

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

Annual Report 2024/25





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Acknowledgement of Country

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

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

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



Letter of submission

31 October 2025

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

Submission of Annual Report for the financial year ended 30 June 2025

We are pleased to submit Port Authority of New South Wales Annual Report for the financial year ended 30 June 2025, detailing the organisation's financial and operational performance for presentation to Parliament.

Port Authority has self-assessed as a Group 1 agency under NSW Treasury's framework for financial and annual reporting and has been prepared in accordance with TPG25-10a: Group 1 – Annual Report. This report also complies with the *Government Sector Finance Act 2018* (NSW), and the applicable provisions of the *Public Finance and Audit Act 1983* (NSW) and the *State Owned Corporations Act 1989* (NSW).

Yours sincerely



Mr David Marchant AM
Chair



Mr John McKenna
Chief Executive Officer



Chair's report



It is a pleasure to present the Annual Report 2024/25 for Port Authority of New South Wales. Throughout the year, Port Authority has continued its pivotal role in supporting the NSW economy, maintaining the safe and efficient operation of our ports, and advancing our commitment to sustainability and community partnerships.

David Marchant AM | Chair

Financial overview

The past year has seen Port Authority deliver a strong financial result which allowed us to invest in necessary infrastructure improvements and provide a dividend to the State for the reinvestment in important government services. This year's earnings before interest, taxes, depreciation and amortisation (EBITDA) were \$67.4 million, exceeding our budget target of \$65.0 million. This result was underpinned by increased pilotage revenue, high cruise passenger numbers, and additional income from infrastructure projects at Bays Port. This healthy financial performance enables us to continue investing in essential operational upgrades, sustainability initiatives, and the modernisation of our port infrastructure.

Navigating challenges

While our financial results are encouraging, the year was not without its challenges. Severe weather events, global supply chain disruptions, and fluctuating shipping activity - particularly in Sydney and Eden - required us to adapt quickly and maintain operational continuity. The dedication and professionalism of our teams ensured that, even in the face of these complications, our ports remained open and responsive to the needs of industry and the community.

Throughout it all, safety remained our highest priority and the foundation of our operations. Our ability to navigate these complexities is reflected in our overall financial health and operational performance.

Positioning for the future

As we conclude our 2020–2025 Strategic Plan, we are proud to unveil a renewed direction for our organisation. Looking ahead, Port Authority is committed to aligning with broader Government goals by prioritising exceptional service delivery that drives growth in trade and tourism. We are dedicated to furthering a community-focused culture that values our stakeholders, our employees, customers, and partners, and upholding our commitment to sustainability through responsible environmental practices and sound financial management. This next chapter represents our continued promise to serve industry, community, and the environment with integrity and purpose.

I would like to acknowledge the contributions of outgoing Directors Matthew Irwin and Philip Holliday, and warmly welcome Kristine Neill, Kay Salvair Smith, Tom Laidlaw, and Wayne Stokes to the Board. Their expertise and insight will be invaluable as we chart our future course.

In closing, I extend my sincere thanks to the entire Port Authority team, our customers, partners, and stakeholders for the ongoing support and collaboration. Together, we are well positioned for the year ahead.

David Marchant AM
Chair

CEO's report



I am immensely proud of the way our teams have worked together this year, upholding the high standards that define Port Authority.

John McKenna | Chief Executive Officer

It has been an honour to step into the role of Chief Executive Officer this year and a privilege to shape the next chapter for Port Authority. Our working ports are the backbone of the State's prosperity, powered around the clock by a small but dedicated team of maritime experts and professionals. This report reflects the achievements and progress we have made together over the past year – progress built on teamwork, a customer focus, innovation and care.

Our people

The success of Port Authority is above all due to the commitment of our people. This year, I have been inspired by the professionalism, resilience, and dedication of our workforce. We continue to build a culture that values diversity, inclusion and wellbeing, where every person can grow and thrive. Programs such as the Sonder Well-being Program and ongoing leadership development training are helping ensure our people feel valued, supported and empowered to excel.

Safety remains our highest priority, and I am proud to report another exemplary year, with no serious injuries. Investments such as our new pilot ladder training facility and enhanced Work Health and Safety programs have strengthened our safety culture and commitment to continuous improvement. These efforts ensure our teams can perform their vital roles with confidence and care.

Continued and sustainable success across our ports

Through strong partnerships with industry and government, our ports continue to be vibrant gateways for trade and tourism - delivering lasting value for NSW and beyond.

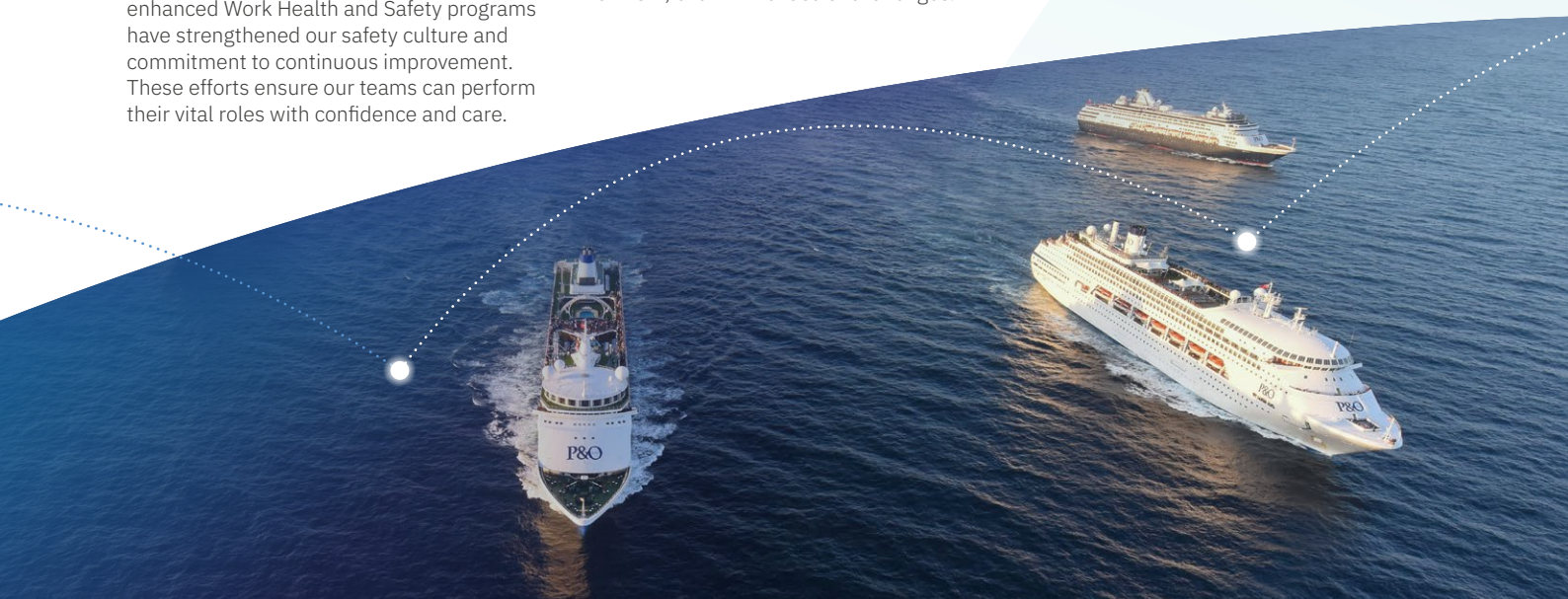
This year, we celebrated a record cruise season in Eden, expanded cruise operations in Newcastle and supported tourism for the State.

Operational excellence remains at the core of what we do. To support safe delivery of vital maritime services, we are upgrading and expanding our pilot vessel fleet. Our commitment to sustainability was recognised through Green Marine certification and Silver Partner status in the Sustainability Advantage Recognition Scheme. Together, these achievements demonstrate our focus on innovation, high performance and responsible port operations.

I am immensely proud of the way our teams have worked together this year, upholding the high standards that define Port Authority. Through their expertise, dedication, and collaboration, we have continued to deliver for NSW, even in the face of challenges.

As we look ahead, I am confident our people will remain at the heart of our success – guiding us as we embrace new opportunities and set even higher benchmarks for excellence.

John McKenna
Chief Executive Officer



Annual highlights



WINNER

2024 DCN Shipping & Maritime Industry Awards

Former CEO, Philip Holliday, was awarded the Seafarer Welfare Award recognising his tireless efforts in contributing to the welfare of seafarers (p 35).



FINALIST

2025 National Trust (NSW) Heritage Awards

For our work on restoring one of our most iconic working maritime assets, Hornby Lighthouse (p 32).



HIGHLY COMMENDED

2024 DCN Shipping & Maritime Industry Awards

For Women in shipping & Maritime Logistics Award (Josephine Clark, Marine Pilot), and Safety Award (Ladder safety protocol) (p 18).



Pilot ladder training facility

Custom-built in Port Kembla, improving skills and safety outcomes for our maritime operations teams (p 18).



Community Grants Program launch

Providing vital funding to grassroots organisations delivering projects that strengthen community connections, promote sustainability, and support the wellbeing of the people who call these port regions home (p 34).



Website redevelopment

Built with a customer-first approach, featuring a fresh design, improved navigation, searchability, search engine optimisation, and accessibility, while retaining the critical content our visitors rely on (p 36).



Biggest cruise ship to visit Eden

This follows the NSW Government's approval of a planning modification which permits ships up to 370 metres long to berth in Eden (p 24).



MoU to strengthen regional cruise development

The three-year MoU was signed by Port Authority, local councils and tourism organisations from the Hunter and Central Coast regions (p 24).



Sustainability accreditations

Achieved Silver Partner status through the Sustainability Advantage Recognition Scheme, and Green Marine program certification (p 27).

CONDUCTED

10,198

PILOTAGE MOVEMENTS

WELCOMED

5,530

VESSEL VISITS

MANAGED

1,764

VESSELS CARRYING
20,751,633 TONNES OF
DANGEROUS GOODS

RESPONDED TO

872

MARINE INCIDENTS

RESPONDED TO

314

EMERGENCIES

The year in numbers

0

REPORTED

DANGEROUS
INCIDENTS

REPORTED

98%

SHIPS AS NOISE
COMPLIANT

0

REPORTED

SERIOUS
INJURIES

HOSTED

107

EVENTS AT OUR
VENUES

CONDUCTED

186

PORT SAFETY
HYDROGRAPHIC
SURVEYS



Aims and objectives

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.

With over 5,500 visits from trade and cruise vessels each year, the working ports of NSW contribute billions of dollars to our economy, create thousands of jobs and support countless businesses.

We work 24/7 to keep the ports of NSW safe, efficient and open to the world.

Our key roles



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.



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.



Emergency response
Protecting people and the environment by responding 24/7 to incidents of marine emergencies and pollution.



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.



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



Vessel traffic services
Communicating vital maritime and navigational information to mariners.



Safe navigation
Guiding ships safely through port with our network of buoys, markers, beacons and lighthouses.



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



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



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



How we work

Port Authority is a statutory State-owned corporation established under the State Owned Corporations Act 1989 (NSW), Ports and Maritime Administration Act 1995 (NSW) (PAMA Act) and associated regulations (see page 40).

Appointed under the Marine Safety Act 1998 (NSW), we hold the role of Harbour Master in all working ports in NSW and have responsibility for all port safety functions. We are the lead agency for responses to maritime incidents and marine pollution in NSW coastal waters stretching from Fingal Head, Port Stephens to Gerroa, Seven Mile Beach, and three nautical miles out to sea.

We manage and operate the ports at Glebe Island, White Bay, Eden and Yamba, and own and manage common user berths at Glebe Island.

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

Our responsibilities

Newcastle Port Corporation was constituted under section 6 of the PAMA Act and adopted the trading name Port Authority of New South Wales 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, and
- promote and facilitate trade through its port facilities, and
- ensure that its port safety functions are carried out properly, and
- promote and facilitate a competitive commercial environment in port operations, and
- 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 – PSOL

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 certain 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, which has been updated, runs for a five year term (1 January 2025 until 31 December 2029). The PSOL provides for a port-specific quality assurance system, requiring Port Authority to maintain and annually audit port management systems specific to each port. It also requires Port Authority to maintain authorisation as a Vessel Traffic Service Authority in the ports of Sydney Harbour, Port Botany, Port Kembla and Newcastle.

Under the PSOL, Port Authority's port operations teams exercise and manage port safety functions within the relevant ports' limits. Sydney operations cover Sydney Harbour and Botany Bay; Newcastle operations cover Newcastle Harbour and Yamba; and Port Kembla operations cover Port Kembla and Eden.

All performance standards of the PSOL were met during FY25.

Ports

Ports across NSW are essential gateways for trade and tourism, connecting the State to domestic and international markets. Each port plays a unique role in ensuring the safe and efficient movement of goods and people.



1. Port of Yamba

Australia's easternmost port serving the Northern Rivers and New England regions. It supports regional trade, hosts the State's second-largest fishing fleet, and supports the shipbuilding and repair industry. Around 40 commercial vessels call each year, overseen by the Newcastle Harbour Master.

2. Newcastle Harbour

Australia's oldest export port, the largest port on the East Coast, and a key economic gateway to the Hunter and northern NSW. With over 2,200 trade vessel visits annually, it facilitates the export of bulk cargo like coal, grain, vegetable oils, alumina, fertiliser and ore concentrates. Landside operations are managed by Port of Newcastle.

3. Sydney Harbour

One of the world's most iconic and busiest natural harbours, and home to a vibrant maritime industry. Each year, Sydney hosts over 800 commercial vessels, including cruise ships at the Overseas Passenger Terminal and White Bay, and at its heart, Glebe Island remains a key working port, supplying essential construction materials for Sydney's growth.

4. Port Botany

As NSW's largest container port and Australia's largest bulk liquids facility, Botany is a critical gateway for NSW and the national economy. Each year, around 1,600 ships move over 2.8 million containers through the port, supplying and exporting essential goods and valuable resources. Landside operations are managed by NSW Ports.

5. Port Kembla

With over 800 commercial vessels visiting annually, Port Kembla is a major economic driver for the Illawarra. It serves as NSW's largest vehicle importation terminal, principal grain export hub for southern NSW, and facilitates the region's steel and mining industries. Landside operations are managed by NSW Ports.

6. Port of Eden

NSW's southernmost deep-water harbour supporting the South Coast's fishing, forestry and tourism industries. The popular cruise destination is a tourism gateway to the stunning Sapphire Coast. Around 70 commercial vessels call annually across three wharves: Eden Cruise Wharf, a privately owned woodchip terminal, and the multi-user Royal Australian Navy Wharf.

Management and Structure

Executive team



John McKenna
Chief Executive Officer



Amy Beaumont
LLM, BCom/LLB, GAICD
Group Executive, People, Environment and Legal
Legal
Environment, planning and sustainability
Work Health and Safety
People and culture



John Finch
MBA (Maritime Management), MC1, AICD
Chief Operating Officer
Marine operations
Vessel Traffic Services
Pilotage
Group survey
Dangerous goods
Emergency response



Kristie Langley-Gliddon
BComm (Accounting), CPA
Chief Financial Officer
Finance
Corporate planning and reporting
Corporate services
Company secretariat



Rob Rybanic
Acting 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
BA, GAICD
Group Executive, Strategy, Corporate and Public Affairs
Strategy
Corporate affairs
Government relations
Community and stakeholder engagement



Board of Directors



David Marchant AM

GAICD

Chair

Appointed Chair April 2022

David is Chair, Queensland Rail and Queensland Rail Ltd and previously a board member of Airservices Australia.

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

- Member, Audit and Risk
- Member, People and Culture
- Chair, Nominations



Justine Jarvinen

BE (Hons), GDip App Fin (SecInst), GAICD

Director

Appointed April 2022

Justine (JJ) is an energy executive with over 30 years of international experience across the energy, finance, education and non-profit sectors. She is experienced across the energy value chain, in technical, commercial, strategic, management, advisory and governance roles for organisations including Exxon, Shell, Caltex, JBWere and AGL Energy.

JJ is Principal/Director/Owner of Finncorn Consulting, and Director of UNSW Foundation Limited (philanthropic arm of UNSW). Her previous roles include Managing Principal, Sustainability, Climate Change and Risk at Aurecon, CEO of the UNSW Energy Institute, independent Chair of Wattwatchers, and director of Climate-KIC Australia. She has also served as director of ASX-listed Milton Corporation.

- Member, People and Culture



Dr Deborah Dearing

PhD, GDip Env Law, GDipUD, BArch (Hons and Medal), GAICD

Director

Appointed February 2023

Dr Dearing has over 30 years of international experience in urban design, strategic land-use planning, heritage conservation, affordable housing and property development in the public and private sectors.

She held senior executive roles with the NSW Department of Urban Affairs and Planning, Architectus and Stockland, and served on boards including the NSW Heritage Council, the Australian Institute of Architects, City West Housing, Livable Housing Australia and the Sydney Harbour Federation Trust. She was also Chair (Temporary) of Greater Cities Commission, President of the NSW Architects Registration Board, a member of the Victorian Design Review Panel and Sydney University's Henry Halloran Trust.

- Chair, People and Culture



Kristine Neill

Director

Appointed September 2024

Kristine is a former Executive Director of Macquarie Group Limited, a company she served for 14 years. After leaving Macquarie, Kris ran her own consultancy business. Kris was Chief of Staff to the former NSW Premier, the Hon. Bob Carr and Corporate Affairs Director for News Limited. Kris has served as a director and Chair of Women's Community Shelters, a director of the Melba Opera Trust, the FAUNA Research Alliance, and the Tourism and Transport Forum.

- Member, Audit and Risk





Kay Salvair Smith

BCM&E, Cert Cybersecurity, GAICD

Director

Appointed April 2025

Kay has experience across Government and private ASX and LSE listed sectors, in large and complex transport, freight, property and transmission infrastructure. She chairs the Risk Committee and is a Non-Executive Board Advisor to an infrastructure consulting firm, Deputy Chair of Roads Australia's Reduce, Reuse, Recover. (Decarbonisation) Committee, Ambassador to Sustainable People Solutions (SPS) Leaders Alliance and the Managing Director of Fusion Advisory.

Kay previously held positions of Operations Manager and National Executive General Manager of Infrastructure Advisory consulting and is a former Partner of MinterEllison.

— Member, People and Culture



Tom Laidlaw

LLB (Hons), BComm, GCLP, GAICD

Director

Appointed April 2025

Tom is an experienced non-executive director, CEO and business leader with global experience across the infrastructure, energy and private equity industries. His executive career included advising infrastructure clients across sectors such as transportation and energy, as a Managing Director at Macquarie Group, and the long-standing CEO of one of Australia's leading infrastructure funds management businesses.

Tom has significant experience in the ports industry and has previously served on numerous boards, including Flinders Ports and Kinetic.

— Chair, Audit and Risk



Wayne Stokes

FCCA, BBus (Accounting), MBA (Executive), GAICD

Director

Appointed April 2025

Wayne is a seasoned board member and former CFO with over 25 years of executive experience across commercial, private, and for-purpose sectors. He currently chairs the Risk and Audit Committee at City West Housing and serves as an independent member of the Australian Dental Council's committee. Wayne also chairs CPA Australia's Centre of Excellence for Ethics & Professional Standards and was the 2024 President of its NSW Divisional Council. His previous CFO roles span global regions, including leadership positions at Costa Crociere/Carnival (Asia), Carnival Australia, Toga Group (Europe), and Lend Lease (Australia/US).

— Member, Audit and Risk

PREVIOUS BOARD MEMBERS

Matthew Irwin

Director

Matthew's term as Director ceased on 29 January 2025

Philip Holliday

Director

Philip's term as Director ceased on 26 November 2024



Strategic Plan 2020-2025

FY25 was the final year of a five year strategic plan. Our strategic planning defines our vision, values and purpose and identifies the strategic goals and priorities that will guide Port Authority forward. This planning offers our people 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 2020-2025 strategic goals

Our plan set out our 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.



Our strategic pillars

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

These pillars guided our decision-making, united our people around a common purpose, and shaped the way we delivered outcomes for our customers, stakeholders and communities.

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

Closing out Strategic Plan 2020-2025

FY25 marked the final year of our Strategic Plan 2020–2025. Over the past five years, it has informed our actions, our priorities, and guided the organisation through a period of consolidation and growth.

The Plan delivered real and meaningful outcomes with several notable achievements listed below:

Pillar

Key achievements 2020-25

One leading Port Authority



We've built the capability, cohesion, and culture that is focussed on one single leading Port Authority rather than separate entities:

- Launched a workforce plan with targets for gender and Aboriginal and Torres Strait Islander representation.
- Invested in leadership development and introduced a comprehensive onboarding program.
- Launched our internal communications campaigns focussed on a One Team approach – strengthening connection across our organisation.
- Recognised a decade of progress and contributions to the State via our 10-year milestone.
- Amalgamated three site specific enterprise agreements into one agreement covering employees across the state.
- Achieved recognition in the Inclusive Employer Index.

Grow our value and customer service delivery



We've enhanced customer experience and grown our commercial footprint:

- Introduced our Customer Service Charter.
- Supported long-term growth through new customer lease agreements and major infrastructure proposals, such as the Eden MOD3.
- Supported the successful rebound of the cruise industry in NSW following the pandemic, injecting billions of dollars into the State's visitor economy.
- Delivered regional benefits through record-breaking cruise seasons in Eden, and securing a 10-year licence agreement with Port of Newcastle.

Operational Excellence



We've sharpened our operations and strengthened our safety focus:

- Launched the Safe and Efficient Port Operations Forum.
- Introduced two new state-of-the-art multi-purpose vessels and one new self-righting pilot vessel.
- Commenced a fuel use measurement program in Port Kembla.
- Progressed the rollout of OnePort, improving consistency and coordination across ports.
- Implemented and administered Towage Licences across all Towage Ports.
- Reached successful compliance to Port Safety Operating Licence obligations, with no significant nonconformances across the reporting period.

Sustainable assets supporting growth



We've taken bold steps toward a more sustainable future:

- Transitioned to 100% certified renewable electricity across operations.
- Released our Net Zero 2040 Plan and Sustainability Plan.
- Launched research into alternative vessel fuels and joined the Blue Visby Consortium.
- Completed critical infrastructure works including the Moores Wharf pontoon upgrade, Hornby Lighthouse restoration, and White Bay Noise Attenuation Program.
- Commenced works on major initiatives like the Bays Port Shore Power project.

Further enhance stakeholder and community relationships



We've strengthened trust and connections with those around us:

- Improved our Corporate Reputation Index ranking.
- Redeveloped our website to better serve stakeholders.
- Launched the Seafarer Welfare Fund and our new Community Grants Program, reinforcing our social impact.
- Launched and maintained the Port Noise Policy and Vessel Noise Operating Protocol for commercial shipping at Bays Port, supported by an extensive noise monitoring system to proactively manage port-related noise.
- Introduced a new strategy for Corporate Affairs and Stakeholder Engagement, resulting in measurable improvements.



Introducing Our Direction 2025-30



With our Strategic Plan 2020-2025 concluding at the end of FY25, this year has been a critical period of planning and engagement as we prepare for the next five years of our organisation’s direction.

Our Direction 2025-30 signals a refreshed direction for Port Authority, aligned with broader Government priorities and driven by a renewed focus on service delivery, environmental and financial sustainability, and inclusive engagement with all stakeholder groups – including our customers, communities and people.


The development of our new direction has been shaped by extensive consultation with our people, the Board of Directors, and key government, tourism and industry stakeholders.

Our Direction 2025–30



PURPOSE

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



VISION

Growing trade and tourism in NSW



VALUES

Care | Accountability | Integrity
Collaboration | Safety



PILLARS

<p>Service</p>  <p>A commitment to delivering safe, efficient, and customer-focused operations</p>	<p>Community</p>  <p>Meaningful engagement with those we interact with across all stakeholders to strengthen our social license to operate</p>	<p>Sustainability</p>  <p>Safeguarding our long-term resilience with consideration to environmental responsibility, asset management and financial stability</p>
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Safety and efficiency

Performance metrics

Port Authority's financial performance for FY25 was favourable compared to the key targets set in our Statement of Corporate Intent 2024-25.

Higher than expected pilotage revenue was achieved from a higher volume of coal vessels in Newcastle and car carrier vessels in Port Kembla. There was increased fees derived from higher passenger occupancy for cruise ships as well as variations to infrastructure project rental licences for the Sydney Fish Market redevelopment and Sydney Metro West at the Bays Precinct.

There was higher than expected operating expenditure and there remains an ongoing focus on identifying and prioritising new cost saving initiatives.

In addition, there were higher salaries and wages from increases to employees on the general Enterprise Agreement. Lastly, vessel fleet maintenance and materials were higher than anticipated due to multiple vessels sustaining damage and mechanical failures.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) for the year were \$67.4 million compared with a budget of \$65.0 million.

Economic or other factors

A number of lease and license dealings, capital investment and other business development initiatives were put on hold pending the Government's decision on the future of the Bays Precinct. Port Authority remains ready to support the Government with any future transitional arrangements.

As in previous financial years, extreme weather events in FY25 adversely impacted shipping operations, albeit on a temporary basis and with successful response by our marine operations. Newcastle Harbour experienced the worst impacts while the Port of Eden had five cruise ship visit cancellations, which for a small port is noteworthy.

