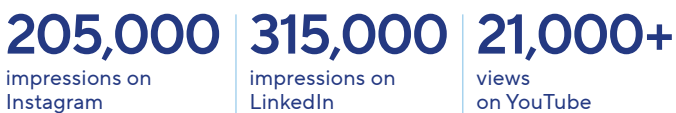
Media

Port Authority shared 34 media stories and announcements that resulted in editorial mentions of Port Authority increasing by over 1000% in 12 months. Media reach increased by 92% during the first quarter of the 2021-22 financial year alone. Mentions of Port Authority doubled in every quarter between July 2021 – March 2022, then tripled in the fourth quarter of the financial year.

The significant growth in media coverage was driven by a strategic approach to proactive media throughout 2021/22, including a number of major media announcements by the Minister for Transport.

Social media

Increasing engagement and growing our audience was a key objective for Port Authority’s social media strategy in 2021/22. The result was engagement increased by 9000% across our channels of LinkedIn, Instagram and YouTube @portauthorityNSW. Over 2021-22, our social posts, photos and video had:



Instagram www.instagram.com/portauthoritynsw

Greater in-house video production led to increased engagement across our 134 Instagram posts, which received over 205,000 impressions over 2021-22. As of 30 June 2022, our Instagram channel had grown by 26% to 2,722 followers.

LinkedIn www.linkedin.com/company/portauthoritynsw

As a key communication channel for industry and talent, our LinkedIn account received a 22% increase in followers throughout 2021-22 to around 10,208 followers by 30 June 2022. This was achieved by a targeted approach of content diversification, alignment with stakeholders and sharing business success stories. Our LinkedIn posts had over 315,000 impressions over 2021-22, 164 shares and 163 comments.

YouTube www.youtube.com/PortAuthorityofNewSouthWales

Our videos had 21.6K views over the year, combining to a total watch time of 434.6 hours.

Port Authority’s website www.portauthoritynsw.com.au

Our website provides port users with critical operational procedures and our communities and stakeholders with a wealth of port news and information. A greater focus was placed on user experience and content strategy across the external website, resulting in the restructure and redesign of a number of website segments. The changes and repositioning of information lead to 95,000 new visitors visiting the website, a growth of 50% from the previous year.



Port Matters is Port Authority’s community and business-to-business newsletter, distributed quarterly to 2357 subscribers. It provides a snapshot of Port Authority news, features and video content that promote our role, our people and the working ports of NSW.

Highlights this year included features on seafarer welfare initiatives, operations protecting whales in Sydney Harbour, the award-winning Eden Visitor Information Centre, the safe movement of ships during challenging flooding events; sneak peek aboard Port Authority new multipurpose vessels build, and updates on our major projects across our ports.

Subscribe to Port Matters at portauthoritynsw.com.au/newsletter

Project communications

We undertook communication campaigns to inform our communities and stakeholders about our developments and major projects including the Shore Power and Net Zero Carbon Strategy, cruise development and readiness for cruise restart and Macquarie Pier’s revitalisation in Newcastle.

Internal communications

Internal communications were focused on providing timely, regular and key information with staff across the business and celebrating success during a challenging year heavily impacted by COVID.

This included a fully online all staff town hall event titled All Hands as well as sharing over 40 CEO Messages to staff throughout the year.

An Internal Communications Framework was also developed for the business to guide internal communications over the next 3 years in line with the Strategic Plan.

	2020/21	2021/22	Difference (no. & %)
LinkedIn followers	8,300	10,208	+22%
Instagram followers	2,150	2,722	+26.6%
Youtube video views	36k	21.6k	-35%
Website sessions	687,818	782,833	+14%
Website page views	1,214,582	1,261,175	+3.4%



Media

Date	Media Release
2022	
21 June	The power of one Seabin
31 May	Open ‘Seas’-On for cruise in NSW
10 May	Port Authority welcomes new Chair and Board Director
18 April	Sydney Harbour comes alive with the return of cruising
11 April	Community encouraged to have their say on the future of Eden cruise industry
11 April	Take a free trip into the past this school holidays at Macquarie Pier
8 April	Port Authority of New South Wales on the lookout for Deck Cadets
6 April	Macquarie Pier brings Newcastle’s history to life
5 April	Air and sea rescue reaches new heights on Sydney Harbour
1 April	Port Authority crews fire ready
21 March	One of Sydney’s Oldest Ports to be transformed in world-first project
9 March	Records tumble as technology allows larger ships at Port Botany
23 February	Eden continues award streak
18 February	Illawarra local recognised for seafarer welfare work
7 February	Eden Visitor Information Centre recognised with Judges’ Star Award at the 2021 NSW Tourism Awards
2021	
10 December	Sneak peek aboard Port Authority multimillion-dollar vessel
21 December	Navigating Newcastle Harbour safely during flooding events
30 November	Marine Pilots Annual Christmas Hamper Drive for Seafarers
20 November	Port Authority’s Port Kembla Crew Claim Business of the Year Award
15 November	Port Authority recognised for navigation into greener waters
4 November	Eden Visitor Information Centre finalist in the NSW Tourism Awards
29 October	Introducing OnePort: a single port management system for NSW
20 October	Teamwork and innovative technology see a record-breaking berth at Port Botany
8 October	Port Kembla Marine Pilot retires more than 30 years on deck
1 October	Lending a helping hand to seafarers
30 September	Future proofing maritime industry means more jobs for the girls
28 September	Life on the high seas during the COVID pandemic: a seafarer’s story!
23 September	Oil spill exercise puts Newcastle’s incident control plan to the test
13 September	Port Authority Finalist in prestigious Illawarra Business Awards
8 September	New Tech helps Ampol deliver the goods
8 September	Tech solution supports marine manoeuvres in NSW
2 August	One system, one process – The OnePort project
15 July	Maritime careers: “I want to be at sea, nothing beats it!”
14 July	Maritime training program invites Indigenous women to take the helm in Newcastle

Financial statements

Newcastle Port Corporation (Trading as Port Authority of New South Wales)
FOR THE YEAR ENDED 30 JUNE 2022

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Directors' declaration

FOR THE YEAR ENDED 30 JUNE 2022

In the opinion of the Directors of Newcastle Port Corporation (trading as Port Authority of New South Wales):

Pursuant to section 7.6(4) of the *Government Sector Finance Act 2018* (the Act), I state that these financial statements:

- have been prepared in accordance with the Australian Accounting Standards and the applicable requirements of the Act, the *Government Sector Finance Regulation 2018* and the Treasurer's directions, and
- present fairly Newcastle Port Corporation's financial position, financial performance and cash flows.

Signed in accordance with a resolution of the Directors.

Chair

David Marchant

7 September 2022

Chief Executive Officer and Director

Philip Holliday

7 September 2022

Statement of comprehensive income

FOR THE YEAR ENDED 30 JUNE 2022

Continuing operations	Note	2022 \$'000	2021 \$'000
Revenue			
Revenue from port management	3	122,514	114,484
Other revenue	3	68,201	67,197
Total revenue		190,715	181,681
Expenses			
Employee related expenses	4	76,564	77,790
Depreciation and amortisation expenses	4	25,031	24,330
Other expenses	4	42,660	37,800
Finance costs	4	5,907	6,155
Total expenses		150,162	146,075
Net gain on sale of property, plant and equipment		104	40
Other gains / (losses)	5	149	211
Profit before income tax equivalent expense		40,806	35,857
Income tax equivalent expense	6	(9,827)	(8,780)
Net profit for the year		30,979	27,077
Other comprehensive income / (expense)			
<i>Items that will not be reclassified to net result:</i>			
Superannuation actuarial gains	19(b)	3,907	12,778
Income tax equivalent expense on superannuation actuarial gains	19(b)	(1,172)	(3,833)
Revaluation gain on property, plant and equipment	19(a)	33,567	38,875
Income tax equivalent expense on revaluation of property, plant and equipment	19(a)	(10,070)	(11,663)
Other comprehensive income for the year, net of income tax equivalent expense		26,232	36,157
Total comprehensive income for the year		57,211	63,234

The accompanying notes form a part of the financial statements.



Statement of financial position

AS AT 30 JUNE 2022

	Note	2022 \$000	2021 \$000
Current assets			
Cash and cash equivalents	7	30,775	25,240
Trade and other receivables	8	18,837	13,416
Total current assets		49,612	38,656
Non-current assets			
Lease incentive receivable	8	5,146	4,892
Finance lease receivables	9	118,048	110,358
Property, plant and equipment	10	501,844	477,751
Right of use (ROU) assets	11	5,532	8,418
Investment property	12	8,200	8,000
Intangible assets	13	4,476	2,828
Defined benefits receivables	18	510	—
Deferred tax equivalent assets	6	10,203	9,508
Total non-current assets		653,959	621,755
Total assets		703,571	660,411
Current liabilities			
Trade and other payables	14	25,871	18,947
Provisions	15	21,517	23,330
Interest-bearing liabilities	16	14,914	14,756
Income tax equivalent payable	6	4,475	6,415
Dividend payable	17	20,000	11,000
Total current liabilities		86,777	74,448
Non-current liabilities			
Contract liabilities	14	1,730	1,770
Provisions	15	2,380	2,438
Interest-bearing liabilities	16	126,924	142,642
Deferred tax equivalent liabilities	6	72,029	59,733
Defined benefits liabilities	18	—	2,860
Total non-current liabilities		203,063	209,443
Total liabilities		289,840	283,891
Net assets		413,731	376,520
Equity			
Contributed equity	19	165,768	165,768
Asset revaluation reserves	19	110,932	87,435
Retained earnings	19	137,031	123,317
Total equity		413,731	376,520

The accompanying notes form a part of the financial statements.

Statement of changes in equity

FOR THE YEAR ENDED 30 JUNE 2022

	Note	Contributed equity \$000	Asset revaluation reserve \$000	Retained earnings \$000	Total \$000
At 1 July 2020		165,768	60,223	98,295	324,286
Net profit for the year	19(b)	—	—	27,077	27,077
Other comprehensive income	19(a)&(b)	—	27,212	8,945	36,157
Total comprehensive income for the year		—	27,212	36,022	63,234
Transaction with owners in their capacity as owners					
Dividend declared	17	—	—	(11,000)	(11,000)
At 30 June 2021		165,768	87,435	123,317	376,520
At 1 July 2021		165,768	87,435	123,317	376,520
Net profit for the year	19(b)	—	—	30,979	30,979
Other comprehensive income	19(a)&(b)	—	23,497	2,735	26,232
Total comprehensive income for the year		—	23,497	33,714	57,211
Transaction with owners in their capacity as owners					
Dividend declared	17	—	—	(20,000)	(20,000)
At 30 June 2022		165,768	110,932	137,031	413,731

The accompanying notes form a part of the financial statements.



Statement of cash flows

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 \$000	2021 \$000
Cash flows received from operating activities			
Receipts from customers		140,034	132,883
Receipts from insurance claims		48,579	53,423
Interest received		4	6
Total receipts		188,617	186,312
Payments to suppliers and employees		(126,562)	(126,465)
Finance costs paid		(5,538)	(5,722)
Payment of government guarantee fees		(1,608)	(1,564)
Income tax equivalent paid		(11,408)	(7,001)
Total payments		(145,116)	(140,752)
Net cash flows received from operating activities	7(a)	43,501	45,560
Cash flows used in investing activities			
Proceeds from sale of property, plant and equipment		110	68
Payments for capital expenditure		(12,438)	(28,042)
Net cash flows used in investing activities		(12,328)	(27,974)
Cash flows used in financing activities			
Proceeds from borrowings		—	6,750
Repayments of borrowings		(11,663)	—
Repayments of lease liabilities		(2,975)	(2,947)
Dividends paid		(11,000)	(13,500)
Net cash flows used in financing activities		(25,638)	(9,697)
Net increase in cash and cash equivalents		5,535	7,889
Cash and cash equivalents at the beginning of the financial year		25,240	17,351
Cash and cash equivalents at the end of the financial year	7	30,775	25,240

The accompanying notes form a part of the financial statements.

Notes to the financial statements

FOR THE YEAR ENDED 30 JUNE 2022

Note 1. Corporate information

The financial statements of Newcastle Port Corporation trading as Port Authority of New South Wales (the 'Corporation') for the year ended 30 June 2022 are authorised for issue in accordance with a resolution of the Directors on 7 September 2022.

The Corporation is a state-owned corporation, incorporated by the New South Wales State Government under the *State Owned Corporations Act 1989* and is domiciled in New South Wales, Australia with its principal office at Level 4, 20 Windmill Street, Walsh Bay, NSW 2000, Australia. The Corporation assessed its status and determined that it is a 'for profit' public sector entity for financial reporting purposes.

Principal activities

The Corporation is responsible for all commercial marine functions in the ports of Sydney Harbour, Port Botany, Newcastle Harbour, Port Kembla, Port of Eden and Port of Yamba, including the statutory Harbour Master's function, the provision of pilotage and navigation services, and port safety functions as prescribed in the Port Safety Operating Licence. Port safety functions include the provision and maintenance of aids to navigation, marine pollution emergency response and administering the legislation concerning the handling, transportation and storage of dangerous goods within the ports' jurisdiction. The Corporation has a governance function under the Hunter Coal Export Framework and is a participant in the Hunter Valley Coal Chain Co-ordinator (HVCCC).

In Sydney Harbour, the Corporation is responsible for the management of business activities and related assets, predominantly cruise activities at its two facilities, the Overseas Passenger Terminal (OPT) at Circular Quay and the White Bay Cruise Terminal (WBCT) at Rozelle. Other business activities include management of dry bulk facilities at Glebe Island.

COVID-19 Pandemic

The Federal Government cruise ban from 20 March 2020 due to COVID-19 pandemic ended on 17 April 2022. The Corporation's business and revenue continued to be impacted by the cruise ban during most of the financial year with the effective shut down of cruise operations during the financial year. The Corporation also provided rent abatements to the impacted retail tenants made up of cafés and restaurants at the Overseas Passenger Terminal and the White Bay Cruise Terminal. This financial support finished at the end of March 2022.

The loss of revenue from Federal and State Government restrictions were covered by the Business Interruption Insurance. The Corporation has received payments \$47.2 million (2021: \$52.0 million), including the final payment, during the year. Refer to note 3.

Note 2. Summary of significant accounting policies

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with:

- i) Applicable Australian Accounting Standards (which include Australian Accounting Interpretations);
- ii) The requirements of the *Government Sector Finance Act 2018* (GSF Act);
- iii) The requirements of the *Government Sector Finance Regulations 2018* (GSF Regulations 2018);
- iv) The *State Owned Corporations Act 1989*;
- v) NSW Treasurer's Directions issued under the GSF Act; and
- vi) NSW Government Treasury Policy and Guidelines Paper (TPP and TPG).

Except for cashflow information, the financial statements have been prepared on an accrual accounting basis using historical cost accounting conventions unless otherwise stated. Based on NSW Government Treasury "*Guidance on Accounting for TMF recoveries*" where an agency makes a claim to iCare (Insurance and Care NSW) related to loss of agency revenue due to business disruption they should record the TMF recovery revenue when a claim is approved and paid. TMF (Treasury Managed Fund) is managed by NSW Self-Insurance Corporation (SICorp) under the State Insurance and Care Governance Act 2015 and iCare is the entity that manages the schemes within the SICorp entity.

Assets and liabilities stated at fair value include property, plant and equipment, investment property and certain financial assets.

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous year for all amounts reported in the financial statements.

Where necessary, comparative figures have been reclassified to conform to the changes in presentation made in the financial statements.

The financial statements are presented in Australian dollars, the Corporation's functional currency. All values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.



Note 2. Summary of significant accounting policies continued

Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

New accounting standards and interpretations

New accounting standards and interpretations – issued and effective

The Corporation has adopted new and amended Australian Accounting Standards and Australian Accounting Standards Board (AASB) Interpretations as outlined below as and when they became applicable during the year.

– AASB 2020-8 Amendments to Australian Accounting Standards—Interest rate benchmark reform—Phase 2

These amendments were issued in response to the effects of Interbank Offered Rates reform on financial reporting. The amendments, amongst other changes, provide a practical expedient to treat changes in the cash flow that are directly required by the reform, to be treated as changes to a floating interest rate equivalent to a movement in a market rate of interest. This amendment does not have an impact on the financial statements of the Corporation.

Several other amendments and interpretations apply for the first time in this financial year, but do not have an impact on the financial statements of the Corporation.

New accounting standards and interpretations – issued but not yet effective

The Corporation has not early adopted any Australian Accounting Standards that have recently been issued or amended but are not yet effective for the financial year ended 30 June 2022 due to NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise.

The following new Australian Accounting Standard has not been early adopted and are not yet effective.

– AASB 2020-1 Amendments to Australian Accounting Standards—Classification of liabilities as current or non current

The amendments outlined in the standard clarify that a liability is classified as non current if, at the end of the reporting period, the entity has the right to defer settlement of the liability for at least 12 months after the reporting period.

Management has conducted a preliminary assessment and identified no significant impacts or required no changes if the new Australian Accounting Standard was adopted.

Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

The nature of these assumptions and conditions are found in the following notes to the financial statements.

- Note 6. Taxation
- Note 8. Trade and other receivables
- Note 9. Finance lease receivables
- Note 10. Property, plant and equipment
- Note 11. Leases
- Note 12. Investment property
- Note 13. Intangible assets
- Note 15. Provisions
- Note 18. Defined benefit superannuation schemes.

Management also considered the impact of climate change on the business and operations. There is no significant impact based on current expectations, facts and circumstances.

Accounting policies

The accounting policies described in these financial statements are based on the requirements applicable to the Corporation. The Corporation has consistently applied the accounting policies to all reporting years presented.

