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FINAL ANNUAL REPORT
1 JULY 2011 – 31 OCTOBER 2011



NSW
GOVERNMENT

Maritime



DELIVERING SAFETY THROUGH PARTNERSHIPS

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Front cover: Delivering safety on NSW waterways: Boating Safety Officers provide items like this waterproof mobile phone pouch to assist recreational boaters (main image). The redevelopment of Sydney's historic Walsh Bay Wharves (top right), one of the major infrastructure milestones achieved by NSW Maritime.

This page: Lifejackets became compulsory for children up to the age of 12 going afloat in small boats on NSW waterways, as part of reforms introduced by NSW Maritime to improve boating safety.

LETTER TO THE MINISTER



24 February 2012

CEC12/00058

The Hon Duncan Gay MLC
Deputy Leader of the Government in the Legislative Council
Minister for Roads and Ports
Level 35
Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

Dear Minister

I am pleased to submit, for presentation to Parliament, the Annual Report of the Maritime Authority of NSW (trading as NSW Maritime) for the year ended 31 October 2011.

The Annual Report has been prepared in accordance with the requirements of the *Annual Reports (Statutory Bodies) Act 1984* and the *Ports and Maritime Administration Act 1995*.

After copies of the report have been tabled in Parliament, it will be made available to key stakeholders in hard copy form and will also be accessible on Roads and Maritime Services website at (www.rms.nsw.gov.au).

Yours sincerely

A handwritten signature in black ink, appearing to read 'P. Duncan'.

Peter Duncan
Chief Executive

Roads & Maritime Services

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OVERVIEW



ABOUT NSW MARITIME

On 15 July 2011, the Minister for Roads and Ports, the Hon Duncan Gay MLC and the Minister for Transport, the Hon Gladys Berejiklian MP announced the establishment of a new agency, Roads and Maritime Services (RMS). On 1 November 2011, RMS was established and the Maritime Authority of NSW (NSW Maritime) abolished.

This report details NSW Maritime's activities and achievements from 1 July until 31 October 2011. Only matters for which there has been a significant change in status since the last reporting period, which closed 30 June 2011, are reported here. As the reporting period is four months only, the comparison of Key Performance Indicators and customer trends with previous years' performances has not been included.

Prior to its abolition, NSW Maritime's mission was to provide safe waterways and support to the maritime community. To better serve the boating community, the agency had five key result areas as the focus of its endeavours and had identified key objectives it was working to achieve. These were:

KEY RESULT AREA	OBJECTIVES
Boating Safety	Develop and promote a safe commercial vessel and recreational boating culture through a comprehensive safety and compliance program involving education about safe boating practices, and through enforcement of laws.
Maritime Infrastructure	Improve public access to waterways, including access for people with disabilities, ensure safe public ferry wharves, and encourage and promote maritime precinct developments which meet community expectations and help create maritime related jobs.
Safe and Competitive Ports	Provide co-ordinated support for port policy and development, and ensure ports operate under effective port safety management arrangements.
Community Involvement	Seek key stakeholder and community involvement in decisions that affect them, promote transparency and consistency in decision making and reduce red tape.
Maritime and the Environment	Support lead agencies, such as the Office of the Environment and Heritage, and the Department of Industry and Investment, on issues related to the maritime environment, and maintain combat responsibilities and co-ordination under the <i>National Plan to Combat Pollution of the Sea by Oil and other Noxious and Hazardous Substances</i> .

Left: As the land owner of Sydney Harbour, NSW Maritime has administered many hundreds of domestic, commercial and community wetland and waterfront leases.

OVERVIEW ACTING CHIEF EXECUTIVE'S OVERVIEW



The State Government declared 1 November 2011 as the day to begin a new era in transport in NSW and along with that, a new era in maritime service.

TONY MIDDLETON
ACTING CHIEF EXECUTIVE (AS AT 31 OCTOBER 2011)

The decision to establish Transport for NSW included a commitment to integrate the Roads and Traffic Authority and NSW Maritime into a single agency, Roads and Maritime Services. To achieve this integration, both the RTA and NSW Maritime were abolished on 31 October (Roads and Maritime Services commenced on 1 November 2011).

The State Government made it clear that Roads and Maritime Services would focus on delivery, while Transport for NSW would focus on strategy, policy and major procurement with customer service a key influence on all decision making. To align with this broader government strategy, in the first quarter of 2011–2012 NSW Maritime required considerable restructuring to ensure clear delineation of responsibilities. For example, the Office of Boating Safety was established within NSW Maritime prior to its transition to Transport for NSW.

Other broader government reforms underway also impacted on NSW Maritime. These included the Transport Shared Service and Corporate Service reforms, covering shared services such as payroll and information technology, and corporate services such as governance and risk.

The period 1 July to 31 October 2011, the timeframe of this interim Annual Report, provided many challenges but the opportunities for greater efficiencies and effectiveness in service delivery were substantial. I would like to acknowledge and express my appreciation for the professional and collaborative effort of all those involved during this period of readiness for integration into Roads and Maritime Services and establishment of Transport for NSW.

As the new era for maritime services in NSW unfolds with the establishment of Roads and Maritime Services, I believe it is appropriate to look back at some of the milestones and legacies of NSW Maritime. While the agency can trace its history back to 1811 with the appointment of the first Harbour Master in NSW, perhaps the more relevant starting point is 1995

with the *Ports Corporatisation and Waterways Management Act 1995* which dissolved the former Maritime Services Board and established the stand-alone Waterways Authority.

MILESTONES 1995–2011

Maritime Infrastructure

A series of landmark Sydney Harbour projects during this period secured and improved public access to the waterfront whilst retaining the character and heritage values of unique sites. These include:

- **Woolloomooloo Wharf:** Built when wool was a pillar of the national economy, the wharf fell into disrepair. A public/private partnership resulted in a \$300 million redevelopment of the wharf, completed in 2000. The project revitalised the former port area and included restoration of historic elements, restaurants, retail, boat mooring and, for the first time, a boardwalk providing public access to this part of the Harbour foreshore.
- **King Street Wharf:** A unique opportunity at the western edge of the CBD to transform derelict port wharves into a new public precinct with a vibrant mix of commercial and residential space with a wide harbourside promenade. This \$1.2 billion project, another public/private partnership was completed in 2009 and today stands as a successful example of revitalisation of a former port area.
- **Walsh Bays Wharves:** The once bustling centre of maritime activity had become redundant for trade purposes and was derelict. In 1998 approval was given for a private sector redevelopment of the precinct into a mix of residential, commercial, arts and public space. A key element of this \$650 million redevelopment was the preservation of historic maritime elements, some dating back to the 1820s. Wharf 2/3 at Walsh Bay was leased to NSW Arts under a 99 year lease to further extend the provision of art and performance space in the precinct. NSW Arts is currently preparing a master plan for the future use of this historic structure.

Better Boating Program

The Better Boating Program was established in 1998 to ensure boating revenue was delivered back to the customer through an on-going grants scheme to support new and upgraded public boating facilities. The program has since supported many projects state-wide to improve safe and convenient access to our waterways.

For the 2011–2012 year, \$4.53 million in funding was allocated to support 52 projects in regional NSW and four boat ramp developments in Sydney Harbour. Since 1998 the program has delivered more than \$31 million in grants for almost 600 boating infrastructure improvements across NSW.

Shipping Incident Response

On 3 August 1999 the oil tanker *Laura D'Amato* was berthed alongside the Shell Gore Bay terminal in Sydney, when an estimated 250 to 300 tonnes of cargo was pumped into Sydney Harbour through an open sea valve system, which was normally closed. This was the largest ship sourced oil spill in Sydney Harbour. The Chief Executive at the time held the position of State Marine Oil Spill Controller, under State and national oil spill response plans, and led the coordinated inter-agency cleanup response.

The role of NSW Maritime's Chief Executive under State and national oil spill response plans was also tested and applied in major shipping incidents such as the grounding of the Royal Navy destroyer *HMS Nottingham* on Wolf Rock off Lord Howe Island in 2002 and the grounding of the bulk carrier *Pasha Bulker* at Nobbys Beach, Newcastle in 2007.

In each case, NSW Maritime worked in multi-agency responses that successfully reacted to each incident, recovered the vessels and ensured the marine environment was protected.

Sydney 2000 Olympics and Paralympics

A highlight of the past 15 years was clearly the success of the Sydney 2000 Olympic Games and the Paralympic Games. The Olympic and Paralympic Regatta required an exclusion zone that was the largest in size and the longest in duration ever conducted on the Harbour. The effort to ensure safe navigation involved more than 150 NSW Maritime staff, many more volunteers, and an on-water traffic control fleet of 114 vessels. The result was the first Olympic Regatta ever held inside a working port at the "best ever" Olympic Games.

Wharf Infrastructure

In 2006, NSW Maritime took control of all the public commuter wharves in Sydney Harbour. Between then and October 2011, NSW Maritime spent more than \$45 million on maintenance and upgrade works, and developed a program of substantial works for the years ahead.

This program will ensure a coordinated and planned approach to this important maritime infrastructure, with the first completed upgrade being the \$7.5 million Milsons Point wharf which opened in late 2010. The project was a finalist in the Infrastructure category of the Premier's 2011 Public Sector Awards.

A major focus of the program is the upgrade of commuter wharves to comply with the accessibility requirements of the Commonwealth *Disability Standards for Accessible Public Transport 2002* (as amended) by 2022. With the completion of Milsons Point wharf, 33 per cent of Sydney Harbour commuter wharves complied with the standard.

Marine Rescue NSW

NSW Maritime played a key role in the formation of a new volunteer marine rescue organisation for NSW. Following the Price Report and considerable stakeholder engagement, the NSW Government established in 2009 a new volunteer marine rescue organisation to be called Marine Rescue NSW.

The organisation comprises 46 separate marine rescue units operating from 50 locations stretching from Point Danger in the North to Eden in the South. Marine Rescue NSW supports the boating community by providing a marine rescue radio safety net comprising 42 radio bases.

Response to marine rescue calls for assistance is undertaken by the 75 accredited rescue vessels attached to Marine Rescue NSW units.

In 2011, Marine Rescue NSW assisted the skippers of more than 800 vessels with more than 2200 people on board.

NSW Maritime grants an annual financial contribution to Marine Rescue NSW which recognises the value and supporting role this group provides to the boating public.

Partnerships and stakeholder engagement

Significant advances have been made over the past five years to develop and build partnerships with key stakeholders. This work accelerated with the development of the Boating Safety Education and Communication Plan 2009–2012 which identified partnerships as a key to improving safe and responsible boating. Recent years have seen the stakeholder engagement grow from a solid foundation of local User Groups and Advisory Groups to expanded partnerships in safety with organisations such as the Boating Industry Association, Marine Teachers Association, Yachting NSW, Marine Rescue NSW and many more.

At the close of October 2011, NSW Maritime was also providing leadership in national partnerships as Chair of both the new Australian Recreational Safe Boating Council and the Australia and New Zealand Safe Boating Education Group.

Lifejacket reform

Industry estimates more than 1.5 million people go boating each year in NSW. From January 2000 to October 2011, only 6 per cent of the 212 people who lost their lives in boating incidents in NSW were wearing a lifejacket.

To address the fact that too many boating fatalities involved drowning and the person not wearing a lifejacket, NSW Maritime embarked upon lifejacket reforms in 2009 with a call for public comments.

The lifejacket discussion paper touched a nerve in the boating community with a record 3615 responses. There was overwhelming support for the proposals. For example, more than 90 per cent of submissions supported the idea of water-skiers wearing a lifejacket and for skippers to be more responsible, and 86 per cent supported lifejackets being worn during times of heightened risk such as when boating in vessels under 4.8 metres.

Consequently, more robust lifejacket laws were introduced in November 2010. After 12 months of education, RMS was set to enforce these new requirements from 1 November 2011.

Environment

The Environmental Services team is also delivering a significant benefit to the boating community and the general public through its work to keep Sydney Harbour clear of hazards to navigation. A team of 15 people, using a fleet of four purpose designed and built vessels collect more than 2000 cubic metres of debris each year from the Harbour. This is debris that can obstruct or cause damage to vessels, and be generally unsightly in the Harbour environment.

Safety

There can be no doubting the commitment and passion of staff to help prevent boating fatalities. The work of Boating Safety Officers out on the water, the commercial vessel surveyors and examiners, the staff in the ports of Eden and Yamba, as well as Customer Service Officers and supporting staff, all help to support safe and responsible boating.

While any loss of life is tragic, there is some encouragement in the fact fatalities per 100,000 have been on a downward trend while compliance with safety is up over the past five years.

The challenge for NSW Maritime as it prepares for 2012 as part of RMS is to continue to work hard to maintain these positive trends in safety, to continue to support new and improved maritime infrastructure and to maintain the focus on customer service.

An important part of that preparation will focus on establishing the Ministerial Advisory Council. The council will provide expert and independent advice to the Minister for Roads and Ports on a range of strategic maritime matters to ensure the boating community maintains a strong voice and a direct link to the Minister.



Tony Middleton
Acting Chief Executive
(as at 31 October 2011)

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OVERVIEW FINANCIAL SUMMARY

NSW MARITIME 31 OCTOBER 2011 FINANCIAL STATEMENT TO CUSTOMERS

	\$000	Income \$000	Expenditure \$000
Maritime Operations revenue came from the following major sources:			
Boat registrations	7,457		
Drivers' licences	6,409		
Mooring fees	2,768		
Boating fees (maps, publications, berthing charges, aquatic licences, penalty notices, boatcode)	640		
Survey fees	734		
Registration fees	271		
Examinations etc.	121	18,400	

Maritime Operations revenue paid for the following activities:			
Safety education	2,735		
Accident investigation	1,588		
Control, planning, management and administration	5,282		
Enforcement	2,084		
Navigation aid maintenance	2,176		
Mooring management	1,522		
Event management (Sydney / Hobart yacht race, New Year's eve celebrations)	794		
Grants to councils etc. for the provision of boating infrastructure (boat ramps)	116		
Other grants (marine rescue volunteers, marine safety committees, Australia Day support)	1,671		17,968

Maritime Operations revenue also provided for replacement of the following assets:			
Wharves	23		
Navigation aids	164		
Plant and equipment	819		
Computers hardware and software	40		
Motor vehicles	227		
Office equipment, furniture and fittings	36		1,309

Shipping revenue came from the following major sources:			
Regional ports of Yamba and Eden (pilotage, navigation and storage facility charges)	313		
Wharfage, site occupation fees and ship utility fees	117		
Channel fees from port corporations	3,327	3,757	

Shipping revenue paid for the following activities:			
Protection of marine environment	251		
Environment including harbour cleaning	931		
Maritime safety and security	340		
Port co-ordination/policy/strategy	269		1,791

NSW MARITIME 31 OCTOBER 2011 FINANCIAL STATEMENT TO CUSTOMERS

	\$000	Income \$000	Expenditure \$000
Shipping revenue also provided for replacement of the following assets:			
Navigation aids	3		
Plant and equipment	3		
Computers hardware and software	1		
Motor vehicles	26		33
Property revenue came from the following major sources:			
Rents and leases	14,508	14,508	
Property revenue paid for the following activities:			
Wetland management (includes wharf maintenance)	4,183		
Property management	4,187		8,370
Property revenue also provided for replacement of the following assets:			
Wharves	2,080		
Motor vehicles	35		2,115
		36,665	31,586
Other sources of revenue and uses of that revenue were as follows:			
Miscellaneous services	738		
Channel deepening revenue	1,131		
Interest on bank deposits and investments	337		
MTT Finance Lease revenue and expense	1,910		1,981
Net gain on asset disposals	253		
Defined benefit superannuation schemes net income	32	4,401	
Total revenue received by NSWAM and total payments made by NSWAM:		41,066	33,567
Marine Rescue Contribution collected and forwarded to Marine Rescue NSW		1,400	1,400
Distribution to NSW Treasury			2,000
Balance to (from) accumulated funds			5,499
		42,466	42,466

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BOATING SAFETY



VESSEL SAFETY MANAGEMENT

Marine Rescue NSW

In the reporting period to 31 October 2011, NSW Maritime provided Marine Rescue NSW with an annual financial contribution of \$1.5 million to support its operations in 2011–2012.

Additionally, a further \$1.4 million was provided from funds generated through a marine rescue contribution from boaters collected from licence and registration fees. These funds were provided to Marine Rescue NSW on a monthly basis.

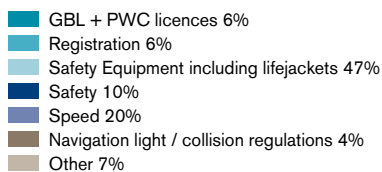
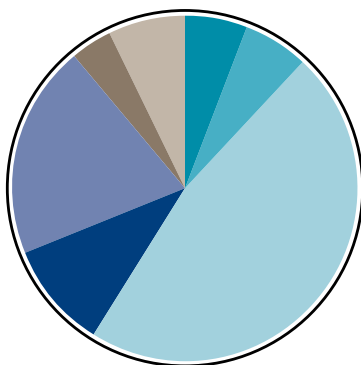
Boating safety compliance

During the period 1 July to 31 October 2011 a total of 379 penalty notices were issued throughout NSW as shown in the table below. The main offences were non-compliance with safety equipment (including lifejacket requirements) – 47 per cent (178 offences), and excessive speed – 20 per cent (77 offences).

A further 10 per cent of penalty notices were issued for non-compliance with safety regulations such as not complying with distance off or towing requirements. Other notices issued were for a variety of offences, including non-compliance with licence, registration and navigation light requirements.

Penalty Notices Issued

1 July 2011 – 31 October 2011



Above: Boating safety on Sydney Harbour has been under scrutiny as a response to coronial recommendations.

Left: Boating Safety Officers perform important compliance work and safety education initiatives from Maritime's fleet of patrol vessels on waterways right around the State.



Progress with national maritime safety reform

On 19 August 2011, the Premier of NSW and other First Ministers signed the Intergovernmental Agreement for Commercial Vessel Safety. The Agreement specified the administrative, governance and funding arrangements for the new national system for the safety regulation of domestic commercial vessels, due to commence on 1 January 2013 with Australian Maritime Safety Authority as the national regulator.

The Commonwealth, States and the Northern Territory continued working together to develop the Commonwealth *Maritime Safety (Domestic Commercial Vessel) National Law Bill*. Substantial progress also occurred in developing requirements for national crew certificates. National consultations on these requirements commenced in Queensland in November, with consultations in NSW scheduled for December 2011.

Use of web cameras

The contract for 15 of the 16 webcams installed to provide vision of coastal locations, including Narooma, Merimbula, Swansea, Port Macquarie, South West Rocks, Ballina and Tweed Heads, expired at the end of October 2011. Discussions commenced to ensure the continuation of the service.

Speed review of Sydney Harbour and its tributaries

NSW Maritime engaged consultants to undertake thorough reviews of two recommendations made by the Coroner in his inquiry into a fatal collision between the ferry *Pam Burrigde* and the private motor cruiser *Merinda* which occurred on Sydney Harbour in March 2007. The recommendations related to the consideration of speed limits on the harbour and its tributaries at night and during restricted visibility, and a comprehensive risk assessment of high speed, night-time vessel operations.

During the reporting period, the consultants' report was provided to the agency for its consideration.

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BOATING SAFETY

Maritime alerts

NSW Maritime launched a weather Maritime Alert system in 2009 to help boat owners and rock fishermen in their preparations and planning.

This online service allowed people to choose their area of interest along the coast or in Alpine areas, how often the alert is sent to them and most importantly, what wind threshold they believe justified an 'alert'. In this way, people could customise the alert to their own needs.

The Maritime Alert was based on official weather data and delivered free via email the day prior to the 'alert' event.

As at 31 October 2011, 1343 people had subscribed to this service.

Boating weather information

NSW Maritime continued to provide a weather forecast telephone service on 131 236. The service gave access to updated weather information from anywhere in NSW for the cost of a local call.

This initiative was part of NSW Maritime's objective of raising the awareness of mariners to check the weather and to check it often. A total of 7925 calls were received for the period, compared with 11,922 for the same period the previous year.

Boating maps

NSW Maritime's boating map series continued to be revised and enhanced. The total of 47 maps included seven coastal areas and 40 popular boating locations around the State. Printed on waterproof stock and provided at low cost through Maritime's network of service centres and selected tourist information centres, the maps could also be ordered online.

For the period July to October 2011, two existing boating maps were updated and reissued. Work proceeded with updates to five of the coastal maps, while two new maps for sections of the Murrumbidgee River were created for printing in December 2011.



SAFETY EDUCATION

Statewide and regional education and compliance campaigns

NSW Maritime's Compliance Management Committee met in August 2011 to determine the campaign program for the 2011–2012 boating season, based on factors such as incidents and infringements issued in the previous year(s).

During the 2011–2012 boating season, NSW Maritime planned nine state-wide education and compliance campaigns.

Operation 'Get Set' took place state-wide between 24 September and 3 October 2011 to educate boaters on the importance of pre-season boating checks, boat ramp etiquette and ensuring safety equipment including inflatable lifejackets, flares and EPIRBs were in service. Boating Safety Officers conducted a total of 949 safety checks, resulting in 23 penalty notices and 56 formal warnings, primarily relating to non-compliance with safety equipment requirements. A state-wide compliance rate of 91.7 per cent was achieved.

Boating safety education

Recreational boating is a popular pastime for hundreds of thousands of NSW families. Each year an estimated 1.5 million people go boating along the NSW coastline and on inland lakes, rivers and estuaries.

NSW Maritime continued to conduct an active communications and education program to highlight on-water risks and responsibilities. This included work with schools, community and industry organisations to support a culture of boating safety on our waterways.

The main focus of NSW Maritime's Safe Boating Communications and Education Plan was skipper responsibility, with secondary themes related to lifejacket use, safe navigation, trip planning, and alcohol restrictions.

The plan included specific campaigns on each theme, targeted at varying boating demographics and using a range of communication and education tools.

Above: Skippers are responsible for the safety of their passengers and can require them to wear a lifejacket at times of heightened risk.



Highlights for the period included improved partnership with the NSW Marine Teachers Association which reaches out to 8000 students a year and maintaining the Chair role of the Australia and New Zealand Safe Boating Education Group. Significant new projects included education packages to promote safe and responsible use of personal watercraft, and greater awareness of the benefits of modern and convenient inflatable lifejackets.

Combined with NSW Maritime's on-water compliance program, the \$3 million per annum Safe Boating Communications and Education Plan contributed to a positive downward trend in fatalities per 100,000 over the previous five years.

INCIDENTS AND INVESTIGATIONS

Vessel incident investigation

Over this period, the Maritime Investigations Unit (MIU) investigated 16 marine accidents. As a result of these investigations, one Penalty Notice, two Formal Warnings and one Court Attendance Notice were issued.

The MIU also conducted two investigations into alleged Boat Code offences which may involve vessel "re-birthing" crimes.

The MIU assisted Police in determining the causes of one fatal and one serious marine accident by conducting technical examinations of the vessels involved and preparing reports analysing the physical damage to the vessels.

Incident and fatality summary

During the period 1 July to 31 October 2011 a total of 84 incidents were reported to NSW Maritime. These comprised:

- 60 reported recreational incidents, with 10 fatalities; seven serious injuries and 24 minor injuries
- 16 reported commercial incidents with no fatalities; four serious injuries and six minor injuries
- Eight commercial/recreational incidents with no fatalities; one serious injury and no minor injuries.

This represented a 13 per cent increase over the same period of the previous year, but remained consistent with longer term fluctuations.

There were six fatal incidents resulting in 10 fatalities during this period, compared to just one fatality recorded for the corresponding period of the previous year. While this represented a large increase in fatalities, it was not inconsistent with past trends and did not represent a significant deviation from the long-term downward trend in boating fatalities.

Of great concern was that only one fatality was wearing a lifejacket, and in all but one of the other fatal incidents, the victims may have survived if they had been wearing a lifejacket. This highlights the need to continue to build on existing efforts regarding lifejacket compliance and education. Promoting the importance of lifejackets is central to the Boating Safety Education and Communication Plan.

The total of 12 serious injuries was consistent with corresponding numbers reported in previous years.

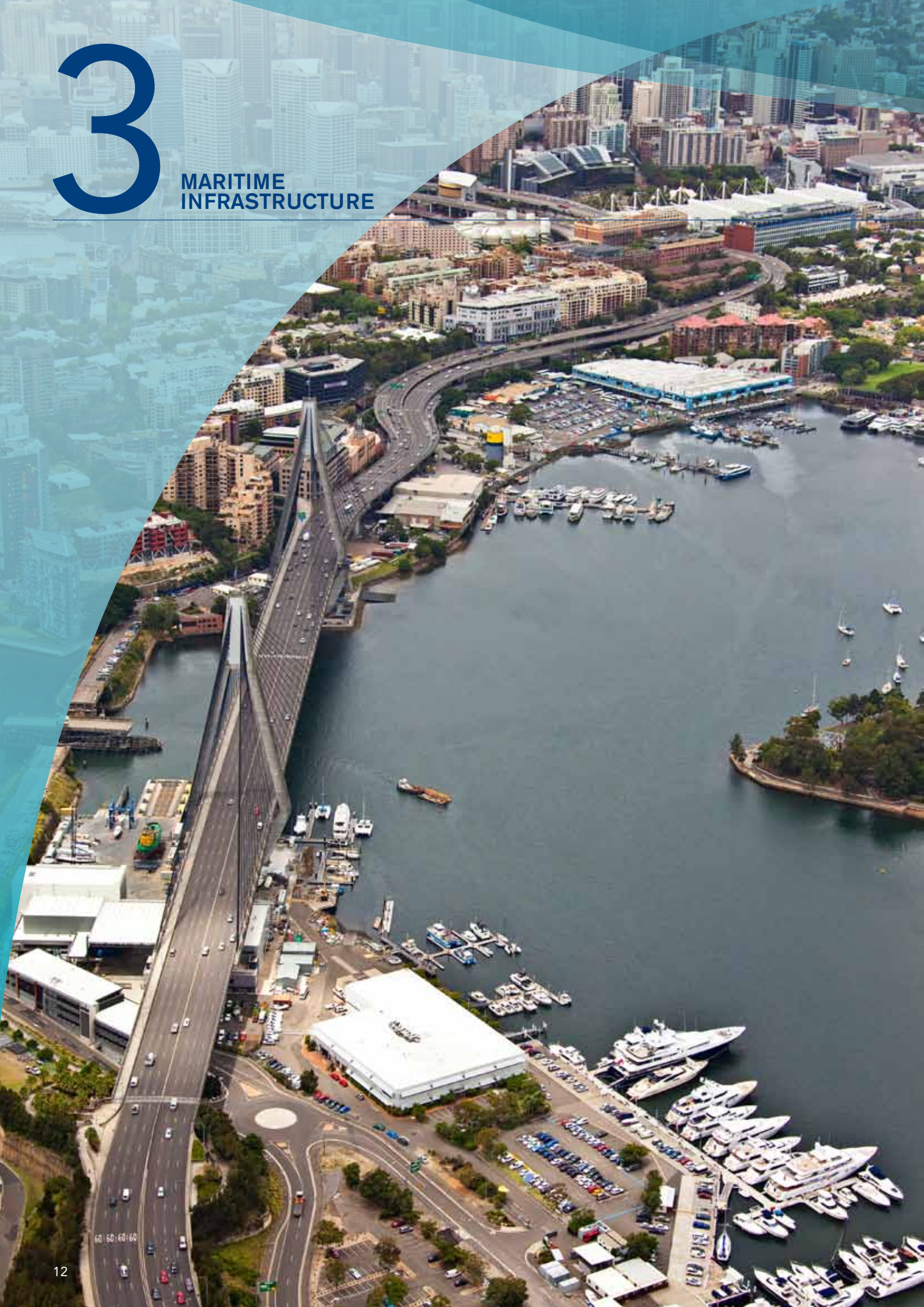
Alcohol and drug testing

Between 1 July and 31 October 2011, more than 3100 random breath tests of boaters were carried out by NSW Police, with eight vessel operators over the prescribed alcohol limit. As a result of court proceedings, various licence bans were imposed. NSW Maritime continued its education and communication activities on the risks associated with alcohol and boating.