On balance, the economic environment in FY25 was neutral with regard to impacts on Port Authority's operational activities. Some of the factors that influenced business performance in FY25 began in FY24; the most significant includes the suspension of shipping in the Red Sea and the increasing cost of marine fuel. These factors contributed to the relatively high cost of freight and deployment of cruise ships in our region and are in part responsible for the year-on-year reduction of vessel calls into Port Botany and Sydney Harbour. Previous years' high inflation has over time increased operating and capital costs for Port Authority, however has been offset by CPI adjustments to port and lease rental charges. Any notable changes to shipping from the imposition of tariffs since April 2025 have yet to materialise.



Pilotage and navigation

Vessel visits to NSW

During FY25, we assisted 5,530 commercial vessels visiting NSW's six working ports.

Commercial vessel visits (trade and cruise) to ports in NSW¹

	FY24	FY25	Variance
Sydney Harbour ²	878	805	(8%)
Port Botany	1,621	1,566	(3%)
Newcastle	2,252	2,246	0%
Port Kembla	718	808	13%
Eden	74	65	(12%)
Yamba	44	40	(9%)
Total	5,587	5,530	(1%)

Commercial vessel visits (trade and cruise) to NSW by port and month: FY25¹

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Sydney Harbour ²	42	45	44	77	93	108	90	83	67	51	51	54
Port Botany	125	142	130	135	138	133	133	124	113	131	136	126
Newcastle	172	215	173	191	197	220	182	178	194	172	137	215
Port Kembla	54	73	63	72	63	61	65	64	68	74	77	74
Eden	2	1	1	2	5	13	12	13	10	4	1	1
Yamba	6	0	3	2	5	6	5	0	1	2	2	8
Total	401	476	414	479	501	541	487	462	453	434	404	478

Trade vessel visits to NSW by port¹

	FY24	FY25	Variance
Sydney Harbour ²	571	530	(7%)
Port Botany	1,621	1,566	(3%)
Newcastle	2,234	2,237	0%
Port Kembla	718	808	13%
Eden	33	40	21%
Yamba	44	40	(9%)
Total	5,221	5,221	0%

Cruise ship visits to NSW by port

	FY24	FY25	Variance
Sydney Harbour	307	275	(10%)
Newcastle	18	9	(50%)
Eden	41	25	(39%)
Total	366	309	(16%)

Commercial vessel visits (trade and cruise) to Bays Port³

	FY24	FY25	Variance
Glebe Island	63	68	8%
White Bay	337	301	(11%)
Total	400	369	(8%)

Cruise ship visits to Sydney Harbour by terminal

	FY24	FY25	Variance
OPT	192	196	2%
White Bay ⁴	98	69	(30%)
Other	17	10	(41%)
Total	307	275	(10%)

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

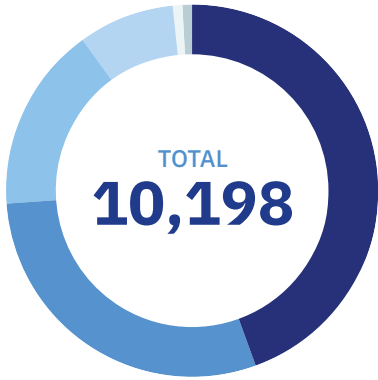
2. Includes commercial and service provider vessels (such as bunker vessel ICS Reliance).

3. Includes commercial and service provider vessels (such as bunker vessel ICS Reliance), and Passenger Vessels.

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

Pilotage and navigation continued

FY25 Pilotage movements¹



- Newcastle 4,543
- Port Botany 3,006
- Port Kembla 1,632
- Sydney Harbour 850
- Eden 90
- Yamba 77

Pilotage

Pilotage is a critical Port Authority function to ensure the safe and efficient movement of commercial vessels through the State’s busy ports.

Marine pilots are highly trained experts who guide ships through complex and often congested harbour environments, using their local knowledge to navigate safely around hazards and alongside other port operations.

This service plays a vital role in protecting people, the environment, port infrastructure, and commercial trade, and supports the overall safety and resilience of supply chains across NSW.

FY25 activities:

Pilotage service delivery

Port Kembla and Newcastle

In FY25, Port Authority performed to our commitment of on time pilotage in Newcastle (99.46%) and Port Kembla (99.56%) when measured against pilotage on time service KPI after acceptable causes.

Pilot ladder training facility

A new, custom-built, onshore pilot ladder training facility was developed in Port Kembla, allowing maritime professionals and trainees to, in simulation, safely practice scaling ladders on the side of a moving ship. The nine-metre length ladder suspended over shipping containers will improve the skill in our teams, ensuring safer and more efficient transfers.

Industry recognition

Port Authority’s Port Kembla Marine Pilot, Josephine Clark, was awarded Highly Commended in the Women in Shipping & Maritime Logistics Award category at the 2024 DCN Shipping & Maritime Industry Awards. This award recognises Josephine’s exceptional contribution and outstanding leadership, which have driven sustained improvements in workplace culture, behaviour, outcomes, profitability and productivity.



MARINE PILOT, JOSEPHINE CLARK



1. Pilotage movements include vessel arrivals and departures and vessel movements within port.

FY25 marine incidents responded to by VTS teams



- Sydney Harbour & Port Botany 786
- Port Kembla 53
- Newcastle 33

Vessel Traffic Services

Our Vessel Traffic Services (VTS) teams provide 24/7 service to ensure the safe and efficient movement of vessels through the ports of NSW. Using advanced monitoring systems such as radar, electronic navigation tools, Automatic Identification System (AIS), and CCTV, VTS operators manage ship traffic, provide navigational information, and respond to emerging risks in real time.

Accredited by the Australian Maritime Safety Authority (AMSA), our VTS centres are located in Newcastle, Port Botany/Sydney, and Port Kembla. Each centre serves as a critical decision-making hub, supporting safe harbour operations and environmental protection.

Sydney VTS oversees traffic for both Sydney Harbour and Port Botany, Newcastle VTS works closely with coal terminals and port schedulers, and Port Kembla VTS oversight extends from Garrie Beach to Port Kembla Beach, coordinating arrivals, pilotage, and berth planning across the harbour, including 11 anchorages serving local and nearby ports.

FY25 activities:

Port emergencies in severe weather

During periods of severe weather, our VTS teams played a critical role in maintaining safe and efficient operations by closely monitoring evolving conditions, adjusting vessel schedules, and responding to ship assistance requests to ensure safety across the port.

Search and Rescue (SAR) support

With around 70% of Newcastle pilot transfers conducted by helicopter, our Newcastle VTS team supported the safe delivery of 3,115 SAR watches across day and night operations. Through vigilant oversight, real-time situational awareness, and robust communication protocols, VTS ensured the safety of helicopter crews - even in challenging weather conditions.

VTS operational continuity

To ensure uninterrupted operations and reliable communications, Starlink® satellite internet has been installed at the backup VTS centre at Nobbys Head, Newcastle. A structured testing regime supports this capability, regularly validating system readiness and performance.

VTS Operator training

Port Authority, in partnership with the Australian Maritime College, developed an in-house V103-5 recurrent training program for our VTS Operators. Operators from our centres came together for three days of hands-on training, practicing emergency scenarios and learning about the latest industry developments.

Dangerous goods

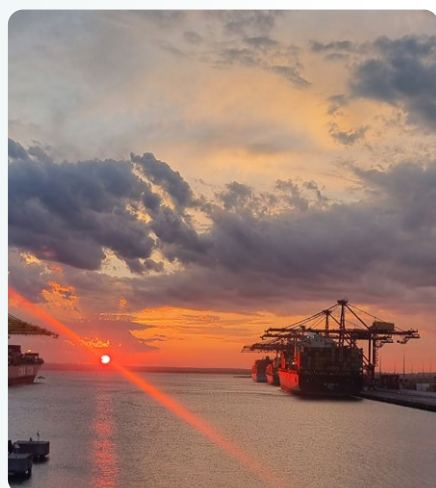
Port Authority has a legislative responsibility to monitor the conditions under which dangerous and hazardous goods are handled or kept in defined port operational areas.

Key responsibilities include managing advance notifications of all dangerous goods to be imported or exported by vessel, enforcing time limits for dangerous goods in port, and conducting onboard inspections prior to the transfer of bulk dangerous cargo. We also assess and approve high-risk activities such as hot works and bunkering on vessels carrying dangerous goods.

We maintain a comprehensive database of all dangerous goods present within port areas and ensure compliance with state, national, and international regulations for their storage, segregation, and handling.

To ensure preparedness and safety, Port Authority works closely with agencies such as Transport for NSW (TfNSW), Fire and Rescue NSW (FRNSW) and AMSA on joint response planning and emergency exercises. These are outlined under Emergency response on page 21.

	Advance notifications received	Vessels carrying DG	Total quantity of DG (tonne)
Botany	176,229	1,479	13,475,646
Sydney	572	126	3,562,887
Newcastle	225	126	3,377,141
Port Kembla	45	24	335,787
Eden	27	9	172
Total	177,098	1,764	20,751,633



Port services

FY25 emergency incidents responded to by our teams



- Pollution incidents 223
- Emergency towing & vessel assists 45
- Booming operations 28
- Firefighting operations 9
- Medical/lifesaving emergencies 9

Emergency response

Port Authority responds to hundreds of incidents each year across all operational ports, ensuring the safety, security and continuity of port activities.

These highly trained teams are equipped with specialised response vessels and equipment to manage a wide range of emergencies, from environmental threats to operational disruptions, using best-practice response techniques.

Through rapid response and coordinated action, we work to protect the marine environment, support port users, and keep trade flowing safely through the ports of NSW.



Significant emergency responses

Barge fire

Sydney – Berrys Bay | 19 August 2024

NSW’s only heritage-listed vessel, the SS South Steyne, narrowly avoided disaster when a fire broke out on an adjacent barge, with flames spreading dangerously close to the ferry. Rapid action from emergency services averted disaster, with Port Authority’s dedicated fire-fighting vessel, Girawaa, first on the scene. Our rapid response was key to avoiding serious damage and preserving maritime heritage.

Recreational vessel fire

Sydney – Rodd Island | 11 January 2025

Port Authority’s fire-fighting vessel, Girawaa, in coordination with FRNSW responded to a fire on a recreational vessel. Using onboard fire-fighting monitors, the fire was swiftly and safely extinguished, with joint efforts ensuring the situation was resolved without further escalation.

Vessel engine failure

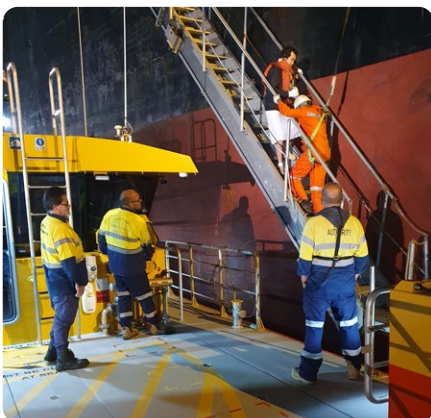
Eden | 4 April 2025

Port Authority worked closely with Pacific Tugs to coordinate the safe return of 86m LOA Gas Tanker MV Victoire to Eden anchorage after it experienced main engine failure approximately 40nm SE of the Port.

Medical evacuation of injured crew

Sydney | 6 May 2025

Wisdom Venture issued a distress call 26 nautical miles off the coast, requiring urgent medical evacuation for three injured crew. Our VTS, Harbour Master’s team, Pilots, cutter crews, and Marine Operations coordinated the vessel’s safe entry into Sydney Harbour for hospital transfer. This complex operation was also supported by, AMSA, NSW Water Police, NSW Ambulance, and Engage Marine tugs.



MEDICAL EVACUATION OF INJURED CREW

Emergency response exercises

Port Authority regularly leads and participates in emergency response exercises to test capabilities, strengthen procedures, and enhance coordination with key stakeholders. These exercises are essential for refining response plans and ensuring teams are well-prepared for real-world incidents.

Involving trained staff from across the organisation, along with government agencies, port users and private sector partners, the exercises promote collaboration and continuous improvement. This proactive approach ensures Port Authority remains ready to respond effectively to any emerging emergency situation.

Annual Oil Spill Exercise

Eden | 28 August 2024

Simulation of a tug colliding with a passenger ship, resulting in fuel being spilt into the harbour from a small hole in the ship's bunker tank. A containment boom was deployed to contain the spill and protect marine environments. Participants: tug operators, stevedores, FRNSW, TfNSW and NSW Water Police.

Newcastle Spillex

Newcastle | 11 September 2024

Simulation of a fire on a vessel at berth, followed by a simulated use of non-approved foam for firefighting. A containment boom was deployed around the vessel to contain the potential spillage of foam to protect marine environments. Participants: FRNSW, NSW Ambulance, NSW Water Police, NSW Environment Protection Authority, AMSA, TfNSW, Port of Newcastle, Svitzer and terminals.



Yamba Spillex

Yamba | 12 December 2024

Simulation of a 500 litre fuel spill into the waters adjacent to the Polaris Marine Dockyards (PMD) due to an incident during a bunkering operation. GP500 containment boom was deployed at the edge of the yard to contain the spilt fuel. Port Authority briefed PMD on the location and use of oil spill response equipment available in Yamba.

Exercise Viva 2025

Sydney – Moores Wharf | 25 March 2025

The exercise centred around two complex fire scenarios: a shipboard fire at the fuel transfer area during discharge operations from a product tanker, and a shore-based fire involving the Marine Loading Arm while unleaded petrol was being transferred. The scenarios presented significant technical challenges, requiring consideration of multiple dynamic factors and a coordinated, multi-agency response. Participants: Viva Energy, FRNSW, Engage Marine, and Svitzer.

Botany Bay 2025

Kurnell | 8 April 2025

This Port Authority-led multi-agency desktop exercise simulated an on-water flammable product spill at the Ampol Terminal, Port Botany. Active monitoring was carried out by Maritime, NSW Water Police, and Port Authority vessels, while FRNSW used specialised equipment to monitor air quality. The exercise refined emergency plans, and strengthened agency collaboration.

Weeping Dragon

Port Kembla | 7 May 2025

Simulation of a bulk liquid spill from a chemical tanker at Berth 206, resulting in adverse safety and environmental impacts. The exercise triggered a multi-agency response, including managing casualties on the vessel and ashore, establishing of an exclusion zone around the site, deployment of marine boom and management of media and public communications and public safety.

BLB 2025

Port Botany | 18 June 2025

The joint exercise involving NSW Ports and Quantem was conducted at Bulk Liquid Berth (BLB)1. Port Authority deployed the GP750 containment boom to BLB1, securing it in position within 30 minutes, followed by mobilising and operating a skimmer, used to recover oil from the water's surface.

Port services continued

FY25 Port Safety Surveys (PSOL areas)



- Port Kembla 56
- Sydney Harbour 55
- Port Botany 46
- Yamba 19
- Eden 10

4 whole of Port surveys



Survey

Port Authority’s Group Survey team plays a vital role in maintaining safe navigation across Sydney Harbour, Port Botany, Port Kembla, Yamba and Eden. Through regular hydrographic and bathymetric surveys, the team monitors changes in channel and berth depths and identifies unexpected underwater hazards to ensure the safe passage of commercial and recreational vessels.

In addition to navigation safety, the team conducts engineering, environmental, and monitoring surveys, manages oceanographic instruments, and oversees critical wave, wind, current, and tide data. The team also supports external clients, provides access to historical survey data, and manages an interactive mapping system for all ports.

With extensive experience and qualifications, team members are active contributors to national and international hydrographic organisations, helping to shape industry standards and best practice.

FY25 activities:

Port Safety Surveys

In support of Port Authority’s port safety operating licence (PSOL), hydrographic surveys are conducted in Sydney, Port Botany, Port Kembla, Eden, Yamba, and other minor ports to ensure safe shipping and navigation for all vessels, with data sent to the Australian Hydrographic Office for official chart production. During FY25, the team conducted 186 PSOL area surveys, and 4 whole of port surveys.

Port Kembla wave surge sensor

Triggered by repeated mooring line breakages during northeasterly swells, the survey team developed and implemented a wave surge monitoring system in the outer harbour that supports real-time decision-making on vessel movements to offshore anchorage. The system can measure high-frequency water level changes, enabling proactive vessel disembarkation during elevated surge events thereby reducing safety, infrastructure, and environmental risks.

Geographic Information System (GIS) Project

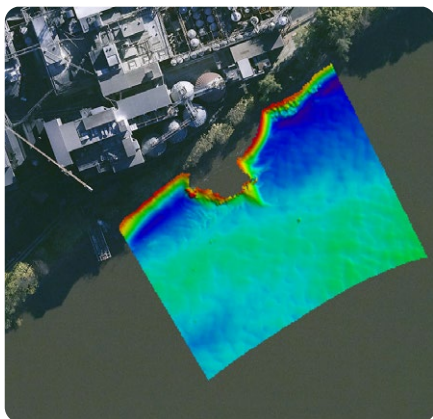
Enhancements have been made to our digital twin (a virtual model of our assets and operations) by integrating a wider array of systems and information through the GIS project, which aims to cultivate a comprehensive and searchable resource for cross collaboration and information sharing. As an example, during a marine operations audit of spill response equipment the team took the opportunity to photograph the equipment and add the locations of the spill response assets directly into the GIS.

Silo collapse - Emergency Survey

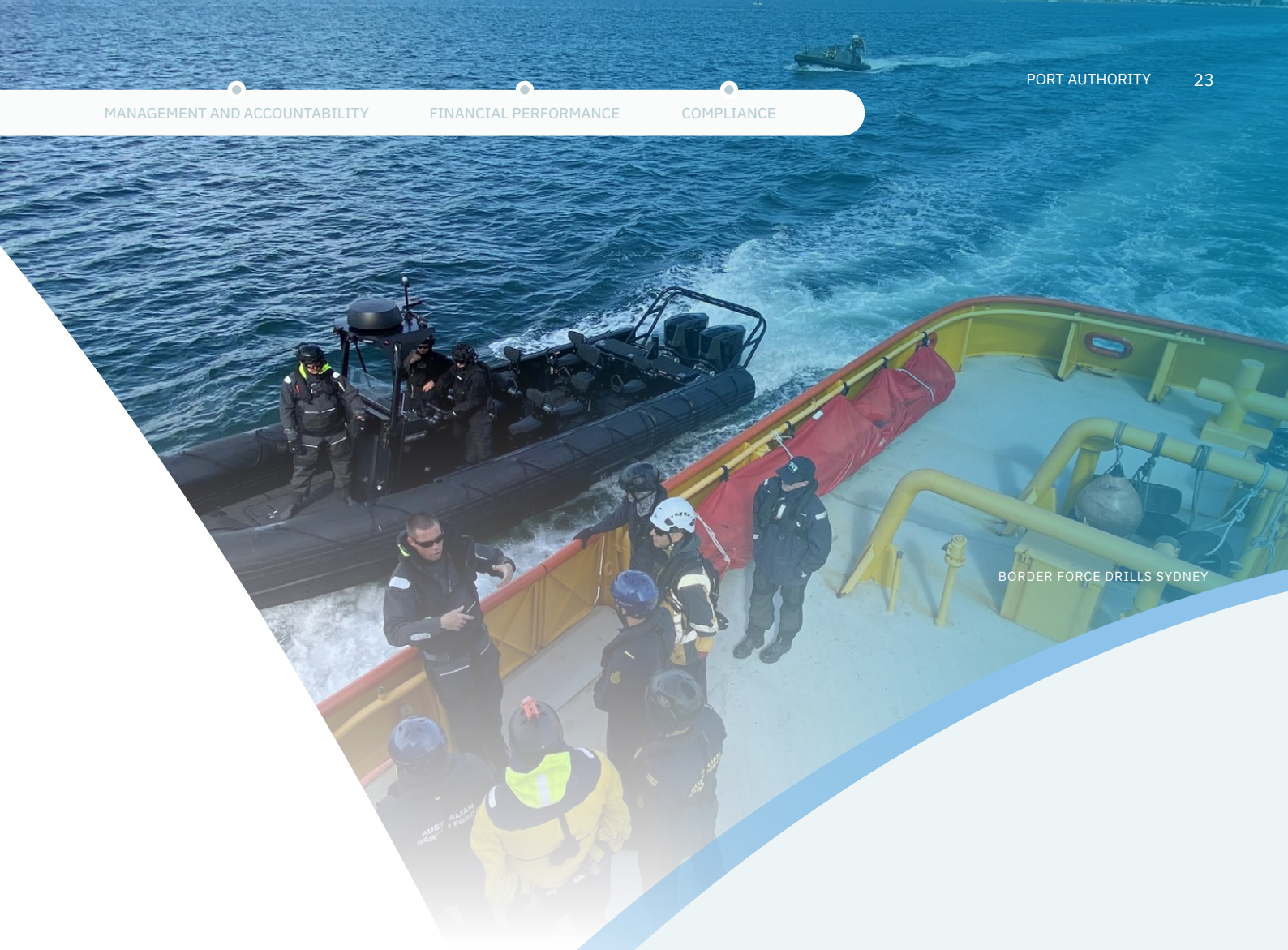
Following the collapse of two 30-metre grain silos in Bomaderry, our survey team was engaged to carry out an emergency hydrographic survey in the Shoalhaven River. The team quickly assessed the extent of the spill and later confirmed a successful clean-up, highlighting our capability to respond rapidly to protect the environment.

Buoy system installation

Viva Energy funded the procurement and commissioning of a real-time wave buoy (Waverider) at the Sydney Harbour entrance to support safe navigation for vessels entering Gore Cove by enabling precise under keel clearance calculations. The wave buoy addresses a critical gap in navigational safety – a lack of dedicated wave measurement data. Port Authority is responsible for its annual maintenance and calibration, and routine checks.



HYDROGRAPHIC SURVEY – BOMADERRY SILO COLLAPSE



BORDER FORCE DRILLS SYDNEY

Port security

Port Authority manages the safety and security of waterways, infrastructure, employees, and the public across our operational areas. Security oversight extends to cruise terminals at Circular Quay and White Bay, Port Botany boat ramp, maritime industry service providers, and dry bulk wharves at White Bay and Glebe Island.

Security measures include passenger screening, access control, CCTV, waterside and perimeter patrols, and Maritime Security Identification Card checks for port workers. Port Authority conducts regular exercises and works with government agencies and regulated port users to coordinate maritime security efforts.

In accordance with the Maritime Transport and Offshore Facilities Security Act 2003 (Cth), Security of Critical Infrastructure Act 2018 (Cth), and the International Ship and Port Facility Security (ISPS) Code, Port Authority maintains approved maritime security plans and regularly evaluates risks in response to global security developments.

During FY25, Port Authority implemented technological upgrades and personnel training, expanded security response capabilities, and updated incident management protocols. We coordinated joint responses to potential threats with emergency services and introduced new risk assessment tools to identify vulnerabilities across various sites. Targeted awareness programs were established for port users and stakeholders to promote shared responsibility for security at different operational levels. Additionally, we provided precinct-wide security coordination for three NSW Government Tier 1 major events – New Year’s Eve, Australia Day, and Vivid – at the Overseas Passenger Terminal, Circular Quay.

Read about our cyber security measures and activities on page 33.

Cruise and commercial

Cruise in NSW

NSW continues to be a premier destination for cruise lines, underpinned by a strong domestic source market as well as offering a vibrant blend of natural beauty and exciting experiences for international visitors. The State welcomes hundreds of cruise ship visits annually, generating around \$4.41 billion for our economy and supporting over 13,000 jobs.

Port Authority plays a central role in facilitating this growth, overseeing a network of world-class cruise terminals and regional berths that connect international and domestic travellers to the vibrant cities and coastal communities of NSW. From Sydney's iconic harbour to the picturesque ports of Eden and Newcastle, the cruise industry continues to deliver significant economic, community, social, and tourism benefits to the State.

Sydney Harbour

Sydney remains the cornerstone of cruise operations in NSW, with the Overseas Passenger Terminal (OPT) at Circular Quay and White Bay Cruise Terminal (WBCT) serving as the primary gateways for international and domestic cruise lines. In the 2024/25 season, the OPT hosted 196 ship visits, and there was a further 69 visits to White Bay.

Over 40 different cruise ships visited Sydney during the season demonstrating Sydney's broad industry appeal while also showcasing every segment of the global cruise fleet from premium and mainstream brands through to luxury and expedition.

The 2027/28 booking window maintained the high baseline demand that exists for Sydney and we expect a period of regional stability and strategic consolidation for the cruise industry will continue.

Regional Cruise

Off the back of a record-breaking season the previous year, Eden continued to perform strongly during the 2024/25 season both in terms of number of cruise visits (25) and delivering an enriched visitor experience. A handful of calls had to be cancelled due to poor weather conditions, however, of the calls that did take place there were 12 maiden visits including Ovation of the Seas (one of the world's largest cruise ships), Crown Princess, Azamara Pursuit and Seabourn Quest which contributed to over 50,000 passengers visiting the town and exploring the Sapphire Coast.