Significant accounting policies that summarise the basis of recognition and measurement of material items presented in these financial statements are provided in each applicable note about those items.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 3. Revenue

Continuing operations	2022 \$000	2021 \$000
Revenue from port management		
Port revenue	87,112	84,035
Rental revenue	23,437	18,751
Navigation recharge	11,965	11,698
	122,514	114,484
Other revenue		
Interest from bank and other	2	6
Finance lease income	7,690	7,189
Assets acquired at nominal value	2,709	500
Land tax recoverable from tenants	314	216
Fee for Penrhyn Estuary services	1,354	1,297
Recoverable security	375	105
Insurance recovery – business interruption claim	47,185	52,000
Other recoveries	3,781	3,886
Other revenue	4,791	1,998
	68,201	67,197
Total revenue	190,715	181,681

Recognition and measurement

Revenue is recognised when the Corporation transfers control of goods or services to a customer at an amount which the Corporation is entitled to. The performance obligations are identified based on the contracts with customers and by considering the delivery of distinct goods and services to the customers. Revenue is recognised either over time in a manner that aligns the Corporation's performance obligations; or at a point in time when the service is fully provided to the customer.

Transaction prices are determined by agreed rates without any estimation. The Corporation does not have any contracts with customers where the period between the transfer of the promised services or goods and payment from the customer exceeds one year. As a result, transaction prices have not been adjusted for the time value of money.

Port revenue

Port revenue from pilotage and navigation services, wharfage, site occupation charges, mooring fees and other services are recognised on delivery of the service to the customer.

Rental revenue

Rental revenue is accounted for on a straight-line basis over the lease term.

The Corporation provided rent abatements to the retail tenants impacted by the shut down of cruise operations at the Overseas Passenger Terminal and the White Bay Cruise Terminal from 22 March 2020 up to the end of March 2022. The Corporation has re-calculated the straight-line operating lease income over the remaining term of impacted leases.

Navigation recharge revenue

Navigation recharge revenue is recognised in accordance with the Port Services Agreements entered between the Corporation and NSW Ports and Port of Newcastle.

Interest revenue

Interest revenue is recognised on an accrual basis using the effective interest method.

Finance lease income

Income is allocated to accounting periods to reflect a constant periodic rate of return on the Corporation's net investment outstanding in respect of the finance leases. Refer to note 9 for the nature of the finance lease receivables.



Note 3. Revenue continued

Recoverable security

Recoverable security is recognised when the Corporation satisfies the distinct performance obligation by providing the required security services at the cruise terminals.

Insurance recovery – business interruption claim

Insurance recovery relating to business interruption claim only is recognised as income when the claimed amount is approved and paid by iCare, in accordance with NSW Government Treasury "Guidance on Accounting for TMF recoveries". Refer to note 1 COVID-19 Pandemic.

Other recoveries

Recoveries are recognised when the Corporation becomes entitled to a recovery of cost incurred for the provision of goods, services or a combination of them from an external organisation.

Other revenue

Other revenue is recognised when the distinct performance obligation is satisfied.

a) Revenue disaggregation

The Corporation generates its port management revenue from the provision of its port facilities and rendering of its commercial marine functions. AASB 15 requires the disclosure of revenue from contracts with customers. Revenue is recognised over time if it meets any of the following criteria, otherwise the performance obligation is taken to occur at a single point in time:

1. Customer simultaneously receives and consumes the benefits as the entity performs, i.e., routine or recurring services; or
2. The customer controls the asset as the entity creates or enhances it, i.e., asset built on customer's site; or
3. The entity's performance does not create an asset for which the entity has an alternate use and there is a right to payment for performance to date, i.e., asset built to order.

During the year, \$109.7 million (2021: \$103.2 million) in revenue was recognised from customers. Included in this revenue is \$17.8 million (2021: \$15.4 million) which was recognised over time, meeting the above criteria by AASB 15. Key types of revenue recognised over time includes navigation recharge in accordance with the port services agreements and Penrhyn Estuary services.

The following table summarises the revenue disaggregation.

	2022 \$000	2021 \$000
Total revenue recognised from customers	109,692	103,235
Insurance recovery – business interruption claim	47,185	52,000
Rental revenue	23,437	18,751
Finance lease income	7,690	7,189
Assets acquired at nominal value	2,709	500
Interest from bank and other	2	6
Total revenue	190,715	181,681

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 4. Expenses

Continuing operations	Note	2022 \$000	2021 \$000
Employee related expenses			
Salaries and wages (including annual leave and long service leave) ¹		64,511	66,245
Payroll tax		3,543	3,372
Fringe benefits tax		252	232
Workers compensation insurance		781	713
Salary continuance insurance		871	418
Superannuation-defined benefit	18(o)	547	1,169
Superannuation-defined contribution		6,059	5,641
		76,564	77,790
Depreciation and amortisation expenses			
Depreciation of property, plant and equipment	10(c)	21,301	20,718
Depreciation of ROU assets	11(b)	2,971	3,083
Amortisation of intangible assets	13(a)	759	529
		25,031	24,330
Other expenses			
Service contractors		11,972	10,350
Repairs and maintenance		8,277	7,643
Indirect taxes		3,801	4,131
Utilities and communications		2,475	2,395
Insurance		1,829	1,472
Legal costs		775	215
Materials		1,662	1,370
Short-term or low value leases	11(e)	411	310
Directors' remuneration	25(a)	433	291
Auditors' remuneration		262	273
(Recoveries) / Expected credit losses	8(a)	(45)	85
Channel fees	25(b)	5,679	4,852
Other operations and services		5,129	4,413
		42,660	37,800
Finance costs			
Finance cost on loans and borrowings		5,587	5,739
Interest expense on lease liabilities	11(c)	289	381
Unwinding of discount on provisions		29	17
Other finance costs		2	18
		5,907	6,155
Total expenses		150,162	146,075

1. Following legal advice obtained in financial year 2020-2021 on the interpretation and application of the relevant provisions of the *Fair Work Act 2009* (Cth.) and the *Long Service Leave Act 1955* (NSW), the Corporation included a \$0.5 million (2021: \$1.0 million) adjustment in the salaries and wages to add back incorrectly deducted annual leave and long service leave entitlements for shift workers whilst they were taking this leave during Public Holidays for the past 6 years.

Recognition and measurement

Retirement benefits obligations

The Corporation contributes to employee superannuation funds in addition to contributions made by employees. Such contributions are paid to nominated funds. The Corporation contributes to defined benefit plans and defined contribution plans.

Various actuarial assumptions are required to quantify the net position of the defined benefit funds. The determination of superannuation obligations is dependent on an annual actuarial assessment in accordance with accounting policy.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the year in which they occur. Past service costs are recognised immediately in profit or loss.

Contributions to the defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



Note 4. Expenses continued

Repairs and maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

The Corporation's insurance activities are conducted mainly through the NSW Government Treasury Managed Fund (TMF) with the addition of commercial policies where the TMF cover is deemed inadequate or gaps identified or where covers such as Life and Salary Continuance is not provided. The expense (premium) is determined based on past claims experience.

Leases expenses

The Corporation recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Lease where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.
- Variable lease payments that do not depend on an index or a rate, therefore, not included in the measurement of the lease liability. These payments are recognised in the period in which the event or condition that triggers those payment occurs.

Borrowing costs

Borrowing costs are expensed as incurred within finance costs in profit or loss unless they relate to qualifying assets, in which case they are capitalised as part of the cost of those assets. Qualifying assets are assets that take a substantial period of time to be ready for their intended use.

Capitalisation of borrowing costs is undertaken where a direct relationship can be established between the borrowings and the relevant projects giving rise to the qualifying assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is net of any interest earned on those borrowings. There is no borrowing cost capitalised during the year.

Capitalised employee related expenses

Employee related expenses in profit or loss do not include those employee related costs that have been capitalised as an asset. During the year, the Corporation has capitalised \$1.2 million (Jun 2021: \$0.3 million) employee related costs that are directly attributable to capital projects.

Note 5. Other Gains / (Losses)

	Note	2022 \$000	2021 \$000
Other Gains / (Losses)			
Net revaluation increments – property, plant and equipment	10(c)	188	244
(Provision for) / Reversal of impairment of property, plant and equipment	10(c)	(88)	22
Valuation gains / (losses) of investment property	12	49	(55)
Total other gains / (losses)		149	211

Recognition and measurement

Asset revaluation increments (decrements)

Asset revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement for an asset previously recognised as a loss in profit or loss, the increment is recognised as a gain in profit or loss.

Asset revaluation decrements are recognised immediately in profit or loss, except that they are debited directly to the asset revaluation reserve to the extent that a credit exists in the asset revaluation reserve in respect of that asset.

Impairment losses

The Corporation assesses at each reporting date whether there is any indication that a cash generating unit, or an asset within a cash generating unit, may be impaired. If such an indication exists, the Corporation estimates the recoverable amount. An impairment loss is recognised where the carrying amount of the asset or cash-generating unit exceeds the recoverable amount. Impairment losses are recognised in profit or loss except for assets under revaluation as the impairment loss will first be recognised through each asset's revaluation reserve prior to recognition in profit or loss.

Investment property revaluation

Investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period of which they arise.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 6. Taxation

	2022 \$000	2021 \$000
Income tax equivalent expense		
Current tax	(9,468)	(10,083)
Deferred tax	(359)	1,303
	(9,827)	(8,780)
Deferred tax		
<i>Deferred income tax equivalent expense included in income tax equivalent expense comprises:</i>		
Increase / (Decrease) in deferred tax assets	1,867	(197)
(Increase) / Decrease in deferred tax liabilities	(2,226)	1,500
	(359)	1,303
Deferred tax equivalent assets		
(Over) / Under-funded defined benefits superannuation	(153)	858
Leave entitlements	6,981	7,550
Accrued expenses	1,449	810
Other	1,926	290
	10,203	9,508
Deferred tax equivalent liabilities		
<i>The balance comprises temporary differences attributable to:</i>		
Depreciation and revalued property, plant and equipment	69,543	59,666
Lease incentive receivable	1,683	–
Other	803	67
	72,029	59,733
<i>The difference between income tax equivalent expense provided in the financial statements and the prima facie income tax equivalent expense is reconciled as follows:</i>		
Profit before income tax equivalent expense from continuing operations	40,806	35,857
Prima facie tax thereon at 30%	(12,242)	(10,757)
<i>Add tax effect of items with differential accounting / tax treatment:</i>		
Add items not deductible	(4)	(159)
Subtract items not assessable	2,440	2,157
Other non-deductible expenses in respect of initial recognition exemption assets	(21)	(21)
Total income tax equivalent expense attributable to operating profit	(9,827)	(8,780)
Amounts recognised directly in equity		
Net deferred tax debited directly to equity	11,242	15,496
Movement in income tax equivalent payable		
Balance at the beginning of the financial year Current income tax equivalent	6,415	3,333
Current income tax equivalent	9,468	10,083
Payments	(11,408)	(7,001)
Balance at the end of the year	4,475	6,415



Note 6. Taxation continued

	Opening balance \$000	Charges to income \$000	Charges to equity \$000	Closing balance \$000
Movement in deferred tax equivalent assets				
At 30 June 2022				
Leave entitlements	7,550	(569)	—	6,981
(Over) / Under-funded defined benefits superannuation	858	161	(1,172)	(153)
Accrued expenses	810	639	—	1,449
Other	290	1,636	—	1,926
	9,508	1,867	(1,172)	10,203
At 30 June 2021				
Leave entitlements	7,281	269	—	7,550
Underfunded defined benefits superannuation	4,347	344	(3,833)	858
Accrued expenses	1,327	(517)	—	810
Other	583	(293)	—	290
	13,538	(197)	(3,833)	9,508
Movement in deferred tax equivalent liabilities				
At 30 June 2022				
Depreciation, revaluation and derecognition of property, plant and equipment	59,666	(193)	10,070	69,543
Lease incentive receivable	—	1,683	—	1,683
Other	67	736	—	803
	59,733	2,226	10,070	72,029
At 30 June 2021				
Depreciation, revaluation and derecognition of property, plant and equipment	49,397	(1,394)	11,663	59,666
Other	173	(106)	—	67
	49,570	(1,500)	11,663	59,733

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 6. Taxation continued

Recognition and measurement

Income tax equivalent

Income tax equivalent is required to be paid to the NSW Government in accordance with Section 20T of the *State Owned Corporations Act 1989*. The payments are equivalent to the amounts that would be payable under the normal income tax laws of the Commonwealth.

Income tax equivalent expense includes both current and deferred tax. Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Current and deferred tax amounts relating to items recognised directly in equity are recognised in equity as part of other comprehensive income.

Current tax assets and liabilities

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities based on the relevant year's taxable income. The tax rates and the tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Deferred tax assets and liabilities

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date. Income tax equivalents relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity.

GST

Revenues, expenses, assets and liabilities are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable. Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from or payable to the taxation authority are classified as operating cash flows.

Commitments (Note 22) and accrual items that are shown in the statement of financial position are inclusive of GST where applicable.



Note 7. Cash and cash equivalents

	2022 \$000	2021 \$000
Cash at bank	2,742	518
TCorpIM Cash Fund	28,033	24,722
Cash and cash equivalents	30,775	25,240

Recognition and measurement

Cash and cash equivalents in the statement of financial position comprise cash at bank and funds on deposit in the NSW Treasury Corporation's Investment Management (TCorpIM) Cash Fund. The value of the funds on deposit in the TCorpIM Cash Fund is at fair value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

TCorpIM Cash Fund

The Corporation places funds on deposit in the TCorpIM Cash Fund. These funds are represented by a number of units in the managed fund. TCorp appoints and monitors fund managers and establishes and monitors the application of appropriate investment guidelines. These funds are generally able to be redeemed with up to 24 hours prior notice. The value of the funds on deposit represents the share of the value of the underlying assets of the fund and is stated at fair value.

Refer to note 21 for details of credit risk and market risk arising from financial instruments.

a) Reconciliation from the net profit for the year to the net cash flows received from operating activities:

	2022 \$000	2021 \$000
Net profit for the year	30,979	27,077
Adjustments for:		
Depreciation and amortisation expenses	25,031	24,330
Investment property valuation (gains) / losses	(49)	55
Other income – free land received	(2,709)	(500)
Amortisation of discount on borrowings	(1,007)	(1,221)
Net revaluation increments of property, plant and equipment recognised in profit or loss	(188)	(244)
Net gain on sale of property, plant and equipment	(104)	(40)
Provision for / (Reversal of) impairment of property, plant and equipment	88	(22)
Write-off of property, plant and equipment	87	118
Write-off of intangible assets	210	–
Finance lease income	(7,690)	(7,189)
	44,648	42,364
(Increase) / Decrease in assets applicable to operating activities:		
– Trade and other receivables	(6,187)	387
– Deferred tax equivalent assets	(1,865)	197
Increase / (Decrease) in liabilities applicable to operating activities:		
– Deferred tax equivalent liabilities	2,226	(1,500)
– Income tax equivalent payable	(1,940)	3,082
– Trade and other payables	7,444	(1,035)
– Provisions	(1,871)	915
– Post employment benefits	1,046	1,150
Net cash flows received from operating activities	43,501	45,560

Significant non-cash activities

All payments from the finance lease receivables were received upfront. No further payments will be received, therefore the income represents the movement in the finance lease receivables as a non-cash activity. Refer to note 9 for details of finance lease receivables.

Non-cash investing and financing transactions

The Corporation has no significant non-cash investing and financing transactions in both years.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 8. Trade and other receivables

	Note	2022 \$000	2021 \$000
Current			
Trade receivables		8,572	6,391
Other receivables		3,611	3,711
	8(a)	12,183	10,102
Allowance for expected credit loss	8(a)	(94)	(139)
		12,089	9,963
Prepayments		1,145	883
Lease incentive receivable		662	225
Accrued income		4,941	2,345
		18,837	13,416
Non-current			
Lease incentive receivable		5,146	4,892

Recognition and measurement

Trade and other receivables

Trade and other receivables are amounts due from customers for services performed in the ordinary course of business. The Corporation holds these receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the period when impaired, derecognised or through the amortisation process.

Impairment

The Corporation recognises an allowance for expected credit losses (ECLs) for all the trade and other receivables not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that the Corporation expects to receive, discounted at the original effective interest rate. For trade receivables, the Corporation applies a simplified approach in calculating ECLs and recognises a loss allowance based on lifetime ECLs at each reporting date if required. The Corporation has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for current and forward-looking factors specific to the receivable.

Lease incentives – as lessor

Payments made by a lessor to a lessee associated with a lease, or the reimbursement or assumption by a lessor of costs of a lessee.

a) Ageing analysis of trade and other receivables

At each reporting date, the ageing analysis of trade and other receivables is as follows:

	Total \$000	Not due \$000	0–30 days \$000	31–60 days \$000	60+ days \$000	90+ days \$000	120+ Days \$000
2022	12,183	9,517	1,732	336	549	59	(10)
ECLs	0.82%	0.02%	0.01%	0.22%	1.93%	100.00%	100.00%
2021	10,102	7,106	2,502	337	19	40	98
ECLs	1.41%	0.02%	0.01%	0.25%	1.86%	98.51%	98.51%



Note 8. Trade and other receivables continued

Movements in the allowance for ECLs are as follows:

	Note	2022 \$000	2021 \$000
Balance at 1 July		139	54
(Decrease) / Increase in allowance	4	(45)	85
Closing balance		94	139

The Corporation trades only with recognised creditworthy third parties. Customers who wish to transact on credit terms are subject to credit verification procedures which may result in obtaining bank guarantees. In addition, trade and other receivable balances are monitored on an ongoing basis.

The Corporation applies the AASB 9 simplified approach to measuring ECLs which uses a lifetime expected loss allowance for all trade and other receivables. To measure the ECLs, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on historical observed loss rates. The historical rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Corporation recognised allowance for ECLs on its financial assets in the amount of \$94,000 (2021: \$139,000).

