



ANNUAL REPORT 2023/24

Keeping our ports open to the

WORLD



CELEBRATING 10 YEARS

**ACKNOWLEDGMENT 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.

6 PORTS IN NSW

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

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LETTER OF SUBMISSION



Thursday 31 October 2024

The Hon Daniel Mookhey MLC

Treasurer
52 Martin Place
Sydney NSW 2000

The Hon Courtney Houssos MLC

Minister for Finance
52 Martin Place
Sydney NSW 2000

Dear Mr Mookhey and Ms Houssos

Report on operations for the year ending 30 June 2024

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 2024.

The report has been prepared in accordance with the *Government Sector Finance Act 2018*, 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

Handwritten signature of David Marchant in black ink.

Mr David Marchant AM
Chair

Handwritten signature of Philip Holliday in black ink.

Mr Philip Holliday
Chief Executive Officer and Director

OVERVIEW

Port Authority of New South Wales (Port Authority) 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 5,500 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.

5,500

**COMMERCIAL VESSELS
VISIT WORKING PORTS
OF NSW EACH YEAR**

OUR RESPONSIBILITIES

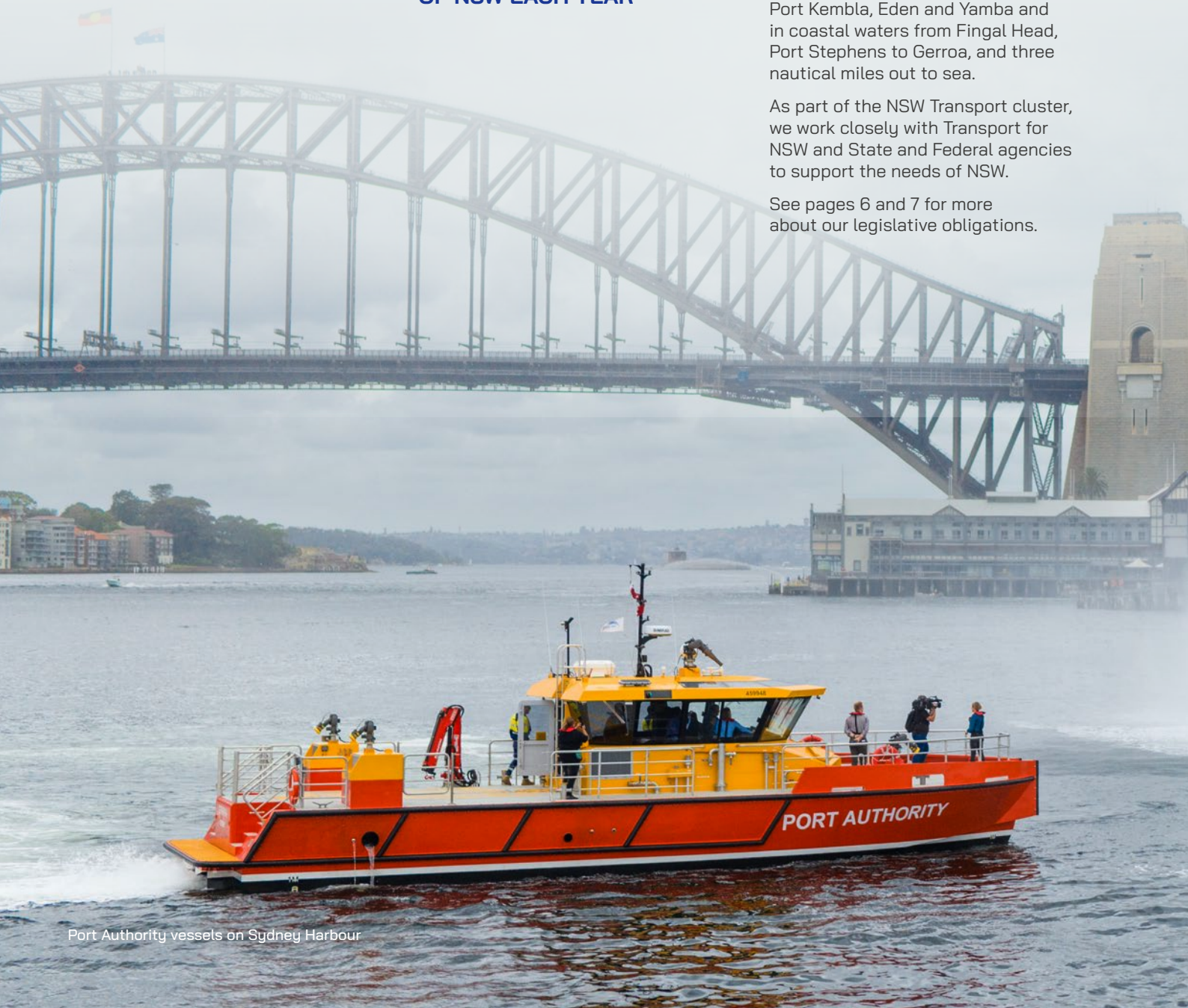
Port Authority is a statutory State-owned corporation, operating under the *Ports and Maritime Administration Act 1995* (NSW) to provide safe, efficient and sustainable marine services to NSW.

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 pages 6 and 7 for more about our legislative obligations.



OUR KEY ROLES IN THE PORTS OF NSW

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 (Bays Port); and the Welcome Centre and cruise wharf in Eden.



Harbour master directions

Directing vessel movements and setting operating procedures to keep our ports safe and secure.



Hydrographic survey

Scanning the seabed to identify hazards, map berths and create a safe passage for ships.



Emergency response

Protecting people and the environment by responding 24/7 to marine emergencies and pollution.



Cruise terminals

Welcoming passengers from ship to shore at our cruise facilities in Sydney and Eden.



Port management

Developing and managing our port assets to provide NSW with world-class marine infrastructure.



Cruise development

Working with the world’s cruise lines to bring the economic benefits of cruise tourism to NSW.



Vessel traffic services

Communicating vital maritime and navigational information to mariners.



Port security

Providing maritime security to protect port users, port assets, the public and our people.



Marine pilotage

Assisting safe navigation through port by transferring our highly skilled marine pilots to vessels at sea.



Dangerous goods

Enforcing the safe storage and handling of dangerous goods in port.



Safe navigation

Guiding ships safely through port with our network of buoys, marks, beacons and lighthouses.



Safety and training

Developing skills, reducing risks and maintaining a safe working environment for our people.



Marine assets

Maintaining equipment and vessels that enable our operational on-water capabilities.



CHAIR'S REPORT

I am pleased to present the Annual Report 2023/24 for Port Authority of New South Wales. This year marks a significant milestone as we celebrate a decade of excellence and continued commitment to enhancing our ports' operational efficiency, sustainability, and community engagement.



DAVID MARCHANT AM CHAIR

Financial Performance

This financial year has been a period of robust financial performance. Our Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) reached \$68.7 million, surpassing our budgeted target of \$51.5 million. This favourable variance is attributed to higher revenue from increased bulk liquids segments in Port Botany and Sydney, as well as higher-than-expected passenger occupancy for cruise ships. Additionally, unbudgeted rental income from license extensions and new areas for major infrastructure projects at the Bays Port precinct contributed positively to our financial results.

Key Challenges

Despite our strong financial performance, the year was not without its challenges. Nationally industrial action within the industry in late 2023 coupled with a cyber security incident at DP World in November 2023, led to a reduction in containerships calling into Port Botany. Additionally, vessel call visitation into Port Kembla was 21% lower compared to the previous year due to shipping congestion in the car terminals and a global disruption in the steel-related trades as a consequence of the Baltimore Bridge collapse in March 2024.

These challenges tested the resilience and adaptability of the business, but the team demonstrated exceptional commitment to ensuring that our operations continued smoothly and efficiently. Our Net Profit After Tax (NPAT) reflects our strong financial health and our ability to navigate complex global operational landscapes.

Future Outlook

Looking ahead, Port Authority is poised to continue its trajectory of growth and innovation. The introduction of shore power at the White Bay Cruise Terminal, a first for the Southern Hemisphere, underscores our commitment to sustainability and supporting the decarbonisation of the maritime industry.

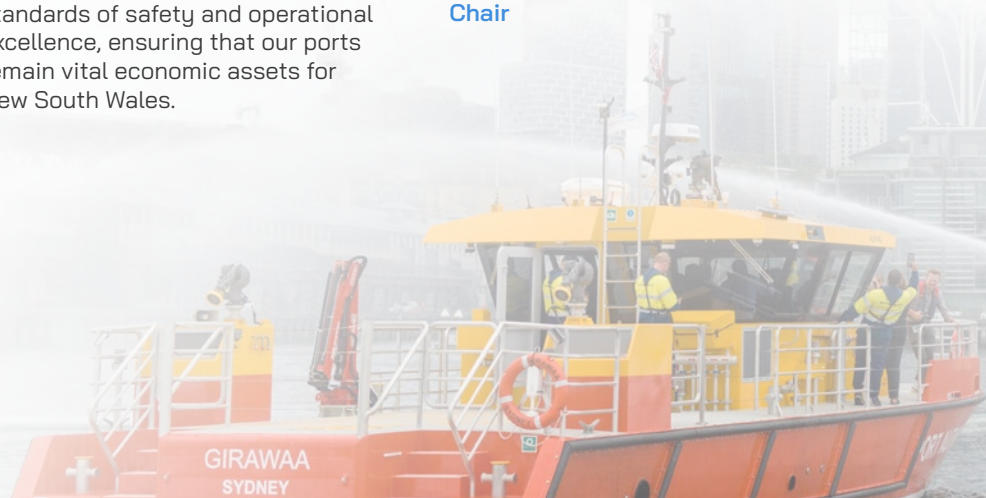
Our strategic focus remains on enhancing our port infrastructure, integrating advanced technologies, and building strong community and stakeholder relationships. We are also committed to maintaining our high standards of safety and operational excellence, ensuring that our ports remain vital economic assets for New South Wales.

On behalf of Port Authority, I extend thanks to outgoing Board Directors Dr Kirsten Molloy and Andrew Scipione for their valuable contributions to our future development. I also extend our thanks to Philip Holliday for his outstanding leadership and diligence in the development and improvement of Port Authority where he leaves a great legacy for the business to build upon.

Lastly, I take this opportunity to extend my gratitude to our dedicated team, stakeholders, and partners for their unwavering support and collaboration. Together, we will continue to navigate the challenges and opportunities ahead, ensuring a prosperous future for Port Authority of New South Wales.

Yours sincerely,

David Marchant AM
Chair



CEO'S REPORT

As we reflect on the past year, I am filled with immense pride and gratitude for the remarkable effort we have undertaken together. This will be my final report as CEO, and I would like to take this opportunity to share some reflections on our achievements and the path ahead.



PHILIP HOLLIDAY CEO AND DIRECTOR

Our People

Our dedicated and talented people are at the heart of our success. Over the years, we have cultivated a diverse and inclusive workforce that is committed to excellence. Our focus on employee well-being, safety, and professional development has been unwavering. This year we introduced the Sonder Well-being Program which followed the ONBOARD Learning Management System, both have enhanced our employees' health, engagement, and growth.

Keeping Our People Safe

Safety has always been our top priority. I am proud to report that we have maintained a strong safety record with no serious injuries or dangerous incidents reported in the past year. The introduction of our pilot ladder safety protocol improving pilot safety during the boarding and disembarking from ships is a example of our commitment to continuous improvement in safety standards and practices. This commitment along with our comprehensive Work Health and Safety programs, including the Fitness for Work Policy and critical safety risk controls, have ensured that our employees operate in a secure environment.

Working with Our Customers

We have strengthened our relationships with stakeholders and communities, ensuring that our ports remain vital hubs of economic activity. This year, we celebrated a record-breaking cruise season in Eden and expanded our cruise operations in Newcastle. Our commitment to customer service excellence has driven us to innovate and enhance our service delivery, always striving to meet the evolving needs of our customers.

Operational Excellence

Operational excellence is the foundation of our success. We have invested in state-of-the-art technology and infrastructure to enhance our capabilities. The introduction of new multi-purpose vessels, the implementation of the OnePort management system, and the preparation for shore power facilities are just a few examples of our commitment to operational efficiency and sustainability. Our focus on continuous improvement has led us to deliver the highest operational standards.

Reflections

Since joining Sydney Ports Corporation in 2011 and leading Port Authority for the past five years, we have grown our business, enhanced our sustainability credentials, and delivered new operational assets. We have met and exceeded our targets & we have created a team that is leading the way setting new standards of performance. Our transformative corporate strategy, proudly developed with people from across the business and focussing on five key pillars has positioned us for continued success.

I want to express my heartfelt gratitude to all of our people, customers and stakeholders. Your dedication, support, and collaboration have been instrumental in our achievements. As I step down from my role at the end of this calendar year, I am confident that Port Authority is in a solid position to continue its growth and meet the needs of our customers, communities, and the State.

Thank you for the privilege of serving as your CEO. I look forward to seeing the continued success of the Port Authority of New South Wales.

Warm regards,

Philip Holliday
Chief Executive Officer and Director

CHARTER

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:
 - to operate at least as efficiently as any comparable business, and
 - to maximise the net worth of the State's investment in the Port Corporation, and
 - to exhibit a sense of social responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate these when able to do so,
- to promote and facilitate trade through its port facilities, and

- to ensure that its port safety functions are carried out properly, and
- 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, and
- 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 services – 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 was for a five-year term (from 19 December 2018 until 31 December 2023), which was then extended until 31 December 2024 by the Minister in late 2023. A comprehensive review of the PSOL is currently being carried out, with a view to a new PSOL being granted effective 1 January 2025.

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, Port Kembla and Newcastle.

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 the reporting period of 1 July 2023 to 30 June 2024.

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*)
- *Fair Work Act 2009* (Cth)
- *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)
- *Security of Critical Infrastructure Act 2018* (Cth)
- *Work Health and Safety Act 2011* (NSW)

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.



FY24 ANNUAL HIGHLIGHTS

ONE LEADING
PORT AUTHORITYCelebrating a decade
of Excellence

Port Authority of NSW proudly celebrated 10 years together as a State-Owned Corporation (p. 10)

FURTHER ENHANCE
STAKEHOLDER & COMMUNITY
RELATIONSHIPS

Australia Day 2024

Supporting celebrations in Sydney Harbour including our new vessel, *Burra*, taking centre stage to the incredible Operatic Lakme Flower Duet to millions of people watching live and across Australia and the world.



New Seafarers Welfare Fund

Seafarers visiting NSW ports will benefit from the groundbreaking \$2.5 million Fund which will provide access to a range of critical services and programs during their time in NSW (p. 28).

OPERATIONAL
EXCELLENCEFirst ever Safe and Efficient
Port Operations Forum (SEPOF)

Bringing together the maritime industry leaders to make the shipping industry, that NSW relies on, more sustainable and efficient. (p. 34).



Two new state of the art vessels

Burra and *Girawaa*, our new custom-built, multi functions vessels for Sydney Harbour and Port Botany supporting critical maritime capabilities (p. 58).

SUSTAINABLE ASSETS
SUPPORTING GROWTHJoining the
Blue Visby Consortium

As another step towards a more sustainable maritime industry not just here in NSW but globally.

GROW OUR VALUE AND
CUSTOMER SERVICE DELIVERY

Welcome to Disney Cruise Line

Visited down under for the summer cruise season – a first for Australia (p. 43).

Record summer cruise
season for Eden


With cruise ship visits up more than 20% compared with the previous summer cruise season (p. 43).

10-year licence agreement
to facilitate Newcastle
cruise operations

With the Port of Newcastle (PoN) at a PoN owned berth which will see more transit cruise ship visits into the Hunter and Central Coast region in the years to come (p. 43).




WELCOMED
5,587 
 VESSEL VISITS

CONDUCTED
10,268 
 PILOTAGE MOVEMENTS

MANAGED
1,925 vessels carrying 
 27,707,771 TONNES OF DANGEROUS GOODS

RESPONDED TO
783 
 MARINE INCIDENTS

RESPONDED TO
304 
 EMERGENCIES

CONDUCTED
186 
 PORT SAFETY SURVEYS

HOSTED
66 
 EVENTS AT OUR VENUES

DIVERTED
170 tonnes 
 OF WASTE FROM LANDFILL

ACHIEVED
100% certified 
 RENEWABLE ELECTRICITY OPERATIONS

REPORTED
0 serious injuries | **0** dangerous incidents 

REPORTED
98% 
 OF SHIPS AS NOISE COMPLIANT

REMOVED
1,380kg 
 OF LITTER FROM SYDNEY HARBOUR

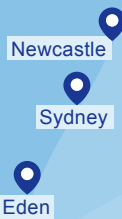
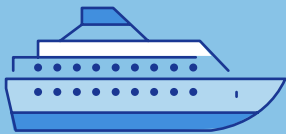


CELEBRATING

10 YEARS TOGETHER

In 2024, Port Authority marks 10 years since its formation. To celebrate this important milestone, we reflect on the critical services and benefits we have delivered, while continuing to return revenue to the NSW Government for the people of NSW.

Over the last 10 years, Port Authority highlights include:



2,000+

cruise ship
visits injecting up to

\$2.7 billion

a year into the
NSW economy.



ICC Sydney
Sydney Metro
West Connex
Sydney Fish Market

Construction of **major infrastructure**
projects to demonstrate

Glebe Island's

critical role

in enabling the efficient mobilisation
of materials for Sydney's future.



Provision of staging space for

**Sydney's most
popular events**
which are watched by

millions of people

live and from around the world.

Kept our ports safe, secure and open to the world ensuring:

Over

25 million

containers
transported on



16,000

vessels
through **Port Botany**.



2.5 million

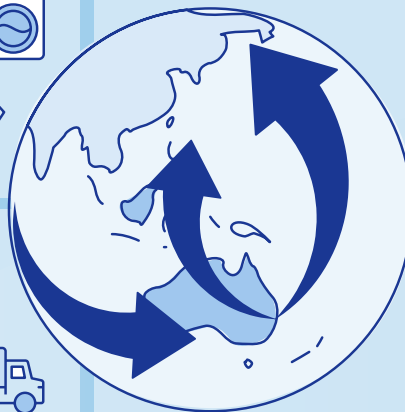
vehicles



driven through **Port Kembla** accounting for

100%

of NSW's motor
vehicle imports.



32 million

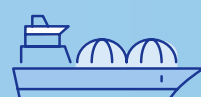
tonnes of wheat

shipped from **Newcastle** and
Port Kembla feeding people
around the world.

1.6+ billion

tonnes of cargo

from coal to barley, shipped
through **Newcastle**.





Chair | David Marchant AM, Minister for Transport | the Hon. Jo Haylen MP, and CEO | Philip Holliday

Helped to contribute to critical housing and infrastructure:

4 million+
tonnes of cement



transported through
Bays Port.

Enough to supply

300,000 homes

or a freeway from Melbourne
to Sydney and back.



\$1 trillion
worth of trade

navigated by
our pilots to ensure

56,000
vessels

arrive safely to
their destination.



4 million+

tonnes of gypsum

transported through Bays Port.

Enough to manufacture
365 million m²
of plasterboard or supply



500,000 homes.



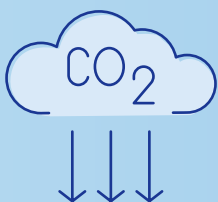
Undertaken the successful pilotage of trade vessels through Sydney Harbour to deliver:

Prevention of

240,640

tonnes of CO₂ emissions

through 750,000
less truck
movements.



Almost

1/2 million tonnes
of salt

used in a range of products
including swimming pool chlorine.



Over

1.6 million tonnes

of Australian sugar unloaded
at Bays Port supplying

60% of Sydney's
sugar.

A key ingredient for a
range of goods from fire
retardant to beer.



PORTS

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



1. Port of Yamba

Australia's easternmost port, the Port of Yamba serves the Northern Rivers and New England regions. 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.

2. Newcastle Harbour

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 over 2,000 trade vessel visits each year, Newcastle 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.

3. Sydney 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.

4. Port Botany

Port Botany is one of Australia's largest container ports and one of its most vital maritime assets. Every year, over 1,600 ships bring in around 2.8 million containers 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 visiting the ports of Sydney Harbour and Botany Bay. Port Botany's landside port operations are managed by NSW Ports.

5. Port Kembla

One of NSW's key economic assets, Port Kembla sees over 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.

6. Port of Eden

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.

EXECUTIVE TEAM



Philip Holliday
Chief Executive Officer and Director



Amy Beaumont
Group Executive, People, Environment and Legal

- Legal
- Environment, Planning and Sustainability
- Work Health and Safety
- People and Culture



John Finch
Chief Operating Officer

- Marine operations
- Vessel Traffic Services
- Pilotage
- Group Survey
- Dangerous Goods
- Emergency response



Kristie Langley-Gliddon
Chief Financial Officer

- Finance
- Corporate planning and reporting
- Corporate services
- Company secretariat



John McKenna
Chief Customer and Commercial Officer

- Cruise
- Property
- Commercial
- Security



Trent Morosin
Group Executive, Infrastructure, Assets and Development and Chief Risk Officer

- Asset management
- Projects
- Infrastructure
- Risk



Garry Voutos
Chief Information Officer

- IT strategy and operations
- Cyber security



James Abbott
Group Executive, Strategy, Corporate and Public Affairs

- Corporate affairs
- Government relations
- Community and stakeholder engagement



BOARD OF DIRECTORS

Dr Kirsten Molloy's and Andrew Scipione's terms as Directors ceased on 30 March 2024.



David Marchant AM

Chair

Appointed Chair April 2022

David is Chair, Queensland Rail and Queensland Rail Ltd.

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 COO 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.



Matthew Irwin

Director

Appointed 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 CFO at TransGrid up to 2018, the NSW electricity transmission business. Matthew has held senior executive and leadership positions with Transfield Services (now Broad spectrum), 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 and is a member of the Energy Corporation of NSW Audit & Risk Committee and Transmission Acceleration Facility Investment 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

Appointed 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, Wallbridge Gilbert Aztec Pty Ltd and Deputy Chair of Hunter New England Local Health District.

Kirsten's executive career included a role as CEO of Hunter Valley Coal Chain Coordinator, a complex member-based construct in the resources/supply chain sector, and a range of executive commercial and technology roles at Orica, global ASX-listed mining equipment, technology and services 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, a not-for-profit organisation creating awareness and raising funds in support of diversity, equity and inclusion.

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

Kirsten's term as Director ceased on 30 March 2024.



Andrew Scipione AO APM

Director

Appointed 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, and Georges River Life Care (a not-for-profit community support service). Previously Andrew was an external strategic advisor to the Strategy and Performance Board, Australian Federal Police.

Committees: Member, People and Culture.

Andrew's term as Director ceased on 30 March 2024.



Justine Jarvinen

Director

Appointed April 2022

Justine (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, and independent Chair of energy technology company Wattwatchers. She was previously the director of Climate-KIC Australia and ASX-listed Milton Corporation and CEO of the UNSW Energy Institute.

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



Dr Deborah Dearing

Director

Appointed 13 February 2023

Deborah is widely recognised for her leadership in improving the design quality of cities and communities. She has over 30 years of international experience in urban design, strategic land-use planning, heritage conservation, affordable housing and property development in both public and private sectors.

Deborah has held senior executive positions in the NSW Department of Urban Affairs and Planning, Architects and Stockland, and board positions with the NSW Heritage Council, the Australian Institute of Architects, City West Housing, Liveable Housing Australia, Sydney Harbour Federation Trust, the NSW Architects Registration Board and the Greater Cities Commission.

She has received numerous prestigious awards, including Life Fellowship of the Australian Institute of Architects, Fellowship of the Planning Institute of Australia and the NAWIC Ryder Hunt Award for leadership in the Construction and Development Industry.

Committees: Member, Audit & Risk Committee

VISION AND STRATEGIC PLAN 2020-2025

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.

5 STRATEGIC PILLARS

Our Strategic Pillars

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



One leading Port Authority

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

- 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.



Grow our value and customer service delivery

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

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



Operational Excellence

Increasing the quality, efficiency and reliability of our service delivery.

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



Sustainable assets supporting growth

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

- 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.



Further enhance stakeholder and community relationships

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

- 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.



SUSTAINABILITY

Port Authority is committed to ongoing collaboration with our people, customers, stakeholders and communities to improve social and environmental outcomes in and around our ports and help ensure a positive legacy for future generations.

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.

POWER PURCHASE AGREEMENT

From January 2024, all of Port Authority's electricity consumption Statewide is being offset by renewable generation through a Power Purchase Agreement linked to a solar and wind project in the New England Renewable Energy Zone, resulting in Port Authority's Scope 2 greenhouse gas emissions now being zero.



Sustainability Governance

The Board's Audit & Risk Committee charter expressly provides oversight on:

- Sustainability risks, opportunities and overall strategy; and
- Monitor and review of environmental, social and governance compliance.

Sustainability Policy and Plan

In January 2024, Port Authority finalised its Sustainability Policy, which establishes a framework in which everyone in the organisation, from the Board to all staff, has a role to play in achieving Port Authority's expectations regarding sustainability.

For us, sustainability is framed by four focus areas



Our people

Ensuring our people continue to thrive in safe, healthy and supportive work environments now and into the future.



Environment and Places

Furthering our responsibility to, and stewardship of, our natural environment and improving our working environments and places to help ensure a sustainable future.