Newcastle welcomed nine cruise ship visits during the 2024/25 season, connecting passengers to the Hunter region's wineries, beaches, and cultural attractions. In a landmark move to strengthen regional cruise development, Port Authority signed a three-year Memorandum of Understanding (MoU) with seven local councils and two peak tourism organisations from the Hunter and Central Coast regions. This collaborative agreement – modelled on the successful Eden MoU – aims to promote cruise growth, enhance visitor experiences, and support local businesses in becoming cruise-ready. A key outcome is joint funding for a part-time Cruise Coordinator, tasked with developing and marketing tourism products tailored to cruise passengers, and coordinating data collection and reporting for stakeholders.

Other regional NSW destinations to welcome cruise ships in 2024/2025 were Batemans Bay and Broken Bay.



Cruise related infrastructure

We are enhancing and optimising our cruise infrastructure assets to support the growth of tourism in NSW, while ensuring they remain sustainable, community-focused, and fit for the future.

At WBCT we're in the process of installing and supplying shore power to reduce greenhouse gas emissions, improve local air quality, and lessen noise impacts on nearby residents. Our valued cruise industry partners are committed to the use of shore power and ensuring that future frequently visiting ships are capable of connecting to our facilities. Read about the progress on the shore power project on page 30.

To further support cruising at WBCT, during FY25, Port Authority commenced community consultation on the proposed construction of a three-level car park with approximately 500 parking spaces at White Bay. This would improve terminal access, offering short and long-term parking for cruise passengers, event attendees, other current port land users and the general public. Further community consultation is to be undertaken in FY26 to help inform the initial designs.

At the OPT, the Berthing Infrastructure project is progressing. This will involve the installation of a long-term engineered solution to protect the wharf and seabed from erosion and sediment build-up, ensuring the terminal continues to provide safe berthing well into the future.

Future of cruise in NSW

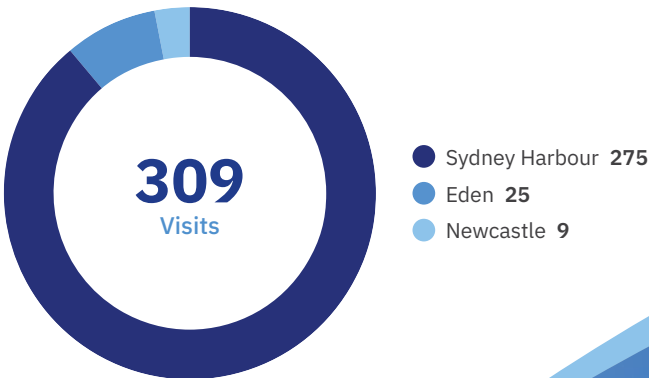
Port Authority is committed to growing the cruise industry in NSW to support tourism, jobs and economic growth ensuring NSW's remains Australia's leading cruise destination.

As the primary cruise terminal operator in NSW and the on-water authority managing vessel traffic, we assist the NSW Government in assessing the feasibility of expanding cruise capacity in the state. We conduct assessments within our operational expertise, considering maritime, community, environmental, and economic impacts.

We are leading a Cruise Industry Advisory Panel made up of cruise and tourism industry experts that has been established to work on identifying locations for a third cruise terminal or other options to cater for the forecasted long-term growth of cruise in NSW.

This will allow the NSW Government to determine the best solution to maintain and grow its market share of Australia's multi-billion dollar cruise industry well into the future.

FY25 cruise ship visits to NSW



Cruise and commercial continued

Customers and tenants

Port Authority is committed to providing our customers with a professional service that consistently aims to add value and take their business needs into full consideration.

Spread across all ports, 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 dry bulk operations.

Our customers provide vital functions that not only support the marine industry and economic trade, but the supply chain of goods and services for households across the state.

Bays Port

Our tenants at Glebe Island support the bulk import of products for Greater Sydney’s construction industry, major infrastructure projects, and the food and beverage market, bringing in the following approximate volumes each year:

- Cement Australia – 336,000 tonnes of cement.
- Gypsum Resources Australia – 405,000 tonnes of gypsum (used for plasterboard).
- Sugar Australia – 167,000 tonnes of sugar.
- IXOM – 60,000 tonnes of salt.

At White Bay, Port Authority continues to support businesses that facilitate the safe shipping movement within the Harbour, including Engage Towage and AusBarge as well as providing dry stack boat storage and servicing for recreational vessels.

Supporting NSW Government infrastructure projects

Port Authority provides crucial land at Glebe Island to accommodate state significant infrastructure projects. These include the Sydney Fish Market redevelopment, Sydney Metro West, WestConnex roadway infrastructure, and most recently the Western Harbour Tunnel project.

Ongoing co-ordination across 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.

Regional growth

Port Authority supports regional arts through a strong relationship with Hunter Writers Centre, licencing the Nobby’s Headland Lighthouse Cottages for the purpose of writers and artist retreats, exhibitions and book launches.

In Yamba, we’re working closely with Polaris to unlock further commercial opportunities at Goodwood Island and increase utilisation of the wharf to support local industry and economic activity.

Venues

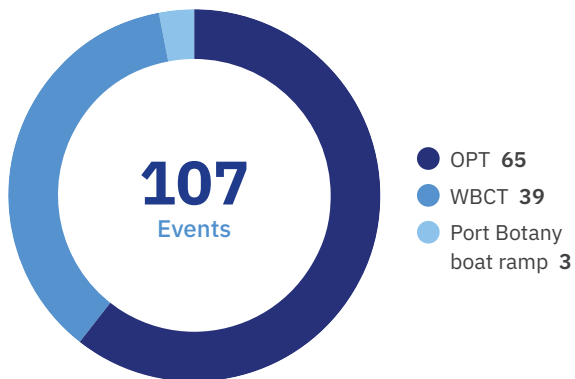
Set in Sydney’s most iconic waterfront locations, the OPT and WBCT, owned and operated by Port Authority, are more than just gateways for cruise passengers – they are dynamic event venues that continue to attract some of Australia’s most trusted national and international brands.

When not in use for cruise operations, these spaces are transformed for cultural events, film productions, product launches and large-scale public activations. They are also increasingly sought after by the film and television industry, with the OPT, WBCT and Port Botany boat ramp all featured prominently in a range of productions.

In FY25, Port Authority hosted 107 events across our venues, supporting the creative economy and contributing to the vibrancy of Sydney’s cultural life. Many of these events extended into the evening, aligning with the NSW Government’s Vibrancy Reforms aimed at boosting the city’s night-time economy. Some notable events, hosted at the OPT, included:

- SASH Music Event – welcoming 900 attendees.
- Silent Disco – Two lively evening sessions with a total of 1,300 participants.
- ABC Piano Event – A cultural highlight drawing approx. 1,500 people as part of the Vivid Sydney program.

FY25 events hosted at Port Authority venues:



Port Authority also continued to support major cultural and entertainment events in Sydney by providing access to strategically located port land and infrastructure, including Glebe Island. Throughout the year, we enabled key public celebrations and international events, including Australia Day, Vivid Sydney, New Year’s Eve, and the global sailing championship Sail GP, which has a worldwide television audience of over 21 million people.



Sustainability

Port Authority is committed to improving social and environmental outcomes in and around our ports, while delivering economic prosperity for the State by facilitating shipping, tourism and trade.

Our evolving approach to sustainability is framed by four overarching themes and our sustainability focus areas, which provide structure and guidance for our sustainability initiatives and support the coordinated and integrated management of our material topics.



PEOPLE

- Workplace health and safety
- Health and wellbeing
- Diversity, equity and inclusion
- Employee engagement and development
- Governance and integrity



PLANET

- Climate change
- Nature
- Environment and community impacts
- Heritage



PROSPERITY

- Community responsibility
- Customers and stakeholders
- Advocacy, research and industry partnerships



PARTNERSHIPS

- Economic performance
- Innovation
- Assets and infrastructure



FY25 ACCREDITATIONS

Silver Partner status achieved through the

Sustainability Advantage Recognition Scheme

This recognition is an acknowledgement of our continuous improvement in Environmental, Social and Governance (ESG) performance.

Port Authority became the first Australian port organisation to achieve certification under the

Green Marine program

A leading, voluntary initiative that guides the maritime industry towards environmental excellence through measurable actions beyond regulatory requirements.

In November 2025, Port Authority will publish its inaugural Sustainability Report, providing a detailed account of our sustainability activities, data, and performance for FY25. For information beyond what is included in this Annual Report, we invite you to view the Sustainability Report when it is published on our website.



People

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

Workforce diversity, equity and inclusion

At Port Authority, we believe that a culture of diversity and inclusion is fundamental to the success of our people and our organisation.

In FY25, we made meaningful progress in creating a workplace where everyone feels valued, heard and empowered to thrive. Highlights include support for Employee Resource Groups (ERGs) to influence culture, address inequities in our policies and practices, and deliver education programs that build awareness and understanding. We also continued to attract and retain a diverse workforce across all levels, including the establishment of maritime traineeship programs designed to support women.

For the first time, Port Authority participated in Diversity Council Australia's Inclusive Employer Index, achieving recognition as an Inclusive Employer for FY25. In a survey of 109 employees, our results exceeded the national index in areas such as Support (83%), Respect (84%) and Leadership (83%), with an exclusion score significantly lower than the national average (21% vs 30%).

Looking ahead, our FY26 focus is on embedding equity into policies, systems, and leadership expectations, while adopting more inclusive language. We'll strengthen cohesion through whole-of-organisation campaigns and events, maintain our Inclusive Employer status by leveraging Diversity Council Australia feedback, and pursue Carers + Employer Certification to support staff with caring responsibilities. Equity guidelines will be introduced to help reduce systemic barriers, and we'll enhance how we track DEI outcomes and share employee stories to foster connection and impact.

Employee engagement and development

We recognise that our people are central to our success - their skills, commitment and diverse perspectives drive our ability to deliver safe, sustainable and efficient port operations. Investing in their growth and capability is fundamental to our long-term performance and to creating a workplace where people feel valued, supported and empowered.

Our key initiatives in support of professional growth for FY25:

Leadership Framework

To embed this bespoke Framework, designed specifically for our organisation, we introduced a Leadership Toolkit. This online hub is accessible to all leaders and offers tools, resources and self-directed learning materials.

In support of future leadership capability and a strong pipeline of future leaders, we delivered additional layers of leadership development focussing on frontline leaders and emerging leaders, combining experiential learning, peer collaboration, and mentoring to develop leadership, decision-making, and strategic thinking.

Gift Mindset Program

To strengthen internal leadership, we delivered this Program, which focused on self-awareness, growth, and resilience. Based on the idea that every experience holds a 'gift', it encourages a shift in mindset and reinforces our commitment to learning, contribution, and psychological safety.





Workplace Health and Safety

The health and wellbeing of our employees is fundamental to creating a safe, productive and engaged workforce. We are committed to supporting our people through a workplace culture that values wellbeing in all its forms - physical, psychological and emotional.

WHS performance

No serious injuries or dangerous incidents were recorded in FY25. Four high potential near misses were reported to regulators, with two resulting in improvement notices, and both closed.

A key focus was assuring critical control effectiveness in our highest risk operations – pilotage, marine operations and cruise. Controls were assessed as effective overall, with additional actions taken to strengthen them further. Safety investments included upgrades to pilot vessels, upgraded mooring and refuelling facilities, fire response respiratory protection, and a purpose-built pilot ladder training facility.



1. Includes reports from pilots of safety deficiencies onboard piloted ships.
 2. A combination of SafeWork NSW and AMSA regulatory requirements.

Trends and indicators

Employee injuries at work fell by 4, down to 32 in FY25, however workers compensation claims increased, which is reflected in the recordable injury frequency rate and an indicator of higher severity injuries. Four psychological claims were reported, up from previous years, with the average net incurred cost 4.6 times that of physical claims.

Lead indicator performance was strong, with workplace inspections, safety conversations, vessel drills and WHS committee meetings above target reporting.

Systems and compliance

All high-risk work procedures are now complete and put in place, supporting compliance with regulatory risk management requirements. A WHS training internal audit found no non-conformances, two medium, and two low risk findings.

Indicator	FY24	FY25
Serious injuries	0	0
Workers compensation claims – physical	6	13
Workers compensation claims – psychological	2	4
Dangerous incidents	0	0
High potential near misses	0	4
Incidents and hazards reported ¹	452	337
Prosecutions ²	0	0
Notifiable incidents ²	0	4
Workplace inspections	240	287
Percentage of planned WHS meetings held	100%	100%

Note: There were no fatalities recorded

Health and Wellbeing

The wellbeing of our people continues to be a top priority. Our Sonder Well-being Program (a key initiative to provide comprehensive support services across various aspects of health including medical, personal safety, and mental health) reached a 52% activation rate among employees.

Other key initiatives in FY25 included a confidential reporting platform, mental health first aid refreshers, upgrades to female facilities, a pregnant employee procedure and delivery of psychosocial safety training for leaders. The medical standards for our marine staff were also updated to align with best practice.



Planet

Furthering our responsibility to, and stewardship of, our natural environment and heritage

FY25 Shore Power milestones:

- August 2024**

Contract awarded

For the delivery of the largest package of works, being the design, fabrication, supply and installation of equipment at WBCT, and internal electrical distribution network within the port.
- September 2024**

Review of Environmental Factors (REF) approval

Planning approval obtained.
- March-April 2025**

Demolition works

Demolition of the administration and canteen building at White Bay to make way for shore power infrastructure.
- June 2025**

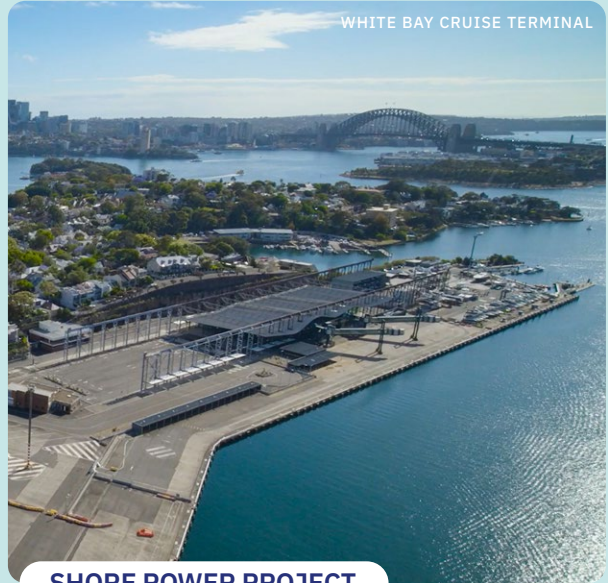
Site investigation works

Survey, excavation and scanning to locate underground utilities and inform the shore power detailed design.
- June 2025**

Seawater Cooling System Addendum REF approval

The seawater cooling system regulates the temperature of the shore power electrical equipment, eliminating the need for traditional air conditioning.

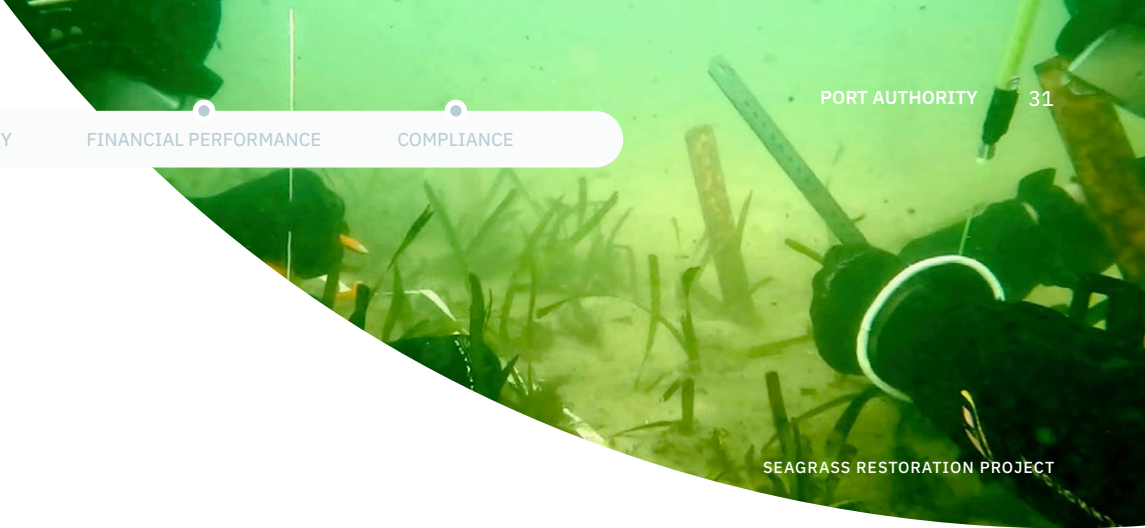
Port Authority also continues its role as a global leader in this field, chairing national and international committees on shore power standards and contributing to the future of sustainable maritime infrastructure worldwide.



In a first for a cruise terminal in the Southern Hemisphere, Port Authority is installing shore power at the White Bay Cruise Terminal (WBCT). By the end of 2026, nearly \$60 million will be invested to deliver a landside electricity supply for cruise ships, powered by renewable energy.

Introducing shore power is one way we're helping to contribute positively to address climate change and reduce impacts on the local community. The supply of certified renewable energy for shore power at the WBCT is estimated to achieve a reduction of up to 4,000 tonnes of CO2 emissions per annum. This would be the equivalent to taking 1,100 cars off Sydney's roads or planting 20,000 trees each year.





SEAGRASS RESTORATION PROJECT

Climate change

We are leading by example and demonstrating our strong commitment to addressing climate change through our ambitious net zero targets and decarbonisation efforts.

Net zero

Our targets

- **By 2030:** 75% net reduction in Scope 1 and 2 emissions (based on the 2019 baseline)
- **By 2040:** Reach net zero

Our FY25 progress

- Calculated Scope 1 emissions were approximately 2,452 tonnes of carbon dioxide equivalent (tCO₂-e).
- Based on the market-based accounting method, Scope 2 emissions were zero.
- Achieved a 2% (location-based) and 24% (market-based) reduction in greenhouse gas emissions (compared with our FY24 Scope 1 and 2 emissions inventory).
- Against the 2019 baseline¹, emissions reductions achieved were 53%.
- **Vessel Emission Reduction Program:** continued implementation of this initiative designed to lower greenhouse gas emissions from our vessel fleet through the adoption of operational efficiencies.
- **Electric Vehicle (EV) Transition Strategic Plan:** The finalised Plan commences implementation in FY26, categorising our vehicle fleet into short, medium and long term EV transition timeframes, and considers charging infrastructure, risk and change management.
- **Solar and energy efficiency upgrades:** Our first sizable solar panel system with a 36kW, 81-panel system was installed at our Newcastle Port Centre.
- **Net Zero Implementation Pathway:** Outlines our emissions reduction focus areas including short and long term actions to drive progress towards our net zero targets.

Nature

Caring for the natural environments in which we operate is a priority, and we recognise the impacts of port operations on natural capital and ecosystems while remaining committed to minimising impacts, protecting biodiverse habitats, and enabling restoration.

Seagrass Restoration Partnership Research Project

This collaborative research project including Port Authority, University of NSW and the La Perouse Local Aboriginal Land Council (Gamay Rangers), aims to restore and future-proof the endangered *Posidonia australis* seagrass, which is increasingly rare and plays a crucial role in supporting biodiversity and improving water quality.

In FY25, Port Authority coordinated project activities and completed hydrographic surveying and bathymetric analysis at a Botany Bay trial restoration site. The assessment revealed relatively stable seabed conditions suitable for seagrass establishment and growth, enabling restoration trials to begin in late FY25.

Environmental and community impacts

In line with our Environmental Policy, we proactively manage our port assets by monitoring operations and mitigating impacts to the local community and the environment.

Port noise management

At Bays Port, measures are in place to balance noise emission management with the ongoing, long-term role of the working port:

- Port Noise Policy and Vessel Noise Operating Protocol for commercial shipping.
- Noise Restriction Policy for cruise ships at White Bay, with a system of consequences for breaches.

Noise is monitored using a dedicated port monitoring system, including four permanent monitoring devices to provide information on vessel and landside noise. A vessel's compliance with the trigger limits is determined by detailed online analysis of the raw data.

FY25 Bays Port noise monitoring results

Ship Type	Ships monitored	Ships compliant	% compliance
Bulk and non-cruise ships	56	54	96
Cruise ships	71	71	100
Total	127	125	98

Monthly noise monitoring reports are published on our website.

Air quality monitoring

Recognising that air emissions from ships berthed at Bays Port can be a concern for the local community, we operate a voluntary air quality monitoring program, with stations recording both air quality and weather data to provide a clear and accurate picture of local conditions.

In FY25, we commissioned the Glebe Island air quality monitoring station and commenced installation of a new monitoring station at Grafton Street in Balmain, which is designed to measure emissions from cruise ships at White Bay.

Near real-time air quality monitoring data at Bays Port is available on the Bays Port Air Quality Portal.

Air quality monitoring is carried out at other Port Authority sites to meet environmental and planning approval conditions. At Eden, the arrival of a Quantum Class cruise ship activated a requirement under Modification 3 of our State Significant Infrastructure approval to implement the Operational Air Quality Monitoring Program at Eden Cruise Wharf. Once finalised, a report from data collected throughout Eden's FY25 cruise season will be published on our website.

Waste management

Waste is managed across all Port Authority owned sites, including waste diversion streams such as metal, commingle containers, food waste and organics, glass and paper and cardboard.

In FY25, our total waste generated was 493.373 tonnes, with approximately 28% diverted from disposal.

1. Our FY24 emissions and our 2019 baseline were restated in FY25 due to the reclassification of Newcastle helicopter operations emissions from Scope 1 to Scope 3.



Prosperity

Optimising our operations and improving processes to enable efficient, growing commercial ports, deliver a strong balance sheet and strengthen the return on our assets

Assets and infrastructure

Aids to navigation

Port Authority’s Aids to navigation (AtoNs) ensure the safe passage of vessels through the ports of NSW.

Located on land and in the water, our extensive network of buoys, markers, beacons and lighthouses face harsh conditions in challenging environments. Our teams manage and maintain this important marine infrastructure to ensure safe passage for ships and protection for the port environment. In FY25, we met the operational requirements specified by the Port Safety Operating Licence.

Port Authority owned AtoNs:

Port	Floating buoys	Fixed structures	Lighthouses	Total
Sydney Harbour	9	56	11	76
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	43	173	12	228

1. Port of Newcastle is responsible for AtoNs in Newcastle

Port Entry Light (PEL) replacement

Port Botany | Completed November 2024

Two new AtoN lead light towers have been constructed, which together define the centreline of the deep extent of the main Port Botany channel. The lead line, used by marine pilots and other mariners to navigate vessels safely in and out of Port Botany, will primarily be identified with a PEL. The two new towers replaced existing structures located on Sydney Airport which are scheduled to be demolished.

Eastern Channel Lighthouse life extension

Sydney Harbour | Completed November 2024

Originally constructed circa 1924, the Eastern Channel Lighthouse (Wedding Cake East) consists of timber piles supporting a concrete deck, with a timber frame gas house and lamp house structure.

The works to upgrade and extend the functional life of the AtoN included a combination of structural repairs and component replacements carefully undertaken to safeguard the lighthouse’s heritage significance and preserve its iconic appearance for future generations.

Hornby Lighthouse restoration

Sydney Harbour | Completed December 2024

The iconic red-and-white-striped Hornby Lighthouse, perched on the clifftops at the entrance to Sydney Harbour, has been a vital navigational aid for more than 160 years. As custodian of this heritage-listed landmark, Port Authority committed to a full restoration and life-extension program, alongside the future implementation of a cyclic maintenance schedule to ensure its long-term preservation.

The restoration was led by a dedicated team of heritage specialists who worked meticulously to both protect the lighthouse’s historic features and enhance its structural integrity. Works included desalinating the original sandstone blocks to prevent corrosion, as well as repairing the steel lamphouse structure.

A detailed paint analysis revealed the lighthouse’s original burnt red and cream stripes, hidden beneath 10 coats of paint. Guided by this discovery, heritage specialists developed a modern paint finish that almost exactly replicates the colour pattern first applied in 1858 – restoring Hornby Lighthouse to its distinctive historic appearance while ensuring it remains a functional asset for the future.

Following the restoration, Hornby Lighthouse was named a finalist in the 2025 National Trust (NSW) Heritage Awards under the Built Conservation category.



HORNBY LIGHTHOUSE

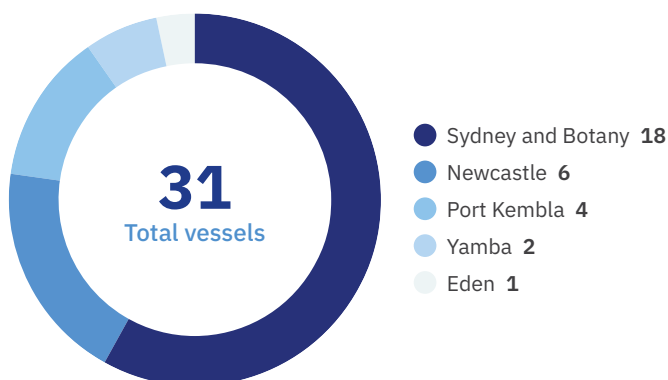


Vessels

Port Authority’s fleet of 31 specialised vessels plays a vital role in supporting safe and efficient operations across the ports of NSW. Purpose-built for a wide range of functions, these vessels enable our marine operations teams to deliver critical services and respond to incidents on the water.

