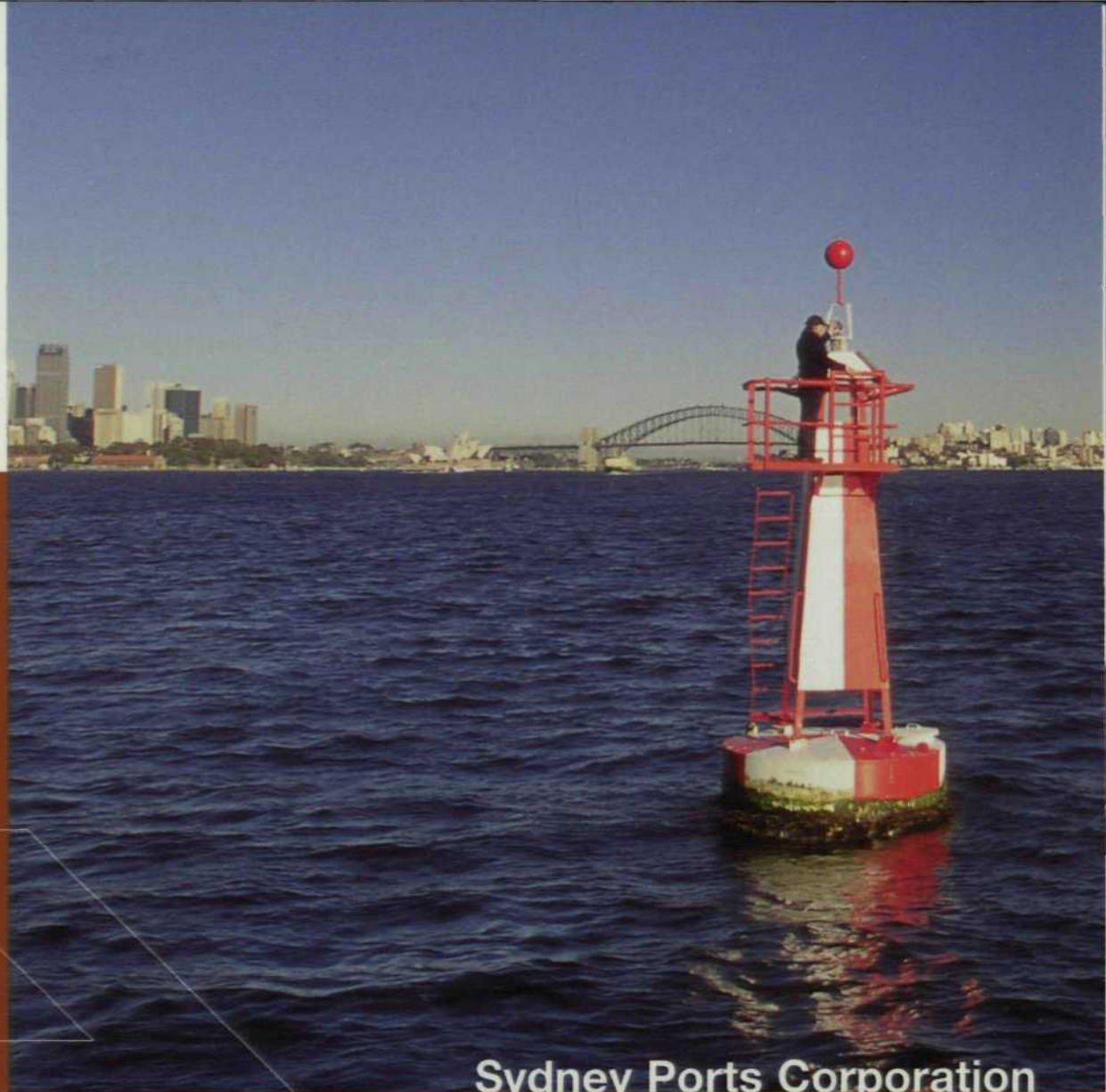




**Sydney Ports Corporation**

**annual report 2000**

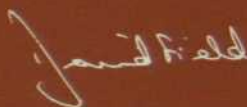
The Hon M R Egan, MLC  
Treasurer, Minister for State Development,  
Vice President of the Executive Council  
Governor Macquarie Tower  
Level 33, 1 Farrer Place  
SYDNEY NSW 2000

The Hon J J Della Bosca, MLC  
Special Minister of State and  
Assistant Treasurer  
Governor Macquarie Tower  
Level 33, 1 Farrer Place  
SYDNEY NSW 2000

Dear Messrs Egan and Della Bosca,

This annual report covers Sydney Ports Corporation's operations and statement of accounts for the year ended 30 June 2000, in accordance with the provisions of the Annual Report (Statutory Bodies) Act 1984 and the applicable provisions of the Public Finance and Audit Act 1983 and the State Owned Corporations Act 1989, and is submitted for presentation to Parliament.

Yours sincerely,



Mr David LP Field  
Chairman



Mr Greg J Martin  
Chief Executive Officer

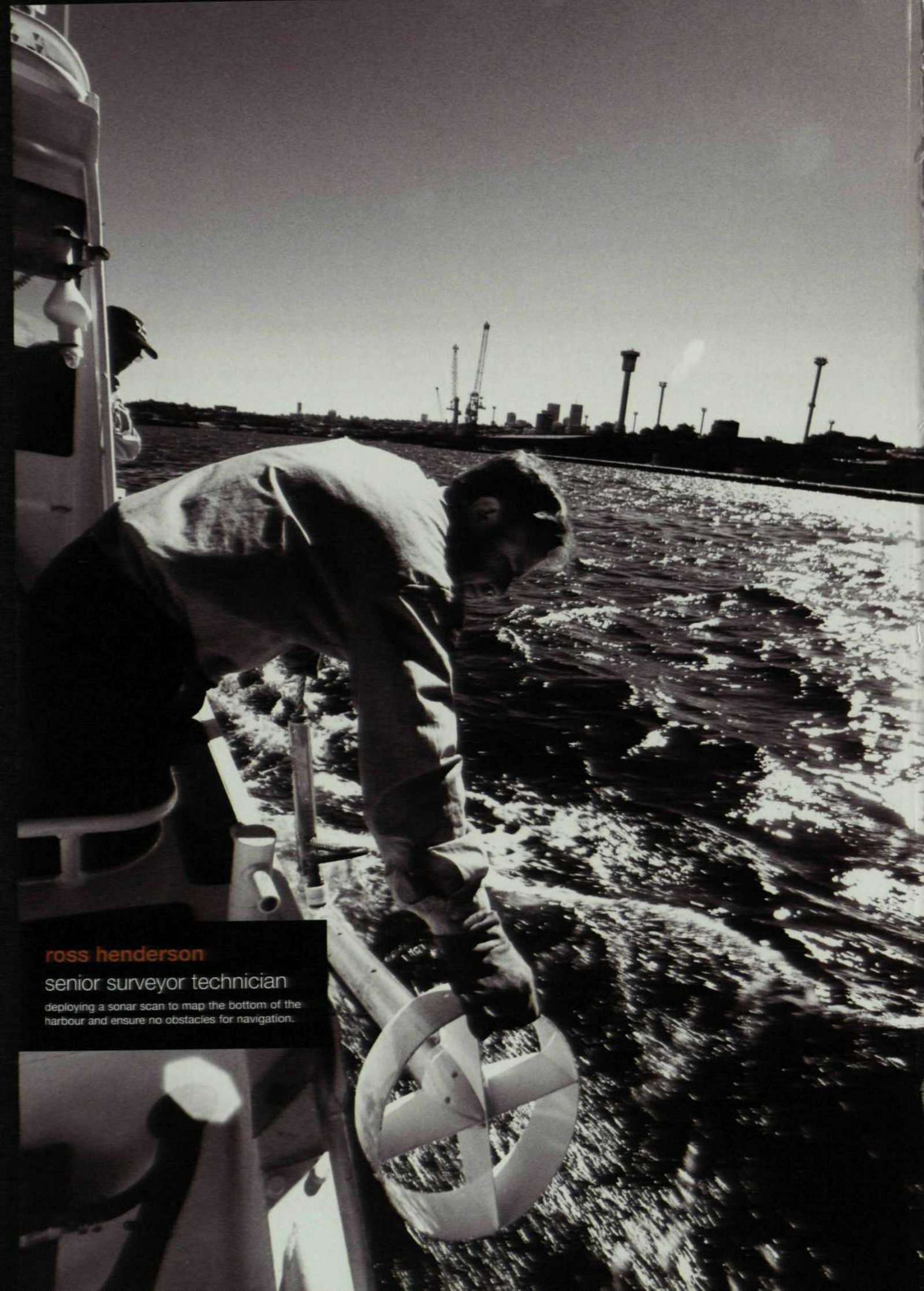


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<http://www.sydneyports.com.au>

Looking for more information on a specific topic?  
If you see this symbol anywhere in the annual report, it indicates that more detail is available on our website.



**ross henderson**

senior surveyor technician

deploying a sonar scan to map the bottom of the harbour and ensure no obstacles for navigation.



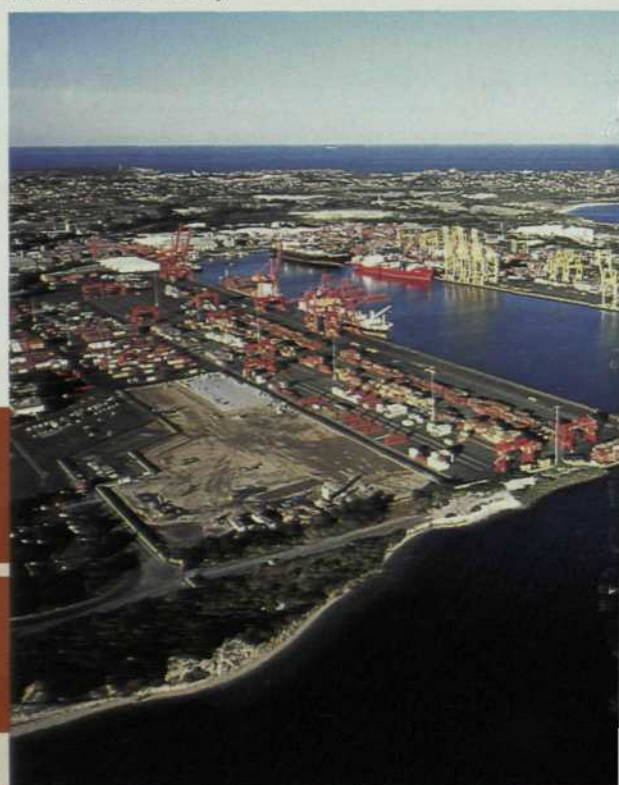
# introduction

Sydney Ports Corporation was established in 1995 under the Ports Corporatisation and Waterways Management Act to give a greater focus to commercial port operations and enhance competition in the provision of services to the shipping and cargo industries. In doing so, Sydney Ports aims to be a successful business and serve the needs of its customers, while providing an appropriate return to our shareholders, the NSW government.

1999/2000 was a year of milestones for the ports of Sydney, including the achievement of one million TEUs of containerised trade and the fifth anniversary of the creation of Sydney Ports Corporation.

This report sets out the activities and achievements of Sydney Ports Corporation during 1999/2000 in its key areas of activity: port property management and development; services to shipping and navigation; and trade development. The report also outlines major outcomes in corporate support areas, the financial statements of the Corporation, and our roles in managing the environment and working with our port neighbours.