The Corporation is not considered to be materially exposed to a concentration of credit risk to a single trade debtor. The largest single trade debtor included in receivables totals \$1.3 million (2021: \$1.5 million) and is 7.80% of trade and other receivables (2021: 4.32%) as at 30 June 2022.

Refer to note 21(c) for further details of credit risk of trade receivables that are neither past due nor impaired.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 9. Finance lease receivables

	2022 \$000	2021 \$000
Finance lease receivables	118,048	110,358

Recognition and measurement

Costs incurred for capital dredging (harbour deepening) of channels were previously recognised as prepaid licence fees with the licensor being NSW Roads and Maritime Services.

In 2013 and 2014, following the New South Wales (NSW) Government's long-term lease of the State-owned assets of Port Botany, Enfield Intermodal Terminal and Cooks River Empty Container Park, together the "Botany Package"; State-owned assets of Port Kembla Port Corporation (PKPC) and Port of Newcastle's commercial port business, collectively the Transaction, revised Channel User Licence Agreements were executed with NSW Roads and Maritime Services (RMS). Refer to notes 9(a), (b) and (c). These revised Licence Agreements were assessed to be finance leases of the capital dredging of channel assets, where the Corporation is the lessor, resulting in a derecognition of the prepaid licence fees and a recognition of a finance lease receivable. All payments on these Agreements forming part of the Transaction from RMS were received upfront and remitted back to NSW Treasury. Therefore, the remaining net investment in the lease relates to the unguaranteed residual value of the dredged asset.

Income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Corporation's net investment in respect of the finance lease receivables.

a) Finance lease receivable – Newcastle

The Corporation previously incurred costs to dredge Newcastle Port in creating a channel for ships to enter the wharf area. As part of the Transaction, a Channel User License Agreement with NSW Roads and Maritime Services was executed on 11 April 2014. The Corporation considers this Agreement to represent a finance lease receivable.

On expiry of the 98-year lease term, a dredged channel asset will revert to the Corporation. As a result, a finance lease receivable has been recognised equal to the net investment in the Agreement. As all payments were received upfront, the net investment in the Agreement corresponds to the unguaranteed residual value of the dredged asset on expiry of the 98-year term. A residual asset will be accreted over the 98-year term of the Agreement with total unearned income as at 30 June 2022 of \$19.9 billion. The initial value of the residual interest was recognised at \$30.2 million in May 2014. In the financial year ended 30 June 2022, the Corporation has recognised \$3.3 million (2021: \$3.1 million) income from the accretion of the finance lease receivable.

b) Finance lease receivable – Botany Bay

Sydney Ports Corporation, amalgamated into Newcastle Port Corporation (trading as Port Authority of New South Wales) effective from 1 July 2014, previously incurred costs to dredge Botany Bay, thereby creating a channel for ships to enter the wharf area. As part of the Transaction, a revised Channel User Licence Agreement with NSW Roads and Maritime Services was executed on 31 May 2013. The Agreement represents a finance lease receivable.

On expiry of the 99-year lease term, a dredged channel asset will revert to the Corporation. As a result, a finance lease receivable has been recognised equal to the value of its net investment in the Agreement. As all payments were received upfront, the net investment in the Agreement corresponds to the unguaranteed residual value of the dredged asset on expiry of the 99-year term. A residual asset will be accreted over the 99-year term of the Agreement with total unearned income as at 30 June 2022 estimated at \$17.5 billion. The initial value of the residual interest was recognised at \$20.4 million in May 2013. In the financial year ended 30 June 2022, the Corporation has recognised \$2.5 million (2021: \$2.3 million) income from the accretion of the finance lease receivable.

c) Finance lease receivable – Port Kembla

Port Kembla Port Corporation, amalgamated into Newcastle Port Corporation (trading as Port Authority of New South Wales) effective from 1 July 2014, previously incurred costs to dredge Port Kembla in creating a channel for ships to enter the wharf area. As part of the Transaction, a revised Channel User Licence Agreement with NSW Roads and Maritime Services was executed on 31 May 2013. The Agreement represents a finance lease receivable.

On expiry of the 99-year lease term, a dredged channel asset will revert to the Corporation. As a result, a finance lease receivable has been recognised equal to the net investment in the Agreement. As all payments were received upfront, the net investment in the Agreement corresponds to the unguaranteed residual value of the dredged asset on expiry of the 99-year term. A residual asset will be accreted over the 99-year term of the Agreement with total unearned income as at 30 June 2022 estimated at \$13.1 billion. The initial value of the residual interest was recognised at \$15.3 million in May 2013. In the financial year ended 30 June 2022, the Corporation has recognised \$1.9 million (2021: \$1.8 million) income from the accretion of the finance lease receivable.

d) Impairment assessment

The valuation of the residual interest in Botany Bay and Port Kembla was carried out by external advisers as at 30 June 2013; while in Newcastle it was carried out by external advisers as at 30 June 2014. The value was based on the information available at the inception of the lease. Management assesses for indicators of impairment of any material damage or changes to the dredged channel asset. No significant factors were identified during the year that resulted in significant changes to the valuation.



Note 10. Property, plant and equipment

a) Carrying amounts of property, plant and equipment at fair value

At fair value	2022 \$000	2021 \$000
Land and buildings		
Gross carrying amount	401,613	364,287
Accumulated depreciation	(37,381)	(30,214)
Net carrying amount	364,232	334,073
Roadways and bridges		
Gross carrying amount	19,478	18,395
Accumulated depreciation	(6,364)	(5,114)
Net carrying amount	13,114	13,281
Wharves, jetties and breakwaters		
Gross carrying amount	100,028	92,572
Accumulated depreciation	(64,148)	(54,591)
Net carrying amount	35,880	37,981
Plant		
Gross carrying amount	134,434	134,023
Accumulated depreciation	(67,187)	(60,162)
Net carrying amount	67,247	73,861
Construction in progress (CIP)		
– Land and buildings	5,370	4,995
– Roadways and bridges	–	108
– Wharves, jetties and breakwaters	8,325	10,281
– Plant	7,676	3,171
Total construction in progress	21,371	18,555
Total property, plant and equipment at fair value	501,844	477,751

Recognition and measurement

Asset capitalisation

Property, plant and equipment is initially recognised at cost, including any costs directly attributable to the asset and any restoration costs associated with the asset. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards. Property, plant and equipment is subsequently revalued at fair value less accumulated depreciation and impairment. Assets acquired at no cost or for nominal consideration are initially recognised at their fair value at the date of acquisition.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Corporation, and its cost can be measured reliably.

Only the assets in excess of \$1,000 are capitalised if they are expected to provide future economic benefits for more than one reporting period.

Derecognition

An item of property, plant and equipment is derecognised when it is sold or otherwise disposed of, or when its use is expected to bring no future economic benefits. Gains and losses on disposal are determined by comparing the proceeds with the carrying amount. These are included in profit or loss.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 10. Property, plant and equipment continued

Depreciation of assets

Depreciation expenses have been calculated on depreciable assets, using rates estimated to write off the assets over their remaining useful lives on a straight-line basis. Land assets have been treated as non-depreciable. The useful lives of assets were reassessed during the year with no material changes required.

The useful lives of each category of depreciable assets are:

– Buildings	10 to 53 years
– Roadways and bridges	15 to 50 years
– Wharves, jetties and breakwaters	4 to 50 years
– Plant	2 to 50 years

Recoverable amount of assets

At each reporting date, the Corporation assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the Corporation makes a formal estimate of the asset's recoverable amount.

Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. The recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the recoverable amount is determined for the cash-generating unit to which the asset belongs, unless either the asset's fair value less costs to sell is higher than its carrying amount, or the asset's value in use can be estimated to be close to its fair value less costs to sell and fair value less costs to sell can be determined. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Valuation of property, plant and equipment

Property, plant and equipment is valued at fair value in accordance with Australian Accounting Standards and the NSW Treasury Policy Paper on *Valuation of Physical Non-Current Assets at Fair Value* (TPP 21-09).

i) Valuation of land

Land is valued at fair value having regard to its highest and best use based on Port Land. However, where there are natural, legal and socio-political restrictions on the use of land such that there is no feasible alternative use in the near future, such land is valued at market value for its existing use, because that is its highest and best use.

ii) Valuation of buildings

Non-specialised buildings, which include commercial and general purpose buildings for which there is a secondary market, are valued at fair value. Specialised buildings are designed for a specific, limited purpose. Where there are no feasible alternative uses for such buildings, they are valued at market buying price, the best indicator of which is the current replacement cost of the remaining economic benefits. Heritage buildings are valued at fair value. Fair value is represented by market value for existing use, because there are few or no feasible alternative uses for such buildings.

iii) Valuation of specialised plant and infrastructure

Specialised plant and infrastructure is measured at market buying price, the best indicator of which is the current replacement cost of the asset's remaining future economic benefits. Infrastructure assets include roadways and bridges, wharves, jetties and breakwaters.

iv) Valuation of non-specialised assets and construction in progress

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value. Assets included in construction in progress are normally recognised at historical cost and these assets are transferred to property, plant and equipment when ready for use as intended by management. Revaluation for assets included in construction in progress may need to be considered where construction occurs over a substantial number of years and historical costs no longer accurately reflect fair value, or construction costs capitalised in accordance with AASB 116 do not satisfy criteria for incorporation into fair value under AASB 13, (e.g. site preparation costs such as costs of demolishing or relocation of existing buildings in some circumstances). Unless there is a change in valuation technique the asset categorisation under the fair value hierarchy is not expected to change. Refer to note 20 for further information regarding fair value and hierarchy levels.

v) Asset revaluation

Revaluations are made with sufficient regularity to ensure that the carrying amount of property, plant and equipment does not materially differ from fair value at the reporting date. Land and buildings are subject to comprehensive valuation at least every 3 years.

Infrastructure assets are subject to a comprehensive valuation at least every 5 years. Where the Corporation revalues non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and accumulated depreciation are separately restated.

Interim revaluations are conducted between comprehensive revaluations when cumulative changes to indicators / indices suggest fair value may differ materially from the carrying value. The Corporation undertakes an interim management revaluation when cumulative increases / decreases in indicators / indices are generally less than or equal to 20%. It undertakes an interim formal revaluation where there has been a cumulative increase / decrease in indicators / indices generally greater than 20%.



Note 10. Property, plant and equipment continued

b) Current year asset revaluation

An independent valuer provided gross values for land and buildings at 30 June 2021 when the last comprehensive valuation was conducted. An interim review was conducted by Aon during the year to assist management to apply indices to land and buildings. In the financial year ended 30 June 2022, the recommended valuation indices were 8% to buildings, and close to 10% to land. Management has reviewed the basis of the recommendations and applied the indices to land and buildings. Aon has also conducted a comprehensive review and provided gross values for wharves, jetties and breakwaters, roadways and bridges (collectively called infrastructure assets) for the financial year ended 30 June 2022. Management has conducted review of the valuation report and is satisfied that the assumptions, methodologies, and other information in the report are adequately supported and documented.

The Corporation's qualified engineers assessed the remaining useful lives of the revalued assets.

c) Movements in property, plant and equipment

	Note	Land and buildings \$000	Roadways and bridges \$000	Wharves, jetties and breakwaters \$000	Plant \$000	Total \$000
Balance at 1 July 2021		334,073	13,281	37,981	73,861	459,196
Additions		2,709	—	—	17	2,726
Revaluation increments recognised in other comprehensive income	19(a)	30,713	700	2,154	—	33,567
Revaluation increments / (decrements) recognised in profit or loss	5	234	(46)	—	—	188
Provision for impairment	5	—	—	—	(88)	(88)
Transfer from construction in progress	10(e)	991	142	3,377	1,825	6,335
		368,720	14,077	43,512	75,615	501,924
Depreciation charge	4	(4,488)	(963)	(7,632)	(8,218)	(21,301)
Write-offs		—	—	—	(144)	(144)
Disposals		—	—	—	(6)	(6)
Balance at 30 June 2022		364,232	13,114	35,880	67,247	480,473
Balance at 1 July 2020		295,436	11,967	42,658	76,187	426,248
Additions		500	—	—	—	500
Revaluation increments recognised in other comprehensive income	19(a)	35,663	836	2,376	—	38,875
Revaluation increments recognised in profit or loss	5	235	3	6	—	244
Reversal of impairment	5	—	—	—	22	22
Transfer from construction in progress	10(e)	6,440	1,448	—	6,027	13,915
Transfers from software	13	—	—	—	255	255
		338,274	14,254	45,040	82,491	480,059
Depreciation charge	4	(4,132)	(973)	(7,059)	(8,554)	(20,718)
Write-offs		(69)	—	—	(49)	(118)
Disposals		—	—	—	(27)	(27)
Balance at 30 June 2021		334,073	13,281	37,981	73,861	459,196

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 10. Property, plant and equipment continued

d) Carrying amounts if property, plant and equipment were measured at cost less accumulated depreciation

If property, plant and equipment were measured using the cost model, the carrying amounts would be as follows:

At cost	2022 \$000	2021 \$000
Land and buildings		
Gross carrying amount	269,856	266,155
Accumulated depreciation	(30,300)	(26,464)
Net carrying amount	239,556	239,691
Roadways and bridges		
Gross carrying amount	16,273	16,131
Accumulated depreciation	(5,461)	(4,818)
Net carrying amount	10,812	11,313
Wharves, jetties and breakwaters		
Gross carrying amount	78,209	74,832
Accumulated depreciation	(54,349)	(52,184)
Net carrying amount	23,860	22,648
Plant		
Gross carrying amount	134,625	134,786
Accumulated depreciation	(67,035)	(60,282)
Net carrying amount	67,590	74,504
Total construction in progress	21,371	18,555
Total property, plant and equipment at cost	363,189	366,711

e) Movements in construction in progress

At fair value	Note	2022 \$000	2021 \$000
Balance at 1 July		18,555	9,207
Additions		9,275	23,263
		27,830	32,470
Transfers to property, plant and equipment	10(c)	(6,335)	(13,915)
Transfers to intangible assets	13	(124)	–
Closing balance		21,371	18,555

There was no borrowing cost capitalised in either year.



Note 10. Property, plant and equipment continued

f) Movements in property, plant and equipment held and used by the Corporation

	Land and buildings \$000	Roadways and bridges \$000	Wharves, jetties and breakwaters \$000	Plant \$000	Total \$000
Balance at 1 July 2021	325,436	13,128	37,981	73,608	450,153
Additions	2,709	—	—	17	2,726
Revaluation increments recognised in other comprehensive income	30,030	698	2,154	—	32,882
Revaluation increments / (decrements) recognised in profit or loss	230	(46)	—	—	184
Provision for impairment	—	—	—	(88)	(88)
Transfer from construction in progress	991	142	3,377	1,825	6,335
	359,396	13,922	43,512	75,362	492,192
Depreciation charge	(3,847)	(954)	(7,632)	(8,187)	(20,620)
Write-offs	—	—	—	(77)	(77)
Disposals	—	—	—	(6)	(6)
Balance at 30 June 2022	355,549	12,968	35,880	67,092	471,489
Balance at 1 July 2020	287,112	11,814	42,658	75,889	417,473
Additions	500	—	—	—	500
Revaluation increments recognised in other comprehensive income	34,754	827	2,376	—	37,957
Revaluation increments recognised in profit or loss	226	3	6	—	235
Reversal of impairment	—	—	—	22	22
Transfer from construction in progress	6,440	1,448	—	6,027	13,915
Transfers from software	—	—	—	255	255
	329,032	14,092	45,040	82,193	470,357
Depreciation charge	(3,527)	(964)	(7,059)	(8,509)	(20,059)
Write-offs	(69)	—	—	(49)	(118)
Disposals	—	—	—	(27)	(27)
Balance at 30 June 2021	325,436	13,128	37,981	73,608	450,153

g) Movements in property, plant and equipment where the Corporation is lessor under operating leases

	Land and buildings \$000	Roadways and bridges \$000	Plant \$000	Total \$000
Balance at 1 July 2021	8,637	153	253	9,043
Revaluation increments recognised in other comprehensive income	683	2	—	685
Revaluation increments recognised in profit or loss	4	—	—	4
	9,324	155	253	9,732
Depreciation charge	(641)	(9)	(31)	(681)
Write-offs	—	—	(67)	(67)
Balance at 30 June 2022	8,683	146	155	8,984
Balance at 1 July 2020	8,324	153	298	8,775
Revaluation increments recognised in other comprehensive income	909	9	—	918
Revaluation increments recognised in profit or loss	9	—	—	9
	9,242	162	298	9,702
Depreciation charge	(605)	(9)	(45)	(659)
Balance at 30 June 2021	8,637	153	253	9,043

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 11. Leases

a) Carrying amounts of right-of-use assets

At cost	2022 \$000	2021 \$000
ROU – Land and buildings	13,417	13,468
Accumulated depreciation	(8,054)	(5,387)
Net carrying amount	5,363	8,081
ROU – Plant	707	784
Accumulated depreciation	(538)	(447)
Net carrying amount	169	337
Total ROU assets	5,532	8,418

Recognition and measurement

Right-of-use assets

The Corporation recognises Right-of-Use (ROU) assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The ROU assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- ROU – Buildings 2 to 11 years
- ROU – Plant 2 to 5 years

Impairment testing of ROU assets

ROU assets are subject to impairment testing. The Corporation assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when the annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. When the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If this is the case, the carrying amount of the asset shall be increased to the lower of its recoverable amount and the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in profit or loss.

No impairment loss was recognised in both years.

The Corporation's leasing activities

The Corporation leases various properties and equipment. The duration of property lease contracts is typically fixed for periods of 3 to 10 years. These contracts may also include extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, but leased assets cannot be used as security for borrowing purposes.

Critical judgements in determining the lease term

In determining the lease term, the Corporation considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs that affects this assessment and that is within the control of the lessee.