Operations and Ways of Working

Optimising our operations and improving processes to increase the longevity of our business and influence sustainable outcomes.



Communities and Partnerships

Connecting and collaborating with our customers, stakeholders and communities to improve social, environmental and economic outcomes.

Our Sustainability Policy and Sustainability Plan is aligned with, and directly relevant to, 15 of the 17 United Nation's Sustainability Development Goals (SDGs):



OUR PEOPLE

Ensuring our people continue to thrive in safe, healthy and supportive work environments now and into the future.

Initiative	Action/Target	Status	Outcome/Results
Work, Health and Safety	Complete review and implementation of Fitness for Work Policy, WHS Management System and training in FY23	Partly achieved	<ul style="list-style-type: none"> – Fitness for Work procedures signed off and implemented, including associated staff training – Fitness for Work Policy Implementation delayed to FY25, linked with Enterprise Agreement negotiations
	Fitness for Work Policy Implementation delayed to FY25, linked with Enterprise Agreement negotiations	Ongoing	High risk work procedure review underway
Employee well-being	Support the overall health and well-being of staff	Ongoing	Sonder well-being program launched in FY24
Diversity and Inclusion	Achieve a 50% gender balance across the organisation by 2030	Ongoing	<ul style="list-style-type: none"> – Current female representation: 52% in corporate, 14% in operations – Female representation in leadership and operational roles requires further attention – Female-only trainee program for operations staff to commence FY25
	Continue to embed flexible working across organisation with new flexible working policy to be completed in FY24	Partly achieved	– Delivery of policy delayed due to FY25 major Sydney office refurbishment and fuller consideration of flexible working
	Become a diverse and inclusive workplace	Ongoing	<ul style="list-style-type: none"> – First Nations training rolled out to all staff, with Managers required to complete in FY25 – Unconscious Bias Training completed for all hiring managers. – Employee Resource Groups active and operational – Policies reviewed to reinforce D&I commitment – Workforce diversity campaign scheduled for FY25 – Mandatory D&I training scheduled for FY25 and will continue to be rolled out to new staff in orientations
Leadership development	Embed leadership development capability program in FY24	Ongoing	<ul style="list-style-type: none"> – First round of Executive and Senior Leadership teams programs complete – Frontline Leadership Development and Emerging Leaders programs underway. – Gift Mindset program to commence in FY25
Training and inductions	Develop and commence a new onboarding program for new staff	Fully achieved	ONBOARD Learning Management System launched
	Embed sustainability with training and outreach	Ongoing	<ul style="list-style-type: none"> – All staff to undertake general sustainability and environmental induction – In-person sustainability training and awareness provided, focussing on priority projects and issues

Work Health and Safety

Work Health and Safety Performance

During FY24, no Port Authority employees or contractors sustained serious injuries, and no SafeWork NSW notifiable events or prosecutions were recorded.

There were eight workers compensation claims, up from three last year. Five of these were managed while continuing to work, while one psychological claim and two physical injury claims required time away from work to recover.

With the return to pre-COVID operations, the focus has been on controlling critical safety risks. Consultative workshops with staff from Cruise, Pilots and Marine operations identified the controls in place to prevent fatalities. This has already led to control improvements for cruise ship mooring line management, critical infrastructure maintenance, prevention of pilot vessel capsize, and staff training for person in water and pilot ladder competency. The focus for FY25 will be to ensure that these controls are consistently applied.

Reported

0

serious injuries
dangerous incidents



Trends and indicators

Coming off a record low injury year in FY23, the recordable injury frequency rate jumped from 4.3 to 9.9 in FY24, driven by three lost time injuries and four medically treated injuries. All returned to full duties within six weeks. We also saw an increase in employees going onto salary continuance, with seven new cases in FY24 compared to two in FY23. All new cases were due to non-work-related injuries and illnesses.

FY24 saw a 40% year-on-year increase in incident/near miss reports, which indicates a healthy reporting culture to apply actions to prevent reoccurrence. Of these, 91% were closed out within one month, and 97% of actions assigned closed out on time.

A leading indicator and focus for FY24 was safety conversations and inspections. Each division were set a KPI, which was exceeded by 15%, yet down on the previous record year.

Health and wellbeing

Employee health and well-being has been a top priority for Port Authority. The psychosocial risk assessment identified several improvement opportunities which have been built into action plans. A change to the employee assistance provider opened new opportunities for our employees to engage in other support services and has been well received.

Fitness for work

Managing ill or injured staff involves collaboration between the direct manager, Return to Work team, People & Culture and the employee. Despite an uptick in cases in FY24, all cases have been successfully managed. The suite of fitness for work procedures is now complete, with the addition of fatigue and pregnancy guides. An audit of the Pilotage code by Transport for NSW found no deficiencies in the administration of the Pilotage Code by Port Authority.

Systems and compliance

A permit to work system was implemented, improving on contractor safety and critical risk management. All contractors performing high risk work on Port Authority sites must now submit and have approved the necessary documentation through our site management system prior to work starting. Linkage to the induction and contractor approval system ensures compliance to SafeWork NSW requirements and provides a ready audit trail.

All Marine Operations drills are now standardised across the ports. This was done in collaboration with the emergency response team and employees. Reporting showed a significant increase in drill completion throughout FY24.

Work Health and Safety statistics

Indicator	2021/22	2022/23	2023/24
Serious injuries	0	1	0
Lost time injuries	1	0	3
Medical treatment injuries	3	3	5
Lost Time Injury Frequency Rate (LTIFR)	1.6	0	4.3
Recordable Injury Frequency Rate (TRIFR)	6.4	4.3	9.9
Dangerous incidents	0	0	0
High potential near misses	3	1	0
Incidents and hazards reported	279	323	452
Workplace inspections	204	337	240
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.
- LTIFR: the calculation of the number of lost time injuries per million hours worked.
- TRIFR: 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.
- There were no fatalities recorded.

Diversity and Inclusion

Diverse and inclusive workplaces drive innovation, improve decision-making, and reflect the values of the society in which we work. Diversity and Inclusion (D&I) is essential for fostering a work environment where every individual feels valued, respected, and empowered to contribute their unique perspectives.

Our primary focus for FY24 was educating staff about the importance of inclusion and cultivating a respectful culture. By building this baseline knowledge, we create an environment where diversity can thrive. Key trainings include First Nations, Unconscious Bias, and Leadership programs. Leadership programs have supported developing the capability of managers to cultivate an inclusive work environment.

Policies have been reviewed to reinforce Port Authority's commitment to D&I. Changes to the Recruitment and Advancement Policy emphasise the importance of diversity of thought and cultural add in recruitment decisions. The D&I Policy was also updated to reflect this, and to reiterate that accountability for inclusion lies with everyone in the organisation.

The backbone of our D&I initiatives has been the Employee Resource Groups (ERGs). Established two years ago, the ERGs are now actively operational and have seen significant increases in membership. Age has been included as part of the Cultural and Linguistic ERG, reflecting our broader definition of diversity for the group and the Disability & Carers ERG has been instrumental in ensuring inclusive design for the scheduled Sydney office refurbishment.

Despite the progress, we recognise the need to attract more female talent into our Operations areas. Currently, we have 52% female representation in corporate roles but only 14% in Operations. Approval has been granted from the discrimination board to advertise a female-only trainee program for port operations staff. This program is scheduled to commence FY25, helping to provide opportunities to increase female representation in Operations.

Also in FY25, a workforce diversity campaign "It starts with U" will launch and include DCA's Inclusive Employer Index to measure D&I at Port Authority. There are also plans to introduce a mandatory D&I training program for all staff, which will be embedded into the orientation training for all new staff.

Education, engagement and targeted training alongside strong leadership ensure that all employees understand the significance of inclusion and the role each person plays in fostering it.



Port Authority staff: Fiona McKay, Belynda Gibbons, Cori York-Dumbleton and Lucy Tulloch

Learning and Development

Employee Well-being Program

The Sonder Well-being Program was introduced as a key initiative to provide comprehensive support services across various aspects of health, including medical, personal safety, mental health, and support the overall well-being of our employees.

We have seen promising levels of engagement with the program, reaching a 47% activation rate among our employees and it has been particularly impactful in the areas of medical support and mental health. Employees have been actively seeking assistance, benefiting from the expert guidance and services offered by Sonder. This proactive approach to well-being is essential in fostering a healthier, more resilient workforce.

We continue to promote the benefits of Sonder, integrate it into our organisational culture, and support the holistic well-being of our team.

Learning Management System

We proudly launched ONBOARD, our new Learning Management System (LMS), marking a significant milestone in our commitment to employee development and organisational growth. This represents a strategic move to enhance our training and development capabilities, ensuring a more seamless, intuitive, and effective learning experience for all our employees.

The introduction of ONBOARD has been met with enthusiastic participation across the organisation. We have seen increased engagement in our training programs as employees can now easily track their learning progress, access a wide range of courses to further their professional growth, and we can leverage detailed reports and analytics to proactively address potential risks.

Continued focus on Leadership

Our commitment to leadership development initiatives in FY24 has laid a strong foundation for continued growth and excellence in leadership across the organisation:

Leadership Development Framework: the first round of executive and senior leadership development is complete, successfully embedding our Framework. Comprehensive 360-degree assessments were introduced for all participants, providing valuable insights into their leadership capabilities and areas for growth.

Frontline Leadership Development Program: launched, targeting those currently leading teams. The Program aims to equip frontline leaders with the skills and knowledge necessary to effectively manage and inspire teams.

Emerging Leaders Program: strong Program nominations reflected a keen interest in leadership growth across the organisation. Now underway, participants are engaging in development activities designed to prepare them for future leadership roles.

Gift Mindset Program: scheduled to commence July 2024, the Program is tailored to those leading themselves, helping them recognise and harness their unique capabilities in both their personal and professional lives.



ENVIRONMENT AND PLACES

Furthering our responsibility to, and stewardship of, our natural environment and improving our working environments and places to help ensure a sustainable future.

Initiative	Action/Target	Status	Outcome/Results
Net Zero	By 2024: operate on 100% certified renewable electricity for all of Port Authority's electricity consumption	Fully achieved	<ul style="list-style-type: none"> 100% of consumption for all 'large' sites offset by renewable generation through Power Purchase Agreement from 1 January 2024 All 'small sites' 100% renewable through State Government contract
	By 2030: achieve a 75% reduction in absolute Scope 1 and Scope 2 emissions from the 2019 baseline	Ongoing	3,786 tonnes of CO2 equivalent (tCO2-e) emissions for FY24, representing a 31% reduction from the 2019 baseline ¹
	FY24: complete initial alternative vessel fuel and propulsion technology research and investigation and plan for future adoption within vessel fleet strategy	Fully achieved	Completed, presented to the Executive and recommendations endorsed
	FY24: Vehicle fleet transition strategy finalised and schedule EV infrastructure within key sites in future CAPEX plan	Partly achieved	EV transition strategic plan drafted for completion and endorsement
	By 2040: Net Zero	Ongoing	3,786 tonnes of CO2-e emissions for FY24, representing a 31% reduction from the 2019 baseline ¹
	Shore power – offset electricity consumption by ships using shore power at Bays Port with renewable generation	Ongoing	The project is impacted by the rapidly increasing tender activity on the international market for shore power equipment, as demand continues to increase.
	FY25: measure reduction in emissions per pilotage movement for each vessel in program (aim 5% reduction/vessel)	To commence	
	Develop net zero pathway with reductions via annual targets	To commence	
Climate Risk	FY24: Complete climate change risk assessment, adaption plan and monitoring plan	Fully achieved	Risk assessment process completed following the Climate Risk Ready NSW Guide.
	FY24: Embed risks within existing enterprise risk framework	Commenced	Work commenced to include key risks in the Strategic and Operational Risk registers.
	FY24: Commence Taskforce on Climate related Financial Disclosures reporting	To commence	To commence in line with NSW government requirements
Port noise management	Port Noise Policy and White Bay Noise Restriction Policy – undertake noise monitoring of all vessels at Bays Port	Ongoing	Average of 98% compliance with the Port Noise Policy and White Bay Cruise Terminal Noise Restriction Policy Trigger Levels
Environmental Management Plan	Implement updates to EMP as identified in review	Ongoing	EMP reviewed in FY24 as per schedule; status of actions updated and future actions identified
Waste Reduction and Diversion	Continue to investigate additional waste reduction and diversion opportunities	Ongoing	<ul style="list-style-type: none"> Participation in cruise ship waste recycling trial with DAFF and AMSA Waste diversion from landfill Statewide remained consistent at approximately 35% Waste diversion system implemented at Newcastle Port Centre

1. The 2019 baseline and 2030 target were set on the basis of a market-based method for Scope 2 emissions. In FY24, Port Authority refined and recalculated the 2019 baseline to allow for a market-based method and correct some prior estimates of refrigerant leakage, which has resulted in a change to the 2019 baseline, now 5,492 tCO2-e and 5,680 tCO2-e for Scope 1 and 2 emissions under the market-based method and location-based method, respectively.

Net Zero

As of 1 January 2024, Port Authority achieved full State-wide offsetting of all its 'large site' electricity consumption with renewable generation under the Power Purchase Agreement (PPA) via the purchase of equivalent electricity generated by renewable energy projects in the New England Renewable Energy Zone (REZ) and sourcing 100% renewable electricity for all 'small sites' through the State government electricity contract.

There are two main methods for accounting for emissions from electricity consumption which provide different perspectives and are complementary. The location-based method reflects the average emissions in the grid in which you operate and the market-based method reflects the emissions from electricity you have purposefully chosen, with eligible renewable energy purchases recognised as zero emissions.

Port Authority's renewable energy purchase has significantly reduced Scope 2 greenhouse gas (GHG) emissions for FY24, bringing them down to zero as of 1 January 2024 under the market-based method. Accounting for the full FY24 period, a reduction of 74% was observed from 2019, dropping from 2,665 tCO₂-e to just 686 tCO₂-e.

Using the location-based method, Port Authority's Scope 2 emissions in our 2019 baseline were estimated at 2,854 tCO₂-e, decreasing by 12% to FY24, to 2,512 tCO₂-e.

Port Authority's calculated Scope 1 and 2 emissions for FY24 were 5,613 tCO₂-e using the location-based method and 3,786 tCO₂-e using the market-based method, with 3,101 tCO₂-e of Scope 1 emissions. For FY25, Port Authority will continue working towards its net zero targets, with a primary focus on initiatives aimed at reducing Scope 1 emissions and improving the transparency and accuracy in emissions data collection.

An electric vehicle (EV) transition plan has been drafted for completion and endorsement in early FY25. This plan provides a strategy to transition Port Authority's vehicle fleet to EVs over time and install charging infrastructure at the required locations across the State. It is consistent with the NSW Government EV Strategy, which targets the electrification of 100% of the Government's passenger vehicle fleet procurement by 2030. Also related to Scope 1 emissions, Port Authority completed initial research into low/zero carbon vessel fuels and propulsion technology with several recommendations endorsed by the Executive, including the establishment of a cross-divisional working group to monitor technology developments, consider research and development opportunities and engage with peers and stakeholders to influence policy and regulatory reform.

To reduce electricity consumption, an upgrade to the heating, ventilation and air conditions system and a roof-top solar PV system were designed for installation at our Newcastle Port Centre in FY25.

Climate Risk

Port Authority completed its climate change risk assessment process, which included the preparation of a climate change risk assessment report based on a series of internal workshops involving staff from a range of geographic and functional areas to develop high-level physical risk statements regarding the physical and transition climate change risks and opportunities to Port Authority's assets, operations and services.

The climate change risk assessment process followed the Climate Risk Ready NSW Guide which has been designed to provide practical guidance for the NSW Government sector to assess and manage climate change risks.

Work has commenced to include the key risks in the Strategic and Operational Risk registers to track implementation of the identified treatments (adaptation measures).

The climate risk assessment will assist Port Authority in the preparation of its future climate related disclosure reporting for FY25.

FY24 noise monitoring results

Ship Type	No. ships monitored	No. compliant	% compliance
Bulk and non-cruise ships	61	58	95
Cruise ships	106	105	99
Total	167	163	98

Noise monitoring reports are available at portauthoritynsw.com.au

Port noise management

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 and local communities.

Working ports like Bays Port (Glebe Island and White Bay) bring substantial benefits to NSW but these benefits can be accompanied by impacts including noise emissions that affect those living and working nearby. We are committed to working with communities and developing strategies to address these impacts.

Port Authority continually monitors ships berthed at Bays Port against the noise trigger levels in its Port Noise Policy (for bulk and other commercial ships) and Noise Restriction Policy (for cruise ships). In FY24, an average of 98% of all ship visits complied with the trigger levels. The ships that exceeded were required to develop and implement management plans to address the noise exceedances for future visits. Copies of the Policies and noise monitoring reports are available at portauthoritynsw.com.au.

Noise is monitored using a dedicated port monitoring system across the port which comprises four permanent monitoring devices which provide information about whole-of-port noise, including vessel and landside noise. An online monitoring platform analyses the raw data and determines compliance of each vessel in the port with the relevant policy’s trigger limits. A further two monitoring devices on land surrounding the port will be installed following receipt of landowner approval.

Corporate Environmental Management Plan and Policy

Port Authority continued its implementation of its Corporate Environmental Management Plan (EMP). The Corporate EMP and Environmental Policy were reviewed in FY24, including updates to previously identified actions and identification of future improvements. During FY24, site inspections of Port Authority operational sites were carried out with all actions identified to address issues closed out by the nominated timeframe.

Waste

Improving cruise ship waste recycling

In support of increased recycling and to assist in the development of a policy on recyclable waste management from international ships, Port Authority has been participating in a Maritime Recycling Risk Assessment Trial (MRRAT) for low-risk biosecurity recyclable materials collected from commercial vessels at the Overseas Passenger Terminal and White Bay Cruise Terminal.

The partnership with the Commonwealth Department of Agriculture, Fisheries and Forestry (DAFF), the Australian Maritime Safety Authority (AMSA) and cruise lines using Sydney’s cruise terminals, is aimed at reducing the volume of low-risk waste currently sent to landfill from international ships by redirecting recyclables to landside facilities. The trial will extend past June 2024 and DAFF is indicating good results so far, with work to continue on a formal biosecurity risk analysis and a national recycling policy framework for international ships.

Seabin and marine litter

Port Authority’s Seabin at Moores Wharf continued its role in removing marine litter. In FY24, it removed on average approximately 3kg of marine litter from Sydney Harbour every day and, over the course of the year, filtered and cleaned the equivalent of 100 Olympic-size swimming pools of water.

Seabin results for FY24

255 million

Litres of Water Filtered¹

1380kg

Marine Litter Captured²

46,200

Number of plastic items captured³

Unfortunately, in early 2024 the unit became subject to heavy marine growth and has been removed from the site. Following upgrades to the wharf, consideration to replacing the unit at an alternate site will be assessed.

Waste reduction, recycling and diversion

Statewide, waste diversion for FY24 was generally consistent with FY23. Recycling and waste diversion stations were installed at the Newcastle Port Centre site and continued collaborate efforts at the Overseas Passenger Terminal with the restaurant tenancies resulted in almost 23 tonnes of food waste and organics from going to landfill.

FY24 waste generation and diversion

308.6 tonnes

Total landfill

170.8 tonnes

Total waste diversion

35.6%

Diversion from landfill

1. Calculated using the recorded runtime percentage of the unit.
 2. Estimated - calculated using daily average data derived from site specific data.
 3. Estimated - extrapolated using information from site specific data collections.

OPERATIONS AND WAYS OF WORKING

Optimising our operations and improving processes to increase the longevity of our business and influence sustainable outcomes

Initiative	Action/Target	Status	Outcome/Results
Embed sustainability in procurement	Ensure goods and services procured were not the product of modern slavery	Ongoing	Embedded prevention practices at critical points throughout the procurement process
	FY25 – Implement a pre-qualification system for suppliers, including sustainability metrics	To commence	
Improve operational and organisational efficiencies	FY24 – commence vessel operational efficiency program in at least one location	Fully achieved	Port Kembla selected as pilot location for efficiency program, with working group established
	One Port – design, development and implementation of next generation port management system	Ongoing	<ul style="list-style-type: none"> – Operational in Newcastle August 2023 – Sydney expected to be operational FY25
	SmartPort: supporting growth – Develop organisation wide transformation program to improve efficiencies. Efficiencies to be sustainable and rolled out over a 3 year period	Fully achieved	Program developed with numerous initiatives considered and evaluated
	SmartPort: Finalise and prioritise initiatives. Deliver FY25 improvements.	Ongoing	Work continues to finalise, prioritise and deliver initiatives.
	FY25 – Identify priority manual port processes to digitise	To commence	



Sustainability in Procurement

Modern Slavery

Port Authority opposes and will continue to oppose all forms of modern slavery within its activities, undertakings, and supply chain – including forced or compulsory labour, trafficking in persons, debt bondage, deceptive recruitment practices and child labour.

Port Authority acknowledges the importance of having policies, procedures and contracts in place to assess and take action to address Modern Slavery risks and utilises a number of business processes to ensure ongoing compliance with the Modern Slavery Act and awareness across the business, including:

- Embedding prevention practices at critical points within our procurement and leasing/ licensing procedures, including requiring suppliers / occupiers to make declarations and provide assessable information, agree to warranties within Port Authority contracts, and abide by the Supplier Code of Conduct (publicly available on our website).
- Port Authority personnel being required to abide by our Procurement Policy and Procedure, undergo training on that process and procedure, and abide by our Enterprise Risk Management Policy,
- Public disclosures, including via its Business Ethics Statement, Supplier Code of Conduct and Annual Modern Slavery Statement (all publicly available on our website).
- Policies and procedures governing Port Authority's recruiting and employment practices.

Port Authority is also committed to ongoing improvement in its management of modern slavery risks and provides modern slavery grievance mechanisms through its whistle-blower policy and reporting hotline which also allows for anonymous reporting.

The majority of Port Authority's total spend relate to what is categorised as having a typical 'low risk' of Modern Slavery. Examples of the type of spend in these categories includes inter-agency payments, professional services, insurance, utilities and fuel. The categories making up the balance of the spend and considered to potentially have greater exposure to Modern Slavery risks include security contractors, asset maintenance services, construction contractors, cleaning and waste services, telephone services, IT, plant and equipment, tug providers and fleet. Whilst these categories are considered to potentially have a higher risk of Modern Slavery, Port Authority considers that given its internal processes to source and engage these suppliers and the fact that they are predominantly Australian suppliers, Port Authority's practices are categorised as having a low overall Modern Slavery risk.

No issues were raised by the Anti-slavery Commissioner during FY24 concerning the operations of Port Authority.

Operational and Organisational Efficiencies

Vessel operational efficiencies

As part of the Net Zero strategy and a key element in reducing Port Authority's Scope 1 emissions, Port Authority has selected Port Kembla for a trial vessel energy efficiency program for FY25. This initiative will leverage detailed vessel usage data and key industry stakeholder relationships to develop a strategy to reduce emissions from vessel operations.

OnePort

OnePort is a port community system serving various port stakeholders, introducing efficiencies in processes, standardisation of language and increased data capture.

During FY24, Newcastle port operations transitioned to OnePort, joining Eden and Port Kembla. OnePort is planned to be operational in Sydney during FY25.

Read more about our OnePort project on page 50.

SmartPort

SmartPort is an organisation-wide strategic initiative to collectively work towards an even more efficient Port Authority. SmartPort initiatives were proposed, developed, considered and evaluated in FY24. Work is to continue in FY25 on finalising and prioritising initiatives.



COMMUNITIES AND PARTNERSHIPS

Connecting and collaborating with our customers, stakeholders and communities to improve social, environmental and economic outcomes.

Community and Stakeholder Engagement

Port Authority believes that strong community and stakeholder engagement is essential to navigating a safe and prosperous future together. Our commitment to the core values of care, accountability, integrity, and collaboration has guided our efforts to foster meaningful connections.

In FY24, we undertook numerous initiatives to ensure that our stakeholders were heard, involved, and valued.

Community Support

Christmas hampers for seafarers

Port Authority staff delivered over 1,800 gift hampers to international seafarers visiting Port Botany in the lead up to the 2023/24 holiday season.

Support for the initiative grows each year, with a large contingent of volunteers donating and assisting Port Authority to pack and deliver the hampers, including Engage Marine, Ausbarge, Sydney Pilots Association, DP World, Synergy Marine Group as well as Stella Maris and Port Welfare Committee.



Port Authority staff and volunteers

New bus to transport seafarers

Port Authority and other Illawarra businesses including AAT, NSW Ports, Blue Scope Port Kembla, Squadron Energy and Port Kembla Coal Terminal banded together to raise over \$80,000 for a new 12-seater bus for Port Kembla's Mission to Seafarers.

The new bus will be put to good use, enabling the continuation of the pick-up and drop off bus service to get visiting seafarers quickly to services and facilities they need, such as a grocery store visit or access medical specialists like dentists and doctors before taking to their ocean home for many months at a time.

Supporting Sydney's major celebrations

We once again provided our port assets to assist with staging Sydney's biggest community events: New Years Eve, Australia Day and VIVID Sydney.



Port Authority's *Burra* in Sydney on Australia Day

Seafarer Welfare Fund launch

Port Authority banded together with NSW Ports and Port of Newcastle to deliver a groundbreaking Seafarer Welfare Fund supporting the often invisible but critical visiting maritime workers underpinning 99% of the State's trade.