Aerial view of Port Botany



|                                   | 1999/00<br>\$M | 1998/99<br>\$M | % change |
|-----------------------------------|----------------|----------------|----------|
| <b>Financial</b>                  |                |                |          |
| Revenue from port operations*     | 95.9           | 90.0           | 6.6      |
| Pre-tax profit                    |                |                |          |
| (including abnormals)             | 44.1           | 49.5           | -10.9    |
| Income tax payable                | 17.9           | 15.3           | 17.8     |
| Capital expenditure               | 38.7           | 25.2           | 53.6     |
| Dividend payable                  | 13.0           | 13.5           | -4.4     |
| Shareholder value added           | 7.4            | 7.3            | 1.4      |
| <b>Trade</b>                      |                |                |          |
| Total container trade (TEUs)      | 1,016,401      | 879,179        | 15.6     |
| Total cargo (mass tonnes)         | 24.4M          | 22.9M          | 6.6      |
| Revenue tonnes                    | 43.3M          | 39.3M          | 10.2     |
| <b>Shipping</b>                   |                |                |          |
| Total cargo and passenger vessels | 2413           | 2293           | 5.2      |
| Gross tonnage                     | 56.6M          | 56.2M          | 0.7      |

\*Includes land rentals

#### Port Development

A busy year saw the demolition of the disused silos at Glebe Island, the adoption of the Glebe Island/White Bay Master Plan, redevelopment of the northern end of Sydney Cove Passenger Terminal and an agreement, in principle, to purchase 47 hectares of land at Enfield.

#### Emergency Response

The recovery mounted after the *Laura D'Amato* oil spill, and the successful prosecution of the ship's owners, demonstrated the effectiveness of emergency response capabilities.

#### Rail

190,000 TEU's (22% of Botany's container throughput) moved by rail during the year. This was a 35% increase on 1998/99 volumes.

## 1999/2000 highlights



David L P Field, Chairman  
Greg J Martin, CEO

## a joint report by the chairman and ceo

### Trade and Logistics Milestones

1999/00 proved to be a very successful year for Sydney Ports Corporation (Sydney Ports) with the achievement of a number of significant milestones in trade and logistics. The most noteworthy of these was the throughput of over one million TEUs (1,016,000 TEUs) through the ports of Sydney in the year. This historic achievement represented an increase in container trade of 15.6% over the 1998/99 result and continued the upward trend in containerised trade which has seen the volume double in the past eight years. Perhaps of even more significance is the fact that a trade projection study carried out in 1992 predicted that Sydney would not reach 1 million TEUs until 2015. Total trade including containers also showed a healthy growth with the Port recording an overall increase in revenue tonnes of 10.2% for the year.

One of the most pleasing developments during 1999/00 was the significant improvement in rail performance at Port Botany. Where rail operations at Port Botany were previously considered unreliable, a collective effort by the parties involved has made Port Botany the largest and one of the best performing rail container freight operations at any Australian port.

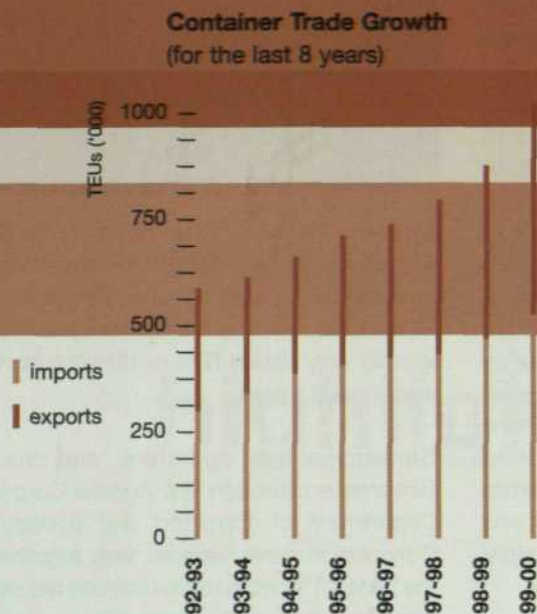
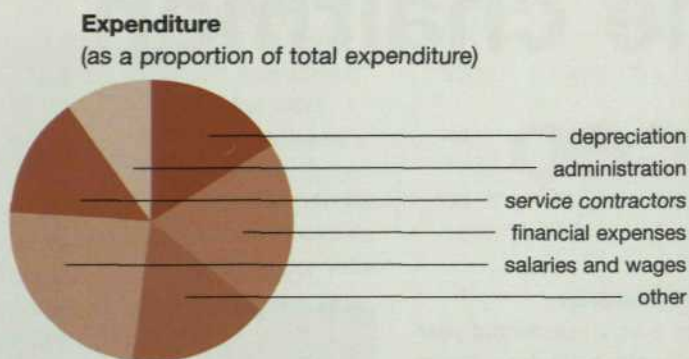
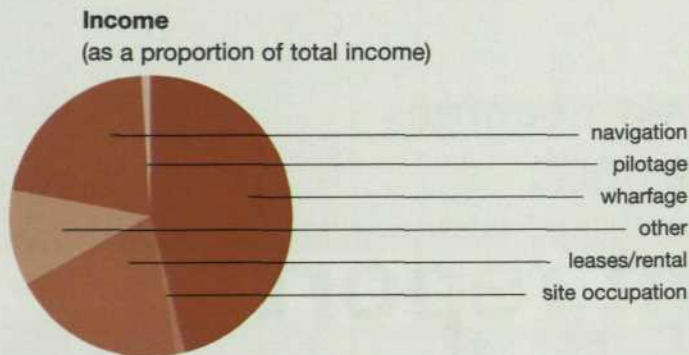
Chairman, David Field (right) and CEO, Greg Martin



A record 190,000 TEUs, or nearly 22% of all container traffic through Port Botany, was moved by rail in the year to 30 June. This represents a 35% increase in volume over the previous year. In 1995, only 79,000 TEU, or 13% of total volume, was moved by rail.

Stevedores, rail operators, and the NSW Government through Rail Access Corporation, Department of Transport and Sydney Ports Corporation have worked well together over the past 12 months to co-ordinate rail activities and improve daily operations under the auspices of the Botany Rail Steering Group. Also, investment by the Rail Access Corporation and Department of Transport in new rail infrastructure at Port Botany, with an additional shunt line to the port terminals, has proven to be invaluable.





The co-operation shown during the year by all members of this group augurs well for the successful development of Sydney's intermodal future.

#### Financial Performance

Sydney Ports recorded another very successful financial result for the year, with an operating profit of \$44.1 million before tax. This result compares favourably with the 1998/99 result of \$49.5 million, which included a \$7 million grant from the Government to develop the cruise terminal at Wharf 8, Darling Harbour. During the year, revenue from port operations grew by 6.6% to \$95.9 million while revenue from all sources including rent and other activities totalled \$107.7 million. This result included the full year effect of the decision to abolish the \$10 wharfage on empty containers from 1 January 1999. In 1999/00 this represented a \$2 million saving to Sydney Ports' customers.

The excellent financial result was driven principally by the higher than budgeted growth in trade and continued tight control over expenditure.

Expenditure increased 7% over last financial year, because of an increase in operating expenses such as service contractors. While all costs were recovered for the *Laura D'Amato* oil spill, Sydney Ports' involvement in this activity added to expenditure. Wages and salaries grew by 4.9%.

Sydney Ports continues to build its financial reserves in preparation for future investment to meet long-term growth in trade.

#### Ports of Sydney Total Cargo

By commodity in mass tonnes - 1999/00

| Description                | Total 99/00       |
|----------------------------|-------------------|
| Containers                 | 10,400,350        |
| Oil                        | 11,344,849        |
| Bulk dry                   | 1,469,942         |
| Vehicles                   | 247,838           |
| Other bulk liquids         | 217,897           |
| Gas                        | 267,461           |
| Timber                     | 216,261           |
| Other general cargo        | 258,742           |
| <b>Total (mass tonnes)</b> | <b>24,423,340</b> |



### Port Development

Over \$38 million was spent by Sydney Ports in 1999/00 on capital projects, ranging from the upgrade of facilities to the purchase of land for possible future expansion.

The largest single expenditure, \$20 million, was paid to the State Rail Authority, as part payment for a 47ha parcel of land adjacent to the existing FreightCorp facility at Enfield. The site is being purchased to position Sydney Ports to progress its intermodal strategy, subject to all necessary government and planning approvals.

In the past five years there has been a 50% increase in container trade, as a result of generally increased economic activity in NSW. Conservative estimates of only 4% growth a year on average over the next 25 years would see 2.6 million TEUs by the year 2025. An annual increase of just 6% would see effective capacity at Port Botany reached by 2005, even with productivity improvements. The Enfield purchase, together with plans for possible long term expansion at Port Botany, are part of our strategy to ensure that the Ports of Sydney can cope with these anticipated levels of trade growth.

One of the most complex and high-profile projects Sydney Ports has been involved in during the year has been the redevelopment of Sydney Cove Passenger Terminal. This is a pivotal Corporation asset of great importance to our cruise industry, in a very visible location and highly valued by the public. Sydney Ports' plans for the terminal have been driven by a desire to improve the public amenity of this site, as well as improving the economic return from a property.

Sydney Ports Users Consultative Group, our key port representative group, met bi-monthly throughout the year to provide advice and feedback on operational and strategic issues. The group is ably chaired by Brian O'Dea and we thank him and all the members for their valued contributions.

### The Working Harbour

During the year, the concept of the Working Harbour in Sydney was put to a significant test when on 3 August 1999, the *Laura D'Amato*, a 96,121 DWT Italian registered oil tanker, spilled some 300,000 litres of light crude oil into Sydney Harbour from an open sea chest valve.

This was the largest oil spill ever recorded in Sydney Harbour and resulted in a major clean-up operation conducted by Sydney Ports Corporation's Port Services team, led by General Manager, Chris Alsop, with the assistance of many other State Government agencies, AMSA, private companies and personnel from other Port Corporations. The clean-up procedure was conducted under the control of the Chairman of the NSW State Oil Spill Committee, Matthew Taylor. The clean-up operation was well co-ordinated and well executed and has been recognised as a model oil spill response.

We wish to record our thanks for the excellent efforts of all those involved, both from within Sydney Ports and all those who assisted the Corporation in the difficult but successful clean-up operation from this major oil spill.

As a result of this spill, the ship owner, the Master and Chief Officer were prosecuted by the Sydney Ports Corporation under the NSW Marine Pollution Act 1987. The ship owner and Chief Officer were convicted and fined \$510,000 and \$110,000 respectively, the highest such fines ever levied in NSW. The offence by the Master was found to be proven although the charge was dismissed.

This major incident in one of the world's most beautiful harbours led to some claims that commercial shipping should be banned from Sydney Harbour. It was reassuring to Sydney Ports Corporation and all port users that the Premier of NSW, the Hon Bob Carr, on 5 August publicly endorsed the continued use of Sydney Harbour as a working port.

Our long-term plans to secure the future of the working harbour came a step closer during the year with the adoption by the Government of the Glebe Island/White Bay Master Plan. This document will give customers and the community greater certainty over the future intended port related uses of the site.



The decision to undertake the demolition of the disused silos at Glebe Island is part of our strategy to make more productive use of available port land. Conscious that the silos were in a sensitive position close to a major road and across the bay from a residential area, the demolition required special techniques. Sydney Ports engaged Metropolitan Demolitions to carry out the work. Over 18 months the silos were demolished from the inside, with the external walls acting as a barrier to noise and dust. The demolition process also included establishing a crusher plant to break down the concrete for recycling. Around half of the 110,000 tonnes of concrete in the silos will be used as road base on the new port road. The remainder was sold for other projects.

The demolition won a Case Earth Award, given for outstanding environmental civil engineering projects.

#### **Olympic Preparations**

Sydney Ports made a considerable commitment to the Olympics during the year, setting up a dedicated Olympic Projects Unit. This group was responsible for ensuring the smooth connection of services to the nine floating hotels chartered by Games' sponsors to provide hospitality for guests. The Project Team maintained close liaison with the Sydney Organising Committee for the Olympic Games, sponsors, agents and other service providers to ensure the \$4 million provided by the Olympic Co-ordination Authority to the Corporation for the necessary works for the cruise ship hotel program was appropriately spent.

We would particularly like to thank John Hayes, General Manager Property and Planning and the members of the Olympic Project Team for their efforts and the many other staff who combined additional Olympic responsibilities with their normal roles. These people ensured that customers were informed of the impact of the Olympics and sought to minimise the effect of the Games on freight movements.