The value of ROU assets will increase / decrease if the lease terms increase / decrease. Any change in the estimate of the remaining lease terms impacts directly on the value of the ROU assets, and correspondingly in the lease liabilities.



Note 11. Leases continued

The Corporation as a lessee

b) Movements in ROU assets

	Note	ROU – Land and buildings \$000	ROU – Wharves, jetties and breakwaters \$000	ROU – Plant \$000	ROU Total \$000
Balance at 1 July 2021		8,081	–	337	8,418
Additions		63	–	279	342
Depreciation charge	4	(2,714)	–	(257)	(2,971)
Disposals / write-offs		(117)	–	(189)	(306)
Changes in index or rates affecting variable payments		50	–	(1)	49
Balance at 30 June 2022		5,363	–	169	5,532
Balance at 1 July 2020		10,513	521	401	11,435
Additions		462	–	194	656
Depreciation charge	4	(2,801)	(25)	(257)	(3,083)
Changes in index or rates affecting variable payments		70	–	(1)	69
Disposals / write-offs		(163)	(496)	–	(659)
Balance at 30 June 2021		8,081	–	337	8,418

c) Lease liabilities

The following table presents liabilities under leases.

	Note	2022 \$000	2021 \$000
Opening balance		8,904	11,785
Additions		342	656
Interest expenses	4	289	381
Rental payments		(3,264)	(3,328)
Changes in the index or rates affecting variable payments		49	69
Disposals / write-offs		(306)	(659)
Closing balance	16	6,014	8,904

Lease liabilities

Lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentive receivables;
- Variable lease payments that are based on an index or a rate. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the ROU asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in profit or loss;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option, if any, if the lessee is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the Corporation's leases, the lessee's incremental borrowing rate inclusive of the government guarantee rate is used, being the rate that the Corporation would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Corporation does not face a significant liquidity risk regarding its lease liabilities. Its lease liabilities are included in the interest-bearing liabilities note 16.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 11. Leases continued

d) Lease liabilities maturity analysis

	Note	2022 \$000	2021 \$000
Lease liabilities			
Current	16	2,511	2,817
Non current	16	3,503	6,087
		6,014	8,904
Maturity analysis			
Not later than one year		2,511	2,817
Later than one year and not later than five years		3,375	5,568
Later than five years		128	519
Total lease liabilities		6,014	8,904

e) Lease amounts recognised in profit or loss

The following amounts were recognised in profit or loss for the year ended 30 June 2022 in respect of leases where the Corporation is the lessee:

	Note	2022 \$000	2021 \$000
Depreciation of ROU assets	4	2,971	3,083
Interest expense on lease liabilities	4	289	381
Short-term or low-value leases	4	411	310
Total amount recognised in profit or loss		3,671	3,774

The Corporation had total cash outflows for leases of \$3.0 million (2021: \$2.9 million), net of interest, for the year ended 30 June 2022.



Note 12. Investment property

At fair value		2022 \$000	2021 \$000
Land and building		8,200	8,000
Movements			
	Note	2022 \$000	2021 \$000
Balance at 1 July		8,000	8,000
Additions		151	55
Gains / (Losses) on valuation	5	49	(55)
Closing balance		8,200	8,000

Following the completion of capital works, the investment property carrying value is consistent with the fair value assessment carried out by an Aon independent valuer. They have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair value was determined based on the capitalisation of income approach whereby a yield is applied to the property's income to assess its value.

Further details regarding the fair value measurement of investment property are disclosed in note 20.

The following amounts have been recognised in the net result:

	2022 \$000	2021 \$000
Rental income	703	740
Direct operating expenses that generated rental income	(319)	(299)
	384	441

Recognition and measurement

Investment properties are properties held to earn rental income and/or for capital appreciation (including property under construction for such purposes). Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value in accordance with AASB 140 *Investment Property*.

Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

No depreciation is charged on an investment property.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 13. Intangible assets

The estimated useful life for an easement is indefinite. Intangible assets with an indefinite useful life are assessed for impairment annually.

At cost	2022 \$000	2021 \$000
Carrying amounts		
Software	8,511	5,902
Software development in progress	79	491
Gross value	8,590	6,393
Accumulated amortisation	(4,344)	(3,795)
Net carrying amount	4,246	2,598
Easements	230	230
Net carrying amount	4,476	2,828

Movements in intangible assets	Note	2022 \$000	2021 \$000
Balance at 1 July		2,828	2,290
Additions		2,493	1,322
Write-offs		(210)	–
Transfer from property, plant and equipment construction in progress	10(e)	124	–
Transfer to property, plant and equipment	10(c)	–	(255)
		5,235	3,357
Amortisation charge	4	(759)	(529)
Closing balance		4,476	2,828

Recognition and measurement

Intangible assets

Intangible assets are initially capitalised at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment loss. The Corporation's intangible assets relate to software and easements.

Easements relate to the Corporation's interest in land. Easements are recognised using the historic cost method rather than fair value as there is no active market for easements.

Amortisation

The Corporation's software intangible assets have finite lives and are amortised on a straight-line basis over a range of useful lives from 3 to 20 years (2021: 3 to 10 years). The change in the range of software useful lives is because of internally developed software that will provide economic benefits to the business for up to 20 years.

The estimated useful life for an easement is indefinite. Intangible assets with an indefinite useful life are assessed for impairment annually.

Impairment of intangible assets

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.



Note 14. Trade and other payables

	Note	2022 \$000	2021 \$000
Current			
Trade payables		1,216	1,292
Accrued employee benefits	15(d)	5,154	4,139
Accrued borrowing costs		2,717	2,979
Accrued land tax		3,991	—
Accrued for assets under construction		737	999
GST payable		773	676
Other payables and accruals		6,432	4,848
Maintenance funds liability		1,442	1,320
Contract liabilities		3,409	2,694
		25,871	18,947
Non-current			
Contract liabilities		1,730	1,770
		1,730	1,770

Recognition and measurement

Trade and other payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. Their carrying value is assumed to approximate their fair value. Trade and other payables represent liabilities for goods and services provided to the Corporation prior to the end of the financial year that are unpaid and arise when the Corporation becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 28 days of recognition.

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in note 21(d).

Accrued employee benefits

Accrued employee benefits include salaries and wages, payroll tax, fringe benefits tax, and retirement benefits that are expected to be paid wholly within 12 months after the end of the period in which the employees render the service. These amounts are recognised and measured at the undiscounted amount of the benefits. Aggregate employee benefits and related on-costs are disclosed in note 15(d).

Contract liability

Contract liability relates to consideration received in advance from customers for the performance obligations to be delivered in future periods.

	2022 \$000	2021 \$000
Reconciliation of contract liabilities		
Opening balance	4,464	4,016
Additions	26,818	20,041
Utilisation	(26,143)	(19,593)
Closing balance (current and non current)	5,139	4,464

Included in the utilisation, \$2.7 million (2021: \$2.2 million) is related to the opening balance. Non current contract liability \$1.7 million (2021: \$1.8 million) is expected to be utilised in the following 7 years.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 15. Provisions

	Note	2022 \$000	2021 \$000
Current			
Annual leave		9,201	9,208
Long service leave		11,150	13,450
Other employee benefits		1,166	672
	15(d)	21,517	23,330
Non-current			
Long service leave	15(d)	1,751	1,838
Provision for make good	15(a)	629	600
		2,380	2,438

a) Movements in provision for make good

	Opening balance \$000	Charge to profit or loss \$000	Payment made \$000	Closing balance \$000
Non-current				
Provision for make good	600	29	—	629

b) Estimated remaining balance of annual leave liabilities after 12 months

	2022 \$000	2021 \$000
Estimated remaining balance of annual leave liabilities after 12 months	3,104	3,167

The entire obligation is presented as current since the Corporation does not have an unconditional right to defer settlement. However, based on past experience the Corporation does not expect all employees to take the full amount of accrued leave within the next 12 months. Annual leave taken was \$6.1 million (2021: \$6.0 million) during the year.

c) Current long service leave obligations expected to be settled after 12 months

	2022 \$000	2021 \$000
Current long service leave obligations expected to be settled after 12 months	9,084	11,875

The current provision for long service leave includes all unconditional entitlements where the Corporation does not have an unconditional right to defer settlement. The amount provided which relates to employees with service less than the qualifying year is disclosed as non-current as there is no legal obligation to pay within 12 months.

d) Aggregate employee benefits and related on-costs

	Note	2022 \$000	2021 \$000
Provisions – current		21,517	23,330
Provisions – non current		1,751	1,838
Accrued employee benefits	14	5,154	4,139
		28,422	29,307



Note 15. Provisions *continued*

Recognition and measurement

Provisions

Provisions are recognised when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Employee benefits

Employee benefits relate to annual leave, long service leave, termination and other employee benefits.

i) Annual leave

The annual leave provision is presented as a current liability as the Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits. NSW Treasury guideline also determines that measurement of net present value is only required if the variance is material. The Corporation has assessed and determined that the effect of discounting is immaterial to annual leave and no discounting is therefore applied.

ii) Long service leave

The liability for long service leave is recognised in the provision for employee benefits and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Corporation recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the statement of financial position date are discounted to their present value.

iv) Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and superannuation. They are included in the provision for annual leave and long service leave.

v) Salaries and wages

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 16. Interest-bearing liabilities

	Note	2022 \$000	2021 \$000
Current			
NSW TCorp borrowings	16(a)	12,403	11,939
Lease liabilities	11(d)	2,511	2,817
		14,914	14,756
Non current			
NSW TCorp borrowings	16(a)	123,421	136,555
Lease liabilities	11(d)	3,503	6,087
		126,924	142,642

Recognition and measurement

Interest-bearing liabilities

Interest-bearing liabilities classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. They are subsequently stated at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any differences between the initial fair value and the final redemption value of the borrowings, such as discounts or premiums. These differences are amortised to profit or loss as part of finance costs over the year of the borrowings on an effective interest basis. Indexation adjustments on the Consumer Price Index (CPI) indexed bonds are also recognised as part of finance costs in profit or loss.

Classification of liability

The Corporation has Treasurer's approval under the Government Sector Finance Act 2018 to borrow from NSW TCorp up to a total limit of \$245.0 million (2021: \$245.0 million).

The Corporation classifies a liability as non-current if, at the end of the reporting period, the Corporation has the right to defer settlement of the liability for at least 12 months after the reporting period. Refer note 21(d) of the contractual maturity date of the debt portfolio.

Financial facilities

The Corporation had the following financing facilities in place at 30 June 2022 and 30 June 2021.

a) With NSW TCorp	2022 \$000	2021 \$000
A global loan facility inclusive of \$15.0 million Come-and-Go facility		
– Total facility	245,000	245,000
– Amount used	(135,824)	(148,494)
Amount unused	109,176	96,506

i) Borrowing repayments

Borrowings consist of NSW TCorp fixed rate loans with maturity dates ranging from 20 April 2023 to 20 March 2031. NSW TCorp fixed rate loans are characterised by payments of coupon interest only every six months and repayment or rollover of principal at maturity.

All borrowings are secured by NSW Government Guarantee. No assets have been pledged as security for interest-bearing loans and borrowings.

The Corporation has a credit card facility for \$300,000 (2021: \$220,000) with Citibank Australia with the balance cleared monthly.

The Corporation has no bank guarantee facility with banks.

The Corporation has received a transaction facility from Westpac Bank. It is not a borrowing facility. Westpac Bank allows temporary deficit balance of bank account if the temporary deficit is caused by timing of fund transfer from TCorpIM cash fund to Westpac Bank. Any temporary deficit would be cleared by the close of business of the same business day. It was zero as at 30 June 2022.

ii) Fair value

Details regarding fair value, interest rate and liquidity risks are disclosed in note 21.



Note 17. Dividend payable

	2022 \$000	2021 \$000
Dividend payable	20,000	11,000

Recognition and measurement

The present obligation to pay a dividend is established when the shareholders' approval of the dividend is received. Subsequent to the approval, there will be no further variation of the dividend amount. This occurs through a formal process. The Corporation reviews its financial performance for the financial year and recommends to its shareholders an appropriate dividend payment considering the current financial position and longer-term financial commitments.

Under NSW Treasury's TPG 21-10 *Capital Structure and Financial Distribution Policy for Government Businesses*, the Corporation prepares a Statement of Corporate Intent which is an agreement between the relevant Ministerial voting shareholders and the Board. This agreement establishes the dividend policy to apply for the year and sets a target dividend, if any, for the business. The dividend scheme of the Corporation also takes into consideration the maintenance of minimum credit rating required in the NSW Treasury policy.

Note 18. Defined benefit superannuation schemes

The Corporation has three defined benefit superannuation schemes covering certain employees, all of which require contributions to be made to separately administered funds.

Nature of the benefits provided by the fund

The Pooled Fund holds in trust the investments of the following closed NSW public sector superannuation schemes, in which the Corporation participates:

- State Authorities Superannuation Scheme (SASS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)
- State Superannuation Scheme (SSS).

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: *Superannuation Act 1916*, *State Authorities Superannuation Act 1987*, *Police Regulation (Superannuation) Act 1906*, *State Authorities Non-Contributory Superannuation Act 1987*, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the *Commonwealth Superannuation Industry (Supervision) Act 1993* (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2021. The next actuarial investigation will be performed as at 30 June 2024.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules.
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 18. Defined benefit superannuation schemes continued

Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** – The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** – The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** – The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** – The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** – The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

Description of significant events

There were no fund amendments, curtailments or settlements during the year.

Amounts in the statement of financial position

	2022 \$000	2021 \$000
Defined benefits receivables / (liabilities)	510	(2,860)

Recognition and measurement

A liability or an asset for the defined benefit superannuation plans is recognised in the statement of financial position and is measured as the present value of the defined benefit obligations at the reporting date less the fair value of the superannuation fund's assets at that date. The present value of the defined benefit obligations is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit valuation method. Consideration is given to expected future wage and salary level, experience of employee departures and years of service.

Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Reconciliation of the net defined benefit liability/(asset)

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2022				
Opening net defined benefit liability / (asset)	10,056	1,803	(8,999)	2,860
Current service cost	206	89	167	462
Net interest on the defined benefit liability	300	53	(268)	85
Actual return on Fund assets less interest income	708	48	4,684	5,440
Actuarial gains	(5,056)	(726)	(14,722)	(20,504)
Adjustment for effect of asset ceiling	–	–	11,157	11,157
Employer contributions	–	–	(10)	(10)
Closing net defined benefit liability / (asset)	6,214	1,267	(7,991)	(510)
At 30 June 2021				
Opening net defined benefit liability	9,503	1,495	3,490	14,488
Current service cost	289	105	362	756
Net interest on the defined benefit liability	271	43	99	413
Actual return on Fund assets less interest income	(1,789)	(139)	(11,211)	(13,139)
Actuarial (gains) / losses	1,782	299	(1,720)	361
Employer contributions	–	–	(19)	(19)
Closing net defined benefit (asset) / liability	10,056	1,803	(8,999)	2,860



Note 18. Defined benefit superannuation schemes *continued*

a) Reconciliation of the defined benefit obligation

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2022				
Present value of defined benefit obligations at beginning of the year	28,016	3,059	112,777	143,852
Current service costs	206	89	167	462
Interest costs	781	83	3,273	4,137
Contributions by participants	172	–	98	270
Actuarial gains	(5,056)	(726)	(14,722)	(20,504)
Benefits paid	(4,060)	(660)	(5,904)	(10,624)
Taxes, premiums & expenses paid	41	12	665	718
Present value of defined benefit obligations at end of the year	20,100	1,857	96,354	118,311
At 30 June 2021				
Present value of defined benefit obligations at beginning of the year	29,439	3,465	115,550	148,454
Current service costs	289	105	362	756
Interest costs	774	88	3,210	4,072
Contributions by participants	197	–	134	331
Actuarial (gains) / losses	1,782	299	(1,720)	361
Benefits paid	(4,657)	(723)	(5,696)	(11,076)
Taxes, premiums & expenses paid	192	(175)	937	954
Present value of defined benefit obligations at end of the year	28,016	3,059	112,777	143,852

b) Reconciliation of the fair value of Fund assets

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2022				
Fair value of Fund assets at beginning of the year	17,960	1,256	121,776	140,992
Interest income	481	30	3,541	4,052
Actual return on Fund assets less Interest income	(708)	(48)	(4,684)	(5,440)
Employer contributions	–	–	10	10
Contributions by participants	172	–	98	270
Benefits paid	(4,060)	(660)	(5,904)	(10,624)
Taxes, premiums & expenses paid	41	12	665	718
Fair value of Fund assets at end of the year	13,886	590	115,502	129,978
At 30 June 2021				
Fair value of Fund assets at beginning of the year	19,936	1,970	112,060	133,966
Interest income	503	45	3,111	3,659
Actual return on Fund assets less Interest income	1,789	139	11,211	13,139
Employer contributions	–	–	19	19
Contributions by participants	197	–	134	331
Benefits paid	(4,657)	(723)	(5,696)	(11,076)
Taxes, premiums & expenses paid	192	(175)	937	954
Fair value of Fund assets at end of the year	17,960	1,256	121,776	140,992

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 18. Defined benefit superannuation schemes continued

c) Reconciliation of the effect of the asset ceiling

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
Adjustment for effect of asset ceiling at beginning of the year	—	—	—	—
Interest on the effect of asset ceiling	—	—	—	—
Change in the effect of asset ceiling	—	—	11,157	11,157
Adjustment for effect of asset ceiling at end of the year	—	—	11,157	11,157

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

d) Fair value of Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity, and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

Asset category	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Short term securities	1,854,969	3,186,223	—	5,041,192
Australian fixed interest	—	244,972	—	244,972
International fixed interest	4,287	1,415,027	20,329	1,439,643
Australian equities	5,893,947	622,584	2,246	6,518,777
International equities	12,002,063	169,289	3,055	12,174,407
Property	—	—	2,362,344	2,362,344
Alternatives	(637)	2,160,192	6,936,165	9,095,720
Total	19,754,629	7,798,287	9,324,139	36,877,055

Level 1 – quoted prices in active markets for identical assets or liabilities. The assets in this level are listed shares; listed unit trusts.