Above: Inspecting a damaged vessel; one of the range of activities carried out by the Maritime Investigation unit.

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MARITIME INFRASTRUCTURE



MAJOR PROJECTS

Rozelle Bay maritime precinct

During the reporting period, NSW Maritime continued to work with the five waterfront industry companies still to complete their developments within the Rozelle Bay maritime precinct.

At the end of the reporting period, Seawind Catamarans obtained its Occupation Certificate for its waterside works, while Devine Marine prepared detailed design drawings for the purpose of obtaining a construction certificate. A contract was awarded in August 2011 for the preparation of a concept plan and technical specification for vehicular access to both of these sites located at the western end of Rozelle Bay.

Developments for Sydney Boathouse (dry boat storage facility) and Waterway Constructions (waterfront contractor) were awaiting approval from Department of Planning and Infrastructure (DPI) for modifications to their development consents before commencing work on their sites.

The Sydney Superyacht Marina (SSM) development application for two mixed use buildings, marina modifications, retail development, car park and outdoor facilities had been through the public exhibition phase. SSM was to lodge its preferred project report to the DPI in November 2011. Construction works were planned to commence in 2012 subject to planning approval.

When complete, more than \$150 million of infrastructure will be provided at Rozelle Bay for a range of maritime services including covered dry boat storage, commercial/retail development, waterfront construction contractors, boat salvage services and vessel refit and repair.

Berrys Bay maritime precinct

The Berrys Bay maritime precinct comprised the former BP and Woodleys sites on the western side of Berrys Bay, Waverton.

During the reporting period, negotiations continued with the former lessee, Woodleys (Berrys Bay) Pty Ltd for the removal of its land and water structures.

Left: Sweeping view of Rozelle and Blackwattle Bays and the Anzac Bridge, to the west of the Sydney CBD. The new boat ramp at Bank Street, Pyrmont can be seen to the right of the Anzac Bridge on the opposite shore.

A report prepared for NSW Maritime in August 2011 identified high levels of certain contaminants in the vicinity of the former Woodleys slipway. This followed a site audit report prepared for the former lessee, which indicated that the former lessee had caused only a minor proportion of the contamination. A resolution of the former lessee's contamination liability was expected by early 2012.

During the period, Meridien Marinas Pty Ltd, the proponent chosen to develop the precinct, commenced discussions with local stakeholders, including North Sydney Council with a view to amending its proposal for acceptance to sign an Agreement to Lease with NSW Maritime.

Balls Head maritime precinct

NSW Maritime continued developing a proposal to redevelop the former Balls Head coal loader wharf and adjacent berthing structure at Waverton into a marine precinct in partnership with the private sector.

Both an updated options financial feasibility study and business case for the preferred option were being prepared for completion in early 2012.

Blackwattle Bay maritime precinct

Blackwattle Bay Marina Pty Ltd (BBM) entered into an Agreement to Lease to develop NSW Maritime dry land at the southern end of Blackwattle Bay into a maritime commercial / retail development and a permanent home base for charter vessels. BBM was also required to provide public foreshore access along the site as well as a pedestrian connection to the Sydney Fish Market. Until this development is completed, estimated to be in early 2015, BBM has an Access and Works Licence to manage the site.

In October 2011, BBM received DPI requirements for a development application for its first stage, the installation of pontoons, access ramps and piles for its 19 charter vessel berths. It was anticipated that the development application for this work would be submitted in January 2012.

BBM was preparing its development application request for DPI requirements for the major works component – the reconstruction of jetty and wharf structures and all new buildings – for submission in early 2012.

The major works component would be assessed as a State Significant development in accordance with *SEPP (State and Regional Development) 2011*. It was anticipated that the development will be wholly operational in early 2015.

In October 2011 NSW Maritime signed Deeds of Consent to Sublicence to 12 BBM tenants.

Blackwattle Bay public boardwalk

During the reporting period, work neared completion on a public boardwalk and a facility for launching kayaks and small passive watercraft around the Blackwattle Bay boatshed on the western side of Blackwattle Bay. The project cost of \$720,886 included funding from a Better Boating Program grant of \$132,790 and final works were completed on 23 November 11.

Bank St Pyrmont development

In August 2011, NSW Maritime completed the construction of a passive boat-launching ramp on its land in Bank Street, Pyrmont, beneath the ANZAC Bridge at a cost of \$495,000. The facility will be used primarily by dragon boats but will also cater for other small passive watercraft such as canoes, kayaks and rowing craft. The previous temporary structure was removed and dragon boat storage relocated closer to the new ramp. The project cost was \$509,332.

The Roads and Traffic Authority subsequently commenced essential maintenance works on the ANZAC Bridge, using part of the site for a works compound for two to three years. After completion of bridge maintenance, a section of the site was proposed for a new base for the Sydney Heritage Fleet, undercover storage for dragon boats and a wash-down area for passive craft.

Discussions also continued between NSW Maritime and the City of Sydney Council for future creation of a public recreation reserve fronting the foreshore over the southern portion of the Bank Street site.

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MARITIME INFRASTRUCTURE



Yeend Street wharf day berthing facility

In August 2011, NSW Maritime completed the construction of a day-berthing facility for recreational vessels at the site of the former Yeend Street wharf in Birchgrove, at a cost of \$542,275. Located at the south-western entrance to Ballast Point Park, the facility provides temporary berthing pick-up and drop-off space for small vessels and water taxis, as well as a low-level landing for launching kayaks and other small passive watercraft. In October 2011, NSW Maritime entered into a licence with Leichhardt Municipal Council for the cleaning and removal of rubbish from the facility.

Homebush Bay (Wentworth Point) maritime precinct

NSW Maritime had two sites at Homebush Bay West, adjoining the Parramatta River and Homebush Bay, covering a total area of 18 hectares. The area is collectively known as Wentworth Point. It is intended to develop the area as a maritime hub that will include wet- and dry-stack storage; boat launching and berthing facilities; boat manufacture and maintenance facilities; and ancillary uses.

The site will be offered as a long-term lease to a developer, chosen as a result of a Request for Proposals (RFP) process, to construct and manage the maritime precinct. Responses to the RFP were received and were being evaluated.

Concurrent with the RFP process, NSW Maritime lodged a development application with Auburn City Council. This will permit continuation of existing leases on the site until development commences. Consultation occurred with Auburn Council to clarify its requirements in relation to contamination, a remediation action plan, and other matters relating to stormwater drainage and traffic.

Preliminary results from the detailed contamination assessment were received and disclosed that major sources of contamination on the western site includes hydrocarbon contamination and some elevated gas levels. These issues were being addressed through a tender process for the removal of disused underground fuel tanks on the site and further investigation of the source of gas.

ASSET AND PROPERTY MANAGEMENT

Commuter wharves

Sydney Harbour's commuter wharves, including at Circular Quay, are being upgraded as part of an upgrade program due to be completed by 2022. The program's main objectives are to:

- Create a functional and distinctive design to unify and identify commuter wharves
- Upgrade facilities to be practical, robust and fit-for-purpose
- Introduce economies of scale through a unified 'kit-of-parts' approach
- Improve efficiencies and upgrade facilities to better meet commuter needs and expectations
- Incorporate disabled access standards
- Increase the speed at which passengers embark and disembark.

Design work continued on the next wharves to be upgraded, at Rose Bay and Neutral Bay. Site works for Neutral Bay Wharf were planned to commence in February 2012 and for Rose Bay in April 2012.

Above: Yeend Street wharf in Birchgrove, upgraded under the Better Boating Program to provide better access and temporary berthing facilities for small craft.



Circular Quay Pontoon 1

The floating pontoon at Circular Quay Wharf 1 was built in 1988 as a temporary structure to service an anticipated increase in waterborne traffic during the Bicentennial celebrations. The pontoon has since been heavily utilised by commercial vessels, most recently at maximum capacity, and its condition subsequently deteriorated.

Works commenced in early July 2011 to install a replacement pontoon with upgraded capacity. The work was completed in December 2011 with a project cost of \$1,776,905.

Wharf safety audit

Under the *Marine Safety Act*, NSW Maritime had responsibility to perform inspections of public ferry wharves and monitor wharf safety. State-wide there were about 240 such public ferry wharves (including wharves used by smaller commercial operators such as charter or dive vessels in regional NSW). During July 2011 three charter wharves in Sydney Harbour maintained by other government agencies were inspected and warning letters issued for defects.

Around 170 wharves were located outside Sydney Harbour, particularly in Pittwater, Hawkesbury River, Brisbane Water, Lake Macquarie, Nelson Bay, Port Hacking and Yamba, and periodic inspection of these continued during the reporting period.

Maritime Trade Towers

NSW Maritime owned the Maritime Trade Towers at 201–207 Kent Street, Sydney, and occupied parts of levels 5, 6 and all of 11 at 207 Kent Street.

At 31 October 2011 the building occupancy rate was 97 per cent.

Domestic lease rollout

NSW Maritime continued its program of issuing some 1500 domestic leases for occupation of its land by waterfront property owners in Sydney Harbour.

Following amendments to planning legislation in early 2011, lessees were offered the opportunity of a three-year lease; 783 new leases were issued to 31 October 2011.

The method of rental pricing for domestic leasing across NSW was again being reviewed by the Independent Pricing and Regulatory Tribunal (IPART), with the results of this review expected to be made available in early 2012.

Commercial leasing

During the reporting period, NSW Maritime continued to encourage investment in new marine developments.

NSW Maritime's Commercial Lease Policy and Commercial Marina Rents Procedure, which set the framework for the grant and administration of commercial leases, had been widely accepted by stakeholders. A review of the Commercial Lease Policy was scheduled for 2012.

As at 31 October 2011, NSW Maritime administered approximately 375 commercial leases around Sydney Harbour, Botany Bay, Port Kembla and Newcastle Harbour.

Community leasing

NSW Maritime continued to administer 266 community leases and licences. These provide public facilities such as boat ramps, and enable not-for-profit organisations to engage in maritime activities such as rowing, dragon boating and sailing.

Total Asset Management implementation

NSW Maritime continued to implement its 10-year Total Asset Management (TAM) strategy covering maritime infrastructure, harbour lands, the Maritime Trade Towers, heritage assets, operational assets and accommodation, dredging channels and berthing boxes.

Vessel fleet services contract

State-wide maintenance of the patrol boat, trailer and outboard engine fleet was performed under the Vessel Services Contract. Also included in the contract were outboard engine procurement and vessel refurbishment. At 31 October 2010, 112 vessels and 95 trailers were maintained under contract.

SURVEY AND SPATIAL INFORMATION

New survey equipment

NSW Maritime took delivery of a Ceescope hydrographic system in October 2011. This portable system was intended to be used for quick deployment on vessels of opportunity where commitment of the dedicated survey vessel *Echo* was not viable. This system would also serve as a back-up for the one permanently installed on *Echo*. Initial trials of this system indicated that it was fully performing to expectations.

Hydrographic survey work

Investigations relating to bed monitoring and safe navigation carried out in the reporting period occurred at numerous Sydney Harbour locations as well as the Clarence River, Swansea Channel and Black Neds Bay (twice), and the Batemans Bay entrance bar.

Above left: Major works in Circular Quay installed a replacement floating pontoon at Wharf 1.

Above centre: The new passive boat launching ramp at Bank Street, Pyrmont, a base for dragon boats.

Above right: Light apparatus inside the lens at Barrenjoey lighthouse at the mouth of Broken Bay, one of the lights maintained by NSW Maritime.

3

MARITIME INFRASTRUCTURE

Cadastral survey work

The high demand for reviews of cadastral surveys and endorsement of mean high-water mark and former mean high-water mark boundaries continued. The general purpose of these plans was for the subdivision, consolidation and redefinition of Harbour foreshore lands.

NSW Maritime reviewed and endorsed 10 subdivisions to facilitate the long-term lease of privately owned marine structures (such as boathouses, jetties, ramps, pontoons, ramps, skids and piles associated with casual and permanent vessel moorings) and Mean High Water Mark boundary endorsements. Most surveys related to domestic property development, but several were for large-scale commercial development in the ports of Newcastle, Botany and Port Kembla.

The subdivision of both freehold foreshore land and NSW Maritime land continued to create ongoing demand for technical advice and access to historic field books and plans for searches to enable consultant surveyors to undertake this work.

INFRASTRUCTURE PROGRAMS

Better Boating Program

Through the Better Boating Program, NSW Maritime provided grants for recreational boating infrastructure for the benefit of the boating community on NSW waterways. The Better Boating Program provided grant funding opportunities across three categories:

- Regional Infrastructure Grants (50 per cent subsidy on eligible costs)
- Sharing Sydney Harbour Access Program – (50 per cent subsidy on eligible costs)
- Sydney Harbour Boat Ramps – (100 per cent subsidy on eligible costs).

Projects funded include the provision of public wharves/jetties, boat ramps, car/trailer parking, public sewage pumpout facilities, dinghy storage and related feasibility studies.

A Better Boating Program (BBP) grant was awarded on 21 July 2011 to Lake Macquarie Council for an amount of \$138,000 for urgent modification to the car/trailer parking area at Eleebana boat ramp on Lake Macquarie. The grant was reviewed and supported by the Better Boating Program Assessment Committee on 11 October 2011.

The Minister announced a package of successful 2011–2012 Better Boating Program grants on 6 December 2011. A total of \$4.5 million was awarded for 56 projects for regional infrastructure and Sydney Harbour boat ramps.

Aids to navigation (AtoN)

Aids to navigation upgraded or replaced in the period 1 July 2011 to 31 October 2011 were as follows:

- 33 lights converted/upgraded to LED technology
- 12 PVC markers replaced aged steel pipe markers
- 18 aqua-buoys replaced or upgraded;
- 19 plastic buoys replaced aged/damaged buoys and new floating assets
- Three public/courtesy moorings upgraded.

Capital works upgrade/replacement of existing AtoN due to damage/flood/age and new equipment across various waterways totalled \$141,135.

A total of 236 breakdown notifications were issued – 34 per cent lit aids and 66 per cent unlit aids. The total number of breakdowns represented seven per cent of the total AtoN population, which was 3439 at 31 October 2011.

Major causes of failure were attributed to flood, impact damage, vandalism, false alarm and missing/off station. The AtoN maintenance contractor achieved 100 per cent compliance rating for meeting key contract performance targets during the reporting period.

DEVELOPMENT ON NSW MARITIME LAND

Permission to lodge a Development Application

The beds of Sydney Harbour, Botany Bay, Newcastle Harbour and Port Kembla Harbour were vested in NSW Maritime as publicly-owned land. NSW Maritime also owned parcels of reclaimed land, dry land and intertidal land in selected locations. To ensure consistency and transparency in development on NSW Maritime land, NSW Maritime required that a formal 'Permission to Lodge' application be made to obtain consent to lodge a planning application.

For the reporting period, NSW Maritime determined 71 Permission to Lodge applications, and took an average of 16 days to make a determination.

Of these 71 applications, 18 related to development applications for long-term leases – a new requirement under the planning regime for Sydney Harbour.

Development on NSW Maritime's land

In the same way as a local council is the consent authority for most development on land, NSW Maritime was the consent authority under the *Sydney Regional Environment Plan (Sydney Harbour Catchment) 2005* for most water-based development within Sydney Harbour. Water-based development included structures such as jetties, wharves, boat lifts, slipways, pontoons, and mooring pens, but excluded commercial marinas.

During the reporting period, NSW Maritime determined 19 development applications.



Above: Boat ramp on the Edwards River near Deniliquin in south-western NSW, one of many offering improved access to the waterways due to support from the Better Boating Program in partnership with local councils, clubs and community groups.

4

SAFE AND COMPETITIVE PORTS



REGIONAL PORT UPDATE

During the four-month reporting period, NSW Maritime was responsible for the regional ports of Eden and Yamba. Port management and operational responsibility for the ports was to be transferred to Sydney Ports Corporation (SPC) on 1 December 2011, with regulatory responsibility transferring to Transport for NSW.

Port of Eden trade report

During the period, trade through the Port of Eden totalled 407,273 mass tonnes, a decrease of 12.7 per cent to the corresponding 2010 period. The major commodities, hard woodchip imports and softwood log exports totalled 315,719 mass tonnes (21.9 per cent decrease) and 91,427 mass tonnes (46.9 per cent increase) respectively. Trade from general cargo vessels and offshore support vessels was minor at 127 mass tonnes. A total of 15 trading vessel visits and eight visits by the Royal Australian Navy were recorded.

Port of Yamba trade report

During the four month reporting period, trade through the Port of Yamba totalled 4465 mass tonnes, an increase of 84.7 per cent over the corresponding period in 2010. There were six vessel visits with the major items of trade being timber products, miscellaneous manufactured articles and petroleum products.

OTHER PORT MATTERS

Port Safety Operating Licences and operating standards

NSW Maritime administered the Port Safety Operating Licence (PSOL) which was issued to each of the port corporations (Newcastle, Port Kembla and Sydney) in accordance with the *Ports and Maritime Administration Act 1995*. Work was carried out to renew the current five-year licences issued to the three port corporations, due to expire on 31 December 2011.

PSOL audits were carried out for Port Kembla Port Corporation on 2 August 2011 and for Sydney Ports Corporation on 23 to 26 August 2011. Both audits demonstrated that the required performance standards were met. Newcastle Port Corporation's audits were carried out in the months immediately before and after the reporting period.

Maritime/port security

During the reporting period, NSW Maritime continued to be represented on the major Port Security Committees for Sydney/Port Botany, Newcastle and Port Kembla, and on the related committees for Circular Quay, Manly Wharf and King Street Wharf. NSW Maritime also participated on the Port Security Working Group of Ports Australia, the Maritime Industry Security Consultative Forum and the related Passenger Ship and Maritime Security Identification Card working groups.

Cruise ship tender vessel exemption

On 14 October 2011 the *Marine Safety (Commercial Vessels) Exemption Order 2011* was proclaimed. This Order exempts passenger cruise ship tender vessels from NSW survey and certification requirements under the *Marine Safety (Commercial Vessel) Regulation 2010*, subject to a number of conditions being met. Requiring such vessels to obtain NSW survey and certification certificates was impractical and would have placed an unnecessary regulatory burden on the cruise industry in NSW. These vessels were already required to meet international survey and certification requirements and implement a Safety Management System under the International Safety Management Code Certification.

In addition to meeting these international requirements, tender vessels were also required to meet a number of local conditions to ensure the safety of tender vessel operations. For example, a key condition of the exemption was that the Harbour Master's approval was required for any cruise ship tender operation to proceed in a declared port.

This exemption was developed following consultation with the cruise shipping industry and commercial vessels industry.

REPRESENTATION ON NATIONAL FORUMS

Australian Maritime Group

The Australian Maritime Group met in July 2011. Key issues discussed included the Commonwealth response to the House of Representatives inquiry into coastal shipping, the National Ports Strategy, and the introduction of a single national marine incident investigator.

National Plan Management Committee

The National Plan to Combat Pollution of the Sea by Oil and Other Noxious and Hazardous Substances (National Plan) is an integrated government and industry framework enabling effective response to marine pollution incidents.

During the reporting period NSW Maritime represented the State on:

- the National Plan Management Committee (NPMC), providing high level advice to Ministers on the Australian Transport Council on the strategic, policy and funding aspects of the National Plan; and
- the National Plan Operations Group (NPOG), providing advice on the operational aspects of the National Plan.

As part of the 10-yearly review of the National Plan, NSW Maritime represented NSW at a meeting of the Special Stakeholders Group, which included the NPMC, held to consider the draft risk assessment report on the National Plan. The report was subsequently finalised and draft outcomes of the review will be considered during the next reporting period.

NSW Maritime and Sydney Ports Corporation Safety Working Group

The NSW Maritime and Sydney Ports Corporation Safety Working Group met on 12 October 2011. A number of issues were addressed including development of a Memorandum of Understanding between the agencies for marine safety on Sydney Harbour and Botany Bay; foreign passenger cruise ship tender vessels operating in NSW waters; the escort of trading ships; and vessel incident reporting arrangements.

Left: A tug assisting a ship to berth in the Port of Eden, one of two regional ports under the responsibility of NSW Maritime before responsibility for them was transferred to Sydney Port Corporation and Transport for NSW.

5

COMMUNITY INVOLVEMENT



ADVISORY GROUPS

NSW Maritime liaised with its stakeholders through a suite of advisory groups. During the period 1 July to 31 October 2011, only the Maritime Advisory Council and the Recreational Vessel Advisory Group met.

Maritime Advisory Council

The Maritime Advisory Council provided advice, expertise and a wide strategic view on maritime issues – including safety, the growth of the industry, infrastructure development and environmental matters – to the Chief Executive of NSW Maritime.

The council met for the final time on 20 September 2011.

Ministerial Advisory Council

In July 2011, at the Sydney International Boat Show, the Minister for Roads and Ports announced the establishment of a new statutory Ministerial Advisory Council. The new council, which is being established to provide the Minister with expert and independent advice on a range of strategic maritime matters, will ensure the maritime community's views on issues affecting it are heard and contribute to the development of the Government's maritime policy agenda.

The Recreational Vessel Advisory Group (RVAG)

This group, comprising representatives of peak recreational user groups, the boating industry, Marine Rescue NSW and NSW Police, met on two occasions during the reporting period and considered and/or discussed issues including:

- Boating incidents
- Education and compliance campaigns
- Dive flag
- Paddle DVD
- EPIRB disposal.



Left: Gates installed on Cabarita Wharf, where a 24/7 ban on fishing was announced as part of the Clean Safe Wharf initiative to stem vandalism, littering and anti-social behaviour.

Above: Minister for Roads and Ports Duncan Gay (centre) with members of the Maritime Advisory Council.

COMMUNITY FORUMS

Clean, safe wharf initiative

In 2009–2010, NSW Maritime developed a coordinated and consistent approach to ensure commuter wharves remained clean and safe at all times. As part of this initiative, NSW Maritime awarded cleaning contracts for commuter wharves in June 2010.

To complement the initiative, NSW Maritime imposed total fishing bans at commuter wharves at Manly, Circular Quay, Taronga Zoo and Sydney Olympic Park; and partial fishing bans at City of Canada Bay Council wharves.

During the period of 1 July to 30 October 2011, NSW Maritime continued to trial the following measures:

- Installation of purpose-built refuse bins on all commuter wharves
- Provision of water and power at problem wharves where such services do not exist
- Distribution of notices on appropriate behaviour with every new fishing licence issued
- Education on appropriate behaviour via community and commercial radio.

An “Education, Enforcement and Exclusion” approach to wharf cleanliness and safety was implemented from September 2011. This multi-agency and community approach involved NSW Maritime working with the Recreational Fishing Alliance, angling groups, the Department of Primary Industries Fisheries Branch (DPI Fisheries), local councils and the Police to ensure wharves were clean and safe for commuters. It was announced on 27 September 2011 at Cabarita wharf, where an immediate 24/7 ban on fishing was imposed and a gate installed to stem vandalism, littering including fish waste and bait, consumption of alcohol, lighting of fires and anti-social behaviour.

This multi-agency effort to clean up wharves would include an education phase beginning in October and continuing until Easter 2012, with use of multi-lingual signage and brochures and media and fishing industry campaigns.

OTHER COMMUNITY INVOLVEMENT

Customer response – Info Line

NSW Maritime's Customer Service Call Centre provided an important link to the public. It operated seven days a week.

The call centre provided services such as boating and weather information, customer service feedback, payment of renewals and map purchases. It also responded to calls for assistance from the general public, police and volunteer rescue organisations, and supported in-the-field Boating Safety Officers via two-way radio.

5

COMMUNITY INVOLVEMENT

The call centre allowed NSW Maritime to respond quickly to complaints and on-water issues in a bid to support a culture of safe and responsible boating. The table below shows customer service statistics.

	2010–2011	01/07/11 to 31/10/11
Calls taken	119,954	35,350
Feedback taken	377	47
General on-water complaints	224	22
Personal watercraft complaints	34	5

The call centre took 35,350 calls during the first four months of 2011–2012. As this figure was for the non-peak boating season, the 12 month total was expected to increase significantly for the complete 2011–2012 period.

Provision of selected maritime services at RTA & GAC

All Roads and Traffic Authority Motor Registries and Government Access Centres provided selected maritime services, including boat licence knowledge tests and the receipt of payment for boat licences, moorings and vessel registrations.

About 8600 renewal transactions and 645 licence tests were conducted at these centres in the period 1 July to 31 October 2011.

Sydney International Boat Show

NSW Maritime continued its partnership with the Boating Industry Association of NSW to promote boating safety at the Sydney International Boat Show on 28 July to 1 August 2011. This event attracted 68,000 visitors (73,158 the previous year) over the five days. NSW Maritime promoted its 'You're the Skipper – You're Responsible' campaign and hosted a coordinated Maritime Safety Precinct that included the following safety related partners:

- Australian Maritime Safety Authority
- Australian Hydrographic Service (RAN)
- Australian Maritime College
- Marine Rescue NSW
- Marine Teachers Association of NSW
- Recreational Fishing Alliance of NSW (Angel Ring Rock Fishing Safety Project)
- Surf Life Saving NSW
- Sydney Heritage Fleet
- TAFE NSW
- Westpac Life Saver Rescue Helicopter Service
- NSW Police Marine Area Command (on the marina in Cockle Bay).

