

## Statement of Expectations for Port Authority of New South Wales

Date: 12/6/2024

Issued by: Treasurer, the Hon David Mookhey MLC  
Minister for Finance, Natural Resources, Domestic Manufacturing and  
Government Procurement, the Hon Courtney Houssos MLC  
**Shareholding Ministers**

Minister for Transport, the Hon Jo Haylen MP  
**Portfolio Minister**

The purpose of this statement is to provide guidance to ensure Port Authority of New South Wales's (Port Authority) strategic direction aligns with the Government's expectations. We seek to clarify the Government's key priorities relevant to the work of Port Authority, while it continues to operate its business in a commercial manner.

The objectives and functions of Port Authority are described in the *State Owned Corporations Act 1989* and *Ports and Maritime Administration Act 1995*. This statement does not replace any aspect of the relationship between Port Authority, its Shareholding Ministers, and the Portfolio Minister as set out in applicable legislation.

### **Government expectations**

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#### **Support supply chain efficiency and cruising operations**

We expect Port Authority to:

- o Fulfil its port safety service obligations; and
- o Convene the Cruising Industry Advisory Panel and deliver advice to the Minister for Transport that reflects Panel's Terms of Reference, including undertaking demand analysis to understand future cruise capacity for NSW.

#### **Support the addition of housing stock in-line with Government priorities**

We expect Port Authority to:

- o Work constructively and proactively with NSW Government agencies to effectively plan the Bays Precinct, including the delivery of new housing in the Bays West Precinct; and
- o support the Government process via the Bays West Precinct Steering Committee to determine requirements for future port operations at Glebe Island.

#### **Maintain high standards of public accountability and corporate governance**

We expect Port Authority to:

- o proactively communicate and engage with the Government to keep them informed of relevant matters of interest related to their accountabilities; and

- maintain the highest standards of governance, probity and integrity in line with government policies and community expectations.

#### **Minimise cost of service provision**

We expect Port Authority to operate in a manner that seeks to minimise cost of service provision pressures.

#### **Ensure the Government's investment of its capital is used efficiently**

We expect Port Authority to:

- optimise business performance and deliver efficiencies to ensure it maximises sustainable returns to government without compromising service quality, community outcomes and safety;
- undertake regular external efficiency reviews at least once every five years. The financial benefit from efficiencies should be returned to the State via dividends;
- seek to align their Target Capital Structure with the strongest performers among their industry peers while also ensuring their capital structure allows them to maintain a standalone credit rating at or above Baa2 / BBB (Moody's / Fitch or Standard & Poor's) (Minimum Credit Rating);
- proactively identify surplus or underutilised assets and land whose value could be realised; and
- maximise revenue streams and opportunities to grow and drive financial sustainability and resilience.

#### **Operate the business sustainably**

We expect Port Authority to:

- support the delivery of NSW Government climate change net zero and adaptation objectives and guiding principles in legislation and policy;
- reduce the carbon footprint of operations, including in the supply chain, contributing to NSW's emissions reduction targets in alignment with the Climate Change (Net Zero Future) Bill 2023;
- prepare for the transition to alternative fuels and manage implications for service delivery;
- minimise the risks of climate change on assets, operations and services;
- help support NSW communities to benefit from the economic and employment opportunities created by decarbonisation;
- monitor and report annually its activities against agreed sustainability reporting and climate risk disclosure frameworks; and
- continue to deliver sustainability outcomes across operations to achieve shared social, environmental, and economic value.

#### **Consider cyber risk exposures**

We expect Port Authority to:

- protect critical port infrastructure from a cyber perspective;

- ensure cyber risk is an element of the broader risk framework; and
- recognise and plan for cyber risk exposures appropriately.

**Ensure robust procurement practices that support the economic, environmental and social outcomes of the state**

We expect Port Authority to:

- achieve value for money, ensure fair and open competition for suppliers, consider economic development, social and environmental outcomes and sustainability;
- support diversity in its suppliers by considering procuring from small and medium enterprises, Aboriginal businesses, regional businesses, disability employment organisations, and social enterprises; and
- consider the environmental sustainability of goods and services being procured, including supporting the transformation to a circular economy.

**Ensure Port Authority balances the priorities of customers, stakeholders and communities**

We expect Port Authority to:

- maintain a commitment to adding value to customer services; measuring, analysing and responding to customer performance data;
- deliver flexible business practices that respond to changing customer requirements;
- develop partnerships with customers and communities to foster mutual understanding, relationships and responsiveness;
- consult with customers, stakeholders and communities prior to progressing initiatives that may have an adverse impact to improve engagement, understanding and outcomes; and
- support sustainable initiatives in port communities that demonstrate care and are underpinned by goodwill and respect.

**Ensure Port Authority's workforce is engaged and has the capacity and capability to deliver the required functions**

We expect Port Authority to:

- provide a workplace culture that is focused upon supporting employee health, safety and mental well-being;
- provide a culture that delivers high quality services that are efficient, accessible, safe and transparent;
- actively encourage and support diversity and inclusion, developing and building capability while hiring and promoting through a merit-based approach; and
- develop and maintain a strategy to improve gender diversity across the organisation, with a focus on leadership and operational roles and the proactive development of a pipeline of female leaders.

**Ensure Port Authority, as a ports and maritime mixed-use precinct, optimises the use of land and operational assets to ensure the most efficient and effective delivery of Port Authority's functions and objectives**

We expect Port Authority to:

- design and manage port land assets while ensuring alignment with operational and security arrangements, including care of deep-water berths and integration with appropriate public access and amenity; and
- support sustainable and efficient operations while minimising environmental impacts where ever practicable.

**Work collaboratively**

We expect Port Authority to:

- work collaboratively across government to assist the Government achieve its policy aims;
- work collaboratively with Transport for NSW in their operational commitments including the current and revised versions of the NSW Freight and Ports Plan 2018-2023, the Maritime Safety Plan 2022-2026 and strategic long term priorities of Future Transport 2056;
- contribute to the delivery of thriving and liveable communities through land use planning and the continued provision of port services to support the Government's priority for the provision of world class harbour operations; and
- share learnings arising from safety, asset and environmental management, with Transport for NSW to promote cluster-wide engagement and understanding of common issues.

**Port Authority of New South Wales response**

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We expect the guidance in this Statement of Expectations will be reflected in Port Authority's Statement of Corporate Intent in future years for as long as this Statement of Expectations remains in effect.



**The Hon Daniel Mookhey MLC**  
Treasurer



**The Hon Courtney Houssos MLC**  
Minister for Finance, Natural Resources,  
Domestic Manufacturing and Government  
Procurement



**The Hon Jo Haylen MP**  
Minister for Transport