Level 2 – inputs other than quoted prices observable for the asset or liability either directly or indirectly. The assets in this level are cash; notes; government, semi-government and corporate bonds; unlisted trusts where quoted prices are available in active markets for identical assets or liabilities.

Level 3 – inputs for the asset or liability that are not based on observable market data. The assets in this level are unlisted property; unlisted shares; unlisted infrastructure; distressed debt; hedge funds.

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

The percentage invested in each asset class at the reporting date is:

	2022	2021
Short term securities	13.7%	12.2%
Australian fixed interest	0.7%	2.2%
International fixed interest	3.9%	4.2%
Australian equities	17.7%	19.9%
International equities	33.0%	33.2%
Property	6.4%	7.9%
Alternatives	24.6%	20.4%
Total	100.0%	100.0%



Note 18. Defined benefit superannuation schemes *continued*

e) Fair value of the Pooled Fund assets

Of the direct properties owned by the Pooled Fund:

- SAS Trustee Corporation occupies part of a property 100% owned by the Pooled Fund with a fair value of \$362 million (2021: \$328 million); and
- Health Administration Corporation occupies part of a property 50% owned by the Pooled Fund with a fair value (100% interest) of \$540 million (2021: \$443 million).

f) Significant actuarial assumptions

	2022	2021
Discount rate	5.26%	2.98%
Salary increase rate (excluding promotional increases)	Refer (i) below	Refer (i) below
Rate of CPI increase	Refer (ii) below	Refer (ii) below
Pensioner mortality	Refer (iii) below	Refer (iii) below

i) Salary increase rate (excluding promotional increases)

For 2022, a range of assumptions was used as follows:

- 2022/23: 3.15% pa
- 2023/24: 3.62% pa
- 2024/25: 2.87% pa
- 2025/26: 2.74% pa
- 3.2% pa thereafter

For 2021, a range of assumptions was used as follows:

- 2021/22 to 2025/2026: 2.74% pa
- 3.2% pa thereafter

ii) Rate of CPI increase used by independent fund managers

For 2022, a range of CPI increase assumptions was used as follows:

- 2021/22: 4.00% pa
- 2022/23: 5.50% pa
- 2023/24 and 2024/25: 3.00% pa
- 2025/26 and 2026/27: 2.75% pa
- 2.5% pa thereafter

For 2021, a range of CPI increase assumptions was used as follows:

- 2020/21: 1.50% pa
- 2021/22 and 2022/23: 1.75% pa
- 2023/24 to 2025/26: 2.25% pa
- 2026/27: 2.50% pa
- 2027/28: 2.75% pa
- 2028/29: 3.00% pa
- 2029/30: 2.75% pa
- 2.50% pa thereafter

iii) Pensioner mortality

The pensioner mortality assumptions are as per the 2021 Actuarial Investigation of the Pooled Fund. These assumptions are disclosed in the actuarial investigation report available from the trustee’s website. The report shows the pension mortality rates for each age.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 18. Defined benefit superannuation schemes continued

g) Sensitivity analysis

The Corporation's total defined benefit obligation as at 30 June 2022 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 30 June 2022.

Scenarios A to F relate to sensitivity of the total defined benefit obligation to economic assumptions, and scenarios G and H relate to sensitivity to demographic assumptions.

	Base case	Scenario A -0.5% discount rate	Scenario B +0.5% discount rate
Discount rate	As above	As above	As above
Rate of CPI increase	As above	-0.5%pa	+0.5%pa
Salary inflation rate	As above	As above	As above
Defined benefit obligation \$'000	118,311	123,790	113,253
	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Discount rate	As above	As above	As above
Rate of CPI increase	As above	As above plus 0.5% pa	As above minus 0.5% pa
Salary inflation rate	As above	As above	As above
Defined benefit obligation \$'000	118,311	123,760	113,249
	Base case	Scenario E +0.5% salary increase rate	Scenario F -0.5% salary increase rate
Discount rate	As above	As above	As above
Rate of CPI increase	As above	As above	As above
Salary inflation rate	As above	As above plus 0.5% pa	As above minus 0.5% pa
Defined benefit obligation \$'000	118,311	118,553	118,078
	Base case	Scenario G Lower mortality ¹	Scenario H Higher mortality ²
Defined benefit obligation \$'000	118,311	119,422	117,297

1. Assumes the short term pensioner mortality improvement factors for years 2022-2026 also apply for years after 2026.

2. Assumes the long term pensioner mortality improvement factors for years post 2026 also apply for the years 2022 to 2026.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

h) Asset-liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

i) Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually, and funding arrangements may be adjusted as required after each annual review.



Note 18. Defined benefit superannuation schemes *continued*

j) Surplus/deficit

The following is a summary of the 30 June 2022 financial position of the Fund calculated in accordance with AASB 1056 *Superannuation Entities*:

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2022				
Accrued benefits ¹	18,346	1,735	80,028	100,109
Net market value of Fund assets	(13,886)	(590)	(115,502)	(129,978)
Net (surplus) / deficit	4,460	1,145	(35,474)	(29,869)
At 30 June 2021				
Accrued benefits ¹	21,933	2,398	76,820	101,151
Net market value of Fund assets	(17,960)	(1,256)	(121,776)	(140,992)
Net (surplus) / deficit	3,973	1,142	(44,956)	(39,841)

1. There is no allowance for a contribution tax provision within the Accrued Benefits figure for AASB 1056. Allowance for contributions tax is made when setting the contribution rates.

k) Contribution recommendations

There are no recommended contribution rates for the Corporation.

l) Economic assumptions

Economic assumptions adopted for the 30 June 2022 in accordance with AASB 1056 *Superannuation Entities*:

Weighted-Average Assumptions	2022	2021
Expected rate of return on Fund assets backing current pension liabilities	7.0% pa	6.5% pa
Expected rate of return on Fund assets backing other liabilities	6.2% pa	5.7% pa
Expected salary increase rate	Refer (i) below	Refer (i) below
Expected rate of CPI increase	4.8% for 21/22 and 2.5% pa thereafter	2.0% pa

i) Expected salary increase rate

For 2022, a range of assumptions was used as follows:

- 2022/23: 3.15% pa
- 2023/24: 3.62% pa
- 2024/25: 2.87% pa
- 2025/26: 2.74% pa
- 3.2% pa thereafter.

For 2021, a range of assumptions was used as follows:

- 2021/22 to 2025/2026: 2.74% pa
- 3.2% pa thereafter.

AASB 1056 Sensitivity analysis

Scenarios A and B relate to the sensitivity of the Accrued Benefits under AASB 1056 to changes in the expected return on Fund assets.

	Base case	Scenario A -0.5% return	Scenario B +0.5% return
Expected rates of return on Fund assets	7.0% / 6.2%	6.5% / 5.7%	7.5% / 6.7%
Rate of CPI increase	As above	As above	As above
Salary inflation rate	As above	As above	As above
Accrued benefits \$'000	100,109	104,104	96,395

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 18. Defined benefit superannuation schemes continued

m) Expected contributions

No employer contributions are expected to be paid to any of the schemes in the next reporting year.

n) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 10.4 years (2021: 11.8 years).

o) Profit and loss impact

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2022				
Current service cost	206	89	167	462
Net interest	300	53	(268)	85
Profit and loss component of the defined benefit cost	506	142	(101)	547
At 30 June 2021				
Current service cost	289	105	362	756
Net interest	271	43	99	413
Profit and loss component of the defined benefit cost	560	148	461	1,169

p) Other comprehensive income

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2022				
Actuarial gains on liabilities	(5,056)	(726)	(14,722)	(20,504)
Actual return on Fund assets less Interest Income	708	48	4,684	5,440
Change in the effect of asset ceiling	—	—	11,157	11,157
Total remeasurement in Other Comprehensive Income	(4,348)	(678)	1,119	(3,907)
At 30 June 2021				
Actuarial (gains) / losses on liabilities	1,782	299	(1,720)	361
Actual return on Fund assets less Interest Income	(1,789)	(139)	(11,211)	(13,139)
Total remeasurement in Other Comprehensive Income	(7)	160	(12,931)	(12,778)



Note 19. Equity

	Note	2022 \$000	2021 \$000
Contributed equity		165,768	165,768
Asset revaluation reserve	19(a)	110,932	87,435
Retained earnings	19(b)	137,031	123,317
		413,731	376,520

Recognition and measurement

Contributed equity

Ordinary shares are classified as equity.

The *State Owned Corporations Act 1989* requires the Corporation to have two voting shareholding Ministers. Each shareholder must, at all times, have an equal number of shares in the Corporation. At 30 June 2022, the shares were held by the Treasurer (The Hon. Matt Kean, MP) and the Minister for Finance and Small Business (The Hon. Damien Francis Tudehope, MP).

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements resulting from the revaluation of property, plant and equipment.

a) Movements in asset revaluation reserve

	Note	2022 \$000	2021 \$000
Balance at 1 July		87,435	60,223
Revaluation gain on property, plant and equipment	10(c)	33,567	38,875
Income tax equivalent expense on revaluation of property, plant and equipment		(10,070)	(11,663)
Total other comprehensive income		23,497	27,212
Closing balance		110,932	87,435

b) Movements in retained earnings

	Note	2022 \$000	2021 \$000
Balance at 1 July		123,317	98,295
Net profit for the year		30,979	27,077
Superannuation actuarial gains	18(p)	3,907	12,778
Income tax equivalent expense on superannuation actuarial gains		(1,172)	(3,833)
Other comprehensive income		2,735	8,945
Transaction with owners in their capacity as owners			
Dividend declared	17	(20,000)	(11,000)
Closing balance		137,031	123,317

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 20. Fair value measurement of non-financial assets

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

When measuring fair value, the valuation technique used maximises the use of relevant observable inputs and minimises the use of unobservable inputs. Under AASB 13, the entity categorises, for disclosure purposes, the valuation techniques based on the inputs used in the valuation techniques.

a) Fair value hierarchy

The Corporation classifies its non-financial assets into three levels prescribed under the accounting standard AASB 13 *Fair Value Measurement* per below:

	Note	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
At 30 June 2022					
Land and buildings including CIP	10(a)	—	—	369,602	369,602
Roadways and bridges including CIP	10(a)	—	—	13,114	13,114
Wharves, jetties and breakwaters including CIP	10(a)	—	—	44,205	44,205
Investment property ¹	12	—	8,200	—	8,200
Total		—	8,200	426,921	435,121
At 30 June 2021					
Land and buildings including CIP	10(a)	—	—	339,068	339,068
Roadways and bridges including CIP	10(a)	—	—	13,389	13,389
Wharves, jetties and breakwaters including CIP	10(a)	—	—	48,262	48,262
Investment property ¹	12	—	8,000	—	8,000
Total		—	8,000	400,719	408,719

1. Investment Property

The assets contributing to earning rental income and held for capital appreciation are recognised as investment property. The fair value of the investment property was revalued during the year and resulted in a gain of \$0.05 million (2021: a loss of \$0.06 million) recognised in profit or loss in this financial year (refer to note 5). Refer to note 12 for the movement reconciliation. Investment property is disclosed in the fair value hierarchy table above as level 2 because only observable inputs were used in the valuation. Details on the valuation basis and inputs used for the valuation are described in note 12.

There were no transfers between any levels in either year.

The Corporation uses the following hierarchy for disclosing the fair value of non-financial assets by valuation technique:

- **Level 1** – inputs are quoted prices in active markets for identical assets.
- **Level 2** – inputs are observable inputs, either directly or indirectly. Inputs are observable using market data. Adjustments to level 2 inputs include factors specific to the asset, including the condition, location or comparability of the asset.
- **Level 3** – inputs are unobservable inputs. If an observable input requires an adjustment using an unobservable input and that adjustment results in a significantly higher or lower fair value measurement, the resulting measurement is categorised within Level 3 of the fair value hierarchy.

For the recurring fair value measurements categorised within level 3, the reconciliation from opening to closing balances is disclosed in note 10(c) and (e).

b) Valuation techniques, inputs and process

For the non-financial assets classified as level 3 assets (land and buildings, roadways and bridges, wharves, jetties and breakwaters), details on the valuation basis, inputs used for the valuation and process are described in note 10(a).



Note 20. Fair value measurement of non-financial assets *continued*

c) Sensitivity analysis of key unobservable inputs in level 3 of the fair value hierarchy

i) Land

Land is measured using the market approach by reference to several industrial, port related use and special use zoned properties. Its measurement is categorised within level 3 of the fair value hierarchy as its fair value is derived by adjusting an observable market input using an unobservable input. The unobservable input is the application of a discount to the value of the land to reflect restrictions on the use of land due to its zoning and use for port purposes. The value of the land can be heavily discounted, with majority in the range from 45% to 80%. Any change in the discount rate applied impacts directly on the value of the land. A +/- 5% sensitivity of the discount rate would result in the carrying value of the land being varied by \$13.4 million (2021: \$12.1 million).

Buildings and infrastructure

Buildings and infrastructure assets are measured at the current replacement cost of the asset's remaining future economic benefits. These measurements are categorised within level 3 of the fair value hierarchy as their fair values are derived from unobservable inputs.

Buildings

The fair value of the buildings will increase/decrease if the current replacement costs increase/decrease. Current replacement cost is derived from estimates of rate per square metre. Another major unobservable input is the estimate of remaining useful lives of the assets. Any change in the estimates of remaining useful lives impacts directly on the value of the buildings.

A +/- 5% sensitivity on the estimates of the remaining useful lives or estimates of rate per square metre would result in the carrying value of the buildings being varied by \$5.4 million (2021: \$4.9 million).

Infrastructure assets

Infrastructure assets include roadways and bridges, wharves, jetties and breakwaters. The fair value of the infrastructure assets will increase/decrease if the current replacement costs increase/decrease. Replacement cost is derived from estimates of unit rate per square metre. The other major unobservable input is the estimate of remaining useful lives of the assets. Any change in the estimates of remaining useful lives impacts directly on the value of the infrastructure assets.

A +/- 5% sensitivity on the estimates of the remaining useful lives and the estimate of cost per unit times per metre would result in the carrying value of:

- the roadways and bridges being varied by \$0.5 million (2021: \$0.5 million); and
- the wharves, jetties and breakwaters being varied by \$2.1 million (2021: \$2.4 million).

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 21. Financial risk management objectives and policies

The Corporation's principal financial instruments comprise cash, funds on deposit in the TCorpIM Cash Fund, receivables, payables and loans. These financial instruments arise directly from the Corporation's operations or are required to finance the Corporation's operations.

The Corporation's main risks arising from financial instruments are outlined below together with the Corporation's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout the financial statements.

The Corporation manages its exposure to key financial risks, including interest rate, credit and liquidity risks in accordance with the Corporation's risk and treasury management policies. The objective of these policies is to support the delivery of the Corporation's financial targets whilst protecting future financial security. The Corporation has a Memorandum of Understanding (MOU) in place with TCorp to assist with the management of its debt portfolio. TCorp acts as an agent for the Corporation in accordance with the MOU.

The Corporation's Board is responsible for the establishment and oversight of risk management activities and reviews and agrees policies for managing each of these risks. The risk and treasury management policies are established to identify and analyse the risks faced by the Corporation, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Board on a continuous basis.

a) Financial instrument categories

	Note	Category	2022 \$000	2021 \$000
Financial assets				
Cash and cash equivalents	7	Not applicable	30,775	25,240
Trade and other receivables ¹		Debt instrument at amortised cost	16,598	12,081
Lease incentive receivable	8	Debt instrument at amortised cost	5,808	5,117
			53,181	42,438
Financial liabilities				
Trade and other payables ¹		Financial liabilities measured at amortised cost	15,841	14,268
Lease liabilities	11(c)	Financial liabilities measured at amortised cost	6,014	8,904
Borrowings	16	Financial liabilities measured at amortised cost	135,824	148,494
			157,679	171,666

1. Trade and other receivables exclude statutory receivables and prepayments. Trade and other payables exclude statutory payables and unearned income. Therefore, the amounts disclosed above will not reconcile with the statement of financial position.

b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Corporation's exposures to market risk are primarily through the price risks associated with the movement in the unit price of the TCorpIM Cash Fund. The Corporation has no material exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variables is outlined in the information below for interest rate risk and other price risk. A reasonably possible change in risk variables has been determined after considering the economic environment in which the Corporation operates and the time frame for the assessment (i.e., until the end of the next annual reporting period).

The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis was performed on the same basis for both years. The analysis assumes that all other variables remain constant.

i) Interest rate risk

Exposure to interest rate risk arises primarily through the Corporation's borrowings. The balance and composition of the portfolio is governed by a Corporation policy document which requires that the portfolio is appropriately structured to ensure it reflects the forecast borrowing and repayment profile. The policy also limits the type of instruments that can be obtained.

The Corporation did not account for any fixed rate loans at fair value through profit or loss or as available-for-sale. Therefore, for these loans, a change in interest rates would not affect profit or loss or equity.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates. The basis is reviewed annually and amended where there is a structural change in the level of interest rate volatility.



Note 21. Financial risk management objectives and policies *continued*

The Corporation's exposure to interest rate risk is set out below.