Our fleet includes high-powered pilot vessels used to safely transfer marine pilots to and from ships at sea; multipurpose vessels equipped with firefighting systems to tackle shoreline and marine fires; oil spill response vessels designed to deploy containment booms; hydrographic survey vessels for scanning the seabed and identifying underwater hazards; and workboats that support the inspection and maintenance of marine infrastructure.

Port Authority vessels (as at 30 June 2025)



Pilot vessel fleet expansion

In line with our 10-Year Vessel Asset Strategy and to supplement the fleet during mid-life refits of the existing Sydney pilot vessels, Port Authority acquired PV Yanaga to commence critical pilotage operations in Port Botany and during the busy cruise season in Sydney Harbour.

PV Yanaga represents the forefront of international pilot boat design, prioritising safety, comfort, and efficiency in pilot transport and transfer. The vessel’s most notable safety feature is a proven self-righting design engineered to maintain stability and return the vessel to an upright position in the event of a rollover in adverse weather or capsizing scenarios. Additional features include a suspended floating wheelhouse to reduce noise and vibration, and a hull and fender system design that minimises suction alongside ships, improving safety and manoeuvrability.

Pilot Vessel upgrades

The installation of escape hatches has commenced on St Brendan Class pilot vessels, including escape hatch window fittings and a deployable access ladder. Designed by a certified marine surveyor, the modifications provide an additional escape route (over and above the national standard) in the event of a capsizing or collision.

Atmosphere monitoring systems were added to battery compartments, including multi-head gas detectors with alarms and displays to enable real-time air quality monitoring and early hazard detection.

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 support our stakeholders to conduct their business and enable our people to make informed navigational decisions based on data captured from our network of radars, CCTV, navigation aids and met-ocean sensors.

Cyber security

Cyber resilience and security remains a critical focus for Port Authority. As cyber adversaries adopt increasingly sophisticated techniques, we continue to take proactive measures to protect our systems and data. Rapidly evolving government regulation also demands constant attention to meeting our obligations across all system domains.

Addressing these challenges requires a holistic approach – building awareness, strengthening skills, and embedding cyber resilience into every aspect of our operations. During FY25, work progressed on uplifting maturity levels for the Australian Cyber Security Centre’s Essential Eight mitigations, and in-depth security training commenced for staff working on networked navigation and asset infrastructure. Internal awareness initiatives also continued to promote vigilance across the organisation, equipping our people with the knowledge and confidence to respond effectively to potential threats.

In the year ahead, Port Authority will continue to advance our cyber maturity while enhancing 24/7 security operations and monitoring.

OnePort

Port Authority’s modern port management system, OnePort, continues to deliver efficiencies and management insights for port stakeholders across NSW. During FY25, we continued our investment in the core platform, delivering more than 400 enhancements since its implementation in Port Kembla, Eden and Newcastle. These enhancements have delivered process improvement and increased the ability to drive decision making through the rich data generated daily.

Work is progressing to deliver the system for Port Botany and Sydney Harbour, alongside an improved system for handling dangerous goods lodgements.

Heritage

Port Authority is committed to preserving and protecting our historical assets.

Across our ports, we own, manage and maintain 38 heritage-listed assets, including iconic landmarks like the picturesque Hornby Lighthouse.

Our full list of heritage assets can be found in the Heritage and Conservation Register on our website.

During FY25, we undertook a range of activities to prepare and plan for the addition of items to our register in FY26. These included the Fort Denison tide gauge, fog bell, and lighthouse, all of which were recently assessed as having State heritage significance, as well as the Silver Water tide gauge, which Port Authority secured ownership of and plans to restore. Through these efforts, we continue to ensure that the State’s rich maritime history and cultural significance is recognised, protected, and celebrated for future generations.



Partnerships

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

Community support

Sponsorship

In FY25, our sponsorship program supported both corporate and community initiatives, reinforcing our role in promoting excellence across the maritime industry and recognising the achievements of businesses, professionals and organisations connected to our ports.

We were proud to sponsor award programs recognising outstanding individuals, organisations and businesses within the maritime industry, and local port communities, including:

- Diversity & Inclusion Award – 2024 DCN Australian Shipping & Maritime Industry Awards
- Outstanding New Business Award – 2024 Illawarra Business Awards
- Excellence in Innovation Award – 2024 Business Hunter Awards

We partnered with local and state governments and provided our port assets in support of some of Sydney’s largest public events and celebrations, including New Year’s Eve fireworks, Australia Day, Vivid Sydney, the Diwali Festival and Remembrance Day.

Our sponsorship continued for the Vinnies CEO Sleepout for the eighth year, with WBCT hosting the event, and for the National Indigenous Art Fair hosted at the Overseas Passenger Terminal.

Across our regional ports, our support included:

- Lambton High School, Newcastle – delivery of the Marine STEM Education Program, bringing students together for hands-on learning in marine studies, engineering and solar technology.
- Carnivore Films – production of a 30-minute film on the story of *Whybayganba* (Nobby’s Headland) in Newcastle, exploring its geological formation, cultural significance and role in managing the world’s largest coal port.
- Eden Whale Festival – celebrating Eden’s maritime and whaling history through whale watching and onshore community activities.



MARINE STEM EDUCATION PROGRAM

Community Grants Program

Launched in FY25, Port Authority’s Community Grants Program reflects our ongoing commitment to supporting the communities we operate in by backing grassroots projects that build stronger, more connected port communities.

In its inaugural year, nine organisations received funding for initiatives that promote sustainability, improve wellbeing, and strengthen community ties. Selected from 87 applications, these projects range from youth mentoring and water safety to environmental education and community events.

In Sydney and Port Botany, Reverse Garbage will run school workshops on marine litter and sustainability, while Making Waves Foundation will mentor disadvantaged youth through boatbuilding and maritime skills. Newcastle and Yamba recipients include Swimming NSW, offering free swim clinics, and Marine Rescue Newcastle, upgrading its training capabilities. In Port Kembla and Eden, the grants support Automated External Defibrillators installations by the local Chamber of Commerce and the Eden Whale Festival.



Seafarer Welfare Fund

In its second year, the \$2.5 million Seafarer Welfare Fund – a joint, five-year initiative between Port Authority, NSW Ports and Port of Newcastle - continued to provide critical support to visiting seafarers, the workforce enabling 99% of NSW's trade.

The funding recipients, announced at the Mission to Seafarers (MtS) Parliamentary Lunch in June 2025, included MtS branches in Eden, Port Kembla, Sydney, and Newcastle, along with Stella Maris Sydney, the Tas Bull Seafarers Foundation, and Hunter Workers Rehabilitation and Counselling Service. The recipients showcased the strength of NSW's port community in supporting global seafarers with care, dignity and respect.

The Fund has already demonstrated measurable impact. With its support, MtS Sydney more than doubled ship visits, Stella Maris expanded its outreach, and Newcastle restored seven-day operations. In Port Kembla, partnerships with local groups offered seafarers transport and recreational opportunities, boosting wellbeing and mental health.

Former CEO, Philip Holliday, was awarded the Seafarer Welfare Award at the 2024 DCN Australian Shipping & Maritime Industry Awards, recognising his tireless efforts in contributing to the welfare of seafarers.

Collaboration

Port Authority hosts quarterly meetings with port community representatives from Bays Port (Glebe Island and White Bay) and Port of Eden, and participates in community committees supporting Port Botany, Port Kembla and Port of Newcastle.

Glebe Island and White Bay Community Liaison Group (CLG)

A new three-year membership term commenced in September 2024 for the CLG, a long-standing forum that supports open dialogue between Port Authority, port stakeholders, and local residents.

The CLG - comprised of an independent chair and community representatives from Balmain, Rozelle and Pyrmont – met on four occasions in FY25 to share updates, provide feedback, and strengthen community understanding of operations at Sydney's working harbour.

Port of Eden Stakeholder Group (ESG)

Established in April 2025, the ESG is a new collaborative initiative between Port Authority and Transport for NSW Maritime designed to promote communication, consultation and collaboration between key stakeholders and the community. The group replaces the Eden Cruise Wharf Community Consultative Committee, which was originally formed in 2018 to support the Eden Wharf extension development.

Meetings focus on planning proposals, current projects, operational updates, and initiatives within Snug Cove and the surrounding area.

Stakeholders

Stakeholder Perception Research

During FY25, Port Authority commissioned Verian to undertake independent stakeholder perception research to help us understand the views of our stakeholders and port communities.

Our reported most highly rated attributes:

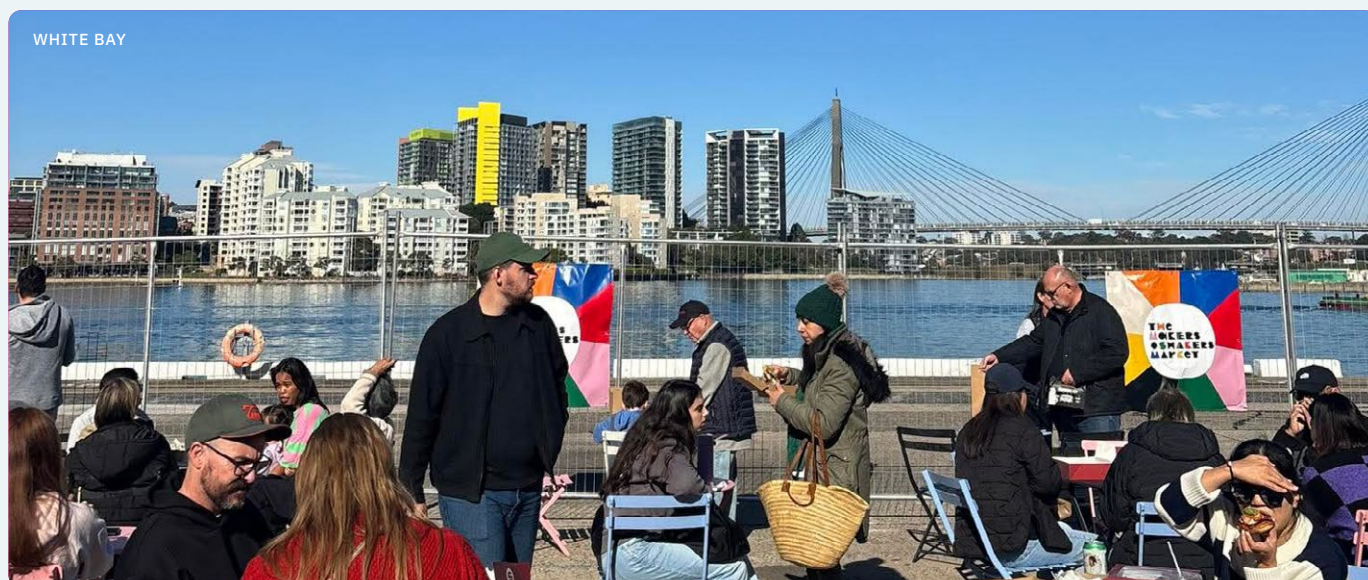
- Never compromise on safety
- Employees show a high level of professionalism
- Demonstrates ethical business practices
- Having a strong and respected management team.

	FY23	FY25
Customer Experience Index	67.5	70.9
Community Engagement Index	72	73
Corporate Reputation Index	61	66

Safe and Efficient Port Operations Forum (SEPOF)

Port Authority hosted the 2nd SEPOF at the OPT on 17 September 2024, bringing together over 150 delegates from 65 organisations representing key port users, port service providers, industry regulators and maritime industry partners.

The state-wide forum featured presentations by port stakeholders, including operational and industry updates, and initiatives to meet future sustainability targets. The event highlighted the value of collaboration across the port community in supporting a safe, reliable, and sustainable maritime future.



WHITE BAY



Partnership continued

Communications

We prioritise effective and meaningful communication with the communities we serve and our people through digital and social channels, media, complaints management, and internal communications.

Complaints management

We operate a dedicated 24/7 community enquiries line to ensure our port community’s concerns about port activities are addressed promptly, with real-time response whenever possible.

All complaints are logged in a central database, with a target response time of three business days. During FY25, 100% of the 106 complaints received were responded to within this timeframe. It’s encouraging to see a reduction in the total number of complaints compared to the previous year, though the majority continued to centre around environmental concerns, such as ship noise, lighting, and air quality.

Complaints data is regularly analysed to identify trends and inform operational improvements that reduce community impact.

Digital and social media

In 2025, Port Authority launched a new corporate website designed to deliver an enhanced user experience and improved engagement. Developed with a customer-first approach, the site features a modern design, improved navigation and searchability, search engine optimisation, and compliance with WCAG 2.1 accessibility standards. It is fully mobile-friendly while retaining the content our visitors depend on.

The development process was guided by research and data, including surveys of more than 1,000 users, in-depth interviews, and analysis of common challenges. This process ensured the creation of bespoke functionality tailored to the needs of customers and stakeholders, while ensuring the platform remains adaptable for future requirements.

The impact of our new website, combined with ongoing social media growth, saw our digital presence grow across all channels:



Website: 2.5 million page views from 652,000 active users, 26% rise in search traffic, 57% boost in search rankings, 117% increase in traffic via social media, and 14% boost in both engagement time and page views per user



Instagram: 15% follower growth to 3821, with top performing post achieving over 62,000 views and 1,327 likes



LinkedIn: 15% follower growth to 15,691 with 90+ posts generating a 22% increase in post reactions to over 7,600



YouTube: 14% subscriber growth to 779 and over 25800 views of Port Authority videos

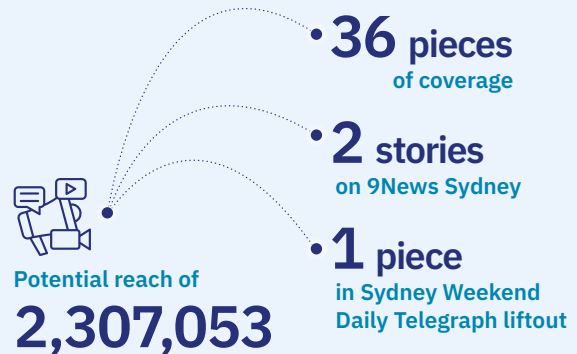
Media

Our media reach grew in FY25, driven by a balanced mix of proactive and reactive storytelling. Highlights included:

- Generating over 415 articles
- 247% increase in editorial mentions
- 25 media announcements



HORNBY LIGHTHOUSE RESTORATION MEDIA



Internal communications

We enabled an informed and connected workplace through targeted engagement, with highlights including:

- All staff event: Strong attendance with 189 attendees, and 88% rating it ‘enjoyable’ or ‘very enjoyable’. Staff heard from the CEO and leaders on what’s happening across our ports, what’s ahead, progress on our goals, and participated in a live Q&A.
- Internal campaigns: Four targeted internal campaigns which lift employee engagement on key themes. Notably, our Safety and Wellbeing campaign increased understanding of the importance of safety conversations by 11%.
- CEO communications: Our new CEO joined staff for his first online ‘Portside Chat’, outlining current priorities and what’s next for Port Authority. The online event attracted record attendance – 149 joining live plus 50 watching the recording later.
- Staff newsletter: Popularity of ‘Fortnightly Fix’ continues to climb (average 307 views per edition) with staff spending an average of 2.5 minutes per read.



Management and Accountability

Corporate Governance

Port Authority recognises the importance of good corporate governance towards respecting an ethical and legal environment that acknowledges the interests of all stakeholders in a corporation.

Board of Port Authority

The Port Authority Board 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 TPP17-10 Guidelines for Governing Boards of Government Businesses (TPP17-10). This report outlines Port Authority's governance practices during FY25.

Role of the Board

The Board is responsible for overseeing the business and commercial affairs, including:

- approving business and financial strategy and objectives
- monitoring business and financial performance
- reviewing performance and remuneration of executive management
- reviewing the risk management and internal control framework
- recommending to the Portfolio Minister the appointment and removal of the Chief Executive Officer
- reviewing any reporting to Voting Shareholders.

It is the responsibility of the Board to oversee the activities of management in carrying out 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 on our website.

Role of the Chief Executive Officer

The CEO 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.

The CEO is appointed by the Governor on the recommendation of the Portfolio Minister, following a recommendation from the Board.

John McKenna was appointed as Acting CEO of Port Authority effective 18 December 2024 and subsequently appointed as CEO effective 9 April 2025. Prior to his appointment, John was a member of Port Authority's Executive Leadership Team, in the role of Chief Customer and Commercial Officer. As set out in the *State Owned Corporations Act 1989* (SOC Act), the CEO was appointed by the Governor, on the recommendation of the Portfolio Minister. Such an appointment cannot be effected unless it is recommended by the Board.

Code of Conduct

Port Authority's Code of Conduct outlines the general business ethics and acceptable standards of professional behaviour expected of all directors and employees.

The Code covers personal and professional behaviour, fraud and corruption responsibilities, including policies on accepting gifts and benefits, ethics and conflicts of interest requirements. Employees are encouraged to report any suspected breaches and, if they do so, will be protected as detailed in Port Authority's Protected Disclosures Policy.

The Code of Conduct is available to all employees on Port Authority's intranet. It works alongside other more detailed policies including the Fraud and Corruption Control Policy, Disciplinary Policy and Public Interest Disclosures Reporting Policy.

Any significant breaches of the Code of Conduct must be reported immediately to the Chair.

Board composition

Under the SOC Act, the Board is required to have a minimum of three and a maximum of seven Directors appointed by the Governor on the recommendation of the Voting Shareholders.

Chair

The Chair is responsible for leading the Board and facilitating its effective functioning.

The Voting Shareholders appoint the Chair, who, at 30 June 2025 was David Marchant. David was appointed Chair of the Board effective 1 April 2022, having been first appointed as a Director on 31 March 2021.

Board independence

All Port Authority Directors are considered independent and 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 TPP17-10.

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, who was a Director for part of FY25 until his term expired on 26 November 2024, was not considered to be independent as he was appointed as CEO during this term.

Other board memberships

TPP17-10 recommends that Directors should not hold directorships of more than three government boards.

No Port Authority Director has exceeded this limit during FY25.

Corporate governance continued

Company Secretary

The Company Secretary is responsible for providing administrative and corporate governance support to the Board of Directors. This includes ensuring the Board receives papers in advance of each meeting and attendance at meetings to take minutes. The Company Secretary is appointed and removed by resolution of the Board.

Regina Abood (B.Com. FGIA) is the Company Secretary.

Board meetings

The Board meets at least eight times a year and more regularly as circumstances require. The Directors on the Board meet on a regular basis to discuss any matters that should be discussed without executive management present.

During FY25, the Board met nine times.

Director remuneration, appointment and education

Director remuneration is determined by the Voting Shareholders.

New Directors are provided with:

- a letter of appointment from the Voting Shareholders specifying their term of appointment and remuneration.
- a Deed of Access and Indemnity in the form approved by NSW Treasury.
- access to an induction program which includes meeting with the Chair and induction sessions with the CEO and key Executives to gain an understanding of the business and the requirements of the role.

All 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 FY25, the Directors' continuing education program included visits to Port Authority sites.

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 in July 2015, with reviews to be undertaken on an annual basis, with every third review being conducted independently by an external provider.

As there were significant changes to Board membership during FY25, a decision was made to not undertake a review during the year.

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, committees have been established.

Each committee has a clear charter setting out its roles, responsibilities and delegated authority from the Board. Board Committee Charters are reviewed and updated regularly and are available in the Corporate Governance section on our website.

Audit and Risk Committee

Responsible for oversight and review of:

- financial control and reporting
- risk management
- debt structure and debt instruments
- accounting policies
- internal controls
- compliance with taxation and other applicable laws and regulations
- integrity and performance of the internal audit function, including appointing the Internal Auditor
- external auditor's audits, management letter and management's responses.

People and Culture Committee

Responsible for assisting the Board in fulfilling its corporate governance responsibilities regarding:

- CEO and Executive management:
 - performance, employment terms and conditions
 - overall remuneration strategy and remuneration policies
- human resource management practices including succession planning, talent development and employee engagement
- diversity and culture programs
- workplace relations and industrial relations issues.

Nominations Committee

The Committee meets on an as-required basis and is responsible for assisting the Board in fulfilling its corporate governance responsibilities regarding Board composition. This includes assessing the necessary and desirable skills and experience of Directors, ensuring Directors have the appropriate mix of competencies, identifying skills and experience to fill those gaps, and overseeing the induction and continuing education of Directors.

**Committee membership**

	Audit and Risk	People and Culture	Nominations
David Marchant	Member	Member	Chair
Justine Jarvinen	Member*	Member	
Deborah Dearing	Member*	Chair*	
Kristine Neill	Member*	Member*	
Kay Salvair Smith		Member*	
Tom Laidlaw	Chair*		
Wayne Stokes	Member*		
Matthew Irwin	Chair*		Member*

*Denotes the individuals did not hold the designated roles for the full reporting period

Board and Committee meeting attendance during FY25

	Board <i>Meetings held: 9</i>		Audit and Risk Committee <i>Meetings held: 6</i>		People and Culture Committee <i>Meetings held: 4</i>	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
David Marchant	9	9	6	6	4	4
Justine Jarvinen	8	8	4	4	4	4
Deborah Dearing	9	9	5	5	3	3
Kristine Neill	7	7	2	2	2	2
Kay Salvair Smith	2	2	0	0	1	1
Tom Laidlaw	2	2	1	1	0	0
Wayne Stokes	2	2	1	1	0	0
Matthew Irwin	6	6	3	3	0	0
Philip Holliday	5	5	0	0	0	0

Note: No Nominations Committee meetings were held in FY25

Directors who are not members of committees are invited to attend meetings and are entitled to receive committee meeting papers on request. Attendance figures above include only appointed committee members and exclude Directors who are not committee members.



Corporate governance continued

Risk management and insurance activities

Risk management

Port Authority's Enterprise Risk Management Framework outlines our 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.

The 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 and Procedure
- Strategic, Operational, Project and Emerging Risk Registers
- Compliance Policy and Register
- Rolling three-year internal audit plan.

Insurance

Port Authority's insurance cover is provided under the NSW Government Treasury Managed Fund ("TMF") which is managed by the NSW Self – Insurance Corporation ("icare"). Areas of cover provided by the TMF: Property; Liability (Directors' and Officer's Liability); Motor Vehicles; Workers Compensation; Miscellaneous risks.

Additionally, Port Authority has 'Port Landlord Liability' cover with TT Club which provides appropriate coverage in relation to marine specific risks and liabilities and a 'Group Life and Salary Continuance cover', managed by Howden on behalf of MetLife Insurance Limited and Zurich Australia Limited.

The insurance policies are reviewed annually by the Audit and Risk Committee and the Board to ensure appropriate coverage across all operations and obligations.

In FY25, the organisation had a material increase in workers compensation premiums, driven by a growing number of psychological and musculoskeletal claims.

Legislation

Port Authority is a statutory State-owned corporation established under the *State Owned Corporations Act 1989* (NSW) and the *Ports and Maritime Administration Act 1995* (NSW) 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 (NSW))
- *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 our commercial and operational activities.





Changes to legislation

Marine Safety Act 1998 (MSA)

Amendments to MSA came into effect on 2 March 2025. These changes aim to improve safety, streamline regulatory processes, and ensure better management of marine activities.

While the impact of most amendments to the MSA will not take effect until the *Marine Safety Regulation* review is completed and amendments to it made, several changes have practical effect now. Relevant changes for Port Authority include:

- Minimum vessel length for exemption from compulsory pilotage increased from 30 to 35 metres (aligned with other states).
- New offence for placing, abandoning or leaving objects/vessels in navigable waters that obstruct or is likely to obstruct navigation. This strengthens existing provisions by including reference to anything restricting access to or from port facilities as being an obstruction.
- Provisions requiring Harbour Master approval for seabed disturbance, including installing sea cables, and the ability for conditions to be granted to approval. Provision is also included for the compulsory removal of disused sea cables, with power granted to the Harbour Master to compel removal.
- The Minister may declare an area of State waters as an offshore anchorage for a port, by publishing an order in the NSW Government Gazette.
- A new marine safety licence, the ‘special recreational vessel permit’, introduced and administered by the Harbour Master. The permit, held by a master of a special recreational vessel, exempts that vessel from compulsory pilotage.
- Port Authority, as the responsible regulator, may cancel a marine pilot’s licence if the holder has retired or not worked as a marine pilot for a continuous period of two years.
- Allowing Harbour Masters to permit a marine pilot to embark or disembark a vessel inside port limits, for safety reasons exercised at the Harbour Master’s discretion.

Ports and Maritime Administration Act 1995 (PAMA Act)

The PAMA Act was amended via the Ports and Maritime Administration Act Amendment Bill 2024, with changes coming into effect on 20 September 2024. These amendments mirror the 16 recommendations of the independent review of the PAMA Act undertaken by Mr Ed Willett, commissioned by the NSW Government in 2021.