Seafarers visiting the State's ports will benefit from the \$2.5 million, 5-year Seafarer Welfare Fund which will provide access to a range of critical services and programs during their time in NSW.

In June 2024, the first six organisations to successfully secure funding under Round 1 of the Fund were announced during the Annual Mission to Seafarers Parliamentary Luncheon.



CEO Phil Holliday (centre) at the Seafarer Welfare Fund launch

Vinnies CEO Sleepout

In sponsoring Vinnies CEO Sleepout, which addresses a major and growing social issue, we live our value of care by using our port facilities in ways that benefit the broader community whenever we can.

This is the seventh year Port Authority has donated the White Bay Cruise Terminal for the event and covering associated venue hire costs, providing participants a safe and relatively comfortable taste of what more than 122,000 homeless Australians face every night.



Vinnies CEO Sleepout, White Bay Cruise Terminal

Stakeholder Collaboration

Port Authority hosts quarterly meetings with port community representatives of Bays Port (Glebe Island and White Bay), and Port of Eden. Facilitated by independent Chairs, the meetings provide a platform for feedback, discussion of concerns, and proposal of collaborative solutions, ensuring that diverse perspectives are integrated into our decision-making processes.

Glebe Island and White Bay Community Liaison Group

Port Authority works with the Group, consisting of representatives from the Balmain, Rozelle, and Pyrmont areas, to ensure the concerns of residents are heard while maintaining essential operations of the historic Bays Port.

One such project is the Noise Monitoring System, which monitors 24/7 noise levels produced by the port and visiting vessels. In March 2024, the Group toured the Bays Port noise monitoring locations where they heard firsthand from the project's noise consultant about how the system works, the data captured, why monitoring locations were chosen, and how they can read and interpret the reports on the Port Authority website.



Community tour of Bays Port noise monitoring sites

Eden Cruise Wharf Community Consultative Committee

Established as a condition of the 2018 Eden Wharf extension development, the Committee is made up of community representatives from port businesses, maritime user groups, local residents, the relevant maritime authority, and local council representatives to discuss projects under the Eden Harbour Revitalisation Program, including the Eden Welcome Centre, and the Snug Cove Maritime Precinct.

Enhanced Communication and Transparency

Port Matters

This quarterly email newsletter distributed to over 2,600 subscribers serves as Port Authority's primary community and business-to-business update, dedicated to promoting our role, showcasing team members, highlighting initiatives, and spotlighting the operational ports in NSW.

The themes explored in this year's editions included Port Authority's 10 Year achievements, launch of new response vessels, the *Burra* and *Girawaa*, highlights from the summer cruise season and restoration of the iconic Hornby Lighthouse.

Project Communication

We continue targeted campaigns to effectively inform our communities and stakeholders about our ongoing developments and major projects. These efforts served to keep our stakeholders well-informed.

Community Newsletters

Port Authority's Community Newsletters have become an essential tool for targeted communication and engagement with our communities. Developed to provide timely updates to several of our port communities, the newsletters are designed to keep our stakeholders informed about local port activities, community programs, and strategic initiatives.

To increase engagement, interactive elements such as surveys and feedback forms are incorporated in the newsletters. These tools not only make the newsletter more engaging but also provide valuable insights into community opinions and suggestions.

Complaints management

We provide a dedicated 24/7 community enquiries phone line to promptly address concerns about port activities. This ensures community complaints are handled in real-time whenever possible. All complaints are recorded in a centralised database, and we aim to respond within three business days.

Port Authority analyses complaints data to identify trends to drive continuous improvements that enhance our operations and minimise any adverse impact on the community.

During FY24, Port Authority responded to 115 complaints from our port communities. The majority of these were related to environmental concerns such as ship noise, pollution and lighting.

Communications

Port Authority strives to enhance our media presence, digital engagement, and internal communications to ensure we raise our profile and awareness of Port Authority's contribution to NSW as a leading authority in the maritime industry.

Media

During FY24, Port Authority's media reach soared to 246.1 million, achieved through a strategic blend of proactive and reactive storytelling. Some highlights include a 200% increase in editorial mentions, and the release of 26 media releases and announcements, culminating in 667 positive media stories.

Additionally, our collaboration with the Minister's Office facilitated the delivery of five major updates across key business pillars, including growing the cruise industry, showcasing our operational leadership, and emphasising our commitment to port communities and seafarer welfare.

26
Media
Announcements

667
Positive
media stories

200%
Increase in
editorial mentions

Digital and Social Media

Our digital and social media strategy has significantly expanded our online presence. On Instagram, followers grew to 3,315, with a 63% increase in profile interactions. LinkedIn continued to grow steadily, reaching 13,673 followers, with a 19% increase in post reactions.

Organic website traffic increased by 11%, reflecting our effective online engagement. Notably, we commenced a project to develop a new and optimised website slated for launch in 2025.

Website achievements

11% increase in organic traffic

30% improvement in search ranking

54%
mobile traffic surpassing the NSW government benchmark by 6%

Instagram

3,315 followers
(5.84% increase)

63.46% rise in profile interactions

LinkedIn

13,673 followers
(13.1% increase)

171% increase in page views

43% rise in click-throughs,
203,600 impressions,
25,410 click throughs

YouTube

24% rise in subscriber count to 681

161% increase in impressions

49% growth in views to 36,900 views

Internal communications

Our internal communications efforts have been instrumental in a cohesive and informed workplace. Key initiatives include:

All staff events

Delivery of two hybrid 'All Hands' events, with a 93% enjoyment rate among staff and the largest attendance of 219 people at the May 2024 event. Implementation of biennial, online 'Portside Chats' with business updates from the CEO.

Internal Campaigns

Launch of the first official campaign, resulting in a 22% increase in employee engagement regarding our commitment to excellent customer service.

Communications

Introduction of 'CEO Central', a hub for all CEO updates on the intranet. Launch of the 'Fortnightly Fix' newsletter, averaging 246 views and a read time of over five minutes.

Intranet Engagement

Achieved over 17,500 unique page views of the News & Events section of the intranet, a 17% increase from the previous year.

Staff photo competition

Continuation of the weekly 'Port Focus' competition, receiving over 240 entries, fostering pride in our work.

Date	Media Release
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2024

21 June	Australian first \$2.5m fund to boost NSW's visiting seafarer wellbeing
11 June	Multi-agency exercise at Port Kembla puts capabilities to the test
11 June	Port Authority to lead multi-agency training exercise in Port Kembla
4 June	Foodies cruise Overseas Passenger Terminal for taste sensations during Vivid Sydney
17 May	Meet the women shaping the future of maritime
9 May	Iconic tug bell gifted to family after 40 years of service
28 March	Eden summer cruise season the busiest on record
21 March	Old becomes new – reclaimed bench seats for Eden Cruise Wharf
20 February	Ted Noffs Tug Honoured After 40 Years of Service
24 January	Sydney's Newest Vessel's Takes Centre Stage
22 January	New NSW-made Port Authority vessels make waves on Sydney Harbour

2023

19 December	Port Authority of NSW joins Blue Visby Consortium
5 December	Marine Pilot helps export Christmas cheer with annual seafarer gift hamper drive
28 October	Cruise growth on the horizon as maiden arrival kicks off summer season
27 October	Disney Wonder arrives down under
25 October	Maiden cruise ship visit for Eden – signals start of best ever season
19 October	Summer cruise season back in ship shape
6 October	New bus to transport Seafarers around the Illawarra
3 October	Port Kembla Project Anchored in Science
28 September	Recognising front line responders to pollution this World Maritime Day
27 September	Eden Breakwater (Cruise) Wharf Extension - Planning Modification on Public Exhibition
15 September	Restoration begins on Sydney's iconic Hornby Lighthouse
30 August	Port of Eden recreated in state-of-the-art shipping simulator
30 August	Port Authority walks its way to Highly Commended at 2023 Business Hunter Awards
18 August	Port Authority's Safe and Efficient Port Operations Forum a success
11 August	Port Authority Walking on Sunshine as Finalist in 2023 Business Hunter Awards



MARINE OPERATIONS

Every year, thousands of commercial vessels visit the ports of NSW.

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

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.

A total of 5,587 commercial vessels visited NSW’s six working ports during FY24. This is an overall increase of 3% from FY23, which can be attributed to an overall robust performance of coal vessel visitation at Newcastle Harbour, and a forceful bounce-back of the cruise activity both in Sydney Harbour (reaching almost 100% of visitation pre-Covid), and the Regions, which achieved a record passenger vessel visitation.

Container vessel performance was able to maintain similar levels as FY23, despite congestion issues at the terminals and a general slow down of the global economy, with persistent inflation in the Australian economy and relatively high interest rates.

FY24 commercial vessel visits to NSW



- Sydney Harbour | 878
- Port Botany | 1,621
- Newcastle | 2,252
- Port Kembla | 718
- Eden | 74
- Yamba | 44



Sydney Harbour

Total commercial vessel visits (trade and cruise) to NSW ports

	2019-20	2020-21	2021-22	2022-23	2023-24	Variance from previous year
Sydney Harbour ¹	931	325	408	740	878	19%
Port Botany	1,531	1,388	1,379	1,620	1,621	0%
Newcastle	2,290	2,227	2,297	2,073	2,252	9%
Port Kembla	754	830	862	895	718	(20%)
Eden	106	112	91	79	74	(6%)
Yamba	30	21	31	40	44	10%
Total	5,642	4,903	5,068	5,447	5,587	3%

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

Total commercial visits (trade and cruise) to NSW by port and month: 2023-24

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sydney Harbour ¹	56	71	48	66	87	114	90	96	84	65	52	49
Port Botany	149	156	146	139	132	112	136	134	133	123	137	124
Newcastle	194	169	184	180	184	212	204	168	208	176	183	190
Port Kembla	59	57	59	51	55	55	54	60	62	70	64	72
Eden	4	4	5	5	6	10	12	11	12	2	1	2
Yamba	1	3	4	7	3	4	0	1	9	4	3	5
Total	463	460	446	448	467	507	496	470	508	440	440	442

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

Total trade vessel visits to NSW by port

	2019-20	2020-21	2021-22	2022-23	2023-24	Variance from previous year
Sydney Harbour ¹	654	325	395	478	571	19%
Port Botany	1,531	1,388	1,379	1,620	1,621	0%
Newcastle	2,278	2,227	2,297	2,059	2,234	8%
Port Kembla	748	830	862	895	718	(20%)
Eden	88	112	91	45	33	(27%)
Yamba	30	21	31	40	44	10%
Total	5,329	4,903	5,055	5,137	5,221	2%

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

Cruise ship visits to NSW by port

	2019-20	2020-21	2021-22	2022-23	2023-24	Variance from previous year
Sydney Harbour	277	0	13	262	307	17%
Newcastle	12	0	0	14	18	29%
Port Kembla	6	0	0	0	0	0%
Eden	18	0	0	34	41	21%
Total	313	0	13	310	366	18%

Cruise ship visits to Sydney Harbour by terminal

	2019-20	2020-21	2021-22	2022-23	2023-24	Variance from previous year
OPT	165	0	3	168	192	14%
White Bay ²	81	0	5	79	98	24%
Other	31	0	5	15	17	13%
Total	277	0	13	262	307	17%

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

2. Includes visits to both White Bay Cruise Terminal and White Bay.

PILOTAGE AND OPERATIONS

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.

FY24 Pilotage movements



- Sydney Harbour | 997
- Port Botany | 3,140
- Newcastle | 4,459
- Port Kembla | 1,454
- Eden | 113
- Yamba | 105

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

Safe and Efficient Port Operations Forum

Sydney Harbour and Port Botany | 17 August 2023

Port Authority proudly hosted the inaugural Safe and Efficient Port Operations Forum for Sydney Harbour and Port Botany. The forum brought together about 120 delegates representing port users, port service providers, industry regulators and maritime industry partners.

The forum focussed on the operational safety and efficiency performance for Sydney Harbour and Port Botany for FY22 and FY23. Given the support and interest shown by port stakeholders, Port Authority will host an expanded version of this initiative in FY25 which will cover the wider scope of operations of our Ports across the state.

Portable Pilotage Units

All NSW commercially managed ports

Port Authority undertook an open market procurement process for the implementation of a standardised approach on the use of Portable Pilotage Units (computerised real-time automated positioning system carried onboard by a pilot) across all pilotage ports in NSW. The contract for the delivery of the units was awarded to Acoustic Imaging. The upgraded technology will be implemented across all pilotage ports in NSW during FY25.

Pilotage Service Delivery

Newcastle | June 2024

In FY24, Port Authority complied with the Pilotage Service Level Agreement with Port of Newcastle to deliver 98% on time pilotage service.

Safe & Sustainable Anchorages recognition

Port Kembla | 15 November 2023

Port Authority was awarded Highly Commended in the Environmental category at the prestigious DCN Australian Shipping and Maritime Industry Awards.

This award was for the designing and promulgation of 11 safe and sustainable anchorages off Port Kembla. These anchorages are designed in keeping with best practice and minimising effects of anchoring on the flora and fauna off this important coastline.



VESSEL TRAFFIC SERVICES

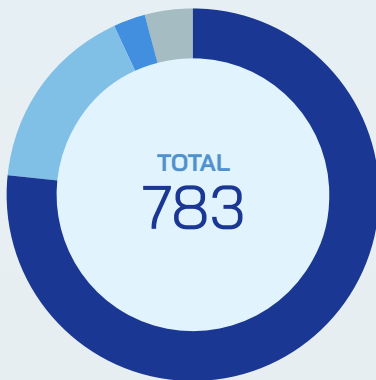
Our vessel traffic services teams provide a 24/7 service to manage the safe movement of ships into the ports of NSW.

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

The purpose of VTS is to contribute to the safety of life at sea, improve the safety and efficiency of navigation and support the protection of the environment within a VTS area by mitigating the development of unsafe situations through:

- Providing timely and relevant information on factors that may influence ship movements and assist onboard decision-making
- Monitoring and managing ship traffic to ensure the safety and efficiency of ship movements
- Responding to developing unsafe situations

FY24 Marine incidents responded to by our VTS



- Sydney Harbour | 602
- Port Botany | 127
- Newcastle | 22
- Port Kembla | 32

VTS centres monitor and manage vessel movements by utilising Decision Support Tools (DST) 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, assisting coordination for search and rescue incidents with the Water Police and AMSA Joint Rescue Coordination Centre.

Sydney VTS manages the traffic for both Sydney and Port Botany from a single VTS centre located at Brotherson House at Port Botany. Additionally, Sydney VTS occasionally operates from a backup centre at Moore’s Wharf in Sydney.

Newcastle VTS operators work closely with Port of Newcastle schedulers and the coal terminals to provide coordination for movements in and out of the port. They also communicate with vessels, coordinate operations with marine pilots; advising of dangers including the expected conditions and support the safe movement of ships through the port.

Port Kembla VTS operators work with terminals and customers to provide services including booking and positioning of vessel on the berth, communicating with vessels and other port services, and movements of marine pilots in the port. Vessels and port users are always kept abreast of the prevailing conditions and all activity within the port.

VTS training

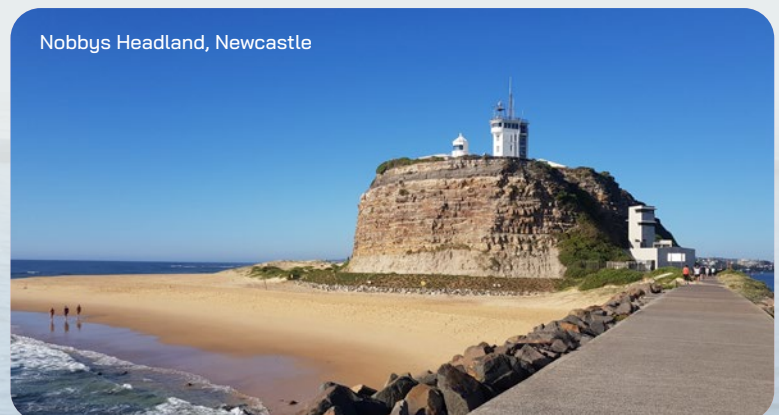
VTS operators across three centres attended in-person full day weather forecast training facilitated by Weatherzone and hosted at Port Kembla. They learned about global circulation, synoptic scale systems, climate drivers, thunderstorms and squalls and marine weather.

VTS operators were also provided access to Ocean Learning Platform, leader in maritime e-learning. Operators are now able to complete advanced courses on collision regulations, International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA) buoyage, International Convention for the Prevention of Pollution from Ships (MARPOL), International Safety Management (ISM) Code, introduction to container and gas carriers among many others.

Upgrade of back up VTS

Newcastle | October 2023 – March 2024

The back up VTS centre at Nobby’s Signal Station was refurbished and upgraded to comply with the IALA requirements and maintain business continuity.



DANGEROUS GOODS

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

Port Authority maintains an up-to-date database of all dangerous goods present within the port operational areas and ensure that dangerous goods are stored, segregated and handled as per state, national and international regulations and standards.

Our key responsibilities include:

- Administering mandatory advance notifications for dangerous goods handled at our ports.
- Monitoring and inspecting to ensure that dangerous goods are correctly notified and do not remain in port areas past their permitted time limits.
- Conduct joint training with agencies like TfNSW, FRNSW and AMSA for responding to dangerous goods incidents.
- Ensuring Port Authority and terminal staff involved in the handling of dangerous goods have the appropriate training.
- Approving applications to conduct hot works, bunkering and engine immobilisations on board vessels carrying dangerous goods.
- Conducting inspections onboard vessels prior to the transfer of bulk dangerous goods.

The Dangerous Goods Management Guidelines for Ports in NSW, published by Port Authority, provides a consistent approach across all our ports and is based upon the applicable dangerous goods legislative instruments.

Dangerous goods activities are audited by the Port Authority on a regular basis and when overstays or non-reporting of dangerous goods are identified, Port Authority issues fines as laid down in the *Ports and Maritime Administration Regulation 2021*.

Port Authority conducted a series of dangerous goods emergency exercises simulating escalating situations and building upon the preceding exercise. These are outlined under Emergency Response Exercises on page 40.

During FY24, our operations team handled

1,925

Vessels carrying dangerous goods

27,707,771

Tonnes of dangerous goods cargo

	Number of advance notifications	Number of vessels carrying DG	Total qty of DG (tonne)
Sydney Harbour	181	77	3,388,127
Port Botany	174,175	1,660	20,499,008
Newcastle	313	147	3,549,892
Port Kembla	31	31	270,502
Eden	34	10	242
Yamba	0	0	0
Total	174,734	1,925	27,707,771



Port Botany

HYDROGRAPHIC SURVEY

Port Authority's survey team measures and maps the sea floor to help ships navigate safely through the ports of NSW.

During FY24, our survey team conducted

186

Port safety surveys

4

Whole-of-port surveys

50

Contract surveys

3

New met-ocean sensor installations

7

Met-ocean sensor upgrades

Our Group Survey team conducts hydrographic surveys, manages and maintains met-ocean equipment and manages an interactive geographic mapping system for all ports. The team also conducts surveys for external clients; carries out engineering, monitoring and environmental surveys and manages and maintains a fleet of met-ocean sensors which relays measurements of wave motion, water currents, wind and weather conditions to marine pilots and ship captains to assist with safe navigation and berthing in Port. Sensor data can be found at wavewindtide.portauthoritynsw.com.au.

Using our purpose-built survey vessel, Port Explorer, the team uses 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.

Port Safety surveys

Sydney, Port Botany, Port Kembla, Eden, Yamba

In support of Port Authority's Port Safety Operating Licence (PSOL), regular hydrographic surveys are conducted in our ports to ensure safe navigation for vessels. During FY24 the team conducted 186 Port safety surveys across NSW, with data sent to the Hydrographic Office for Electronic Nautical Chart (ENC) updates;

- 55 surveys of PSOL areas in Sydney Harbour
- 46 surveys of PSOL areas in Port Botany
- 2 whole of port surveys in Port Kembla (56 PSOL areas)
- 1 whole of port survey in Eden (10 PSOL areas)
- 1 whole of port survey in Yamba (19 PSOL areas)

Monitoring siltation at White Bay berth 2 (WB2)

Sydney

A routine request to survey the berth box at WB2 prior to planned maintenance activity resulted in 6 months of continuous monitoring and reporting of seabed changes and findings.

Yamba wave buoy

Yamba

Maritime Infrastructure Development Organisation (MIDO) has funded a wave buoy at the Port of Yamba for two years to facilitate safe navigation into the port whilst there are ongoing concerns over the increase of siltation on the Yamba Bar in recent years from flooding events.

The wave buoy is managed and maintained by Port Authority and enables the pilot to make real time decisions with regards to the established protocols for wave and swell conditions. Additionally, the wave buoy has aided local recreational and commercial maritime users of the Port.

HYDROGRAPHIC SURVEY CONTINUED

New current measurement device

Newcastle

Accurate current measurement is key to ensure safe navigation through critical areas. Newcastle Port is significantly impacted by flood events where an influx of fresh water from the Hunter Valley increases downstream current flow.

The team mounted a current measurement device on the seabed near Dyke Point in the Hunter River to aid pilots with vessel handling by providing current velocity and direction information.



Measurement sensor, Newcastle

Current meter cable upgrade

Port Kembla

As part of routine maintenance, a cable upgrade was required for one of the two sensors on the seabed adjacent to the approach channel which measure current and wave motion. The sensors provide the pilot with integral information essential for navigating through the port entrance.

The cable was changed out by Port Authority staff using our vessels to support ongoing marine training and up skilling, showcasing our technical knowledge.

Post dredge surveys – berth 101

Port Kembla

The survey team performed safety of navigation hydrographic surveys prior to the dredge works and following completion of the berth 101 project.

The survey team conduct critical measurements to ensure there is no loss of depth in the port and that critical depths are maintained for shipping to continue. This includes ensuring construction contractors remove all obstructions and return depths to previous following any major project work.

Buoy replacement

Sydney

The team provided support in the buoy upgrade project of four Aids to Navigation (AtoN) to ensure they are positioned in the correct location marking critical points of the shipping channel.

The team ensures AtoN detailed information is charted on the official Electronic Navigation Charts and products produced by the Australian Hydrographic Office and utilised by ships entering all our NSW ports.

Pre and post construction surveys

Sydney

A number of contract pre and post construction surveys were conducted for new cables to be laid on the seabed in various locations within Sydney Harbour. The surveys are conducted to Transport for NSW requirements.

The team has also assisted with physically positioning the cable and capturing the as laid position of the cable on the lay day.

Clarence River diffuser survey

Yamba

An annual contract hydrographic survey over the Clarence River diffuser has been conducted by the team for Clarence Valley Council for the past 10 years. Council uses the survey information to actively monitor the sediment migration and both siltation and scour at the site.

The Clarence River is a highly dynamic river system and has experienced significant flooding events over the past 3 years which impact the movement of sediment. This work is scheduled at the same time as the Port annual survey campaigns.

Geographic Information System (GIS) Project

The survey team is responsible for building an interactive GIS across all port areas. This system enables staff to spatially connect to their working location with visual tools and ensures greater planning and collaboration tools across the port.

Our operations, assets, projects and property teams are actively utilising the tools and new ways are being explored to assist planning and development in the marine space such as creation of a heritage database, wind farm zone safe shipping for Port Kembla, port development and harbour master assessment projects.

The survey team have been selected to test the new Bentley digital iTwin experience software enabling feedback to the development team around improvements and innovation.

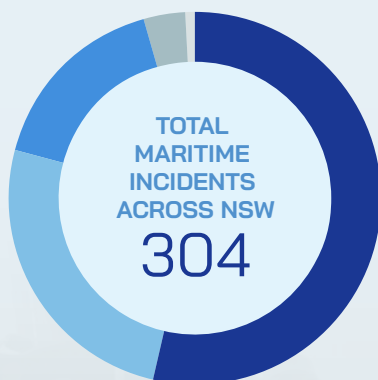
Port Authority placed as a finalist in the Bentley 2023 Going Digital Infrastructure Awards, additionally winning Founders Honours Award for the development work performed in building the GIS.

EMERGENCY RESPONSE

Every year, hundreds of incidents across all our ports are responded to and actioned by the highly trained and equipped Marine Operations teams. These teams undergo constant training and familiarisation to respond using world best practice to protect marine environments, assist our port users, and respond to real life emergencies and incidents.

Response vessels and specialised equipment are constantly maintained, tested through drills and training to ensure Port Authority is in the best position to keep our marine environment preserved, keep trade moving through the ports, and security of the ports.

In FY24, our emergency response teams responded to



- Pollution incidents | 163
- Booming operations | 78
- Emergency towing and vessel assists | 50
- Firefighting operations | 11
- Medical emergencies | 2

SIGNIFICANT EMERGENCY RESPONSES

Luxury cruiser fire

Sydney – Woolwich Dock | 3 & 4 September 2023

Late on 3 September, Port Authority crews responded to a large luxury cruiser fire, working with FRNSW to contain and extinguish from vessel fire-fighting monitors and FRNSW land-based appliance crews. Boom was deployed to contain any Hydrocarbon pollution.

The cruiser reignited in the early hours of 4 September, with FRNSW and Port Authority crews on scene to extinguish. Ongoing monitoring and placement of booms continued.