	Carrying Amount \$000	Post tax impact on profit \$000	+1% (100 basis points) Equity \$000	Post tax impact on profit \$000	-1% (100 basis points) Equity \$000
At 30 June 2022					
Cash and cash equivalents	30,775	215	215	(215)	(215)
Net exposure	30,775	215	215	(215)	(215)
At 30 June 2021					
Cash and cash equivalents	25,240	177	177	(177)	(177)
Net exposure	25,240	177	177	(177)	(177)

ii) Other price risk – TCorpIM Cash Fund

Exposure to 'other price risk' primarily arises through the investment in the TCorpIM Cash Fund, which is held for strategic rather than trading purposes. The Corporation has no direct equity investments. The Corporation holds units in the TCorpIM Cash Fund. The unit price of the fund is equal to the total fair value of the net assets held by the fund divided by the number of units on issue. Unit prices are calculated and published daily. In the fair value hierarchy, the TCorpIM Cash Fund is classified as Level 2 because prices are observable, however, no active market exists for these funds as they are only accessible to government agencies.

Facility	Investment sectors	Investment horizon	Note	2022 \$000	2021 \$000
TCorpIM Cash Fund	Cash, Money market instruments	Up to 1.5 years	7	28,033	24,722

TCorp is trustee for the above fund and is required to act in the best interest of the unit holders and to administer the trust in accordance with the trust deed. As trustee, TCorp has appointed external managers to manage the performance and risks of the fund in accordance with a mandate agreed by the parties. TCorp has also leveraged off internal expertise to manage certain fixed income assets for the TCorpIM funds. A significant portion of the administration of the funds is outsourced to an external custodian.

TCorp has adopted a new approach of applying a flat 10% sensitivity across all funds, including the above fund, which is consistent with best market practice for investment funds. The fund is designated at fair value through profit or loss and therefore any change in unit price impacts directly on net results. A reasonably possible change is based on the percentage change in unit price, as advised by TCorp, multiplied by the redemption value at 30 June each year for each fund.

Facility	Change in unit price	Post tax impact on profit Higher / (Lower)	
		2022 \$000	2021 \$000
TCorpIM Cash Fund	+/- 10%	1,962	1,730

c) Credit risk

Credit risk arises when there is the possibility of the Corporation's debtors defaulting on their contractual obligations, resulting in a financial loss to the Corporation. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for ECL).

Credit risk arises from the financial assets of the Corporation, which comprise of cash, trade and other receivables. The Corporation has not granted any financial guarantees.

The Corporation considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Corporation may also consider a financial asset to be in default when internal or external information indicates that the Corporation is unlikely to receive the outstanding contractual amounts in full before considering any credit enhancements held by the Corporation. The Corporation did not identify a significant increase in credit risk amid the COVID-19 pandemic.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 21. Financial risk management objectives and policies continued

d) Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its payment obligations when they fall due. The Corporation continuously manages liquidity risk through monitoring future cash flows and maturities planning to ensure an adequate holding of high-quality liquid assets. The aim of liquidity risk management is to ensure that the Corporation has sufficient funds available to meet its obligations both on a day-to-day basis and in the longer term. That is, its aim is to ensure that new funding and refinancing can be obtained when required. Provided that these aims are met, the policy also aims to minimise net finance costs.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Corporation's exposure to liquidity risk is deemed insignificant based on prior years' data and a current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced at reporting date. Amounts owing to suppliers (which are unsecured) are settled in accordance with trade terms. If trade terms are not specified, payment is made within 28 days of recognition.

The maturity profile is based on the remaining contractual maturity period at the reporting date. The nominal amounts are the contractual undiscounted cash flows (including both interest and principal cash flows) of each class of financial liabilities and therefore will not reconcile to the statement of financial position.

The following table summarises the maturity profile of the Corporation's financial liabilities, together with the interest rate exposure.

Interest rate exposure	Weighted average effective interest rate	Carrying value \$'000	Nominal amount \$'000	Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000
At 30 June 2022						
Financial liabilities						
Trade and other payables	N/A	15,841	15,841	—	—	15,841
Lease liabilities	3.02%	6,014	6,420	6,014	—	—
Interest bearing liabilities	3.96% ¹	135,824	155,616	135,824	—	—
		157,679	177,877	141,838	—	15,841
At 30 June 2021						
Financial liabilities						
Trade and other payables	N/A	14,268	14,268	—	—	14,268
Lease liabilities	3.02%	8,904	9,679	8,904	—	—
Interest bearing liabilities	3.85% ¹	148,494	172,528	148,494	—	—
		171,666	196,475	157,398	—	14,268

1. The interest rate is inclusive of an average government guarantee fee of 1.16% (2021: 1.08%) on borrowings from TCorp.

Contractual maturity dates	<1 year \$'000	1-5 years \$'000	>5 years \$'000
At 30 June 2022			
Financial liabilities			
Trade and other payables	15,841	—	—
Lease liabilities	2,707	3,574	139
Interest bearing liabilities	16,814	68,282	70,520
	35,362	71,856	70,659
At 30 June 2021			
Financial liabilities			
Trade and other payables	14,268	—	—
Lease liabilities	3,099	5,943	637
Interest bearing liabilities	16,912	65,168	90,448
	34,279	71,111	91,085



Note 21. Financial risk management objectives and policies *continued*

e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost, except for the TCorpIM Cash Fund, which is measured at fair value. The value of the TCorpIM Cash Fund is based on the Corporation's share of the market value of the underlying assets of the facility.

Except where specified below, the amortised cost of financial instruments recognised in the statement of the financial position approximates the fair value because of the short-term nature of many of the financial instruments.

The following table details the financial instruments where the fair value differs from the carrying amount:

	2022 \$000 Carrying amount	2022 \$000 Fair value	2021 \$000 Carrying amount	2021 \$000 Fair value
Financial liabilities				
NSW Tcorp borrowings	135,824	128,682	148,494	159,299

The fair values have been calculated by discounting the expected future cash flows at prevailing market rates varying from 2.520% to 4.282% (2021: from 0.096% to 1.870%).

f) Fair value recognised in the statement of financial position

The Corporation uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 – Derived from quoted prices in active markets for identical assets/ liabilities.

Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – Derived from valuation techniques that include inputs for the asset/ liability not based on observable market data (unobservable input).

The fair values of the financial instruments as well as the method used to estimate the fair value are summarised in the table below.

Financial assets at fair value		Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
TCorpIM Cash Fund	2022	–	28,033	–	28,033
TCorpIM Cash Fund	2021	–	24,722	–	24,722

No financial liabilities were measured at fair value in the statement of financial position at 30 June 2022 and 30 June 2021.

There were no transfers between Level 1 and 2 during the year.

g) Capital management

The Corporation manages its capital to ensure it will be able to continue as a going concern, while maximising the return to stakeholders through optimisation of the debt and equity balance.

The Board reviews and agrees policies for managing the capital structure when considering each major project investment and following consultation with NSW Treasury in-line with *Capital Structure and Financial Distribution Policy for Government Businesses* (TPG21-10). In order to maintain or adjust the capital structure, the Corporation may adjust the amount of dividends paid to shareholders.

The gearing ratios at 30 June 2022 and 30 June 2021 were as follows:

Gearing ratio	Note	2022 \$000	2021 \$000
Total debt	16	141,838	157,398
Total debt and total equity		555,569	533,918
Gearing ratio		25.53%	29.48%

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 22. Commitments

a) Capital expenditure commitments

Forward obligations under major contracts committed at 30 June 2022 but not otherwise brought to account have been assessed at \$33.2 million including GST (2021: \$44.2 million). The \$33.2 million includes GST input tax credits of \$3.0 million that are expected to be recoverable from the Australian Taxation Office (ATO).

Capital commitments contracted at balance date, for the Corporation, are as follows:

	2022 \$000	2021 \$000
Not later than one year	21,256	22,257
Later than one and not later than five years	11,976	21,937
Later than five years	—	—
Total including GST	33,232	44,194

b) Operating lease commitments – as lessor

The future minimum lease receivable under non-cancellable operating leases as at the statement of financial position date not recognised in the financial statements are receivable as follows:

Receivable	2022 \$000	2021 \$000
Not later than one year	19,245	20,267
Later than one and not later than five years	55,101	57,765
Later than five years	52,464	62,079
Total including GST	126,810	140,111

The above total includes GST output tax of \$11.5 million (2021: \$12.7 million) that is expected to be paid to the ATO. These lease receivables relate to property leases with remaining terms of between 1 and 18 years.

Leasing arrangements

All receivable leases are entered into at commercial rates and terms. Regular market valuations and tendering processes are carried out to ensure commercial arrangements are maintained.

c) Operating lease commitments – as lessee

The future minimum lease payments under non-cancellable operating leases as at the statement of financial position date not recognised in the financial statements are payable as follows:

Payable	2022 \$000	2021 \$000
Not later than one year	7	17
Later than one and not later than five years	6	14
Later than five years	5	9
Total including GST	18	40

The above total includes GST input tax credits of \$0.002 million (2021: \$0.004 million) that are expected to be recoverable from the ATO. The expenditure commitment relates to either low value or short-term rental of land and computing equipment.



Note 23 Contingencies

Contingent liabilities

The Corporation identified in the prior financial year an incorrect interpretation of the leave taken on a public holiday under the *Fair Work Act 2009 (Cth.)* (FW Act) and the *Long Service Leave Act 1955 (NSW)*. This issue impacts staff under the Enterprise Agreement that were rostered to work on a public holiday but took leave instead. The FW Act provides that the leave taken should be recognised as public holiday leave. This update will result in the correction of leave balances processed for current employees from the commencement of employment and a payment to staff who have left the Corporation's employ immediately within the last 6 years when the issue was identified. A total \$1.5 million adjustment (2022: \$0.5 million; 2021: \$1.0 million) to account for both existing and employees who have left the employment of the Corporation was reflected in both financial years. Through this review the Corporation identified a number of other issues that have the potential to result in the correction of leave balances and payments to staff who have left the Corporation's employ immediately within the last 6 years when the issue was identified. The Corporation is still conducting an internal review of these issues to determine if there is any financial impact. It is not able to reliably estimate the potential impact, however the preliminary review suggests that the financial impact, if any, is not significant.

The Corporation is subject to various actual and pending business claims arising from normal business operations. It has regular reviews, including updates from internal and external legal counsel, to assess the requirement for the accounting recognition and disclosure of these contingencies. At the date of this report, apart from the matters disclosed in this note, the Corporation is not aware of any circumstance that is considered not remote or able to be reliably measured.

Contingent assets

The Corporation did not identify any significant contingent assets.

Note 24. Consultancy fees

Consultancy fees refer to fees paid to a consultant in relation to services engaged under contract on a temporary basis to provide recommendations or high-level specialist or professional advice to assist decision-making by management.

Total fees paid and payable to consultants was nil in both years.

Note 25. Related party disclosures

Ultimate parent

The New South Wales Government is the ultimate parent of the Corporation.

a) Key management personnel

The Corporation defines key management personnel as those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly and indirectly. They include the Corporation's board members, portfolio ministers or equivalent, shareholding ministers, the chief executive and the executive team.

Compensation for key management personnel

Benefits	2022 \$000	2021 \$000
Short term employee benefits	3,955	3,684
Post-employment benefits	303	284
Other long-term benefits	—	—
Termination benefits	—	635
Total	4,258	4,603

Directors' remuneration includes emoluments and other benefits paid, or due and payable, to Directors. Included in the above is the Directors' remuneration \$0.4 million (2021: \$0.3 million). An increase in the remuneration is due to the appointment of the new Board directors to fill vacancies.

During the year the Corporation did not enter into any disclosable transactions with key management personnel, their close family members and controlled and jointly controlled entities thereof.

Notes to the financial statements continued

FOR THE YEAR ENDED 30 JUNE 2022

Note 25. Related party disclosures continued

b) NSW Government-related entities

During the year, the Corporation entered into transactions with NSW Government related entities that are controlled, jointly controlled, or significantly influenced by NSW Government. These transactions in aggregate are a significant portion of the Corporation financial results. They are all arm's length transactions in the ordinary course of the business of the Corporation.

The following arm's length transactions have been identified as individually significant for disclosure in the financial statements.

Related Entity	Note	Transaction	Transaction Value ¹	
			2022 \$000	2021 \$000
Transport for NSW	4	Expense for channel fee	5,679	4,852
		Mainly rental income for various leases	2,592	2,919
Sydney Metro		Rental income for various leases	5,295	3,938
Infrastructure NSW		Rental income for various leases	2,209	151
TCorp		Interest expenses	4,009	4,131
Insurance and Care NSW	3	Business interruption claims	47,185	52,000
NSW Treasury		Government guarantee fees	1,578	1,607

1. Transaction value excludes GST.

Related Entity	Note	Transaction	(Payable) / Receivable	
			2022 \$000	2021 \$000
TCorp	16(a)	Interest-bearing liabilities	(135,824)	(148,494)
		Accrued interest	(1,139)	(1,371)
	7	TCorpIM Cash Fund	28,033	24,722
NSW Treasury		Government guarantee fee payable	(1,578)	(1,607)
Sydney Metro		Rent receivable	1,201	393
Transport for NSW		Channel fee payable	(1,056)	(2,209)

Note 26. Events after the reporting period

Management is not aware of any other significant events occurring after the balance sheet date requiring disclosure.

Independent auditor's report

FOR THE YEAR ENDED 30 JUNE 2022



INDEPENDENT AUDITOR'S REPORT

Newcastle Port Corporation (trading as Port Authority of New South Wales)

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of the Newcastle Port Corporation (the Corporation), which comprise the Statement by the Accountable Authority (the Director's Declaration), the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Corporation's financial position, financial performance and cash flows

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Corporation in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent auditor's report continued

FOR THE YEAR ENDED 30 JUNE 2022

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements for the year ended 30 June 2022. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon. I do not provide a separate opinion on these matters.

Key Audit Matter	How my audit addressed the matter
<p>Impairment of property, plant and equipment</p> <p>At 30 June 2022, the Corporation's Statement of Financial Position reported \$502 million in property, plant and equipment (PPE). This is measured at fair value using the market and cost approach valuation techniques less any impairment.</p> <p>The Corporation calculates the PPE's 'value in use' to measure the extent of any impairment loss. The 'value in use' is based on a discounted cash flow (DCF) model.</p> <p>I consider this to be a key audit matter because:</p> <ul style="list-style-type: none"> • PPE is financially significant to the Statement of Financial Position • the DCF model used for impairment assessment is complex and involves significant judgements and assumptions • changes in assumptions, such as the discount rate, terminal value, demand growth expectations, price and cost assumptions, can significantly affect the carrying value of PPE. <p>Further information on the valuation techniques, inputs and sensitivity for PPE is disclosed in Note 10.</p>	<p>Key audit procedures included the following:</p> <ul style="list-style-type: none"> • obtained an understanding of management's approach to assessing impairment of PPE • reviewed whether the DCF model: <ul style="list-style-type: none"> – incorporated all key assumptions and inputs relevant to assessing impairment of PPE and – met the requirements of the Australian Accounting Standards • reviewed the reasonableness of the key assumptions and sensitivity of the conclusions to changes in the assumptions • reviewed the calculation in the DCF model.

The Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors is responsible for assessing the Corporation's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.



Independent auditor's report continued

FOR THE YEAR ENDED 30 JUNE 2022

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar6.pdf. The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Corporation carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Lawrissa Chan
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

7 September 2022
SYDNEY

Statement of land holdings

FOR THE YEAR ENDED 30 JUNE 2022

Land is disclosed in the financial statements under the asset grouping "Land and buildings" within "Property, plant and equipment". In the following summary, land has been separated from buildings and other non-current assets to show land value in terms of the statement of financial position valuations.

At fair value	2022 \$000
Land and buildings	
Land	261,118
Buildings	103,114
Total land and buildings	364,232
Other	
Roadways and bridges	13,114
Wharves, jetties and breakwaters	35,880
Plant	67,247
Construction in progress	21,371
Total other	137,612
Total property, plant and equipment at fair value	501,844



Statutory disclosures



Statutory disclosures

Charter, aims and objectives

Newcastle Port Corporation was constituted under section 6 of the *Ports and Maritime Administration Act 1995* (NSW) (PAMA Act) and adopted the trading name Port Authority of New South Wales (Port Authority) in July 2014.

Port Authority's principal objectives are set out in section 9 of the PAMA Act and are:

- to be a successful business, and to this end:
 - operate at least as efficiently as any comparable business,
 - maximise the net worth of the State's investment in the port corporation, and
 - exhibit a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate those interests when able to do so,
- to promote and facilitate trade through its port facilities,
- to ensure that its port safety functions are carried out properly,
- to promote and facilitate a competitive commercial environment in port operations, and
- to improve productivity and efficiency in its ports and the port-related supply chain.

Port Authority's principal functions are set out in section 10 of the PAMA Act and are to:

- establish, manage and operate port facilities and services in its ports,
- exercise the port safety functions for which it is licenced in accordance with its operating licence, and
- facilitate and co-ordinate improvements in the efficiency of the port-related supply chain.

Guarantee of service – Port Safety Operating Licence

Under section 12(2) of the PAMA Act, the NSW Government has granted a Port Safety Operating Licence (PSOL) to Port Authority.

The PSOL is issued by the Minister for Transport, and requires Port Authority to carry out port safety functions which include:

- monitoring of channel and berth depths
- administering regulations concerning dangerous goods
- operation of navigation aids
- pilotage and exemptions from pilotage
- port communications
- emergency response
- investigations of oil and chemical spills
- vessel arrival systems
- maintaining a towage licence system for the ports of Botany Bay, Sydney Harbour, Newcastle, Port Kembla and Eden.

The PSOL is for a five-year term (which commenced 19 December 2018 and remains in force until 31 December 2023). Following a detailed review conducted jointly by Transport for NSW and Port Authority, the Minister for Transport approved a variation to the PSOL effective 1 July 2022 to address changes in legislation and other administrative matters.

The PSOL provides for a port-specific quality assurance system, including the requirement to maintain port management systems specific to each port which are audited on an annual basis. The PSOL also requires Port Authority to maintain authorisation as a Vessel Traffic Service (VTS) Authority in the ports of Sydney Harbour, Port Botany and Port Kembla and achieve authorisation as a VTS Authority in the Port of Newcastle during the term of the PSOL.