Partnerships program

NSW Maritime continued to build on existing partnerships and develop new ones to promote safe, responsible and enjoyable boating. This created stronger relations between the agency and organisations such as the Boating Industry Association of NSW, Boat Owners Association, Marine Teachers Association of NSW, Yachting NSW, Paddle NSW, United States Coast Guard, Royal National Lifeboat Institution of the UK and marine safety jurisdictions throughout Australia and New Zealand.

These partnerships helped NSW Maritime to improve boating safety awareness in areas such as the wearing of lifejackets and safe navigation at night, and led to the sharing of resources.

NSW Maritime also formed partnerships with other organisations to promote safe, responsible and enjoyable boating, especially during specific events. Through these partnerships, NSW Maritime promoted safety during events that included Sail Port Stephens, Sydney International Regatta, and the Eden Whale Festival.

Maritime Medal

The NSW Maritime Medal recognises outstanding and sustained contributions by members of the public to the boating and maritime community. The first medals were awarded in 2006.

The annual awards were directed at, but not limited to, a person or group who performed an outstanding effort in the categories of safety, environment and community. NSW Maritime was proud to support these awards as a way of expressing gratitude to those making an extraordinary contribution.

For 2011, NSW Maritime concluded the call for nominations in September and announced medal recipients in December.

2011 Maritime Medal recipients were:

Rear Admiral (ret) Tony Hunt AO (Community Medal)

Tony, who is Sydney-based, is the current President of the Sydney Heritage Fleet, a not-for-profit organisation where he has volunteered his time and expertise for 15 years.

Tony is highly regarded for his leadership skills, notably, but not limited to, the restoration of iconic Tall Ship the James Craig.

This award-winning Tall Ship is now based in Sydney Harbour and gives thousands of people each year a rare and unique opportunity to experience sailing aboard a piece of working history. In 2003 the James Craig was awarded the World Ships Trust Medal for authentic restoration. She joins a select band of restored ships throughout the world, including the Mary Rose (UK 1510), Vasa (Sweden 1627), USS Constitution (USA 1797), Great Britain (UK 1843) and Cutty Sark (UK 1869), which have received this honour.

Michael (Mick) O'Connor

Mick, from Ballina, a hardworking teacher for 37 years, established the Marine Teachers' Association – of which he is President - where he has grown membership from two to 120 statewide.

The Association is responsible for establishing and offering Marine Studies as a subject, which includes boating safety education, to more than 8000 students each year.

Mick is known as a Marine Studies syllabus writing expert to the Department of Education and Communities. He is responsible for establishing an agreement with Maritime that has resulted in the recognition of the boating component of the Marine Studies course as appropriate for students to attain a licence to drive a powerboat, thereby encouraging the next generation of boaters to attain a solid foundation in safe and responsible behaviour on our waterways.

Additionally, he has a related side project which sees him busy building the Ballina Marine Discovery Centre – with his own hands – which will stand as an ongoing legacy to support marine education on the North Coast for years to come.

Ballina Jet Boat Surf Rescue Inc

This stand-alone volunteer-run maritime rescue group has been an institution in Ballina for 40 years.

The group, through their own fundraising efforts, operate and staff a rescue jet boat which is often first at the scene of a maritime emergency - including assistance in coastal bar crossing incidents, rock fishing mishaps and general boating distress situations.

The Ballina Jet Boat Surf Rescue Inc is unique in its set up and operation, highly regarded and operates with the support of the local Surf Life Saving Club.

Peter Phillipson

Peter has for 22 years volunteered his time as a tireless and passionate advocate for volunteer marine rescue in NSW (based in Fingal Bay, Port Stephens).

He was an early supporter and instrumental in encouraging his fellow volunteers in realising the benefits of the formation of one central marine rescue organisation, which is now in operation as the State Government- supported Marine Rescue NSW.

Due to commitment and drive of people such as Peter, Marine Rescue NSW is now providing vital rescue services up and down the coast of NSW.

Above: The Marine Precinct at the 2011 Sydney International Boat Show, coordinated by NSW Maritime in partnership with show organiser, the Boating Industry Association of NSW and 11 other organisations to promote safe and responsible boating.



With a current total of 56 Units and Bases from Eden to Point Danger, Marine Rescue NSW supplies three core services:

- Search and rescue for marine emergencies
- Boating safety education and training
- Radio coverage along NSW coastline.

Multicultural relations

NSW Maritime's Multicultural Policies and Services Program detailed the actions the agency was committed to delivering in support of the four principles of multiculturalism. The program complied with the Community Relations Commission's Multicultural Planning Framework and was published on NSW Maritime's website. During the reporting period, NSW Maritime used community language media to call for nominations for its annual Maritime Medal, the winners of which were announced in December each year.

Disability action plan

NSW Maritime's Disability Action Plan set out the actions the agency would take to meet the needs of its customers and stakeholders with disabilities. The plan was developed in accordance with the disability access planning guidelines published by the Department of Aging, Disability and Home Care. During the reporting period, the plan was reviewed and relevant amendments identified in preparation for the future development of an integrated Roads and Maritime Services plan.

6

MARITIME AND THE ENVIRONMENT



REDUCING THE IMPACT OF BOATING ON THE ENVIRONMENT

Implementation of greywater legislation

On 30 September 2011, the NSW Government amended the *Marine Pollution Regulation 2006* to allow commercial vessel operators greater flexibility in the manner in which they manage their greywater.

This amendment enabled operators who were required to use a greywater holding tank, to have the choice of using either a holding tank or an on-board greywater treatment system complying with Australian Standard AS 4995–2009. However, all Class 1 passenger vessels operating on Sydney Harbour and its tributaries continued to require a holding tank.

This initiative allowed operators who chose to take up the greywater treatment option to greatly reduce the pump-out times. The changes also ensured a consistent regulatory regime along the full length of the Murray River, with NSW requirements now in line with those of South Australia. Most importantly the new requirements would allow vessel operators to return clean water to the State's waterways. As of 31 October 2011, NSW Maritime was aware of one treatment system complying with the Australian Standard.

Environmental education

NSW Maritime continued to promote awareness of environmental issues for the boating community during the reporting period. This involved a continual review and refinement of environmental messages in publications such as the Boating Handbook, the Marine Activity booklet for primary school age children and online information. NSW Maritime also produced dedicated publications such as *Leave Only Water in Your Wake and Take Charge of Your Discharge*, to educate boaters on their responsibility to reduce the impact of boating on the environment.

To mark the commissioning of a new flagship for NSW Maritime's Environmental Services team, a naming competition was run in Sydney primary schools. The winning entry put forward by Class 3/4J of Carlton South Public School in Sydney was *Mallagongan* – an Aboriginal name for the platypus.

Their prize of a cruise on Sydney Harbour aboard two Sydney Heritage Fleet vessels was taken on 28 November 2011.

To promote the competition and raise awareness of environmental issues in Sydney, NSW Maritime created a dedicated website, www.caring4yourharbour.com.au. This mini site hosted a range of information designed to engage primary school age children.

Vessel waste recovery

During the four month reporting period, 4,011,084 litres of untreated sewage waste was pumped out from vessels through NSW Maritime pump-out facilities at King Street Wharf, Blackwattle Bay and White Bay No 6 wharf, or through pump-out facilities at Cabarita and Birkenhead Point. A further 12,590 litres of untreated sewage waste was pumped out through mobile vessel pump-out facilities on Myall Lakes.

Environmental services

During the reporting period, the Environmental Services team recovered and removed 787 cubic metres of hazards to navigation, litter and waste material from harbour waters, tributaries and public beaches and foreshores. This waste was transported to approved waste transfer stations.

Operational Agreement for the Conservation of Key Fish Habitats

In September 2011 NSW Maritime and the Department of Primary Industries (Fisheries) signed a new Operational Agreement for the conservation of key fish habitats. Under the agreement, the two agencies would work collaboratively to manage the state's coastal waters, specifically focusing on conservation of key fish habitats, and the provision of boating infrastructure and access.

ENVIRONMENTAL EMERGENCY MANAGEMENT

Oil and chemical spill response

During the reporting period, NSW Maritime remained the "combat agency" for marine oil and chemical spills and maritime incidents response in State waters between the Queensland border and Fingal Head (Port Stephens) and from Gerroa to the Victorian border.

Included were the Ports of Yamba and Eden and the State waters around Lord Howe Island. NSW Maritime was the combat agency for a grounding incident at Lord Howe Island in October 2011. There was no pollution reported.

During July 2011, an annual pollution response exercise was conducted at the Port of Yamba.

In September 2011, NSW Maritime conducted the annual State exercise in Sydney. The exercise comprised a desktop discussion between key agencies and examined a number of jurisdictional, legal, coordination and control issues based on a significant shipping accident in Naval Waters.

An equipment deployment was also conducted at Garden Island, to test coordination and communication arrangements between Sydney Ports Corporation and Defence Maritime Services. An Incident Control Centre was established to manage the equipment deployment response.

Emergency management

During the reporting period, NSW Maritime continued to fulfil its varied roles in emergency management at the local, district, State and national level. This included responding, as combat agency, to the grounding of the *MV Island Trader* at Lord Howe Island and providing coordination support, personnel and equipment to Maritime New Zealand's response to the grounding of the container vessel *Rena*.

As part of its role as the combat agency, NSW Maritime continued to be a member of relevant district and local emergency management committees for marine incident response. The role of these committees was to coordinate support during an oil-spill response from various agencies on behalf of NSW Maritime.

The State Emergency Management Committee (SEMC) met on one occasion during the reporting period. As a member of SEMC, NSW Maritime was a support agency under a number of other emergency management plans such as the flood, tsunami and influenza pandemic plans.

Left: The new Environmental Services flagship vessel *Mallagongan* at work collecting rubbish and debris from Sydney Harbour.

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OUR ORGANISATION



ORGANISATIONAL STRUCTURE

Organisational chart – NSW Maritime

as at 31 October 2011



* Steve Dunn held the position of Chief Executive, NSW Maritime until 31 July 2011. On 1 August Michael Bushby was appointed the Acting Chief Executive, NSW Maritime, a position he held until 27 October. From 1 August until 3 October, Steve Dunn held the position of Acting Deputy Chief Executive, Maritime Services. Tony Middleton held the position of Deputy Chief Executive from 1 July to 27 October and the role of acting Chief Executive between 28-31 October. On 1 November, with the formation of Roads and Maritime Services, Peter Duncan was appointed Chief Executive and Tony Middleton was appointed to the position of Deputy Chief Executive, Maritime Services.

David Hunter was the Acting General Manager Ports and Shipping from 1 October until 31 October 2011. The position was abolished with the formation of Roads and Maritime Services on 1 November 2011.

Left: NSW Maritime's Customer Service Officers: frontline support for the boating community by providing information, safety publications and licensing and registration services.

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OUR ORGANISATION

MANAGEMENT TEAM

As at 31 October 2011



TONY MIDDLETON

BA Hons (London), MPP (Deakin)

Deputy Chief Executive

Tony Middleton was appointed as Deputy Chief Executive, NSW Maritime in January 2009. From that time, Tony was responsible for the Ports and Shipping Division, the Maritime Investigation Unit and the Maritime Property Strategic Development Unit. He joined NSW Maritime in December 2004.

His responsibilities included port policy; shipping safety; management of the regional ports of Eden and Yamba; marine environmental policy for shipping; pollution response; maritime incident investigation; intergovernmental relations; and oversight of the strategic development of NSW Maritime land, adjoining the main harbours of NSW, for maritime purposes.

On the departure of Michael Bushby, the previous acting Chief Executive, Tony was acting Chief Executive of NSW Maritime from 28 to 31 October 2011.



HOWARD GLENN

General Manager Maritime Operations (to 18 September 2011)

General Manager Office of Boating (from 19 September 2011)

Howard Glenn was the General Manager of the new Office of Boating Safety which was established on 19 September 2011. He was responsible for leading and directing the development and implementation of policy and regulatory reform initiatives which support the Government's objectives for boating safety, maritime property and waterways management.

Howard led the Maritime Operations Division, responsible for promoting safe boating throughout NSW, together with programs for improving access to and navigation on the State's waterways until 18 September 2011.



MELINDA MCCABE

MPP (Sydney)

General Manager Policy, Risk and Governance

Melinda McCabe was appointed General Manager, Policy, Risk and Governance in 2010. Melinda was responsible for the development of NSW Maritime's strategic policy and corporate planning functions, risk management activities and the implementation of the governance framework.

Her division also had responsibility for NSW Maritime's communication and education program, including the delivery of the three-year, \$3 million Boating Safety Communications and Education Plan. This plan had the over-arching theme of *You're the Skipper – You're Responsible* and delivered safety education programs in support of State-wide safety awareness compliance.

In addition, the Division oversaw all matters relating to Ministerial correspondence, issues management, media activities and development of strategic safety partnerships.



BRIAN STANWELL
CPA

General Manager Corporate Services

Brian Stanwell was appointed General Manager Corporate Services in November 2004 and was responsible for finance, human resources, information technology, asset management, records management and internal audit. He was also NSW Maritime's Chief Audit Executive and reported to the Audit and Risk Committee on matters on internal and external audit.

Brian joined the Finance Branch of the former Maritime Services Board in 1980 and held a number of senior accounting and finance positions since that time.



TREVOR WILLIAMS
Acting General Manager Maritime Operations (from 19 September 2011)

Trevor Williams was appointed Acting General Manager Maritime Operations in September 2011, following the appointment of Howard Glenn as General Manager of the Office of Boating Safety.

While Acting General Manager, Trevor was responsible for promoting safe boating, through education and the interpretation and application of safety standards, regional operations and facilitating the development of public boating infrastructure throughout NSW.



MICHAEL WRIGHT
BA (Sydney), BComm (UNSW)

General Manager Maritime Property, Planning and Infrastructure

As General Manager, Property, Planning and Infrastructure, Michael Wright led NSW Maritime's commercial, corporate, domestic and community property leasing, licensing and management programs, directing the organisation's involvement in land use planning matters, particularly for developments on Sydney Harbour, and overseeing the commuter wharf maintenance and upgrade program as part of the Government's strategic planning for the provision of improved ferry services.

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OUR ORGANISATION

CORPORATE STRUCTURE

NSW Maritime was a statutory body classified by NSW Treasury as a non-budget dependent general government agency. NSW Maritime was a self-funding entity.

The Chief Executive was responsible and accountable to the NSW Minister for Roads and Ports for NSW Maritime's overall performance and for ensuring performance was consistent with legislative compliance and best-practice principles.

Strategic direction and operational management was the responsibility of an Executive Management Committee (EMC) consisting of the Chief Executive, Deputy Chief Executive, four General Managers, the Executive Director, Strategic Property Development, Manager Communications and Manager, Office of the Chief Executive.

The EMC played a key role in the delivery of the NSW Maritime governance framework. It supported the decision-making process by providing a discussion and evaluation forum; in some instances, it provided formal advice and decision-making. The EMC developed and reviewed the framework and played a lead role by:

- Shaping NSW Maritime's strategic direction
- Administering an overarching framework of internal policies and procedures
- Monitoring operational management
- Focusing on risk and NSW Maritime's response to events
- Ensuring accountability for NSW Maritime's activities and actions.

Advisory bodies and committees also provided advice to the EMC.

STATUTORY FRAMEWORK

During the first four months of 2011–2012, the Maritime Authority of NSW, trading as NSW Maritime, administered (either wholly or partly) or operated under the following legislation:

- *Environmental Planning and Assessment Act 1979*
- *Marine Pollution Act 1987*
- *Marine Safety Act 1998*
- *Marine Safety Legislation (Lakes Hume and Mulwala) Act 2001*
- *Maritime Services Act 1935*
- *Navigation Act 1901*
- *Passenger Transport Act 1990*
- *Ports and Maritime Administration Act 1995*
- *Protection of the Environment (Operations) Act 1997*
- *Transport Administration Act 1988.*

ORGANISATIONAL DEVELOPMENT

Formation of Roads and Maritime Services

The four months ending on 31 October 2011 were dominated by preparations for the commencement of Transport for NSW (TfNSW) and the transition to Roads and Maritime Services (RMS). Work also continued on the assignment of Corporate Service Division staff to Transport Shared Services and planning for the transfer of the regional ports of Yamba and Eden to the Sydney Ports Corporation (SPC).

The process to establish RMS commenced in late July 2011 with the formation of the transition team. The role of the transition team was to build on the work already undertaken as part of the development of TfNSW and develop the operating model, roles and responsibilities of the new organisation.

Paul Hesford, RTA Director Finance & Corporate Services, led the transition team which included staff representatives from the RTA, NSW Maritime and the Department of Transport. Melinda McCabe, General Manager, Policy, Risk and Governance represented NSW Maritime within the Project Management Office.

The transition was overseen by a Steering Committee and included Chief Executive, RTA; Chief Executive, NSW Maritime; Deputy Chief Executive, RTA; Deputy Chief Executive, NSW Maritime and representatives from NSW Transport. NSW Maritime was represented by Steve Dunn (29 July to 3 October 2011), and Tony Middleton (29 July to 31 October 2011).

NSW Maritime had a number of staff allocated to project teams to assist with the development of Roads and Maritime Services, including: Michael Wright, Brian Stanwell, Kelly McFadyen, Trevor Williams, Scott Kidd, Dennis Buttigieg, Neil Patchett, Jill Saffron, Sue Ohanian, Anthony Dever, Steve Potter, Ian Grey, Craig Purdon, Paul Nash and Ann Waddington.

The maritime functions remaining with RMS, within the Maritime Services Division, include two operational branches: Maritime Operations and Maritime Property, Planning and Infrastructure and one support branch. Those functions outside the scope of Maritime Services Division operating mandate are to be progressively transferred. A summary of the changes is listed below.

Transport for NSW

During the period 1 July to 31 October 2011, activities were underway to support the transition of functions to Transport for NSW. The functions from NSW Maritime transferring to Transport for NSW include: strategic port and maritime policy, and port safety and State marine pollution response.

Office of Boating Safety

On 19 September 2011, the Office of Boating Safety was established within NSW Maritime in readiness for the new transport legislation to commence on 1 November 2011.

The Office consists of 12 staff, headed by General Manager Howard Glenn who previously held the role of General Manager, Maritime Operations Division. The role of the Office is to lead and direct the development and implementation of policy and regulatory reform initiatives which support the Government's objectives for boating safety, maritime property and waterways management.



The Office is responsible for the following strategic maritime functions:

- Recreational and commercial boating safety policy and regulation
- Policy reforms for maritime property and infrastructure
- Waterways management policy
- Procurement strategy for major infrastructure and capital programs
- Regulatory reform
- Intergovernmental relations
- Engagement with peak stakeholder bodies.

Freight and Regional Development

The new Freight and Regional Development Division has been established in TfNSW to ensure the NSW Government delivers an environment that supports statewide prosperity and national productivity with an efficient and effective freight transport system. The new division is the central point of coordination for the NSW Government's role in freight transport, distribution and servicing in NSW.

Tony Middleton, Deputy Chief Executive, was part of the Transport for NSW transition team supporting the transfer of the following NSW Maritime functions to the Freight & Regional Development Division:

- Port safety and marine pollution response functions, including State marine pollution response arrangements and administration of the port safety operating licence
- Freight policy and reform functions, covering Maritime's previous role of providing strategic port advice to the Minister.

Finance and Corporate Services

As part of the development of Roads and Maritime Services a range of corporate functions covering Human Resources, Information Technology, Finance and OH&S were transferred to the Roads and Maritime Services' Finance and Corporate Service Directorate, effective 1 November 2011.

Assignment of Corporate Services staff to Transport Shared Services (TSS) was scheduled for 28 November 2011. All Corporate Service positions were analysed to determine which should be the responsibility of TSS. The analysis was complex due to NSW Maritime having a relatively flat organisation structure with many staff performing tasks that were relevant to TSS but also organisation specific. Some assigned Corporate Services staff would relocate to TSS offices at Parramatta and Burwood as a prelude to systems integration, while others would remain at Rozelle Bay to service the Maritime Services Division of RMS.

Administration of Regional Ports

During the reporting period, NSW Maritime and the Sydney Ports Corporation worked towards the transfer of the operations of the Port of Yamba and the Port of Eden to Sydney Ports Corporation. The administration of the two regional ports was transferred on 1 December 2011.

CORPORATE GOVERNANCE

Governance framework

NSW Maritime's Governance Framework was developed to ensure the management and control of the agency and its activities were both effective and appropriate, and undertaken in accordance with the principles of good governance. No change in the status of this plan occurred during the reporting period.

Ethical behaviour and corruption prevention

NSW Maritime's ethical framework was detailed in policies and guidelines relating to ethical conduct, managing complaints and allegations, preventing fraud and corruption and making public interest disclosures.

The Code of Conduct and Ethics applied to all employees, contractors, volunteers and anyone representing NSW Maritime. The code embraced values that NSW Maritime upheld and described the ethical framework guiding actions, decisions and behaviour. Minor amendments were made to the Code of Conduct and Ethics as a result of an annual review.

Training for managers and supervisors on ethics and accountability continued to be delivered in 2011–2012 as a component of the NSW Maritime program for managers.

Above left: Maritime staff again provided essential planning and support for major aquatic events.
 Above centre: Strategic planning underway for major maritime precinct development.
 Above right: Info Line staff providing support to the boating community.



Ref No: ICE11/837

**Internal Audit and Risk Management Attestation
for the 2011-2012 Financial Year
for NSW Maritime**

I, Tony Middleton am of the opinion that NSW Maritime had internal audit and risk management processes in place that were, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*. These processes provided a level of assurance that enabled the senior management of NSW Maritime to understand, manage and satisfactorily control risk exposures.

I, Tony Middleton am of the opinion that the Audit and Risk Committee for NSW Maritime was constituted and operated in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08.

The Chair and Members of the Audit and Risk Committee were:

- Independent Chair - Dr Elizabeth Coombs, appointed 7 January 2009 for a three year term.
- Independent Member - Alex Smith, appointed 16 January 2010 for a three year term.
- Independent Member - Ken Barker, appointed 23 February 2010 for a three year term.
- Non-independent Member - Howard Glenn, General Manager Operations, appointed 17 February 2010 for a three year term.
- Non-independent Member - Melinda McCabe, General Manager Policy, Risk and Governance, appointed 15 February 2010 for a three year term.

The Audit and Risk Management Committee for NSW Maritime was abolished on 22 November 2011 following the abolition of NSW Maritime on 31 October 2011.

I, Tony Middleton declare that this Internal Audit and Risk Management Attestation is made on behalf of the following controlled entities (or subsidiaries):

- Maritime Authority of NSW Division

Tony Middleton
Acting Chief Executive
NSW Maritime
(as at 31/10/2011)

16.12.2011

Contact Officer
Kelly McFadyen
Executive Director, Governance and Risk
Telephone: 9364 2006

Risk management and internal audit

During the period, NSW Maritime maintained organisational arrangements providing additional assurance, independent from operational management, on risk management and internal audit, consistent with NSW Treasury Circular TC 09/08 Internal Audit and Risk Management Policy. It had developed an enterprise-wide risk management framework, which provided information on the roles, responsibilities, processes and procedures, standards, tools and documentation to be used for managing risk at NSW Maritime. The framework applied the International Standard for Risk Management (AS/NZS IS O 31000:2009).

The risk management framework was supplemented by policies, procedures and plans dealing with specific categories of risk, such as occupational health and safety and incident management.

The NSW Treasury Managed Fund continued to provide NSW Maritime's cover for its insurable risks in the areas of workers' compensation, motor vehicles, liability, property, travel and personal accident. No major changes to insurance activities occurred during the period.

NSW Maritime's comprehensive internal audit program helped to ensure NSW Maritime's programs and processes complied with legislation and best practice. It was found that systems were predominantly sound and there were no areas with 'extreme' risk ratings. The areas identified with 'high' risk ratings were all controlled by the acceptance of a range of recommendations.

The Audit and Risk Committee provided independent assistance to the Chief Executive by overseeing and monitoring NSW Maritime governance, risk and control frameworks, and its external accountability requirements.

Audit and Risk Committee

In August 2009, NSW Treasury issued the Internal Audit and Risk Management Policy for the NSW Public Sector (TPP09-5). The Policy and Guidelines Paper included six core requirements:

- An operationally independent internal audit function
- Appointment of a Chief Audit Executive
- An Audit and Risk Committee (ARC) with an independent chair and a majority of independent members appointed from the central register of 'pre-qualified' individuals established by DPC Circular C2009-13 Prequalification Scheme: Audit and Risk Committees
- Consistent application of a 'model charter' for Audit and Risk Committees
- Adoption of current standards for enterprise risk management
- Adoption of current standards for professional practice in internal audit.

NSW Maritime's Audit and Risk Committee had five members:

- Dr Liz Coombs (Independent Chair)
- Ken Barker (Independent Member)
- Alex Smith (Independent Member)
- Howard Glenn (Internal Member – General Manager Maritime Operations)
- Melinda McCabe (Internal Member – General Manager Policy, Risk & Governance).

Regular meeting observers included:

- Tony Middleton (Deputy Chief Executive)
- Brian Stanwell (General Manager, Corporate Services and Chief Audit Executive)
- Kelly McFadyen (Executive Director, Governance and Risk)
- Audit Office of NSW
- Internal Audit Bureau.

Members were appointed for an initial period of three years, after which they were eligible for extension or re-appointment for a further maximum term of three years, after a formal review of their performance.

In accordance with NSW Maritime's Internal Audit Manual, the Internal Auditors were appointed to a maximum five year term. The Internal Audit Bureau was the organisation providing this service.

In the period 1 July to 31 October 2011 NSW Maritime's ARC met twice to consider the findings of reviews on NSW Maritime's systems of internal controls.

ICAC inquiry

In April 2010, the Independent Commission of Against Corruption (ICAC) conducted a public enquiry into the misuse of resources by a NSW Maritime Legal Services Branch Officer. NSW Maritime fully cooperated with the ICAC during the process. The ICAC released its report in September 2010 and made seven corruption prevention recommendations to NSW Maritime.

NSW Maritime accepted the ICAC recommendations and was committed to implementing them and regularly reporting the progress of implementation to the ICAC. NSW Maritime submitted its final progress report to the ICAC in August 2011. The report noted that five of the recommendations had been completed and that NSW Maritime was on track to complete the two remaining corruption prevention recommendations.

STRATEGIC PLANNING

Strategic and business planning

NSW Maritime's strategic and business planning activities were structured to ensure the agency's focus and activities supported its vision of serving the boating community, as well as the goals of *NSW 2021*. During the reporting period, the NSW Maritime Corporate Plan was reviewed and the processes of identifying actions transferring to Transport for NSW or becoming the responsibility of RMS commenced to ensure all responsibilities would be properly addressed in the new arrangements.