On behalf of Sydney Ports we would like to thank those organisations that helped maintain a focus on freight preparations in the pre-Olympic period including the Olympic Roads and Transport Authority (ORTA), the State Chamber of Commerce, the Rail Access Corporation and the Australian Chamber of Shipping. Special thanks go also to our customers for their patience and co-operation with the special Olympic freight arrangements.

#### **Risk Management**

During the year, Sydney Ports implemented a formal Risk Management plan in accordance with ISO 14000 which has resulted in the establishment of a formal process of classifying both the severity and the likelihood of occurrence of risks, and then determining appropriate risk reduction strategies.

#### **Outlook**

It is not expected that container growth of 15.6% will be repeated in the year ahead. However, the economy remains buoyant and cargo throughput is anticipated to grow at around 6% in 2000/01.

There is speculation that the year ahead will bring some slowdown following the Olympics. This is not a view shared by Sydney Ports as there have been no significant increases in trade that can be attributed to the Olympics. However, it is anticipated that the depreciation of the A\$ against the US\$ and the significant increase in oil prices will have some dampening effect on trade growth.



Cranes operating at White Bay



Cruise vessel at Circular Quay



Nevertheless, we look forward to a bright future, especially given the heartening improvements in productivity on the wharves and the great strides that have been made in rail logistics. With the intermodal infrastructure now in place, and the heightened focus on rail operations at Port Botany, we believe Sydney is now well placed to lead the country in port rail development in the long term.

Sydney Ports has invested significant time and resources in planning additional infrastructure at Port Botany and Enfield, to ensure trade growth can be effectively handled. We hope to be in a position to advance these plans in the new financial year.

In terms of productivity, Sydney has seen substantial improvement, particularly during the second half of the year, in all aspects of stevedoring performances. Crane rates, ship turnaround times and reliability of fixed day services, train servicing and truck receipt and dispatch have all shown marked improvement which is of great benefit to all other port operators and shippers in general. This new attitude and performance augurs well for the future.

In regard to technological development, Sydney Ports is continuing to actively promote the adoption of electronic lodgement of manifests with over 60% of all manifests now being received electronically. Furthermore, Sydney Ports will introduce its new Windows-based ShIPS (Sydney's Integrated Ports System) early in the new financial year which will ensure our ship booking system, dangerous goods reporting and electronic lodgement of manifests are more user friendly and accessible, via the internet, to all users.

#### Acknowledgements

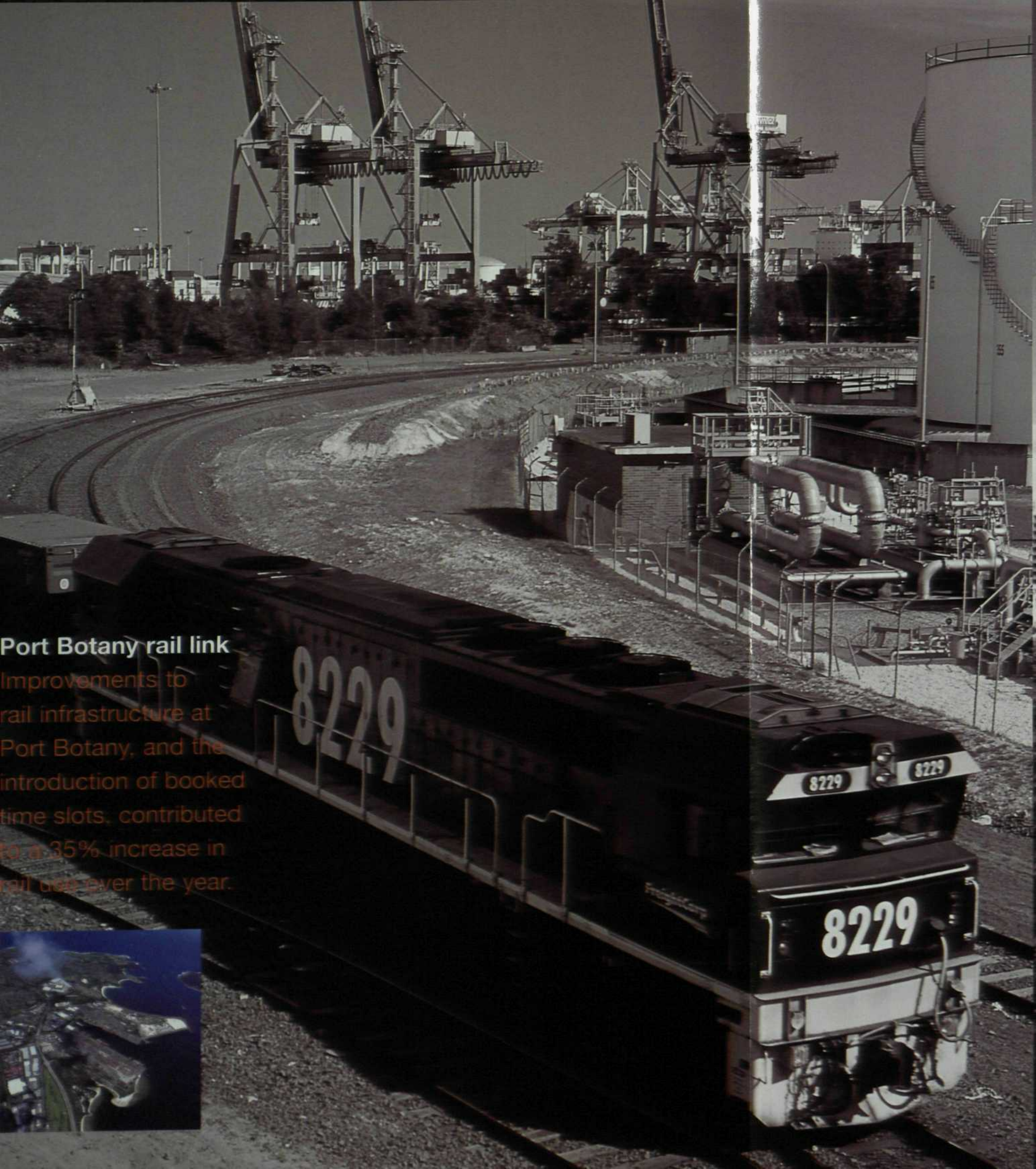
On behalf of our fellow Directors of Sydney Ports Corporation, we extend our thanks to all those who have assisted in providing, and improving, the service to all our port users. The improvements in the productivity and reliability of both stevedores during the year have been significant and have benefited our importers and exporters and the shipping companies immensely. Other direct service providers such as the pilotage and towage companies have also made noticeable headway in improving their service to the ports users. There are many other parties, both in the private sector and the public sector, who have worked closely with Sydney Ports during the year to find improvements in operational, procedural and conceptual aspects of the ports activities and we thank them for their valued assistance. Finally, we wish to record our sincere thanks and appreciation to the staff of Sydney Ports Corporation who have worked co-operatively with management and customers during the year to make Sydney's ports even better. Creating a successful port is a team effort, contributed to by many individuals and our thanks go to you all.

**Mr David L P Field**  
Chairman

**Mr Greg J Martin**  
Chief Executive Officer and Managing Director



**Port Botany rail link**  
Improvements to  
rail infrastructure at  
Port Botany, and the  
introduction of booked  
time slots, contributed  
to a 35% increase in  
rail use over the year.





## Refurbishment of Sydney Cove Passenger Terminal

At a cost of over \$20M,  
SCPT has been upgraded  
to better serve the cruise  
industry and provide  
increased amenity to  
the people of Sydney.







*Photo courtesy of News Limited*

## Laura D'Amato Oil Spill

The spill on  
3 August 1999  
tested response  
systems, but also  
proved the  
effectiveness of  
planning,  
containment and  
recovery.



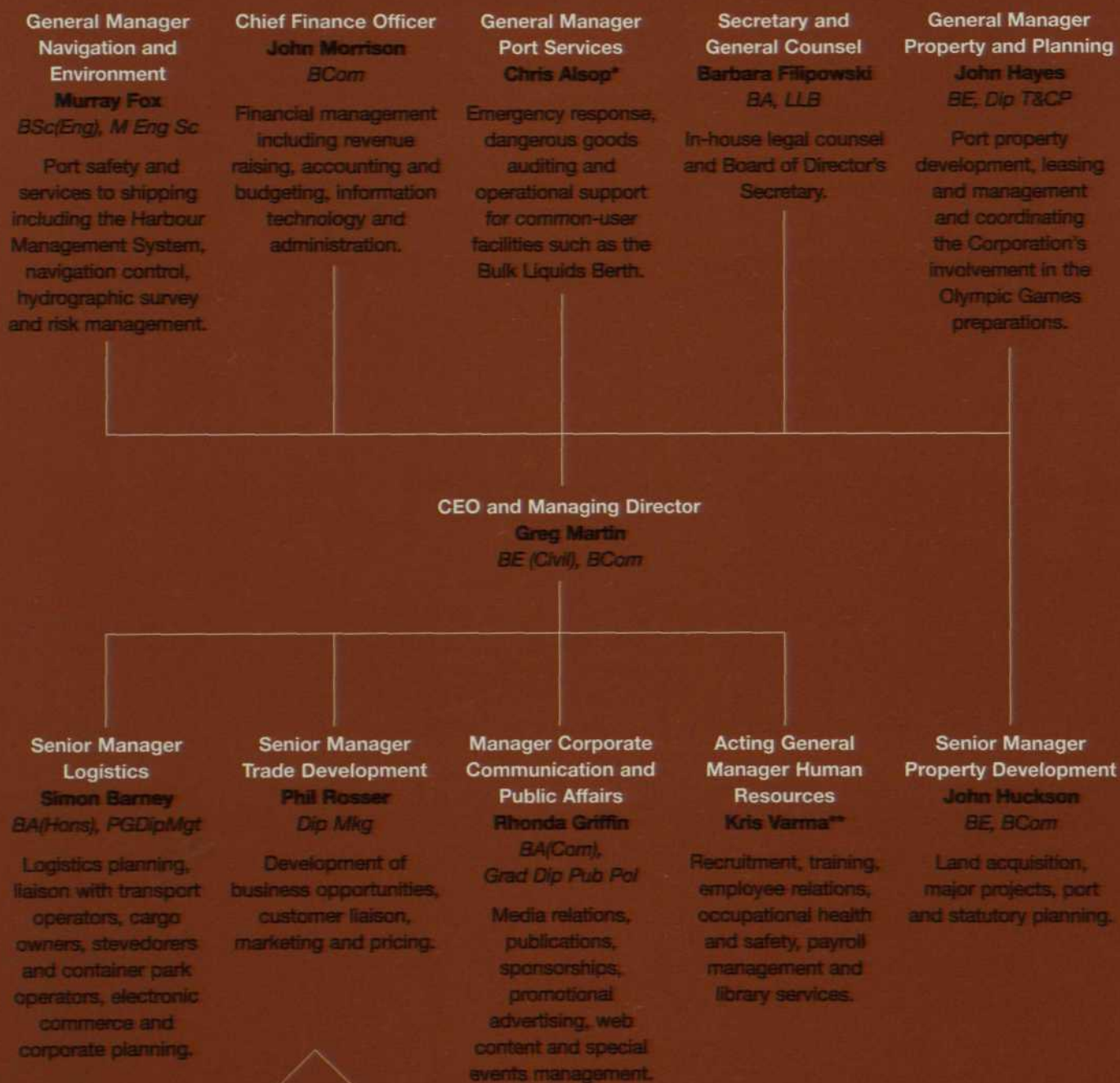


## Demolition Glebe Island Silos

The demolition of the old silos at Glebe Island was a major 18 month project. The demolition made 3 hectares of valuable port land available for development and the project also won a Case Earth Award for environmental management.







\* Chris Alsop resigned 7 July 2000 and Shane Hobday was appointed to the position with immediate effect.

\*\* Ms Pat Catanech was appointed to the position of General Manager Human Resources from 4 September 2000.



Sydney Ports' vision is to be an internationally respected commercial port manager in all operational and environmental aspects, and to provide facilities to promote and support trade growth for the benefit of the New South Wales economy.