While the impact of the amendments will not take effect until the upcoming review of the associated Ports and Maritime Administration Regulation (Regulation) is completed and amendments to it made, changes relating to Port Authority include:

- Replacing the towage licence system for pilotage ports administered by Port Authority under our Port Safety Operating Licence with a statutory regime administered under the Regulation (once amended). The revised system will still be administered by Port Authority.
- Introduce new licencing systems for bunkering services and lines handling services at pilotage ports, to be administered under the Regulation (once amended). The systems will be administered by Port Authority.
- Clarification of the PAMA Act’s objectives, including promoting competition and productivity in the ports and related supply chain. Additional expanded purposive powers granted to the Minister in administering marine safety and amenity functions.
- Amend Port Authority’s statutory objectives to allow us to engage in activities that are complementary to our principal objectives or functions, with the Minister’s approval.
- Amendment of the penalty for dangerous goods time limits, making a continuing breach accrue as a penalty offence per day.
- Increasing the time period under the price monitoring scheme for changes to Port Charges, with time periods increasing to 40 business days’ notice to the Minister, and 20 business days to industry.

Security of Critical Infrastructure and Other Legislation Amendment (Enhanced Response and Prevention) Act 2024

Aviation Transport Security Act 2004

Maritime Transport and Offshore Facilities Security Act 2003

A suite of changes has been made to Commonwealth legislation to enhance critical infrastructure protection and maritime security. Broadly, the changes seek to enable iterative, risk-based, integration of intelligence and data to improve security outcomes; improve industry and government partnerships; introduce expanded and refined reporting requirements to responsible entities; re-design compliance processes and enforcement strategies and raise, train and sustain the recommended transport security capability of industry and government. Key changes include:

- Applying the Security of Critical Infrastructure Act to data storage systems that are part of primary critical infrastructure assets.
- Applying an “all-hazards approach” to risk management, including broadening the government assistance to respond to all types of incidents, not just cyber-related ones.
- The definition of “protected information” was amended to facilitate greater cross-industry collaboration and intra-government sharing, especially during major incidents.

Financial performance



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Directors' declaration

For the year ended 30 June 2025

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 circumstances 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.



David Marchant AM
Chair



Tom Laidlaw
Director

8 September 2025



Statement of comprehensive income

For the year ended 30 June 2025

Continuing operations	Note	2025 \$'000	2024 \$'000
Revenue			
Revenue from port management	3	176,929	168,944
Investment revenue	3	41,353	37,474
Other revenue	3	19,972	21,201
Total revenue		238,254	227,619
Expenses			
Employee related expenses	4	96,061	86,979
Depreciation and amortisation expenses	4	21,650	20,559
Other expenses	4	65,562	65,003
Finance costs	4	7,680	6,398
Total expenses		190,953	178,939
Net gain on sale of property, plant and equipment (PPE)		82	318
Other gains	5	577	1,860
Profit before income tax equivalent expense		47,960	50,858
Income tax equivalent expense	6	(11,665)	(12,751)
Net profit after tax for the year		36,295	38,107
Other comprehensive income / (expense)			
Items that will not be reclassified to net result:			
Superannuation actuarial gains	20(b)	8	14
Income tax equivalent expense on superannuation actuarial gains	20(b)	(2)	(4)
Revaluation gains on property, plant and equipment (PPE)	20(a)	25,687	97,953
Income tax equivalent expense on revaluation of PPE	20(a)	(7,705)	(29,386)
Other comprehensive income for the year, net of income tax equivalent expense		17,988	68,577
Total comprehensive income for the year		54,283	106,684

The accompanying notes form a part of the financial statements.

Statement of financial position

As at 30 June 2025

	Note	2025 \$'000	2024 \$'000
Current assets			
Cash and cash equivalents	7	24,307	10,520
Trade and other receivables	8	28,240	24,824
Assets held for sale	9	—	10,800
Total current assets		52,547	46,144
Non-current assets			
Non-current receivables	8	3,902	4,014
Finance lease receivables	10	144,484	135,072
Property, plant and equipment (PPE)	11	661,603	630,307
Right of use (ROU) assets	12	14,973	7,353
Investment property	13	—	—
Intangible assets	14	10,285	9,142
Defined benefits receivables	19	189	239
Total non-current assets		835,436	786,127
Total assets		887,983	832,271
Current liabilities			
Trade and other payables	15	32,548	22,917
Provisions	16	27,521	26,273
Interest-bearing liabilities	17	17,808	11,828
Income tax equivalent payable	6	9,038	1,832
Dividend payable	18	41,500	39,500
Total current liabilities		128,415	102,350
Non-current liabilities			
Contract liabilities	15	439	618
Provisions	16	3,288	2,018
Interest-bearing liabilities	17	146,481	130,447
Deferred tax equivalent liabilities	6	100,031	100,292
Total non-current liabilities		250,239	233,375
Total liabilities		378,654	335,725
Net assets		509,329	496,546
Equity			
Contributed equity	20	165,768	165,768
Asset revaluation reserves	20	219,159	205,604
Retained earnings	20	124,402	125,174
Total equity		509,329	496,546

The accompanying notes form a part of the financial statements.



Statement of changes in equity

For the year ended 30 June 2025

	Note	Contributed equity \$000	Asset revaluation reserve \$000	Retained earnings \$000	Total \$000
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
At 1 July 2024		165,768	205,604	125,174	496,546
Net profit for the year	20(b)	—	—	36,295	36,295
Other comprehensive income	20(a)&(b)	—	13,555	4,433	17,988
Total comprehensive income for the year		—	13,555	40,728	54,283
Transaction with owners in their capacity as owners					
Dividend declared	18	—	—	(41,500)	(41,500)
At 30 June 2025		165,768	219,159	124,402	509,329

The accompanying notes form a part of the financial statements.

Statement of cash flows

For the year ended 30 June 2025

	Note	2025 \$000	2024 \$000
Cash flows received from operating activities			
Receipts from customers		248,018	234,518
Interest received		500	342
Receipts from insurance claims		1,020	695
Total receipts		249,538	235,555
Cash flows used in investing activities			
Payments to suppliers and employees		(159,861)	(160,274)
Payment of government guarantee fees		(1,643)	(1,512)
Finance costs paid		(5,025)	(4,905)
Net GST paid to ATO		(15,161)	(13,123)
Income tax equivalent paid	6	(12,427)	(12,347)
Total payments		(194,117)	(192,161)
Net cash flows received from operating activities	7(a)	55,421	43,394
Cash flows used in investing activities			
Proceeds from sale of PPE		96	358
Proceeds from sale of assets held for sale	9	19,005	—
Payments for PPE and intangibles capital expenditure		(32,861)	(22,363)
Net cash flows used in investing activities		(13,760)	(22,005)
Cash flows used in financing activities			
Drawdown of borrowings		13,000	—
Repayments of lease liabilities		(1,374)	(2,803)
Dividends paid		(39,500)	(33,000)
Net cash flows used in financing activities		(27,874)	(35,803)
Net decrease in cash and cash equivalents		13,787	(14,414)
Opening balance of cash and cash equivalents		10,520	24,934
Closing balance of cash and cash equivalents	7	24,307	10,520

The accompanying notes form a part of the financial statements.



Notes to the financial statements

For the year ended 30 June 2025

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 2025 will be authorised for issue in accordance with a resolution of the Directors on 8 September 2025.

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.

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

There were no changes to the financial reporting requirements this year that affected the disclosures in the financial statements. While the AASB has made a few amendments to standards that apply from 1 January 2024, none of them required a change in the Corporation's accounting policies.

Notes to the financial statements

For the year ended 30 June 2025

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 ended 30 June 2025 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 18 *Presentation and Disclosure in Financial Statements*;
- AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*; and
- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*.

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 10 Finance lease receivables
- Note 12 Leases
- Note 16 Provisions
- Note 19 Defined benefit superannuation schemes
- Note 21 Fair value measurement of non-financial assets

Climate-related disclosures in current financial year

NSW Treasury has rolled out mandatory entity level climate related financial disclosures, as per TPG25-10 *Framework for Financial and Annual Reporting*, beginning from the 2024-25 financial year. Under TPG25-10, the Corporation is required to prepare climate related financial disclosures based on four pillars; governance, strategy, risk management, metrics and targets. These disclosures have been included in the 2024-25 annual report.

In preparing its financial statements, the Corporation assesses the effect of its climate related factors on its financial position, financial performance, and cash flow. It is concluded that there is no material financial impact on the recognition or measurement of its assets, liabilities, and related income and expenses in the current financial year. Refer to the following notes to the financial statements for further information.

- Note 8 Trade and other receivables
- Note 10 Finance lease receivables
- Note 11 Property, plant and equipment



Note 3. Revenue

	2025 \$000	2024 \$000
Continuing operations		
Revenue from port management		
Port revenue	163,576	155,958
Navigation recharge	13,353	12,986
	176,929	168,944
Investment revenue		
Rental revenue	31,441	28,334
Finance lease income	9,412	8,798
Interest from bank and other	500	342
	41,353	37,474
Other revenue		
Land tax recoverable from tenants	362	334
Fee for Penrhyn Estuary services	1,533	1,507
Recoverable security	7,716	8,723
Other recoveries	5,605	3,890
Other revenue	4,756	6,747
	19,972	21,201
Total revenue	238,254	227,619

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.

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.

Notes to the financial statements

For the year ended 30 June 2025

Note 3. Revenue (continued)

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; or
2. The customer controls the asset as the entity creates or enhances it; 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.

During the year, \$196.9 million (2024: \$190.1 million) in revenue was recognised from customers. Included in this revenue is \$51.1 million (2024: \$50.9 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.

	2025	2024
	\$000	\$000
Total revenue recognised from customers	196,901	190,145
Rental revenue	31,441	28,334
Finance leases income	9,412	8,798
Interests from bank and other	500	342
Total revenue	238,254	227,619



Note 4. Expenses

Continuing operations	Note	2025 \$'000	2024 \$'000
Employee related expenses			
Salaries and wages (including annual leave and long service leave)		80,069	72,622
Payroll tax		4,765	4,449
Fringe benefits tax		496	426
Workers compensation insurance		1,281	952
Salary continuance insurance		1,086	1,058
Superannuation – defined benefit	19(o)	58	106
Superannuation – defined contribution		8,306	7,366
		96,061	86,979
Depreciation and amortisation expenses			
Depreciation of property, plant and equipment	11(c)	18,807	17,006
Depreciation of ROU assets	12(b)	2,013	2,823
Amortisation of intangible assets	14	830	730
		21,650	20,559
Other expenses			
Service contractors		12,259	14,767
Security expenses		9,494	10,346
Repairs and maintenance		4,757	4,309
Service maintenance expenses		7,868	6,118
Indirect taxes		5,573	5,308
Utilities and communications		3,448	2,988
Insurance		2,124	2,037
Legal costs		381	410
Materials		2,411	2,066
Short-term or low value leases	12(e)	1,072	708
Directors' remuneration	25(a)	395	435
Auditors' remuneration		324	328
Expected credit losses	8(a)	288	155
Channel fees	25(b)	9,011	8,851
Other operations and services		6,157	6,177
		65,562	65,003
Finance costs			
Finance cost on loans and borrowings		6,687	5,771
Interest expense on lease liabilities	12(c)	899	521
Unwinding of discount on provisions		93	105
Other finance costs		1	1
		7,680	6,398
Total expenses		190,953	178,939

Notes to the financial statements

For the year ended 30 June 2025

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 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.

Salary continuance insurance

The Corporation maintains a salary continuance insurance policy for eligible employees up to two years with any ongoing support beyond this period funded from a reserve held in an external trust, to which the Corporation annually reviews and contributes top ups when required. During the year, the Corporation contributed \$0.6 million (2024: \$0.5 million) to the Trust. The Trust sufficiently covers the Corporation's financial exposure on all active claims.

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 \$1.9 million (2024: \$2.3 million) employee-related costs that are directly attributable to various capital projects.

Note 5. Other Gains

	Note	2025 \$000	2024 \$000
Other Gains			
Net reversal of asset valuation loss previously recognised in profit or loss / (decrements)	11(c)	60	(430)
Reversal of / (provision for) impairment of PPE	11(c)	81	(10)
Valuation gains of investment property	13	—	2,300
Foreign exchange net gains		436	—
Total other gains		577	1,860

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

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Notes to the financial statements

For the year ended 30 June 2025

Note 6. Taxation

	2025 \$000	2024 \$000
Income tax equivalent expense		
Current tax	(19,633)	(13,655)
Deferred tax	7,968	904
	(11,665)	(12,751)
Deferred tax		
Deferred income tax equivalent expense included in income tax equivalent expense comprises:		
Increase / (decrease) in deferred tax assets	3,650	(416)
Decrease in deferred tax liabilities	4,318	1,320
	7,968	904
Deferred tax equivalent assets		
Over-funded defined benefits superannuation	(57)	(72)
Leave entitlements	8,613	8,030
Lease liabilities	4,658	2,180
Accrued expenses	2,213	1,479
Other	2,033	2,195
	17,460	13,812
Deferred tax equivalent liabilities		
The balance comprises temporary differences attributable to:		
Depreciation and revalued property, plant and equipment	110,785	109,677
Lease incentive receivable	1,266	1,311
ROU assets	4,492	2,206
Other	948	910
	117,491	114,104
Net deferred tax equivalent liabilities	100,031	100,292
<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	47,960	50,858
Prima facie tax thereon at 30%	(14,388)	(15,257)
<i>Add tax effect of items with differential accounting / tax treatment:</i>		
Add items not deductible	(88)	(134)
Subtract items not assessable	2,811	2,640
Total income tax equivalent expense attributable to operating profit	(11,665)	(12,751)
Amounts recognised directly in equity		
Net deferred tax debited directly to equity	7,707	29,390
Movement in income tax equivalent payable		
Balance at the beginning of the financial year	1,832	524
Current income tax equivalent	19,633	13,655
Payments	(12,427)	(12,347)
Balance at the end of the year	9,038	1,832

Note 6. Taxation (continued)

	Opening balance \$000	Charges to income \$000	Charges to equity \$000	Closing balance \$000
Movements in deferred tax equivalent assets				
At 30 June 2025				
Leave entitlements	8,030	583	—	8,613
(Over) / under-funded defined benefits superannuation	(72)	17	(2)	(57)
Lease liabilities	2,180	2,478	—	4,658
Accrued expenses	1,479	734	—	2,213
Other	2,195	(162)	—	2,033
	13,812	3,650	(2)	17,460
At 30 June 2024				
Leave entitlements	7,993	37	—	8,030
(Over) / under-funded defined benefits superannuation	(98)	30	(4)	(72)
Lease liabilities	2,874.00	(694)	—	2,180
Accrued expenses	1,561	(82)	—	1,479
Other	1,902	293	—	2,195
	14,232	(416)	(4)	13,812
Movements in deferred tax equivalent liabilities				
At 30 June 2025				
Property, plant and equipment	109,677	(6,597)	7,705	110,785
ROU assets	2,206	2,286	—	4,492
Lease incentive receivable	1,311	(45)	—	1,266
Other	910	38	—	948
	114,104	(4,318)	7,705	117,491
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

Notes to the financial statements

For the year ended 30 June 2025

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

	2025 \$000	2024 \$000
Cash at bank	1,721	459
TCorp 11am At-Call Account	22,586	10,061
Cash and cash equivalents	24,307	10,520

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

	2025 \$000	2024 \$000
Net profit after tax	36,295	38,107
Adjustments for:		
Depreciation and amortisation expenses	21,650	20,559
Investment property valuation gains	—	(2,300)
Amortisation of premium / (discount) on borrowings	754	(148)
Net revaluation (increments) / decrement of PPE recognised in profit or loss	(60)	430
Net gain on sale of PPEs	(82)	(318)
(Reversal of) / provision for impairment of PPE	(81)	10
Write-off of PPE	151	141
Finance lease income	(9,412)	(8,798)
	49,215	47,683
(Increase) / Decrease in assets applicable to operating activities:		
— Trade and other receivables	(3,303)	(2,635)
— Defined benefits receivables	58	102
Increase / (Decrease) in liabilities applicable to operating activities:		
— Deferred tax equivalent liabilities	(7,968)	(904)
— Income tax equivalent payable	7,206	1,308
— Trade and other payables	7,695	(2,414)
— Provisions	2,518	254
Net cash flows received from operating activities	55,421	43,394

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 2025

Note 8. Trade and other receivables

	Note	2025 \$000	2024 \$000
Current			
Trade receivables		14,569	10,689
Other receivables		6,612	6,604
	8(a)	21,181	17,293
Allowance for expected credit loss	8(a)	(673)	(385)
		20,508	16,908
Prepayments		1,590	991
Lease incentive receivable		557	557
Accrued income		5,233	6,368
Foreign currency receivable		352	—
Trade and other receivables		28,240	24,824
Non-current			
Foreign currency receivable		40	—
Lease incentive receivable		3,862	4,014
Non current receivable		3,902	4,014

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
2025	21,181	13,590	5,290	555	1,222	5	519
ECLs	2.94%	—	—	32.53%	—	—	100.00%
2024	17,293	13,692	2,339	449	168	227	418
ECLs	1.98%	0.07%	—	—	—	—	57.86%

Movements in the allowance for ECLs are as follows:

	Note	2025 \$000	2024 \$000
Opening balance		385	230
Increase in allowance	4	288	155
Closing balance		673	385

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 \$0.7 million (2024: \$0.4 million).

The largest single trade debtor included in receivables totals \$3.4 million (2024: \$2.8 million) as at 30 June 2025.

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 2025

Note 9. Assets Held for Sale

Assets Held for Sale		2025 \$000	2024 \$000
Land and building		—	10,800
At fair value		2025 \$000	2024 \$000
	Note		
Opening balance		10,800	—
Additions	11(c)&13	8,205	10,800
Assets disposal		(19,005)	—
Closing balance		—	10,800

In December 2024, the Board granted approval to sell certain land assets to Transport for NSW in the Bays Precinct. The assets were sold at a fair value of \$8.2 million. The transaction was fully completed by end of March 2025.

The Newcastle land and building transferred to assets held for sale in May 2024 were fully settled for \$10.8 million in January 2025.

Management considered the asset classification satisfied 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;
- The asset is available for immediate sale in its present condition subject only to terms that are usual and customary for sale 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 re-classifies its asset 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(a) for the disclosure of the fair value hierarchy.



Note 10. Finance lease receivables

	2025 \$000	2024 \$000
Finance lease receivables	144,484	135,072

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 the following 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 to reflect a constant periodic rate of return on the Corporation’s net investment in respect of the finance lease receivables.

a. Finance lease receivable – Newcastle

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

On expiry of the 98-year lease term, a dredged channel asset will revert to the Corporation. As a result, a finance lease receivable has been recognised equal to the net investment in the Agreement. As all payments were received upfront, the net investment in the Agreement corresponds to the unguaranteed residual value of the dredged asset on expiry of the 98-year term. A residual asset will be accreted over the 98-year term of the Agreement with total unearned income as at 30 June 2025 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 2025, the Corporation has recognised \$4.0 million (2024: \$3.8 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 2025 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 2025, the Corporation has recognised \$3.1 million (2024: \$2.9 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 2025 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 2025, the Corporation has recognised \$2.3 million (2024: \$2.1 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 lease residual interest in all locations 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, including climate related factors, during the year that resulted in significant changes to the valuation.

Notes to the financial statements

For the year ended 30 June 2025

Note 11. Property, plant and equipment

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

At fair value	2025 \$000	2024 \$000
Land and buildings		
Gross carrying amount	569,410	548,352
Accumulated depreciation	(73,254)	(62,465)
Net carrying amount	496,156	485,887
Roadways and bridges		
Gross carrying amount	22,790	22,105
Accumulated depreciation	(9,579)	(8,627)
Net carrying amount	13,211	13,478
Wharves, jetties and breakwaters		
Gross carrying amount	110,177	106,194
Accumulated depreciation	(76,655)	(74,825)
Net carrying amount	33,522	31,369
Plant		
Gross carrying amount	173,023	155,523
Accumulated depreciation	(89,707)	(82,752)
Net carrying amount	83,316	72,771
Construction in progress (CIP)		
— Land and buildings	6,593	5,982
— Roadways and bridges	1	1
— Wharves, jetties and breakwaters	9,959	10,835
— Plant	18,845	9,984
Total construction in progress	35,398	26,802
Total property, plant and equipment at fair value	661,603	630,307

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
Roadways and bridges	15 to 50 years
Wharves, jetties and breakwaters	4 to 50 years
Plant	2 to 50 years



Note 11. Property, plant and equipment (continued)

Recognition and measurement (continued)

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.

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 21 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 were comprehensively valued in the financial year ended 30 June 2024. 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%.

Notes to the financial statements

For the year ended 30 June 2025

Note 11. Property, plant and equipment (continued)

b. Current year asset revaluation

During the year, an interim review was conducted by independent valuers to facilitate management applying indices to land and buildings, as well as infrastructure assets. The indices were determined based upon a range of research sources including publications and statistics. The recommended indices for the financial year ended 30 June 2025 were approximately 2.01% for land and 7.22% for buildings. Infrastructure assets include wharves, jetties, seawalls, moorings, breakwaters, roadways, and bridges. Their recommended index was approximately 2.42%. 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 2024		485,887	13,478	31,369	72,771	603,505
Additions		—	—	—	1,124	1,124
Revaluation increments recognised in other comprehensive income	20(a)	24,673	350	664	—	25,687
Reversals of revaluation loss previously recognised in profit or loss	5	44	9	7	—	60
Reversal of impairment	5	—	—	—	81	81
Transfer to intangibles	14	—	—	—	(3)	(3)
Transfer from construction in progress	11(e)	45	150	3,090	19,643	22,928
		510,649	13,987	35,130	93,616	653,382
Depreciation charge	4	(6,288)	(776)	(1,608)	(10,135)	(18,807)
Write-offs		—	—	—	(151)	(151)
Transfer to asset held for sale	9	(8,205)	—	—	—	(8,205)
Disposals		—	—	—	(14)	(14)
Balance at 30 June 2025		496,156	13,211	33,522	83,316	626,205
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
Revaluation decrements 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

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

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.

The proposed divestment has potential financial implications for the Corporation depending on the method of transfer. As at the end of this reporting period, 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 proposed land divestment of land at White Bay and Glebe Island. Consequently, the potential financial implications are not reflected in the above table.

The Corporation has been supporting The Cabinet Office (TCO) review of the Bays West Precinct, including providing feedback on the cost and benefit analysis for various options.

The Corporation is awaiting a Government decision on the broader Bays West precinct.

Note 11. Property, plant and equipment (continued)

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

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

At cost	2025 \$000	2024 \$000
Land and buildings		
Gross carrying amount	268,294	270,411
Accumulated depreciation	(41,529)	(37,985)
Net carrying amount	226,766	232,426
Roadways and bridges		
Gross carrying amount	17,200	17,051
Accumulated depreciation	(7,198)	(6,595)
Net carrying amount	10,003	10,456
Wharves, jetties and breakwaters		
Gross carrying amount	82,656	79,566
Accumulated depreciation	(59,184)	(58,137)
Net carrying amount	23,472	21,429
Plant		
Gross carrying amount	172,916	155,714
Accumulated depreciation	(89,670)	(82,628)
Net carrying amount	83,246	73,086
Total construction in progress	35,398	26,802
Total property, plant and equipment at cost	378,884	364,199

e. Movements in construction in progress

At fair value	Note	2025 \$000	2024 \$000
Balance at 1 July		26,802	32,439
Additions		31,524	17,047
		58,326	49,486
Transfers to property, plant and equipment	11(c)	(22,928)	(22,646)
Transfers to intangible assets	14	—	(38)
Closing balance		35,398	26,802

The Corporation capitalised borrowing costs that are directly attributable to the acquisition and construction of qualifying assets as part of the cost of the assets. During the year, \$0.2 million (2024: zero) in borrowing costs have been capitalised as part of the cost of qualifying assets.

Shore Power capital project

Introducing shore to ship power to the White Bay Cruise Terminal (WBCT) in the Bays Port precinct is one way the Corporation is helping address climate change and reduce potential noise impacts from vessels at port. Shore Power offsets electricity consumption by ships using shore power at WBCT with renewable generation. This is a result of enabling ships to reduce reliance on their engines while at berth, which will reduce the amount of diesel fuel burnt and in addition, reduce potential odours, air and noise pollution. During the year, additional expenditure of \$8.7 million was incurred, bringing the total project costs to \$10.7 million. The construction of the project is in progress.

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.

Notes to the financial statements

For the year ended 30 June 2025

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 2024	473,924	13,338	31,369	72,656	591,287
Additions	—	—	—	1,124	1,124
Revaluation increments recognised in other comprehensive income	24,426	346	664	—	25,436
Reversals of revaluation loss previously recognised in profit or loss	44	9	7	—	60
Reversal of impairment	—	—	—	81	81
Transfer to intangibles	—	—	—	(3)	(3)
Transfer from construction in progress	45	150	3,090	19,643	22,928
	498,439	13,843	35,130	93,501	640,913
Depreciation charge	(4,260)	(765)	(1,608)	(10,115)	(16,748)
Write-offs	—	—	—	(151)	(151)
Disposals	(8,205)	—	—	(14)	(8,219)
Balance at 30 June 2025	485,974	13,078	33,522	83,221	615,795
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
Revaluation decrements recognised in profit or loss	(346)	(76)	(7)	—	(429)
Provision for impairment	—	—	—	(10)	(10)
Transfer from construction in progress	—	798	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

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 2024	11,963	140	115	12,218
Revaluation increments recognised in other comprehensive income	247	4	—	251
	12,210	144	115	12,469
Depreciation charge	(2,028)	(11)	(20)	(2,059)
Balance at 30 June 2025	10,182	133	95	10,410
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



Note 12. Leases

a. Carrying amounts of right-of-use assets

	2025 \$000	2024 \$000
At cost		
ROU – Land and buildings	30,223	20,690
Accumulated depreciation	(15,283)	(13,440)
Net carrying amount	14,940	7,250
ROU – Plant	845	845
Accumulated depreciation	(812)	(742)
Net carrying amount	33	103
Total ROU assets	14,973	7,353

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

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.