Recreational vessel fire

Sydney – Birchgrove | 23 December 2023

Two Port Authority vessels, with FRNSW on board, responded to a recreational boat fire on a mooring. The fire was extinguished by vessel fire-fighting monitors.

Seaplane assistance

Sydney – Shark Island | 25 January 2024

While manoeuvring on the water, Sydney Seaplane *Cessna Caravan*, found itself on rocks around Shark Island. Port Authority vessel *Burra* responded with emergency response vessels from other agencies.

All people on board were safe and boom deployed for any loss of pollutant. The seaplane was lifted onto a barge and escorted to safe berth by Port Authority and water police.



Seaplane assistance, Sydney Harbour

Charter vessel assistance

Sydney – Dobroyd Head | 20 April 2024

Charter vessel *Waltzing Matilda* lost both engines and was drifting between Sydney Heads off Dobroyd Head.

A pan-pan was sent out on VHF (very high frequency) radio and Port Authority vessel *Burra* was deployed to the scene to tow the vessel to a safe anchorage at Quarantine Bay.

EMERGENCY RESPONSE EXERCISES

Port Authority participates in emergency response exercises with both internal and external Port stakeholders, key government and private agencies to test capabilities, emergency response plans, and procedures. These enable our teams to have the skills to deal with any emerging incidents, fine-tune response and combat plans, and are key to ongoing collaboration and working relationships with stakeholders.

These also included, attending an AMSA National Response Team exercise in Tasmania and a cross-border, NSW and Queensland exercise with both National and State Response Team members participating.

Gore Cove Exercise

Sydney Harbour | 15 August 2023

A fire and spill emergency exercise was completed by Viva Energy and Port Authority involving a landside pumphouse incident at the Northern end of the Gore Cove terminal. The fire was extinguished by Viva landside fire systems and a containment boom was placed by Viva across the Northern end of Gore Cove to protect environmentally sensitive areas upstream. Port Authority deployed a secondary boom downstream and parallel as a measure to capture any pollutants between both booms, to keep the spill confined to a small geographic area.

Different scenarios practised annually and trained for by agencies, and understanding the implications is key to protecting high profile locations.

Newcastle Spillex

Newcastle | September 2023

An oil spill exercise was completed by the Port Services team and local management over a two-day period. The initial Incident Management Team (IMT) component involved the formation of a mini IMT involving local staff that would normally be available for such an incident.

The field deployment involved booming operations around a Svitzer tug, moored at the Svitzer tug base and deployment of boom from the Spill Response truck to exercise boom deployment and J booming an area adjacent to the site of the spill.

Hopeng II

Port Botany | 5 December 2023

A multi agency exercise including FRNSW, NSW Police, TfNSW, Port Authority and EPA that established and tested a Multi-Agency IMT (Incident Management Team) for a dangerous goods incident in Port Botany.

Yamba Spillex

Yamba | 14 December 2023

The exercise scenario involved a reported leak of oil from the pilot vessel whilst at its berth. The area surrounding the berth had a medium density of recreational vessels on swing mooring as well as sensitive habitat nearby.

The focus of the field deployment of equipment was to familiarise staff with deploying boom from the rapid response trailer as well as deployment of a skimmer and associated equipment.

Sydney Cove

Sydney Harbour | 3 April 2024

This multi-agency exercise responded to a chemical spill landside at the Overseas Passenger Terminal (OPT) during a cruise ship visit. This was to test the organisations capabilities to respond to an incident that has the potential to cause harm to people and disruptions to the OPT.

Multi-agency responses are set up to test solutions to various developing scenarios, Port Authority's Crisis Management Plan and Divisional Business Continuity Plan, and strengthen working relationships with responsible stakeholders and agencies.

Hopeng III

Port Botany | 16 May 2024

The exercise explored the decision making, planning and communication processes required to implement supporting arrangements under the Botany Bay Precinct Emergency Subplan in response to a major dangerous goods release where multiple stakeholders would be affected in the Port area.

Ramping Up

Port Kembla | 7 June 2024

This exercise involved a car transport ship with a fire onboard, an injured worker and potential pollution incident. Multiple emergency response agencies attended along with Port stakeholders.

Communication arrangements for a multi-Agency IMT were tested for the incident, the complexities of the rescue of an injured worker from the ship, and on water spill containment options for contaminated fire water entering Port waters.



Exercise Ramping Up, Port Kembla

EMERGENCY RESPONSE TRAINING

Port Authority staff attend a wide range of training courses to enhance skills and preparedness in emergency response and management of incidents.

Through FY24, 169 individual placements were filled by staff attending training courses in emergency response.

AMSA Marine Pollution Response course

This course trains staff in the role of taking the lead in Planning and or Operations during an incident using the Australasian Inter-service Incident Management System (AIIMS) as part of an Incident management team to deal with either a pollution event or a complex marine incident.

Vessel firefighting course

This course involves utilising dedicated onboard vessel firefighting systems and capabilities of the equipment to deal with potential fires on other vessels or landside infrastructure. The two-day refresher training, attended by 65 staff, dealt with the best techniques and safety of responders when dealing with these emergencies.

Equipment Operators courses – basic and advanced

These courses are valuable for our response teams in dealing with marine incidents. Operators train in both basic and advanced pollution response equipment and techniques to operate field response systems specifically for prevention, containment and recovery of pollutants in the waterways.



Training with new vessel *Girawaa*, Botany

CRUISE IN NSW

Hundreds of cruise ships and over 1.36 million passengers visit NSW on an average year, generating around \$2.75 billion for our economy, supporting almost 10,000 jobs and creating around \$800 million in wages. New South Wales continues to be a highly sought after destination for cruise lines worldwide with strong demand from both domestic and international source markets.

Port Authority operates two dedicated cruise terminals in Sydney – the Overseas Passenger Terminal in Circular Quay and White Bay Cruise Terminal – as well as the popular Eden Cruise Wharf on the picturesque Sapphire Coast. We also facilitate cruise visits in Newcastle.

CRUISE AND COMMERCIAL

In addition to our regulatory functions, we provide our maritime expertise and marine assets to around 400 customers ranging 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 ensure our working ports are delivering for NSW.

Sydney

The 2023/24 season reaffirmed Sydney Harbour's status as a premier destination and the key port in the Australasian cruise market. Sydney witnessed much fanfare as it welcomed Disney Cruise Line for the first time and was also the chosen destination for Virgin Voyages to celebrate its maiden arrival into Australia.

Across the season, 50 different cruise ships passed through the Heads, culminating in over 300 visits to terminals, berths and anchorages in the Harbour. Two ships were based out of Sydney on a year-round basis offering cruises to Sydneysiders over winter.

The booking window for the 2026/27 season successfully opened with booking numbers, whilst remaining strong, showed some brands pivoting from a growth to consolidation phase as the industry grapples with the effects of near-term headwinds.

Regional Cruise

Port of Eden saw a record breaking 2023/24 cruise season, facilitating upwards of 60,000 passengers to experience the best that the Sapphire Coast has to offer and in doing so generated an estimated \$17 million of passenger expenditure. The season also included eight maiden calls to Eden.

Port Authority holds a unique position in its ability to promote cruise visitation into NSW. To further strengthen this position, Port Authority expanded its cruise offering to include cruise vessel calls within Newcastle Harbour by entering into a licence agreement in October 2023 under which Port Authority will facilitate its own cruise operations within Newcastle Harbour at the Channel Berth. Over time, this agreement is poised to attract more cruise ships to Newcastle, thereby stimulating local businesses and fostering economic growth across the entire region.

The 2023/24 cruise season was hugely successful in Newcastle, which saw close to 30,000 passengers and crew visit the city and surrounding area.

With the growth of regional cruise, Port Authority partnered with Destination NSW and cruise industry experts to deliver Cruise Ready Workshops to local stakeholders and tourism operators in regional ports of Eden and Newcastle. Participants gained insights into how to create local, authentic and tailored shore experiences for cruise ship passengers as part of their broader product development and sales strategy.

To round out the regional review, Port Authority was also very pleased to welcome one ship to Batemans Bay.



CUSTOMER SERVICES AND TENANTS

Our customers continue to grow as Port Authority supports a wide range of industries, by providing opportunities for businesses to occupy land and/or asset infrastructure. This wide range includes restaurants, bars, marine construction, shipping towage, storage, and raw food commodity.

With over 60 customers spread across all ports, Port Authority's customers provide vital functions that not only support the marine industry and economic trade, but the supply chain of goods and services used for each household across the state.

Our tenants of Glebe Island, Cement Australia and Gypsum Resources Australia, provide the vital supply chain of raw construction material, and our customers within our cruise terminal precincts continue to offer high-end food and beverage venues, along with a dedicated café that caters directly to cruise passengers.

At White Bay, Port Authority continues to support businesses that facilitate the safe shipping movement within the Harbour which includes Engage Towage and Ausbarge as well as providing dry stack boating storage and servicing for recreational vessels enabling public access and enjoyment of the harbour.

New opportunities

Port Authority commenced the self-management of its car park at the Overseas Passenger Terminal (OPT) which was previously contracted to a third party. This allows Port Authority a greater level of operating control to ensure the most appropriate price point and operational usability is maintained.

On the continued improvement of the OPT, new dedicated vending options will be available for cruise passengers and the public, containing ancillary travel items, and exciting food and beverage options.



Port Authority continued the open market approach to secure long-term tenants for the use of deep-water berths and adjacent land at Glebe Island 1 & 2 (Multi User Facility) and at White Bay 3 & 4. Following the finalisation of the Expression of Interest (EOI) process in June 2023, Port Authority moved to the second phase of its market testing process, with the release of Request for Lease Proposals (RFLP) for both sites. The RFLP process provides an opportunity for the submission of a detailed proposal for a prospective tenant's intended use for the site, to be evaluated and assessed by Port Authority with the intent that a lease(s) be negotiated and agreed based on any such successful proposal.

Infrastructure Projects

Several key NSW infrastructure projects are being supported on Glebe Island, including the Fish Markets Redevelopment, Sydney Metro West, WestConnex roadway infrastructure, and most recently the Western Harbour Tunnel project. Read more about these infrastructure projects on page 47.

Regional growth

Our customers within our regional ports continue to serve the local community and provide benefit to the local economy, employment and advocacy. 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 Eden Cruise berth. In Newcastle, tenants within our office building asset support the Hunter Region and the local economy, including Whitehaven Coal Mining and Honeysuckle Health.

Port Authority welcomed two new customers in our regional ports. To the north, a new maritime customer, Polaris Marine, who've leased an office, shed and hard stand area on Goodwood Island Wharf in Yamba. Polaris Marine provides essential marine construction and asset maintenance, and capabilities include marine infrastructure and asset maintenance, bridge and wharf construction, piling and sheet piling and specialised crane barge hire. To the south, the owners of Merimbula Marina have expanded their business by licensing area within the Eden Welcome Centre precinct for whale watching and small cruise charters from Eden.





PORT ASSETS

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 to 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 Authority did not dispose of any land assets of value greater than \$5 million during the period 1 July 2023 to 30 June 2024.



White Bay Cruise Terminal

BAYS PORT

Bays Port (Glebe Island and White Bay) have the last deep-water, working wharves for commercial shipping in Sydney Harbour. The berths are significant economic maritime assets and have been part of the working port for the past 123 years.

The port precinct continues to provide strategic capability and outcomes for NSW by facilitating the maritime supply chain for construction materials, supporting NSW Government transportation projects, and is home to a number of maritime contractors and Harbour service providers that provide services within the port supply chain such as tugs, barges, work boats and bunker fuel vessels.

Supporting critical housing and infrastructure

The raw construction material imported through the Port is critical to the delivery of housing and infrastructure, and to the realisation of the NSW Government’s priorities for housing delivery as Sydney experiences unprecedented population growth. Port Authority brings in over 405,000 tonnes of gypsum to Glebe Island every year, providing the equivalent gypsum, used to make plasterboard, for about 50,000 new homes annually.

Through the same port, more than 80% of the cement brought straight into the heart of Sydney is distributed within a 25km radius and used for the construction of housing and infrastructure.

In addition, the Port supplies the majority of Sydney’s food-grade sugar to major food and beverage manufacturers in Sydney, supporting jobs across the supply chain and reducing inflationary and cost of living pressures.

Infrastructure projects

During the last 12 months, there have been changes to the licensed areas used by the major NSW Government infrastructure projects at Glebe Island with the West Connex Stage 3b project concluding and exiting the Bays precinct and the Western Harbour Tunnel project team moving in and setting up operations.

The Sydney Metro West transportation project and the Infrastructure NSW project (overseeing the building of new Sydney Fish Markets) both continue to utilise the Bays precinct to support their respective projects. Ongoing co-ordination between these large-scale projects between Port Authority and other long-term tenants is in place to ensure that all parties operations are seamlessly maintained and are without incident.

White Bay precinct

In March 2024, White Bay was utilised for the delivery and storage of two tunnel boring machines (TBMs) to be used as in the Eastern Tunnelling package (tunnels between the precinct and Sydney CBD), which is part of the Sydney Metro West project. The berth hardstand was also used for the storage of Transport for NSW ferry infrastructure which has been used in recent ferry infrastructure upgrades.

In April 2024, the berth was used for in field, marine pollution response training, where incident response staff from several government agencies underwent weeklong training on the Australian Maritime Safety Authority’s Advanced Equipment Operators course.

Glebe Island precinct

Port Authority continued to provide support for major arts and entertainment events including those sponsored by the City of Sydney and NSW Government. The precinct was used as operational or ‘back of house’ operations requirements for Opera Australia, Australia Day, Vivid Sydney, New Year’s Eve, and international sail racing competition organisation, Sail GP.

Bays Port: trade vessel visits by year:

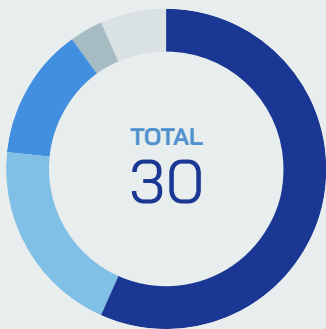
	2020-21	2021-22	2022-23	2023-24	Variance from previous year
Glebe Island	52	60	76	63	(17%)
White Bay	136	146	272	337	24%
Total	188	206	348	400	15%

VESSELS AND EQUIPMENT

Port Authority’s fleet of vessels serve as critical assets for operations across NSW ports. Our highly specialised vessels and maritime equipment give our marine operations teams the capabilities to provide marine services for the ports of NSW and the on-water capabilities to ensure our ports are safe and secure.

Our vessels are purpose designed and built and include a variety of vessel types performing different tasks; pilot vessels to transfer our marine pilots to ships at sea; multipurpose vessels with firefighting capabilities to combat on-water and shoreline fires; emergency and oil spill response vessels which deploy booms to manage marine incidents; survey vessels to scan the seafloor for hazards and operations; and vessels to allow our teams to manage our marine infrastructure.

Port Authority vessels (at 30 June 2024)



- Sydney and Port Botany | 17
- Newcastle | 6
- Port Kembla | 4
- Eden | 1
- Yamba | 2

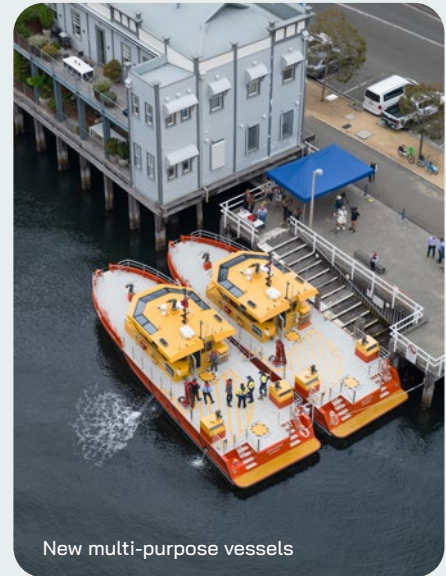
New multi-purpose vessels and retirement of Shirley Smith and Ted Noffs tugs

Our new state-of-the-art vessels, the *Burra* and *Girawaa*, are the fastest ever vessels commissioned by Port Authority and designed to play a pivotal role in major on-water incidents, including firefighting operations both on and from the water. Read about our new vessels on page 58.

The new vessels replaced the two retired firefighting tugs (*Shirley Smith* and *Ted Noffs*), which were sold in December 2023.

The large brass bell from the *Ted Noffs* tug was presented to the Noffs family in a special ceremony that paid tribute to the vessels 38 years of loyal service to Botany. The ceremony was an opportunity for Port Authority to express our gratitude to the Noffs family for allowing us to name the vessel after Ted Noffs, who was the founder of charity the Wayside Chapel. Matt Noffs, grandson of Ted Noffs and CEO of the Ted Noffs Foundation, accepted the bell and an original framed photo of the tug on behalf of the family and foundation, reminiscing on the day the vessel was launched in the water in 1987 when he was just 7 years old.

The second of two large brass bells from the *Shirley Smith* tug was presented to the great niece of Shirley Smith, Yvonne Weldon AM in a small ceremony at Moores Wharf, marking the vessel’s 38 years of loyal service to Sydney Harbour. It was a special moment for Port Authority to thank the family of this iconic Wiradjuri woman, social worker and humanitarian, who was best known as Mum Shirl, for granting her name for the working vessel.



New multi-purpose vessels

Development of the 10 Year Vessel Asset Strategy

All vessels require monitoring of condition and performance throughout their lifecycle. A 10 Year Vessel Asset Strategy has been developed by the Marine Assets and Operations teams. The strategy seeks to provide a 10 year view of the assets that focuses on condition and lifecycle reporting, operational requirements, preventative maintenance regimes, and the development of sustainable operational protocols that will ensure our vessels operate as efficiently and sustainably as possible.



Port Authority vessels by name and function (during 1 July 2023 to 30 June 2024)

Precinct	Vessel name	Vessel function
Pilot Vessels		
Sydney and Port Botany	PV Sever	Pilotage
Sydney and Port Botany	PV Sharp	Pilotage
Sydney and Port Botany	PV Sinclair	Pilotage
Newcastle	Henry Newton	Pilotage
Newcastle	Governor King	Pilotage
Newcastle	PT1	In-harbour transfers
Port Kembla	Kestrel	Pilotage
Port Kembla	Shearwater	Pilotage
Yamba	Alvina III	Pilotage transfers, emergency response
Marine Operations Vessels		
Sydney and Port Botany	Burra	Multi-purpose with firefighting capabilities
Sydney and Port Botany	Girawaa	Multi-purpose with firefighting capabilities
Sydney and Port Botany	Manns Point	Crane operations, oil spill response
Sydney and Port Botany	Response II	In-harbour transfers, emergency response
Sydney and Port Botany	Millers Point	In-harbour transfers, emergency response
Sydney and Port Botany	FRV2	Oil spill response, crane operations
Sydney and Port Botany	OSV Banks	Oil spill response
Sydney and Port Botany	OSV Denison	Oil spill 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 (sold December 2023)	Firefighting
Sydney and Port Botany	Ted Noffs (sold December 2023)	Firefighting
Newcastle	RV3 Punt	Marine operations
Newcastle	Riverkeeper	Oil spill response
Newcastle	RV1	Marine operations
Port Kembla	Dinghy (flat bottom)	Marine operations, emergency response
Port Kembla	Elourie	Marine operations, emergency response
Eden	Quintrex Bayhunter	Marine operations, emergency response
Yamba	Flat Punt	Marine operations, response vessel
Survey Vessels		
Statewide	Brian Cecil	Survey work, pilotage transfer
Sydney and Port Botany	Botany Punt	Survey work, shallow water inspections
Sydney and Port Botany	Port Explorer	Survey work

IT INFRASTRUCTURE

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.

Cyber security uplift

Port Authority continues to enhance its cyber resilience. Adoption of the Australian Cyber Security Centre Essential Eight mitigations, and the National Institute of Standards and Technology Cyber Security Framework continues with efforts focusing on enhancing maturity levels for appropriate risk areas.

Efforts are also underway to transition security efforts from reactive to proactive analysis of threats and risks.

Port Authority conducted a detailed cyber security incident exercise during the year, involving IT staff and the Executive team. These exercises, which will run annually, help to refine the procedures, clarify roles and responsibilities and communication plans.

At the end of 2023, we delivered an internal Cyber Security Awareness Campaign to help guide all Port Authority staff on how to stay safe both at work and at home by sharing resources and information to navigate the ever-evolving world of cyber security.

OnePort

This in house developed port management system used by port users, vessels agenda, towage and lines providers and VTS in Port Kembla and Eden is now operational in Newcastle.

Newcastle port operations transitioned to OnePort in August 2023. The transition involved multiple stakeholders including Port of Newcastle, Hunter Valley Coal Chain, Port Waratah Coal Services and Newcastle Coal Infrastructure Group.

Read more about our OnePort project on page 58.

HERITAGE

Port Authority is committing to conserving its port and maritime heritage. Across our ports, we own, manage and maintain 38 heritage-listed assets, including iconic landmarks and structures listed on the NSW State Heritage Register.

In FY24, Port Authority undertook several recommendations from our Heritage and Conservation Register including having a heritage significance assessment undertaken of two of our most iconic heritage buildings. The assessment of the Moore's Wharf building was also done to inform upcoming refurbishment works and has confirmed that the building demonstrates historical and historical association significance at the State level.

An assessment of significance was also undertaken of the Glebe Island Silos, including their operational context. The assessment found that the Silos are significant for their connection to the historical uses of Glebe Island and that it is the collective significance of the wider former Glebe Island Grain Terminal and Glebe Island area that is considered to be of greater value. The assessment concluded that the Silos, within an extended operational curtilage, potentially demonstrate historical, aesthetic, social/cultural, rarity and representative significance at the State level. Based on the outcomes of the heritage assessment, Port Authority nominated the Silos within an extended curtilage to the State Heritage Register. The nomination is under consideration by the State Heritage Register Committee of the Heritage Council of NSW.

In September 2023, Port Authority also commenced a 12-month program of extensive restoration works to the iconic Hornby Lighthouse at South Head. These works are the result of meticulous planning to ensure the ongoing structural integrity and the preservation of the lighthouse's State significant heritage values as a key element of the South Head Cultural Landscape listing on the State Heritage Register. Read more about these restoration works on page 52.



Port Authority's Macquarie Pier Project in Newcastle was once again recognised, this time at the August 2023 Hunter Business Awards, where it received Highly Commended for Excellence in Innovation. Visit: portauthoritiesnsw.com.au/macquariepier



Item name	State Heritage Inventory Number	State Heritage Register Number	Location	Assessed
Automatic Tide Gauge	4560010		Brotherson House, Port Botany	State
Bay Class Bronze Propeller	4560061		White Bay Cruise Terminal, Robert Street Balmain	Local
Blues Point Light Structure	4560034		Blues Point Reserve, McMahons Point	Local
Bradleys Head Lighthouse	4560001	01430	Bradleys Head, Mosman	State
Chance Brothers Lens	4560032		Port Authority of NSW Corporate Office	Local
Dawes Point Fog Signal and Navigation Light	4560029		Hickson Road, Dawes Point	Local
Eastern Channel Lighthouse	4560031		South End Eastern Channel, Sydney Harbour	State
Eastern Channel Front Lead	4560003		80 Wentworth Road (corner Fitzwilliam Rd), Vaucluse	State
Eastern Channel Rear Lead	4560007		12A Wentworth Avenue, Vaucluse	State
Eden Harbour Master's Telescope and Barometer	4560063		Harbour Masters Office, Eden Welcome Centre, Snug Cove	Local
Glebe Island Bridge Approach	4560015	01914	Glebe Island, Rozelle	State
Glebe Island Dyke Exposures	4560056		Solomons Way, Glebe Island, Rozelle	Local
Glebe Island Plaque – Opening of Container Terminal	4560013		Monument Lookout, Glebe Island, Rozelle	Local
Glebe Island Sandstone Quarry Sample	4560014		Monument Lookout, Glebe Island, Rozelle	Local
Glebe Island Silos	4560016		Glebe Island, Rozelle	State
Glebe Island World War II Monument	4560012		Monument Lookout, Glebe Island, Rozelle	Local
Grotto Point Lighthouse – Front Lead	4560006		Lighthouse Track, Balgowlah Heights	State
Henry Head Lighthouse	4560009	01918	Henry Head, Botany Bay National Park	State
Hornby Lighthouse	4560002	02071	Inner South Head, Watsons Bay	State
Macquarie Pier (including sandstone retaining wall and steps)	3930015	01674	Nobbys Road, Newcastle East	State
Maritime Services Board Autograph Book	4560059		Port Authority of NSW Corporate Office	Local
Moore's Wharf Building	4560018		4 Towns Place, Millers Point	Local
Nobbys Headland	2170241	01674	Nobbys Road, Newcastle East	State
Obelisk Bay Obelisks (Front and Rear Leads)	4560028	00999	Middle Head, Mosman	State
Overseas Passenger Terminal	4560023		Circular Quay, Sydney	Local
Overseas Passenger Terminal – Mural	4560024		Circular Quay, Sydney	Local
Port Botany Old Government Wharf Remains	4560021		Port Botany, Banksmeadow	Local
Robertsons Point Lighthouse	4560004		Cremorne Reserve, Cremorne Point	State
Shark Island Lighthouse	4560008		Off Northern End of Shark Island, Shark Island, Port Jackson	State
Stone Boat Harbour (Relic)	2170258	01674	100 Wharf Rd, Newcastle East	State
Sydney Cove West Archaeological Precinct	4560025	01860	112-156 George Street, The Rocks	State
The Spit Lighthouse – Rear Lead	4560030		53B Parriwi Road, The Spit	State
Timber Cabinet 1, Enfield	4560058		Glebe Island Storage Shed	Local
Timber Cabinet 2, Enfield	4560057		Glebe Island Storage Shed	Local
Two Mooring Anchors	5063342		4 Towns Place, Millers Point (Moore's Wharf)	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		Victoria Road, Rozelle	State

AIDS TO NAVIGATION

Port Authority's network of buoys, markers, beacons and lighthouses provide navigational information to assist the safe movement of ships, goods and people through our ports. From the iconic Hornby Lighthouse guiding ships at the entrance of Sydney Harbour, and the twin Wedding Cake lighthouses, to the shipping channel marker buoys, 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 (PSOL), our teams manage and maintain this important marine infrastructure to ensure safe passage for ships and protection for the port environment.