7

OUR ORGANISATION

Compliance framework

NSW Maritime's compliance framework was developed to enable the community to be informed of NSW Maritime's approach to managing compliance with the legislation it administered, and the processes it employed to ensure compliance actions were implemented in a fair and equitable manner. The compliance framework was available on NSW Maritime's website.

During the reporting period, NSW Maritime undertook a review of its own compliance with marine legislation administered by the Minister for Roads and Ports. The review found that compliance was of a high level and made minor recommendations for continuous improvement.

IT management

Finalisation of the planning for the upgrade of desktop and notebook computer software to Windows 2007 and Office 2010 was completed and services implemented during the reporting period.

The TRIM records management software was similarly upgraded as maintenance agreements on the existing release were reaching their expiry date. Roll-out of the software to users at the Rozelle and Kent Street sites was scheduled for completion in November 2011.

Implementation of a data network upgrade commenced to help improve the efficiency of the Government Licensing Service. The upgrade would assist in the implementation of systems planned in RMS such as VoIP telephony, video conferencing and regionalised records management.

The data link to permit communications between the Miller Street North Sydney Roads and Maritime Services office and Rozelle was ordered after technical specifications were determined.

Data, phone and email links were established between RMS and SPC for the transfer of the Yamba and Eden regional ports.

Government Licensing Service (GLS)

On 19 July 2011 NSW Maritime completed a year since the implementation of the Government Licensing Service (GLS) system. GLS is a centralised licensing database for over a hundred different NSW State licences.

The aim of the GLS is to improve service to customers by reducing red tape, through the introduction of simpler, standardised processes for licence management and by opening up online access to a large number of licensing transactions.

Following a post-implementation review of GLS, work was undertaken with the system provider, Department of Finance and Services, to resolve the significant issues identified in the review and reported in the Statutory Audit Report, and NSW Maritime's Annual Report, for the year ended 30 June 2011.

Major issues have been resolved since July 2011. Delays in processing licensing transactions and other difficulties were significantly minimised by quarterly GLS software upgrades, process enhancements and major hardware upgrade to the network and servers.

Subsequently, process-improvement analysis on licensing, registration and transfer of vessel registration processes were carried out to reduce the complexity and the number of steps involved in those processes and this was being progressively implemented through quarterly releases. The GLS support team also re-visited all regional offices and conducted focussed group trainings.

A comprehensive financial reconciliation system was implemented in August 2011 providing accurate General Ledger posting from GLS. In addition data migration issues were also identified and resolved.

For the period 1 July to 31 October 2011, NSW Maritime processed over 185,500 transactions in GLS.

Human Resources administrative instructions (policies) and procedures

From 1 July 2011 the following administrative instructions were introduced:

- An instruction on new sea-service requirements for lower level Certificates of competency
- A safe work method statement for Boating Safety Officers performing on-water duties on coastal waters
- An instruction on use of cabs and procedure for managing cab accounts
- An instruction on incidents involving NSW Maritime vessels
- An instruction on managing driver fatigue for staff driving long distances as part of work
- An instruction on the use of safety labels on vessels
- An update to the staff recruitment policy
- A new intranet page, documenting procedures and controls for recruitment of contract and temporary staff.

The development of a number of other documents was put on hold pending the creation of RMS.



Above: Vessel survey by Maritime's Commercial Operations branch, an essential part of NSW Maritime's responsibility to ensure that commercial vessels meet appropriate safety standards.



OUR PEOPLE



LEARNING AND DEVELOPMENT

During the four month reporting period, 121 NSW Maritime staff attended training courses, including workshops on "Ethics and Accountability" and "Communications and Constructive Feedback"; an in-house Certificate IV in Workplace Training and Assessment; Phase Two of the annual Boating Safety Officers' compliance training and additional Job Interview Skills and Resume Preparation courses. Core soft skills training packages continued, as did regular induction programs.

The NSW Maritime Registered Training Organisation (RTO) ceased to exist as a legal entity on 31 October 2011. From 1 November 2011 it was to be re-named the Roads and Maritime Services RTO. Since its establishment in August 2006, the NSW Maritime RTO issued 182 nationally recognised qualifications to NSW Maritime staff.

ORGANISATIONAL EFFECTIVENESS PROFILE STAFF SURVEY

Following completion of a recent NSW Maritime staff survey on organisational effectiveness, a project commenced during the reporting period to match the results with those of a culture survey undertaken by the Roads and Traffic Authority. It was intended to use the results of the matching exercise to make informed decisions about the development of an integrated RMS culture.

OCCUPATIONAL HEALTH AND SAFETY

NSW Maritime continued to meet its OH&S and injury management obligations, including the implementation of the NSW Government's Working Together Strategy 2010–2012, which targets improvements in the areas of health, safety and injury management. Initiatives progressed during the reporting period included:

- A biannual reporting regime on key OH&S prevention strategies aimed at achieving targeted improvements.
- The development and implementation of a safety management plan for wharf construction and wharf maintenance programs.

Left: Seven days a week, Info Line staff provide advice, information and support to the boating community.

Above: Maritime's Better Boating Program team at Bayview Park boat ramp in Canada Bay, Sydney, one of many with facilities upgraded for the benefit of the boating community around the State.



- A periodic medical program for Boating Safety Officers
- Planning for an RMS health and wellness program.

OH&S Performance statistics for the reporting period were:

Number of lost time injuries	4
Reported non-lost time injuries	1
Total number of workers' compensation claims	6
Days lost for workers' compensation per employee	0.08 days

MSB WORKERS' COMPENSATION RESIDUAL LIABILITY

NSW Maritime was vested with legal responsibility for managing recurrent liabilities originating from the Maritime Services Board (MSB) Workers' Compensation Self Insurer's Scheme. This involved the management of claims lodged with the scheme for existing and later workers' compensation (non-dust diseases) and dust diseases for the period 1 July 1989 to 30 June 1995.

(i) Non dust diseases claims

At 31 October 2011, 20 non-dust diseases claims were outstanding. These comprised 11 claims for industrial deafness, six for skin cancers and three claims relating to physical injuries or degenerative diseases, of which two claims were for ongoing long term weekly benefit awards with total costs close to \$200,000 each.

During the reporting period, one new claim was lodged for industrial deafness.

The total claims costs incurred for the reporting period totalled \$26,589. The expenditure covered weekly benefit payments, eligible lump sum payments, medical and legal costs.

Based on actuarial projections of future claims trends, a provision of \$1.8 million was retained to continue managing future liabilities. These projections also considered any uncertainties in the estimation of liabilities for current and future projected claims.

Since 1995, the total cost incurred for workers' compensation liabilities to 31 October 2011 was \$9.8 million.

(ii) Dust diseases claims

At 31 October 2011, there were no active dust diseases claims outstanding.

The propensity for future claims to emerge remained a risk and thus monetary provisions based on actuarial advice were set aside for future liabilities. This was assessed as \$1.2 million.

EQUAL EMPLOYMENT OPPORTUNITY

There were no major new EEO initiatives during the four months to 31 October 2011. Initiatives that continued during the reporting period included:

- Gender equity and flexible working practices
- Non-traditional working roles for women such as Boating Safety or Environmental Services Officers
- Return to work after completion of maternity leave
- Management of an ageing workforce
- Post-retirement opportunities to address knowledge retention and skill shortage.

9

FINANCIAL STATEMENTS



INDEPENDENT AUDIT REPORT

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY



INDEPENDENT AUDITOR'S REPORT

Maritime Authority of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Maritime Authority of New South Wales (the Authority), which comprises the statement of financial position as at 31 October 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the period's end or from time to time during the financial period.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 31 October 2011, and of their financial performance and their cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010

My opinion should be read in conjunction with the rest of this report.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

INDEPENDENT AUDIT REPORT

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY

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

My opinion does *not* provide assurance:

- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- 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.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



C J Giumelli
Director, Financial Audit Services

28 February 2012
SYDNEY

CHIEF EXECUTIVE'S STATEMENT

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY

MARITIME AUTHORITY OF NSW Financial Statements

For the period ended 31 October 2011

STATEMENT BY CHIEF EXECUTIVE

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, I declare that in my opinion:

1. The accompanying Financial Statements exhibit a true and fair view of the Authority's financial position as at 31 October 2011 and the transactions for the period then ended.
2. The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the Financial Statements to be misleading or inaccurate.



Peter Duncan
Chief Executive
Roads and Maritime Services

24 February 2012

STATEMENT OF COMPREHENSIVE INCOME

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR PERIOD 1 JULY TO 31 OCTOBER 2011

	Note	Consolidated		Parent	
		Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
INCOME					
Rendering of services:					
Port management	5	430	1,208	430	1,208
Channel fees	6	4,458	11,354	4,458	11,354
Boat licences	7	6,409	18,932	6,409	18,932
Boat registrations	8	7,457	20,522	7,457	20,522
Moorings	9	2,768	7,697	2,768	7,697
Commercial vessel charges	10	1,126	3,041	1,126	3,041
Lease revenue:					
Rentals	11	14,508	38,538	14,508	38,538
Investment income	12	2,247	13,178	2,247	13,178
Other income:					
Gain on revaluation of investment property		–	1,101	–	1,101
Other	13	1,410	6,294	1,378	6,287
Contract revenue	14	–	259	–	259
Net gain on disposal of assets	20	253	–	253	–
Total income		41,066	122,124	41,034	122,117
EXPENSES					
Employee related expenses	15	15,629	40,739	25,223	39,998
Contract service expenses	16	6,544	23,600	6,544	23,600
Fuel, protective clothing and other materials		343	1,111	343	1,111
Utilities and communications		1,009	3,272	1,009	3,272
Administration	17	2,618	8,589	2,462	8,194
Depreciation and amortisation		5,087	14,391	5,087	14,391
Grants and subsidies	18	1,671	2,373	1,671	2,373
Better Boating Program		116	4,652	116	4,652
Finance costs	19	2,001	8,137	2,001	8,137
Audit fees – audit of the financial statements		179	188	179	188
Net loss on disposal of assets	20	–	3,381	–	3,381
Total expenses		35,197	110,433	44,635	109,297
Surplus/(Deficit) for the period		5,869	11,691	(3,601)	12,820
Other comprehensive income					
Other comprehensive income in accumulated funds					
Superannuation actuarial gains (losses)		(9,470)	1,129	–	–
Other comprehensive income in asset revaluation reserve					
Revaluation increment		–	206,864	–	206,864
Other comprehensive income for the period		(9,470)	207,993	–	206,864
Total comprehensive income for the period		(3,601)	219,684	(3,601)	219,684

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
AS AT 31 OCTOBER 2011

	Note	Consolidated		Parent	
		Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
ASSETS					
Current assets					
Cash and cash equivalents	21	57,398	32,120	56,311	31,419
Trade and other receivables	22	32,652	32,230	32,298	32,230
Inventories	23	155	143	155	143
Financial assets at fair value through profit or loss	24	43,239	43,740	43,239	43,740
Total current assets		133,444	108,233	132,003	107,532
Non-current assets					
Trade and other receivables	22	6,552	31,435	6,552	30,955
Property, plant and equipment	25	1,506,542	1,508,593	1,506,542	1,508,593
Investment property	26	132,289	132,289	132,289	132,289
Intangible assets	27	860	978	860	978
Total non-current assets		1,646,243	1,673,295	1,646,243	1,672,815
TOTAL ASSETS		1,779,687	1,781,528	1,778,246	1,780,347
LIABILITIES					
Current liabilities					
Trade and other payables	28	49,095	55,678	93,315	90,112
Interest bearing borrowings	29	22,576	20,595	22,576	20,595
Provisions	30	20,414	21,389	3,500	5,500
Total current liabilities		92,085	97,662	119,391	116,207
Non-current liabilities					
Trade and other payables	28	243,000	236,129	217,536	219,220
Interest bearing borrowings	29	25,130	25,130	25,130	25,130
Provisions	30	3,283	2,817	–	–
Total non-current liabilities		271,413	264,076	242,666	244,350
TOTAL LIABILITIES		363,498	361,738	362,057	360,557
NET ASSETS		1,416,189	1,419,790	1,416,189	1,419,790
EQUITY					
Asset revaluation reserve		889,122	889,122	889,122	889,122
Accumulated funds		527,067	530,668	527,067	530,668
TOTAL EQUITY		1,416,189	1,419,790	1,416,189	1,419,790

The above statement of financial position should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

	Note	Consolidated		Parent	
		Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
Cash flows from operating activities					
Receipts from customers		46,816	115,926	46,816	115,926
Payments to suppliers and employees		(43,681)	(96,173)	(44,067)	(95,806)
Interest received		337	5,368	337	5,368
Contract receipts from development projects		–	259	–	259
Net GST refund received from the Australian Tax Office		338	5,287	338	5,287
Payments for Better Boating Program		(116)	(4,652)	(116)	(4,652)
Net cash flows from operating activities	21	3,694	26,015	3,308	26,382
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		792	4,396	792	4,396
Purchase of property, plant and equipment		(3,457)	(24,935)	(3,457)	(24,935)
Receipt of lease revenue – Maritime Trade Tower lease		25,548	23,812	25,548	23,812
Loan to Marine Rescue NSW		–	(3,000)	–	(3,000)
Marine Rescue NSW loan repaid		200	200	200	200
Net cash flows from investing activities		23,083	473	23,083	473
Cash flows from financing activities					
Contribution paid to Government		(2,000)	(4,000)	(2,000)	(4,000)
Payment of lease expense – Maritime Trade Tower lease		–	(24,801)	–	(24,801)
Net cash flows used in financing activities		(2,000)	(28,801)	(2,000)	(28,801)
Net increase (decrease) in cash and cash equivalents		24,777	(2,313)	24,391	(1,946)
Cash and cash equivalents at the beginning of the period		75,860	78,173	75,159	77,105
Cash and cash equivalents at the end of the period	21	100,637	75,860	99,550	75,159

The above statement of cash flows should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
Accumulated funds				
Balance at 1 July	530,668	556,766	530,668	556,766
Surplus for the period	5,869	11,691	(3,601)	12,820
Other comprehensive income for the period	(9,470)	1,129	–	–
Total other comprehensive income for the period	(3,601)	12,820	(3,601)	12,820
Transactions with owners in their capacity as owners				
Transfer from (to) asset revaluation reserve on disposal	–	(34,194)	–	(34,194)
Assets transferred to Land and Property Management Authority	–	(6,385)	–	(6,385)
Assets transferred from Sydney Olympic Park Authority	–	2,351	–	2,351
Assets transferred from Sydney Harbour Foreshore Authority	–	3,310	–	3,310
Distribution to Government	–	(4,000)	–	(4,000)
Total transactions with owners in their capacity as owners	–	(38,918)	–	(38,918)
Balance at 31 October	527,067	530,668	527,067	530,668
Asset revaluation reserve				
Balance at 1 July	889,122	648,064	889,122	648,064
Total other comprehensive income	–	206,864	–	206,864
Revaluation transferred from (to) equity on disposal	–	34,194	–	34,194
Balance at 31 October	889,122	889,122	889,122	889,122
Total equity				
Balance at 1 July	1,419,790	1,204,830	1,419,790	1,204,830
Comprehensive income for the period	(3,601)	219,684	(3,601)	219,684
Transactions with owners in their capacity as owners	–	(38,918)	–	(38,918)
Revaluation transferred from (to) equity on disposal	–	34,194	–	34,194
Balance at 31 October	1,416,189	1,419,790	1,416,189	1,419,790

The above statement of changes in equity should be read in conjunction with the accompanying notes

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

1 INFORMATION ABOUT THE MARITIME AUTHORITY OF NSW

The Maritime Authority of NSW (NSW Maritime) was established on 1 July 1995 under the *Ports and Maritime Administration Act 1995*, as a statutory authority with responsibility for "all waterways management functions under the marine legislation other than those relating to any vessel that either requires a pilot, or whose master is the holder of a Pilotage Exemption Certificate that applies to that vessel". The financial statements for the period ended 31 October 2011 were authorised for issue by the Chief Executive on 24 February 2012. The Maritime Authority of NSW's registered business name is NSW Maritime.

On 15 July 2011 the Minister for Transport and the Minister for Roads and Ports jointly announced the establishment of a new integrated transport authority that is called 'Transport for NSW'. The Roads and Traffic Authority (RTA) and NSW Maritime were abolished by the Transport Legislation Amendment Act 2011 with a new agency, Roads and Maritime Services, created in their place. Consequently NSW Maritime ceased to exist at the close of business 31 October 2011 with all assets, rights and liabilities transferred to the Roads and Maritime Services Division from 1 November 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions. The financial statements have been prepared on the basis of accrual accounting using historical cost conventions, except for non-current physical assets and investment properties which are reported at fair value, and superannuation which is shown at actuarially assessed present value. NSW Maritime and its controlled entity are not-for-profit entities as profit is not their principal objective.

As NSW Maritime ceased operations on 31 October 2011, these financial statements represent a 4 month period. The comparatives stated refer to a full financial year of 12 months.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

a) Changes in accounting policy

There have been no material changes in accounting policy since the year ended 30 June 2011.

b) New accounting standards and interpretations

Relevant Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the reporting period ended 31 October 2011. These are outlined in the table below. These changes will not have impact on the financial statements as this is the last final statements for NSW Maritime.

Reference	Title	Summary	Financial year of application
AASB 9	Financial Instruments	Includes requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments.	30 June 2014
AASB 10	Consolidated Financial Statements	Establishes principles for the presentation and preparation of consolidated financial statements. May be amended for not-for-profit entities.	30 June 2014
AASB 11	Joint Arrangements	Establishes principles for financial reporting of joint venture interests. May be amended for not-for-profit entities.	30 June 2014
AASB 12	Disclosure of Interests in Other Entities	Establishes disclosure requirements to enable users to assess risks associated with interests in other entities. May be amended for not-for-profit entities.	30 June 2014
AASB 13	Fair Value Measurement	Defines "fair value", establishes a framework for measuring fair value and requires disclosures about fair value.	30 June 2014
AASB 119	Employee Benefits	Requires gains and losses arising from defined benefit plans to be reported in the period in which those gains or losses arise.	30 June 2014

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Financial year of application
AASB 127	Separate Financial Statements	Establishes requirements for preparing separate, rather than consolidated, financial statements. May be amended for not-for-profit entities.	30 June 2014
AASB 128	Investments in Associates and Joint Ventures	Establishes the accounting treatment for investments in associates. May be amended for not-for-profit entities.	30 June 2014
2010-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements	Makes amendments to AASB 1054 to introduce reduced disclosure requirements to that standard for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.	30 June 2014
2010-7	Amendments to Australian Accounting Standards arising from AASB 9	Consequential amendments arising from the revision of AASB 9. The amendments will have no material impact on the financial statements.	30 June 2014
2011-2	Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project – Reduced Disclosure Requirements	Makes amendments to AASB 1054 to introduce reduced disclosure requirements to that standard for entities preparing general purpose financial statements under Australian Accounting Standards – Reduced Disclosure Requirements.	30 June 2014
2011-4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements	Eliminates individual key management personnel disclosures from AASB 124.	30 June 2014
2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	Consequential amendments arising from the revision of AASB 10, AASB 11, AASB 12, AASB 127 and AASB 128. The amendments will have no material impact on the financial statements.	30 June 2014
2011-8	Amendments to Australian Accounting Standards arising from AASB13	Consequential amendments arising from the revision of AASB 13. The amendments will have no material impact on the financial statements.	30 June 2014
2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income	Consequential amendments arising from the issuance of IASB 1. The amendments will have no material impact on the financial statements.	30 June 2014
2011-10	Amendments to Australian Accounting Standards arising from AASB 119	Consequential amendments arising from the revision of AASB 119. The amendments will have no material impact on the financial statements.	30 June 2014

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c) Basis of consolidation

The consolidated entity comprises NSW Maritime and its controlled entity the Maritime Authority of NSW Division. The Maritime Authority of NSW Division (the Division) is a division of the Government Service, established pursuant to Part 2 of Schedule 1 to the *Public Sector Employment and Management Act 2002*. Its sole objective is to provide personnel services to NSW Maritime. They are consolidated as part of the NSW Total State Sector Accounts. In the process of preparing the consolidated financial statements for the economic entity consisting of NSW Maritime and the Division, all inter-entity transactions and balances have been eliminated.

d) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank, cash in hand and TCorp Hour-Glass cash facilities. For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash in hand and all TCorp Hour-Glass investment facilities.

e) Trade and other receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at invoiced amount, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the statement of comprehensive income when impaired, derecognised or through the amortisation process.

Short-term receivables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Collectability of receivables is reviewed on an ongoing basis and, where necessary, an impairment provision is recorded in accordance with accounting policy note 2(h).

f) Inventories

A perpetual inventory system is adopted and is supported by monthly stocktakes of fuel and annual stocktakes of maps. Ending balance of fuel inventories, which are held for distribution, is reported at the lower of average cost or average replacement cost. Ending balance of maps inventories, which are held for sale, is reported at the lower of cost and net realisable value.

g) Financial assets at fair value

NSW Maritime determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates them at each financial year end. The classifications are:

Fair value through profit or loss – NSW Maritime measures investments classified as “held for trading” or designated upon initial recognition “at fair value through profit or loss” at fair value. Financial assets are classified as “held for trading” if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading. Gains or losses on these assets are recognised in the statement of comprehensive income.

The Hour-Glass investment facilities are designated at fair value through profit or loss using the second leg of the fair value option i.e. these financial assets are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, and information about these assets is provided internally on that basis to NSW Maritime’s key management personnel.

Designation at fair value through profit or loss is consistent with NSW Maritime’s documented risk management strategy because that strategy requires management to monitor the fair value of its Hour-Glass investments as a basis for assessing the risk associated with the investment.

The movement in the fair value of the Hour-Glass investment facilities incorporates distributions received as well as unrealised movements in fair value and is reported in the line item ‘investment income’.

NSW Maritime currently has no investments “held to maturity” or “available for sale”.

h) Impairment of financial assets

All financial assets, except those measured at fair value through profit and loss, are subject to an annual review for impairment. An allowance for impairment is established when there is objective evidence that NSW Maritime will not be able to collect all amounts due.

For financial assets carried at amortised cost, the amount of the allowance is the difference between the asset’s carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the impairment loss is recognised in the statement of comprehensive income.

Any reversals of impairment losses are reversed through the statement of comprehensive income, where there is objective evidence that the reversal is justified. Reversals of impairment losses of financial assets carried at amortised cost cannot result in a carrying amount that exceeds the carrying amount which would have been reported had there not been an impairment loss.

i) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when:

- the contractual rights to the cash flows from the financial assets expire
- NSW Maritime transfers the financial asset where substantially all the risks and rewards have been transferred; or
- NSW Maritime transfers the financial asset and has not retained control of that asset

Where NSW Maritime has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset is recognised to the extent of NSW Maritime’s continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged or the obligation is cancelled or expires.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j) Property, plant and equipment

Property, plant and equipment costing \$500 and above individually is capitalised. Only those assets completed and ready for service are taken to the property, plant and equipment account. The remaining capital expenditures are carried forward as construction in progress and included under property, plant and equipment in the statement of financial position.

Under certain long-term lease agreements where development has been carried out by the private sector, NSW Maritime may take control of various wharf constructions after 99 years. Due to the length of time until control may be achieved, they are currently recorded at \$1. In addition, certain wetland leases may be returning to NSW Maritime in a relatively short period of time. These assets have been independently valued and are stated at fair value in the statement of financial position.

Following initial recognition at cost, property, plant and equipment is carried at a revalued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset as follows:

	Rates %
Buildings	2 – 5
Plant and equipment:	
Plant – communications	20 – 40
Plant – mobile	5 – 20
Plant – outboard engines	50
Plant – vessels	5 – 20
Plant – other	5 – 20
Computer – hardware	20 – 50
Motor vehicles	10 – 15
Furniture and fittings	7.5 – 20
Infrastructure:	
Moorings	0 – 5
Navigational aids	5 – 20
Roadways	5
Wharves & jetties	2.5 – 10
Seawalls	2.5 – 4

Revaluations of property, plant and equipment

Property, plant and equipment is valued at fair value in accordance with Australian Accounting Standard AASB 116 *Property, Plant and Equipment*. NSW Treasury Policy and Guidelines Paper tpp 07-1 *Accounting Policy: Valuation of Physical Non-Current Assets at Fair Value* provides additional guidance on applying AASB 116 to public sector assets.

All significant physical non-current assets were revalued during 2009-2010 with the exception of dredged assets. Dredged assets (principally channels) were independently valued at 30 June 2011, using the written down replacement cost methodology. Those assets not revalued are recorded at their historical cost or previously revalued amount, which is considered not to be materially different from fair value. The written down replacement cost of a number of assets has been established by qualified persons within NSW Maritime.

Any revaluation increment is credited to the asset revaluation reserve included in equity, except to the extent that it reverses a revaluation decrement for the same asset class previously recognised in the statement of comprehensive income, in which case the increment is recognised in the statement of comprehensive income. Any revaluation decrement is recognised in the statement of comprehensive income unless it directly offsets a previous revaluation increment for the same asset class, in which case the decrement is debited to the asset revaluation reserve to the extent of the credit balance existing in the revaluation reserve for that asset class.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. Gains and losses on disposals are included in the statement of comprehensive income. Upon disposal of an asset, any revaluation reserve relating to that asset is transferred to accumulated funds.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists, the asset is written down to its recoverable amount, which is the greater of fair value less costs to sell and value in use. As NSW Maritime is a not-for-profit entity, value in use is defined as depreciated replacement cost. Impairment losses are recognised in the statement of comprehensive income.

Contributed assets

Assets transferred from other NSW State Government agencies at no cost are recorded at fair value directly to equity. Assets transferred from other entities at no cost are recorded at fair value through the statement of comprehensive income.

Port Corporation dredging

As NSW Maritime is the owner of the major NSW ports, costs incurred by Port Corporations in NSW in capital dredging (harbour deepening) of channels are recorded as a NSW Maritime asset. A corresponding amount is recorded as "Long term channel fees unearned income" and amortised over a period of 99 years.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k) Investment properties

Initially, investment properties are measured at cost including transaction costs. Subsequent to initial recognition, investment properties are revalued annually and stated at fair value, which is based on active market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in the statement of comprehensive income in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on the derecognition of an investment property are recognised in the statement of comprehensive income in the year of derecognition.