#### Key Roles

- Manage and develop port facilities and services to cater for existing and future trade needs;
- Facilitate trade by providing competitive advantage to importers, exporters and the port related supply chain;
- Manage the navigational and operational safety needs of commercial shipping;\*
- Protect the environment and have regard to the interests of the community; and
- Deliver profitable business growth.

\* The Corporation holds a Port Safety Operating Licence with responsibilities for channel depths, dangerous goods, emergency response, navigation aids, pilotage (performed by a private contractor) and port communications.

## our vision





**rod rush** port officer  
conducting a random audit of a bulk  
oil transfer.



# shipping and navigation

Laying booms  
during the *Laura D'Amato* spill



Sydney Ports business success was mirrored in the increase in vessel visits to the ports during the year.

In keeping with an increase in container trade of 15.6%, the total number of ship visits rose by 5.2% to 2413.

Sydney Ports exceeded all performance requirements under its Port Safety Operating Licence, the most visible example being the response to the *Laura D'Amato* oil spill.

The eyes of the world were on Sydney Harbour during August 1999 when Sydney's preparedness for a major pollution incident was put to the ultimate test. On 3 August the *Laura D'Amato*, laden with almost 90,000 tonnes of crude oil, spilled 300,000 litres (approximately 250 tonnes) via open sea chest valves, into Gore Bay.

The response to the oil spill was coordinated from the Emergency Operation Control Centre based at Moores Wharf, the Port Services base of Sydney Ports Corporation, near Walsh Bay. Within 15 minutes of notification, the first booms were being laid; within hours the command structure was established that coordinated the response by 450 personnel from over 30 organisations.

After only six days the bulk of the floating oil had been recovered, and the *Laura D'Amato* checked, cleaned and cleared to leave.

Before departure, Sydney Ports Corporation secured from the vessel's insurers a bond of A\$8 million against the possible cost of the clean up and fines.

The shoreline clean-up continued for several weeks. As Sydney was entering the season of high Spring tides, clean up crews were kept on alert for further oil that may have washed from wharves or rock crevices.

The effectiveness of the response indicated that appropriate systems are in place to cope with this type of emergency and to maintain the confidence of the public in the safety of the working harbour.



General Manager, Shipping and Navigation, Murray Fox, the new General Manager Port Services, Shane Hobday and Manager, Operations Support Emergency Training, Jim Puller, at an emergency exercise, Caltex, Banksmeadow.



### Safety and the Environment

Sydney Ports operates under a Port Safety Operating Licence (PSOL), granted to it by the NSW government. The PSOL sets standards of performance for Sydney Ports in the areas of pilotage, port communications, maintenance of navigation aids, inspections of dangerous goods transfers, maintenance of channels and emergency response. These functions are quality accredited to the standard AS/NZS 9002. The Licence is independently audited every six months against established performance criteria, and reported to the Minister for Transport.

The Licence requires Sydney Ports to audit the safe handling of containerised dangerous goods, and bulk transfers of products such as oil, gas and chemicals, between ships and shore-based facilities. Sydney Ports has successfully met all audit requirements between ships and shore-based facilities. During 1999/00 there were 4597 audit inspections of bulk transfers, as well as 551 inspections of containerised dangerous goods.

In addition to the *Laura D'Amato* prosecution, during the year Sydney Ports also initiated three other prosecutions under the Marine Pollution Act. These involved oil spills of approximately 50 litres, 150-200 litres and 2,000 litres.

### Rapid Response

Sydney Ports maintains a high degree of readiness to respond to on-water emergencies, 24-hours a day, at bases in Sydney Harbour and Port Botany. In 1999/00 there were 650 calls to Harbour Control reporting a range of incidents from water pollution, noise and exhaust to navigation hazards. Of this total, 5 related to water pollution and were sourced to commercial cargo vessels, 73 were noise complaints and 24 related to exhaust.

Of the pollution investigations, 24 required further action such as cleaning and recovery. In the case of land-sourced pollution, the report is passed to the Environment Protection Authority.

During the year, 11 calls were received to assist vessels in some kind of difficulty and five responses were undertaken to small boat fires in conjunction with the NSW Fire Brigade.

### Pilotage

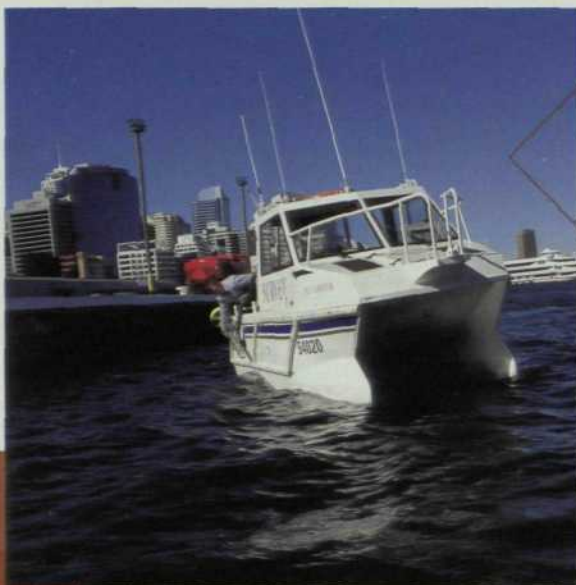
1999/00 was the second year of a three year contract between Sydney Ports and Sydney Sea Pilots Pty Ltd for the provision of pilotage services. The pilotage service is subject to an accredited quality system which met all audit requirements during the year. Sydney Sea Pilots, in conjunction with Sydney Ports, continued to assess towage requirements for vessels, resulting in some significant cost savings for industry.



Minister for Transport, Carl Scully, at a media conference during the *Laura D'Amato* incident



Survey vessel  
'The Recorder'



#### **Coastal and Survey**

Hydrographic surveys, an important function of the PSOL, were undertaken within the required timetable, using global positioning technology and were enhanced by the purchase of new equipment, including a receiver station and echo sounder. Highlights were the installation of a new tide gauge at Port Botany and making tide and wind data from Fort Denison available in realtime in Harbour Control to improve navigation safety.

#### **ShIPS**

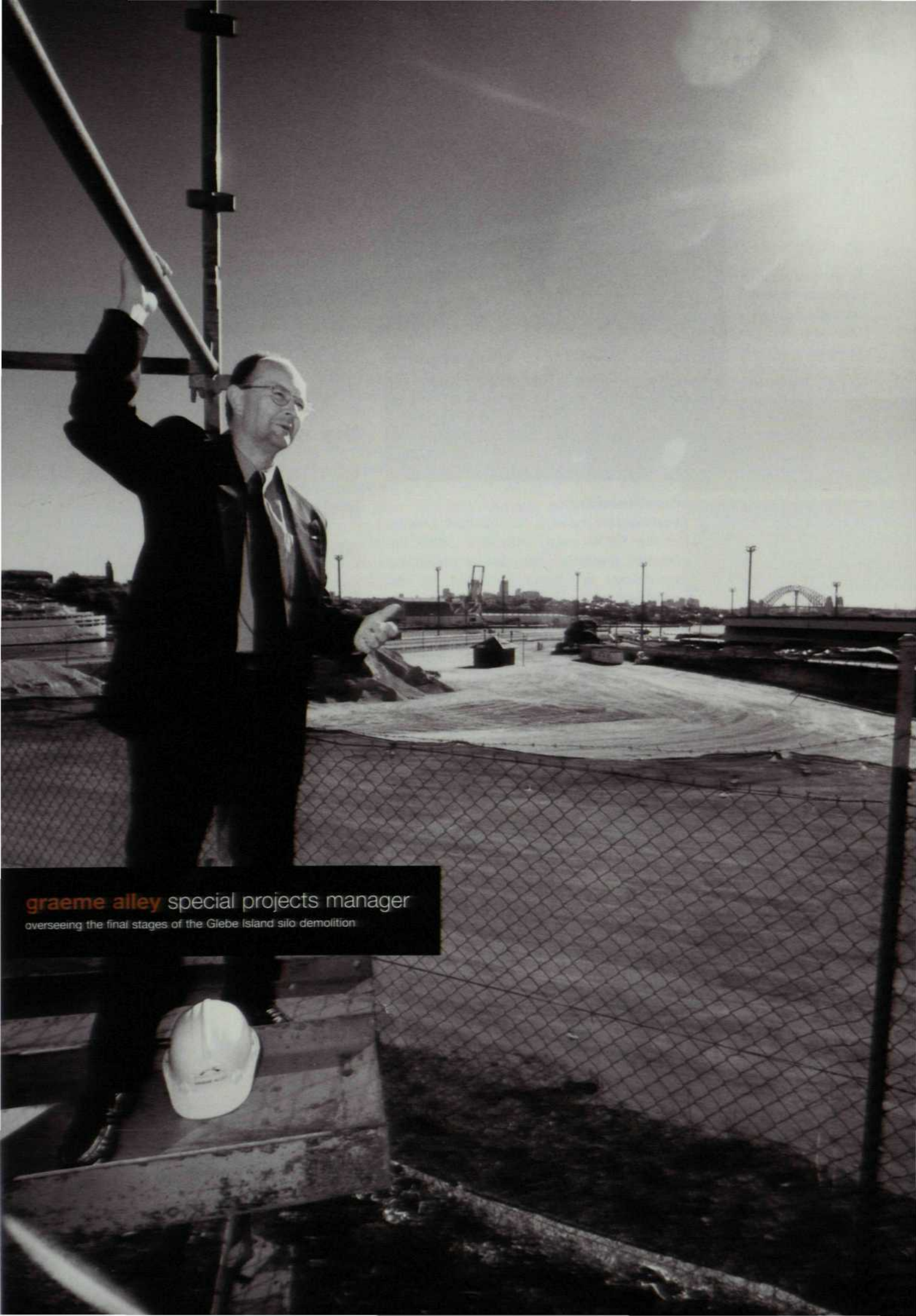
At the end of the year, Sydney Ports was well advanced in the development of a replacement for its harbour management system (HMS). Sydney's Integrated Port System, or *ShIPS*, will provide Sydney Ports' customers with access to an enhanced range of port services via the Internet. *ShIPS* will be easier to operate because of simplified navigation, improved searching capability and the introduction of more user-friendly electronic forms.

The HMS has been operating since October 1995, leading to a dramatic reduction in the time taken to make and confirm bookings for berths, pilots, tugs and lines services.

Improvements to the system, and migrating it to the Internet, mean we can add features to make it a true business-to-business e-commerce model. In addition to service bookings for ship arrivals and departures there is a database going back eight years tracing vessel details and visit histories. Customers will also be able to notify of dangerous goods, lodge work permits and bunker applications and submit manifests.

**the effectiveness  
of the response  
indicated that  
appropriate systems  
are in place to cope  
with this type of  
emergency and  
to maintain the  
confidence of the  
public in the safety of  
the working harbour**





**graeme alley** special projects manager  
overseeing the final stages of the Glebe Island silo demolition



With land and improvements worth almost \$500 million, Sydney Ports is responsible for the effective management of important business and community assets.

## property

Sydney Ports manages, maintains and develops, on behalf of the NSW Government, a 252ha portfolio of land and improvements worth almost \$500 million. Nearly all the lands held by Sydney Ports are leased for port-related activities such as stevedoring, tank storage, container park operation and transport services. Sydney Ports also owns and operates two cruise passenger terminals - Wharf 8 Darling Harbour and Sydney Cove Passenger Terminal - which are also available as function centres when not being used for cruise vessels.

Capital expenditure during 1999/00 totalled over \$38 million on 36 projects incorporating the purchase of additional lands, site development, and upgrading of existing assets.



### Sydney Cove Passenger Terminal

One of the largest and most complex projects undertaken during the year was the redevelopment of the Sydney Cove Passenger Terminal (SCPT) at the western end of Circular Quay. Just under \$11 million of the total estimated project cost of almost \$22 million was spent on the redevelopment and refurbishment of the terminal in 1999/00. By the end of the reporting year the project was on track to ensure the reopening of the Quay and Doyles restaurants prior to the Olympics. Work was also completed on the Arrivals/Customs Hall, to be used by sponsor IBM as a reception area for the hotel ship, *Crystal Harmony*, for the duration of the Olympics.