Under the PSOL, the various port operations exercise and manage port safety functions within the port limits. For the Sydney port operation, this encompasses the port areas of Sydney Harbour and Botany Bay. The Newcastle port operation exercises the port safety functions within Newcastle Harbour and Yamba, and the Port Kembla port operation exercises port safety functions within Port Kembla and Port of Eden. All performance standards of the PSOL were complied with in 2021-2022.

Relevant legislation

Port Authority is a statutory state-owned corporation established under the *State Owned Corporations Act 1989* (NSW) and PAMA Act, and operates in accordance with those Acts and associated regulations.

Other significant legislation (and associated regulations) affecting Port Authority include:

- *Biosecurity Act 2015* (Cth)
- *Environmental Planning and Assessment Act 1979* (NSW) (through Part 5 of the Act and the State Environmental Planning Policy (Planning Systems) 2021)
- *Government Sector Finance Act 2018* (NSW)
- *Marine Safety Act 1998* (NSW)
- *Marine Pollution Act 2012* (NSW)
- *Maritime Transport and Offshore Facilities Security Act 2003* (Cth)
- *Ports Assets (Authorised Transactions) Act 2012* (NSW)
- *Protection of the Environment Operations Act 1997* (NSW)
- *Work Health and Safety Act 2011* (NSW)
- Government Sector Finance Regulations 2018
- *Public Authorities (Financial Arrangements) Act*
- *Fair Work Act 2009*.

Port Authority is also subject to a wide variety of other legislation that provides rights to, and imposes obligations on, state owned corporations. These rights and obligations affect Port Authority's governance processes and its commercial and operational activities.



Statutory disclosures continued

Changes in Acts and subordinate legislation

The Ports and Maritime Administration Regulation 2021 (NSW) (the Regulation), commenced on 13 August 2021. A significant change in the Regulation is from 1 September 2021 the management of dangerous goods in ports is to be administrated by Part 7 of the Regulation which replaces Schedule 18(b) of the Work Health and Safety Regulation 2011.

The Biosecurity (Human Biosecurity Emergency) (Human Coronavirus with Pandemic Potential) (Emergency Requirements for Cruise Ships) Determination 2020 (Cth), which had been in place since 18 March 2020, imposed restrictions on the entry of cruise ships into Australian territory and Australian ports in response to the global COVID-19 pandemic. The Australian Government extended the human biosecurity emergency period under the *Biosecurity Act 2015* (Cth) to April 2022. This determination expired 17 April 2022, effectively lifting the ban on cruise ships entering Australian ports.

The NSW Government made several public health orders in response to COVID-19, imposing quarantine requirements on persons arriving in NSW on vessels that had come from a port outside of NSW. The Public Health (COVID-19 Maritime Quarantine) Order 2021 (No 4), commenced 27 November 2021 and was repealed effective 23 February 2022. This order was replaced by Public Health (COVID-19 Air and Maritime Arrivals) Order (No 1) which commenced 23 February 2022, and subsequently Public Health (COVID-19 Air and Maritime Arrivals) Order (No 2) which removed the quarantine requirement for unvaccinated international air and maritime arrivals. Order No 2 was repealed as of 21 June 2022.

After amendments passed by both houses of Parliament in November 2021, the *Modern Slavery Act 2018* (NSW) commenced on 1 January 2022. The NSW Act establishes an Anti-slavery Commissioner and introduced new offences. The key change for state owned corporations is in relation to compliance with reporting obligations under the *Modern Slavery Act 2018* (Cth) (Cth Act). As a state-owned corporation already obliged to submit modern slavery statements under the Cth Act, Port Authority must continue to do so, and must publish a copy of the statement on its website after it is lodged with the Minister under the Cth Act. Port Authority must also notify the Anti-slavery Commissioner that the statement has been published.

Under section 13(1) of *Maritime Transport and Offshore Facilities Security Act 2003* (Cth) (MTOFSA), the Secretary of the Department of Home Affairs revoked the previous declaration and made a new declaration declaring the Port of Eden to be a security regulated port. In addition, the Secretary established new port security zones within the Port of Eden under section 102(1) of MTOFSA.

In accordance with section 15(2)(b) of the *Customs Act 1901* (Cth), the Comptroller-General of Customs revoked the previous 1998 notice and issued a new notice setting the boundaries of the boarding station within the Port of Newcastle.

Economic or other factors affecting achievement of operational objectives

The Corporation continued to be impacted by Federal and State Government COVID-19 restrictions with the temporary ban on the entry of cruise ships in place for most of the year. The ban was lifted on 17 April 2022 and cruise activity out of Sydney resumed on 31 May 2022.

The state lockdowns following the Delta outbreak between June 2021 and November 2021 saw restaurants, events and car park operations at the Overseas Passenger Terminal (OPT) shut, then resume at reduced capacity. In line with state directives, rent abatements were offered to the tenants and some event deposits were refunded.

Other contributing factors during the financial year included the downturn in oil import trade at Port Botany as international flights were grounded and demand for transportation and industry also reduced, containership activity at Port Botany under-performed throughout most of the financial year due to disruptions and pressures on the supply chain and delays were experienced in program deliveries due to material supply shortages and general increases in construction costs.

The impact of the war between Russia and Ukraine in February 2022 on the operation of Port Authority is not yet as clear as COVID can be reasonably assumed to have contributed to supply chain delays and rising inflation, particularly with respect to higher energy prices.

Performance relative to the Statement of Corporate Intent

Port Authority's financial performance for the reporting period was favourable compared to the key targets set in its 2021-22 Statement of Corporate Intent.

The variance in 2021-22 is predominantly due to the assumption that the cruise ban would end by 17 September 2021, however, the ban formally ended on 17 April 2022. In effect, the additional unbudgeted eight-month cruise ban during the peak cruise season has resulted in the business interruption insurance payment offsetting the losses from the budgeted activity. Container trade in terms of ship arrivals continued to be affected by logistic chain disruptions from COVID on top of much reduced bulk jet fuel shipments during international border closures.

In addition, a favourable variance in operating expenditure due to management's conscious effort on reducing and or deferring discretionary costs when normal trade activities are impacted by COVID. The variance is made up of timing differences in filling vacant positions, a reduction in discretionary spending, permanent differences associated with the future planning for the Bays Port precinct, sustainability initiatives, lower general maintenance costs at most precincts and lower channel fees due to lower navigation revenue.

Earnings before interest, taxes, depreciation, and amortisation (EBITDA) for the year were \$64.1 million compared with a budget of \$34.6 million.

Statutory disclosures continued

Exemptions for the reporting period provisions

Exemptions for the reporting period provisions

The Annual Reports (Statutory Bodies) Regulation 2015 (ARSBR) requires a statutory body to include in its annual report statements of all exemptions, omissions, modifications and variations from reporting provisions which have been granted by the Treasurer which apply to the statutory body.

As a statutory body in competition, the Corporation is exempt from some areas of the *Annual Reports (Statutory Bodies) Act 1984* (ARSBA) and the ARSBR.

Reporting exemptions

Exemptions	Number of applications
Budgets: outline and details	Clause 7 ARSBR
Research and Development	Schedule 1 ARSBR
Human Resources	Schedule 1 ARSBR
Land Disposal	Schedule 1 ARSBR
Payment of Accounts	Schedule 1 ARSBR
Time for Payment of Accounts	Schedule 1 ARSBR

Exemptions that require reporting in a summarised form

Requirements	Legislative source of requirements
Summary Review of Operations	Clause 7 section 7(1)(a)(iv) ARSBA and Schedule 1 ARSBR
Management and Activities	Schedule 1 ARSBR
Consultants	Schedule 1 ARSBR
Consumer Response	Schedule 1 ARSBR
Disclosure of Controlled Entities	Schedule 1 ARSBR
Report on Risk Management and Insurance Activities	Schedule 1 ARSBR

These exemptions, omissions, modifications and variations have been approved by NSW Treasury and are based on, amongst other things, commercial sensitivities. There have otherwise been no exemptions, omissions, modifications or variations for the reporting period.

Response to significant issues raised by the Auditor General

There were no significant issues raised by the Auditor General in the 2020-21 financial year audit.

Port Authority of New South Wales' response to any significant issues raised by the Auditor General in the 2021-22 financial year audit will be included in the 2022-23 Annual Report.



Statutory disclosures continued

Government Information (Public Access) Act 2009

Port Authority is required to report annually on its obligations under the *Government Information (Public Access) Act 2009* (NSW) (the Act). The following information is required to be reported under the Act for the period 1 July 2021 to 30 June 2022.

During the reporting period, Port Authority received six formal access applications and one application was in progress from the previous year (2020-2021).

Therefore, Port Authority decided seven applications during the year, generally consistent with the previous year 2020-21 (eight applications). The applications were primarily related to shipping information. Port Authority also:

- consulted with other agencies on five applications under the Act
- consulted with Australian Department of Health on a Freedom of Information application
- declined to accept one proposed transfer from the Department of Planning and Environment as the information was held by Transport for NSW not Port Authority
- responded to ten informal applications of varying complexity.

While all applications were determined to be released either fully or in part, two of the applicants did not collect the information released within the six-month access window.

Port Authority also launched a dedicated email address for access to information applications under the *Privacy and Personal Information Protection Act 1998*: access2info@portauthoritynsw.com.au

The following tables include statistics as required by Schedule 2 of the Government Information (Public Access) Amendment Regulation 2010.

Table A: Number of applications by type of applicant and outcome¹

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	1	0	0	0	0	0	0
Private sector business	1	2	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	1	2	0	0	0	0	0	0
Members of the public (other)	0	0	0	0	0	0	0	0

1. More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Personal information applications ¹	0	0	0	0	0	0	0	0
Access applications (other than personal information)	2	4	0	0	0	0	0	0
Access applications partly personal information and partly other	0	1	0	0	0	0	0	0

1. A 'personal information application' is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Statutory disclosures continued

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	5
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	5
Invalid applications that subsequently became valid applications	2

Table D: Conclusive presumption of overriding public interest against disclosure

Matters listed in Schedule 1 of the Act	Number of times consideration used ¹
Overriding secrecy laws	0
Cabinet information	1
Executive Council information	0
Contempt	0
Legal professional privilege	1
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

1. More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure.

Matters listed in section 14 of the Act	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	6
Decided after 35 days (by agreement with applicant)	1
Not decided within time (deemed refusal)	0
Total	7



Statutory disclosures continued

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision Varied	Decision Upheld	Total
Internal review	0	0	0
Review by Information Commissioner ¹	0	0	0
Internal review following recommendation under section 93 of the Act	0	0	0
Review by Administrative Decisions Tribunal	0	0	0
Total	0	0	0

1. The Information Commissioner does not have the authority to vary decisions but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applicants	0
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Table I: Applications transferred to other agencies under Division 2 of Part 4 of the Act (by type of transfer)

	Number of applications transferred
Agency-initiated transfers	0
Applicant-initiated transfers	0

Public interest disclosures

Under section 6D of the Public Interest Disclosures Act 1994 (NSW), public authorities are required to have a policy and procedures for receiving, assessing and dealing with public interest disclosures (PIDs). Pursuant to Clause 4 of the Public Interest Disclosures Regulation 2011 (NSW), the information below must be included in a public authority’s Annual Report.

Public interest disclosures: 1 July 2021– 30 June 2022

Number of public officials who made PIDs	0
Number of PIDs received	0
Number of PIDs received primarily about:	
Corrupt conduct	0
Maladministration	0
Serious and substantial waste	0
Government information contravention	0

Corporate governance

Good corporate governance creates and sustains an ethical and legal environment which recognises the interests of all stakeholders in a corporation.

The Board of Port Authority is responsible for overall corporate governance of the Corporation and has adopted corporate governance practices and procedures that are appropriate to manage Port Authority in the best interests of the Voting Shareholders and other stakeholders.

Port Authority complies with the recommendations in the *NSW Treasury Guidelines for Governing Boards of Government Businesses*. This report outlines Port Authority’s governance practices during 2021-22.

Statutory disclosures continued

Role of the Board

The Board is responsible for overseeing the business and commercial affairs of Port Authority including:

- approving business and financial strategy
- approving the business and financial objectives
- monitoring business and financial performance
- reviewing performance and remuneration of executive management
- reviewing the risk management and internal control framework
- recommending to the Portfolio Minister the appointment and removal of the Chief Executive Officer
- reviewing any reporting to voting shareholders.

The Chief Executive Officer is responsible for the day-to-day management of the operation of Port Authority in accordance with the general policies and specific directions of the Board. It is the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The Board's role and responsibilities to each key stakeholder are set out in *Port Authority's Board Charter* in the Corporate Governance section of the [Port Authority website](#).

Board committees

To assist the Board in discharging its functions and allow a more detailed analysis of the specialised areas of finance, risk, audit, remuneration, human resources and governance, the following committees were operational during 2021-22:

- Audit and Risk Committee
- People and Culture Committee
- Nominations Committee.

Each committee has a charter setting out its roles, responsibilities and delegated authority from the Board. The Board Charter and all Board Committee Charters are reviewed and updated regularly.

Audit and Risk Committee

The Chair of the Audit and Risk Committee on 30 June 2022 was Matthew Irwin, an independent non-executive Director (not Chair of the Board). Other members of the Committee on 30 June 2022 were David Marchant, Kirsten Molloy and Justine Jarvinen, who were each independent, non-executive Directors.

The Audit and Risk Committee was established by the Port Authority Board on 1 July 2014. Each member of the Committee is financially literate and has knowledge of the business.

Matthew Irwin has qualifications and experience in accounting. The Board considers the mix of skills and experience on the Audit and Risk Committee appropriate to meet the responsibilities of its Charter.

The Committee is responsible for oversight and review of:

- financial control and reporting
- risk management
- debt structure and debt instruments
- business ethics, policies and practices
- accounting policies
- internal controls
- compliance with applicable laws and regulations
- business continuity planning
- integrity and performance of the internal audit function, including appointing the internal auditor
- external auditor's audits, management letters and management's responses.

The Committee provides a forum for communication between the Board, senior management and both the internal and external auditors.

The Committee met five times during 2021-22. A copy of the Audit and Risk Committee Charter is available in the Corporate Governance section of the Port Authority website.

People and Culture Committee

The Chair of the People and Culture Committee on 30 June 2022 was Zorana Bull, an independent non-executive Director (not Chair of the Board). The other members of the Committee on 30 June 2022 were David Marchant, Kirsten Molloy and Andrew Scipione and Justine Jarvinen, also independent, non-executive Directors.

The People and Culture Committee was established by the Port Authority Board on 1 July 2014. The Committee is responsible for assisting the Board in fulfilling its corporate governance responsibilities regarding:

- overall remuneration strategy and remuneration policies for the Chief Executive Officer and Executive Management
- performance of the Chief Executive Officer and Executive Management
- employment terms and conditions of the Chief Executive Officer and Executive Management
- human resources (HR) management practices including succession planning, talent development and employee engagement
- diversity and culture programs
- workplace relations and industrial relations issues.

During 2021-22, the People and Culture Committee considered and recommended to the Board the Corporate Goals results for the 2020-21 year and the Corporate Goals for 2021-22 and reviewed and evaluated the performance of the Chief Executive Officer and the Executive Management team against agreed performance goals for the 2020-21 year. The Committee oversaw HR management including workforce planning and progress against strategic initiatives, HR metrics, diversity matters, complaints and grievances. It received updates on enterprise agreements, the status of actions arising from an employee survey, the progress of a payroll audit and a policy review. It also reviewed the Committee Charter.

The Committee met four times during 2021-22. A copy of the People and Culture Committee Charter is available in the Corporate Governance section of the Port Authority website.



Statutory disclosures continued

Nominations Committee

The Chair of the Nominations Committee on 30 June 2022 was David Marchant. David is an independent non-executive Director and Chair of the Board. Other members of the Committee on 30 June 2022 were Zorana Bull and Matthew Irwin, who were each independent, non-executive Directors.

The Nominations Committee was established by the Port Authority Board on 1 July 2014.

The Committee meets on an as-required basis and is responsible for assisting the Port Authority Board in fulfilling its corporate governance responsibilities regarding Board composition.

This includes assessing the skills and experience of Directors; ensuring Directors have the appropriate mix of competencies and identifying skills and experience to fill those gaps; and overseeing the induction and continuing education of Directors.

The Committee met once during 2021-22. A copy of the Nominations Committee Charter is available in the Corporate Governance section of the Port Authority website.

Code of Conduct

Port Authority's Code of Conduct outlines ethics and acceptable standards of professional behaviour expected of all directors and employees. Port Authority's Supplier Code of Conduct outlines general business ethics and acceptable standards of behaviour expected of Port Authority's contractors, suppliers and subcontractors.

The Codes cover personal and professional behaviour, fraud and corruption responsibilities including policies on accepting of gifts and benefits, ethics and conflicts of interest requirements.

Business unit managers provide a quarterly response that they have undertaken a review of the fraud and corruption plan and a review of the controls in place, and that the controls remain current and relevant. The business unit managers also provide written confirmation that they are not aware of any matters within their team that may be considered fraudulent or corrupt.

Additionally, employees are encouraged to report any suspected breaches of the Code, and those who do are protected as outlined in the Internal Reporting Policy.

The Code of Conduct is available to all employees on Port Authority's intranet. It works alongside other more detailed policies including the Fraud and Corruption Policy, Disciplinary Policy and Internal Reporting Policy.

The current Code of Conduct was implemented in 2022, after review by each Consultative Committee and approval by the Board and Executive. Conflicts of Interest and Secondary Employment procedures were introduced in 2018-19 to support and clarify requirements of the Code of Conduct.

Any significant breaches of the Code of Conduct must be reported immediately to the Chair.

The Code of Conduct is available in the Corporate Governance section of the Port Authority website.