Notes to the financial statements

For the year ended 30 June 2025

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 2024		7,250	103	7,353
Additions		9,544	—	9,544
Depreciation charge	4	(1,943)	(70)	(2,013)
Disposals or write-offs		(81)	—	(81)
Changes in index or rates affecting variable payments		170	—	170
Balance at 30 June 2025		14,940	33	14,973
Balance at 1 July 2023		9,245	205	9,450
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

c) Lease liabilities

The following table presents liabilities under leases.

	Note	2025 \$000	2024 \$000
Opening balance		7,266	9,580
Additions		9,544	—
Interest expenses	4	899	521
Rental payments		(2,273)	(3,324)
Other movements		(81)	188
Changes in the index or rates affecting variable payments		170	301
Closing balance	17	15,525	7,266

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	2025 \$000	2024 \$000
Lease liabilities			
Current	17	1,393	1,105
Non current	17	14,132	6,161
		15,525	7,266
Maturity analysis			
Not later than one year		2,375	1,550
Later than one year and not later than five years		8,799	4,603
Later than five years		9,570	3,132
Total committed cash payments		20,744	9,285

e. Lease amounts recognised in profit or loss

The following amounts were recognised in profit or loss for the financial year ended 30 June 2025 in respect of leases where the Corporation is the lessee:

	Note	2025 \$000	2024 \$000
Depreciation of ROU assets	4	2,013	2,823
Interest expense on lease liabilities	4	899	521
Short-term or low-value leases	4	1,072	708
Total amount recognised in profit or loss		3,984	4,052

The Corporation had total cash outflows for leases of \$2.3 million (2024: \$3.3 million) for the year ended 30 June 2025.

f. Committed lease not yet commenced

In the prior year, the Corporation entered a new lease with the lease commencement date on 1 October 2024 for seven years with an option to extend for another three years.

	2025 \$000	2024 \$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

The lease was recognised under AASB 16 *Leases* on 1 October 2024 for a 10-year lease term as it was reasonably certain that the option would be exercised. The lease formed part of the ROU assets and lease liabilities in the current financial year.

Notes to the financial statements

For the year ended 30 June 2025

Note 13. Investment property

At fair value	Note	2025 \$000	2024 \$000
Land and building		—	—
Movements			
Balance at 1 July		—	8,500
Gains on valuation	5	—	2,300
Reclassified to asset held for sale	9	—	(10,800)
Closing balance		—	—

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.

	2025	2024
Rental income	—	588
Direct operating expenses that generated rental income	—	(430)
	—	158

Note 14. Intangible assets

At cost	2025 \$000	2024 \$000
Carrying amounts		
Software	16,326	14,684
Software development in progress	584	107
Gross value	16,910	14,791
Accumulated amortisation	(6,855)	(5,879)
Net carrying amount	10,055	8,912
Easements	230	230
Net carrying amount	10,285	9,142

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

Movements in intangible assets

	Note	2025 \$000	2024 \$000
Balance at 1 July		9,142	7,459
Additions		1,970	2,375
Transfer from PPE	11(c)	3	38
		11,115	9,872
Amortisation charge	4	(830)	(730)
Closing balance		10,285	9,142

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 2025

Note 15. Trade and other payables

	Note	2025 \$000	2024 \$000
Current			
Trade payables		1,242	1,178
Accrued employee benefits	16(d)	7,582	4,350
Accrued borrowing costs		2,824	2,660
Accrued land tax		5,393	—
Accrued for assets under construction		3,132	1,267
GST payable		1,108	1,006
Other payables and accruals		7,304	8,663
Maintenance funds liability		1,675	1,590
Rent received in advance		2,123	1,692
Contract liabilities		165	511
		32,548	22,917
Non-current			
Contract liabilities		439	618
		439	618

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	2025 \$000	2024 \$000
Opening balance Closing balance (current and non current)	1,129	1,705
Additions	2,442	511
Utilisation	(2,967)	(1,087)
Closing balance (current and non current)	604	1,129

Included in the utilisation, \$0.5 million (2024: \$0.6 million) was related to the opening balance. Non current contract liability \$0.4 million (2024: \$0.6 million) was expected to be fully utilised in the following 3 years.

Note 16. Provisions

	Note	2025 \$000	2024 \$000
Current			
Annual leave		9,500	9,001
Long service leave		17,591	15,965
Other employee benefits		430	665
Provision for make good	16(a)	—	642
	16(d)	27,521	26,273
Non-current			
Long service leave	16(d)	1,189	1,135
Provision for make good	16(a)	2,099	883
		3,288	2,018

a. Movements in provision for make good

Current and non-current	Opening balance \$000	Additions \$000	Payments \$000	Released to profit or loss \$000	Charged to profit or loss \$000	Closing balance \$000
Provision for make good	1,525	1,124	(204)	(439)	93	2,099

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

	2025 \$000	2024 \$000
Estimated remaining balance of annual leave liabilities after 12 months	2,722	2,210

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 (2024: \$6.8 million) during the year. Management has implemented policies to encourage staff with excessive leave balances to take leave.

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

	2025 \$000	2024 \$000
Current long service leave obligations expected to be settled after 12 months	15,502	14,307

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.

d. Aggregate employee benefits and related on-costs

	Note	2025 \$000	2024 \$000
Provisions – current		27,521	25,631
Provisions – non current		1,189	1,135
Accrued employee benefits	15	7,582	4,350
		36,292	31,116

Notes to the financial statements

For the year ended 30 June 2025

Note 16. Provisions (continued)

Recognition and measurement

Provisions

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

Employee benefits

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

i. Annual leave

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

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

ii. Long service leave

The liability for long service leave is 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 119 *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	2025 \$000	2024 \$000
Current			
NSW TCorp borrowings	17(a)	16,415	10,723
Lease liabilities	12(d)	1,393	1,105
		17,808	11,828
Non current			
NSW TCorp borrowings	17(a)	132,349	124,286
Lease liabilities	12(d)	14,132	6,161
		146,481	130,447

Recognition and measurement

Interest-bearing liabilities

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

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

Classification of liability

The Corporation has Treasurer's approval under the Government Sector Finance Act 2018 to borrow from NSW TCorp up to a total limit of \$345.0 million (2024: \$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.

Financial facilities

The Corporation had the following financing facilities in place at 30 June 2025 and 30 June 2024.

a. With NSW Tcorp	2025 \$000	2024 \$000
A global loan facility inclusive of \$15.0 million Come-and-Go facility		
— Total facility	345,000	345,000
— Amount used	(148,764)	(135,009)
Amount unused	196,236	209,991

i. Borrowing repayments

Borrowings consist of NSW TCorp fixed rate loans with maturity dates ranging from 20 May 2026 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.

ii. Fair value

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

Notes to the financial statements

For the year ended 30 June 2025

Note 18. Dividend payable

	2025 \$000	2024 \$000
Dividend payable	41,500	39,500

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 2024. The next actuarial investigation will be performed as at 30 June 2027.

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.

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.

**Note 19. Defined benefit superannuation schemes** (continued)**Amounts in the statement of financial position**

	2025 \$000	2024 \$000
Net defined benefits receivables	189	239

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.

Reconciliation of the net defined benefit liability/(asset)

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2025				
Opening net defined benefit liability / (asset)	7,061	1,219	(8,519)	(239)
Current service cost	37	34	–	71
Net interest on the defined benefit liability	391	62	(466)	(13)
Actual return on Fund assets less interest income	(505)	(3)	(5,133)	(5,641)
Actuarial losses / (gains)	282	(39)	4,720	4,963
Adjustment for effect of asset ceiling	–	–	670	670
Employer contributions	–	(200)	200	–
Closing net defined benefit liability / (asset)	7,266	1,073	(8,528)	(189)
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)

Notes to the financial statements

For the year ended 30 June 2025

Note 19. Defined benefit superannuation schemes (continued)

a. Reconciliation of the defined benefit obligation

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2025				
Present value of defined benefit obligations at beginning of the year	17,213	1,026	93,634	111,873
Current service costs	37	34	–	71
Interest costs	911	53	4,977	5,941
Contributions by participants	81	–	–	81
Actuarial losses / (gains)	282	(39)	4,720	4,963
Benefits paid	(615)	–	(6,908)	(7,523)
Taxes, premiums & expenses paid	126	(1)	351	476
Present value of defined benefit obligations at end of the year	18,035	1,073	96,774	115,882

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

b. Reconciliation of the fair value of Fund assets

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2025				
Fair value of Fund assets at beginning of the year	10,152	(193)	122,939	132,898
Interest income	520	(9)	6,593	7,104
Actual return on Fund assets less Interest income	505	3	5,133	5,641
Employer contributions	–	200	(200)	–
Contributions by participants	81	–	–	81
Benefits paid	(615)	–	(6,908)	(7,523)
Taxes, premiums & expenses paid	126	(1)	351	476
Fair value of Fund assets at end of the year	10,769	–	127,908	138,677

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	(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

Note 19. Defined benefit superannuation schemes (continued)

c. Reconciliation of the effect of the asset ceiling

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2025				
Adjustment for effect of asset ceiling at beginning of the year	–	–	20,786	20,786
Interest on the effect of asset ceiling	–	–	1,150	1,150
Change in the effect of asset ceiling	–	–	670	670
Adjustment for effect of asset ceiling at end of the year	–	–	22,606	22,606
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

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

d. Fair value of Fund assets

All Pooled Fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity, and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund.

Asset category	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
Short term securities	2,550,082	–	–	2,550,082
Australian fixed interest	1	891,142	–	891,143
International fixed interest	5,390	246,983	6,743	259,116
Australian equities	4,328,683	86,629	–	4,415,312
International equities	14,702,437	–	7,477	14,709,914
Property	450,959	–	2,442,042	2,893,001
Alternatives	134,404	4,332,150	7,601,970	12,068,524
Total	22,171,956	5,556,904	10,058,232	37,787,092

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

	2025	2024
Short term securities	6.7%	6.7%
Australian fixed interest	2.4%	0.2%
International fixed interest	0.7%	2.8%
Australian equities	11.7%	16.3%
International equities	38.9%	40.1%
Property	7.7%	5.7%
Alternatives	31.9%	28.2%
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 2025

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 \$280 million (2024: \$285 million).

f. Significant actuarial assumptions

	2025	2024
Discount rate	5.16%	5.53%
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 2025, a range of assumptions was used as follows:

- 2025/26: 3.47% pa
- 2026/27: 3.56% pa
- 2027/28: 3.58% pa
- 3.50% pa thereafter

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
- 3.70% pa thereafter

ii. Rate of CPI increase used by independent fund managers

For 2025, a range of CPI increase assumptions was used as follows:

- 2024/25: 2.50% pa
- 2025/26: 3.00% pa
- 2026/27: 2.60% pa
- 2.5% pa thereafter

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
- 2.5% pa thereafter

iii. Pensioner mortality

The female pensioner mortality assumptions and the assumed mortality improvement factors for all pensioners are those that were used for the 30 June 2021 Triennial Valuation of the NSW Pooled Fund.



Note 19. Defined benefit superannuation schemes (continued)

g. Sensitivity analysis

The Corporation's total defined benefit obligation as at 30 June 2025 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 2025.

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 -0.5%pa	As above +0.5%pa
Rate of CPI increase	As above	As above	As above
Salary inflation rate	As above	As above	As above
Defined benefit obligation \$'000	115,882	120,972	111,161
	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	115,882	121,088	111,022
	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	115,882	116,003	115,764
	Base case	Scenario G Lower mortality ¹	Scenario H Higher mortality ²
Defined benefit obligation \$'000	115,882	119,656	112,088

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 2025

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 2025 financial position of the Fund calculated in accordance with AASB 1056 Superannuation Entities:

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2025				
Accrued benefits ¹	16,133	1,014	82,455	99,602
Net market value of Fund assets	(10,769)	—	(127,908)	(138,677)
Net deficit / (surplus)	5,364	1,014	(45,453)	(39,075)
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)

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. Value of Vested Benefits at 30 June 2025 was \$100.2 million (2024: \$100.4 million).

Note 19. Defined benefit superannuation schemes (continued)

I. Economic assumptions

Economic assumptions adopted for the 30 June 2025 AASB 1056 Superannuation Entities:

Weighted-Average Assumptions	2025	2024
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 2025, a range of assumptions was used as follows:

- 2025/26: 3.47% pa
- 2026/27: 3.56% pa
- 2027/28: 3.58% pa
- 3.50% pa thereafter

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
- 3.70% pa thereafter

ii) Expected rate of CPI increase

For 2025, a range of assumptions was used as follows:

- 2024/25: 1.90% pa
- 2.5% pa thereafter

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

- 2023/24: 3.70% pa
- 2.5% pa thereafter

Movement in AASB 1056 net deficit / (surplus)

	\$000
The increase / (decrease) in the net deficit AASB 1056 position from June 2024 to June 2025 was:	(6,070)
<i>The main factors contributing to the increase / (decrease) and their approximate financial impact have been:</i>	
a. Interest on 2024 net deficit / (surplus) (7.0%)	(2,310)
b. Higher increase in the 2023/2024 CPI (3.80%) than assumed (3.70%)	91
c. Changes in assumed rates of future CPI and salary increase (refer assumptions above)	(600)
d. Excess of the actual investment return for 2025 (approximately 9.7%) over that assumed (7.0%)	(3,590)
e. Shortfall / (excess) of contributions made over the cost of benefit accrual	71

These are the main items. Other items would include variations in salary, pensioner mortality and other experience compared to assumptions.

AASB 1056 Sensitivity analysis

Scenarios A to 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	99,602	103,515	95,956
	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	99,602	103,748	95,799

Notes to the financial statements

For the year ended 30 June 2025

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 9.4 years (2024: 9.6 years).

o. Profit and loss impact

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2025				
Current service cost	37	34	—	71
Net interest	391	62	(466)	(13)
Profit and loss component of the defined benefit cost	428	96	(466)	58

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

p. Other comprehensive income

	SASS \$000	SANCS \$000	SSS \$000	Total \$000
At 30 June 2025				
Actuarial gains on liabilities	282	(39)	4,720	4,963
Actual return on Fund assets less Interest Income	(505)	(3)	(5,133)	(5,641)
Change in the effect of asset ceiling	—	—	670	670
Total remeasurement in Other Comprehensive Income	(223)	(42)	257	(8)

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)

Note 20. Equity

	Note	2025 \$000	2024 \$000
Contributed equity		165,768	165,768
Asset revaluation reserve	20(a)	219,159	205,604
Retained earnings	20(b)	124,402	125,174
		509,329	496,546

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 2025, the shares were held by the NSW Treasurer (The Hon. Daniel Mookhey, MLC) and the Minister for Finance, Minister for Domestic Manufacturing and Government Procurement, and Minister for Natural Resources (The Hon. Courtney Houssos, MLC).

Asset revaluation reserve

The asset revaluation reserve is used to record increments and decrements resulting from the revaluation of PPE.

a. Movements in asset revaluation reserve

	Note	2025 \$000	2024 \$000
Balance at 1 July		205,604	137,037
Revaluation gain on property, plant and equipment	11(c)	25,687	97,953
Income tax equivalent expense on revaluation of property, plant and equipment		(7,705)	(29,386)
Transfer to retained earnings on disposal of revalued assets, net of tax	20(b)	(4,427)	—
Total other comprehensive income		13,555	68,567
Closing balance		219,159	205,604

b. Movements in retained earnings

	Note	2025 \$000	2024 \$000
Balance at 1 July		125,174	126,557
Net profit after tax		36,295	38,107
Transfer from revaluation reserve on disposal of revalued assets, net of tax	20(a)	4,427	—
Superannuation actuarial gains	19(p)	8	14
Income tax equivalent expense on superannuation actuarial gains		(2)	(4)
Other comprehensive income		4,433	10
Transaction with owners in their capacity as owners			
Dividend declared	18	(41,500)	(39,500)
Closing balance		124,402	125,174

Notes to the financial statements

For the year ended 30 June 2025

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 2025					
Land and buildings including CIP	11(a)	—	—	502,749	502,749
Roadways and bridges including CIP	11(a)	—	—	13,212	13,212
Wharves, jetties and breakwaters including CIP	11(a)	—	—	43,481	43,481
Total		—	—	559,442	559,442
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
Total		—	10,800	547,552	558,352

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).

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 (v).

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

The Corporation has applied judgements in determining the fair value of some assets at Yamba and Eden to zero 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 \$19.3 million (2024: \$18.7 million).



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

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 (2024: \$5.2 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 (2024: \$0.6 million); and
- the wharves, jetties and breakwaters varied by \$2.0 million (2024: \$2.1 million).

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	2025 \$000	2024 \$000
Financial assets				
Cash and cash equivalents	7	Not applicable	24,307	10,520
Trade and other receivables ¹		Debt instrument at amortised cost	25,629	22,663
Lease incentive receivable	8	Debt instrument at amortised cost	4,419	4,571
			54,355	37,754
Financial liabilities				
Trade and other payables ¹		Financial liabilities measured at amortised cost	22,379	18,185
Lease liabilities	12(c)	Financial liabilities measured at amortised cost	15,525	7,266
NSW Tcorp borrowings	17	Financial liabilities measured at amortised cost	148,764	135,009
			186,668	160,460

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 should not reconcile with the statement of financial position.

Notes to the financial statements

For the year ended 30 June 2025

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

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.

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)		-1% (100 basis points)	
		Post tax impact on profit \$000	Equity \$000	Post tax impact on profit \$000	Equity \$000
At 30 June 2025					
Cash and cash equivalents	24,307	170	170	(170)	(170)
Net exposure	24,307	170	170	(170)	(170)
At 30 June 2024					
Cash and cash equivalents	10,520	74	74	(74)	(74)
Net exposure	10,520	74	74	(74)	(74)

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.



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.

Financial liabilities	Weighted average effective interest rate	Carrying value \$000	Nominal amount \$000	Fixed interest rate \$000	Variable interest rate \$000	Non-interest bearing \$000
Interest rate exposure						
At 30 June 2025						
Trade and other payables	N/A	22,379	22,379	—	—	22,379
Lease liabilities	3.28%	15,525	20,744	15,525	—	—
NSW Tcorp borrowings	4.62% ¹	148,764	172,743	148,764	—	—
		186,668	215,866	164,289	—	22,379
At 30 June 2024						
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

1. The interest rate is inclusive of an average government guarantee fee of 1.22% (2024: 1.22%) on borrowings from TCorp.

Financial liabilities	<1 year \$000	1-5 years \$000	>5 years \$000
Contractual maturity dates			
At 30 June 2025			
Trade and other payables	22,379	—	—
Lease liabilities	2,375	8,799	9,570
NSW Tcorp borrowings	20,422	92,816	59,505
	45,176	101,615	69,075
At 30 June 2024			
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

Notes to the financial statements

For the year ended 30 June 2025

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

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:

	2025 \$000	2025 \$000	2024 \$000	2024 \$000
	Carrying amount	Fair value	Carrying amount	Fair value
Financial liabilities				
NSW Tcorp borrowings	148,764	145,994	135,009	127,200

The fair values have been calculated by discounting the expected future cash flows at prevailing market rates varying from 3.455% to 4.585% (2024: from 4.466% to 5.000%).

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 the *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 2025 and 30 June 2024 were as follows:

	Note	2025 \$000	2024 \$000
Gearing ratio			
Total debts	17	164,289	142,275
Total debts and total equity		673,618	638,821
Gearing ratio		24.39%	22.27%

Note 23. Commitments

a. Capital expenditure commitments

Forward obligations under major contracts committed at 30 June 2025 but not otherwise brought to account have been assessed at \$33.2 million including GST (2024: \$10.1 million). The \$33.2 million includes GST input tax credits of \$3.0 million that are expected to be recoverable from the Australian Taxation Office (ATO).

Capital commitments contracted at balance date, for the Corporation, are as follows:

	2025 \$000	2024 \$000
Not later than one year	3,187	8,876
Later than one and not later than five years	29,984	1,223
Later than five years	—	—
Total including GST	33,171	10,099

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:

	2025 \$000	2024 \$000
Receivable		
Not later than one year	23,579	29,278
Later than one and not later than five years	71,789	79,619
Later than five years	32,564	31,470
Total including GST	127,932	140,367

The above total includes GST output tax of \$11.6 million (2024: \$12.8 million) that is expected to be paid to the ATO. These lease receivables relate to property leases with remaining terms of between 1 and 13 years.

Note 23. Commitments (continued)

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	2025 \$000	2024 \$000
Not later than one year	171	86
Later than one and not later than five years	53	64
Later than five years	3	4
Total including GST	227	154

The above total includes GST input tax credits of \$0.021 million (2024: \$0.014 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	2025 \$000	2024 \$000
Short term employee benefits	4,850	3,887
Post-employment benefits	295	266
Other long-term benefits	109	48
Termination benefits	323	—
Total	5,577	4,201

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 (2024: \$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.

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.

Notes to the financial statements

For the year ended 30 June 2025

Note 25. Related party disclosures (continued)

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	
			2025 \$000	2024 \$000
		Revenue		
Transport for NSW		Mainly rental income for various leases	(6,070)	(3,170)
		Site occupation fee income	(237)	—
		Proceeds from sale of easement	(950)	—
		Proceeds from sale of land	(8,205)	—
Sydney Metro		Mainly rental income for various leases	(7,196)	(7,075)
Infrastructure NSW		Rental income for various leases	(1,988)	(2,817)
Forestry Corporation of New South Wales		Rental income	(44)	(179)
Premier's Department		Rental income	(160)	—
Destination NSW		Rental income	(262)	—
NSW Police Force		Rental income	(75)	(234)
Insurance and Care NSW		Insurance claims	(203)	(131)
Department of Planning, Housing and Infrastructure		Grant income	(100)	(100)
Revenue NSW		Infringement Revenue	(416)	(572)
TCorp		Interest income	(274)	(233)
		Realised / Unrealised FX net gains	(436)	—
Crown Finance		Westpac interest income through Crown	(117)	(109)
		Expenses		
Transport for NSW	4	Expense for channel fee	9,011	8,851
Destination NSW		Mainly Australia Day sponsorship	462	—
TCorp		Interest expenses	5,074	4,128
NSW Treasury		Government guarantee fees	1,822	1,643
Premier's Department		Sponsorship	160	200
		Other		
Ausgrid		Purchase of PPE	150	—
State Revenue		Dividend declared	41,500	39,500
		(Payable) / Receivable		
TCorp	17(a)	Interest-bearing liabilities	(148,764)	(135,009)
		Accrued loans interest	(1,002)	(1,017)
	7	TCorp 11am at-call account	22,586	10,061
Department of Planning, Housing and Infrastructure		ROU assets	89	130
		Lease liabilities	(92)	(143)
State Revenue	18	Dividend payable	(41,500)	(39,500)
NSW Treasury		Government guarantee fee payable	(1,822)	(1,643)
Sydney Metro		Mainly rent receivable	629	2,822
Premier's Department		Sponsorship payable	—	(60)
Place Management NSW		Licence payable	(143)	—
Infrastructure NSW		Mainly rent receivable	131	542
Transport for NSW		Mainly rent receivable	1,108	2,414
		Channel fee payable	(2,073)	(2,017)

1. Transaction value excludes GST.

Note 26. Events after the reporting period

Management is not aware of any other significant events occurring after the balance sheet date requiring disclosure.

Independent auditor's report

For the year ended 30 June 2025



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 2025, the Statement of Financial Position as at 30 June 2025, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, and notes to the financial statements, including a Statement 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.

Independent auditor's report

For the year ended 30 June 2025

Key Audit Matters

Australian Auditing Standard ASA 701 'Communicating Key Audit Matters in the Independent Auditor's Report' applies to the audit of the general purpose financial statements of listed entities or when an auditor is required by legislation to communicate key audit matters in the auditor's report. There is no legislative requirement to communicate key audit matters in my independent audit report on the Corporation. I have voluntarily included a narrative on Key Audit Matters to enhance the readability of my audit opinion.

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 2025. 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
Fair value assessment of property, plant and equipment	
<p>At 30 June 2025, the Corporation's statement of financial position reported \$661.6 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 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 the management's independent experts reviewing the reasonableness of: <ul style="list-style-type: none"> the indices and key assumptions used management's assessment of useful lives 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.