The total project, including additional restaurant space at wharf level, a new upper level café and a tavern-style development at the southern end of the terminal, is due for completion during 2001.

When complete, the project will give the public greater enjoyment of the foreshore area, providing additional waterside dining and improved access to the site. The redevelopment of the site will also mean improved pedestrian access from Circular Quay through to Campbells Cove.

Over \$1 million was also spent on new gangways for Wharf 8 Darling Harbour Passenger Terminal and the SCPT to meet international safety standards.



White Bay/Glebe Island  
looking back to the city



#### **Silo Demolition Wins Award**

The 18-month project to demolish two banks of disused silos on Glebe Island was almost complete by 30 June 2000. In addition, the careful environmental program involved was recognised when Sydney Ports and its contractor, Metropolitan Demolitions, won a NSW Case Earth Award for the project.

An innovative demolition solution was developed to keep down noise and dust, while maximising the recovery of demolished material for reuse. The silos were demolished from the inside, so that the external walls acted as a protective barrier. The silos also housed a crusher to recycle the concrete. Around half of the 110,000 tonnes of concrete has been retained on site to form the base of a future internal port road, while the remainder was transported for use on other sites. It is believed to be the first time a demolition project has won this prestigious industry award.

The project also makes over 3ha of valuable land available for future port-related uses.

#### **Purchase of Enfield Rail Yard**

Sydney Ports paid a deposit to the State Rail Authority of \$20 million for a 47ha parcel of land adjacent to the existing FreightCorp rail yard at Enfield. The site is zoned for rail uses and would be ideal for intermodal port facilities in the future. Sydney Ports' potential development of the site is subject to NSW Government approval.

#### **Master Plan Adopted**

After a lengthy period of public consultation, the Minister for Urban Affairs and Planning adopted the Master Plan for Glebe Island/White Bay, subject to a number of conditions. At the time of reporting, additional studies required in the conditions of adoption were being completed.

The Master Plan gives certainty to the future of the working port, indicating how it may be developed over the next 20 years. It also outlines processes for consultation in the assessment of future development proposals.

A major component of the plan is the construction of a new port road that will take port traffic under Victoria Road and off suburban roads in Balmain.

#### **Port Leasing**

The last major piece of existing land at Port Botany - approximately 10ha at Molineaux Point - was put to tender in 1999/00. Following an international call for expressions of interest, tenders were invited for appropriate port-related uses. At the time of reporting, the tenders were still being assessed. The site was also prepared in the event that temporary storage for empty containers was needed during the Olympics.

As part of the Sydney Cove Passenger Terminal upgrade, four new retail tenancy spaces were created and these spaces were put to the market in May 2000. The response was significant and the process to select the successful operators will be completed in late 2000. At the same time, retail spaces leased to Doyles and Quay Restaurant were expanded and new 20 year leases were effected.

**preparations for the Olympics got underway in earnest at the end of 1999 with the appointment of a full-time team of four to manage Sydney Ports' Olympic commitments**



General Manager, Property and Planning, John Hayes (left) and Manager, Olympic Works and Services, Norman Ferguson



Australian Cement Holdings (ACH) entered a new lease for its portion of the remaining Glebe Island silos. This lease means that, in return for taking on the additional maintenance responsibilities for the silos, ACH has secured a long-term right to occupy the cement storage space until 2020.

P&O Ports entered a new lease for wharves 3 to 6 White Bay which gives P&O occupation until 2007. This lease replaces several former tenancy arrangements for the site, thus simplifying administration, and sees P&O Ports take on additional maintenance obligations.

The new Port Botany Container Park (PBCP) development at 55 Friendship Rd Port Botany was completed in late August 1999. As a consequence of an agreement between the parties, Smith Bros took a transfer of an area leased to PBCP and became a direct tenant of Sydney Ports on an increased leasehold area of 7.1ha at 4-12 Bumborah Pt Rd.

The Sydney LPG Cavern, developed by Elgas at 30 Friendship Rd, was completed and successfully commissioned in the second quarter of 2000. The cavern provides storage for 65,000 tonnes of propane, providing increased surety of supply for NSW and affords Elgas the ability to use large bulk liquid tankers. This will allow competitive purchasing of LPG.

The Marine Ministerial Holding Corporation was dissolved in March 2000 and its assets were transferred to the Waterways Authority. These assets include the beds of Sydney Harbour and Botany Bay, as well as the Pioneer Blackwattle Bay and Alcatel sites, which were managed by Sydney Ports until 30 June 2000.

Following registration of the Port Botany plan of subdivision by the Land Titles Office, Sydney Ports now has formal title to all lands transferred to it at corporatisation.

#### **Olympic Project Team**

Though years in careful planning, preparations for the Olympics got underway in earnest at the end of 1999 with the appointment of a full-time team of four to manage Sydney Ports' Olympic commitments.

A detailed plan was prepared and executed to accommodate the nine floating hotels. Sydney Ports' responsibilities include providing water and sewerage connections to the cruise vessels, site access for buses, coordinating other service providers and decorating the wharf areas in an informative and festive way. Four of the vessels berthed at Darling Harbour, one each at White Bay, Pyrmont and SCPT, and two at the Naval base at Garden Island.

The vessels provided up to an additional 6000 beds a night, and were some of the lasting images of the Olympics in the harbour city.





**simon barney**

senior manager, logistics

**francis wauchope**

development manager, major projects

discuss train operations at Port Botany



*Legend of the Seas  
cruise liner at  
Wharf 8 Darling  
Harbour, during her  
inaugural visit.*



#### **One Million TEU Milestone**

In 1999/2000 Sydney Ports joined the select group of ports to handle over one million TEUs of containerised goods in one year. At 1,016,401 TEUs, this represents a 15.6% increase in containerised cargo, an additional throughput of 137,000 TEUs over last year. This is now the eighth year of consecutive container trade growth.

Containerised exports increased by 12.5% to 262,271 TEUs and containerised imports by 18.6% to 520,720 TEUs. China maintained its position as the largest source of cargo, accounting for 99,888 TEUs of containerised imports, a growth of nearly 40%, followed by the USA (65,389 TEUs) and New Zealand (35,690 TEUs). The key countries for exports were New Zealand (47,956 TEUs), Japan (33,968 TEUs) and China (29,573 TEUs).

Further details on trade markets and commodities are provided in the tables on pages 30 and 31.

## **trade and logistics**

<http://www.sydneyports.com.au>



### Non Containerised Trade

Non-containerised trades comprise 14.0 million tonnes of annual throughput, the majority being bulk liquids and gases. Port Botany accounts for some 85% of Sydney's containerised trade and is also the key precinct for the handling and storage of the bulk liquids and gases trade, which accounted for some 11.83 million mass tonnes during the reporting year.

Motor vehicle handling constitutes a major element of non-containerised trade through Sydney with some 248,000 mass tonnes during the year. The Glebe Island Motor Vehicle Terminal, operated by P & O Ports, is one of the nation's premier, dedicated motor vehicle import centres with complementary facilities provided by Patrick at Darling Harbour. During the reporting year in excess of 160,000 vehicles were handled through Sydney.

Dry bulk cargoes, predominantly cement, gypsum, sugar, soda-ash, sand/soil and gravel, are handled mainly at the port's Glebe Island facility. Some 1.47 million mass tonnes of dry-bulk commodities were handled during the year. Other significant non-containerised trades includes timber, paper, steel, plant equipment and machinery.

### Cruising

Cruise vessels calls to Sydney totalled 84, including visits by the much-loved *Queen Elizabeth 2* and *Oriana*. Sydney also received an inaugural call from Royal Caribbean International Line's *Legend of the Seas* - at 76,000 tonnes and carrying 1800 passengers - one of the biggest cruise ships to pass under the Harbour Bridge.

The cruise season generally runs over the period November to March each year, in addition to those ships based in Sydney and operating over the full 12 months. Sydney had two home-based cruise vessels for the year: Norwegian Capricorn Line's *Norwegian Star* and P&O's *Fair Princess*. Together these ships made 61 calls during the year. The *Norwegian Star* is due to leave Sydney before the end of 2000 and P&O is replacing the *Fair Princess* with the *Pacific Sky*.

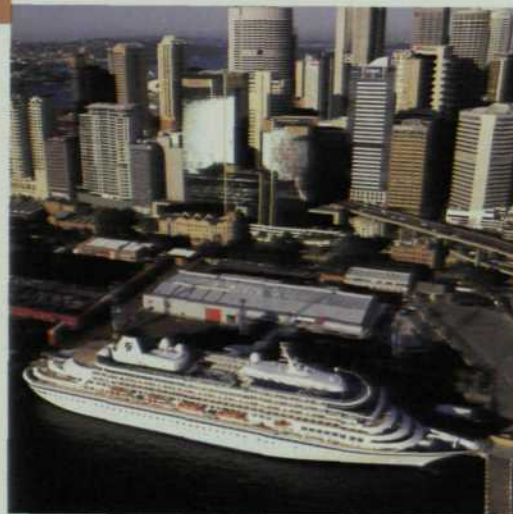
Wharf 8 Darling Harbour, opened in June 1999, has proved to be of exceptional value due to its operational size and its location close to Sydney's CBD and main tourist attractions. Refurbishment of Sydney Cove Passenger Terminal will ensure that Sydney remains at the forefront of the cruising industry in our region.

### Pricing

The 2.5% second stage of a 5% price reduction in pilotage charges in Sydney took effect from 1 July 2000.

Sydney Sea Pilots introduced this saving, fulfilling the pricing commitments given in the current three-year pilotage contract with Sydney Ports.

The general charge per gross tonne of vessel was reduced from \$0.0913 to \$0.0875, excluding Goods and Services Tax.



Cruise vessel at the new terminal at Wharf 8 Darling Harbour





The first stage of the reductions took effect in May 1999 with an average 2.5% decrease in pilotage charges. May 1999 also saw an increase in the minimum charge to \$350 and a maximum charge of \$2560. In the 1 July 2000 round of cuts, there was no change in either the minimum or the maximum charges, meaning that vessels over 29,257 GRT have their pilotage charge capped at \$2560.

#### **Goods and Services Tax**

A new pricing schedule was issued effective from 1 July 2000, reflecting the impact of the Goods and Services Tax, introduced on that date.

As Sydney Ports' operations are service-based, there were no significant savings achievable through the elimination of the Wholesale Sales Tax. As a result, the new prices reflect the application of a 10% GST, which customers should be able to recover as an input tax credit.

#### **Logistics**

A record 190,000 TEU was moved by rail through Port Botany in the year to June. This represented a 35% increase in volume over the previous year and nearly 22% of all traffic moving to/from Botany. In 1995 only 79,000 TEU, 13% of total volume, moved by rail.

Part of this increase can be attributed to general volume growth in containerised cargo through Sydney of 50% over five years, but the modal shift is also the result of an increasing awareness of the benefits that rail can offer both rural and metropolitan customers of the port.

Stevedores, rail operators and the NSW Government through Rail Access Corporation, the Department of Transport and Sydney Ports Corporation have worked hard together over the past 12 months to coordinate rail activities, negotiate infrastructure investment and improve daily operations. The Botany Rail Steering Group is a loose association of the above organisations chaired by Sydney Ports' Senior Manager Logistics Simon Barney.

The key change at Botany has been the introduction of booked timeslots for individual rail operators called 'windows' at both CTAL (Container Terminals Australia Limited) and Patrick Stevedores. These windows ensure schedule discipline from the rail operators and provide a commitment from the terminal in terms of productivity.

During 1999/2000, four further initiatives have been taken which have improved the capacity of rail at Botany. These initiatives include:

- the joint funding of new track infrastructure at Port Botany by Rail Access Corporation and the Department of Transport;
- significant productivity improvements at both terminals through changes in operational practices;
- the introduction of coordinated windows between CTAL and Patricks which give the rail operators better utilisation of their equipment; and
- Rail Access Corporation taking direct control of rail movements at the Botany Rail yard.

It is forecast that rail volume at Botany for 2000/2001 will be around 250,000 TEU.