Hornby Lighthouse restoration

The iconic red and white striped Hornby Lighthouse located on the clifftop above Sydney Harbour's South Head is the second oldest lighthouse in NSW. It is one of only three remaining lighthouses¹ in NSW constructed prior to 1870 by NSW government architect Alexander Dawson, all built using local sandstone blocks.

In January 2023, Hornby Lighthouse was listed on the NSW State Heritage Register as part of the Cultural Landscape of South Head. As the custodian of Hornby Lighthouse, Port Authority committed to the full restoration and life extension of the lighthouse, and future implementation of a cyclic maintenance schedule to ensure the preservation of the iconic lighthouse.

The restoration works commenced in September 2023 and are scheduled to be completed in August 2024.

The works, completed by a heritage building specialist contractor and stonemason with guidance from a heritage architect, include:

- Removal of all exterior and interior paint from the original sandstone block walls, desalination of the sandstone blocks to remove corrosive salt build up, minor repairs to the sandstone blocks and repointing.

- Repainting the exterior extant pattern in shades of red and white that match the earliest historically documented shades as accurately as possible.
- Replacement of timber floors on the first and second floors, including a copper floor covering in the second-floor lamp room.
- Remediation of the roof structural frames and lamp room window frames, replacement of lamp room glass, restoration of the original copper roof sheets (including repair of bullet holes!) and weathervane, new copper guttering.
- Restoration of original cast iron balcony balustrade, original interior cast iron spiral staircase and metal window frames, and replacement of exterior staircase balustrade.

Work has also commenced on a separate project to design and install a new stormwater drainage pipe and associated soil remediation work, which is scheduled to commence early 2025 pending Heritage, Aboriginal Cultural Heritage, and Planning approvals (Hornby, Nobbys and Point Stephens).



Eastern Channel Lighthouse 'Wedding Cake', Sydney Harbour

Wedding Cake East (Eastern Channel marker) life extension

The Eastern Channel lighthouse is one of two matching 'Wedding Cake' lighthouses that are operational navigational lights, located in Sydney Harbour near Watsons Bay.

Having reached the end of its design life, Port Authority conducted a process to ensure the recommended life extension works meet the requirements of Heritage NSW. In January 2024 Port Authority commenced a project to restore the lighthouse and extend its operational life, including restoration of the timber piled foundations in its existing location, platforms and two-tiered lighthouse, and upgrades to ensure compliance with modern safety requirements. The lighthouse was temporarily removed to allow the restoration works to be completed in a protected environment and has since been returned to its original position. Works are scheduled to be completed August 2024.

Replacement of Port Botany Airport PEL

Port Authority replaced two AtoNs, being the front and rear navigation leads located near the end of the Sydney Airport runway, to provide a lead line for the main approach channel into Port Botany. This involved design and construction of the new structures to allow cyclic maintenance to take over for the full duration of their estimated lifecycles and avoid disruption to port operations and the safe passage of vessels during the site works.

Following detailed analysis, it was recommended that the existing end of life rear lead light be replaced with a technologically advanced Port Entry Light (PEL) on a piled structure located in the water. A new piled guiding light (front lead) was also recommended as contingency, should the new PEL ever fail to operate. When fully operational the new leads eliminate the need to access Airport land for maintenance of the AtoN and meets the requirements of Sydney Airport and Civil Aviation Safety Authority.

Construction of the structure to accommodate the rear lead PEL is scheduled to be completed in July 2024, when testing of the new PELs will commence. Following commissioning of the new PELs and extinguishing of the redundant lights, the end-of-life AtoN tower located on Airport land will be demolished.



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Aids to navigation owned by Port Authority

Aids to navigation owned by Port Authority by type and port

Port	Floating buoys	Fixed structures	Lighthouse	Total
Sydney Harbour	10	56	11	77
Port Botany	13	52	1	66
Newcastle ¹	0	0	0	0
Port Kembla	5	23	0	28
Eden	2	12	0	14
Yamba	14	30	0	44
Total	44	173	12	229

1. Port of Newcastle is responsible for AtoNs in Newcastle

PORT SECURITY

Port Authority is committed to the security of its waterways, assets and infrastructure, employees and public within these spaces:

- The 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)
- White Bay and Glebe Island wharfs used for dry bulk and import/export operations
- Port Botany boat ramp
- Maritime Industry service providers that operate within the waterways.

Port Authority continually monitors facilities, undergoes security exercises and drills, and proactively develops contemporary security mitigation to evaluate and respond to the latest world events and trends.

Throughout FY24, Port Authority implemented several developments to access contemporary risk information provided by federal and state agencies, and improve security response and capability, including:

- Approval by the Department of Home Affairs of the revised Maritime Security Plans for the cruise terminals and contingency berths for the OPT, WBCT and White Bay 4.
- Development and implementation of the Security of Critical Infrastructure and Transport Security Reform legislation at Port Authority.
- Successful Physical Security audit carried out by KPMG as part of the Audit and Risk security compliance for Port Authority facilities and assets highlighting our commitment to the highest standard of security for staff and customers.
- Continuing to build a strong port wide security network hosting the Port Security Committee meetings in Port Kembla, Eden, Port Botany and Sydney.

- Two operational exercises with NSW Police Force Counter Terrorism and Defence in Port Kembla and Sydney Harbour to enhance critical infrastructure protective security, vehicle borne attacks and crime prevention, in particular addressing armed active offenders and trending protest activity.
- Participation in the steering group for the Counter Terrorism NSW Government Agency Briefing hosted by the Assistant Commissioner and the NSW Police Counter Terrorism and Special Tactics Command.
- Continuing support for the maritime industry and Federal Government by co-chairing the Maritime Industry Security Consultative Forum and chairing the Ports Australia Security working group.
- Maintaining a strong working relationship with Australian Government regulator from the Department of Home Affairs and has welcomed and was compliant with the external audits and inspections as part of the Departments maritime compliance plan.



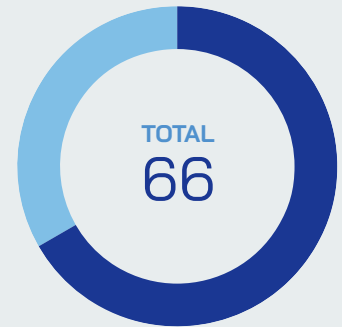
TERMINALS AND VENUES

Port Authority owns and operates the Overseas Passenger Terminal (OPT) and White Bay Cruise Terminal (WBCT) in Sydney, and cruise facilities in Eden, including the Eden Welcome Centre. Our terminals provide the maritime capabilities to safely accommodate some of the worlds biggest passenger vessels and the infrastructure to safely transfer passengers from ship to shore.

Set in iconic waterfront locations, the OPT and WBCT continue to be the preferred venues for some of Australia’s most trusted international and national brands with filming demonstrated to favour both the OPT, WBCT and Port Botany Boat Ramp.

During FY24, we once again provided our port assets to assist with staging some of Sydney’s biggest events, including New Years Eve, Australia Day and Vivid Sydney. The Vinnies CEO Sleepout was also once again hosted at the WBCT, raising millions of dollars for Australia’s most vulnerable community.

Events hosted at Port Authority venues in FY24



- Overseas Passenger Terminal | 44
- White Bay Cruise Terminal | 22

MAJOR PROJECTS

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, and drive the growth of tourism.

BAYS PORT PLAN

Port Authority has completed its Bays Port Plan, previously referred to as Bays Port Innovation and Integration Plan, covering the locations of White Bay and Glebe Island.

The Plan has been shaped by collaborating with the port community, First Nations peoples, port operators and tenants, a wide range of stakeholders and industry leaders, and looking globally at best practice to develop an integrated world-leading sustainable and integrated port of the future.

Uniquely, the Plan demonstrates options on how Bays Port can grow and evolve while also supporting the Government's urban renewal and housing aspirations for the wider Bays West precinct. The Plan is flexible and can be adapted to accommodate various priorities for land use in the wider precinct however it is based on principles which guide decision making as it relates to ensuring necessary proximity between port operations and non-port related developments.

The Plan enables the retention of this last remaining port asset within Sydney Harbour, which provides a unique combination of deep-water land interfacing berths, road access and 24/7 operation in an inner-city location.

While the Plan is not an endorsed Government policy, and may be adapted to accommodate Government priorities, it provides an option to demonstrate how the precinct could support continued growth in demand for construction materials, while introducing new complementary port-related land uses to develop a dynamic blue economy cluster leveraging this unique site.

Project status

Complete



SHORE POWER

Introducing shore power using purchased certified renewable electricity in the Bays Port precinct is one way Port Authority is helping to address climate change and reduce potential noise impacts to the local community from vessels at port.

The supply of shore power will enable ships to reduce reliance on their engines while at berth which will reduce the amount of diesel fuel burnt and consequently, reduce potential odours, air and noise pollution. Port Authority will install Shore Power infrastructure at the White Bay Cruise Terminal, with up to four other berths to follow as a separate stage.

Project status

Design of the new 33kV power supply to the precinct is currently in progress. Once the design has been certified by the electricity provider, Port Authority will issue the RFT to procure an accredited service provider to construct the new power supply.

Contract negotiation with the preferred tenderer to carry out the design, fabrication, supply and installation of the shore power equipment and internal electrical distribution system is currently in progress. The project is impacted by the rapidly increasing tender activity on the international market for shore power equipment, as demand continues to increase.

An EOI process to shortlist qualifying civil contractors to participate in the next tender stage is ongoing. Electrical distribution and shore power equipment selection and design will inform the civil works scope within the precinct which includes construction of electrical pits and trenches for conduits and power cable, and water-cooling system for critical shore power infrastructure.

As a leader in this space, industry collaboration at a national and international level continues. Port Authority is playing a crucial role in forming the national shore power standards committee within Standards Australia and was accepted to participate in the international Electrotechnical Commission (IEC/IEEE/ISO) Technical Standards, representing Oceania/Asia Pacific on the committee developing the international standards for shore power for all vessel types.

Project costs

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

Milestones



2022

March: Shore power announcement.

December: Concept design is finalised.

2023

January: Release Expression of Interest (EOI) for main shore power equipment supply.

April: Release Request for Tender (RFT) for main shore power equipment supply.

2024

March: Release EOI process for the internal civil works.





ONEPORT

OnePort is a custom designed, in-house developed, state-of-the-art port management system built on modern cloud technologies serving stakeholders such as port users, vessel agents, shipping companies, towage and lines providers and our own Vessel Traffic Services.

OnePort replaces three port management systems used in our various ports across NSW, and introduces efficiencies in processes, standardisation of language, and increased data capture across all locations. The development of OnePort was a significant innovation for port operations bringing together a single way of operating, and using industry-standard language and terms.

The subsequent stages of OnePort will investigate using the newly acquired data to drive operational efficiencies across the supply chain of vessel movements.

OnePort is operational in our ports of Eden, Port Kembla and Newcastle, which are operating on Release 17 containing significant operational enhancements since the original transition in those ports.

Project status

Port Authority is currently adding the required processes and functionality to OnePort for the Sydney-based operations.

Most notable is the requirement for OnePort to support our obligations for the management of dangerous goods movement at Port Botany.

OnePort is planned to be operational in Sydney during FY25.

Project costs

\$8.66 million including internal labour.

Milestones

2022

April: OnePort operational in Port Kembla and Eden

2023

August: OnePort operational in Newcastle



MULTIPURPOSE VESSELS

Port Authority's two new vessels support critical maritime capabilities. The vessels, the *Burra* and *Girawaa*, provide our operations teams with greater agility, flexibility and capability as the fastest response vessels ever commissioned by Port Authority.

They are custom designed for rapid response and play a pivotal role in on water operations, major on-water incidents, including firefighting operations both on and from the water.

The vessels are 17.8 metre alloy vessels and feature two fire pumps which can pump 16,000 litres of sea water per minute and can project the water to over 90 meters. The vessels can travel at speeds up to 27 knots (50km/hr) and are capable of operating in shallow water and a variety of sea states and restricted areas of navigation.

The new vessels have replaced the two firefighting tugs (*Shirley Smith* and *Ted Noffs*) which have been retired after almost 40 years of service.

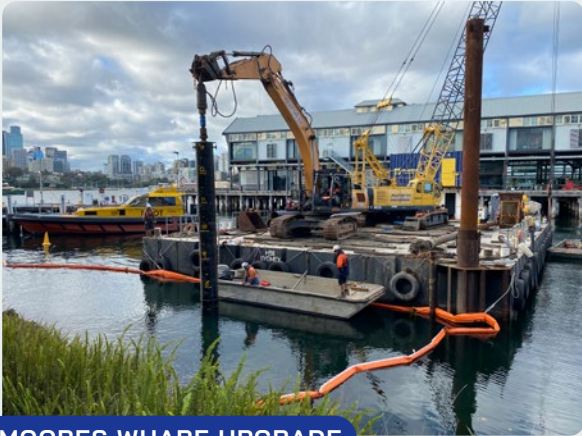
Project status

Complete

Project costs

\$11.7 million





MOORES WHARF UPGRADE

The Moores Wharf facility is home to Port Authority’s Marine Operations base on Sydney Harbour. The facility serves as a critical staging point for daily operations and emergency response, with Port Authority’s Marine Operations team overseeing thousands of vessel movements on the harbour every year.

The project involves the construction of a wave baffle structure (completed in July 2023) and a new floating pontoon system to replace the existing T-jetty and floating jetty which have reached the end of their serviceable life and are not designed to efficiently accommodate our existing and future fleet.

The floating pontoon construction has commenced, and will be built in two stages:

Stage 1: demolishing the existing T-Jetty and constructing two-thirds of the pontoon structure along with the main gangway. Scheduled to be completed in August 2024.

Stage 2: demolishing the existing floating jetty and constructing the final one-third of the floating pontoon. Scheduled to be completed in October 2024.

The new floating pontoon will have capacity to accommodate up to eight vessels and include facilities for refuelling, as well as providing top of the range infrastructure to help Marine Operations respond to incidents quickly.

Project status

Construction of the floating pontoon has commenced and is scheduled to be complete in October 2024.

Project costs

\$4.2 million

Milestones

2023

July: Wave baffle construction complete

2024

April: Floating pontoon construction commenced



MOD3

Port Authority is proposing to modify the existing State Significant Infrastructure Approval for the Eden Cruise Wharf to allow for the visitation of larger cruise ships and other vessels to invest in the local economy and tourism, support business opportunities for regional and local communities and respond to ongoing demand from the cruise and shipping industries.

The MOD3 proposal is being sought to increase the operational flexibility of the Eden Cruise Facility to permit the following activities:

- Uncapped cruise vessel visitation with vessels permitted to remain at berth 24/7 and undertake operational activities between 7am and 10pm.
- Maximum cruise vessel size/capacity equivalent to the Royal Caribbean Oasis Class vessel (length 370m, capacity 6780 passengers plus crew).
- Non-cruise vessels up to the maximum vessel size (370m) permitted to use the berth.
- Development of an additional mooring dolphin and passenger access walkway.
- Relaxation/update of some operational management procedures.

Project status

Following the planning modification approval by Department of Planning, Housing and Infrastructure (DPHI) in May 2024, Port Authority has commenced preparation of the updated Operational Environmental Management Plan (OEMP) and Air Quality and Water Quality Monitoring Plans for approval by DPHI to facilitate the use of the expanded scope of operations permitted under the MOD3 approval.

Milestones

2023

September – October: MOD3 Report submitted to DPE, and on public exhibition

2024

February: Response to Submission Report submitted to DPE

March – April: Review and update draft conditions of approval

May: Planning modification MOD3 approved by DPHI

MANAGEMENT AND ACCOUNTABILITY

ECONOMIC OR OTHER FACTORS AFFECTING ACHIEVEMENT OF OPERATIONAL ACTIVITIES

In FY24 vessel call visitation into Port Kembla was 21% lower compared to FY23 and 11% lower compared to FY22. The decline was due to shipping congestion in the car terminals and a global disruption in the steel related trades as a consequence of the Baltimore Bridge collapse in March 2024. The key factor in the car trade which was most notable in the period between April 2023 and February 2024, was the biosecurity measures taken after exotic pests were found in imported vehicles (COVID related closures in Asia had vehicles parked outdoors over extended periods of time). The requirement for laborious cleaning at Port Kembla's car terminals led to congestion and a reduction of shipping schedules.

Industrial action at DP World (DPW) during the months of October and November 2023, coupled with a cyber security incident at DP World in November 2023, led to a reduction in container ships calling into Port Botany. Monthly visitation throughout FY24 Q2-Q4 was on average 16.5% lower than in FY24 Q1.

In March 2024, Port Authority's Shareholding Ministers requested that Port Authority not enter into any new or revised contractual commitments at Bays Port while the precinct's future functions were under review. Port Authority has subsequently paused a number of lease and license dealings, capital investments and other business development initiatives in the precinct until a decision has been made.

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 2023-24 Statement of Corporate Intent.

The favourable variance in 2023-24 is predominantly due to higher revenue from above budget call activity for the bulk liquids segments in Port Botany and Sydney as well as higher than expected passenger occupancy for cruise ships. In addition, unbudgeted rental income from licence extensions and new areas for WestConnex, Sydney Metro and the Fish Markets at Bays precinct was also contributing. This was partially offset by lower revenue in Port Kembla where the vehicle imports trade was impacted by regional congestion leading to shipping lines reducing schedules.

There was an unfavourable variance in operating expenditure due to higher service contractors mainly from increased IT support and maintenance agreement expenditure, unbudgeted external labour and higher than anticipated vessel fleet maintenance. Salaries and wages were lower than expected due to favourable annual and long service leave adjustments and FTE vacancies during the first half of the year. Land tax was above budget due to significant increases in land values at most sites. Channel fees were higher due to greater than anticipated navigation revenue in Port Botany and Sydney.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the year were \$68.7 million compared with a budget of \$51.5 million.

BOARD OF PORT AUTHORITY

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 FY24.

Role of the Board

The Board is responsible for overseeing the business and commercial affairs of Port Authority including:

- Approving business and financial strategy, and the business and financial objectives
- Monitoring business and financial performance
- Reviewing performance and remuneration of executive management, and 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 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 2024 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.

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: In each case, the materiality of the interest, position, association or relationship needs to be assessed to determine whether it might interfere, or might reasonably be seen to interfere, with the director's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the business and its shareholders generally.

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.

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.

Other board memberships

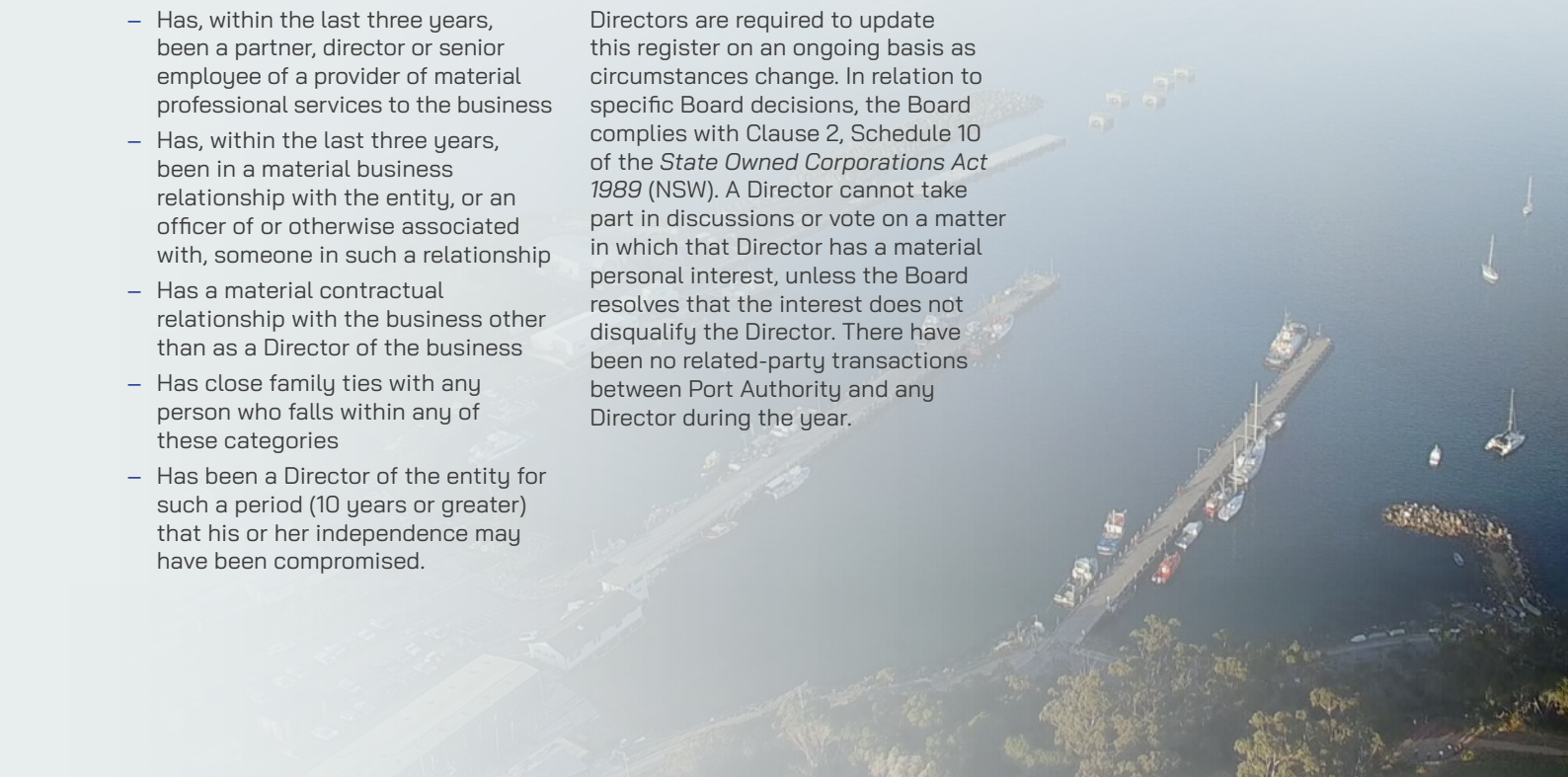
NSW Treasury Guidelines for Governing Boards of Government Businesses (November 2017) recommends that Directors should not hold directorships of more than three government boards. None of Port Authority's Directors has exceeded this limit.

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 FY24, the Board met ten 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.



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 FY24:

- Audit and Risk Committee
- People and Culture Committee

The Nominations Committee did not meet during 2023-24.

Each committee has a charter setting out its roles, responsibilities and delegated authority from the Board. Copies of the Board Committee Charters are available in the Corporate Governance section of the Port Authority website. 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 2024 was Matthew Irwin, an independent non-executive Director. Other members of the Committee on 30 June 2024 were David Marchant, Justine Jarvinen and Deborah Dearing, who were each independent, non-executive Directors. Kirsten Molloy was a member of the Committee until her term expired in March 2024.

The Committee met six times during FY24.

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.

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 reporting
- Risk management
- Target capital structure
- Accounting and Board policies
- Internal financial and risk controls
- Insurance program
- Compliance with applicable laws and regulations
- Integrity and performance of the internal audit function
- Sustainability policies and disclosures
- Monitoring critical and emerging trends.

The Committee provides a forum for communication between the Board, senior management and both the internal and external auditors.

People and Culture Committee

The appointment term of the Chair of the People and Culture Committee, Kirsten Molloy expired in March 2024. Andrew Scipione was also a member until his term expired in March 2024. The other members of the Committee on 30 June 2024 were David Marchant (Acting Committee Chair) and Justine Jarvinen, both independent, non-executive Directors.

The Committee met four times during FY24.

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
- People and culture (P&C) management practices including succession planning, talent development and employee engagement
- Diversity, culture and wellbeing programs
- Workplace relations and industrial relations issues.

During FY24, the People and Culture Committee considered and recommended to the Board the Corporate Goals results for the 2022/23 year and the Corporate Goals for FY24, and reviewed and evaluated the performance of the Chief Executive Officer and the Executive Management team against agreed performance goals for the 2022/23 year. The Committee oversaw P&C management including a new leadership development framework, workforce planning and progress against strategic initiatives, HR metrics, diversity and inclusion matters, complaints and grievances.