Transfers are made to and from investment property when, and only when, there is a change in use. Where properties are transferred from investment property, the deemed cost for subsequent accounting is its fair value at the date of change in use. Where properties are transferred to investment property, such properties are accounted for in accordance with the policy stated under note 2(j) up to the date of change in use.

l) Intangible assets

Intangible assets acquired separately are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The useful lives of intangible assets have been assessed to be finite. These intangible assets are amortised over their useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The useful life of intangible assets is also examined on an annual basis and adjustments, where applicable, are made on a prospective basis by changing the amortisation period or method, as appropriate, which is a change in an accounting estimate. The amortisation expense of intangible assets is recognised in the statement of comprehensive income. The amortisation rate for computer software is 20-50%.

m) Trade and other payables

Payables represent liabilities for goods, services and other amounts provided to NSW Maritime. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial. Trade accounts payable are unsecured and are generally settled within their due date.

n) Leases

Where NSW Maritime is the lessor, leases in which it retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease rental receipts are recognised as revenue in the statement of comprehensive income on a straight line basis over the term of the lease. Where NSW Maritime is the lessee, operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Leases in terms of which NSW Maritime assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Long term land leases (up to 99 years) are classified as finance leases where substantially all the risks and rewards incidental to ownership have been transferred to the lessee. This is in line with AASB 117 *Leases* and NSW Treasury Policy and Guidelines Paper tpp11-01 *Accounting Policy: Lessor classification of long-term land leases*. Where long term leases of land have been classified as finance leases, the land is recorded at a nominal value of \$1, the fair value of which increases towards the end of the lease term as the effect of the encumbrance diminishes.

o) Provisions

Provisions are recognised when NSW Maritime 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. Where NSW Maritime expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised in the statement of comprehensive income.

Employee leave benefits

i) Salaries, sick leave and annual leave

Liabilities for salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees service up to that date. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on an actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates.

iii) Payroll tax, fringe benefits tax and compulsory employer superannuation contributions

The outstanding amount of payroll tax, fringe benefits tax and compulsory employer superannuation contributions, which are consequential to employment, are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised and it is reasonably likely that the expense will be incurred at the time of paying the employee entitlement.

iv) Superannuation

NSW Maritime contributes to employee superannuation funds in addition to contributions made by employees. Such contributions are paid to nominated funds. NSW Maritime contributes to defined benefit schemes and accumulation schemes. Payments are applied towards the accruing liability for superannuation in respect of employees and are expensed in the statement of comprehensive income. Actuarial assessments are performed at each reporting date for the defined benefit schemes. Actuarial gains and losses are recognised as a movement in accumulated funds. Under funded defined benefit schemes are recognised as a non-current liability while over funded schemes are recognised as a non-current asset.

p) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must be met before revenue is recognised:

- i) *Licences, registrations, and grants and subsidies* – where control of a right exists to receive consideration upon the completion of or a stage of services provided.
- ii) *Rentals and moorings* – where control of a right exists to receive consideration for the provision of assets has been attained in accordance with Australian Accounting Standard AASB 117 Leases.
- iii) *Interest* – where control of a right exists to receive consideration for the provision of, or investment in assets has been attained.
- iv) *Fines and penalties* – Fines and penalties are recognised on a cash basis when received from NSW Police Service Infringement Processing Bureau.

- v) *Marine Rescue Contribution* – From 1 September 2010, the former Minister for Ports and Waterways approved a Marine Rescue Contribution to be added to certain boat licences and registrations. The revenue collected from the contribution is for the sole purpose of Marine Rescue NSW to assist their voluntary work in marine safety throughout NSW. The contribution is paid to Ministry for Police and Emergency Services for forwarding to Marine Rescue NSW. NSW Maritime is acting as agent for the collection of this contribution, it has no control over the actual level of revenue collected and has no exposure to the risks and rewards associated with the collection of the contribution. Consequently the contribution is not recognised by NSW Maritime as revenue. The contribution collected in the period 1 July 2011 to 31 October 2011 and paid or payable to the Ministry for Police and Emergency Service for forwarding to Marine Rescue NSW totalled \$1.4M.

q) Financial expenses

Lease interest is recognised as a financial expense and is accrued using the effective interest rate method. This is a method of calculating the amortised cost of a finance lease liability and allocating the interest expense over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future payments over the lease term to the net carrying amount of the lease liability.

r) Insurance

NSW Maritime's insurance requirement is managed by the NSW Treasury Managed Fund. NSW Maritime had the following coverage in place during the year: workers' compensation, public liability, motor vehicle, property and miscellaneous.

s) Distribution policy

NSW Maritime pays distributions to the Consolidated Fund. These distributions are from operations. Distributions from operations are provided after the results for the year have been determined and cash requirements for subsequent periods, according to forward estimates, have been satisfied. Distributions from operations are paid in two equal instalments each year, the first on 1 August and the second on 1 December.

t) Income and other taxes

NSW Maritime is a non-budget dependent general government agency and is not subject to the income tax equivalent regime.

Revenues, expenses and assets are recognised net of the amount of GST except:

- i) when the GST incurred on the purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the good or service, and
- ii) in relation to receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from or payable to the Australian Taxation Office 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 Australian Taxation Office is included in operating cash flows. Commitments and contingencies are disclosed at the gross amount, including any GST.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

3 FINANCIAL INSTRUMENTS

NSW Maritime's principal financial instruments comprise receivables, payables, finance leases, cash and short-term deposits.

NSW Maritime manages its exposure to key financial risks in accordance with NSW Maritime's risk management policy. The objective of the policy is to facilitate the effective management of potential opportunities and adverse effects.

The main risks arising from NSW Maritime's financial instruments are interest rate risk, credit risk and liquidity risk. NSW Maritime uses different methods to measure and manage different types of risks to which it is exposed. These include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, and liquidity risk is monitored through the development of cash flow forecasts.

Primary responsibility for identification and control of financial risks rests with the Finance Manager under the authority of the Chief Executive. The General Manager Corporate Services reviews and agrees policies for managing each of the risks identified below, including the setting of limits for credit allowances, and future cash flow forecast projections.

a) Financial instrument categories

	Note	Category	Consolidated		Parent	
			Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
FINANCIAL ASSETS						
Cash and cash equivalents	21	N/A	57,398	32,120	56,311	31,419
Receivables	22	Loans and receivables at amortised cost excluding prepayments and statutory receivables	7,254	12,908	7,252	12,908
Financial assets at fair value	24	At fair value through profit or loss – designated as such upon initial recognition	43,239	43,740	43,239	43,740
FINANCIAL LIABILITIES						
Payables	28	Financial liabilities measured at amortised cost, excluding unearned income	6,967	13,907	5,886	13,269
Borrowings	29	Finance lease liabilities measured at amortised cost	47,706	45,725	47,706	45,725

b) Credit risk

Credit risk arises from the financial assets of NSW Maritime, which comprise cash and cash equivalents, receivables and financial assets at fair value. NSW Maritime's exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets (net of any allowance for impairment). Exposure at reporting date is addressed in each applicable note. NSW Maritime trades only with recognised, creditworthy third parties, and as such collateral is not requested. NSW Maritime has not securitised its trade and other receivables and has not granted any financial guarantees. Credit risk associated with NSW Maritime's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

Cash

Comprises cash on hand and at bank and TCorp Hour-Glass cash facilities.

Receivables – trade debtors

All trade debtors are recognised as amounts receivable at reporting date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that NSW Maritime will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are normally made on 7 day terms.

3 FINANCIAL INSTRUMENTS (CONTINUED)

Major concentrations of credit risk that arise from NSW Maritime debtors in relation to the industry categories and location of the customer by the percentage of the total receivable from customers are:

Categories	Oct 2011	Jun 2011
Boating industries	17%	12%
Government authorities	33%	35%
Other business	50%	53%
	100%	100%

Based on past experience, debtors that are less than 3 months past due (Oct 2011: \$3.396M; Jun 2011: \$2.397M) are not considered impaired. Total unimpaired debtors represent 85% (Jun 2011: 87%) of the total debtors. There are no debtors which would otherwise be past due or impaired whose terms have been renegotiated. The only financial assets that are past due or impaired are 'trade debtors' and 'rental debtors' in the 'receivables' category of the statement of financial position.

	Total \$000	Not past due \$000	Past due but not impaired \$000	Considered impaired \$000
OCT 2011 – CONSOLIDATED				
< 3 months overdue	3,917	472	3,396	49
3 months – 6 months overdue	862	–	457	405
> 6 months overdue	1,025	–	236	789
	5,804	472	4,089	1,243
Allowance for impairment	(1,243)	–	–	(1,243)
Receivables	4,561	472	4,089	–
JUN 2011 – CONSOLIDATED				
< 3 months overdue	7,702	5,305	2,397	–
3 months – 6 months overdue	50	–	50	–
> 6 months overdue	1,984	–	702	1,282
	9,736	5,305	3,149	1,282
Allowance for impairment	(1,282)	–	–	(1,282)
Receivables	8,454	5,305	3,149	–
OCT 2011 – PARENT ENTITY				
< 3 months overdue	3,917	472	3,396	49
3 months – 6 months overdue	862	–	457	405
> 6 months overdue	1,025	–	236	789
	5,804	472	4,089	1,243
Allowance for impairment	(1,243)	–	–	(1,243)
Receivables	4,561	472	4,089	–
JUN 2011 – PARENT ENTITY				
< 3 months overdue	7,702	5,305	2,397	–
3 months – 6 months overdue	50	–	50	–
> 6 months overdue	1,984	–	702	1,282
	9,736	5,305	3,149	1,282
Allowance for impairment	(1,282)	–	–	(1,282)
Receivables	8,454	5,305	3,149	–

The aging analysis excludes statutory receivables and prepayments.

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3 FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets at fair value

NSW Maritime has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poors. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits vary. The deposits at balance date were earning an average interest rate of 3.77% (Jun 2011: 6.70%), while over the period July to October 2011 the weighted average interest rate was 0.22% (Jun 2011: 6.58%) on a weighted average balance during the period of \$78.6M (Jun 2011: \$71.1M). None of these assets are past due or impaired.

c) Liquidity risk

Liquidity risk is the risk that NSW Maritime will be unable to meet its payment obligations when they fall due. NSW Maritime continuously manages liquidity risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets when required. The objective is to maintain a balance between continuity of funding and flexibility through the use of available liquid resources. Consequently exposure to liquidity risk is considered minimal.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasury Circular 11/12. Payments to small business suppliers are paid no later than 30 days from the date of receipt of an invoice or statement. If trade terms are not specified for suppliers other than small business suppliers, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasury Circular 11/12 requires interest to be paid automatically for late payment. The interest rate is determined under section 22 of the Taxation Administration Act 1996.

The table below summarises the maturity profile of financial liabilities, together with the interest rate exposure. All obligations are shown in present value terms.

	Interest rate exposure					Maturity dates		
	Interest rate %	Nominal amount \$000	Fixed rate \$000	Variable rate \$000	Non-interest bearing \$000	< 1 year \$000	1-5 years \$000	> 5 years \$000
OCT 2011 – CONSOLIDATED								
Payables								
Creditors	–	6,967	–	–	6,967	6,967	–	–
Borrowings								
Finance leases	13%	47,706	47,706	–	–	22,576	25,130	–
	–	54,673	47,706	–	6,967	29,543	25,130	–
JUN 2011 – CONSOLIDATED								
Payables								
Creditors	–	13,907	–	–	13,907	13,907	–	–
Borrowings								
Finance leases	13%	45,725	45,725	–	–	20,595	25,130	–
	–	59,632	45,725	–	13,907	34,502	25,130	–

3 FINANCIAL INSTRUMENTS (CONTINUED)

	Interest rate exposure					Maturity dates		
	Interest rate %	Nominal amount \$000	Fixed rate \$000	Variable rate \$000	Non- interest bearing \$000	< 1 year \$000	1-5 years \$000	> 5 years \$000
OCT 2011 – PARENT								
Payables								
Creditors	–	5,886	–	–	5,886	5,886	–	–
Borrowings								
Finance leases	13%	47,706	47,706	–	–	22,576	25,130	–
	–	53,592	47,706	–	5,886	28,462	25,130	–
JUN 2011 – PARENT								
Payables								
Creditors	–	13,269	–	–	13,269	13,269	–	–
Borrowings								
Finance leases	13%	45,725	45,725	–	–	20,595	25,130	–
	–	58,994	45,725	–	13,269	33,864	25,130	–

d) 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. NSW Maritime's exposure to market risk is primarily through price risks associated with the movement in the unit price of the Hour-Glass investment facilities. NSW Maritime has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Maritime 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 reporting date. The analysis is performed on the same basis as at 30 June 2011. The analysis assumes that all other variables remain constant.

Interest rate risk

NSW Maritime has insignificant exposure to interest rate risk on its borrowings as its only borrowings arise from a long-term finance lease in which the interest rate is fixed.

NSW Maritime has some limited exposure to interest rate risk arising from its investment in interest-bearing cash balances. In assessing sensitivity, a reasonably possible change of +/- 2% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. Exposure to interest rate risk is set out in the following table:

	Carrying amount \$000	–2%		+2%	
		Profit \$000	Equity \$000	Profit \$000	Equity \$000
OCT 2011 – CONSOLIDATED					
<i>Financial assets</i>					
Cash and cash equivalents	57,398	(1,148)	(1,148)	1,148	1,148
JUN 2011 – CONSOLIDATED					
<i>Financial assets</i>					
Cash and cash equivalents	32,120	(642)	(642)	642	642
OCT 2011 – PARENT					
<i>Financial assets</i>					
Cash and cash equivalents	56,311	(1,126)	(1,126)	1,126	1,126
JUN 2011 – PARENT					
<i>Financial assets</i>					
Cash and cash equivalents	31,419	(628)	(628)	628	628

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3 FINANCIAL INSTRUMENTS (CONTINUED)

Other price risk – TCorp Hour-Glass facilities

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour-Glass investment facilities, which are held for strategic rather than trading purposes. NSW Maritime has no direct equity investments, and holds units in the following Hour-Glass investment trusts:

Facility	Investment sectors	Investment horizon	Oct 2011 \$000	Jun 2011 \$000
Cash facility	Cash, money market instruments	Up to 1.5 years	46,529	23,730
Strategic cash facility	Cash, money market instruments Interest rate securities Bank floating rate notes	1.5 years to 3 years	1,831	1,802
Medium term growth facility	Cash, money market instruments Australian and international bonds listed property Australian and international shares	3 years to 7 years	30,771	30,847
Long term growth facility	Cash, money market instruments Australian and international bonds listed property Australian and international shares	7 years and over	10,637	11,091
			89,768	67,470

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily. TCorp as trustee for each of the above facilities is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the cash facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits NSW Maritime's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments. TCorp provides sensitivity analysis information for each of the facilities, using historically based volatility information. The TCorp Hour-Glass investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on comprehensive income (rather than equity).

	Impact on comprehensive income			
	Change in unit price	Oct 2011 \$000	Change in unit price	Jun 2011 \$000
Cash facility	+/- 1%	465	+/- 1%	237
Strategic cash facility	+/- 1%	18	+/- 1%	18
Medium term growth facility	+/- 6%	1,846	+/- 6%	1,851
Long term growth facility	+/- 15%	1,596	+/- 15%	1,664

A reasonable possible change is based on the percentage change in unit price multiplied by the redemption price at the reporting date for each facility (as advised by TCorp).

e) Fair value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass investments is based on NSW Maritime's share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using 'redemption' pricing. As at 31 October 2011 NSW Maritime recognised \$nil (Jun 2011: \$nil) amortised cost of financial instruments in the statement of financial position.

3 FINANCIAL INSTRUMENTS (CONTINUED)

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$000	Level 2 \$000	Level 3 \$000	Total \$000
OCT 2011				
Financial assets at fair value through profit or loss				
TCorp Hour-Glass investment facilities				
Long term growth facility	–	10,637	–	10,637
Medium term growth facility	–	30,771	–	30,771
Strategic cash facility	–	1,831	–	1,831
	–	43,239	–	43,239
JUN 2011				
Financial assets at fair value through profit or loss				
TCorp Hour-Glass investment facilities				
Long term growth facility	–	11,091	–	11,091
Medium term growth facility	–	30,847	–	30,847
Strategic cash facility	–	1,802	–	1,802
	–	43,740	–	43,740

There were no transfers between levels in the period.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting judgements

Leases

Leases in terms of which NSW Maritime assumes substantially all risks and rewards of ownership are classified as finance leases. Other leases are treated as operating leases and are expensed in the statement of comprehensive income.

Impairment of non-financial assets

NSW Maritime assesses impairment of all assets at each reporting date by evaluating possible impairment conditions. These include changes in technology, economic and political environments and future customer expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. In relation to the period ended 31 October 2011, management did not identify significant triggers for impairment testing and as such these assets have not been tested for impairment.

Capitalised development costs

Development costs are only capitalised when it can be demonstrated that the technical feasibility of completing the intangible asset is valid so that the asset will be available for use or sale.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (CONTINUED)

Significant accounting estimates and assumptions

Make good provisions

A provision has been made for the present value of anticipated costs of future environmental restoration. The provision includes future cost estimates associated with remediation of the maritime environment. The calculation of this provision requires assumptions such as application of environmental legislation, community expectations, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting both the expense and/or asset (if applicable) and provision.

Long service leave provision

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on an actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates.

Net defined benefit superannuation asset or liability

The net defined benefit superannuation asset or liability arising from under funded or over funded obligations is assessed each year by independent consultants. This assessment requires assumptions in relation to future salary increases, changes in CPI and return on plan assets. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Valuation of infrastructure assets

Major infrastructure assets consisting of wharves and jetties, seawalls, roadways and dredged assets (channels) are revalued to fair value based on written down replacement cost. The determination of replacement cost, total useful life and remaining useful life of these assets require assessments and judgements based on available market evidence. The written down replacement cost methodology is in accordance with NSW Treasury Policy and Guidelines Paper tpp 07-1. Significant judgement is involved in assessing the fair value of the Authority's dredged assets (channels). The Authority has revalued these assets in accordance with an independent valuation report, which contains judgements as to appropriate costs per cubic metre of dredging, the nature of the material to be dredged, methods to be used etc. Any significant changes in these judgements is likely to result in a material change in the carrying value of dredged assets of \$949.3 million within Infrastructure assets.

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
5 PORT MANAGEMENT				
Wharfage	84	195	84	195
Site occupation charges	32	54	32	54
Ship utility charges	1	2	1	2
Navigation services	177	635	177	635
Pilotage	61	199	61	199
Storage facilities	75	123	75	123
	430	1,208	430	1,208
6 CHANNEL FEES				
Newcastle Port Corporation	1,323	3,671	1,323	3,671
Port Kembla Port Corporation	795	2,183	795	2,183
Sydney Ports Corporation	1,209	3,666	1,209	3,666
Channel deepening	1,131	1,834	1,131	1,834
	4,458	11,354	4,458	11,354

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
7 BOAT LICENCES				
One year licence	822	2,220	822	2,220
Three year licence – current year's portion	5,471	16,367	5,471	16,367
Five year licence – current year's portion	17	–	17	–
Licence tests	99	345	99	345
	6,409	18,932	6,409	18,932
8 BOAT REGISTRATIONS				
Initial	405	1,094	405	1,094
Renewal	6,025	16,664	6,025	16,664
Other	1,027	2,764	1,027	2,764
	7,457	20,522	7,457	20,522
9 MOORINGS				
Private	2,105	6,233	2,105	6,233
Commercial	607	1,440	607	1,440
Inspection fees	56	24	56	24
	2,768	7,697	2,768	7,697
10 COMMERCIAL VESSELS CHARGES				
Survey fees	734	1,737	734	1,737
Registration fees	271	953	271	953
Examinations	29	95	29	95
Other	92	256	92	256
	1,126	3,041	1,126	3,041
11 RENTALS				
Maritime Trade Tower – building	4,827	12,244	4,827	12,244
Commercial	6,787	18,239	6,787	18,239
Private	2,894	8,011	2,894	8,011
Superyacht charges	–	44	–	44
	14,508	38,538	14,508	38,538
12 INVESTMENT INCOME				
Bank and other interest	100	279	100	279
Interest – Maritime Trade Tower	1,910	7,810	1,910	7,810
TCorp investment facilities designated at fair value through profit or loss – gain on fair valuation	237	5,089	237	5,089
	2,247	13,178	2,247	13,178
13 OTHER INCOME				
Other boating fees	640	1,758	640	1,758
Miscellaneous services	738	2,834	738	2,834
Defined benefit superannuation schemes net income	32	7	–	–
Emerging asset – marina berth leases	–	1,695	–	1,695
	1,410	6,294	1,378	6,287

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	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
14 CONTRACT REVENUE				
Restoration of cabling – Bank St Pyrmont	–	50	–	50
Multiplex Coach Layover car park	–	209	–	209
	–	259	–	259
15 EMPLOYEE RELATED EXPENSES				
Payroll services	–	–	25,223	39,995
Ordinary time	10,193	29,350	–	–
Long service leave	1,914	1,815	–	–
Recreation leave	950	2,763	–	–
Payroll tax and fringe benefits tax	801	2,074	–	–
Overtime	133	480	–	–
Sick leave	167	530	–	–
Voluntary separation payments	303	326	–	3
Other employee benefits and workers' compensation	353	1,133	–	–
Superannuation expenses				
Accumulation schemes expense including contributions	803	2,162	–	–
Defined benefit superannuation schemes net expense	12	106	–	–
	15,629	40,739	25,223	39,998
16 CONTRACT SERVICE EXPENSES				
Contractors	3,071	8,989	3,071	8,989
External labour	977	3,879	977	3,879
Maintenance agreements	396	2,203	396	2,203
Wharf maintenance	1,016	5,679	1,016	5,679
Navigational aids maintenance	706	1,629	706	1,629
Motor vehicle and vessel expenses	374	1,154	374	1,154
Other	4	67	4	67
	6,544	23,600	6,544	23,600
17 ADMINISTRATION				
Advertising	134	482	134	482
Collection fees	81	304	81	304
Printing	226	883	226	883
Rent	386	1,100	386	1,100
Training	299	539	299	539
Stationery and office supplies	83	285	83	285
Insurance	258	629	258	629
Travel	348	1,102	189	708
Legal fees	367	781	367	781
Management fees – port corporations	–	32	–	32
Internal audit fees and special reviews	117	261	117	261
Subscriptions, donations and professional fees	48	110	48	110
Other	271	2,081	274	2,080
	2,618	8,589	2,462	8,194

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
18 GRANTS AND SUBSIDIES				
Marine Rescue NSW	1,472	1,442	1,472	1,442
National Marine Safety Committee	199	577	199	577
Australia Day NSW Maritime staff support	–	99	–	99
Sewage pumpout facilities White Bay Balmain	–	253	–	253
Sponsorship 19th NSW Coastal Conference	–	2	–	2
	1,671	2,373	1,671	2,373
19 FINANCE COST				
Interest – Maritime Trade Tower	1,981	8,112	1,981	8,112
Transactions and account keeping fees	20	25	20	25
	2,001	8,137	2,001	8,137
20 NET GAIN (LOSS) ON DISPOSAL OF ASSETS				
<i>Property plant and equipment</i>				
Proceeds from sale of property, plant and equipment	792	7,189	792	7,189
Disposed and written off assets at cost	1,102	61,261	1,102	61,261
Less: accumulated depreciation	(563)	(50,693)	(563)	(50,693)
Written down value of disposed and written off assets	539	10,568	539	10,568
Net gain (loss) on disposal and write off of property, plant and equipment	253	(3,379)	253	(3,379)
<i>Intangible Assets</i>				
Written off assets at cost	–	532	–	532
Less: accumulated depreciation	–	(530)	–	(530)
Written down value of written off assets	–	2	–	2
Net loss on write off of intangible assets	–	(2)	–	(2)
Net gain (loss) on disposal of property, plant and equipment	253	(3,381)	253	(3,381)
21 CASH AND CASH EQUIVALENTS				
Cash on hand	51	53	51	53
Cash at bank	10,818	8,337	9,731	7,636
TCorp Investments: Hour-Glass cash facility	46,529	23,730	46,529	23,730
Cash and cash equivalents in the statement of financial position	57,398	32,120	56,311	31,419

Reconciliation of cash

The amount shown is fair value. For the purposes of the statement of cash flows, cash and cash equivalents include cash at bank, cash on hand and TCorp investments. The TCorp investments are unit trust investment facilities which are at call.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
Cash and cash equivalents (per statement of financial position)	57,398	32,120	56,311	31,419
Long term growth facility	10,637	11,091	10,637	11,091
Medium term growth facility	30,771	30,847	30,771	30,847
Strategic cash facility	1,831	1,802	1,831	1,802
Closing cash and cash equivalents (per statement of cash flows)	100,637	75,860	99,550	75,159

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21 CASH AND CASH EQUIVALENTS (CONTINUED)

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
Reconciliation of net cash flows from operating activities to net surplus (deficit)				
Net cash provided by operating activities	3,694	26,015	3,308	26,382
Revaluation (decrement) increment on investment properties	–	1,101	–	1,101
Depreciation and amortisation	(5,087)	(14,391)	(5,087)	(14,391)
Interest paid shown as financing cash flow	(1,981)	(8,112)	(1,981)	(8,112)
Interest received shown as investing cash flow	1,910	7,810	1,910	7,810
Net loss on assets disposed, written off and granted	253	(3,381)	253	(3,381)
Non-cash assets received and recognised	–	1,695	–	1,695
Change in assets and liabilities				
(Decrease) increase in current receivables	(4,366)	61	(4,366)	61
Increase in inventory	12	6	12	6
Increase (decrease) in non-current receivables	(430)	476	50	83
Decrease (increase) in current payables	10,756	(4,622)	616	(3,415)
Decrease (increase) in non-current payables	2,599	5,082	1,684	4,364
Decrease (increase) in provisions	(1,491)	(49)	–	617
Net surplus (deficit)	5,869	11,691	(3,601)	12,820
22 TRADE AND OTHER RECEIVABLES (CURRENT)				
Trade debtors	2,486	3,777	2,486	3,777
Rental debtors	3,693	6,350	3,693	6,350
Payments in advance	1,145	597	793	597
Accrued income	1,564	1,616	1,562	1,616
Land sale receivables (a)	24,253	19,819	24,253	19,819
Net GST receivable	–	615	–	615
Other	754	738	754	738
Less: allowance for impairment	(1,243)	(1,282)	(1,243)	(1,282)
	32,652	32,230	32,298	32,230
Movement in the allowance for impairment				
Balance at 1 July	1,282	966	1,282	966
Amounts written off during the year	(27)	(837)	(27)	(837)
Increase (decrease) in allowance recognised in profit or loss	(12)	1,153	(12)	1,153
Balance at 30 October	1,243	1,282	1,243	1,282
Trade and other receivables (non-current)				
Superannuation surplus	–	480	–	–
Land sale receivables (a)	–	24,253	–	24,253
Other non-current receivables	6,552	6,702	6,552	6,702
	6,552	31,435	6,552	30,955

a) Land sale receivables relate to the Maritime Trade Tower land which was sold in 1989 on a 96 year term with payments extending for 25 years. These amounts represent the capital portion owed. The purchaser's tenure is secured by a lease.