#### **Origin/Destination Study**

A second major study of the origin and destination of containerised goods was conducted during a four-week period in March 2000. Based on 9500 full container road movements (12,750 TEU), the survey represented 25% of full container road movements within metropolitan Sydney during the survey period.

Some of the key findings were that 85% of the movements were to/from Port Botany, 69% of the movements were import goods with 31% exports, and that the Western Suburbs represented over 35% of export full containers and over 62% of import TEU.

The survey results were distributed to industry to assist with infrastructure planning.

<http://www.sydneyports.com.au>

#### **Trade Promotion**

As well as its ongoing commitment to servicing the local shipping industry within the Sydney area, Sydney Ports has continued its "Rural Marketing Program" maintaining a presence at major industry events in rural New South Wales, participating in trade shows, conferences and sponsorships. These included the annual Cotton Trade Show held in Moree, AgQuip in Gunnedah and the Riverina Wine Show in Griffith.



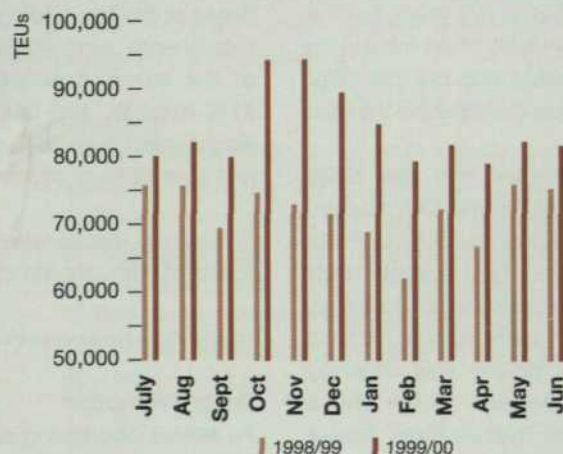
This year for the first time, Sydney Ports held two Board meetings in regional areas, in the Riverina in November 1999, and in north west New South Wales in March 2000. These visits also incorporated tours to local exporting industries and trade dinners supported by other members of the Sydney shipping and transport community.

For the second year in a row Sydney Ports committed to a major sponsorship with the NSW State Chamber of Commerce. Together with Sydney Airport, Sydney Ports sponsored the Sydney Business Forum. This sponsorship is part of Sydney Ports strategy to build awareness with the wider business community, including some of the end-users of port services.

Other major sponsorships included the annual Lloyd's List DCN Shipping Awards, the Premier's NSW Exporter of the Year Awards, the Western Sydney Industry Awards, and a number of other sponsorships relating to the local port community including the Australian Chamber of Shipping, Australian Federation of International Forwarders and the Customs Brokers Council of Australia.

#### Sydney Ports Container Trade

12 months ending June 2000 compared to 1999



#### Customer Satisfaction

At the end of 1999, Sydney Ports conducted its fourth annual Stakeholder Perception Survey.

On a scale of 10, the survey produced an average score for Sydney Ports Corporation of 7.7 compared with 7.6 in 1998, 7.2 in 1997 and 6.4 in 1996, the first year of the survey.

Over 50 stakeholders participated in an extensive customer interview process, including shipping companies, liner agents, lessees, service providers and regulatory bodies. The survey was conducted by Quality Improvement Surveys on behalf of Sydney Ports. Questions were asked to explore nine services areas including reliability and credibility, responsiveness and communications, environmental management and business development.

Sydney Ports Corporation improved its score in eight out of nine areas of competence, with all now in the "acceptable" range.

The survey findings were released to industry in December 1999.

#### Container Contents by Commodity

(Mass tonnes, 12 months ended June 30, 2000)

| Top exports                    | Mass tonnes |
|--------------------------------|-------------|
| Chemicals and related products | 423,102     |
| Non ferrous metals             | 381,984     |
| Cereals                        | 368,563     |
| Iron and steel                 | 266,208     |
| Cotton                         | 242,902     |
| Meat                           | 225,509     |
| Paper                          | 176,375     |
| Wool                           | 135,446     |
| Manufactures                   | 135,227     |
| Food preparations              | 134,274     |
| Top imports                    | Mass tonnes |
| Chemicals & related products   | 785,863     |
| Paper                          | 611,879     |
| Machinery                      | 568,161     |
| Manufactures                   | 534,029     |
| Food preparations              | 222,507     |
| Iron and steel                 | 193,509     |
| Textiles                       | 177,087     |
| Timber                         | 157,331     |
| Non-metallic minerals          | 122,153     |
| Beverages                      | 120,683     |



### Container Imports and Exports (by month)

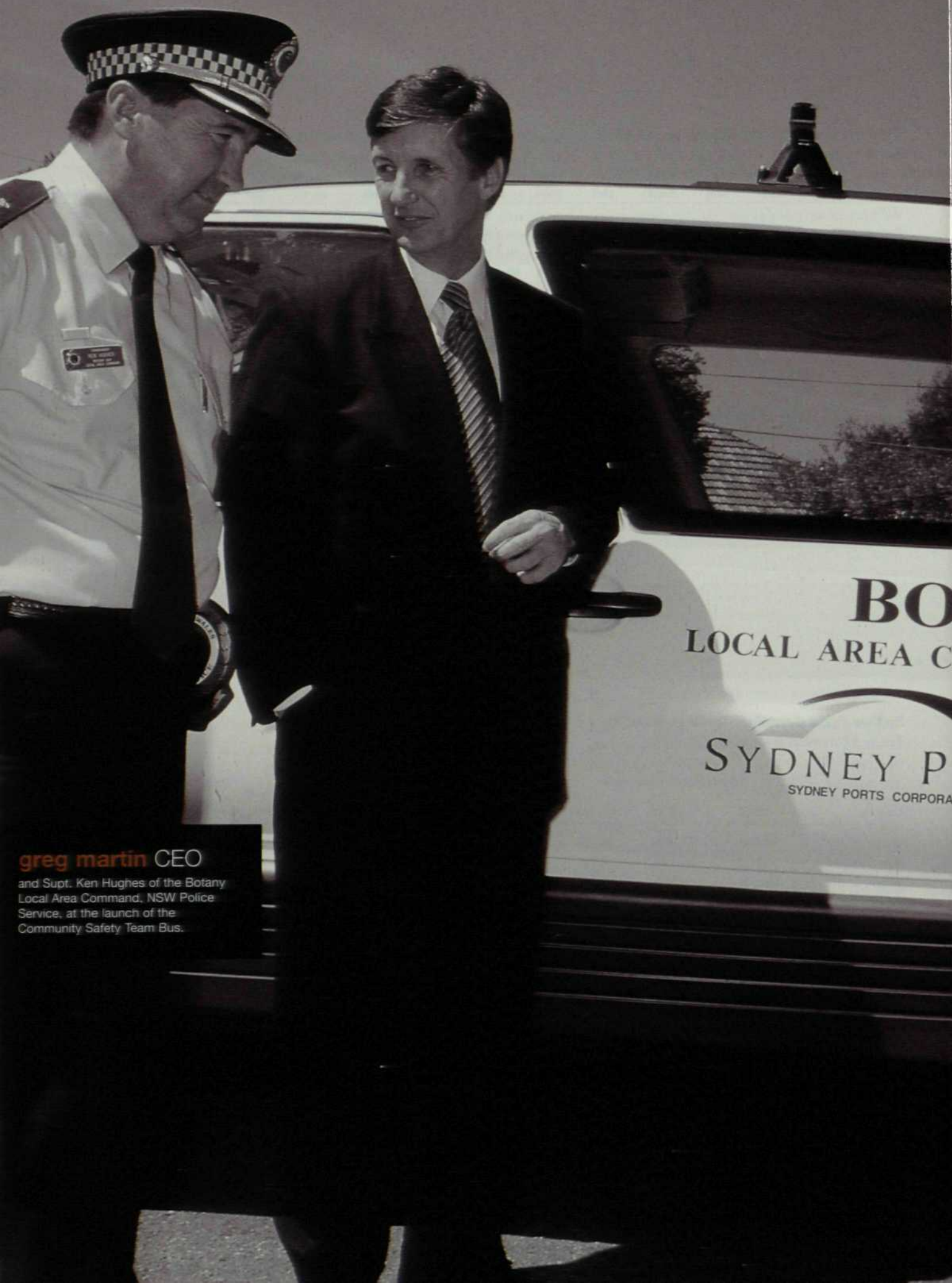
| 1999/2000            | July          | Aug           | Sept          | Oct           | Nov           | Dec           | Jan           | Feb           | Mar           | Apr           | May           | Jun           | Total            |
|----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| (TEUs)               |               |               |               |               |               |               |               |               |               |               |               |               | Cumulative       |
| Exports              | 36,481        | 38,135        | 35,101        | 41,967        | 44,193        | 41,525        | 42,645        | 37,556        | 40,575        | 36,824        | 41,022        | 40,163        | 476,187          |
| Imports              | 44,453        | 46,033        | 45,851        | 53,068        | 51,165        | 48,724        | 41,596        | 42,231        | 41,311        | 42,187        | 41,455        | 42,140        | 540,214          |
| <b>Total 1999/00</b> | <b>80,934</b> | <b>84,168</b> | <b>80,952</b> | <b>95,035</b> | <b>95,358</b> | <b>90,249</b> | <b>84,241</b> | <b>79,787</b> | <b>81,886</b> | <b>79,011</b> | <b>82,477</b> | <b>82,303</b> | <b>1,016,401</b> |
| <b>Total 1998/99</b> | <b>77,279</b> | <b>76,800</b> | <b>71,362</b> | <b>77,377</b> | <b>75,019</b> | <b>73,527</b> | <b>69,232</b> | <b>63,909</b> | <b>75,650</b> | <b>67,266</b> | <b>76,307</b> | <b>75,451</b> | <b>879,179</b>   |

### Sydney Ports Container Trade by Country TEUs, 12 months ended 30 June 2000

| Country            | Full Container Imports |                |              | Full Container Exports |                |              | Total Container Trade** |                |              |
|--------------------|------------------------|----------------|--------------|------------------------|----------------|--------------|-------------------------|----------------|--------------|
|                    | 99/00                  | 98/99          | %Change*     | 99/00                  | 98/99          | %Change*     | 99/00                   | 98/99          | %Change*     |
| China              | 99,888                 | 71,788         | 39.1%        | 29,573                 | 27,983         | 5.7%         | 179,219                 | 133,753        | 34.0%        |
| New Zealand        | 35,690                 | 29,129         | 22.5%        | 47,956                 | 43,047         | 11.4%        | 101,693                 | 88,319         | 15.1%        |
| United States      | 65,389                 | 58,382         | 12.0%        | 22,468                 | 20,425         | 10.0%        | 91,998                  | 84,063         | 9.4%         |
| Japan              | 27,963                 | 26,699         | 4.7%         | 33,968                 | 33,431         | 1.6%         | 75,473                  | 72,321         | 4.4%         |
| Singapore          | 30,351                 | 33,018         | -8.1%        | 13,905                 | 15,971         | -12.9%       | 73,591                  | 81,834         | -10.1%       |
| South Korea        | 27,824                 | 24,581         | 13.2%        | 13,504                 | 11,250         | 20.0%        | 54,105                  | 47,503         | 13.9%        |
| Australian Coastal | 4,047                  | 2,007          | 85.0%        | 19,699                 | 11,227         | 75.5%        | 52,991                  | 34,643         | 53.0%        |
| Taiwan             | 25,202                 | 21,694         | 16.2%        | 10,992                 | 10,911         | 0.7%         | 50,984                  | 41,930         | 21.6%        |
| Malaysia           | 25,628                 | 18,462         | 38.8%        | 7,608                  | 6,587          | 15.5%        | 41,758                  | 35,487         | 17.7%        |
| Indonesia          | 21,094                 | 18,518         | 13.9%        | 15,713                 | 15,004         | 4.7%         | 38,426                  | 36,546         | 5.1%         |
| Italy              | 21,927                 | 19,185         | 14.3%        | 6,251                  | 5,717          | 9.3%         | 28,927                  | 25,204         | 14.8%        |
| Thailand           | 18,882                 | 15,016         | 25.7%        | 7,240                  | 7,086          | 2.2%         | 28,042                  | 22,517         | 24.5%        |
| Germany            | 18,647                 | 16,149         | 15.5%        | 2,371                  | 2,275          | 4.2%         | 23,074                  | 18,877         | 22.2%        |
| Great Britain      | 14,849                 | 13,805         | 7.6%         | 6,603                  | 6,344          | 4.1%         | 21,774                  | 28,735         | -24.2%       |
| Netherlands        | 17,873                 | 16,674         | 7.2%         | 1,703                  | 1,576          | 8.1%         | 20,180                  | 18,788         | 7.4%         |
| South Africa       | 7,317                  | 7,019          | 4.2%         | 7,816                  | 4,070          | 92.0%        | 16,846                  | 14,687         | 14.7%        |
| Other              | 57,853                 | 47,018         | 23.0%        | 48,149                 | 39,367         | 22.3%        | 117,320                 | 93,972         | 24.8%        |
| <b>Total</b>       | <b>520,424</b>         | <b>439,144</b> | <b>18.5%</b> | <b>295,519</b>         | <b>262,271</b> | <b>12.7%</b> | <b>1,016,401</b>        | <b>879,179</b> | <b>15.6%</b> |