Board meeting attendance for FY24

Board member	Eligible to attend	Attended	Term of appointment
David Marchant	10	10	1 April 2022 - 31 March 2025
Philip Holliday	10	10	27 November 2019 - 26 November 2024
Deborah Dearing	10	10	13 February 2023 - 12 February 2026
Matthew Irwin	10	10	13 February 2019 - 29 January 2025
Justine Jarvinen	10	9	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



It received updates on enterprise agreements, the status of actions arising from an employee survey, the introduction and rollout of a new employee assistance program and fitness and wellness matters. It also reviewed the Committee Charter.

Nominations Committee

The Chair of the Nominations Committee on 30 June 2024 was David Marchant. David is an independent non-executive Director and Chair of the Board. The other Committee member on 30 June 2024 was Matthew Irwin, also an independent non-executive Director.

The Committee did not meet during FY24.

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.

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.

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:

- Port Authority's Vision and Strategic Plan
- Recent Board and Committee meeting minutes
- Copies of relevant legislation
- The Code of Conduct
- Most recent Annual Report
- Board profiles and contact details
- Board delegations
- Board and Committee charters
- Statement of Corporate Intent
- Statement of Expectations.

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 appetite statement
- 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.

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.

Committee meeting attendance for FY24

	Audit and Risk Committee		People and Culture Committee		Nominations Committee	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
David Marchant	6	6	4	4	0	0
Philip Holliday	–	–	–	–	–	–
Deborah Dearing	6	6	–	–	–	–
Matthew Irwin	6	6	–	–	0	0
Justine Jarvinen	6	6	4	4	–	–
Kirsten Molloy	4	4	3	3	–	–
Andrew Scipione	–	–	3	3	–	–

NUMBERS AND REMUNERATION OF SENIOR EXECUTIVES

As at 30 June 2024, there were seven executives with remuneration equal to or exceeding the equivalent NSW Public Service Commission Senior Executive Service (SE) band 1: five 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 2024, 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 2022	30 June 2023	30 June 2024	Male	Female	Average total remuneration package in band
SE BAND 1 Director	0	0	0			
SE BAND 2 Executive Director	2	0	2	1	1	\$383,169
SE BAND 3 Deputy Secretary	5	7	5	4	1	\$423,579
SE BAND 4 Secretary	0	0	0			
>SE Band 4 Max	1	1	1	1		\$655,287
Gender ratio, male to female	6:2	5:3	6:2	6	2	

HUMAN RESOURCES

	30 June 2023	30 June 2024
Corporate Support	126	138
Eden Operations	2	2
Newcastle Operations	65	65
Port Kembla Operations	32	35
Sydney Operations	142	144
Yamba Operations	4	5
Grand Total	371	389



PROMOTION

During FY24 six Port Authority employees travelled overseas on six occasions:

Travellers	Location	Purpose
1	South Korea	Guest speaker at the <i>Asia Cruise Forum</i> to present on shore power installation at White Bay and Glebe Island and sustainable growth in the cruise industry.
1	Singapore	Present at the <i>Bentley 2023 Going Digital Awards in Infrastructure</i> as an award finalist for the project A Case Study <i>In Digital Transformation</i> (read about our project on page 38).
2	Spain	Keynote speaker and panellist at the <i>Smart Cities and Ports World Congress</i> discussing the integration of ports into wider city environment and future ports infrastructure and innovations. Barcelona operational port tour focusing on pilot vessels.
	Italy	Keynote speaker at the <i>Association of International Cities and Ports (AIVP) World Conference</i> and attend the AIVP Board meeting. Port Authority is an active member of AIVP contributing to a number of working groups supporting effective integration of ports and cities.
	United Kingdom	Visit the Port of London Authority and meet with key stakeholders to discuss the sustainable operation of marine vessels as a key element in defining the requirements for Port Authority's vessel asset strategy and replacement program.
2	USA	Attend the <i>Seatrade Global Cruise Conference</i> and meet with representatives from major Ports and Executives from the major cruise lines to discuss future developments and plans to assist in determining industry trends.
1	Singapore	Present at the <i>Container Ship Safety Forum</i> on safety aspects of port operations and attend meetings with Port of Singapore and international shipping lines.
1	Canada	Attend the AIVP Board meeting. Speak at the Conference on the Sustainable Development of Port Cities regarding Port Authority's targets and pathway to NetZero, challenges ports face on their journey to decarbonisation and port-city development. Meeting with the Port of Quebec discussing Port Authority's approach to master planning ports in an urban environment, shore power, and noise monitoring.

CONSULTANTS

Engagement during FY24 of a consultant by or on behalf of the agency:

Engagements costing equal to or greater than \$50,000

Consultant	Project	Actual costs
Hatch	Development of the Bays precinct long term strategy	\$2,082,434
Aecom Australia	Climate risk assessment and reporting advice	\$86,463
Verizon Australia	Development of cyber incident response plan	\$78,000
Roy Morgan Research	Advice on retail development	\$70,000
KPMG	Advice on contract and supplier relationship management frameworks and policies	\$69,750
RPS AAP Consulting	Cruise demand and economic study	\$65,498
CI2I	Advice on business continuity planning	\$50,000
Total		\$2,502,144

Engagements costing less than \$50,000

Number of engagements	Total cost
1	\$11,578

LEGAL CHANGE

PID legislation Amendment

The *Public Interest Disclosures Act 2022* (NSW) (PID Act) came into effect on 1 October 2023, replacing the former *Public Interest Disclosures Act 1994* (NSW). The PID Act encourages public officials to report instances of “serious wrongdoing” (being corrupt conduct; serious maladministration; a privacy contravention; or a serious and substantial waste of public money) and sets a regime to protect public officials who report such matters from reprisal. Under section 42 of the PID Act, all agencies in NSW are required to have a Public Interest Disclosure Policy, and Port Authority has complied with this requirement via the introduction of its updated Public Interest Disclosures Reporting Policy, which is consistent with the model policy issued by the NSW Ombudsman. Port Authority has also introduced its *Faircall* service, operated by KPMG as an independent party, which provides an additional avenue for staff to make reports in an identified or anonymous manner which will be reported back to nominated Port Authority recipients for action.

Marine Pollution Regulation 2024

The new *Marine Pollution Regulation 2024* (MPR) commenced on 25 March 2024. Specific changes introduced under the new MPR include:

- Integration with the International Convention for the Prevention of Pollution from Ships (MARPOL)
- Changes to reporting requirements for a pollution incident
- Expanding oil pollution insurance requirements to superyachts
- Updating sewage and ‘greywater’ provisions
- Allowing for the prosecution for the offence of having ‘defective, altered or modified sewage systems’
- Prescribing sewage treatment plant requirements, and better applying NSW sewage standards
- Providing for the issue of sewage pollution prevention certificates (SPPCs), and the reinstatement of Civil and Administrative Tribunal for decisions in relation to SPPCs.

Certain uncommenced parts of the *Marine Pollution Act* also commenced at the same time, as well as an update to the Marine Safety Regulation 2016 penalties list of offences under the *Marine Pollution Act 2012*.

Unfair Contract terms legislative change

From 9 November 2023, reforms to the Australian Consumer Law (ACL) came into effect making ‘unfair contract terms’ illegal. The reforms do not amend the already existing test under the ACL for what terms are considered ‘unfair’, but rather implement substantial penalties under the *Competition and Consumer Act 2010* and the *ASIC Act 2001* for the improper use of such terms in contracts. The changes also clarify the powers of the Court in applying breaches of the ACL and the factors they must consider when determining whether a contract is a ‘standard form’ contract, as well as introduce several new categories of contracts of exclusions from the operation of the regime under the ACL.

Privacy Legislation Amendments

The *Privacy and Personal Information Protection Amendment Act 2022* (NSW) came into effect from 28 November 2023. As a result, the application of the Act was extended to cover all NSW State Owned Corporations (not presently covered by the federal *Privacy Act 1988* (Cth)), and a mandatory notification of data breach scheme, placing new reporting obligations in relation to data breaches involving personal information or health information. Further, *Health Records and Information Privacy Act 2002* (HRIP Act) changes came into effect on 27 May 2024, under which state owned corporations (including Port Authority) are also now required to comply with the requirements of the HRIP Act, in the same way as is applicable to other public sector agencies, in their handling of health information and complaints. Port Authority, an anticipation of these sets of impending legislative change, in late 2022 had commenced implementation of its Privacy Framework and associated Policies and Procedures suite.

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 2023 to 30 June 2024.

During the reporting period, eight formal access applications were received, with one application in progress from the previous year (2022-2023) which was a marked increase from previous years.

No formal requests for personal information under the *Privacy and Personal Information Protection Act* were received.

The Right to Information Officer provided internal advice and support on informal applications for information received by the organisation, and several direct requests for information by agencies such as AMSA which do not require an application under the Act. The information available to the public was reviewed and no additional information was identified for proactive release via the website or other means.

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	1	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	1	0	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)	3	1	0	1	1	1	0	0
Members of the public (other)	1	0	0	0	0	0	0	0

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 ²	0	0	0	0	0	0	0	0
Access applications (other than personal information)	4	1	1	2	1	1	0	0
Access applications partly personal information and partly 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.

2. 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).

GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009 CONTINUED

Table C: Invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
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	0
Invalid applications that subsequently became valid applications	0

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	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
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

Table E: Other public interest considerations against disclosure

Matters listed in section 14 of the Act	Number of times consideration used
Responsible and effective government	1
Law enforcement and security	3
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	1
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	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 F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	5
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	1
Total	6

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

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

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.

RISK MANAGEMENT

Port Authority's Enterprise Risk Management Framework outlines Port Authority's approach to identifying, mitigating and managing risk throughout the organisation. It aims to:

- Support effective decision-making and achievement of organisational goals
- Ensure a consistent and effective approach to risk management while allowing for 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 for managing risks and identify opportunities to enhance and refine them
- Foster and encourage a risk-aware culture, where risk management is embedded across all functions, locations and operations and considered as part of decision-making and the formulation of new opportunities.

Port Authority's Enterprise Risk Management Framework is overseen by the Audit and Risk Committee and 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.

INSURANCE ACTIVITIES

Port Authority's insurance coverage, provided by iCare, includes policies for Motor Vehicles, Property and Assets, Liability (including Directors' and Officers' Liability Coverage), Worker's Compensation and Miscellaneous. Additionally, TT Club, offers specialised Port Landlord insurance for international transport and logistics (including marine), while Howden Insurance Brokers provides Group Life and Group Salary Continuance insurance.

The organisation's insurance cover is reviewed annually to ensure coverage is appropriate, with the Audit and Risk Committee and the Board involved in the review, endorsement and approval.

Insurance activities include notifying insurers about new projects for continuous coverage and regularly briefing the Audit and Risk Committee and Board on significant incidents and claims.

ANNUAL REPORT COST

The total cost of producing (editing and design services) the Port Authority of New South Wales Annual Report 2023/24 was \$30,000 (excl. GST). The report is available at www.portauthoritynsw.com.au



FINANCIAL PERFORMANCE

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DIRECTORS' DECLARATION

For the year ended 30 June 2024

In the opinion of the Directors of Newcastle Port Corporation trading as Port Authority of New South Wales (the Corporation) and 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 2024*, the Treasurer's directions and *State Owned Corporations Act 1989*;
- present fairly the Corporation's financial position, financial performance and cash flows;
- at the date of this statement, there are reasonable grounds to believe that the Corporation will be able to pay its debts as and when they become due and payable; and
- we are not aware of any circumstance at the date of this statement that would render any particulars included in the financial statements to be misleading or inaccurate.

Signed in accordance with a resolution of the Directors.



Chair
David Marchant
Date: 10 September 2024



Chief Executive Officer and Director
Philip Holliday
Date: 10 September 2024

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2024

Continuing operations	Note	2024 \$000	2023 \$000
Revenue			
Revenue from port management	3	168,944	146,355
Investment revenue	3	37,474	35,069
Other revenue	3	21,201	19,819
Total revenue		227,619	201,243
Expenses			
Employee related expenses	4	86,979	85,114
Depreciation and amortisation expenses	4	20,559	24,355
Other expenses	4	65,003	57,563
Finance costs	4	6,398	5,943
Total expenses		178,939	172,975
Net gain on sale of property, plant and equipment		318	149
Other gains	5	1,860	207
Profit before income tax equivalent expense		50,858	28,624
Income tax equivalent expense	6	(12,751)	(6,146)
Net profit for the year		38,107	22,478
Other comprehensive income / (expense)			
<i>Items that will not be reclassified to net result:</i>			
Superannuation actuarial gains	20(b)	14	68
Income tax equivalent expense on superannuation actuarial gains	20(b)	(4)	(20)
Revaluation gain on property, plant and equipment (PPE)	20(a)	97,953	37,294
Income tax equivalent expense on revaluation of PPE	20(a)	(29,386)	(11,189)
Other comprehensive income for the year, net of income tax equivalent expense		68,577	26,153
Total comprehensive income for the year		106,684	48,631

The accompanying notes form a part of the financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Note	2024 \$000	2023 \$000
Current assets			
Cash and cash equivalents	7	10,520	24,934
Trade and other receivables	8	24,824	21,634
Assets held for sale	9	10,800	–
Total current assets		46,144	46,568
Non-current assets			
Lease incentive receivable	8	4,014	4,567
Finance lease receivables	10	135,072	126,274
Property, plant and equipment (PPE)	11	630,307	532,947
Right of use (ROU) assets	12	7,353	9,450
Investment property	13	–	8,500
Intangible assets	14	9,142	7,459
Defined benefits receivables	19	239	327
Total non-current assets		786,127	689,524
Total assets		832,271	736,092
Current liabilities			
Trade and other payables	15	22,917	27,720
Provisions	16	26,273	25,100
Interest-bearing liabilities	17	11,828	13,887
Income tax equivalent payable	6	1,832	524
Dividend payable	18	39,500	33,000
Total current liabilities		102,350	100,231
Non-current liabilities			
Contract liabilities	15	618	1,144
Provisions	16	2,018	2,698
Interest-bearing liabilities	17	130,447	130,851
Deferred tax equivalent liabilities	6	100,292	71,806
Total non-current liabilities		233,375	206,499
Total liabilities		335,725	306,730
Net assets		496,546	429,362
Equity			
Contributed equity	20	165,768	165,768
Asset revaluation reserves	20	205,604	137,037
Retained earnings	20	125,174	126,557
Total equity		496,546	429,362

The accompanying notes form a part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Note	Contributed equity \$000	Asset revaluation reserve \$000	Retained earnings \$000	Total \$000
At 1 July 2022		165,768	110,932	137,031	413,731
Net profit for the year	20(b)	—	—	22,478	22,478
Other comprehensive income	20(a)&(b)	—	26,105	48	26,153
Total comprehensive income for the year		—	26,105	22,526	48,631
Transaction with owners in their capacity as owners					
Dividend declared	18	—	—	(33,000)	(33,000)
At 30 June 2023		165,768	137,037	126,557	429,362
At 1 July 2023		165,768	137,037	126,557	429,362
Net profit for the year	20(b)	—	—	38,107	38,107
Other comprehensive income	20(a)&(b)	—	68,567	10	68,577
Total comprehensive income for the year		—	68,567	38,117	106,684
Transaction with owners in their capacity as owners					
Dividend declared	18	—	—	(39,500)	(39,500)
At 30 June 2024		165,768	205,604	125,174	496,546

The accompanying notes form a part of the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	Note	2024 \$000	2023 \$000
Cash flows received from operating activities			
Receipts from customers		234,518	206,947
Interest received		342	463
Receipts from insurance claims		695	1,918
Total receipts		235,555	209,328
Payments to suppliers and employees		(160,274)	(147,451)
Payment of government guarantee fees		(1,512)	(1,578)
Finance costs paid		(4,905)	(5,138)
Net GST paid to ATO		(13,123)	(12,312)
Income tax equivalent paid		(12,347)	(11,326)
Total payments		(192,161)	(177,805)
Net cash flows received from operating activities	7(a)	43,394	31,523
Cash flows used in investing activities			
Proceeds from sale of PPE		358	158
Payments for PPE and intangibles capital expenditure		(22,363)	(14,957)
Net cash flows used in investing activities		(22,005)	(14,799)
Cash flows used in financing activities			
Repayments of lease liabilities		(2,803)	(2,565)
Dividends paid		(33,000)	(20,000)
Net cash flows used in financing activities		(35,803)	(22,565)
Net decrease in cash and cash equivalents		(14,414)	(5,841)
Cash and cash equivalents at the beginning of the financial year		24,934	30,775
Cash and cash equivalents at the end of the financial year	7	10,520	24,934

The accompanying notes form a part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

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 2024 will be authorised for issue in accordance with a resolution of the Directors on 10 September 2024.

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. At the Bays Precinct, the Corporation manages dry bulk facilities which are vital to the construction industry, and food and beverage market. The Corporation offers short and long-term leases and licences within the Bays Precinct that supports major infrastructure projects and a range of events and other commercial activities in Sydney Harbour.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 2. Summary of material 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 2024*;
- iv) the *State Owned Corporations Act 1989*; and
- v) NSW Treasurer's Directions issued under the GSF Act.

Except for cashflow information, the financial statements have been prepared on an accrual accounting basis using historical cost accounting conventions unless otherwise stated.

Assets 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.

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 – issued and effective

– AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Corporation has adopted *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to AASB 112) from the beginning of the comparative period, 1 July 2022. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period represented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date.

The Corporation previously accounted for deferred tax on leases and make good by applying the "integrally linked" approach, resulting in a similar outcome as under the amendments, except that the deferred tax assets or liabilities was recognised on a net basis. Following the amendments, the Corporation has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. However, there was no impact on the statement of financial position because the balances qualify for offset under paragraph 74 of AASB 112 *Income Taxes*. There was also no impact on the opening retained earnings as at 1 July 2023 as a result of the change. The key impact for the Corporation relates to disclosure of the deferred tax assets and liabilities recognised (refer Note 6).

Note 2. Summary of material accounting policies (continued)

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 ending 30 June 2024 because NSW public sector entities are not permitted to early adopt new Australian Accounting Standards, unless NSW Treasury determines otherwise. The following newly issued but not yet effective standards have been considered during the year. They are not expected to have a significant impact on the Corporation's financial statements.

- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-Current Liabilities with Covenants*;
- AASB 7 *Insurance Contracts*; and
- AASB 2022-9 *Amendments to Australian Accounting Standards – Insurance Contracts in the Public Sector*.

Use of judgements and estimates

The preparation of the financial statements requires management to make judgements and estimates 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

- Note 9. Finance lease receivables
- Note 11. Leases
- Note 15. Provisions
- Note 18. Defined benefit superannuation schemes
- Note 20. Fair value measurement of non-financial assets

Deferral of mandatory public climate-related disclosures from the 2023-24 to the 2024-25 financial year

In compliance with the NSW Treasury's published "*Guidance on How to Reflect the Effects of Climate-Related Matters in Financial Statements*", management has duly considered the impact of climate change on the Corporation's operations and business in this reporting period. Based on the current expectations, facts and circumstances, it is determined that there is no material impact.

Any other relevant effect of climate-related matters has been disclosed in the corresponding notes. The disclosure, if any, only reflects the requirements of currently issued Australian Accounting Standards to reflect the potential impacts of climate-related matters on the financial statements. They are not the forthcoming disclosures that will be required by the Australian Sustainability Reporting Standards – Disclosure of Climate-related Financial Information currently being developed by the AASB.

The NSW Treasurer has decided to roll out mandatory entity level climate-related financial disclosures over three years, beginning from the 2024-2025 financial year. The Corporation is part of the first phase of implementation of mandatory climate-related financial disclosures and will commence making climate-related disclosures for the year ending 30 June 2025.

The Corporation completed its climate change risk assessment process in 2024 which included the preparation of a climate change risk assessment report based on a series of internal workshops involving staff from a range of geographic and functional areas to develop high-level physical risk statements regarding the physical and transition climate change risks and opportunities to the Corporation's assets, operations and services. It is anticipated that the climate risk assessment will assist the Corporation in the preparation of its required reporting in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 3. Revenue

	2024 \$000	2023 \$000
Continuing operations		
Revenue from port management		
Port revenue	155,958	134,948
Navigation recharge	12,986	11,407
	168,944	146,355
Investment revenue		
Rental revenue	28,334	26,380
Finance lease income	8,798	8,226
Interest from bank and other	342	463
	37,474	35,069
Other revenue		
Land tax recoverable from tenants	334	239
Fee for Penrhyn Estuary services	1,507	1,452
Recoverable security	8,723	6,706
Other recoveries	3,890	5,775
Other revenue	6,747	5,647
	21,201	19,819
Total revenue	227,619	201,243

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 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 and payment from the customer exceeds one year. As a result, transaction prices have not been adjusted for the time value of money.

Note 3. Revenue (continued)

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.

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.

Rental revenue

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

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 10 for the nature of the finance lease receivables.

Interest revenue

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

Recoverable security

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

Other recoveries

Recoveries are recognised when the Corporation becomes entitled to a recovery of cost incurred for the provision of services from an external organisation. Key items include recovered cleaning expenses and receipts of insurance claims.

Other revenue

Other revenue is recognised when the distinct performance obligation is satisfied. Key items include cruise booking cancellation fees, and event fees at cruise terminals.

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, \$190.1 million (2023: \$166.2 million) in revenue was recognised from customers. Included in this revenue is \$50.9 million (2023: \$38.9 million) which was recognised over time, meeting the above criteria by AASB 15. Key types of revenue recognised over time includes passenger charges, and navigation recharge in accordance with the port services agreements.

The following table summarises the revenue disaggregation.

	2024 \$000	2023 \$000
Total revenue recognised from customers	190,145	166,174
Rental revenue	28,334	26,380
Finance lease income	8,798	8,226
Interest from bank and other	342	463
Total revenue	227,619	201,243

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 4. Expenses

Continuing operations	Note	2024 \$000	2023 \$000
Employee related expenses			
Salaries and wages (including annual leave and long service leave)		72,622	71,535
Payroll tax		4,449	4,228
Fringe benefits tax		426	469
Workers compensation insurance		952	931
Salary continuance insurance		1,058	1,014
Superannuation – defined benefit	19(o)	106	269
Superannuation – defined contribution		7,366	6,668
		86,979	85,114
Depreciation and amortisation expenses			
Depreciation of property, plant and equipment	11(c)	17,006	20,697
Depreciation of ROU assets	12(b)	2,823	2,767
Amortisation of intangible assets	14(a)	730	891
		20,559	24,355
Other expenses			
Service contractors		14,767	12,612
Security expenses		10,346	8,358
Repairs and maintenance		4,309	4,393
Service maintenance expenses		6,118	4,893
Indirect taxes		5,308	4,821
Utilities and communications		2,988	3,055
Insurance		2,037	1,743
Legal costs		410	782
Materials		2,066	1,906
Short-term or low value leases	12(e)	708	532
Directors' remuneration	25(a)	435	430
Auditors' remuneration		328	305
Expected credit losses	8(a)	155	136
Channel fees	25(b)	8,851	7,956
Other operations and services		6,177	5,641
		65,003	57,563
Finance costs			
Finance cost on loans and borrowings		5,771	5,351
Interest expense on lease liabilities	12(c)	521	619
Unwinding of discount on provisions		105	(28)
Other finance costs		1	1
		6,398	5,943
Total expenses		178,939	172,975

Note 4. Expenses (continued)

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, return on plan assets, and any change in the effect of the asset ceiling are recognised directly in other comprehensive income in the year in which they occur. Current and past service costs, gain or loss on settlement and net interest on the net defined benefit asset or liability are recognised immediately in profit or loss. Contributions to the defined contribution plans are recognised as expenses as they become payable. Prepaid contribution is recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Service contractors

These are the costs incurred during the year as the Corporation receives the services from external contractors. They include costs related to external professional advisory services, helicopter transfer services, and other professional services.

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.

Capitalised employee related expenses

Employee-related expenses in profit or loss do not include those employee related costs that have been directly capitalised to an asset. During the year, the Corporation has capitalised \$2.3 million (2023: \$2.4 million) employee-related costs that are directly attributable to various capital projects.