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 2025
SYDNEY

EBITDA

For the year ended 30 June 2025

Earnings before interest, taxes, depreciation and amortisation (EBITDA)	2025 \$000
Net profit after tax	36,295
Net interest	
— interest income	(500)
— finance lease income (unwinding of the interest rate)	(9,412)
— interest expenses	7,680
Depreciation and amortisation	21,650
Income tax expenses	11,665
EBITDA	67,378

Statement of land holdings

At fair value	2025 \$000
Land and buildings	
Land	398,758
Buildings	97,398
Total land and buildings	496,156
Other	
Roadways and bridges	13,211
Wharves, jetties and breakwaters	33,522
Plant	83,316
Construction in progress	35,398
Total other	165,447
Total property, plant and equipment at fair value	661,603

Compliance index

Heading	Compliance requirement	Basis for, or source of, requirement	Completed	Page reference
Sustainability	Workforce diversity	PSC Circular 2014-09	Yes	28
Sustainability	Work health and safety (WHS)	TPG25-10a	Yes	29
Compliance Appendix	Infrastructure program	TPG25-10a	Yes	100
Compliance Appendix	Numbers and remuneration of senior executives	TPG25-10a, Public Service Commission Circular 2014-09	Yes	101
Compliance Appendix	Our People	TPG25-10a	Yes	101
Compliance Appendix	Consultants	TPG25-10a	Yes	101
Compliance Appendix	International travel	TPG25-10a	Yes	102
Compliance Appendix	Privacy and Personal Information Protection Act 1998 (PPIPA) requirements	TPG25-10a	Yes	102
Compliance Appendix	Government Information (Public Access) Act 2009 (GIPAA) requirements	Section 125(4), (6) of GIPAA; clause 8, Schedule 2 and clause 13, Schedule 3 of the GIPA Regulation	Yes	102
Compliance Appendix	Modern Slavery Act requirements	<i>Modern Slavery Act 2018</i>	Yes	104
Compliance Appendix	Climate-related financial disclosures	TPG25-10a, TPG24-33	Yes	105
N/A	IPART Act requirements	Section 18(4) of the <i>IPART Act</i>	N/A	N/A
N/A	Disability inclusion action plans	<i>Disability Inclusion Act 2014</i>	N/A	N/A
N/A	Requirements arising from employment arrangements	TPG25-10a	N/A	N/A
N/A	Internal audit and risk management policy attestation	TPP20-08	N/A	N/A
N/A	Costs and benefits associated with machinery of government changes	TPG25-10a	N/A	N/A

Compliance appendix

Infrastructure program

Major works in progress	Description	Cost to date	Date of completion	Summary of any significant delays or amendments
Moore's Wharf – Marine Infrastructure	Construction of a wave baffle structure and a new floating pontoon system.	\$4.51m	October 2024	N/A
Bond One Office Refurbishment	Bond One corporate office refurbishment (Sydney) to support modern work practices and enhance employee experience.	\$3.64m	December 2024	Testing and commissioning continued into early January 2025.
Moore's Wharf – Building and Structure	Refurbishment of Moore's Wharf Building, Port Authority's heritage-significant base of Operations in Sydney. The works will support modern work practices and enhance employee experience.	\$1.37m	Mid-2026	N/A
Shore Power	Installation of shore power at White Bay Cruise Terminal.	\$10.59m	End-2026	N/A
Overseas Passenger Terminal Berthing Infrastructure	Installation of a long-term engineered solution to protect the Overseas Passenger Terminal wharf and seabed against erosion and sediment build up, and to ensure the terminal continues to provide safe berthing for ships into the future.	\$9.15m	To be determined	N/A
White Bay Car Park	Proposed construction of a multi-storey car park at White Bay to accommodate cruise passengers, event attendees, and the local community.	\$0.70m	To be determined	N/A
White Bay – Wharf Works	Life extension of White Bay Wharf 2, including reinforced concrete remediation work and installation of a corrosion protection system.	\$0.94m	To be determined	The project is currently on hold. Awaiting NSW Government decision on the review of the Bays Port precinct.
Glebe Island – Silos Rectifications	Remediation program to restore and protect the concrete exteriors of all 30 silos making up the Glebe Island Silos complex.	\$0.48m	To be determined	The project is currently on hold. Awaiting NSW Government decision on the review of the Bays Port precinct.
Navigation Aid Replacement Program	Critical infrastructure initiative that ensures safe navigation across the ports of NSW.	\$9.65m	Ongoing	N/A
White Bay Cruise Terminal plant refurbishment	Series of smaller projects/activities including pump upgrades and Building Management System enhancements.	\$4.12m	Ongoing	N/A
Overseas Passenger Terminal plant replacement	Series of smaller projects/activities. The largest being the escalator and lift replacements. Other activities include general services upgrades and Building Management System enhancements.	\$1.91m	Ongoing	N/A

Numbers and remuneration of senior executives

As at 30 June 2025, 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 > Band 4 max, which is greater than \$562,650 and less than the upper limit of \$1,000,000.

Senior executive expenses accounted for 4.12% of total employee-related expenses in FY25, down from 4.62% in FY24.

SE level	30 June 2024			30 June 2025		
	Male	Female	Average remuneration	Male	Female	Average remuneration
Band 1 Director	0	0	N/A	0	0	N/A
Band 2 Executive Director	1	1	\$383,169	1	0	\$377,916
Band 3 Deputy Secretary	4	1	\$423,579	4	2	\$445,869
Band 4 Secretary	0	0	N/A	0	0	N/A
> Band 4 Max	1	0	\$655,287	1	0	\$675,741
Totals	6	2		6	2	
		8			8	

Our People

Business Unit	Headcount		2024 FTE			2025 FTE		
	2024	2025	Full time	Part time	Casual	Full time	Part time	Casual
Corporate Support	138	136	125	7.5	1	123	7.5	1
Eden Operations	2	2	2	–	–	2	–	–
Newcastle Operations	65	66	63	1.3	–	63	1.8	–
Port Kembla Operations	35	32	32	–	3	30	0.6	3
Sydney Operations	144	145	125	6	10	126	5	10
Yamba Operations	5	6	3	–	2	4	–	2
Total	389	387	350	14.8	16	348	14.9	16

Consultants

Consultants engaged during FY25 to provide recommendations or professional advice to assist decision-making by management are outlined below.

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

Name of consultant	Title of project	Actual costs
Hatch Pty Ltd	Bays port innovation & integration plan	\$129,363
Bermello, Ajamil & Partners, Inc	OPT optimisation plan	\$233,724
Verizon	Cyber security consultancy	\$91,700
Deloitte Touche Tohmatsu	Pricing strategy business case & report	\$68,500
Total		\$523,286

Engagements costing less than \$50,000

Number of engagements	Total cost
11	\$327,808

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
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	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	2
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	11
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	11

Compliance appendix continued

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision Varied	Decision Upheld	Total
Internal review	0	0	0
Review by Information Commissioner	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

Modern Slavery Act requirements

Port Authority opposes all forms of modern slavery within our operations and supply chain - including forced or compulsory labour, trafficking in persons, debt bondage, deceptive recruitment practices and child labour.

We recognise the importance of having strong governance in place to assess and address modern slavery risks with a range of business processes to ensure ongoing compliance with the *Modern Slavery Act 2018* and raise internal awareness, including:

- Embedding prevention measures within our procurement and leasing/licensing procedures, including supplier/occupier declarations, contract warranties, and compliance with our Supplier Code of Conduct.
- Requiring staff to abide by and be trained in our Procurement Policy and Procedure, and Enterprise Risk Management Policy.
- Public disclosures via our Business Ethics Statement, Supplier Code of Conduct and Annual Modern Slavery Statement (all available on [our website](#)).
- Policies and procedures governing our recruitment and employment practices.

Port Authority is committed to ongoing improvement in managing modern slavery risks, including modern slavery grievance mechanisms through our whistle-blower policy and anonymous reporting hotline.

Most of Port Authority's expenditure is categorised as 'low risk' of modern slavery, such as inter-agency payments, professional services, insurance, utilities and fuel. The balance of our expenditure with potentially 'high risk' of modern slavery includes security contractors, asset maintenance services, construction contractors, cleaning and waste services, telephone services, IT, plant and equipment, tug providers and fleet. Given our internal processes to source and engage these predominantly Australian suppliers, Port Authority considers its overall modern slavery risk to be low.

No issues were raised by the Anti-Slavery Commissioner regarding Port Authority's operations during FY25.

Climate-related financial disclosures

Climate Disclosure Statement

106 1.0 Introduction

106 2.0 Governance

106 2.1 Board roles and responsibilities

107 2.2 Management roles and responsibilities

108 3.0 Strategy

108 3.1 Port Authority's climate-related risks and opportunities

109 3.2 Concentration of risks and opportunities and current period financial implications

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Climate-related financial disclosures continued

1 Introduction

This document represents Port Authority’s first disclosure under the NSW Treasury Policy and Guidelines Paper TPG24-33: Reporting framework for climate-related financial disclosures (June 2025). Disclosures are expected to evolve over time as internal capabilities improve and more NSW Government agencies and State-owned corporations participate, supporting knowledge exchange and continuous improvement in climate risk management across the sector.

This report is structured to follow the four pillars outlined in TPG24-33 (Governance, Strategy, Risk Management, Metrics and Targets). A summary table indicating the status of progress against each TPG requirement is set out in Section 6.

Description of Port Authority’s key functions, structure and business model is provided in the FY25 Annual Report.

Supporting information will be available in Port Authority’s Sustainability Report.

2 Governance

2.1 Board roles and responsibilities

Port Authority’s activities and decisions are governed by established internal structures (Figure 1) and this includes the oversight of climate-related risks and opportunities (CRRO). This responsibility is shared between the Board of Directors and its Audit and Risk Committee (ARC). The ARC is tasked with monitoring and reviewing processes and controls related to CRRO. These responsibilities are broadly outlined in the ARC Charter, which includes oversight of sustainability risks (including CRRO), opportunities and overall strategy, as well as environmental, social and governance (ESG) compliance.

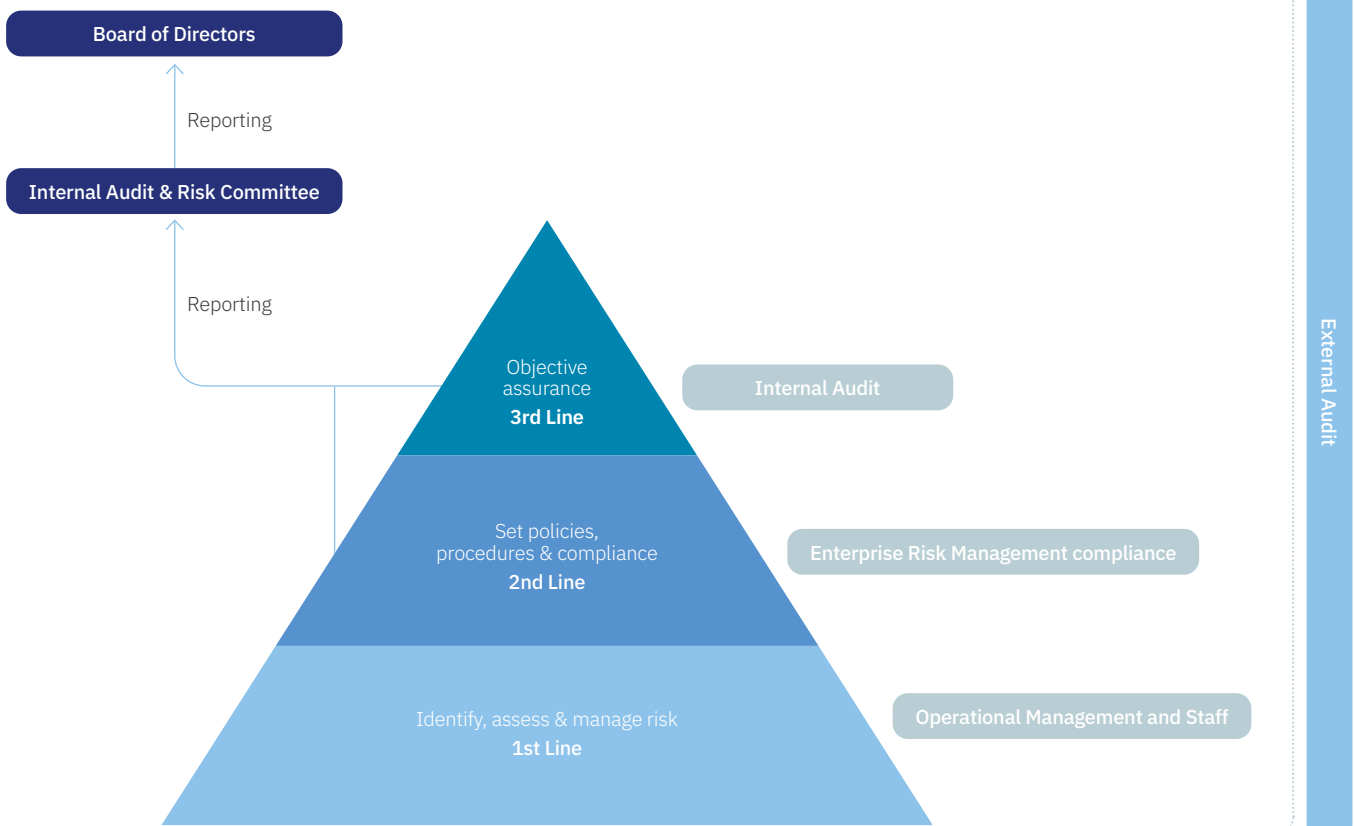
Key policies which outline and guide Port Authority’s response to climate risks, including the [Net Zero Strategy](#) are approved by the Board, while the Sustainability Policy and the [Environmental Policy](#) are approved by the CEO.

The ARC charter expressly provides oversight on:

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

Further detail is provided in the Annual Report and Sustainability Report.

Figure 1 Port Authority’s Risk Management Structure





Port Authority recognises the importance of ensuring the Board has the necessary skills and expertise to effectively oversee responses to CRRO. While Board appointments are managed in partnership with NSW Treasury, Port Authority actively engages in this process to support the inclusion of climate change and sustainability expertise. Reflecting the organisation's priorities, Port Authority typically seeks to ensure that at least one Board member brings relevant experience in these areas. The Board skills matrix identifies the range of necessary skills and an individual's ratings and is used to provide an overview of the strengths and weaknesses of the Board as a whole. Additionally, the Board skills matrix supports the selection process and includes specific reference to Health, Safety and Environment, with skills relating to climate change coming under this selection criteria. One of the Directors appointed in April 2022 provides specific experience in energy, finance, sustainability and climate change risk to the Board. At management level, one Executive and one Senior Manager has fulfilled intensive training on sustainability leadership covering climate change.

Port Authority's Board of Directors and ARC are informed about CRRO through regular reporting and review processes. Board and ARC meetings include reports which are submitted quarterly containing review of enterprise risks, including climate-related risks, as well as emerging risks and opportunities which identify potential issues or benefits over a longer-term outlook. As part of this review the Board and ARC are informed of any material changes to risk profiles which may elevate their importance and need for response. In accordance with the Enterprise Risk Management Procedures strategic risk register reviews and general financial reports are submitted to at least four of the ARC meetings, and then referred from the ARC to the Board, and the operational risk register reported quarterly to the relevant Executive.

In November 2023, the ARC reviewed and endorsed an update on the progress of Port Authority's Climate Change Risk Assessment and Climate Change Adaptation Plan, which included identification of priority CRRO, identification of adaptation actions and recognition of the strategic implications of climate change on Port Authority's goals and strategic pillars. The priority CRRO are listed in Table 1.

When it comes to setting direction and investment decisions, Port Authority considered how risks can impact the strategic pillars of its strategy. CRRO have the potential to impact the Operational Excellence and Sustainable Assets pillars in particular. These pillars are consistently referenced in Board decision-making materials and are embedded in the 2020-25 Vision and Strategic Plan. As the current five-year strategy concludes, and the Strategy is revised, it is envisaged these priorities will remain central to the next strategic cycle and continue to inform risk management and investment decisions. For major investments, Port Authority follows NSW Government business case templates, which include dedicated sections on carbon emissions and climate resilience, helping ensure similar climate considerations are integrated into investment planning and evaluation.

2.1.1 Case study – Bays Port Shore Power

The Business Case prepared in June 2024 for the Bays Port Shore Power project for White Bay Cruise Terminal demonstrates Port Authority's consideration of CRRO and financial trade-offs (i.e. capital investments) which were considered as part of strategic decision making and business planning. The Business Case outlined the following case for change:

- There is a pressing need for Bays Port to transition into sustainable port operations to align with Port Authority's net zero target and in response to the concerns about air quality and noise from local members and port community.
- The project aligns with Port Authority's principal objectives as a State-owned corporation and as an advocate of sustainable business practices.
- The Project's objectives are consistent with the NSW Government's key strategic planning documents.
- These considerations were evaluated against the \$60M capital expenditure to Port Authority for delivery, with the ultimate decision in support for proceeding with the project..

Introducing shore power to the Bays Port precinct is one way Port Authority is helping to address climate change and reduce potential noise impacts from vessels at port. Shore power offsets electricity consumption by ships using shore power at Bays Port with renewable generation. The supply of purchased certified renewable energy for shore power achieves reduction of CO2 emissions. This is a result of enabling ships to reduce reliance on their engines while at berth, which will reduce the amount of diesel fuel burnt and in addition, reduce potential odours, air and noise pollution.

2.1.2 Climate-related targets

Port Authority's climate-related targets have been endorsed by the Board as part of Port Authority's Net Zero Strategy.

Ongoing monitoring of these targets is being managed through an internal implementation plan, which identifies key actions and projects, assigns responsibilities, and includes timelines and a reporting framework to track progress. The plan has been endorsed by the Executive and will be presented to the ARC.

Refer to Sections 3-5 for further details regarding the targets and implementation plan.

2.2 Management roles and responsibilities

The management of CRRO is delegated to the Group Executive, People, Environment and Legal. The Group Executive People, Environment and Legal is involved in regular reporting up to the ARC and Board in accordance with the Enterprise Risk Management Procedures and the Corporate Environmental Management Plan, as well as having oversight of strategic, operational and emerging risks that exist across the organisation, which include the consideration of CRRO. While the Group Executive has oversight of these varying risks, the responsibility for management and response to risks is shared with relevant divisions across Port Authority. Additional key roles across the relevant divisions include the Chief Financial Officer, Group Executive Strategy, Corporate and Public Affairs, Group Executive Infrastructure, Assets and Development, Chief Risk Officer, and Chief Operating Officer.

Climate-related financial disclosures continued

3 Strategy

3.1 Port Authority's climate-related risks and opportunities

Port Authority undertook a climate change risk and opportunity assessment in 2023-24, which identified priority CRRO that could reasonably be expected to affect the organisation's future operations and strategic outlook. This included prioritisation of climate risks against the organisation's risk consequence and likelihood matrix in accordance with the Enterprise Risk Management Procedures. Priority risks were determined during the risk assessment process through consultation with Port Authority's key internal stakeholders based on current risk exposure and magnitude of disruption to Port Authority's operations and/or productivity. This is discussed further in Section 4.1.

In preparation for Port Authority's first climate disclosure, those risks and opportunities were reviewed through an internal evaluation team and consolidated to reflect common areas of impact and/or expected financial implications for Port Authority. In addition, some climate-related opportunities were deprioritised from the initial list of priority

risks and opportunities, as their expected outcomes did not reflect a priority issue for Port Authority for this reporting period. These climate-related opportunities included accessing funding through emissions reduction schemes and enhancing the public promotion of sustainability initiatives.

Table 1 describes the priority CRRO for Port Authority, including consideration of how these could affect Port Authority's business model. Refer to Section 4.1 for further information as to how these priority risks and opportunities were determined. Adaptation measures to respond to these CRRO are captured in Section 3.3 and 3.4. The climate change risk assessment defines the type of risk/opportunities as either physical or transition, with the time horizons being short, medium or long (see further discussion on time horizons following Table 1) and the current and anticipated effects of CRRO on the business model.

Table 1 Port Authority's priority climate related risks and opportunities

Type	Risk / Opportunity	Time horizon	Components of Port Authority's business model which could be affected
Physical risk	Extreme storms and increasing temperatures could produce an increased number of health and safety incidents across Port Authority's locations, which may result in injuries and/or a loss of life.	Short, medium, and long term	— Resourcing and staff
Physical risk	Extreme adverse weather events could cause an increased frequency of safety incidents, pollution spills, and emergency response demands across Port Authority's locations, which may result in injuries and/or a loss of life, operational disruptions, reputational damage, higher expenditure, and reduced revenue.	Short, Medium, and long term	— Reputation and stakeholders — Service provision and revenue
Physical risk	Extreme adverse weather events and rising temperatures could cause physical damage to or accelerated degradation of port infrastructure, and disruption to Vessel Traffic Services (VTS) communications, which may result in increased operational and maintenance expenditure, higher utility costs, delayed business-as-usual operations, reduced revenue, and an increased risk of marine incidents.	Short, medium, and long term	— Port infrastructure and assets including VTS communications systems
Transition risk	Transition away from high-emission fuels could cause the early decommissioning of diesel-powered vessels and equipment, and increased demand for new infrastructure such as alternative fuel supply and EV charging stations, which may result in asset devaluation and additional capital costs.	Medium, and long term	— Port infrastructure and assets
Transition risk	Limited emissions reporting capabilities among vendors and tenants could mean that Port Authority is not compliant with climate disclosure requirements, which may result in reputational damage and stakeholder concerns for Port Authority.	Medium, and long term	— Reputation and stakeholders
Transition risk	Rapid changes in technology may require more frequent updates to staff capabilities, resulting in increased training costs, including for emergency response procedures, and placing pressure on operational budgets and workforce readiness.	Medium, and long term	— Training costs
Transition risk	Continued services that support fossil fuel, forestry, and other similar industries may conflict with community values, which may result in reputational issues for Port Authority, including public protests and stakeholder backlash.	Medium, and long term	— Reputation and stakeholders
Transition opportunity	Opportunity to demonstrate commitment to the low carbon transition by investing in alternative fuels and new technologies that lower emissions, potentially delivering reputational and market benefits while reducing operating costs.	Medium, and long term	— Reputation and stakeholders — Operating and capital expenses
Transition opportunity	Opportunity to build staff capacity and engagement by providing increased emergency response training, developing new skillsets within the internal team.	Short, medium, and long term	— Resourcing and staff

CRRO were identified over multiple time horizons, reflective of the planning horizons typically used within Port Authority to guide strategic and operational planning.

Physical risks were assessed in line with climate projection time horizons, being 2020-2039 (identified as '2030') and 2080-2099 (identified as '2090'). The nearer term time horizon of 2030 is linked to Port Authority's strategic and business planning cycles, representing the medium to long term over which many operational and asset decisions are made. The 2090 horizon captures long-term risks relevant to fixed, long-lived infrastructure and services, supported by asset management plans for key assets such as White Bay Cruise Terminal and Eden Welcome Centre.

Port Authority's ports have generally maintained operational continuity during past extreme weather events, demonstrating a high degree of resilience. However, severe weather conditions such as intense storms, heavy rainfall, and flooding, have occasionally led to localised disruptions and operational challenges including delays to vessels, changed arrival/departure schedules, and relocation of vessels to safe berths or to sea. These events have highlighted the vulnerability of some port assets and shipping operations and the importance of ongoing investment in adaptation measures to enhance the resilience of port infrastructure and ensure continuity of operations under increasing climate change pressures.

Transition risks and opportunities were assessed over a shorter time span, reflecting the accelerated pace of renewable energy uptake and policy change which has been taking place this decade. The time horizons are broadly aligned with Port Authority's strategic and business planning cycles.

- Short term transition risks and opportunities: currently experienced (immediate impact) or plausible to experience within the next 12 months. Aligned to Port Authority's annual budget cycle.
- Medium and long-term transition risks and opportunities: plausible to emerge or materialise in a timeframe greater than 12 months. Aligned to Port Authority's 5-year Strategic Plan and Capital Expenditure 10 Year Plan.

Port Authority is committed to ongoing review and reassessment of CRRO as new information and requirements emerge. This includes regular review of climate-related physical and transition risks and opportunities and identification of effects over short, medium and long term time horizons, and the time horizons applied. The implementation of strategies to address the identified risks would be resourced through existing project initiation and budget processes with current strategies described in Section 3.3 Table 2.

3.2 Concentration of risks and opportunities and current period financial implications

As part of the 2024 climate change risk assessment, Port Authority gained an understanding of relative exposure to CRRO across five geographic regions where ports are located: Sydney Harbour and Port Botany, Newcastle Harbour, Port Kembla, Port of Yamba, and Port of Eden. Refer to Section 4.1 for further information as to the scope of the assessment, including the climate hazards assessed.

The key hazards of concern for Port Authority are extreme rainfall and flooding, as well as extreme storms. While many locations showed comparable levels of exposure to climate variability and extreme weather events, across the priority risks the Yamba region was shown to be relatively more exposed to tropical storms including cyclones or ex tropical cyclones, due to its northerly location. This resulted in one additional risk identified for the Port of Yamba.

Other than by geographical area, the priority climate-related physical risks were primarily concentrated by the component of the organisation which they affect, namely assets (producing damage or degradation outcomes) and people (producing adverse health and safety outcomes). For transition risks and opportunities, there was no distinct concentration by geographical area.

3.3 Port Authority's response to climate-related risks and opportunities

Port Authority is committed to responding to CRRO in line with its strategic directives and policies. While Port Authority has not experienced any changes to its business model in the current reporting period, the organisation remains watchful of growing and emerging trends that could influence operations in the future, such as more frequent and intense extreme weather events and tightening regulatory requirements.