\*% Change over 1998/99 \*\* Includes empty TEUs





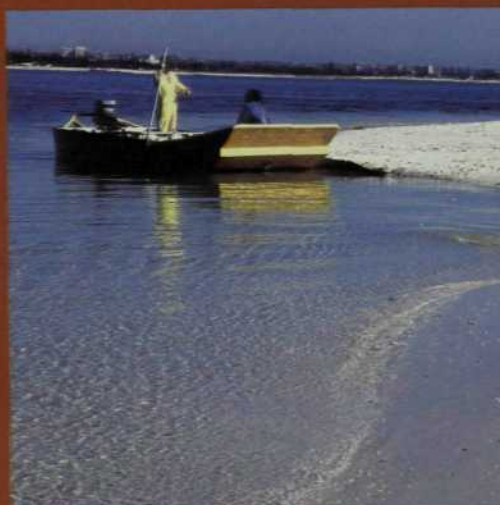
**greg martin** CEO

and Supt. Ken Hughes of the Botany  
Local Area Command, NSW Police  
Service, at the launch of the  
Community Safety Team Bus.



# environment and community relations

The ports of Sydney operate in close proximity to neighbourhood communities, placing special emphasis on the environment.



The ports of Sydney and Botany are valued community assets and an integral part of the local environment. In addition to commercial shipping, the waterways are shared with recreational sailors, commuters and those who live in and around the foreshores.

Over the past 12 months the redevelopment of former industrial land for residential purposes has become increasingly pronounced – particularly in the Pymont and East Balmain areas. Sydney Ports has sought to raise its profile in neighbouring communities through advertising in suburban newspapers, selected sponsorships and involvement in consultative committees.



#### **Glebe Island/White Bay Master Plan**

The Glebe Island White Bay Master Plan is not only a document setting out proposed land use for this important port area, but a means of ensuring the most appropriate approval processes in the future. Following a series of public meetings in the previous reporting year, a Draft Master Plan was released for public comment in August 1999. The Master Plan was adopted by the Minister for Urban Affairs and Planning in June 2000, subject to some minor variations and conditions. At the end of the reporting period, a final document was being prepared incorporating these changes. Work was also underway on several additional studies also required under the conditions of the adoption, such as a detailed landscape improvement plan and advertising guidelines.

**five charities received  
\$10,000 each from Sydney  
Ports Corporation, the  
proceeds from public events at  
Sydney Cove Passenger  
Terminal, Circular Quay, on  
New Year's Eve**

#### **Working with the Community**

Sydney Ports has worked with the community to support several initiatives valued by residents. In one of its major community measures, Sydney Ports provided two-thirds of the funding of a commuter van for the Community Safety Team of the Botany Bay Local Area Command of the NSW Police Service.

The Community Safety Team is a unit of officers that works with various groups within the community, particularly youth. The van will be used to transport people and equipment to meetings and special events, and used as a mobile command post at major incidents.

Sydney Ports also provided support to several other community events or activities, including the Botany Gift, the Botany Bay Business Enterprise Centre, the Botany Bay Regatta, and the Australia Day festivities on Sydney Harbour.

The efforts of Sydney Ports were recognised at the Botany Bay Business Excellence Awards, gaining a highly commended in the community services category for businesses with over 40 employees, and winning the Botany Bay Business Enterprise Centre Members' Award.

New Year's Eve was not only the chance for the biggest party of the millennium, it was also a time to think of those with less to celebrate. Sydney Ports Corporation worked closely with its project consultant and the Sydney Harbour Foreshore Authority to stage New Year's Eve functions at Sydney Cove Passenger Terminal, which raised \$50,000 for charity.

The five charities, who received \$10,000 each, were Sydney Children's Hospital Foundation; Malcolm Sargent Cancer Fund; Westmead Millennium Foundation; Brain Foundation; and Heart Research Institute.





### Consulting the Community

Sydney Ports maintained its involvement in a number of committees designed to improve the flow of information between Sydney Ports and residents, or to gain feedback on specific projects or initiatives.

The White Bay/Glebe Island Noise Reference Committee held quarterly meetings throughout the year to monitor noise complaints and work through a program of initiatives addressing noise. The committee comprises residents, P&O Ports, Sydney Ports and representatives of Leichhardt Council. Some of the matters considered included the outcome of a study into the impacts of a noise curfew, and research on the possible benefits of an acoustic barrier.

The Botany Coastal Management Committee, which includes community representatives, local government and other agencies with an interest in the foreshores of Botany Bay, considered plans for the northern end of Lady Robinsons Beach, and sought public comment on an EIS for restoration works.



Cheque presentation from charity New Year's Eve function

The Botany Bay Neighbourhood Consultative Committee was established out of the recommendations of the 1997 Port Land Use Safety Study to gain community feedback on a range of initiatives arising from the study. All the issues raised in the study have been addressed however the committee mechanism has been so successful, efforts are under way to maintain its structure, but with a new terms of reference.

Ongoing liaison is also provided with local government, residents' representatives, business people and lessees of Sydney Ports through the First Port Club. The Club allows an exchange of ideas between different groups in an informal and informative lunch/lecture format.

The major challenge to community support for the working port concept came with the *Laura D'Amato* oil spill in August 1999. That incident immediately drew a negative response from the community that commercial shipping operations threaten the environment and amenity of the harbour. However the successful containment and recovery operation undertaken by Sydney Ports and 30 other organisations, together with the careful communications of the response effort, alleviated initial fears.



# board of directors

## David L.P. Field

FAICD

Chairman

Mr Field is a partner of Moss & Hooper Pty Ltd, a management consulting company which specialises in Executive Search and Business Development in Australia/Asia Pacific Region.

Prior to joining Moss & Hooper, Mr Field completed a six month interim management appointment as CEO of the Tourism & Leisure Division of Amalgamated Holdings Limited.

He has had a 30-year career in the international shipping industry with Blue Star Line (1990-98) and previously The Swire Group (1970-90). He was Managing Director/CEO of Blue Star Line (Aust) Pty Limited and Chairman of Blue Star Line (Asia) Pty Limited from 1996 to 1998 with responsibility for the group's shipping activities in Australia, Far East, South East Asia, Sub-Continent and the Middle East. He first joined the Blue Star/Vestey Group in the role of General Manager/Director of Bridge Line Pty Limited.

In his earlier shipping career with the Swire Group, Mr Field held a range of appointments in Australia and the Far East and among his later appointments were Manager for NSW, Associate Director, Nedlloyd Swire Pty Limited, Manager Swire (Korea) Ltd and General Manager of Swire Joint Venture, Dong Young Shipping Co. Ltd, Seoul, Korea (1981-84).

## Greg Martin

BE (Civil), BCom, ASIA, FAICD

Chief Executive Officer and Managing Director

Mr Martin was appointed Chief Executive Officer of Sydney Ports Corporation on 15 April 1996 and Managing Director on 29 May 1996. From 1990 to 1996 he was Chief Executive Officer of the Port of Brisbane Corporation and is a former Senior Vice President of the Association of Australian Ports and Marine Authorities Inc.

He is a member of the Trade and Audit & Risk Management Committees.

## Cheryl Bart

BCom, LLB, FAICD

Director

Ms Bart is a lawyer and company director. She is Chairman of the Australian Sports Foundation, Director of ETSA Corporation, ETSA Capital (No. 2) Pty Ltd, ETSA Capital Pty Ltd, ETSA Power Pty Ltd and ETSA Energy Corporation, a member of the ETSA Audit and Remuneration Committees and a Director of Soccer Australia.

She is a Director of the Institute of Biomedical Research at the University of Sydney and a member of the Advisory Board of the PA Consulting Group. She is the immediate past chairman of a major charitable organisation and also holds directorships with a number of private companies. Ms Bart is the Executive Chairperson of a private company which manufactures, exports and imports plastics and textiles.

Ms Bart is Chairman of the Trade Committee and a member of the Audit & Risk Management Committee.



**John Douglas**  
Staff Director

Mr Douglas was elected to the Board following elections for the position of Staff Director in May 1999. Mr Douglas is an employee of Sydney Ports Corporation, currently working as an Administrative Co-ordinator in the Navigation & Environment Unit. He joined the Maritime Services Board of New South Wales in 1976. He has been Vice-President of the Ports Division Committee of Management of the New South Wales Branch of the Australian Services Union since 1994.

**Peter Medlock**  
BEC  
Director

Mr Medlock is currently a Director of Fellows, Medlock & Associates and APP Strategic Partners, consulting companies which specialise in providing management consulting advice to organisations in the public and private sectors.

Previous appointments have included a senior executive position with Concrete Constructions Pty Ltd, member of the Expert Panel – Federal Government Best Practice Demonstration Program and member of the Advisory Board – Australian Construction Services.

He is a member of the Trade Committee.

**Ken Murray**  
Director

Mr Murray is the Executive Director of CasinoWorld Australasia Pty Ltd, the Australian Licensee company of US based computer technology provider CasinoWorld Holdings Ltd.

He is Managing Director of a privately owned property development and investment company. He is also President of a major licensed club.

He has thirty four years experience in the Stevedoring industry.

**Vic Smith**  
Director

Mr Smith is the immediate past Mayor of South Sydney City Council. Previous appointments include Manager Community Services – Sydney City Council, Deputy Director Community Services – South Sydney Municipal Council and Assistant Electorate Officer – Minister for Police. He is the former Vice Chairman of South Sydney Development Corporation and a former Director of Southern Sydney Waste Board.

He is a member of the Audit & Risk Management Committee.



(Left to right) Cheryl Bart, Peter Medlock, Vic Smith, Ken Murray, David Field (Chair), Greg Martin (CEO), John Douglas



# SYDNEY PORTS CELEBRA



**phil rosser**

senior manager, trade development

**brian donkin**

business development executive

discuss trade issues at the 1 million TEU port celebration



# our people

Two significant developments during the year cemented and recognised the process of change in which the employees of Sydney Ports have been such an integral part.

## Enterprise Award

Firstly in March 2000 the extensive award restructuring was recognised with a Department of Industrial Relations Award.

The New DiRections Award, given for innovation in enterprise agreements and enterprise awards, was presented to Sydney Ports for its 1998-2001 Enterprise Agreement and NSW Port Corporations Award.

This accolade was presented to Mr Greg Martin, Chief Executive Officer of Sydney Ports Corporation, and to Mr Mike Fleming of the AMOU, representing the four Unions involved, recognising 'the co-operative implementation of large scale change through award restructuring'.

The process of reform was driven by Sydney Ports, the four unions, the ASU, AMOU, MUA, APESMA and lawyers Fisher Cartwright and Berryman.

In developing the new Award, Sydney Ports also worked with the port corporations of Newcastle and Port Kembla to enable employees to work under the same set of modern conditions for the first time.