Note 5. Other Gains

	Note	2024 \$000	2023 \$000
Other Gains			
Net (decrements) of asset valuation / reversal of loss previously recognised in profit or loss	11(c)	(430)	10
Provision for impairment of property, plant and equipment	11(c)	(10)	(30)
Valuation gains of investment property	13	2,300	227
Total other gains		1,860	207

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 in which they arise.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 6. Taxation

	2024 \$000	2023 \$000
Income tax equivalent expense		
Current tax	(13,655)	(7,375)
Deferred tax	904	1,229
	(12,751)	(6,146)
Deferred tax		
<i>Deferred income tax equivalent expense included in income tax equivalent expense comprises:</i>		
Increase / (Decrease) in deferred tax assets	(416)	1,214
(Increase) / Decrease in deferred tax liabilities	1,320	15
	904	1,229
Deferred tax equivalent assets		
(Over) / Under-funded defined benefits superannuation	(72)	(98)
Leave entitlements	8,030	7,993
Lease liabilities	2,180	2,835
Accrued expenses	1,479	1,561
Other	2,195	1,941
	13,812	14,232
Deferred tax equivalent liabilities		
<i>The balance comprises temporary differences attributable to:</i>		
Depreciation and revalued property, plant and equipment	109,677	81,350
Lease incentive receivable	1,311	1,484
ROU assets	2,206	2,835
Other	910	369
	114,104	86,038
Net deferred tax equivalent liabilities	100,292	71,806
<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	50,858	28,624
Prima facie tax thereon at 30%	(15,257)	(8,587)
<i>Add tax effect of items with differential accounting / tax treatment:</i>		
Add items not deductible	(134)	(35)
Subtract items not assessable	2,640	2,494
Other non-deductible expenses in respect of initial recognition exemption assets	–	(18)
Total income tax equivalent expense attributable to operating profit	(12,751)	(6,146)
Amounts recognised directly in equity		
Net deferred tax debited directly to equity	29,390	11,209
Movement in income tax equivalent payable		
Balance at the beginning of the financial year	524	4,475
Current income tax equivalent	13,655	7,375
Payments	(12,347)	(11,326)
Balance at the end of the year	1,832	524

Note 6. Taxation (continued)

	Opening balance \$000	Adjustment on 1 July \$000	Charges to income \$000	Charges to equity \$000	Closing balance \$000
Movements in deferred tax equivalent assets					
At 30 June 2024					
Leave entitlements	7,993	–	37	–	8,030
(Over)/Under-funded defined benefits superannuation	(98)	–	30	(4)	(72)
Lease liabilities	2,874	–	(694)	–	2,180
Accrued expenses	1,561	–	(82)	–	1,479
Other	1,902	–	293	–	2,195
	14,232	–	(416)	(4)	13,812
At 30 June 2023					
Leave entitlements	6,981	–	1,012	–	7,993
(Over)/Under-funded defined benefits superannuation	(153)	–	75	(20)	(98)
Lease liabilities ¹	–	2,874	–	–	2,874
Accrued expenses	1,449	–	112	–	1,561
Other	1,926	(39)	15	–	1,902
	10,203	2,835	1,214	(20)	14,232
Movements in deferred tax equivalent liabilities					
At 30 June 2024					
Property, plant and equipment	81,350	–	(1,059)	29,386	109,677
ROU assets	2,835	–	(629)	–	2,206
Lease incentive receivable	1,484	–	(173)	–	1,311
Other	369	–	541	–	910
	86,038	–	(1,320)	29,386	114,104
At 30 June 2023					
Property, plant and equipment	69,543	–	618	11,189	81,350
ROU assets ¹	–	2,835	–	–	2,835
Lease incentive receivable	1,683	–	(199)	–	1,484
Other	803	–	(434)	–	369
	72,029	2,835	(15)	11,189	86,038

1. The Corporation applied *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (Amendments to AASB 112) from the beginning of the comparative period, 1 July 2022. Following the amendments, the Corporation has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its ROU assets. It has restated the closing balances as at 30 June 2023.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

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 23) and accrual items that are shown in the statement of financial position are inclusive of GST where applicable.

Note 7. Cash and cash equivalents

	2024 \$000	2023 \$000
Cash at bank	459	3,535
TCorp 11am At-Call Account	10,061	21,399
Cash and cash equivalents	10,520	24,934

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 (TCorp) 11am At-Call Account.

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

TCorp 11am At-Call Account

The 11am At-Call Account is an overnight AUD deposit that pays a variable interest rate. These funds are available with notice given to TCorp by 11am each day.

Refer to note 22 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:

	2024 \$000	2023 \$000
Net profit for the year	38,107	22,478
Adjustments for:		
Depreciation and amortisation expenses	20,559	24,355
Investment property valuation gains	(2,300)	(227)
Amortisation of discount on borrowings	(148)	(666)
Net revaluation increments of property, plant and equipment recognised in profit or loss	430	(10)
Net gain on sale of property, plant and equipment	(318)	(149)
Provision for impairment of property, plant and equipment	10	30
Write-off of property, plant and equipment	141	52
Finance lease income	(8,798)	(8,226)
	47,683	37,637
(Increase) / Decrease in assets applicable to operating activities:		
Trade and other receivables	(2,635)	(2,211)
Defined benefits receivables	102	183
Increase / (Decrease) in liabilities applicable to operating activities:		
Deferred tax equivalent liabilities	(904)	(1,229)
Income tax equivalent payable	1,308	(3,951)
Trade and other payables	(2,414)	(2,253)
Provisions	254	3,347
Net cash flows received from operating activities	43,394	31,523

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 10 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

For the year ended 30 June 2024

Note 8. Trade and other receivables

	Note	2024 \$000	2023 \$000
Current			
Trade receivables		10,689	10,032
Other receivables		6,604	5,875
	8(a)	17,293	15,907
Allowance for expected credit loss	8(a)	(385)	(230)
		16,908	15,677
Prepayments		991	1,433
Lease incentive receivable		557	579
Accrued income		6,368	3,945
Trade and other receivables		24,824	21,634
Non-current			
Lease incentive receivable		4,014	4,567

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 of collecting 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.

Note 8. Trade and other receivables (continued)

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	1-28 days \$000	29-60 days \$000	60+ days \$000	90+ days \$000	120+ Days \$000
2024	17,293	13,692	2,339	449	168	227	418
ECLs	1.98%	0.07%	—	—	—	—	57.86%
2023	15,907	9,821	3,445	1,111	501	271	758
ECLs	1.45%	0.01%	0.01%	0.19%	1.89%	8.81%	8.81%

Movements in the allowance for ECLs are as follows:

	Note	2024 \$000	2023 \$000
Opening balance		230	94
Increase in allowance	4	155	136
Closing balance		385	230

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 Corporation has made provisions for debtors with outstanding balances exceeding 120 days, except for those where collections have been confirmed. The Corporation recognised allowance for ECLs on its financial assets in the amount of \$0.4 million (2023:\$0.2 million).

The largest single trade debtor included in receivables totals \$2.8 million (2023: \$4.9 million) as at 30 June 2024.

For this reporting year, the Corporation does not identify any significant climate-related matters that may affect its exposure to credit losses.

Refer to note 22(c) for further details of credit risk of trade receivables that are neither past due nor impaired.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 9. Assets Held for Sale

Assets Held for Sale	2024 \$000	2023 \$000
Land and building	10,800	–

In May 2024, management committed to sell the investment property in Newcastle after receiving an approval from the Board to sell to an identified buyer at the price of \$10.8 million. The transaction is expected to be fully completed by the end of January 2025.

Management considers the asset satisfies the recognition criteria of an asset held for sale because:

- The carrying amount will be recovered principally through a sale transaction, not through continuing use;
- Asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets; and
- The sale is highly probable and will be completed within one year.

The asset held for sale is stated at fair value less costs to sell. It has no cumulative income or expenses included in other comprehensive income.

Recognition and measurement

The Corporation has re-classified its investment property from non-current asset to current asset as an asset held-for-sale, where the carrying amount will be recovered principally through a sale transaction, not through continuing use. Assets held for sale are measured at the lower of their carrying amount and fair value less costs of disposal.

These assets are not depreciated / amortised while they are classified as held-for-sale. Interest and other expenses attributable to the assets continue to be recognised.

Measurement of fair value

The non-recurring fair value measurement for the asset held for sale is based on the agreed sale price. There is no unobservable input in its fair value. Therefore, it is categorised as a level 2 fair value. Refer to 21 for the disclosure of the fair value hierarchy.

Note 10. Finance lease receivables

	2024 \$000	2023 \$000
Finance lease receivables	135,072	126,274

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 10(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.

Note 10. Finance lease receivables (continued)

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 2024 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 2024, the Corporation has recognised \$3.8 million (2023: \$3.5 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 2024 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 2024, the Corporation has recognised \$2.9 million (2023: \$2.7 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 2024 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 2024, the Corporation has recognised \$2.1 million (2023: \$2.0 million) income from the accretion of the finance lease receivable.

d) Critical judgements in determining the unguaranteed residual value and 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 11. Property, plant and equipment

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

At fair value	2024 \$000	2023 \$000
Land and buildings		
Gross carrying amount	548,352	440,028
Accumulated depreciation	(62,465)	(45,108)
Net carrying amount	485,887	394,920
Roadways and bridges		
Gross carrying amount	22,105	20,458
Accumulated depreciation	(8,627)	(7,502)
Net carrying amount	13,478	12,956
Wharves, jetties and breakwaters		
Gross carrying amount	106,194	103,180
Accumulated depreciation	(74,825)	(71,704)
Net carrying amount	31,369	31,476
Plant		
Gross carrying amount	155,523	136,732
Accumulated depreciation	(82,752)	(75,576)
Net carrying amount	72,771	61,156
Construction in progress (CIP)		
Land and buildings	5,982	5,700
Roadways and bridges	1	90
Wharves, jetties and breakwaters	10,835	10,194
Plant	9,984	16,455
Total construction in progress	26,802	32,439
Total property, plant and equipment at fair value	630,307	532,947

Note 11. Property, plant and equipment (continued)

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 assets in excess of \$1,000 are capitalised if they are expected to provide future economic benefits for more than 12 months.

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.

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 50 years	– Wharves, jetties and breakwaters	4 to 50 years
– Roadways and bridges	15 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 the asset's fair value less costs to sell is higher than its carrying amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 11. Property, plant and equipment (continued)**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 depreciated 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. They are comprehensively valued in the current financial year. Their next comprehensive valuation will be in the financial year ending 30 June 2027.

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. They were comprehensively valued in the financial year ended 30 June 2022. Their next comprehensive valuation will be in the financial year ending 30 June 2027.

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 11. Property, plant and equipment (continued)

b) Current year asset revaluation

Marsh, an independent valuer, has conducted a comprehensive review of the land and buildings for the financial year ended 30 June 2024. Management has conducted a review of the valuation report and is satisfied that the assumptions, methodologies, and other information in the report are well supported and documented.

Infrastructure assets include wharves, jetties, seawalls, moorings, breakwaters, roadways, and bridges. In the financial year ended 30 June 2024, an interim review for the infrastructure assets was conducted by an independent valuer, Aon, to facilitate management in applying indices to the assets. The indices were determined based upon a range of research sources including publications and statistics. The recommended valuation indices for the financial year ended 30 June 2024 were approximately 3.3% (2023: approximately 5.6%). Management has reviewed the valuation report and is satisfied that the report's assumptions, methodologies, and other information 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 2023		394,920	12,956	31,476	61,156	500,508
Additions		–	–	–	26	26
Revaluation increments recognised in other comprehensive income	20(a)	96,457	523	973	–	97,953
Net reversals of asset valuation loss previously recognised in profit or loss	5	(347)	(76)	(7)	–	(430)
Provision for impairment	5	–	–	–	(10)	(10)
Transfer from construction in progress	11(e)	–	798	1,400	20,448	22,646
		491,030	14,201	33,842	81,620	620,693
Depreciation charge	4	(5,143)	(723)	(2,473)	(8,667)	(17,006)
Write-offs		–	–	–	(141)	(141)
Disposals		–	–	–	(41)	(41)
Balance at 30 June 2024		485,887	13,478	31,369	72,771	603,505
Balance at 1 July 2022		364,232	13,114	35,880	67,247	480,473
Revaluation increments recognised in other comprehensive income	20(a)	34,946	718	1,630	–	37,294
Revaluation increments recognised in profit or loss	5	6	4	–	–	10
Provision for impairment	5	–	–	–	(30)	(30)
Transfer from intangibles	14	–	–	–	32	32
Transfer from construction in progress	11(e)	572	(21)	–	2,936	3,487
		399,756	13,815	37,510	70,185	521,266
Depreciation charge	4	(4,827)	(859)	(6,034)	(8,977)	(20,697)
Write-offs		(9)	–	–	(43)	(52)
Disposals		–	–	–	(9)	(9)
Balance at 30 June 2023		394,920	12,956	31,476	61,156	500,508

For this reporting year there has been no significant re-estimate of useful lives and/or residual values because of climate-related matters.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 11. Property, plant and equipment (continued)

Significant increment recognised in land

A significant increment, \$99.7 million, was recorded in the fair value of land assets. It is mainly driven by the increase in fair value of the land assets located in White Bay and Glebe Island to reflect the change in restricted zoning and current use of the subject site. The location has medium term development potential due to the recent partial rezoning.

Proposed divestment of land at White Bay and Glebe Island

In December 2022, a proposal was made by the then Minister for Infrastructure, Cities, and Active Transport to the Minister for Transport under section 18 of the *Place Management Act 1998 (NSW)* for the transfer of land at White Bay known as Stage One under the Bays West Place Strategy from Port Authority to Placemaking NSW. This proposal was accepted in principle by the then Minister for Transport by way of a signed briefing note.

The parties are in discussions regarding the terms of the agreement for transfer with agreement on the form and content of ongoing access and service corridors, the precise boundaries of any land transfer and compensation for the transaction being key outstanding matters. Prior to the Board executing any agreement for sale, a formal direction from the Minister for Transport will be required, together with directions that may be required from Port Authority's shareholding ministers under the *State Owned Corporation Act 1989* both to dispose of the land and application of Treasury policy on the compensation for the transfer is to occur other than on market value.

The proposed divestment has potential financial implications for the Corporation depending on the method of transfer. As at the end of this reporting year, the actual land parcel and the financial mechanism for the land transfer have not been confirmed or agreed upon by the Board. The Corporation has received a paper from Placemaking NSW detailing their Bays Precinct plan. There has been no substantial progress in relation to the land transfer of Stage One during the year. Consequently, the potential financial implications are not reflected in the above table.

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	2024 \$000	2023 \$000
Land and buildings		
Gross carrying amount	270,411	270,411
Accumulated depreciation	(37,985)	(34,145)
Net carrying amount	232,426	236,266
Roadways and bridges		
Gross carrying amount	17,051	16,252
Accumulated depreciation	(6,595)	(6,013)
Net carrying amount	10,456	10,239
Wharves, jetties and breakwaters		
Gross carrying amount	79,566	78,209
Accumulated depreciation	(58,137)	(56,558)
Net carrying amount	21,429	21,651
Plant		
Gross carrying amount	155,714	136,923
Accumulated depreciation	(82,628)	(75,468)
Net carrying amount	73,086	61,455
Total construction in progress	26,802	32,439
Total property, plant and equipment at cost	364,199	362,050

Note 11. Property, plant and equipment (continued)

e) Movements in construction in progress

At fair value		2024 \$000	2023 \$000
Balance at 1 July		32,439	21,371
Additions		17,047	14,555
		49,486	35,926
Transfers to property, plant and equipment	11(c)	(22,646)	(3,487)
Transfers to intangible assets	14	(38)	–
Closing balance		26,802	32,439

There was no borrowing cost capitalised in either year.

[Review of the port and precinct operations in the Bays Port Precinct](#)

On 19 March 2024, the Corporation's Shareholding Ministers requested that Port Authority not enter into any new or revised contractual commitments at Bays Port while the precinct's future functions were under review. The Corporation has subsequently paused several lease and licence dealings, capital investments and other business development initiatives in the precinct until a decision is made.

High level impacts from any decision could include write off of any construction in progress projects in the Bays Precinct that are permanently put on hold or cancelled, divestment of significant land holdings, loss of future revenue and consequential impacts on returns to Shareholders. Management will not understand the full financial impact until a decision is made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 11. 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 2023	386,079	12,812	31,476	61,021	491,388
Additions	–	–	–	26	26
Revaluation increments recognised in other comprehensive income	92,657	517	973	–	94,147
Net reversals of asset valuation loss previously recognised in profit or loss	(346)	(76)	(7)	–	(429)
Provision for impairment	–	–	–	(10)	(10)
Transfer from construction in progress	–	798.00	1,400	20,448	22,646
	478,390	14,051	33,842	81,485	607,768
Depreciation charge	(4,466)	(713)	(2,473)	(8,647)	(16,299)
Write-offs	–	–	–	(141)	(141)
Disposals	–	–	–	(41)	(41)
Balance at 30 June 2024	473,924	13,338	31,369	72,656	591,287
Balance at 1 July 2022	355,549	12,968	35,880	67,092	471,489
Revaluation increments recognised in other comprehensive income	34,133	710	1,630	–	36,473
Revaluation increments recognised in profit or loss	5	4	–	–	9
Provision for impairment	–	–	–	(30)	(30)
Transfer from intangibles	–	–	–	32	32
Transfer from construction in progress	572	(21)	–	2,936	3,487
	390,259	13,661	37,510	70,030	511,460
Depreciation charge	(4,171)	(849)	(6,034)	(8,957)	(20,011)
Write-offs	(9)	–	–	(43)	(52)
Disposals	–	–	–	(9)	(9)
Balance at 30 June 2023	386,079	12,812	31,476	61,021	491,388

Note 11. Property, plant and equipment (continued)

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 2023	8,841	144	135	9,120
Revaluation increments recognised in other comprehensive income	3,800	6	–	3,806
Revaluation decrements recognised in profit or loss	(1)	–	–	(1)
	12,640	150	135	12,925
Depreciation charge	(677)	(10)	(20)	(707)
Balance at 30 June 2024	11,963	140	115	12,218
Balance at 1 July 2022	8,683	146	155	8,984
Revaluation increments recognised in other comprehensive income	813	8	–	821
Revaluation increments recognised in profit or loss	1	–	–	1
	9,497	154	155	9,806
Depreciation charge	(656)	(10)	(20)	(686)
Balance at 30 June 2023	8,841	144	135	9,120

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 12. Leases

a) Carrying amounts of right-of-use assets

At cost	2024 \$000	2023 \$000
ROU – Land and buildings	20,690	19,969
Accumulated depreciation	(13,440)	(10,724)
Net carrying amount	7,250	9,245
ROU – Plant	845	840
Accumulated depreciation	(742)	(635)
Net carrying amount	103	205
Total ROU assets	7,353	9,450

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 10 years	– ROU Plant	2 to 5 years
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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). Most extension options in offices have not been included in the lease liability, because the Corporation could replace the assets without significant cost or business disruption. Equipment leases do not have extension options.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Corporation becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which 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 12. Leases (continued)

The Corporation as a lessee

b) Movements in ROU assets

	Note	ROU – Land and buildings \$000	ROU – Plant \$000	ROU Total \$000
Balance at 1 July 2023		9,245	205	9,450
Additions		–	–	–
Depreciation charge	4	(2,716)	(107)	(2,823)
Other movements		420	5	425
Changes in index or rates affecting variable payments		301	–	301
Balance at 30 June 2024		7,250	103	7,353
Balance at 1 July 2022		5,363	169	5,532
Additions		6,483	133	6,616
Depreciation charge	4	(2,670)	(97)	(2,767)
Changes in index or rates affecting variable payments		69	–	69
Balance at 30 June 2023		9,245	205	9,450

c) Lease liabilities

The following table presents liabilities under leases.

	Note	2024 \$000	2023 \$000
Opening balance		9,580	6,014
Additions		–	6,062
Interest expenses	4	521	619
Rental payments		(3,324)	(3,184)
Other movements to align cash payments and lease liability		188	–
Changes in the index or rates affecting variable payments		301	69
Closing balance	17	7,266	9,580

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 12. Leases (continued)

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 17.

Note 12. Leases (continued)

d) Lease liabilities maturity analysis

	Note	2024 \$000	2023 \$000
Lease liabilities			
Current	17	1,105	2,746
Non current	17	6,161	6,834
		7,266	9,580
Maturity analysis			
Not later than one year		1,550	3,286
Later than one year and not later than five years		4,603	5,036
Later than five years		3,132	3,866
Total lease liabilities		9,285	12,188

e) Lease amounts recognised in profit or loss

The following amounts were recognised in profit or loss for the year ended 30 June 2024 in respect of leases where the Corporation is the lessee:

	Note	2024 \$000	2023 \$000
Depreciation of ROU assets	4	2,823	2,767
Interest expense on lease liabilities	4	521	619
Short-term or low-value leases	4	708	532
Total amount recognised in profit or loss		4,052	3,918

The Corporation had total cash outflows for leases of \$3.3 million (2023: \$3.2 million) for the year ended 30 June 2024.

f) Committed lease not yet commenced

The Corporation entered a new lease prior to the end of the current financial year end with the lease commencement date on 1 October 2024 for seven years with an option to extend for another three years. The lease will be recognised under AASB 16 *Leases* on 1 October 2024 for a 10-year lease term as it is reasonably certain that the option will be exercised.

	2024 \$000	2023 \$000
Committed lease not yet commenced		
Not later than one year	1,475	—
Later than one year and not later than five years	6,099	—
Later than five years	9,490	—
Total Committed Lease Payments	17,064	—

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 13. Investment property

At fair value		2024 \$000	2023 \$000
Land and building		–	8,500
Movements			
	Note	2024 \$000	2023 \$000
Balance at 1 July		8,500	8,200
Additions		–	73
Gains on valuation	5	2,300	227
Reclassified to asset held for sale	9	(10,800)	–
Closing balance		–	8,500

In the prior year, the fair value of the investment property was assessed by an independent valuer and determined based on the capitalisation of income approach whereby a yield was applied to the property's income to assess its value.

On 30 April 2024, the investment property was approved to be sold at \$10.8 million. Its fair value reflected the agreed sale price immediately before the asset was reclassified to current asset, asset held for sale.

The following amounts have been recognised in the net result up to the end of 30 April 2024:

	2024 \$000	2023 \$000
Rental income	588	664
Direct operating expenses that generated rental income	(430)	(356)
	158	308

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.

Note 14. 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	2024 \$000	2023 \$000
Carrying amounts		
Software	14,684	12,117
Software development in progress	107	262
Gross value	14,791	12,379
Accumulated amortisation	(5,879)	(5,150)
Net carrying amount	8,912	7,229
Easements	230	230
Net carrying amount	9,142	7,459

Movements in intangible assets

	Note	2024 \$000	2023 \$000
Balance at 1 July		7,459	4,476
Additions		2,375	3,906
Transfer from property, plant and equipment construction in progress	11(e)	38	–
Transfer to property, plant and equipment	11(c)	–	(32)
		9,872	8,350
Amortisation charge	4	(730)	(891)
Closing balance		9,142	7,459

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. Most of them have finite lives less than 10 years. There is one internally developed software asset having a useful life of 20 years as it is expected to provide economic benefits to the business for an extended period of time.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 15. Trade and other payables

	Note	2024 \$000	2023 \$000
Current			
Trade payables		1,178	1,268
Accrued employee benefits	16(d)	4,350	3,660
Accrued borrowing costs		2,660	2,637
Accrued for assets under construction		1,267	4,242
GST payable		1,006	1,470
Other payables and accruals		8,663	9,468
Maintenance funds liability		1,590	1,502
Rent received in advance		1,692	2,912
Contract liabilities		511	561
		22,917	27,720
Non-current			
Contract liabilities		618	1,144
		618	1,144

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 22(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 16(d).

Contract liability

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

Reconciliation of contract liabilities	2024 \$000	2023 \$000
Opening balance Closing balance (current and non current)	1,705	2,183
Additions	511	560
Utilisation	(1,087)	(1,038)
Closing balance (current and non current)	1,129	1,705

Included in the utilisation, \$0.6 million (2023: \$0.5 million) is related to the opening balance. Non current contract liability \$0.6 million (2023: \$1.1 million) is expected to be utilised in the following 3 years.

Note 16. Provisions

	Note	2024 \$000	2023 \$000
Current			
Annual leave		9,001	9,193
Long service leave		15,965	14,707
Other employee benefits		665	1,200
Provision for make good		642	–
	16(d)	26,273	25,100
Non-current			
Long service leave	16(d)	1,135	1,543
Provision for make good	16(a)	883	1,155
		2,018	2,698

a) Movements in provision for make good

Current and non-current	Opening balance \$000	Additions \$000	Charge to profit or loss \$000	Closing balance \$000
Provision for make good	1,155	265	105	1,525

The provisions represent the contractual obligations to dismantle, remove and restore items of leased properties.

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

	2024 \$000	2023 \$000
Estimated remaining balance of annual leave liabilities after 12 months	2,210	2,160

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 \$6.8 million (2023: \$7.0 million) during the year. Management has implemented policies to encourage staff with excessive leave balance to take leave.

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

	2024 \$000	2023 \$000
Current long service leave obligations expected to be settled after 12 months	14,307	12,782

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 16. Provisions (continued)

d) Aggregate employee benefits and related on-costs

	Note	2024 \$000	2023 \$000
Provisions – current		26,273	25,100
Provisions – non current		1,135	1,543
Accrued employee benefits	15	4,350	3,660
		31,758	30,303

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 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.

Critical judgements of the application of projected unit credit method

For each future year the amounts of entitlements expected to be paid in service and on termination of employment have been determined by making a projection of each employee based on their current salary and long service leave balance, assumed rates of taking long service leave in service, rates of death, disablement, retirement, and resignation, and rates of salary escalation. The resulting cash flows have then been converted to a present value by discounting from the expected date of payment to the valuation date at the assumed discount rate. The total long service leave liability needs to be apportioned between the part which has accrued and the part that is expected to accrue in future. This is the projected unit credit method referred to according to AASB 19 *Employee Benefits*, which mandates this treatment of accrued liabilities when there would be a material effect.

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.

Note 17. Interest-bearing liabilities

	Note	2024 \$000	2023 \$000
Current			
NSW TCorp borrowings	17(a)	10,723	11,141
Lease liabilities	12(d)	1,105	2,746
		11,828	13,887
Non current			
NSW TCorp borrowings	17(a)	124,286	124,017
Lease liabilities	12(d)	6,161	6,834
		130,447	130,851

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 2024* to borrow from NSW TCorp up to a total limit of \$345.0 million (2023: \$345.0 million).