Capital expenditure for major projects associated with managing priority CRRO was presented to the Board and is captured in the FY25-30 Business Plan. The investment in shore power at White Bay Cruise Terminal, scheduled for completion in late 2026 and detailed in the Business Plan, represents a strategic capital allocation aimed at promoting sustainable port operations and fulfilling Port Authority's sustainability commitments. This project illustrates a shift in resource allocation toward climate-related business development to address Scope 3 shipping emissions, through targeted capital expenditure. While operational contingencies are in place, the organisation is still developing a clear understanding of how the need to resource climate adaptation measures will drive current and future changes to its business model. These changes are expected to be gradual and asset-specific, impacting capital and operational expenditure decisions. At this time, Port Authority plans to resource its climate-related activities through internal budgets and strategic planning. Further work is underway to prioritise adaptation actions and assess their implications for the business model.

Port Authority will monitor the progress towards achieving the 2040 net zero target through the Net Zero Implementation Pathway. Port Authority is progressively embedding sustainability into procurement processes, including criteria that assess multi-year emissions performance and identify opportunities for emissions reduction over time. While diesel remains the primary fuel for its vessel fleet, Port Authority is exploring longer-term decarbonisation options such as multi-fuel-capable vessels, engines compatible with drop-in renewable fuels and battery electric and hybrid options.

Port Authority's responses to CRRO are captured within the Climate Change Adaptation Plan, as well as the Net Zero Implementation Pathway, which outline key actions and timelines to address priority risks and opportunities. Port Authority does not have a defined climate-related transition plan, however elements of the approach to transition to net zero and how the organisation will manage and respond to CRRO are captured in the aforementioned climate plans, as well as the Net Zero Strategy and the 2020–2025 Vision and Strategic Plan.

Table 2 highlights examples of Port Authority's mitigation and adaptation efforts to respond to CRRO.

Climate-related financial disclosures continued

Table 2 Current and recent mitigation and adaptation efforts

Type	Port Authority's efforts	Status of action
Mitigation	Port Authority's Vehicle Fleet – Electric Vehicle Transition Strategic Plan (EV Strategy) was endorsed by the Executive on 12 August 2024.	Completed
Mitigation	The Vessel Fleet Decarbonisation (VFD) Working Group was established in November 2024 to develop and oversee the implementation of actions to support the decarbonisation of Port Authority's marine vessel fleet.	Completed
Mitigation	Port Authority entered into a renewable energy purchase agreement to purchase 100% renewable electricity, resulting in the elimination of Scope 2 emissions.	Completed
Mitigation	Delivery of Shore Power project – providing supply of purchased certified renewable energy to reduce Scope 3 emissions from cruise ships at White Bay.	In progress
Mitigation	Commenced pilot project that aims to reduce emissions from our vessel fleet through more efficient operations, particularly seeking to minimise use of the vessels outside their identified optimum fuel efficiency range.	In progress
Mitigation	Progressively embedding sustainability into procurement processes, including criteria that assess multi-year emissions performance and identify opportunities for emissions reductions over time.	In progress
Mitigation	Exploring longer-term decarbonisation options such as multi-fuel-capable vessels, engines compatible with drop-in renewable fuels and battery electric and hybrid options.	In progress
Adaptation	At Newcastle Port, Port Authority has introduced operational changes in response to climate-related flood risks, such as monitoring salinity levels, restricting vessel movements during certain tidal conditions, and permitting vessel movements only in daylight hours to enhance visibility during hazardous weather. These procedures are informed by incident data and reviewed by Harbour Masters to support safe and climate-responsive operations.	Completed

3.4 Financial impacts from climate-related risks and opportunities

The expected changes to Port Authority's financial position, financial performance, and cashflows, based on its strategy to manage CRRO and meet emissions reduction commitments, have been qualitatively assessed to identify potential changes over the short, medium and long term. The time horizons used to consider financial impacts are aligned with Port Authority's planning approach, with the short term defined as 12 months or the duration of the budget cycle, the medium term as up to five years in line with the five-year strategic plan, and the long term as beyond 2030 in line with the Capital Expenditure 10 Year Plan.

Table 3 summarises each of the priority CRRO and their proposed adaptation measures.

Table 3 Priority climate-related risks and opportunities

Risk/Opportunity	Proposed adaptation measures
<p>Physical Risk: Extreme storms and increasing temperatures could produce an increased number of health and safety incidents across Port Authority's locations, which may result in injuries and/or a loss of life.</p>	<ul style="list-style-type: none"> – Incorporate climate risk within health and safety, asset management, and planning and design processes. – Establish and resource critical functions during extreme weather events.
<p>Physical Risk: Extreme adverse weather events could cause an increased frequency of safety incidents, pollution spills, and emergency response demands across Port Authority's locations, which may result in injuries and/or a loss of life, operational disruptions, reputational damage, higher expenditure, and reduced revenue.</p>	<ul style="list-style-type: none"> – Incorporate climate risk within health and safety, asset management, and planning and design processes. – Strengthen emergency preparedness by establishing and resourcing critical operational functions, enhancing internal training and procedures, and supporting external partners to respond effectively. – Ongoing monitoring of climate change impacts on operations and supply chain.
<p>Physical Risk: Extreme adverse weather events and rising temperatures could cause physical damage to or accelerated degradation of port infrastructure, and disruption to Vessel Traffic Services communications, which may result in increased operational and maintenance expenditure, higher utility costs, delayed business-as-usual operations, reduced revenue, and an increased risk of marine incidents.</p>	<ul style="list-style-type: none"> – Incorporate climate risk within health and safety, asset management, and planning and design processes. – Ongoing monitoring of climate change impacts on operations and supply chain. – Strengthen emergency preparedness by establishing and resourcing critical operational functions, enhancing internal training and procedures, and supporting external partners to respond effectively. – Upgrade Vessel Traffic Services System.



Table 3 Priority climate-related risks and opportunities (continued)

Risk/Opportunity	Proposed adaptation measures
<p>Transition Risk: Transition away from high-emission fuels could cause the early decommissioning of diesel-powered vessels and equipment, and increased demand for new infrastructure such as alternative fuel supply and EV charging stations, which may result in asset devaluation and additional capital costs.</p>	<ul style="list-style-type: none"> — Anticipating climate resilience requirements of customers. — Adopt new technologies to optimise operations.
<p>Transition Risk: Limited emissions reporting capabilities among vendors and tenants could mean that Port Authority is not compliant with climate disclosure requirements, which may result in reputational damage and stakeholder concerns for Port Authority.</p>	<ul style="list-style-type: none"> — Anticipating climate resilience requirements of customers. — Integrate climate change considerations into strategic and future planning, and existing frameworks and processes.
<p>Transition Risk: Rapid changes in technology may require more frequent updates to staff capabilities, which may result in increased training costs, including for emergency response procedures, placing pressure on operational budgets and workforce readiness.</p>	<ul style="list-style-type: none"> — Strengthen emergency preparedness by establishing and resourcing critical operational functions, enhancing internal training and procedures, and supporting external partners to respond effectively. — Adopt new technologies to optimise operations.
<p>Transition Risk: Continued support for fossil fuel, forestry, and other similar industries may conflict with community values, which may result in reputational issues for Port Authority, including public protests and stakeholder backlash.</p>	<ul style="list-style-type: none"> — Integrate climate change considerations into strategic and future planning, and existing frameworks and processes. — Enhance communication of key climate change risks, impacts and actions.
<p>Transition Opportunity: Opportunity to demonstrate commitment to the low carbon transition by investing in alternative fuels and new technologies that lower emissions, potentially delivering reputational and market benefits while reducing operating costs.</p>	<ul style="list-style-type: none"> — Anticipating climate resilience requirements of customers. — Adopt new technologies to optimise operations. — Integrate climate change considerations into strategic and future planning, and existing frameworks and processes. — Upgrade Vessel Traffic Services System.
<p>Transition Opportunity: Opportunity to build staff capacity and engagement by providing increased emergency response training, developing new skillsets within the internal team.</p>	<ul style="list-style-type: none"> — Strengthen emergency preparedness by establishing and resourcing critical operational functions, enhancing internal training and procedures, and supporting external partners to respond effectively.

The uncertainty associated with CRRO coming to fruition flows through to the analysis of financial impact associated with those risks and opportunities. While some analysis can be drawn, based on historical impact or modelling, of the potential impacts on financial performance, position and cash flows, it remains difficult to assert the precise timing or scale of that impact, given the nature of climate change and external forces which influence risks and opportunities coming to light. Port Authority has completed an initial qualitative assessment of anticipated financial impacts, noting that these impacts may change and are less certain over the longer term. Port Authority will continue to monitor and assess anticipated financial impacts over time.

The proposed adaptation measures listed in Table 3 are anticipated to increase short to medium-term operating and capital expenditure for Port Authority, due to potential investments in infrastructure, technology, training, and vendor capability. However, in the medium to long term, these investments are expected to build resilience, reduce risk exposure, enhance reputation, and support improved operational performance.

For the financial year ended 30 June 2025, Port Authority considers there has been no material impact on organisational operations or financial position attributable to climate change. Refer to Note 2 of the financial statements. Additionally, there is currently no significant risk of a material adjustment anticipated in the next 12 months due to climate-related risks or opportunities.

The concept of materiality is consistently applied in this report as well as the financial statements based on accounting standards. The consistency enhances the comparability of the information disclosed in different sections of the Annual Report.

Port Authority also assesses its impacts on the economy, environment and people for the benefit of multiple stakeholders, such as governments, employees, customers, suppliers and local communities, in our Sustainability Report.

Climate-related financial disclosures continued

4 Risk Management

4.1 Climate change risk and opportunity assessment approach

The process for identifying, assessing and prioritising CRRO was informed by both enterprise risk management processes within Port Authority, as well as the climate change risk assessment process documented within Climate Risk Ready NSW, a framework adopted by NSW Government and State-owned corporations to identify, assess and manage climate-related risks. Elements of the risk assessment approach are described in Table 4.

Table 4 Assessment approach

Assessment component	Port Authority approach
Assessment inputs and parameters	<ul style="list-style-type: none"> – The assessment considered three emissions scenarios: RCP8.5 representing a high emissions future, RCP4.5 a moderate emissions future, and RCP2.6 a low emissions future. Climate change projections for each of these scenarios were identified for two timeframes: a near future: 2030, and far future 2090. For further definition and description of these emissions scenarios in a NSW context, refer to the NSW Government's NARcliM website. – Climate hazards assessed include sea-level rise, mean temperature, extreme heat, bushfires, extreme rainfall and flooding, extreme storms, and droughts. – Data sources included CSIRO Climate Change in Australia (CCIA), the Bureau of Meteorology (BOM), and NASA Sea Level Rise Portal. – Scope covered all operations and all port facilities under Port Authority ownership and/or operational control.
Nature of risk and opportunity assessment	<ul style="list-style-type: none"> – For physical risks, likelihood was assessed using the Climate Risk Ready likelihood descriptors, while consequences were assessed using Port Authority's criteria from its Enterprise Risk Management Procedure. A qualitative risk assessment was then undertaken using Port Authority's likelihood and consequence matrix. – For transition risks and opportunities, the assessment considered two factors: the speed of onset (how quickly a risk or opportunity could impact Port Authority, ranging from immediate to greater than 12 months) and the scale of vulnerability (the extent to which Port Authority is prepared to respond, ranging from 'not prepared' to 'adequately prepared').
Nature of risk and opportunity prioritisation	<ul style="list-style-type: none"> – Prioritisation of physical risks was based on current risk exposure and the potential magnitude of disruption to Port Authority's operations and productivity. – Transition risks and opportunities were prioritised using a 3x3 assessment grid, prioritising risks and opportunities that were rated with medium vulnerability with immediate speed of onset, high vulnerability with medium speed of onset, or high vulnerability with immediate speed of onset.

4.2 Integration with enterprise risk management process

It is recognised that some impacts from CRRO can be closely tied to existing known risks, where climate change may exacerbate the adverse outcome, or accelerate the speed of onset of that risk or opportunity. Port Authority is currently developing an approach for integrating CRRO across the suite of enterprise risk registers, including strategic, operational and emerging risks, including the manner in which climate-related risks are consistently assessed using the enterprise risk framework (refer to Table 4 for current assessment approach). Bringing these risks and opportunities into a consistent manner of reporting and monitoring will improve the way Port Authority is able to address these issues in the future.

Port Authority recognises climate change as one of its strategic risks, where impacts to physical assets or changes to the operating environment could influence the sustainability of Port Authority's operating model. Climate risk points to numerous controls, including the Sustainability Policy, Net Zero Strategy and Climate Change Adaptation Plan. Further work will be done by Port Authority to bring more detail from the climate change risk assessment into the context of this strategic risk, and other operational and emerging risks, where relevant.

4.3 Monitoring climate-related risks and opportunities

Port Authority is developing its approach to monitoring CRRO, in line with the approach for integrating CRRO within the enterprise risk framework. Presently, operational risks are reviewed quarterly between the relevant operational division and Port Authority's risk team, while strategic risks (including a climate-related strategic risk) are reviewed as part of the Board reporting process, up to six times per year. Opportunities are primarily monitored through the emerging risk and opportunity register, regularly reviewed by the ARC, and are integrated into strategic planning priorities. Such was the case for transition opportunities related to offshore wind and renewable fuels, which have been incorporated into Port Authority's strategic priorities for the next financial year and as part of the Net Zero Strategy.

5 Metrics and targets

5.1 GHG emissions metrics

Gross Scope 1 and Scope 2 greenhouse gas (GHG) emissions data have been calculated for the reporting period and are set out in Table 5. Both location-based and market-based emissions are reported, however, the current net zero target is market-based.

Table 5 Gross emissions for Baseline year (2019), FY24 and FY25

Year	Reporting type	Scope 1 tCO ₂ -e	Scope 2 tCO ₂ -e	Scope 1 and 2 tCO ₂ -e
Baseline CY19	Location-based	2,557	2,889	5,446
	Market-based	2,557	2,669	5,226
FY24	Location-based	2,539	2,512	5,051
	Market-based	2,539	688	3,227
FY25	Location-based	2,452	2,502	4,954
	Market-based	2,452	0	2,452

Note: Data has generally been rounded to the nearest whole number herein for clarity. Totals are calculated using more precise figures; therefore, the sums of the presented data may not equal the stated totals due to rounding.

The emissions inventory follows the GHG Protocol and National Greenhouse Accounts factors, and the NSW Greenhouse Gas Emissions Accounting and Reporting Guidelines (June 2025), with ongoing improvements in data quality leading to recalculations and baseline refinements.

Key assumptions and changes to measurement for the reporting period are described in Table 6.

Table 6 Emissions inventory assumptions

Area	Assumptions
Emissions boundary definition	<ul style="list-style-type: none"> – Scope 1 emissions – direct emissions from sources owned or controlled by Port Authority aggregated across all sites. This includes fuel used in working vessel fleet (e.g., pilot cutters, and multi-purpose vessels), road vehicle fleet, stationary fuel consumption, and estimated refrigerant leakage from HVAC systems. – Scope 2 emissions – indirect emissions from the generation of purchased electricity consumed by Port Authority at all its sites.
Calculation methodologies and emission factors adopted	<ul style="list-style-type: none"> – National Greenhouse Gas Accounts (NGA) Factors, released in August 2024. – National Greenhouse and Energy Reporting (NGER) Measurement (Measurement) Determination, released in August 2024.
Updates during FY25 to previous emissions measurement	<ul style="list-style-type: none"> – Recalculation of base year and subsequent years resulting from reclassification of Scope 1 helicopter fuel consumption in Newcastle to Scope 3. This change reflects our assessment that operational control over helicopter operations is held by Auriga, the operator contracted by Port Authority. – Revision of calculation spreadsheets to improve accuracy in baseline and FY24. – Additional HVAC systems and refrigerant types were included. – Fuel data for vessels partly based on actual usage and partly estimated, with efforts underway to improve accuracy.

5.2 Other climate-related metrics

Port Authority utilises an additional metric to monitor renewable energy usage. The metric is the percentage of electricity purchased that is renewably sourced, as a proportionate measure of total electricity purchased. This metric is validated by Flow Power, Port Authority's electricity retailer. This is calculated by matching the volume of electricity purchased by Port Authority with grid-based electricity generated from a renewable source and managed through Port Authority's Power Purchase Agreement with Flow Power. Port Authority first achieved this target in January 2024, when all of its electricity consumption across the State began being supplied through a Power Purchase Agreement linked to solar and wind projects in the New England Renewable Energy Zone. As a result, Port Authority's market based Scope 2 greenhouse gas emissions are now accounted as zero.

Climate-related financial disclosures continued

5.3 Climate-related targets

Port Authority has determined two climate-related targets for the organisation - achieving and maintaining 100% renewable energy purchased and achieving net zero Scope 1 and Scope 2 emissions by 2040, with an interim target of 75% Net Emissions Reduction by 2030. Further detail on each target is described in Table 7. These targets are linked to addressing the identified transition risk and opportunity related to emissions and fuel consumption:

- **Transition Risk:** Transition away from high-emission fuels could cause the early decommissioning of diesel-powered vessels and equipment, and increased demand for new infrastructure such as alternative fuel supply and EV charging stations, which may result in asset devaluation and additional capital costs.
- **Transition Opportunity:** Opportunity to demonstrate commitment to the low carbon transition by investing in alternative fuels and new technologies that lower emissions, potentially delivering reputational and market benefits while reducing operating costs.

Port Authority's net zero targets were set in 2021 in consideration of international obligations, NSW Government objectives, climate change imperatives, and industry and organisational comparators. Port Authority's net zero targets were purposely set to be more ambitious than the NSW Government's objectives at the time.

Table 7 Description of climate-related targets

Element of target	Description of target
1. 75% Net Emissions Reduction Target for 2030	
Metric used to set target and monitor progress	Emissions (gross emissions and total emissions offset)
Objective of the target	Mitigation
Scope	Scope 1 and Scope 2 emissions across the entity
Period over which the target applies	2021-2030
Base period	2019
Absolute or intensity target	Absolute
GHG's covered by the target	Carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), sulphur hexafluoride (SF ₆), hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs) and nitrogen trifluoride (NF ₃)
Associated gross GHG emissions target	55% Gross Emissions Reduction Target for 2030 (this is the recommended target excluding helicopter emissions)
Planned use of carbon credits	Offsets required for net emissions reduction target
Third-party verification	No third-party verification
Progress on target	2,452 tonnes of CO ₂ equivalent (tCO ₂ -e) emissions for FY25, representing a 53% reduction from the 2019 baseline
2. Net Zero Target for 2040	
Metric used to set target and monitor progress	Emissions (gross emissions and total emissions offset)
Objective of the target	Mitigation
Scope	Scope 1 and Scope 2 emissions across the entity
Period over which the target applies	2021-2040
Base period	2019
Absolute or intensity target	Absolute
GHG's covered by the target	As above
Associated gross GHG emissions target	60% Gross Emissions Reduction Target for 2040 (this is the recommended target excluding helicopter emissions)
Planned use of carbon credits	Offsets required for net zero target
Third-party verification	No third-party verification
Progress on target	2,452 tonnes of CO ₂ equivalent (tCO ₂ -e) emissions for FY25, representing a 53% reduction from the 2019 baseline

Table 7 Description of climate-related targets (continued)

Element of target	Description of target
3. 100% Renewable Energy Target	
Metric used to set target and monitor progress	Percentage of electricity purchased that is renewable
Objective of the target	Mitigation
Scope	Entirety of the entity
Period over which the target applies	Achieved
Base period	No base period
Absolute or intensity target	Absolute
Progress on target	Achieved in January 2024

The Net Zero Implementation Pathway represents the first detailed review of Port Authority's climate-related targets. It assesses the feasibility of achieving and maintaining the targets over time and outlines the required actions, which are allocated across Port Authority's divisions. This pathway forms the basis for regular performance tracking of Port Authority's targets. There has been no third-party validation of the targets or methodology for setting the targets undertaken at the time of reporting.

In developing the Net Zero Implementation Pathway, the interim target attached to the net zero target (75% reduction by 2030) will be reviewed to more appropriately represent Port Authority's efforts and capacity to reduce emissions. In order to achieve a 75% net reduction in Scope 1 and 2 emissions by 2030, offsets will be required. Further calculations will be undertaken in the coming years to refine Port Authority's gross emissions target for 2030 and 2040 as Scope 1 emissions reduction initiatives are progressed (i.e. prior to the consideration of offsets). Port Authority will prepare a carbon offsets purchasing strategy prior to 2030 to enable the attainment of our 2030 target of a 75% net reduction in scope 1 and 2 emissions compared to our baseline. This strategy will be consistent with the upcoming NSW Government Carbon Offset Policy.

6 TPG 24-33 Requirements

Table 8 provides a summary of the reporting requirements under TPG 24-33 under each of the four pillars – Governance, Strategy, Risk Management and Metrics and Targets. Alongside, Port Authority has determined the current status of its efforts to align with and satisfy the requirements under TPG 24-33. A status of 'Initiated' represents early efforts to recognise and address the requirement, typically beginning with qualitative analysis or assessment, where a formalised process may not yet be in place. A status of 'Established' represents a more formalised response to the requirement, embedded within Port Authority's existing systems and processes. The table also cross-references each TPG requirement to the relevant section of Port Authority's disclosure statement where that requirement is discussed.

Table 8 Summary of TPG 24-33 reporting clauses and Port Authority status of alignment

TPG Requirement	Status	Section Reference
G1 Disclose information about the governance body (or bodies) or individual(s) responsible for oversight of climate-related risks and opportunities.	Established	2.1
G2 Disclose information about management's role in the governance processes, controls and procedures used to monitor, manage and oversee climate-related risks and opportunities	Established	2.2
S1 Describe climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	Established	3.1, Table 1
S2 Explain, for each climate-related risk and opportunity identified, whether the entity considers the risk to be a climate-related physical risk or climate-related transition risk.	Established	3.1, Table 1
S3 Specify the time horizons – short, medium or long term – over which the effects of each of those climate-related risks and opportunities could reasonably be expected to occur.	Established	3.1
S4 Explain how the entity defines short term, medium term and long term, and how these definitions are linked to the planning horizons used by the entity for strategic decision-making.	Established	3.1
S5 Describe the current and anticipated effects of climate-related risks and opportunities on the entity's business model.	Established	Table 1
S6 Describe where climate-related risks and opportunities are concentrated (for example, geographical areas, facilities, supply chains and types of assets).	Established	3.2

Climate-related financial disclosures continued

TPG Requirement	Status	Section Reference
S7 Disclose information about how the entity has responded to, plans to respond to, or both, climate-related risks and opportunities in its strategy and decision-making, including how the entity plans to achieve any climate-related targets it has set and any targets it is required to meet by law, regulation or government policy.	Initiated	3.3, Table 2, Table 3
S8 Disclose information about how the entity is resourcing, and plans to resource, the activities disclosed in accordance with disclosure requirement S7.	Initiated	3.3
S9 Disclose qualitative information about how climate-related risks and opportunities have affected its financial position, financial performance and cash flows for the reporting period.	Initiated	3.4
S10 Disclose qualitative information about the climate-related risks and opportunities for which there is a significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements	Initiated	3.2
S11 Disclose qualitative information about how the entity expects its financial position to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities.	Initiated	3.4
S12 Disclose qualitative information about how the entity expects its financial performance and cash flows to change over the short, medium and long term, given its strategy to manage climate-related risks and opportunities	Initiated	3.4
R1 Disclose information about the processes and related policies the entity uses to identify, assess, prioritise and monitor climate-related risks	Established	4.1, Table 4, 4.3
R2 Disclose information about the processes the entity uses to identify, assess, prioritise and monitor climate-related opportunities	Established	4.1, Table 4 , 4.3
R3 Disclose information about the extent to which, and how, the processes for identifying, assessing, prioritising and monitoring climate-related risks and opportunities are integrated into and inform the entity's overall risk management process	Initiated	4.2
MT1 Disclose the absolute gross greenhouse gas (GHG) emissions generated during the reporting period, expressed in metric tonnes of CO ₂ equivalent, including Scope 1 and Scope 2 emissions.	Initiated	5.1, Table 5
MT2 Describe the approach used to measure greenhouse gas emissions, the reason for selecting the chosen emissions approach, and any changes to the approach.	Established	5.1, Table 6
MT3 Disclose disaggregated Scope 1 and 2 emissions, as reported under MT1, distinguishing between the consolidated accounting group and other investees where applicable.	Established	Not applicable
MT4 Disclose location-based Scope 2 greenhouse gas emissions for scope 2 greenhouse gas emissions disclosed in accordance with MT1b.	Established	Table 5
MT5 Disclose information for any additional metrics developed by an entity.	Established	5.2
MT6 Disclose information for each of the targets set by an entity.	Established	5.3, Table 7
MT7 Describe the approach for setting and reviewing each target, and how each target is monitored.	Established	5.3
MT8 Disclose information about performance against each climate-related target and provide an analysis of trends or changes in the entity's performance.	Initiated	Table 7
MT9 Disclose information for each of the greenhouse gas emissions targets disclosed in accordance with MT6 and MT7.	Established	Table 7





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Port Authority of New South Wales
(Port Authority) is a state-owned
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This annual report contains audited financial
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