Details regarding credit risk, liquidity risk and market risk, including financial assets that are either past due or impaired, are disclosed in note 3.

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
23 INVENTORIES				
Boating maps (at cost) and fuel (at average cost)	155	143	155	143
24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS				
TCorp Hour-Glass investment facilities				
Long term growth facility	10,637	11,091	10,637	11,091
Medium term growth facility	30,771	30,847	30,771	30,847
Strategic cash facility	1,831	1,802	1,831	1,802
	43,239	43,740	43,239	43,740

Details regarding credit risk, liquidity risk and market risk, arising from financial instruments are disclosed in note 3.

25 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED AND PARENT ENTITY)

Period ended 31 October 2011	Construction in progress \$000	Land and buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
AT 1 JULY 2011					
Carrying amount	11,597	111,054	1,365,864	20,078	1,508,593
Additions	3,457	–	1,240	1,381	6,078
Disposal of assets	(2,621)	–	(93)	(446)	(3,160)
Depreciation charge for the period	–	(373)	(3,363)	(1,233)	(4,969)
At 31 October 2011					
Carrying amount	12,433	110,681	1,363,648	19,780	1,506,542
AT 1 JULY 2011					
Cost or fair value	11,597	117,231	1,498,972	30,147	1,657,947
Accumulated depreciation and impairment	–	(6,177)	(133,108)	(10,069)	(149,354)
Carrying amount	11,597	111,054	1,365,864	20,078	1,508,593
AT 31 OCTOBER 2011					
Cost or fair value	12,433	117,231	1,500,102	30,536	1,660,302
Accumulated depreciation and impairment	–	(6,550)	(136,454)	(10,756)	(153,760)
Carrying amount	12,433	110,681	1,363,648	19,780	1,506,542

Asset stocktake

An asset stocktake of all items on the fixed asset register was undertaken during the year ended 30 June 2011. Records were adjusted for stocktake results. No stocktake was performed for the 4 months period ended 31 October 2011.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

25 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED AND PARENT ENTITY) (CONTINUED)

Valuation

All significant physical non-current assets except for dredged assets (channels) were revalued as at 30 June 2010 by independent external valuers. Dredged assets were independently valued at 30 June 2011.

Year ended 30 June 2011	Construction in progress \$000	Land and buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
AT 1 JULY 2010					
Carrying amount	10,309	117,185	1,114,072	16,846	1,258,412
Additions	2,834	1,358	12,449	8,022	24,663
Transfers of assets from state and local agencies	–	–	48,028	–	48,028
Emerging assets – marinas	–	–	1,695	–	1,695
Disposal of assets held for sale	(1,546)	(6,386)	(7,596)	(1,425)	(16,953)
Revaluations	–	–	206,864	–	206,864
Depreciation charge for the year	–	(1,103)	(9,648)	(3,365)	(14,116)
AT 30 JUNE 2011					
Carrying amount	11,597	111,054	1,365,864	20,078	1,508,593
AT 1 JULY 2010					
Carrying amount	10,309	117,185	1,114,072	16,846	1,258,412
AT 30 JUNE 2011					
Cost or fair value	11,597	117,231	1,498,972	30,147	1,657,947
Accumulated depreciation and impairment	–	(6,177)	(133,108)	(10,069)	(149,354)
Carrying amount	11,597	111,054	1,365,864	20,078	1,508,593

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
26 INVESTMENT PROPERTY				
Opening balance at 1 July	132,289	131,188	132,289	131,188
Changes in fair value	–	1,101	–	1,101
Closing balance	132,289	132,289	132,289	132,289

The fair value of investment properties has been determined by reference to independent valuations as at 30 June 2011. Such valuations are performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date, in accordance with Australian Valuation Standards.

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
27 INTANGIBLE ASSETS				
Opening balance at 1 July	978	983	978	983
Additions	–	272	–	272
Written off	–	(2)	–	(2)
Depreciation charge for the year	(118)	(275)	(118)	(275)
Closing balance	860	978	860	978
At 1 July				
Cost	5,379	5,639	5,379	5,639
Accumulated depreciation and impairment	(4,401)	(4,656)	(4,401)	(4,656)
	978	983	978	983
At end of period				
Cost	5,379	5,379	5,379	5,379
Accumulated depreciation and impairment	(4,519)	(4,401)	(4,519)	(4,401)
	860	978	860	978

Intangible assets consist of computer software which is not an integral part of a computer system and is recorded at cost. Intangible assets have been assessed as having a finite life and are amortised using the straight line method over 5 years. The assets are tested for impairment when an indicator of impairment arises.

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
28 TRADE AND OTHER PAYABLES				
Current				
Accrued salaries, wages and on-costs	410	865	45,711	35,937
Creditors	3,686	10,475	2,623	9,878
Customer advances and deposits	2,740	1,602	2,740	1,602
Priority list on moorings	593	543	593	543
Wetland lease security deposits (a)	1,370	1,197	1,370	1,197
Rent in advance	5,515	5,868	5,515	5,868
Long term channel fees unearned income	3,394	3,394	3,394	3,394
Other creditors and accruals	3,281	2,452	3,263	2,411
Net GST payable	157	–	157	–
Boating fees in advance (b)	27,949	29,282	27,949	29,282
	49,095	55,678	93,315	90,112
Non-current				
Boating fees in advance (b)	9,490	10,043	9,490	10,043
Long term channel fees unearned income	208,046	209,177	208,046	209,177
Superannuation deficit	25,464	16,909	–	–
	243,000	236,129	217,536	219,220

Trade payables are non-interest bearing and are settled in accordance with the policy set out in Treasury Circular 11/12. Payments to small business suppliers are paid no later than 30 days from the date of receipt of an invoice or statement. If trade terms are not specified for suppliers other than small business suppliers, payment is made no later than the end of the month following the month in which an invoice or statement is received. Treasury Circular 11/12 requires interest to be paid automatically for late payment.

- This amount mainly represents cash deposits, in lieu of bank guarantees, received from the developer of King Street Wharf, as security over the completion of specific stages of the construction project.
- Boating fees in advance comprises prepayments by customers for licences, registrations and moorings for the service component which will be provided by NSW Maritime in the future.

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MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
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	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
29 INTEREST BEARING BORROWINGS				
Current				
<i>Less than one year</i>				
Future minimum lease payments	26,538	26,538	26,538	26,538
Future finance charges	(3,962)	(5,943)	(3,962)	(5,943)
	22,576	20,595	22,576	20,595
Non-current				
<i>Between one and five years</i>				
Future minimum lease payments	28,396	28,396	28,396	28,396
Future finance charges	(3,266)	(3,266)	(3,266)	(3,266)
	25,130	25,130	25,130	25,130

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above borrowings are disclosed in note 3.

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
30 PROVISIONS				
Current employee benefits and related on-cost				
Annual leave (a)	3,496	3,609	–	–
Long service leave – short term benefit (a)	1,037	1,059	–	–
Long service leave – long term benefit (a)	11,921	10,761	–	–
Provision for workers' compensation (b)	460	460	–	–
	16,914	15,889	–	–
Current other provisions				
Provision for distribution	2,000	4,000	2,000	4,000
Provision for environmental restoration	1,500	1,500	1,500	1,500
	20,414	21,389	3,500	5,500
Non-current employee benefits and related on-cost				
Long service leave (a)	776	277	–	–
Provision for workers' compensation (b)	2,507	2,540	–	–
	3,283	2,817	–	–

	Balance 1 Jul 11 \$000	Charges to revenue \$000	Less payments \$000	Balance 31 Oct 11 \$000
Movement in annual and long service leave provisions				
Annual leave	3,609	957	(1,070)	3,496
Long service leave – current	11,820	1,809	(671)	12,958
Long service leave – non-current	277	499	–	776

a) The provision for annual leave is calculated using 1 November 2011 wage rates and the provision for long service leave is actuarially assessed.

b) Workers' compensation provision includes \$1.210M for dust diseases (Jun 2011: \$1.210M) of which \$102K (Jun 2011:\$102K) is current. This provision is for claims from former Maritime Services Board (MSB) staff for dust related diseases that can be attributed to their service during the period 1/7/89 – 30/6/95 when the MSB was a self insurer.

31 SUPERANNUATION

Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Superannuation Scheme (SSS)

State Authorities Non-Contributory Superannuation Scheme (SANCS)

State Authorities Superannuation Scheme (SASS)

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. All the schemes are closed to new members.

Member numbers	SASS Oct 2011	SANCS Oct 2011	SSS Oct 2011
Contributors	49	79	30
Deferred benefits	–	–	2
Pensioners	3	–	34
Pensions fully commuted	–	–	5

Member numbers	SASS Jun 2011	SANCS Jun 2011	SSS Jun 2011
Contributors	49	79	30
Deferred benefits	–	–	2
Pensioners	3	–	34
Pensions fully commuted	–	–	5

Superannuation position recognised in the statement of financial position under AASB 119

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Accrued liability	18,800	4,070	66,110	88,980
Estimated reserve account balance	(18,021)	(3,953)	(41,542)	(63,516)
Net (asset) liability recognised in the statement of financial position	779	117	24,568	25,464
Future service liability	2,809	1,075	1,807	5,691
Surplus in excess of recovery available from schemes	–	–	–	–
Net (asset)/liability to be recognised in statement of financial position	779	117	24,568	25,464

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Accrued liability	17,900	3,890	58,819	80,609
Reserve account balance	(18,037)	(4,233)	(41,910)	(64,180)
Net (asset) liability recognised in the statement of financial position	(137)	(343)	16,909	16,429
Future service liability	2,809	1,075	1,807	5,691
Surplus in excess of recovery available from schemes	–	–	–	–
Net (asset)/liability to be recognised in statement of financial position	(137)	(343)	16,909	16,429

The future service liability does not have to be recognised by NSW Maritime. It is only used to determine if an asset ceiling limit should be imposed. Under AASB 119, any prepaid superannuation asset recognised cannot exceed the amount of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the “surplus in excess of recovery” is zero, no asset ceiling limit is imposed.

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MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
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31 SUPERANNUATION (CONTINUED)

Accounting policy

Actuarial gains and losses are recognised immediately in other comprehensive income in the period in which they occur.

Reconciliation of the present value of the defined benefit obligation	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Present value of partly funded defined benefit obligations at beginning of period	17,900	3,890	58,819	80,609
Current service cost	207	59	131	397
Interest cost	309	67	1,029	1,405
Contributions by fund participants	107	–	132	239
Actuarial (gains) losses	421	273	5,571	6,265
Benefits paid	(144)	(219)	428	65
Present value of partly funded defined benefit obligations at end of period	18,800	4,070	66,110	88,980

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Present value of partly funded defined benefit obligations at beginning of year	19,093	4,039	58,026	81,158
Current service cost	682	184	400	1,266
Interest cost	948	199	2,957	4,104
Contributions by fund participants	321	–	397	718
Actuarial (gains) losses	(545)	(103)	(538)	(1,186)
Benefits paid	(2,599)	(429)	(2,423)	(5,451)
Present value of partly funded defined benefit obligations at end of year	17,900	3,890	58,819	80,609

Reconciliation of the fair value of fund assets	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Fair value of fund assets at beginning of period	18,037	4,233	41,910	64,180
Expected return on fund assets	510	120	1,192	1,822
Actuarial gains (losses)	(705)	(246)	(2,253)	(3,204)
Employer contributions	216	65	133	414
Contributions by fund participants	107	–	132	239
Benefits paid	(144)	(219)	428	65
Fair value of fund assets at end of period	18,021	3,953	41,542	63,516

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Fair value of fund assets at beginning of year	18,593	4,126	39,770	62,489
Expected return on fund assets	1,560	347	3,364	5,271
Actuarial gains (losses)	(469)	(4)	417	(56)
Employer contributions	631	193	385	1,209
Contributions by fund participants	321	–	397	718
Benefits paid	(2,599)	(429)	(2,423)	(5,451)
Fair value of fund assets at end of year	18,037	4,233	41,910	64,180

31 SUPERANNUATION (CONTINUED)

Reconciliation of the assets and liabilities recognised in statement of financial position	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Present value of partly funded defined benefit obligation at end of period	18,800	4,070	66,110	88,980
Fair Value of Fund assets at end of period	(18,021)	(3,953)	(41,542)	(63,516)
Net Liability/(Asset) recognised in statement of financial position at end of period	779	117	24,568	25,464
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Present value of partly funded defined benefit obligation at end of year	17,900	3,890	58,819	80,609
Fair Value of Fund assets at end of year	(18,037)	(4,233)	(41,910)	(64,180)
Net Liability/(Asset) recognised in statement of financial position at end of year	(137)	(343)	16,909	16,429
Total expense (income) recognised in the statement of comprehensive income	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Current service cost	207	59	131	397
Interest cost	309	67	1,029	1,405
Expected return on fund assets (net of expenses)	(510)	(120)	(1,192)	(1,822)
Expense (income) recognised	6	6	(32)	(20)
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Current service cost	682	184	400	1,266
Interest cost	948	199	2,957	4,104
Expected return on fund assets (net of expenses)	(1,560)	(347)	(3,364)	(5,271)
Expense (income) recognised	70	36	(7)	99
Amounts recognised in other comprehensive income	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Actuarial (gains) losses	1,127	519	7,824	9,470
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Actuarial (gains) losses	(76)	(99)	(954)	(1,129)

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31 SUPERANNUATION (CONTINUED)

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Cumulative amount recognised in other comprehensive income				
Actuarial (gains) losses	(217)	1,473	27,151	28,407
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Actuarial (gains) losses	(1,344)	954	19,327	18,937

Fund assets	Oct 2011	Jun 2011
The percentage invested in each asset class at reporting date		
Australian equities	33.4%	33.4%
Overseas equities	29.5%	29.5%
Australian fixed interest securities	5.7%	5.7%
Overseas fixed interest securities	3.1%	3.1%
Property	9.9%	9.9%
Cash	5.1%	5.1%
Other	13.3%	13.3%
Total	100.0%	100.0%

Fair value of fund assets

All fund assets are invested by the SAS Trustee Corporation (STC) at arm's length through independent fund managers.

Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Actual return on fund assets				
Actual return on fund assets	(512)	(126)	(1,159)	(1,797)
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Actual return on fund assets	1,530	342	3,312	5,184

Valuation method and principal actuarial assumptions at reporting date

a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

	Oct 2011	Jun 2011
b) Economic assumptions		
Salary increase rate (excluding promotional increases)	3.50%	3.50%
Rate of CPI increase	2.50%	2.50%
Expected rate of return on assets	8.60%	8.60%
Discount rate	4.56%	5.28%

31 SUPERANNUATION (CONTINUED)

c) Demographic assumptions

The demographic assumptions at 31 October 2011 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

Historical information	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Present value of defined benefit obligation	18,800	4,070	66,110	88,980
Fair value of Fund assets	(18,021)	(3,953)	(41,542)	(63,516)
(Surplus)/Deficit in Fund	779	117	24,568	25,464
Experience adjustments – Fund liabilities	421	273	5,571	6,265
Experience adjustments – Fund assets	705	246	2,254	3,205

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Present value of defined benefit obligation	17,900	3,890	58,819	80,609
Fair value of Fund assets	(18,037)	(4,233)	(41,910)	(64,180)
(Surplus)/Deficit in Fund	(137)	(343)	16,909	16,429
Experience adjustments – Fund liabilities	(545)	(103)	(538)	(1,186)
Experience adjustments – Fund assets	469	4	(417)	56

	SASS Jun 2010 \$000	SANCS Jun 2010 \$000	SSS Jun 2010 \$000	Total Jun 2010 \$000
Present value of defined benefit obligation	19,093	4,039	58,026	81,158
Fair value of Fund assets	(18,593)	(4,126)	(39,770)	(62,489)
(Surplus)/Deficit in Fund	500	(87)	18,256	18,669
Experience adjustments – Fund liabilities	1,170	216	4,115	5,501
Experience adjustments – Fund assets	(478)	(14)	(132)	(624)

	SASS Jun 2009 \$000	SANCS Jun 2009 \$000	SSS Jun 2009 \$000	Total Jun 2009 \$000
Present value of defined benefit obligation	16,212	3,614	51,420	71,246
Fair value of Fund assets	(15,924)	(3,755)	(36,897)	(56,576)
(Surplus)/Deficit in Fund	288	(141)	14,523	14,670
Experience adjustments – Fund liabilities	501	344	10,129	10,974
Experience adjustments – Fund assets	2,921	705	6,992	10,618

	SASS Jun 2008 \$000	SANCS Jun 2008 \$000	SSS Jun 2008 \$000	Total Jun 2008 \$000
Present value of defined benefit obligation	14,972	3,118	39,660	57,750
Fair value of Fund assets	(17,591)	(4,140)	(41,423)	(63,154)
(Surplus)/Deficit in Fund	(2,619)	(1,022)	(1,763)	(5,404)
Experience adjustments – Fund liabilities	594	(103)	(1,641)	(1,150)
Experience adjustments – Fund assets	2,337	639	6,691	9,667

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

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31 SUPERANNUATION (CONTINUED)

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Expected contributions				
Expected employer contributions to be paid in the next reporting period	n/a	n/a	n/a	n/a

Funding arrangements for employer contributions

a) Surplus/deficit

The following is a summary of the 31 October 2011 financial position of the fund calculated in accordance with AAS25 "Financial Reporting by Superannuation Plans":

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Expected contributions				
Accrued benefits	16,620	3,594	42,773	62,987
Net market value of fund assets	(18,021)	(3,953)	(41,542)	(63,516)
Net (surplus) deficit	(1,401)	(359)	1,231	(529)

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Accrued benefits	16,420	3,577	41,800	61,797
Net market value of fund assets	(18,037)	(4,233)	(41,910)	(64,180)
Net (surplus) deficit	(1,617)	(656)	(110)	(2,383)

b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS Oct 2011	SANCS Oct 2011	SSS Oct 2011
multiple of member contributions	1.90	–	0.93
% member salary	–	2.50	–

	SASS Jun 2011	SANCS Jun 2011	SSS Jun 2011
multiple of member contributions	1.90	–	0.93
% member salary	–	2.50	–

31 SUPERANNUATION (CONTINUED)

c) Funding method

Contribution rates are set after discussions between NSW Maritime, STC and NSW Treasury.

d) Economic assumptions

The economic assumptions adopted for the 2009 actuarial review of the fund were:

Weighted average assumptions

Expected rate of return on fund assets backing current pension liabilities	8.3%
Expected rate of return on fund assets backing other liabilities	7.3%
Expected salary increase rate	4.0%
Expected rate of CPI increase	2.5%

Nature of asset / liability

If a surplus exists in NSW Maritime's interest in the fund, NSW Maritime may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the fund's actuary and agreement with NSW Treasury. Where a deficiency exists, NSW Maritime is responsible for any difference between its share of fund assets and the defined benefit obligation.

e) Five year comparatives

	Oct 2011 \$000	Jun 2011 \$000	Jun 2010 \$000	Jun 2009 \$000	Jun 2008 \$000
Fair value of the plan assets	63,516	64,180	62,489	56,576	63,154
Present value of the defined benefit obligation	(88,980)	(80,609)	(81,158)	(71,246)	(57,750)
Plan surplus (deficit)	(25,464)	(16,429)	(18,669)	(14,670)	5,404

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000

32 COMMITMENTS

a) Capital expenditure commitments – relates to capital projects mainly dealing with the Wharf Upgrade Program

Aggregate capital expenditures contracted for at balance date and not provided:

Not later than one year	15,077	14,486	15,077	14,486
Later than one year and not later than 5 years	52,048	56,903	52,048	56,903
Total Including GST	67,125	71,389	67,125	71,389

b) Operating expenditure commitments (excluding lease commitments) – relates mainly to wharf maintenance contracts

Not later than one year	4,261	5,377	4,261	5,377
Later than one year and not later than 5 years	1,866	2,557	1,866	2,557
Total Including GST	6,127	7,934	6,127	7,934

c) Operating lease commitments payable – relates mainly to rental for office accommodation

Not later than one year	522	682	522	682
Later than one year and not later than 5 years	846	817	846	817
Later than 5 years	–	–	–	–
Total Including GST	1,368	1,499	1,368	1,499

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
FOR THE PERIOD ENDED 31 OCTOBER 2011

32 COMMITMENTS (CONTINUED)

	Consolidated		Parent	
	Oct 2011 \$000	Jun 2011 \$000	Oct 2011 \$000	Jun 2011 \$000
d) National Marine Safety Committee Incorporated (NMSC) – grant to the national intergovernmental committee which seeks to promote national vessel standards				
Commitments in relation to operating expenditure of the NMSC are as follows				
Not later than one year (total Including GST)	617	656	617	656
e) Better Boating Program – grants for recreational boating infrastructure				
Not later than one year	4,117	4,467	4,117	4,467
Later than one year and not later than 5 years	5,397	5,446	5,397	5,446
Total Including GST	9,514	9,913	9,514	9,913
f) Marine Rescue NSW – grant to assist their voluntary work in marine safety throughout NSW				
Not later than one year	1,512	1,472	1,512	1,472
Total (no GST)	1,512	1,472	1,512	1,472
g) Total GST included in the above commitments is as follows:				
GST recoverable from the Australian Taxation Office	7,705	8,308	7,705	8,308

33 CONTINGENT ASSET AND LIABILITIES

Contingent liabilities for unsettled claims subject to litigation as at 31 October 2011 are estimated to be \$0.710M (Jun 2011: \$0.979M). If successful, these claims will be met by NSW Maritime's insurers. The contingent asset in relation to these claims is \$0.710M (Jun 2011: \$0.979M).

34 AUDITORS' REMUNERATION

Amounts received or due and receivable by the NSW Auditor-General for:

audit and review of financial statements *	179	188	179	188
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* There were no other services performed by the NSW Auditor-General

35 COMPARATIVES

As NSW Maritime ceased operations on 31 October 2011, these financial statements represent a 4 month period. The comparatives stated refer to a full financial year of 12 months.

36 EVENTS AFTER THE REPORTING DATE

Refer to Note 1 regarding the abolition of NSW Maritime and its controlled entity and the creation of Roads and Maritime Services.

The Minister for Roads and Ports signed a Ministerial Order on 29 November 2011 transferring the assets, rights and liabilities of the commercial port facilities at Eden and Yamba to Sydney Ports Corporation from 1 December 2011. A second Ministerial Order of the same date was signed transferring the staff employed in the Ports of Eden and Yamba to Sydney Ports Corporation from 1 December 2011. Consequently Sydney Ports Corporation will manage these ports from that date.

There are no other material post-balance date events or transactions that require adjustments or disclosures in the financial statements.

End of Audited Financial Statements.

INDEPENDENT AUDIT REPORT

MARITIME AUTHORITY OF NSW DIVISION



INDEPENDENT AUDITOR'S REPORT

Maritime Authority of New South Wales Division

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Maritime Authority of New South Wales Division (the Division), which comprises the statement of financial position as at 31 October 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion the financial statements:

- give a true and fair view of the financial position of the Division as at 31 October 2011, and of its financial performance and its cash flows for the period then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act, and for such internal control as the Chief Executive determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Chief Executive, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDIT REPORT

MARITIME AUTHORITY OF NSW DIVISION

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

My opinion does *not* provide assurance:

- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- 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.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence 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 but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.



C J Giumelli
Director, Financial Audit Services

28 February 2012
SYDNEY

CHIEF EXECUTIVE'S STATEMENT

MARITIME AUTHORITY OF NSW DIVISION

MARITIME AUTHORITY OF NSW DIVISION Financial Statements

For the period ended 31 October 2011

STATEMENT BY CHIEF EXECUTIVE

Pursuant to Section 41C (1B) and (1C) of the *Public Finance and Audit Act 1983*, I declare that in my opinion:

1. The accompanying Financial Statements exhibit a true and fair view of the Division's financial position as at 31 October 2011 and the transactions for the period then ended.
2. The statements have been prepared in accordance with the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010*, and the Treasurer's Directions.

Further, I am not aware of any circumstances which would render any particulars included in the Financial Statements to be misleading or inaccurate.



Peter Duncan
Chief Executive
Roads and Maritime Services

24 February 2012

9

STATEMENT OF COMPREHENSIVE INCOME

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD FROM 1 JULY TO 31 OCTOBER 2011

	Note	Oct 2011 \$000	Jun 2011 \$000
REVENUE			
Payroll services		25,223	39,995
Superannuation funding surplus		32	7
Total revenue		25,255	40,002
EXPENSES			
Employee related expenses	5	15,629	40,736
Administration	6	156	395
Total expenses		15,785	41,131
Surplus (deficit) for the period		9,470	(1,129)
Other comprehensive income			
Superannuation actuarial gains / (losses)	11	(9,470)	1,129
Other comprehensive income for the period		(9,470)	1,129
Total comprehensive income for the period		—	—

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

MARITIME AUTHORITY OF NSW DIVISION
AS AT 31 OCTOBER 2011

	Note	Oct 2011 \$000	Jun 2011 \$000
ASSETS			
Current assets			
Cash and cash equivalents	7	1,087	701
Trade and other receivables	8	46,065	35,937
Total current assets		47,152	36,638
Non-current assets			
Trade and other receivables	8	–	480
Total non-current assets		–	480
TOTAL ASSETS		47,152	37,118
LIABILITIES			
Current liabilities			
Trade and other payables	9	1,491	1,503
Provisions	10	16,914	15,889
Total current liabilities		18,405	17,392
Non-current liabilities			
Trade and other payables	9	25,464	16,909
Provisions	10	3,283	2,817
Total non-current liabilities		28,747	19,726
TOTAL LIABILITIES		47,152	37,118
NET ASSETS		–	–
EQUITY			
Accumulated funds		–	–
TOTAL EQUITY		–	–

The accompanying notes form part of these financial statements.

9

STATEMENT OF CASH FLOWS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

	Note	Oct 2011 \$000	Jun 2011 \$000
Cash flows from operating activities			
Receipts from customers		15,607	40,986
Payments to suppliers and employees		(15,221)	(41,353)
Net cash flows from operating activities	7	386	(367)
Net increase (decrease) in cash and cash equivalents		386	(367)
Cash and cash equivalents at the beginning of the period		701	1,068
Cash and cash equivalents at the end of the period	7	1,087	701

STATEMENT OF CHANGES IN EQUITY

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

	Oct 2011 \$000	Jun 2011 \$000
Accumulated funds		
Balance at 1 July	–	–
Surplus (deficit) for the period	9,470	(1,129)
Other comprehensive income for the period	(9,470)	1,129
Balance at 31 October	–	–

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

1 INFORMATION ABOUT NSW MARITIME AUTHORITY DIVISION

Maritime Authority of NSW Division (the Division) was established on 16 March 2006, as a special purpose entity to take over all payroll and employment related responsibilities from the Maritime Authority of NSW (NSW Maritime) in order to enhance and protect the working conditions of NSW Maritime employees. The financial statements of the Division for the period ended 31 October 2011 were authorised for issue by the Chief Executive on 24 February 2012.