The Corporation classifies its liability as non-current if, at the end of the reporting year, the Corporation has the right to defer settlement of the liability for at least 12 months after the reporting period. Refer note 22(d) of the contractual maturity date of the debt portfolio.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 17. Interest-bearing liabilities (continued)

Financial facilities

The Corporation had the following financing facilities in place at 30 June 2024 and 30 June 2023.

a) With NSW Tcorp	2024 \$000	2023 \$000
A global loan facility inclusive of \$15.0 million Come-and-Go facility		
Total facility	345,000	345,000
Amount used	(135,009)	(135,158)
Amount unused	209,991	209,842

i) Borrowing repayments

Borrowings consist of NSW TCorp fixed rate loans with maturity dates ranging from 20 August 2024 to 8 March 2033. 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 with Citibank Australia under the whole of NSW Government card program managed by NSW Treasury who now monitor agency spend each month. The facility is cleared each month. If the Corporations average spend limit (\$220,000) is going to be exceeded, NSW Treasury will work with the Corporation to increase the average spend limit under the program.

The Corporation has no bank guarantee facility.

The Corporation has received a transaction facility from Westpac Bank. It is not a borrowing facility. Westpac Bank allows a temporary deficit balance of the bank account if the temporary deficit is caused by timing of a fund transfer from the TCorp 11am At-Call Account to the Westpac Bank. Any temporary deficit would be cleared by the close of business of the same business day. The facility had a nil balance as at 30 June 2024.

ii) Fair value

Details regarding fair value, interest rate and liquidity risks are disclosed in note 22.

Note 18. Dividend payable

	2024 \$000	2023 \$000
Dividend payable	39,500	33,000

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 19. 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 from 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 at 30 June 2021. The next actuarial investigation will be performed as at 30 June 2024.

The Scheme Actuary and SAS Trustee Corporation (STC) review the current contribution plan annually and may recommend changes (increases or decreases) to future contributions, as necessary. In the event that there is a surplus which is appropriate to repay to the entity given that all liabilities (including contingent liabilities) have been extinguished, legislative sign-off is required from the NSW Treasurer to approve such repayments.

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

For the year ended 30 June 2024

Note 19. 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

	2024 \$000	2023 \$000
Net defined benefits receivables	239	327

Recognition and measurement

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.

Note 19. Defined benefit superannuation schemes (continued)

Reconciliation of the net defined benefit liability/(asset)

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2024				
Opening net defined benefit liability / (asset)	6,464	1,417	(8,208)	(327)
Current service cost	50	75	–	125
Net interest on the defined benefit liability	362	70	(451)	(19)
Actual return on Fund assets less interest income	(232)	17	(2,085)	(2,300)
Actuarial losses / (gains)	417	(10)	(287)	120
Adjustment for effect of asset ceiling	–	–	2,166	2,166
Employer contributions	–	(350)	346	(4)
Closing net defined benefit liability / (asset)	7,061	1,219	(8,519)	(239)
At 30 June 2023				
Opening net defined benefit liability / (asset)	6,214	1,267	(7,991)	(510)
Current service cost	80	77	140	297
Net interest on the defined benefit liability	327	66	(421)	(28)
Actual return on Fund assets less interest income	(506)	(6)	(4,679)	(5,191)
Actuarial losses / (gains)	349	13	(1,127)	(765)
Adjustment for effect of asset ceiling	–	–	5,888	5,888
Employer contributions	–	–	(18)	(18)
Closing net defined benefit liability / (asset)	6,464	1,417	(8,208)	(327)

a) Reconciliation of the defined benefit obligation

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2024				
Present value of defined benefit obligations at beginning of the year	18,479	1,472	94,840	114,791
Current service costs	50	75	–	125
Interest costs	996	72	5,122	6,190
Contributions by participants	113	–	50	163
Actuarial losses / (gains)	417	(10)	(287)	120
Benefits paid	(2,958)	(598)	(6,708)	(10,264)
Taxes, premiums & expenses paid	116	15	617	748
Present value of defined benefit obligations at end of the year	17,213	1,026	93,634	111,873
At 30 June 2023				
Present value of defined benefit obligations at beginning of the year	20,100	1,857	96,354	118,311
Current service costs	80	77	140	297
Interest costs	1,007	89	4,897	5,993
Contributions by participants	152	–	34	186
Actuarial losses / (gains)	349	13	(1,127)	(765)
Benefits paid	(3,163)	(527)	(6,251)	(9,941)
Taxes, premiums & expenses paid	(46)	(37)	793	710
Present value of defined benefit obligations at end of the year	18,479	1,472	94,840	114,791

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 19. Defined benefit superannuation schemes (continued)

b) Reconciliation of the fair value of Fund assets

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2024				
Fair value of Fund assets at beginning of the year	12,015	55	120,680	132,750
Interest income	634	2	6,561	7,197
Actual return on Fund assets less Interest income	232	(17)	2,085	2,300
Employer contributions	–	350.00	(346)	4
Contributions by participants	113	–	50	163
Benefits paid	(2,958)	(598)	(6,708)	(10,264)
Taxes, premiums & expenses paid	116	15	617	748
Fair value of Fund assets at end of the year	10,152	(193)	122,939	132,898
At 30 June 2023				
Fair value of Fund assets at beginning of the year	13,886	590	115,502	129,978
Interest income	680	23	5,905	6,608
Actual return on Fund assets less Interest income	506	6	4,679	5,191
Employer contributions	–	–	18	18
Contributions by participants	152	–	34	186
Benefits paid	(3,163)	(527)	(6,251)	(9,941)
Taxes, premiums & expenses paid	(46)	(37)	793	710
Fair value of Fund assets at end of the year	12,015	55	120,680	132,750

c) Reconciliation of the effect of the asset ceiling

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2024				
Adjustment for effect of asset ceiling at beginning of the year	–	–	17,632	17,632
Interest on the effect of asset ceiling	–	–	988	988
Change in the effect of asset ceiling	–	–	2,166	2,166
Adjustment for effect of asset ceiling at end of the year	–	–	20,786	20,786
At 30 June 2023				
Adjustment for effect of asset ceiling at beginning of the year	–	–	11,157	11,157
Interest on the effect of asset ceiling	–	–	587	587
Change in the effect of asset ceiling	–	–	5,888	5,888
Adjustment for effect of asset ceiling at end of the year	–	–	17,632	17,632

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.

Note 19. Defined benefit superannuation schemes (continued)

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	2,284,654	207,875	–	2,492,529
Australian fixed interest	–	91,776	–	91,776
International fixed interest	–	1,015,170	11,726	1,026,896
Australian equities	4,491,341	1,545,025	–	6,036,366
International equities	14,704,964	140,680	3,896	14,849,540
Property	–	–	2,100,819	2,100,819
Alternatives	2,865	2,864,176	7,592,814	10,459,855
Total	21,483,824	5,864,702	9,709,255	37,057,781

The percentage invested in each asset class at the reporting date is:

	2024	2023
Short term securities	6.7%	14.3%
Australian fixed interest	0.2%	0.3%
International fixed interest	2.8%	3.5%
Australian equities	16.3%	25.9%
International equities	40.1%	37.8%
Property	5.7%	2.0%
Alternatives	28.2%	16.2%
Total	100.0%	100.0%

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 19. 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 \$285 million (2023: \$338 million); and
- Health Administration Corporation previously occupied part of a property 50% owned by the Pooled Fund. It vacated this property prior to 30 June 2024.

f) Significant actuarial assumptions

	2024	2023
Discount rate	5.53%	5.61%
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 2024, a range of assumptions was used as follows:

2024/25:	4.56% pa
2025/26:	3.80% pa
2026/27:	3.78% pa
2027/28:	3.80% pa
Thereafter	3.70% pa

For 2023, a range of assumptions was used as follows:

2023/24:	4.45% pa
2024/25:	2.95% pa
2025/26:	2.74% pa
Thereafter	3.2% pa

ii) Rate of CPI increase used by independent fund managers

For 2024, a range of CPI increase assumptions was used as follows:

2023/24:	4.25% pa
2024/25:	3.00% pa
2025/26:	2.75% pa
Thereafter	2.5% pa

For 2023, a range of CPI increase assumptions was used as follows:

2022/23:	6.65% pa
2023/24:	3.50% pa
2024/25:	3.00% pa
Thereafter	2.5% pa

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.

Note 19. Defined benefit superannuation schemes (continued)

g) Sensitivity analysis

The Corporation's total defined benefit obligation as at 30 June 2024 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 2024.

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)	111,873	116,776	107,326
	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)	111,873	116,881	107,200
	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)	111,873	112,007	111,744
	Base case	Scenario G Lower mortality ¹	Scenario H Higher mortality ²
Defined benefit obligation (\$'000)	111,873	115,236	108,500

1. Assumes mortality rates, including future improvements, are as if the pensioner were 1 year younger than actual.

2. Assumes mortality rates, including future improvements, are as if the pensioner were 1 year older than actual.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 19. Defined benefit superannuation schemes (continued)

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.

j) Contribution recommendations

There are no recommended contribution rates for the Corporation.

k) Surplus/deficit

The following is a summary of the 30 June 2024 financial position of the Fund calculated in accordance with AASB 1056 *Superannuation Entities*:

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2024				
Accrued benefits ¹	15,787	980	83,126	99,893
Net market value of Fund assets	(10,152)	193	(122,939)	(132,898)
Net deficit / (surplus)	5,635	1,173	(39,813)	(33,005)
At 30 June 2023				
Accrued benefits ¹	17,139	1,356	84,185	102,680
Net market value of Fund assets	(12,015)	(55)	(120,680)	(132,750)
Net deficit / (surplus)	5,124	1,301	(36,495)	(30,070)

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.

The AASB 1056 deficit (surplus) is lower (higher) than the AASB 119 net defined benefit liability (asset) recognised in the Statement of Financial Position, because the expected after-tax rate of return on plan assets is typically higher than the government / corporate bond rate.

Note 19. Defined benefit superannuation schemes (continued)

l) Economic assumptions

Economic assumptions adopted for the 30 June 2023 AASB 1056 *Superannuation Entities*:

Weighted-Average Assumptions	2024	2023
Expected rate of return on Fund assets backing current pension liabilities	7.0% pa	7.0% pa
Expected rate of return on Fund assets backing other liabilities	6.2% pa	6.2% pa
Expected salary increase rate	Refer (i) below	Refer (i) below
Expected rate of CPI increase	Refer (ii) below	Refer (ii) below

(i) Expected salary increase rate

For 2024, a range of assumptions was used as follows:

2024/25:	4.56% pa
2025/26:	3.80% pa
2026/27:	3.78% pa
2027/28:	3.80% pa
Thereafter	3.70% pa

For 2023, a range of assumptions was used as follows:

2023/24:	4.45% pa
2024/25:	2.95% pa
2025/26:	2.74% pa
Thereafter	3.2% pa

(ii) Expected rate of CPI increase

For 2024, a range of assumptions was used as follows:

2023/24:	3.70% pa
Thereafter	2.5% pa

For 2023, a range of assumptions was used as follows:

2022/23:	6.65% pa
2023/24:	3.5% pa
2024/25:	3.00% pa
Thereafter	2.5% pa

AASB 1056 Sensitivity analysis

Scenarios A and D 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)	99,894	104,003	96,071

	Base case	Scenario C +0.5% rate of CPI increase	Scenario D -0.5% rate of CPI increase
Expected rates of return on Fund assets	7.0% / 6.2%	7.0% / 6.2%	7.0% / 6.2%
Rate of CPI increase	As above	As above +0.5% pa	As above -0.5% pa
Salary inflation rate	As above	As above	As above
Accrued benefits (\$'000)	99,894	104,138	95,926

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 19. 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 9.6 years (2023: 9.9 years).

o) Profit and loss impact

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2024				
Current service cost	50	75	–	125
Net interest	362	70	(451)	(19)
Profit and loss component of the defined benefit cost	412	145	(451)	106
At 30 June 2023				
Current service cost	80	77	140	297
Net interest	327	66	(421)	(28)
Profit and loss component of the defined benefit cost	407	143	(281)	269

p) Other comprehensive income

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2024				
Actuarial gains on liabilities	417	(10)	(287)	120
Actual return on Fund assets less Interest Income	(232)	17	(2,085)	(2,300)
Change in the effect of asset ceiling	–	–	2,166	2,166
Total remeasurement in Other Comprehensive Income	185	7	(206)	(14)
At 30 June 2023				
Actuarial gains on liabilities	349	13	(1,127)	(765)
Actual return on Fund assets less Interest Income	(506)	(6)	(4,679)	(5,191)
Change in the effect of asset ceiling	–	–	5,888	5,888
Total remeasurement in Other Comprehensive Income	(157)	7	82	(68)

Note 20. Equity

	Note	2024 \$000	2023 \$000
Contributed equity		165,768	165,768
Asset revaluation reserve	20(a)	205,604	137,037
Retained earnings	20(b)	125,174	126,557
		496,546	429,362

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 2024, the shares were held by the NSW Treasurer (The Hon. Daniel Mookhey, MLC) and the Minister for Finance, Natural Resources, Domestic Manufacturing and Government Procurement (The Hon. Courtney Houssos, MLC).

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	2024 \$000	2023 \$000
Balance at 1 July		137,037	110,932
Revaluation gain on property, plant and equipment	11(c)	97,953	37,294
Income tax equivalent expense on revaluation of property, plant and equipment		(29,386)	(11,189)
Total other comprehensive income		68,567	26,105
Closing balance		205,604	137,037

b) Movements in retained earnings

	Note	2024 \$000	2023 \$000
Balance at 1 July		126,557	137,031
Net profit for the year		38,107	22,478
Superannuation actuarial gains	19(p)	14	68
Income tax equivalent expense on superannuation actuarial gains		(4)	(20)
Other comprehensive income		10	48
Transaction with owners in their capacity as owners			
Dividend declared	18	(39,500)	(33,000)
Closing balance		125,174	126,557

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 21. 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 following note explains the judgements and estimates made in determining the fair values of the non-financial assets that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, 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 2024					
Land and buildings including CIP	11(a)	–	–	491,869	491,869
Roadways and bridges including CIP	11(a)	–	–	13,479	13,479
Wharves, jetties and breakwaters including CIP	11(a)	–	–	42,204	42,204
Asset held for sale	9	–	10,800	–	10,800
Investment property	13	–	–	–	–
Total		–	10,800	547,552	558,352
At 30 June 2023					
Land and buildings including CIP	11(a)	–	–	400,620	400,620
Roadways and bridges including CIP	11(a)	–	–	13,046	13,046
Wharves, jetties and breakwaters including CIP	11(a)	–	–	41,670	41,670
Investment property	13	–	8,500	–	8,500
Total		–	8,500	455,336	463,836

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 \$2.3 million (2023: a gain of \$0.23 million) recognised in profit or loss (refer to note 5). Refer to note 13 for the movements 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 13.

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 11(c) and (e).

Note 21. Fair value measurement of non-financial assets (continued)

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 11(a) (i) to (iv).

Critical judgements in determining the fair value of two asset groups at nil

The Corporation has applied judgements in determining the fair value of some assets at Yamba and Eden to nil ever since they were transferred to the Corporation in prior years. They were transferred from another NSW government entity to the Corporation in prior years with the fair value at zero at the time of transfer. In current year, the determination of their fair value at zero is because the assets, or the group of assets, cannot generate sufficient cash profit to cover operating costs and there is no feasible alternative use from market participants' perspectives, considering the physical, legal and financial restrictions.

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 50% 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 varied by \$18.7 million (2023: \$14.9 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 varied by \$5.2 million (2023: \$5.5 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 varied by \$0.6 million (2023: \$0.7 million); and
- the wharves, jetties and breakwaters varied by \$2.1 million (2023: \$2.1 million).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 22. Financial risk management objectives and policies

The Corporation's principal financial instruments comprise cash, 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 periodically by the Board and any material breaches are notified to the Board. There were no material breaches reported to the Board during the year.

a) Financial instrument categories

	Note	Category	2024 \$000	2023 \$000
Financial assets				
Cash and cash equivalents	7	Not applicable	10,520	24,934
Trade and other receivables ¹		Debt instrument at amortised cost	22,663	19,233
Lease incentive receivable	8	Debt instrument at amortised cost	4,571	5,146
			37,754	49,313
Financial liabilities				
Trade and other payables ¹		Financial liabilities measured at amortised cost	18,185	22,219
Lease liabilities	12(c)	Financial liabilities measured at amortised cost	7,266	9,580
Borrowings	17	Financial liabilities measured at amortised cost	135,009	135,158
			160,460	166,957

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 does not have any material exposure to market risk.

The Corporation had no material exposure to foreign currency risk and did not enter into commodity contracts during the year.

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. 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.

Note 22. Financial risk management objectives and policies (continued)

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.

The Corporation's exposure to interest rate risk is set out below.

	Carrying Amount \$000	+1% (100 basis points) Post tax impact on		-1% (100 basis points) Post tax impact on	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
At 30 June 2024					
Cash and cash equivalents	10,520	74	74	(74)	(74)
Net exposure	10,520	74	74	(74)	(74)
At 30 June 2023					
Cash and cash equivalents	24,934	175	175	(175)	(175)
Net exposure	24,934	175	175	(175)	(175)

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 22. 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 age effective interest rate	Carrying value \$000	Nominal amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000
At 30 June 2024						
Financial liabilities						
Trade and other payables	N/A	18,185	18,185	—	—	18,185
Lease liabilities	6.37%	7,266	9,285	7,266	—	—
Interest bearing liabilities	4.33% ¹	135,009	156,975	135,009	—	—
		160,460	184,445	142,275	—	18,185
At 30 June 2023						
Financial liabilities						
Trade and other payables	N/A	22,219	22,219	—	—	22,219
Lease liabilities	5.63%	9,580	12,188	9,580	—	—
Interest bearing liabilities	4.05% ¹	135,158	155,870	135,158	—	—
		166,957	190,277	144,738	—	22,219

1. The interest rate is inclusive of an average government guarantee fee of 1.22% (2023: 1.12%) on borrowings from TCorp.

INDEPENDENT AUDITOR'S REPORT

For the year ending 30 June 2024

Note 22. Financial risk management objectives and policies (continued)

Contractual maturity dates	<1 year \$000	1-5 years \$000	>5 years \$000
At 30 June 2024			
Financial liabilities			
Trade and other payables	18,185	–	–
Lease liabilities	1,550	4,603	3,132
Interest bearing liabilities	14,488	79,504	62,983
	34,223	84,107	66,115
At 30 June 2023			
Financial liabilities			
Trade and other payables	22,219	–	–
Lease liabilities	3,286	5,036	3,866
Interest bearing liabilities	15,304	74,600	65,966
	40,809	79,636	69,832

e) Fair value compared to carrying amount

Financial instruments are generally recognised at cost. 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:

	2024 \$000 Carrying amount	2024 \$000 Fair value	2023 \$000 Carrying amount	2023 \$000 Fair value
Financial liabilities				
NSW Tcorp borrowings	135,009	127,200	135,158	126,348

The fair values have been calculated by discounting the expected future cash flows at prevailing market rates varying from 4.466% to 5.000% (2023: from 4.363% to 4.716%).

f) 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 2024 and 30 June 2023 were as follows:

Gearing ratio	Note	2024 \$000	2023 \$000
Total debt	17	142,275	144,738
Total debt and total equity		638,821	574,100
Gearing ratio		22.27%	25.21%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2024

Note 23. Commitments

a) Capital expenditure commitments

Forward obligations under major contracts committed at 30 June 2024 but not otherwise brought to account have been assessed at \$10.1 million including GST (2023: \$10.0 million). The \$10.1 million includes GST input tax credits of \$0.9 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:

	2024 \$000	2023 \$000
Not later than one year	8,876	10,043
Later than one and not later than five years	1,223	–
Later than five years	–	–
Total including GST	10,099	10,043

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	2024 \$000	2023 \$000
Not later than one year	29,278	21,242
Later than one and not later than five years	79,619	54,819
Later than five years	31,470	42,164
Total including GST	140,367	118,225

The above total includes GST output tax of \$12.8 million (2023: \$10.7 million) that is expected to be paid to the ATO. These lease receivables relate to property leases with remaining terms of between 1 and 14 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	2024 \$000	2023 \$000
Not later than one year	86	56
Later than one and not later than five years	64	107
Later than five years	4	5
Total including GST	154	168

The above total includes GST input tax credits of \$0.014 million (2023: \$0.015 million) that are expected to be recoverable from the ATO. The expenditure commitment relates to either low value or short-term rental of land area and computing equipment.

Note 24. Contingencies

Contingent liabilities

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, 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 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	2024 \$000	2023 \$000
Short term employee benefits	3,887	4,011
Post-employment benefits	266	298
Other long-term benefits	48	67
Termination benefits	–	615
Total	4,201	4,991

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 (2023: \$0.4 million).

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

For the year ended 30 June 2024

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	
			2024 \$000	2023 \$000
Revenue				
Transport for NSW		Mainly rental income for various leases	(3,170)	(4,537)
Sydney Metro		Rental income for various leases	(7,075)	(5,153)
Infrastructure NSW		Rental income for various leases	(2,817)	(2,442)
Forestry Corporation of New South Wales		Rental income	(179)	(208)
Premier's Department		Rental income	—	(154)
NSW Police Force		Rental income	(234)	(76)
Insurance and Care NSW		Insurance claims	(131)	(302)
Department of Planning, Housing and Infrastructure		Grant income	(100)	(100)
Revenue NSW		Infringement Revenue	(572)	(833)
TCorp		Interest income	(233)	(383)
Crown Finance		Westpac interest income through Crown	(109)	(80)
Expenses				
Transport for NSW	4	Expense for channel fee	8,851	7,956
TCorp		Interest expenses	4,128	3,839
NSW Treasury		Government guarantee fees	1,643	1,512
Premier's Department		Mainly Australia Day sponsorship	200	354
Other				
Sydney Metro		Capital expenditure	—	625
State Revenue		Dividend declared	39,500	33,000

1. Transaction value excludes GST.

Note 25. Related party disclosures (continued)

Related Entity	Note	Transaction	(Payable) / Receivable	
			2024 \$000	2023 \$000
TCorp	17(a)	Interest-bearing liabilities	(135,009)	(135,158)
		Accrued loans interest	(1,017)	(1,125)
	7	TCorp 11am at-call account	10,061	21,399
Department of Planning, Housing and Infrastructure		ROU assets	130	164
		Lease liabilities	(143)	(177)
State Revenue	18	Dividend payable	(39,500)	(33,000)
NSW Treasury		Government guarantee fee payable	(1,643)	(1,512)
Sydney Metro		Rent receivable	2,822	467
Premier's Department		Sponsorship payable	(60)	(154)
Infrastructure NSW		Rent receivable	542	–
Transport for NSW		Rent receivable	2,414	150
		Channel fee payable	(2,017)	(4,041)

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 ending 30 June 2024

**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 Newcastle Port Corporation (trading as Port Authority of New South Wales) (the Corporation), which comprises the Statement by the Accountable Authority (the Directors declaration), the Statement of Comprehensive Income for the year ended 30 June 2024, the Statement of Financial Position as at 30 June 2024, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes to the financial statements, including a Summary of Material 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 2024* (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).

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 have fulfilled my other ethical responsibilities in accordance with APES 110.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 2024. 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>Fair value of property, plant and equipment</p> <p>At 30 June 2024, the Corporation's statement of financial position reported \$630.3 million in property, plant and equipment (PPE), measured at fair value.</p> <p>We consider this to be a key audit matter because:</p> <ul style="list-style-type: none"> these assets are financially significant to the statement of financial position Australian Accounting Standards require the Corporation to annually assess: <ul style="list-style-type: none"> whether the carrying value of PPE materially reflects fair value that the useful lives of PPE remain reasonable. <p>Further information on the valuation techniques, inputs and sensitivity for PPE are disclosed in notes 11 and 21.</p>	<p>Key audit procedures included:</p> <ul style="list-style-type: none"> obtaining an understanding of management's approach to estimating the fair value of these assets assessing the competence, capability and objectivity of management's independent experts agreeing the input data used in the valuation to external sources (where applicable) testing mathematical accuracy of a sample of the fair values reviewing the reasonableness of: <ul style="list-style-type: none"> the data used by the management's expert in the revaluation and the inputs and assumptions adopted assessing the adequacy of the financial statement disclosures against the requirements of the Australian Accounting Standards.

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 determines 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 are 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

For the year ending 30 June 2024

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.



Somaiya Ahmed
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

12 September 2024
SYDNEY

STATEMENT OF LAND HOLDINGS

For the year ended 30 June 2024

At fair value	2024 \$000
Land and buildings	
land	388,799
Buildings	97,088
Total land and buildings	485,887
Other	
Roadways and bridges	13,478
Wharves, jetties and breakwaters	31,369
Plant	72,771
Construction in progress	26,802
Total other	144,420
Total property, plant and equipment at fair value	630,307

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA)

For the year ended 30 June 2024

	2024 \$000
Net profit after tax	38,107
Net interest	
Interest income	(342)
Finance lease income (unwinding of the interest rate)	(8,798)
Interest expenses	6,398
Depreciation and amortisation	20,559
Income tax expenses	12,751
EBITDA	68,675



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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