Risk management

Port Authority has adopted an enterprise-wide and integrated risk-management approach consistent with the Australian/New Zealand Standard of Risk Management (AS/NZS/ISO 31000:2009).

Risks are considered and assessed at different levels within the organisation, across functions and activities. All risk assessments, including the risk identification, controls, likelihood, consequence, and controlled risk rating are documented consistently across Port Authority.

Port Authority of New South Wales ('Port Authority') Enterprise Risk Management Framework outlines Port Authority's approach to managing risk throughout the organisation. It aims to:

- support effective decision-making and achievement of organisational goals
- ensure compliance with regulatory requirements
- ensure a consistent and effective approach to risk management while allowing innovation and development
- assist in identifying opportunities and strategies to improve the management of key risks
- provide an evaluation of the adequacy of existing controls over risks
- foster and encourage a risk-aware culture where risk management is embedded across all operations and seen as a positive attribute of decision-making rather than a corrective measure.

Port Authority's Enterprise Risk Management Framework with oversight and reporting to the Audit and Risk Committee includes the following:

- Risk Appetite Statement (including tolerances established by the Board)
- Risk Management Policy
- Risk Management Procedure
- Strategic, Operational and Project Risk Registers
- Compliance Policy
- Compliance Register
- Rolling three-year internal audit plan.

A major review of the Risk Appetite Statement in line with the Port Authority's latest strategic framework was undertaken by the Board. Following this review, the Strategic Risk Register was updated to align with the revised Risk Appetite Statement and the consequences matrix and table was refreshed.

During the year the Business Continuity Management Framework, Business Continuity Management Plan, Incident Management Procedure, Crisis Management Plan and Disaster Recovery Plan were reviewed and updated including ensuring alignment to the revised Risk Appetite Statement.

Statutory disclosures continued

Insurance activities

Port Authority holds insurance policies with iCare (the NSW Government insurance provider) for Port Authority's general insurance: Motor Vehicle, Property and Assets, Liability (including Directors' and Officers' Liability Coverage), Worker's Compensation and Miscellaneous.

Port Authority holds additional cover with TT Club, which specialises in international transport and logistics (including Marine) in the form of Landlord insurance, and Group Life and Group Salary Continuance with Howden Insurance Brokers (Australia) Pty Ltd.

The organisation's insurance cover is reviewed annually to ensure coverage is appropriate. That review, and renewal of insurance, is referred to the Audit and Risk Committee and approved by the Board.

Insurance activities include notifying insurers as new projects are initiated (to ensure coverage is maintained) and briefing the Audit and Risk Committee and Board on significant incidents and claims.

Land disposal

Port Authority did not dispose of any land assets of value greater than \$5 million during the period 1 July 2021 to 30 June 2022.

Board composition

Under the *State-Owned Corporations Act 1989* (NSW), the Port Authority Board is required to have a minimum of three and a maximum of seven Directors.

The Voting Shareholders appoint the Chair, who, at 30 June 2022 was David Marchant. David was an independent Director and his role was clearly separated from the role of the Chief Executive Officer, Philip Holliday. David was appointed as Chair of the Port Authority Board effective 1 April 2022, having been first appointed as a Director of Port Authority on 31 March 2021.

The Chair is responsible for leading the Board and facilitating its effective functioning.

Chief Executive Officer

Philip Holliday was appointed as Chief Executive Officer of Port Authority effective 18 December 2019. He was previously the Chief Operating Officer and Harbour Master, Sydney.

As set out in the *State-Owned Corporations Act 1989* (NSW), the Chief Executive Officer was appointed by the Governor of New South Wales on the recommendation of the Portfolio Minister, following a recommendation from the Board.

The Chief Executive Officer is responsible for the day-to-day management of the operation of Port Authority in accordance with the general policies and specific directions of the Board.

Philip Holliday was separately appointed as a Director on 27 November 2019.

Board independence

All Directors are expected to exercise independent judgment when making Board decisions. The approach and attitude of each non-executive Director is critical to determining independence and this must be considered in relation to each Director, while deliberating all other relevant factors.

This will include an assessment against the independence recommendations in the NSW Treasury Guidelines for Governing Boards of Government Businesses. These cover whether the Director:

- is employed, or has been employed in an executive capacity by the business, and there has not been a period of at least three years between ceasing that employment and serving on the Board
- has, within the last three years, been a partner, director or senior employee of a provider of material professional services to the business
- has, within the last three years, been in a material business relationship with the entity, or an officer of or otherwise associated with, someone in such a relationship
- has a material contractual relationship with the business other than as a Director of the business
- has close family ties with any person who falls within any of these categories
- has been a Director of the entity for such a period (10 years or greater) that his or her independence may have been compromised.

Note: 'Material' means greater than five per cent of the Corporation's gross revenues.

The independence of each Director is reviewed on a regular basis to ensure circumstances that may affect the independent status of a Director have not changed.

Philip Holliday, as both a Director and the Chief Executive Officer, is not considered independent. All other Directors are considered independent.



Statutory disclosures continued

Access to information and independent professional advice

Each Director has the right of access to all Port Authority's information and employees. Further, the Board and each individual Director, subject to informing the Chair, has the right to seek independent professional advice from a suitably qualified advisor. Advice can be sought to assist Directors in carrying out their responsibilities and is at Port Authority's expense. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

Conflict of interest

Port Authority maintains a register which records any interests of Directors that may potentially conflict with their duties as a Director of Port Authority, including other board positions.

Directors are required to update this register on an ongoing basis as circumstances change. In relation to specific Board decisions, the Board complies with Clause 2, Schedule 10 of the *State Owned Corporations Act 1989* (NSW). A Director cannot take part in discussions or vote on a matter in which that Director has a material personal interest, unless the Board resolves that the interest does not disqualify the Director. There have been no related-party transactions between Port Authority and any Director during the year.

Attendance at Board meetings

Board meeting attendance for 2021-22

Board member	Eligible to attend	Attended	Term of appointment
David Marchant	8	8	1 April 2022 – 31 March 2025
Philip Holliday	8	8	27 November 2019 – 26 November 2024
Zorana Bull	8	8	13 February 2019 – 12 February 2023
Robert Dunn	6	6	1 August 2018 – 31 March 2022
Matthew Irwin	8	7	13 February 2019 – 29 January 2025
Justine Jarvinen	2	2	13 April 2022 – 12 April 2025
Kirsten Molloy	8	8	31 March 2021 – 30 March 2024
Andrew Scipione	8	8	31 March 2021 – 30 March 2024

Attendance at committee meetings

Attendance at committee meetings

Committee meeting attendance for 2021-22

	Audit and Risk Committee		People and Culture Committee		Nominations Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
David Marchant	5	5	1	1	–	–
Philip Holliday	–	–	–	–	–	–
Zorana Bull	–	–	4	4	1	1
Robert Dunn	3	3	3	3	1	1
Matthew Irwin	5	4	–	–	1	1
Justine Jarvinen	1	1	1	1	–	–
Kirsten Molloy	5	5	4	4	–	–
Andrew Scipione	–	–	4	3	–	–

Directors who are not members of committees are invited to attend committee meetings and are entitled to receive papers of committee meetings on request. Attendance above only includes attendance of appointed committee members and does not reflect attendance at meetings by Directors who are not committee members.

Other board memberships

NSW Treasury Guidelines for Governing Boards of Government Businesses (November 2017) recommends that Directors should not hold directorships of more than three government boards. None of Port Authority's Directors has exceeded this limit.

Board meetings and their conduct

The Board of Directors of Port Authority schedules eight meetings a year and may meet more regularly as circumstances require.

During 2021-22, the Board met eight times. The independent non-executive Directors on the Board meet on a regular basis to discuss any matters that should be discussed without executive management and non-independent Directors present.

The Company Secretary is responsible for providing administrative and corporate governance support to the Board of Directors. This includes ensuring the Board receives papers for Board and Committee meetings in advance of each meeting and attendance at Board and Committee meetings to take minutes. The Company Secretary is appointed and removed by resolution of the Board. Regina Abood (B.Com. FGIA) is the current Company Secretary of Port Authority.

Statutory disclosures continued

Director remuneration, appointment and education

When appointed, Directors are provided with a letter of appointment from the Voting Shareholders specifying their term of appointment and remuneration. In addition, Port Authority provides new Directors with an induction pack of information to assist them in understanding Port Authority's business and the requirements of the role. Information provided includes:

- the Port Authority's Vision and Strategic Plan
- previous Board minutes
- copies of relevant legislation
- the Code of Conduct
- most recent Annual Report
- Board profiles and contact details
- Board and Committee charters
- Statement of Corporate Intent.

New Directors are also provided with a Deed of Access and Indemnity in the form approved by NSW Treasury. In addition, new Directors are given access to an induction program which includes meeting with the Chair and induction sessions with the Chief Executive Officer and key executives to gain an understanding of Port Authority's:

- strategy, objectives and business
- operating and industrial environment
- corporate governance practices
- current financial and business performance
- key executives
- remuneration strategy
- risk management framework.

All other Directors are encouraged to continue their education, with practical director skill courses, site visits and briefings on issues relevant to Port Authority's operations. During the year, the Directors' continuing education program included visits to Port Authority sites. The remuneration for Directors of Port Authority is determined by the Voting Shareholders.

Executive positions

Executive positions

As at 30 June 2022, there were eight executives with remuneration equal to or exceeding the equivalent NSW Public Service Commission Senior Executive Service (SE) band 1: six males and two females.

The Chief Executive Officer received remuneration in > SE Band 4 max, which is greater than \$562,650 and less than the upper limit of \$1,000,000.

As at 30 June 2022, the gender ratio of male to female is 6:2.

Executives with remuneration equal to or exceeding the equivalent of SES level 1

SES Level	30 June 2021	30 June 2022	Male	Female	Average total remuneration package in band
SE BAND 1 Director	0	0	0	0	0
SE BAND 2 Executive Director	2	0	0	0	0
SE BAND 3 Deputy Secretary	5	7	5	2	\$392,595
SE BAND 4 Secretary	0	0	0	0	0
>SE Band 4 Max	1	1	1	0	\$624,750
Gender ratio, male to female	6:2	6:2	6	2	–

Board performance

The Board believes it is important to evaluate its own performance and that of each Director on a regular basis. A preferred methodology was agreed by the Board, whereby reviews are conducted annually, with each third review being conducted by an external party.

Due to the significant changes in Board structure over the 2021 calendar year, a Board performance process was not conducted in the 2021-22 year. An externally conducted Board performance evaluation will be conducted during the first half of the 2022-23 year.



Statutory disclosures continued

Equity, diversity and inclusion

Port Authority continues to uphold our commitment to build a diverse and inclusive workforce. Our Diversity and Inclusion Policy outlines underlying principles, that we value diversity and inclusion, we recruit and develop employees with diversity in mind, and commit to tracking our diversity progress. In September we launched our 2021-2026 Workforce Plan, which set targets and strategy to achieve gender equality. Our targets are to increase female representation to 50% by 2030 and to increase the employment of Aboriginal & Torres Strait Islanders to represent 4% of new employees.

We have undertaken an analysis of our workforce by gender and identified the areas and levels in our organisation that require further work to increase representation of women. Our Board complies with the NSW Treasurer’s recommendations, that more than 40% of its members are women and, overall, women represent 24% of our workforce, increased from 21% last year.

We know our workforce is ageing and expect 10-20% of our workforce to retire by 2030, so a key strategy to increase female representation is to ensure 50% of all new appointments are women. We have tracked new starters over the past year and are proud to report that 50% of new starters in 2021/22 have been women.

While some of our divisions have equitable female representation, analysis highlighted the need to increase female representation in Assets and Development, Information Technology and Operations divisions, where fewer than 40% of employees are women. Women are underrepresented internationally in the maritime industry; however we will strive to increase female representation in roles like Port Officers where we currently employ only five women out of 97 employees. Of those employees expected to retire by 2030, 70% work in operational roles like these, which Port Authority sees as an opportunity to address better balance.

As a state-owned corporation, Port Authority measures itself against NSW Government benchmarks as outlined by the NSW Public Service Commission. Information is collected annually through the Workforce Profile that monitors data centered on age, gender, ethnic and cultural backgrounds, and employment information including hours worked and mobility.

Data collection is voluntary and anonymous, with employees having the right to request that their data be withheld from the collection. Where there is insufficient information supplied or the numbers are too low, a ‘N/A’ (not available) is displayed. The following tables of diversity measures represent total staff of 363 at 30 June 2022.

Equal employment opportunity groups: Percentage of staff at 30 June 2022

	Benchmark	2021	2022
Women	50%	21%	24%
Aboriginal and Torres Strait Islander peoples	3.4%	0.6%	0.3%
People whose first language as a child was not English	19%	6.3%	8.0%
People with a disability	N/A	0.3%	0.6%

Equal employment opportunity groups: Distribution index at 30 June 2021

	Benchmark	2021	2022
Women	100	78	88
Aboriginal and Torres Strait Islander peoples	100	2	1
People whose first language as a child was not English	100	23	29
People with a disability	N/A	1	2

A distribution index of 100 indicates that the center of distribution of the diversity group across salary levels is equivalent to that of other staff. Values less than 100 indicate the diversity group is more concentrated at lower salary levels than for other staff.

The more pronounced this tendency is, the lower the index will be. An index of greater than 100 indicates the diversity group is less concentrated at the lower salary levels.

Statutory disclosures continued

Work, health and safety

The business continued to navigate through the COVID-19 pandemic, adjusting our controls including adding vaccination as a condition of entry.

Lag indicators are trending down, and lead indicators are trending up. There were no serious injuries or dangerous incidents recorded in 2021/22. There was one lost time injury, down from two the previous year. There were three high potential near misses in 2021-22. All incidents were thoroughly investigated, with actions implemented and lessons learnt shared across Port Authority.

There were no prosecutions against Port Authority relating to any breach of the *Work Health and Safety Act 2011* (NSW) during the year.

Port Authority work health and safety statistics

Indicator	2019/20	2020/21	2021/22
Serious injuries	0	0	0
Lost time injuries	4	2	1
Medical treatment injuries	3	3	3
Lost Time Injury Frequency Rate (LTIFR)	6.06	3.0	1.6
Recordable Injury Frequency Rate (TRIFR)	10.61	7.6	6.4
Dangerous incidents	2	0	0
High potential near misses	4	2	3
Incidents and hazards reported	149	97	279
Workplace inspections	126	143	204
Percentage of planned WHS meetings held	100%	100%	100%

Notes:

- Lost time injury: an incident/injury that resulted in person losing one or more shift as a result of the injury sustained
- Medical treatment injury: an incident/injury where the assessment and treatment from the medical practitioner results in a restriction that prevents the person to perform full duties
- There were no fatalities recorded in 2020-21
- LTIFR is the calculation of the number of lost time injuries per million hours worked
- TRIFR is the calculation of the number of lost time injuries and the number of medical treatment injuries per million hours worked
- Incidents and hazards reported includes reports from pilots of safety deficiencies onboard piloted ships.

Overseas travel by Port Authority employees

During 2021-22 two Port Authority employees travelled overseas to the United States of America.

Funds granted to non-government community organisations

There were no funds granted to non-government community organisations in 2021-22.

Community engagement and consumer response

Port Authority regularly engages with our local port communities to understand issues and concerns and responds to complaints and enquiries while considering the operational requirements of the working harbour.

Port Authority works closely with various community groups within our areas of operation. We run the Glebe Island and White Bay Community Liaison Group (CLG) and the Eden Cruise Wharf Community Consultative Committee (CCC) to discuss port-related matters with the local community and seek their feedback on operational activities and major projects to plan for the future.

Service NSW receives community complaints and enquiries 24 hours a day, 7 days a week. Complaints and enquiries are forwarded to Port Authority and are addressed in real time, where possible or within 3 business days. All complaints and enquiries are registered in a central database. The community can make enquiries via 02 9296 4962 and enquiries@portauthoritynsw.com.au and via an online enquiries and complaints form on the Port Authority website.



Statutory disclosures continued

Publications

- Daily Vessel Movements
- Dangerous Goods Management Guidelines
- Harbour Master’s Directions
- Notices to Mariners
- Promulgated Depth Notifications
- Port Authority of New South Wales Annual Report 2020/21
- Schedules of Port Charges effective 1 July 2021
- Statement of Corporate Intent 2020-21
- Project updates including the multi-user facility at Glebe Island and the Port Noise Restriction Policy.
- Port Matters Newsletter (quarterly editions)
- Environmental Policy Microsoft Word – Environmental Policy.docx (portauthoritynsw.com.au)
- Privacy Statement [privacy-statement.pdf](http://portauthoritynsw.com.au/privacy-statement.pdf) (portauthoritynsw.com.au)
- Privacy Management Plan [privacy-management-plan.pdf](http://portauthoritynsw.com.au/privacy-management-plan.pdf) (portauthoritynsw.com.au)
- Noise monitoring reports
- Air emissions reports
- Community communications strategy for development application at Dyke Point Helipad [Corporate Policy Procedure](http://portauthoritynsw.com.au/Corporate Policy Procedure) (portauthoritynsw.com.au)
- Berths and Channels Survey report
- Port passage plans
- Towage tables [PANSW Report Template-Corporate-Img](http://portauthoritynsw.com.au/PANSW Report Template-Corporate-Img) (portauthoritynsw.com.au)
- Code of conduct Microsoft Word – FINAL – Code of Conduct.docx (portauthoritynsw.com.au)
- Community notices – including schedules of activities, alerts

Annual Report cost

The total cost of producing (editing and design services) the Port Authority of New South Wales Annual Report 2021/22 was \$28,500 (excl. GST). The report is available at portauthoritynsw.com.au

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Port Authority of New South Wales (Port Authority) is a state-owned corporation (SOC).

This annual report contains audited financial statements. If you have trouble accessing this content, please contact enquiries@portauthoritynsw.com.au

www.portauthoritynsw.com.au