On 15 July 2011 the Minister for Transport and the Minister for Roads and Ports jointly announced the establishment of a new integrated transport authority that is called 'Transport for NSW'. The Roads and Traffic Authority (RTA) and NSW Maritime were abolished by the Transport Legislation Amendment Act 2011 with a new agency, Roads and Maritime Services, created in their place. Consequently NSW Maritime ceased to exist at the close of business 31 October 2011 with all assets, rights and liabilities transferred to the Roads and Maritime Services Division from 1 November 2011.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards, the requirements of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions. The financial statements have been prepared on the basis of full accrual accounting using historical cost conventions, except for superannuation which is shown at actuarially assessed present value.

The Division is a division of the Government Service, established pursuant to Part 2 of Schedule 1 to the Public Sector Employment and Management Act 2002. Its sole objective is to provide personnel services to NSW Maritime.

As the Division ceased operations on 31 October 2011, these financial statements represent a 4 month period. The comparatives stated refer to a full financial year of 12 months.

The financial statements are presented in Australian dollars and all values are rounded to the nearest thousand dollars (\$'000) unless otherwise stated.

a) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the reporting period ended 31 October 2011. These are outlined in the table below. These changes will not have impact on the financial statements as this is the last final statements for the division.

Reference	Title	Summary	Financial year of application
AASB 9	Financial Instruments	Includes requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments	30 June 2014
2010-7	Amendments to Australian Accounting Standards arising from AASB 9	Consequential amendments arising from the revision of AASB 9. The amendments will have no material impact on the financial statements.	30 June 2014
AASB 10	Consolidated Financial Statements	Establishes principles for the presentation and preparation of consolidated financial statements. May be amended for not-for-profit entities.	30 June 2014
AASB 11	Joint Arrangements	Establishes principles for financial reporting of joint venture interests. May be amended for not-for-profit entities.	30 June 2014
AASB 12	Disclosure of Interests in Other Entities	Establishes disclosure requirements to enable users to assess risks associated with interests in other entities. May be amended for not-for-profit entities.	30 June 2014
AASB 127	Separate Financial Statements	Establishes requirements for preparing separate, rather than consolidated, financial statements. May be amended for not-for-profit entities.	30 June 2014

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reference	Title	Summary	Financial year of application
AASB 128	Investments in Associates and Joint Ventures	Establishes the accounting treatment for investments in associates. May be amended for not-for-profit entities.	30 June 2014
2011-7	Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards	Consequential amendments arising from the revision of AASB 10, AASB 11, AASB 12, AASB 127 and AASB 128. The amendments will have no material impact on the financial statements.	30 June 2014
AASB 13	Fair Value Measurement	Defines "fair value", establishes a framework for measuring fair value and requires disclosures about fair value.	30 June 2014
2011-8	Amendments to Australian Accounting Standards arising from AASB13	Consequential amendments arising from the revision of AASB 13. The amendments will have no material impact on the financial statements.	30 June 2014
2011-9	Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income	Consequential amendments arising from the issuance of IASB 1. The amendments will have no material impact on the financial statements.	30 June 2013
AASB 119	Employee Benefits	Requires gains and losses arising from defined benefit plans to be reported in the period in which those gains or losses arise.	30 June 2013
2011-10	Amendments to Australian Accounting Standards arising from AASB 119	Consequential amendments arising from the revision of AASB 119. The amendments will have no material impact on the financial statements.	30 June 2013

b) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank. For the purposes of the statement of cash flows, cash and cash equivalents consist of cash at bank.

c) Trade and other receivables

The only receivable relates to an amount payable by NSW Maritime. This amount will be settled in cash during the next financial period. Subsequent transactions between NSW Maritime and the Division are settled on a monthly basis. This financial asset is measured at the original invoice amount as the effect of discounting is immaterial. There is no material risk associated with the collectability of this receivable, so no impairment evaluation is deemed necessary.

d) Trade and other payables

Trade accounts payable, including accruals not yet billed, are recognised when the Division becomes obliged to make future payments as a result of the purchase of assets or services. Trade accounts payable are unsecured and are generally settled within their due date.

e) Provisions

Provisions are recognised when there is 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. Where the Division expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date using a discounted cash flow methodology. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised in the statement of comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee leave benefits

i) Salaries, sick leave and annual leave

Liabilities for salaries and annual leave are recognised and measured as the amount unpaid at the reporting date at current pay rates in respect of employees service up to that date. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on an actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates.

iii) Payroll tax, fringe benefits tax and compulsory employer superannuation contributions

The outstanding amount of payroll tax, fringe benefits tax and compulsory employer superannuation contributions, which are consequential to employment, are recognised as liabilities and expenses where the employee entitlements to which they relate have been recognised and it is reasonably likely that the expense will be incurred at the time of paying the employee entitlement.

iv) Superannuation

The Division contributes to employee superannuation funds in addition to contributions made by employees. Such contributions are paid to nominated funds. The Division contributes to defined benefit schemes and accumulation schemes. Payments are applied towards the accruing liability for superannuation in respect of employees and are expensed in the statement of comprehensive income. Actuarial assessments are performed at each reporting date for the defined benefit schemes. Actuarial gains and losses are recognised as a movement in accumulated funds. Under funded defined benefit schemes are recognised as a non-current liability while over funded schemes are recognised as a non-current asset.

f) Revenue recognition

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The only source of revenue for the Division is NSW Maritime. The Division is structured such that all expenses are reimbursed by NSW Maritime, so that revenues will always equal costs except for the amount of superannuation actuarial gains and losses.

g) Insurance

The Division's insurance requirement is managed by the NSW Treasury Managed Fund. During the year the Division had workers' compensation insurance in place.

3 FINANCIAL INSTRUMENTS

The Division's principal financial instruments comprise receivables, payables and cash.

The Division's exposure to key financial risks is managed by NSW Maritime in accordance with NSW Maritime's risk management policy. The objective of the policy is to facilitate the effective management of potential opportunities and adverse effects.

The main risks arising from financial instruments are interest rate risk and liquidity risk. The Division has no significant credit risk. Methods used to measure and manage risk include monitoring levels of exposure to interest rate risk and assessments of market forecasts for interest rates, and development and monitoring of forward cash flow estimates.

Primary responsibility for identification and control of financial risks rests with NSW Maritime's Finance Manager under the authority of the Chief Executive. The General Manager Corporate Services reviews and agrees policies for managing each of the risks identified below.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

3 FINANCIAL INSTRUMENTS (CONTINUED)

a) Financial instrument categories

	Note	Category	Oct 2011 \$000	Jun 2011 \$0000
FINANCIAL ASSETS				
Cash and cash equivalents	7	N/A	1,087	701
Receivables	8	Loans and receivables at amortised cost excluding prepayments and statutory receivables	–	–
FINANCIAL LIABILITIES				
Payables	9	Financial liabilities measured at amortised cost excluding unearned income and statutory payables	1,065	597

b) Credit risk

Credit risk arises from the financial assets of the Division, which comprise cash and cash equivalents and receivables. Exposure to credit risk arises from potential default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets. Exposure at reporting date is addressed in each applicable note. The Division trades only with NSW Maritime and as such collateral is not requested. The Division has not securitised its trade and other receivables and has not granted any financial guarantees. Credit risk associated with NSW Maritime's financial assets, other than receivables, is managed through the selection of its bankers.

Cash

Cash comprises cash at bank held with the Division's bankers. Interest on daily bank balances is credited directly to the Division.

Receivables – NSW Maritime

The receivable from NSW Maritime is considered to have no significant risk, and no allowance for impairment is considered. No interest is earned on this debt. The amount is payable within 30 days. No amount is past due.

c) Liquidity risk

As a body funded by NSW Maritime, the Division has no significant liquidity risk. The table below reflects all contractually fixed payables resulting from recognised financial liabilities at reporting date, based on management expectations. The Division has no interest-bearing payables and, therefore, no exposure to interest rate risk. All obligations are shown at undiscounted cash amounts.

	Maturity dates		
	< 1 year	1-5 years	> 5 years
OCTOBER 2011			
Payables	–	–	–
Creditors	1,065	–	–
	1,065	–	–
JUNE 2011			
Payables	–	–	–
Creditors	597	–	–
	597	–	–

d) Market risk

Interest rate risk

The Division has no material exposure to market interest rate risks, as it has no long-term variable interest rate debt obligations and receives no interest on its short-term cash balances.

e) Fair Value

Financial instruments are recognised at cost. The Division has no financial instruments which are measured at fair value.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods. Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

Significant accounting estimates and assumptions

Long service leave provision

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on an actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates.

Net defined benefit superannuation asset or liability

The net defined benefit superannuation asset or liability arising from under funded or over funded obligations is assessed each year by independent consultants. This assessment requires assumptions in relation to future salary increases, changes in CPI and return on plan assets. These uncertainties may result in future actual expenditure differing from the amounts currently provided.

	Oct 2011 \$000	Jun 2011 \$000
5 EMPLOYEE RELATED EXPENSES		
Ordinary time	10,193	29,350
Long service leave	1,914	1,815
Recreation leave	950	2,763
Payroll tax and fringe benefits tax	801	2,074
Overtime	133	480
Sick leave	167	530
Voluntary separation payments	303	323
Other employee benefits and workers' compensation	353	1,133
Superannuation		
Accumulation schemes expense including contributions	803	2,162
Defined benefit superannuation schemes net expense	12	106
	15,629	40,736
6 ADMINISTRATION		
Travel allowances	156	395
7 CASH AND CASH EQUIVALENTS		
Cash at bank	1,087	701
Reconciliation of cash		
The amount shown is fair value. For the purposes of the statement of cash flows, cash and cash equivalents comprise the amount shown above.		
Reconciliation of net cash flows from operating activities to net surplus		
Net cash provided by (used in) operating activities	386	(367)
Changes in assets and liabilities		
Increase (decrease) in current receivables	10,128	(1,377)
Increase (decrease) in non-current receivables	(480)	393
Decrease (increase) in current payables	12	170
Decrease in non-current payables	915	718
(Increase) in provisions	(1,491)	(666)
Net surplus (deficit)	9,470	(1,129)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

	Oct 2011 \$000	Jun 2011 \$000
8 TRADE AND OTHER RECEIVABLES		
Current receivables		
Amount owing from NSW Maritime	45,711	35,937
Accrued income	2	–
Prepayments	352	–
	46,065	35,937
Non-current receivables		
Superannuation surplus	–	480
	–	480

i) Net fair value

The Division considers the carrying amount of debtors approximate their net fair values.

ii) Significant terms and conditions

The amount receivable from NSW Maritime is payable within the next financial year. Amounts owing which arise during subsequent years will be settled within one month.

	Oct 2011 \$000	Jun 2011 \$000
9 TRADE AND OTHER PAYABLES		
Current payables		
Trade creditors and sundry accruals	1,065	597
Accrued superannuation	16	41
Accrued payroll tax	17	233
Accrued salaries	260	564
Accrued fringe benefits tax	133	68
	1,491	1,503
Non-current payables		
Superannuation deficit	25,464	16,909
	25,464	16,909

Details regarding credit risk, liquidity risk and market risk relating to payables are disclosed in note 3.

10 PROVISIONS

Current employee benefits and related on-cost

Annual leave (a)	3,496	3,609
Long service leave – short term benefit (a)	1,037	1,059
Long service leave – long term benefit (a)	11,921	10,761
Provision for workers' compensation (b)	460	460
	16,914	15,889
Non-current employee benefits and related on-cost		
Long service leave (a)	776	277
Provision for workers' compensation (b)	2,507	2,540
	3,283	2,817

a) The provision for annual leave is calculated using 1 November 2011 wage rates and the provision for long service leave is actuarially assessed.

b) Workers' compensation provision includes \$1.210M for dust diseases (Jun 2011: \$1.210M) of which \$102K (Jun 2011: \$102K) is current. This provision is for claims from former Maritime Services Board (MSB) staff for dust related diseases that can be attributed to their service during the period 1/7/89 – 30/6/95 when the MSB was a self insurer.

10 PROVISIONS (CONTINUED)

	Balance 1 Jul 11 \$000	Charges to revenue \$000	Less payments \$000	Balance 31 Oct 11 \$000
Movement in annual and long service leave provision				
Annual leave	3,609	957	(1,070)	3,496
Long service leave – current	11,820	1,809	(671)	12,958
Long service leave – non-current	277	499	–	776

11 SUPERANNUATION

Fund information

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

State Superannuation Scheme (SSS)

State Authorities Non-Contributory Superannuation Scheme (SANCS)

State Authorities Superannuation Scheme (SASS)

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. All the schemes are closed to new members.

Member numbers	SASS Oct 2011	SANCS Oct 2011	SSS Oct 2011
Contributors	49	79	30
Deferred benefits	–	–	2
Pensioners	3	–	34
Pensions fully commuted	–	–	5

Member numbers	SASS Jun 2011	SANCS Jun 2011	SSS Jun 2011
Contributors	49	79	30
Deferred benefits	–	–	2
Pensioners	3	–	34
Pensions fully commuted	–	–	5

Superannuation position recognised in the statement of financial position under AASB 119	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Accrued liability	18,800	4,070	66,110	88,980
Estimated reserve account balance	(18,021)	(3,953)	(41,542)	(63,516)
Net (asset) liability recognised in the statement of financial position	779	117	24,568	25,464
Future service liability	2,809	1,075	1,807	5,691
Surplus in excess of recovery available from schemes	–	–	–	–
Net (asset)/liability to be recognised in statement of financial position	779	117	24,568	25,464

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

11 SUPERANNUATION (CONTINUED)

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Accrued liability	17,900	3,890	58,819	80,609
Reserve account balance	(18,037)	(4,233)	(41,910)	(64,180)
Net (asset) liability recognised in the statement of financial position	(137)	(343)	16,909	16,429
Future service liability	2,809	1,075	1,807	5,691
Surplus in excess of recovery available from schemes	–	–	–	–
Net (asset)/liability to be recognised in statement of financial position	(137)	(343)	16,909	16,429

The future service liability does not have to be recognised by the Division. It is only used to determine if an asset ceiling limit should be imposed. Under AASB 119, any prepaid superannuation asset recognised cannot exceed the amount of any unrecognised past service cost and the present value of any economic benefits that may be available in the form of refunds from the plan or reductions in future contributions to the plan. Where the "surplus in excess of recovery" is zero, no asset ceiling is imposed.

Accounting policy

Actuarial gains and losses are recognised immediately in other comprehensive income in the year in which they occur.

Reconciliation of the present value of the defined benefit obligation	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Present value of partly funded defined benefit obligations at beginning of period	17,900	3,890	58,819	80,609
Current service cost	207	59	131	397
Interest cost	309	67	1,029	1,405
Contributions by fund participants	107	–	132	239
Actuarial (gains) losses	421	273	5,571	6,265
Benefits paid	(144)	(219)	428	65
Present value of partly funded defined benefit obligations at end of period	18,800	4,070	66,110	88,980

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Present value of partly funded defined benefit obligations at beginning of year	19,093	4,039	58,026	81,158
Current service cost	682	184	400	1,266
Interest cost	948	199	2,957	4,104
Contributions by fund participants	321	–	397	718
Actuarial (gains) losses	(545)	(103)	(538)	(1,186)
Benefits paid	(2,599)	(429)	(2,423)	(5,451)
Present value of partly funded defined benefit obligations at end of year	17,900	3,890	58,819	80,609

11 SUPERANNUATION (CONTINUED)

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Reconciliation of the fair value of fund assets				
Fair value of fund assets at beginning of period	18,037	4,233	41,910	64,180
Expected return on fund assets	510	120	1,192	1,822
Actuarial gains (losses)	(705)	(246)	(2,253)	(3,204)
Employer contributions	216	65	133	414
Contributions by fund participants	107	–	132	239
Benefits paid	(144)	(219)	428	65
Fair value of fund assets at end of period	18,021	3,953	41,542	63,516
Reconciliation of the assets and liabilities recognised in statement of financial position				
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Fair value of fund assets at beginning of year	18,593	4,126	39,770	62,489
Expected return on fund assets	1,560	347	3,364	5,271
Actuarial gains (losses)	(469)	(4)	417	(56)
Employer contributions	631	193	385	1,209
Contributions by fund participants	321	–	397	718
Benefits paid	(2,599)	(429)	(2,423)	(5,451)
Fair value of fund assets at end of year	18,037	4,233	41,910	64,180
Reconciliation of the assets and liabilities recognised in statement of financial position				
	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Present value of partly funded defined benefit obligation at end of period	18,800	4,070	66,110	88,980
Fair Value of Fund assets at end of period	(18,021)	(3,953)	(41,542)	(63,516)
Net Liability/(Asset) recognised in statement of financial position at end of period	779	117	24,568	25,464
Reconciliation of the assets and liabilities recognised in statement of financial position				
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Present value of partly funded defined benefit obligation at end of year	17,900	3,890	58,819	80,609
Fair Value of Fund assets at end of year	(18,037)	(4,233)	(41,910)	(64,180)
Net Liability/(Asset) recognised in statement of financial position at end of year	(137)	(343)	16,909	16,429

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

11 SUPERANNUATION (CONTINUED)

Total expense (income) recognised in the statement of comprehensive income	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Current service cost	207	59	131	397
Interest cost	309	67	1,029	1,405
Expected return on fund assets (net of expenses)	(510)	(120)	(1,192)	(1,822)
Expense/(Income) recognised	6	6	(32)	(20)

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Current service cost	682	184	400	1,266
Interest cost	948	199	2,957	4,104
Expected return on fund assets (net of expenses)	(1,560)	(347)	(3,364)	(5,271)
Expense (income) recognised	70	36	(7)	99

Amounts recognised in other comprehensive income	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Actuarial (gains) losses	1,127	519	7,824	9,470

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Actuarial (gains) losses	(76)	(99)	(954)	(1,129)

Cumulative amount recognised in other comprehensive income	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Actuarial (gains) losses	(217)	1,473	27,151	28,407

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Actuarial (gains) losses	(1,344)	954	19,327	18,937

Fund assets **Oct 2011** **Jun 2011**

The percentage invested in each asset class at the reporting date

Australian equities	33.4%	33.4%
Overseas equities	29.5%	29.5%
Australian fixed interest securities	5.7%	5.7%
Overseas fixed interest securities	3.1%	3.1%
Property	9.9%	9.9%
Cash	5.1%	5.1%
Other	13.3%	13.3%
Total	100.0%	100.0%

11 SUPERANNUATION (CONTINUED)

Fair value of fund assets

All fund assets are invested by the SAS Trustee Corporation (STC) at arms length through independent fund managers.

Expected rate of return on assets

The expected return on assets assumption is determined by weighting the expected long-term return for each asset class by the target allocation of assets to each class. The returns used for each class are net of investment tax and investment fees.

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Actual return on fund assets				
Actual Return on fund assets	(512)	(126)	(1,159)	(1,797)
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Actual Return on fund assets	1,530	342	3,312	5,184

Valuation method and principal actuarial assumptions at reporting date

a) Valuation method

The Projected Unit Credit (PUC) valuation method was used to determine the present value of the defined benefit obligations and the related current service costs. This method sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

	Oct 2011	Jun 2011
b) Economic assumptions		
Salary increase rate (excluding promotional increases)	3.50%	3.50%
Rate of CPI increase	2.50%	2.50%
Expected rate of return on assets	8.60%	8.60%
Discount rate	4.56%	5.28%

c) Demographic assumptions

The demographic assumptions at 31 October 2011 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Historical information				
Present value of defined benefit obligation	18,800	4,070	66,110	88,980
Fair value of Fund assets	(18,021)	(3,953)	(41,542)	(63,516)
(Surplus)/Deficit in Fund	779	117	24,568	25,464
Experience adjustments – Fund liabilities	421	273	5,571	6,265
Experience adjustments – Fund assets	705	246	2,254	3,205
	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Present value of defined benefit obligation	17,900	3,890	58,819	80,609
Fair value of Fund assets	(18,037)	(4,233)	(41,910)	(64,180)
(Surplus)/Deficit in Fund	(137)	(343)	16,909	16,429
Experience adjustments – Fund liabilities	(545)	(103)	(538)	(1,186)
Experience adjustments – Fund assets	469	4	(417)	56

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

MARITIME AUTHORITY OF NSW DIVISION
FOR THE PERIOD ENDED 31 OCTOBER 2011

11 SUPERANNUATION (CONTINUED)

	SASS Jun 2010 \$000	SANCS Jun 2010 \$000	SSS Jun 2010 \$000	Total Jun 2010 \$000
Present value of defined benefit obligation	19,093	4,039	58,026	81,158
Fair value of Fund assets	(18,593)	(4,126)	(39,770)	(62,489)
(Surplus)/Deficit in Fund	500	(87)	18,256	18,669
Experience adjustments – Fund liabilities	1,170	216	4,115	5,501
Experience adjustments – Fund assets	(478)	(14)	(132)	(624)

	SASS Jun 2009 \$000	SANCS Jun 2009 \$000	SSS Jun 2009 \$000	Total Jun 2009 \$000
Present value of defined benefit obligation	16,212	3,614	51,420	71,246
Fair value of Fund assets	(15,924)	(3,755)	(36,897)	(56,576)
(Surplus)/Deficit in Fund	288	(141)	14,523	14,670
Experience adjustments – Fund liabilities	501	344	10,129	10,974
Experience adjustments – Fund assets	2,921	705	6,992	10,618

	SASS Jun 2008 \$000	SANCS Jun 2008 \$000	SSS Jun 2008 \$000	Total Jun 2008 \$000
Present value of defined benefit obligation	14,972	3,118	39,660	57,750
Fair value of Fund assets	(17,591)	(4,140)	(41,423)	(63,154)
(Surplus)/Deficit in Fund	(2,619)	(1,022)	(1,763)	(5,404)
Experience adjustments – Fund liabilities	594	(103)	(1,641)	(1,150)
Experience adjustments – Fund assets	2,337	639	6,691	9,667

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Expected contributions				

Expected employer contributions to be paid in the next reporting period n/a n/a n/a –

Funding arrangements for employer contributions

a) Surplus/deficit

The following is a summary of the 31 October 2011 financial position of the fund calculated in accordance with AAS25 "Financial Reporting by Superannuation Plans":

	SASS Oct 2011 \$000	SANCS Oct 2011 \$000	SSS Oct 2011 \$000	Total Oct 2011 \$000
Accrued benefits	16,620	3,594	42,773	62,987
Net market value of fund assets	(18,021)	(3,953)	(41,542)	(63,516)
Net (surplus) deficit	(1,401)	(359)	1,231	(529)

	SASS Jun 2011 \$000	SANCS Jun 2011 \$000	SSS Jun 2011 \$000	Total Jun 2011 \$000
Accrued benefits	16,420	3,577	41,800	61,797
Net market value of fund assets	(18,037)	(4,233)	(41,910)	(64,180)
Net (surplus) deficit	(1,617)	(656)	(110)	(2,383)

11 SUPERANNUATION (CONTINUED)

b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS Oct 2011	SANCS Oct 2011	SSS Oct 2011
multiple of member contributions	1.90	–	0.93
% member salary	–	2.50	–

	SASS Jun 2011	SANCS Jun 2011	SSS Jun 2011
multiple of member contributions	1.90	–	0.93
% member salary	–	2.50	–

c) Funding method

Contribution rates are set after discussions between NSW Maritime, STC and NSW Treasury.

d) Economic assumptions

The economic assumptions adopted for the 2009 actuarial review of the fund were:

Weighted average assumptions

Expected rate of return on fund assets backing current pension liabilities	8.3%
Expected rate of return on fund assets backing other liabilities	7.3%
Expected salary increase rate	4.0%
Expected rate of CPI increase	2.5%

Nature of asset / liability

If a surplus exists in the Division's interest in the fund, the Division may be able to take advantage of it in the form of a reduction in the required contribution rate, depending on the advice of the fund's actuary and agreement with NSW Treasury. Where a deficiency exists, the Division is responsible for any difference between its share of fund assets and the defined benefit obligation.

e) Five year comparatives

	Oct 2011 \$000	Jun 2011 \$000	2010 \$000	2009 \$000	2008 \$000
Fair value of the plan assets	63,516	64,180	62,489	56,576	63,154
Present value of the defined benefit obligation	(88,980)	(80,609)	(81,158)	(71,246)	(57,750)
Plan surplus (deficit)	(25,464)	(16,429)	(18,669)	(14,670)	5,404

12 COMMITMENTS

The Division had no commitments for expenditures at 31 October 2011.

13 CONTINGENT ASSETS AND LIABILITIES

The Division had no contingent assets or liabilities at 31 October 2011.

14 COMPARATIVES

As the Division ceased operations on 31 October 2011, these financial statements represent a 4 month period. The comparatives stated refer to a full financial year of 12 months.

15 EVENTS AFTER THE REPORTING DATE

Refer to Note 1 regarding the abolition of NSW Maritime and its controlled entity and the creation of Roads and Maritime Services.

The Minister for Roads and Ports signed a Ministerial Order on 29 November 2011 transferring the assets, rights and liabilities of the commercial port facilities at Eden and Yamba to Sydney Ports Corporation from 1 December 2011. A second Ministerial Order of the same date was signed transferring the staff employed in the Ports of Eden and Yamba to Sydney Ports Corporation from 1 December 2011. Consequently Sydney Ports Corporation will manage staff transferred from these ports from that date.

There are no other material post-balance date events or transactions that require adjustments or disclosures in the financial statements.

End of Audited Financial Statements.

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APPENDICES



1. CHANGES TO LEGISLATION

This report covers the period of 1 July to 31 October 2011. Only matters for which there has been a substantial change in status since the last reporting period, which closed 30 June 2011, are included here. Please refer to the 2010–2011 Annual Report for details of matters not reported here.

Date	Legislation	Action
30 September 2011	<i>Marine Pollution Amendment (On-board Treatment of Greywater) Regulation 2011</i>	New regulation to make provision for some commercial vessel operators to choose an alternative method to manage their greywater waste so that operators of Class 1 commercial vessels used in the Sydney Harbour locality must ensure that the vessel is fitted with a greywater holding tank as currently required, but other commercial vessel operators may choose to use a greywater treatment system that complies in all respects with Australian Standard AS 4995–2009, <i>Greywater treatment systems for vessels operated on inland waters</i> or to comply with the current requirements, and to require such greywater treatment systems to be regularly flushed to a waste collection facility or in accordance with an environment protection licence.
30 September 2011	– <i>Management of Waters and Waterside Lands Regulations–N.S.W.</i>	Amendment to adjust the fees relating to occupation licences payable under the <i>Maritime Services Act 1935</i> . The fee decreases are consequent on a Division 81 determination under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> of the Commonwealth that excluded those fees from the scope of the goods and services tax base. The fee increases are generally in line with movements in the Consumer Price Index.
30 September 2011	– <i>Marine Safety (Commercial Vessels) Regulation 2010</i> – <i>Marine Safety (General) Regulation 2009</i>	Regulation is to adjust certain fees payable under the <i>Marine Safety Act 1998</i> . The fee decreases are consequent on a Division 81 determination under the <i>A New Tax System (Goods and Services Tax) Act 1999</i> of the Commonwealth that excluded those fees from the scope of the goods and services tax base. The fee increases are generally in line with movements in the Consumer Price Index. Certain other fees remain unaltered.

2. GOVERNMENT INFORMATION (PUBLIC ACCESS) ACT 2009

Schedule 2 Statistical information about access applications to be included in annual report

Table A: Number of applications by type of applicant and outcome*

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Confirm/deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	9	0	1	2	0	0	0	0
Not for profit organisations or community groups	2	0	0	0	0	0	0	0
Members of the public (application by legal representative)	4	0	0	0	0	0	0	0
Members of the public (other)	6	0	0	1	0	0	0	0

* More than one decision can be made in respect of a particular access application. If so, a recording must be made in relation to each such decision. This also applies to Table B.

Left: A Boating Safety Officer serving the maritime community, on patrol off Grotto Point on Sydney's Middle Harbour.

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APPENDICES

GOVERNMENT INFORMATION (PUBLIC ACCESS) APPLICATION – ANNUAL REPORT

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Confirm/deny whether information is held	Application withdrawn
Personal information applications*	12	0	0	0	0	0	0	0
Access applications (other than personal information applications)	16	0	1	3	0	0	0	0
Access applications that are partly personal information applications and partly other	7	0	0	0	0	0	0	0

* A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table C: Invalid applications

Reason for invalidity	No 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

GOVERNMENT INFORMATION (PUBLIC ACCESS) APPLICATION – ANNUAL REPORT

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of 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

* More than one public interest consideration may apply in relation to a particular access application and, if so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table E.

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

Number of occasions when application not successful

Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	0
Business interests of agencies and other persons	1
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 35 extensions)	18
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	13
Total	31

GOVERNMENT INFORMATION (PUBLIC ACCESS) APPLICATION – ANNUAL REPORT

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 Act	0	0	0
Review by ADT	0	0	0
Total	0	0	0

* The Information Commissioner does not have the authority to vary decisions, but can make recommendations to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made by the Information Commissioner.

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



APPENDICES

3. COMPLIANCE AND LITIGATION REPORT

During the reporting period, NSW Maritime conducted nine Local Court prosecutions across the State, mainly in the Sydney and Central Coast regions, but also in regional areas such as Tweed Heads, Ballina, Nowra and Moama. Many of these marine safety prosecutions related to those legislative provisions which were identified by NSW Maritime, State Coroners and others as requiring greater scrutiny and compliance. Targeted areas included the use of navigation lights at night, the carriage of lifejackets and anti-social behaviour involving the use of vessels generally.

NSW Maritime was also successful in defending appeals in the District Court, and continued to manage its general litigation function, including responding to claims for personal injury damages, negligence and other civil matters. NSW Maritime dealt with 17 written representations appealing Penalty Notices issued by Boating Safety Officers and Police as a result of breaches of the marine legislation.

4. CONSULTANTS

NSW Maritime engaged four consultancies during the period ended 31 October 2011 at a total cost of \$114,590 excluding GST. Of these, only one was valued over \$50,000, which was the Independent Pricing and Regulatory Tribunal's review into NSW Maritime's method of rent determination, valued at \$70,000.

5. OVERSEAS VISITS

NSW Maritime Officer Travelling	Date of Trip	Trip Purpose	Country of Trip	City of Trip
Manager Shipping and Pollution Response	16 to 26 October 2011	Rena oil spill response*	New Zealand	Bay of Plenty
Boating Safety Officer	12 to 21 October 2011	Rena oil spill response*	New Zealand	Bay of Plenty
Port of Yamba Harbour Master	20 to 26 October 2011	Provide expert mariner advice following the grounding of the <i>MV Island Trader</i>	Lord Howe Island	Lord Howe Island
Marine investigator	19 to 21 October 2011	To investigate the grounding of the <i>MV Island Trader</i>	Lord Howe Island	Lord Howe Island

*The costs associated with these overseas trips are fully recoverable from the Australian Maritime Safety Authority under the National Plan arrangements

6. GRANTS TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

In recognition of the vital contribution of volunteers, the State Government provides funding support through an agreement between NSW Maritime and Marine Rescue NSW. The amount is adjusted by CPI each year and for 2011–2012 the total amount of funding allocated, and paid in July 2011, was \$1,472,300.

7. ELECTRONIC SERVICE DELIVERY

Continual improvements were made to the NSW Maritime website to keep it up-to-date and relevant. This often required updates to be made multiple times each day. The website attracted substantial page views, with the average length of time on site of about eight minutes. The top five pages viewed were: Home, Boating Quiz, How to Get a Boat Licence, Boat Registration and Boating Maps.

8. PRIVACY AND PERSONAL INFORMATION PROTECTION ACT 1998

In accordance with the requirements of the *Privacy and Personal Information Protection Act 1998* (the Privacy Act), NSW Maritime prepared and implemented a Privacy Management Plan.

NSW Maritime took its responsibilities under the Privacy Act seriously and made every effort:

- to ensure that its customers and any other stakeholders from whom personal information was collected were made aware of the uses that would be made of the personal information collected, e.g. details on application forms, proof of identity documents or other documents
- to ensure that such personal information was only used or disclosed in accordance with the Privacy Act.

9. NUMBER OF EMPLOYEES BY CATEGORY AND COMPARISON TO THE PREVIOUS THREE YEARS

	June 2009	June 2010	June 2011	October 2011
SES	7	7	7	6
Senior Officer	3	4	6	6
Recreational Boating & Regional Services@	176.64	159.64	N/A	N/A
Maritime Operations##	N/A	N/A	212.3	208.8
Office of Boating Safety^	N/A	N/A	N/A	10.6
Corporate Services	45	64.11	47.4	47.4
Commercial Vessels#	37.45	N/A	N/A	N/A
Policy Industry & Infrastructure#@	N/A	47.6	N/A	N/A
Policy, Risk and Governance@	N/A	N/A	41.8	39.8
Maritime Property	28.6	N/A	N/A	N/A
Property Planning & Governance**@	N/A	54.18	N/A	N/A
Maritime Property, Planning and Infrastructure@ ^^	N/A	N/A	51.0	63
Ports, Shipping & Strategic Development## ^^	21.03	24.92	26.3	19.3
Policy & Strategy*	36.2	N/A	N/A	N/A
	354.92	361.45	391.80	400.9+

* As a result of an organisational restructure late 2007, the Ministerial Unit/Office of the Chief Executive, the Legal Branch and the Corporate Planner became part of the Policy & Strategy Division. In early 2009, the Property Planning Branch also became part of the Policy and Strategy Division.

As a result of an organisational restructure in February 2010:

** The Legal Branch, the Policy and Strategy Division and the Corporate Planner became part of the Property, Planning & Governance Division;

The Infrastructure Branch became part of the Commercial Vessels Division and was retitled Policy, Industry & Infrastructure Division

The Maritime Property Strategic Development Unit was added to the Ports and Shipping Division, which was retitled Ports, Shipping and Strategic Development

@ As a result of an organisational restructure during 2010–2011:

The Recreational Boating and Regional Services Division and the Commercial Vessels Branch, which had been a part of the Policy, Industry and Infrastructure Division, were amalgamated to form the Maritime Operations Division

The Policy, Industry and Infrastructure Division and the Policy, Planning and Governance Division were abolished and two new divisions created: Maritime Property, Planning and Infrastructure Division and Policy, Risk and Governance Division.

As a result of an organisational restructure in preparation for the creation of Transport for NSW and Roads and Maritime Services during the reporting period:

^ The Office of Boating Safety was created in September 2011

^^ The Strategic Property Development Branch was removed from the Ports, Shipping and Strategic Development Division and added to the Maritime Property, Planning and Infrastructure Division in October 2011.

+ Of the increase of 9.1 FTE between the end of June and October, eight were temporary positions and one accommodated the creation of the position of General Manager, Office of Boating Safety, since transferred to Transport for NSW.

10. SENIOR EXECUTIVE SERVICE

Chief and Senior Executive Service Positions at each level	June 2010	June 2011	October 2011
7	0	0	0
6	1	1	0
5	0	0	0
4	1	1	1
3	3	3	3
2	2	2	2



APPENDICES

11. CHIEF EXECUTIVE'S PERFORMANCE STATEMENTS

Name: Steve Dunn

Position: Chief Executive (1 July 2011- 31 July 2011)

Position Level: SES 6

Remuneration Package (including allowances): \$392,308.25 pa

Name: Michael Bushby

Position: Acting Chief Executive (1 August 2011 – 27 October 2011),
in addition to being Chief Executive Roads and Traffic Authority

Name: Tony Middleton

Position: Acting Chief Executive (28 October 2011- 31 October 2011)

During the period of 1 July to 31 October 2011, NSW Maritime was focused on preparations for the establishment of Roads and Maritime Services on 1 November 2011, while ensuring safe waterways and support for the maritime community.

The decision to establish Transport for NSW included a commitment to integrate the Roads and Traffic Authority and NSW Maritime into a single agency, Roads and Maritime Services. To achieve this integration, Mr Dunn, Chief Executive of NSW Maritime worked closely with the Chief Executive of the RTA to lead the integration of the two agencies.

Following the appointment of Mr Bushby to the position of Acting Chief Executive, NSW Maritime (in addition to his existing appointment of Chief Executive, RTA) significant restructuring of NSW Maritime was undertaken to ensure clear delineation of responsibilities. The Acting Chief Executive oversaw the establishment of the Office of Boating Safety within NSW Maritime prior to its transition to Transport for NSW.

Other broader government reforms underway also impacted on NSW Maritime. The Acting Chief Executive drove the Transport Shared Service and Corporate Service reforms for NSW Maritime, covering shared services such as payroll and information technology, and corporate services such as governance and risk.

Other achievements during this period:

- Provided leadership in national partnerships as Chair of both the new Australian Recreational Safe Boating Council and the Australia and New Zealand Safe Boating Education Group
- Drove the lifejacket reform and education program to support the transition to enforcement of the requirements from 1 November 2011
- Oversaw state-wide boating safety check programs, resulting in more than 91 per cent compliance rates for safety equipment
- Ensured the continued funding for Marine Rescue NSW, with an annual financial contribution of more than \$1.4 million
- Continued investment in waterways infrastructure, with projects including: Circular Quay Pontoon 1 – \$1.9 million replacement pontoon with upgraded capacity; Blackwattle Bay public boardwalk – \$720,886 included funding from a Better Boating Program grant of \$132,790; and the Yeend Street wharf day berthing facility – \$542,275
- Interagency planning and delivery – significant progress with national maritime safety
- Oversaw the continued roll out of the domestic and commercial leases for Sydney Harbour
- Ensured continued environmental protection of Sydney Harbour with the Harbour Cleaning program.

12. CREDIT CARD CERTIFICATION

As required by Treasurer's Direction 205.01, the acting Chief Executive of NSW Maritime certifies that credit card usage was in accordance with the appropriate government policy, Premier's Memoranda and Treasurer's Directions.

13. COMMUNITY AFFAIRS – MULTICULTURAL POLICIES AND SERVICE PLAN

Action	Responsible Officer	Implementation Date	Performance Indicator
Continue to use community language media, particularly for education and safety campaigns	Manager, Communications	June 2012	Community language media used to disseminate education and safety messages
Fund and administer a partnerships program to community groups in order to extend the reach of key safety messages	Manager, Communications	June 2012	Partnership arrangements in place with community group/s
Analyse the usage of interpreter and translation services and identify any changing customer needs	Manager, Human Resources	June 2012	Analysis completed and appropriate recommendations made regarding the service

14. EQUAL EMPLOYMENT OPPORTUNITY (EEO) STATISTICS

EEO Group	Benchmark or target %	30 June 2010 %	30 June 2011 %	31 October 2011 %
Women	50	42.6	43.2	41.4
Aboriginal people and Torres Strait Islanders	2.6	0.3	0.6	0.6*
People whose first language was not English	19	15.0	14.2	14.2*
People with a disability	N/A	6.0	4.8	4.8*
People with a disability requiring work-related adjustment	1.5	2.6	2.3	2.3*

* These statistics have been carried forward from 30 June 2011. They are derived from the Workforce Profile report, previously compiled by the Department of Premier and Cabinet. Recruitment and separation data is accumulated by agencies throughout the year and submitted in July for preparation of an annual report. Mid-year reports are not available.

15. CAPITAL WORKS

Major works

Total capital works expenditure (excluding minor works) for the period 1 July to 31 October 2011 totalled \$2.1 million, compared to a budget of \$6.6 million. Significant projects included the Wharf Upgrade Program of which two wharves (Neutral Bay and Rose Bay) are to be constructed in 2012

		Allocation 2010–2011 (full financial year) \$M	Estimated Total Cost \$M	Actuals 2011-12 (1/7/11-31/10/11) \$M	Completion Date
New Works					
Rozelle Bay Maritime Precinct Development	Rozelle Bay Western Access Road	0.680	0.680	0	2012
	Refurbishment of Rozelle Bay (Firemain Replacement Wharf 5-10)	1.010	1.010	0.018	2012
Commuter Wharf Upgrade Program	Additional Grant Funded Project (Sydney Harbour Wharf)	2.000	7.500	0	2015
Work in Progress					
Charter Vessel Wharf Upgrade Program	Circular Quay Wharf No.1 (Pontoon replacement)	1.850	1.885	1.078	2012
NSWM-Owned Wharves and Jetties – other works	Circular Quay – Southern Promenade	0.065	1.900	0.009	2012
Commuter Wharf Upgrade Program	Package 1 – including Neutral Bay and Rose Bay	11.408	82.000	0.979	2016
Blackwattle Bay Foreshore Link	Foreshore link and pontoon	0.090	0.720	0.001	2011
Total		17.103	95.695	2.085	

The capital allocation represents the total for the 2011–2012 financial year, while the actual expenditure is for the period 1 July to 31 October 2011. The majority of the expenses for 2011–2012 financial year are budgeted for in the third and fourth quarters.

Minor Works

Expenditure on minor works totalled \$1.4 million. The main items of expenditure were:

- New signage that conformed to international standards as part of ongoing replacement program
- Upgrade/new installation of 12 piles, 33 lights and 40 buoys;
- Replacement of five vessels that commenced construction in 2010–2011 and were delivered in 2011–2012 year with two new vessels on order
- Refurbishment of three patrol vessels
- Purchase of 16 outboard engines
- Upgrade of network hardware and desktop computers
- Refurbishment of regional operational centres at Moama
- Motor vehicle replacements



APPENDICES

16. ENERGY MANAGEMENT

NSW Maritime achieved savings in energy usage and sustained energy management principles. NSW Maritime had one large site, Rozelle Bay, that purchased electricity on the contestable market. The site purchased six per cent of its electricity from renewable sources. The purchase of electricity on the contestable market lowered costs and achieved a reduction of greenhouse gas emissions by purchasing a percentage of green power.

Energy consumption at the Rozelle Bay offices and workshops decreased by 0.1 per cent compared with the corresponding period in 2010–2011. A program to replace the air conditioning control units at the Rozelle Bay site continued.

NSW Maritime continued to maintain solar powered navigational aids with over 1000 solar powered lights and beacons throughout New South Wales.

17. WASTE REDUCTION AND PURCHASING PLAN/RECYCLING

All NSW Maritime offices recycled waste paper, cardboard, toner cartridges and comingles wherever a recycling system was available.

The Rozelle Bay head office continued to provide a high percentage of NSW Maritime's office paper and cardboard waste sent for recycling. To 31 October 2011, 1.8 tonnes of paper and 2.3 tonnes of cardboard were collected from Rozelle Bay along with 0.6 tonnes of comingles.

A total of 404kg of toner cartridges and associated products were recycled at Rozelle Bay.

Recycling initiatives included the continued operation of a worm farm to recycle food waste from the canteen at the Rozelle Bay office.

18. PESTICIDE USE NOTIFICATION PLAN

NSW Maritime had a Pesticide Use Notification Plan. Pesticides used were primarily to control vegetation on road verges, boundary fences, lawns, garden beds, paved areas, rodents such as rats and mice along waterfront areas and termite infestation in timber wharves and jetties.

Appropriate signage was displayed warning the public of pesticide use and no complaints were received.

19. CONTRACTING AND MARKET TESTING POLICY

NSW Maritime's procurement framework was in place to ensure all contracts for the engagement of external contractors and/or consultants were undertaken in accordance with the NSW Government Procurement Guidelines titled "Tendering Guidelines". In accordance with Section 2.3 of the Tendering Guidelines, the framework specified the minimum number of quotes and tenders required.

In accordance with government guidelines the framework required:

- One written proposal for assignments costing less than \$30,000
- Three written proposals for assignments greater than \$30,000 and less than \$250,000
- An open tender process for assignments costing greater than \$250,000.

In addition, for purposes of supplementary labour hire, NSW Maritime observed the new State Government Contingent Workforce C100 Contract. This contract had nine categories of temporary staff to which 18 primary recruitment agencies were awarded. Recruitment agencies could only provide temporary staff for the categories to which they had been awarded.

Temporary Fixed Term Contracts were also used where specific situations arose, not covered by C100, or where the placement was long enough for there to be a cost saving over C100.

20. ACCOUNT PAYMENT PERFORMANCE

Schedule of Accounts Payable	Jul-Sep-11	%	Oct-11	%
within 30 days from invoice date	4,683	90	6,010	90
31-60 days	327	6	460	7
61-90 days	96	2	113	2
> 90 days	80	2	99	1
Total payable	5,186		6,682	

On 11 July 2011, the NSW Government introduced a strict payment regime on agencies that obliges them to pay small business creditors within 30 days. Payments not made within 30 days require agencies to pay penalty interest on the outstanding debt. Agencies are required to report their payment performance to the Department of Finance and Services. NSW Maritime had paid no penalty interest on outstanding debts as at 31 October 2011 and had received no claims in relation to this matter.

21. INVESTMENT PERFORMANCE

NSW Maritime placed funds in four NSW Treasury Corporation Hour-Glass investment facilities – Cash Facility, Strategic Cash Facility, Medium Term Growth Facility and Long Term Growth Facility.

NSW Maritime retained funds for the following purposes:

- Payment of operating distribution to NSW Treasury (1 August and 1 December each year)
- Progress payment on major projects
- Cash backing for employee entitlements (annual leave, long service leave)
- Bonds against completion of certain stages of major projects
- Sundry security deposits from developers, lessees and clients
- Progress payments for the Better Boating Program
- Cash backing for the pre-30 June 1995 workers' compensation and dust and diseases provisions
- Boating fees received in advance (second and third year of three year licences, and second, third, fourth and fifth of five year licences)

Returns from the individual Hour-Glass investment facilities were:

	30/6/2011 %	31/10/2011 %
Cash facility	5.4	1.7*
Strategic cash facility	5.6	1.6*
Medium term growth facility	7.1	(0.3)*
Long term growth facility	8.5	(4.1)*

* The percentage only reflects returns from 1 July 2011 until 31 October 2011.

22. DEBT MANAGEMENT PERFORMANCE

NSW Maritime's major external debt was for the sub-lease of the Maritime Trade Towers, 207 Kent Street, Sydney, which was being repaid over 25 years. The 2011–2012 principal payment of \$1.6 million will be repaid in March 2012 and the outstanding balance is \$1.5 million.



APPENDICES

23. BUDGET

	2010/11 Actual	2011/12 Budget
Income Statement		
Revenue		
Rendering of services:		
Port management	1,209	1,166
Channel fees	11,352	11,189
Drivers licences	18,932	18,872
Boat registrations	20,437	21,482
Moorings	7,460	8,088
Commercial vessel charges	3,041	3,155
Rental income:		
Rentals	38,538	38,394
Investment income:		
Interest on investments	5,089	4,109
Other income:		
Other (*)	15,747	29,525
Grants and contributions	259	2,000
Total revenue	122,064	137,979
	2010/11 Actual	2011/12 Budget
Expenses		
Employee related expenses	39,547	43,096
Contract service expenses	25,146	25,019
Fuel, protective clothing and other materials	1,111	1,287
Utilities and communications	3,274	4,486
Administration	9,112	9,813
Depreciation and amortisation	14,392	14,741
Grants and subsidies	2,373	2,958
Better Boating Program	4,652	5,000
Finance expenses (*)	8,112	24,922
Audit fees – audit of financial report	188	223
Loss on disposal of assets and assets written off	2,018	165
Total expenses	109,925	131,710
Surplus for the year	12,139	6,269

Line items with (*) indicate a change in accounting treatment.

24. MINISTERIALS

384 ministerial items were managed between 1 July and 31 October 2011 in the Office of the Chief Executive. This number included nine parliamentary questions.

A total of 393 ministerial responses were provided.

25. MEDIA ACTIONS

During the four month reporting period, the Communications branch handled almost 200 media actions (compared to more than 850 during the 12 months of 2010–2011), which included responses on issues and delivering information through the media to promote a culture of safe, responsible and enjoyable boating in NSW.

26. GLOSSARY AND ACRONYMS

Bar ('bar', 'river bar' and 'coastal bar') – a ridge or lip of sand, gravel or rock that extends across the mouth of a river or bay and forms an obstacle in terms of reduced water depth and/or breaking waves that impede safe navigation.

Commercial vessel – any vessel used in connection with any business or commercial activity, principally for carrying passengers or cargo for hire or reward, or providing service to vessels for reward.

Hire and Drive – a business involving the temporary hiring out of a vessel through a hiring agreement or transaction which involves the use of a vessel by the public on specific terms.

Irregular riding – driving a PWC in a circle or pattern, weaving or diverting, or purposefully surfing down or jumping over or across any swell wave or wash, but does not include any necessary turns and diversions.

Marine Ministerial Holding Corporation (MMHC) – entity established under the then Ports Corporatisation and Waterways Management Act 1995 as the legal owner of the assets and liabilities of the former Maritime Services Board of NSW that had not been transferred to either the Newcastle, Port Kembla or Sydney Ports Corporations or the Waterways Authority, for example the harbour beds of those ports. During 1999–2000 all MMHC assets and liabilities were transferred to the Waterways Authority and on 29 June 2000 the MMHC was dissolved.

Navigable waters – all waters that are from time to time capable of navigation and are open or used by the public for navigation, whether upon payment of a fee or otherwise.

Personal watercraft (PWC) – a power-driven vessel that has a fully enclosed hull, does not retain water taken on if it capsizes and is designed to be operated by a person standing, sitting astride or kneeling but not seated within the vessel.

Recreational vessel – a vessel which is not used for, or in connection with, a commercial purpose.

Safety compliance – the level of safe navigation compliance achieved by the recreational and commercial boating public.

The compliance rate is calculated as:

- Number of vessels not issued with infringements and formal warnings divided by number of vessels checked.
- One vessel check could result in multiple infringements or formal warnings issued.

Wetland – all land and seabed located below a defined level called the Mean High Water Mark which is 1.48 metres above zero on the Fort Denison Tide Gauge.

ACRONYMS

BBP	Better Boating Program
BSO	Boating Safety Officer
CPI	Consumer Price Index
CSO	Customer Service Officer
DPI	Department of Planning and Infrastructure
GIS	Geographic Information System
GLS	Government Licensing Service
GPS	Global Positioning System
IGLS	Integrated Graphical Licensing System
MIP	Maritime Infrastructure Program
MAC	Maritime Advisory Council
MRB	Marine Radio Base
MSB	Maritime Services Board of NSW
NMSC	National Marine Safety Committee
PWC	Personal watercraft
RIB	Rigid Inflatable Boat
RMS	Roads and Maritime Services
RTA	Roads and Traffic Authority
SARcc	Search and Rescue coordination centre
SEDA	Sustainable Energy Development Authority
SMOC	State Marine Operations Centre
SREP	State Regional Environmental Plan
TAM	Total Asset Management
TfNSW	Transport for NSW
WALROS	Waterways Authority Licensing and Registration Online System

27. ANNUAL REPORT AVAILABILITY AND COSTS

The Annual Report is available online at www.rms.nsw.gov.au. The cost of design and printing of the Annual Report was \$19,730. The online design and delivery was \$8,500.

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ACKNOWLEDGEMENTS

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NSW Maritime

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Sydney Region			
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Sydney	Foyer (Level 6) 207 Kent Street Sydney NSW 2000 Locked Bag 5100 Camperdown NSW 1450	Ph: (02) 9241 6307 Fx: (02) 9241 3663	Monday – Friday 8.30am – 4.30pm
Hawkesbury/Broken Bay Region			
Hornsby	4 Bridge Road Hornsby NSW 2077 PO Box 797 Hornsby NSW 1630	Ph: (02) 9477 6600 Fx: (02) 9477 3418	Monday – Friday 8.30am – 4.30pm
North Coast Region			
Coffs Harbour	Lot 2, 16 Isles Drive Coffs Harbour NSW 2450 PO Box 4259 Coffs Harbour Jetty NSW 2450	Ph: (02) 6691 9555 Fx: (02) 6691 9599	Monday – Friday 8.30am – 4.30pm 8:30am – 12pm First Saturday of the month
Hunter/Inland Region			
Newcastle	8 Cowper Street South Carrington NSW 2294 PO Box 653 Newcastle NSW 2300	Service centre Ph: (02) 4962 8500 Fx: (02) 4962 8528 Regional office Fx: (02) 4962 8588	Monday – Friday 8.30am – 4.30pm
South Coast Region			
Port Kembla	91 Foreshore Road Port Kembla NSW 2505 PO Box 1441 Wollongong NSW 2500	Fx: (02) 4274 8017 Ph: (02) 4274 7914	Monday – Friday 8.30am – 4.30pm
Murray/Inland Region			
Albury	Level 2, 429 Swift Street Albury NSW 2640	Ph: (02) 6021 7188 Fx: (02) 6041 2668	Monday – Friday 8.30am – 4.30pm
Regional Ports			
Port staff are available 7 days per week/24 hours per day for shipping movements into and out of the Ports. The office is opened as required.			
Port of Eden	Main Jetty Snug Cove Eden NSW 2551 PO Box 137 Eden NSW 2551	Ph: (02) 6496 1719 Fx: (02) 6496 3024	
Port of Yamba	Pilot Street Yamba NSW 2464 PO Box 143 Yamba NSW 2464	Ph: (02) 6646 2002 Fx: (02) 6646 1596	



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