## What We Value

The second significant initiative involving staff was the development of a new expression of our organisation's corporate values. A committee was formed to design an outline for a new vision and values statement, which was later discussed at meetings to which all staff were invited. Comments and suggestions from these meetings helped shape the final vision and values statement. The values reinforce a commitment to customers, the community and to the respect for the contribution of others.

## Corporate Values

In the conduct of our business and interaction with others, we are committed to:

**Service** to our customers through reliable, professional and courteous attention;

**Excellence** by being progressive and encouraging alternative solutions to complex issues;

**Respect** for the individual worth and honest contribution of all employees;

**Vigilance** in promoting a safe environment for personnel and community;

**Integrity** through nurturing the highest standards of conduct and ethics;

**Challenge** barriers and impediments to progress; and

**Exceed** expectations.

## OH&S

Sydney Ports' workplace safety record continued to improve during the year. Days lost through workplace injury fell from 27 to 12.

Preventative OH&S matters remained a priority with staff participation channelled through the OH&S Committee, whose major focus was on the promotion of a safer working environment and hazard reduction. Revised incident and accident notification procedures ensured emphasis was placed on timely reporting to eliminate hazards.

Access to up-to-date information is made possible through the Employee Information Link. This allows all employees easy access to the Corporation's OH&S Management Plan, policies and procedures, as well as health and safety information.

The organisation's performance payments for employees, negotiated under the current Enterprise Agreement, in part incorporate OH&S and sick leave minimisation goals.

The Employee Services Co-ordinator continued to support managers and supervisors in the on-the-job OH&S activity, assisting in the implementation of rehabilitation and return-to-work strategies for staff with injuries or long term illnesses.

Health promotion activities included a skin cancer awareness campaign and physical checks by the Corporation's medical practitioner.



# our future

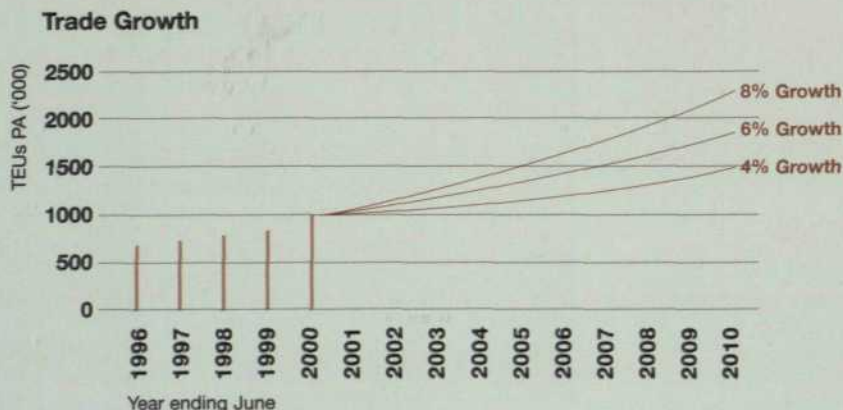


At the close of the financial year Sydney Ports was gearing up for the challenge of the Olympic Games, providing quality services to the nine floating hotels as well as working with a range of groups to ensure the continued movement of freight.

The major focus for the future is providing facilities to meet the ongoing growth in trade through the ports of Sydney. It is expected that trade will continue to grow in 2000/01, but not by the 15.6% experienced in 1999/00. To accommodate this trend, Sydney Ports will continue to pursue its intermodal strategy, and seek to maximise the capacity and potential of existing lands. Sydney Ports' view is that the level of growth being experienced will require the completion of additional facilities within around five years, to meet demand for terminal and berth space.

In addition to the internet based harbour management system (ShIPS) nearing introduction to Sydney's port users, Sydney Ports is taking a proactive role in promoting business-to-business e-commerce between all port users. This includes stevedores, transport operators, rail operators, depots, forwarders, customs and importers and exporters. Sydney Ports' involvement is both as a facilitator and as a deliverer of solutions. A 'virtual' community network is a realistic goal for port users in Sydney. It has the potential to improve the quality and speed of information flow and to significantly reduce overhead costs.

In terms of staffing and corporate strategy, Sydney Ports has entered a period of consolidation, where all the major changes have been undertaken and the Corporation is steering a steady course.





# financial statements statements

## for the year ended 30 June 2000

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Beginning of audited financial statements



# operating statement

## for the year ended 30 june 2000

|                                                                  | Note | 2000<br>\$000 | 1999<br>\$000 |
|------------------------------------------------------------------|------|---------------|---------------|
| Operating Revenue                                                | 2    | 107,724       | 108,847       |
| Operating Expenditure                                            | 3    | 63,587        | 59,377        |
| Operating Profit Before Abnormal Items and Income Tax Equivalent |      | 44,137        | 49,470        |
| Abnormal Items Before Income Tax Equivalent                      | 4    | 922           | -             |
| Operating Profit Before Income Tax Equivalent                    |      | 45,059        | 49,470        |
| Income Tax Equivalent                                            | 5    | 19,001        | 17,177        |
| Operating Profit After Income Tax Equivalent                     |      | 26,058        | 32,293        |
| Retained Earnings at the Beginning of the Financial Year         |      | 52,275        | 33,621        |
| Total Available for Appropriation                                |      | 78,333        | 65,914        |
| Dividend to State Government                                     | 12   | 13,030        | 13,639        |
| Retained Earnings at the End of the Financial Year               |      | 65,303        | 52,275        |



## balance sheet as at 30 June 2000

|                                                      | Note  | 2000<br>\$000  | 1999<br>\$000  |
|------------------------------------------------------|-------|----------------|----------------|
| <b>Current Assets</b>                                |       |                |                |
| Cash                                                 | 19(a) | 1,365          | 1,074          |
| Receivables                                          | 6     | 12,601         | 10,320         |
| Investments                                          | 7     | 36,755         | 51,513         |
| Other                                                | 8     | 20,824         | 10,318         |
| <b>Total Current Assets</b>                          |       | <b>71,545</b>  | <b>73,225</b>  |
| <b>Non-Current Assets</b>                            |       |                |                |
| Property, Plant and Equipment                        | 10    | 485,964        | 467,773        |
| Other                                                | 9     | 23,490         | 16,074         |
| <b>Total Non-Current Assets</b>                      |       | <b>509,454</b> | <b>483,847</b> |
| <b>Total Assets</b>                                  |       | <b>580,999</b> | <b>557,072</b> |
| <b>Current Liabilities</b>                           |       |                |                |
| Creditors and Borrowings                             | 11    | 32,174         | 49,477         |
| Provisions                                           | 12    | 25,186         | 24,547         |
| <b>Total Current Liabilities</b>                     |       | <b>57,360</b>  | <b>74,024</b>  |
| <b>Non-Current Liabilities</b>                       |       |                |                |
| Borrowings                                           | 11    | 138,451        | 112,232        |
| Provisions                                           | 12    | 14,123         | 12,779         |
| <b>Total Non-Current Liabilities</b>                 |       | <b>152,574</b> | <b>125,011</b> |
| <b>Total Liabilities</b>                             |       | <b>209,934</b> | <b>199,035</b> |
| <b>Net Assets</b>                                    |       | <b>371,065</b> | <b>358,037</b> |
| <b>Capital, Reserves and Retained Earnings</b>       |       |                |                |
| Capital and Reserves                                 | 13    | 305,762        | 305,762        |
| Retained Earnings                                    |       | 65,303         | 52,275         |
| <b>Total Capital, Reserves and Retained Earnings</b> |       | <b>371,065</b> | <b>358,037</b> |



## statement of cash flows

### the year ended 30 June 2000

|                                                       | Note  | 2000<br>\$000<br>Inflow/<br>(Outflow) | 1999<br>\$000<br>Inflow/<br>(Outflow) |
|-------------------------------------------------------|-------|---------------------------------------|---------------------------------------|
| <b>Cash Flows from Operating Activities</b>           |       |                                       |                                       |
| Cash receipts in the course of operations             |       | 104,796                               | 100,312                               |
| Cash payments in the course of operations             |       | (44,062)                              | (40,136)                              |
| Interest received                                     |       | 3,020                                 | 2,725                                 |
| Interest paid                                         |       | (12,787)                              | (11,506)                              |
| Income tax equivalent paid                            |       | (16,632)                              | (14,959)                              |
| <b>Net cash provided by operating activities</b>      | 19(b) | <b>34,335</b>                         | <b>36,436</b>                         |
| <b>Cash Flows from Investing Activities</b>           |       |                                       |                                       |
| Payments for property, plant and equipment            |       | (35,474)                              | (24,879)                              |
| • Proceeds from sale of property, plant and equipment |       | 348                                   | 367                                   |
| Capital Grants                                        |       | -                                     | 7,000                                 |
| <b>Net cash used in investing activities</b>          |       | <b>(35,126)</b>                       | <b>(17,512)</b>                       |
| <b>Cash Flows from Financing Activities</b>           |       |                                       |                                       |
| New borrowings                                        |       | -                                     | 36                                    |
| Repayment of borrowings                               |       | (37)                                  | -                                     |
| Dividends paid                                        |       | (13,639)                              | (12,749)                              |
| <b>Net cash used in financing activities</b>          |       | <b>(13,676)</b>                       | <b>(12,713)</b>                       |
| Net increase in cash held                             |       | (14,467)                              | 6,211                                 |
| <b>Cash at the beginning of the financial year</b>    |       | <b>52,587</b>                         | <b>46,376</b>                         |
| <b>Cash at the end of the financial year</b>          | 19(a) | <b>38,120</b>                         | <b>52,587</b>                         |



# notes to and forming part of the financial statements

## 1. Summary of Accounting Policies

The following summary explains the significant accounting policies that have been adopted in the preparation of the financial statements.

### Basis of Accounting

The accompanying financial statements have been prepared on a going concern basis and in accordance with Section 41B(1) of the Public Finance and Audit Act 1983. The financial statements are a general purpose financial report and exhibit a true and fair view of the financial position and transactions of the Corporation. They have been prepared with regard to current Australian Accounting Standards, Urgent Issues Group Consensus views and other professional reporting requirements. The financial statements also incorporate financial reporting requirements specified in the Public Finance and Audit (General) Regulation 1995.

Proper accounts and records for all the Corporation's operations have been kept as required under Section 41 (1) of the Public Finance and Audit Act 1983.

The financial statements have been prepared on the basis of full accrual accounting using historical cost accounting conventions except for non-current physical assets which are shown at valuation and superannuation which is shown at actuarially assessed present value. The accounting policies adopted are consistent with those of the previous year. Comparative information is reclassified where appropriate to enhance comparability.

The Treasurer has exempted the Corporation from certain reporting requirements under the Public Finance and Audit Act 1983 and the Public Finance and Audit (General) Regulation 1995. The exemptions are from disclosing amounts set aside to any provision for known commitments, the amount appropriated for repayment for loans/advances/debentures/deposits, material items of income and expenditure on a program or activity basis (summary required), and where non-current asset values exceed replacement cost. The Corporation is also exempt from preparing manufacturing and trading statements however it is required to prepare a summarised operating statement.

The Corporation had no controlled entities during the year ended 30 June 2000.

## Statement of Accounting Policies

### (a) Cash in the Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash includes cash on hand and in banks (net of any outstanding bank overdraft) and short term investments in securities with the NSW Treasury Corporation which are classified under Current Assets.

Cash at the end of the period as shown in the Statement of Cash Flows is reconciled to the relevant items in the Balance Sheet (refer note 19(a)).

### (b) Bad and Doubtful Debts

Bad debts are written off against the Provision for Doubtful Debts after thorough investigation and exhaustion of recovery processes. Regular reviews were conducted during the year to determine the adequacy of the level of the Provision for Doubtful Debts.

### (c) Operating Leases

Operating lease assets are not capitalised and rental payments are recognised as an expense in the period in which they are consumed.

### (d) Valuation of Property, Plant and Equipment

The most recent valuation of the Corporation's property, plant and equipment was carried out as at 30 June 1998. The "deprival value" concept was used consistent with the following guidelines:

- Guidelines on Accounting Policy for the Valuation of Assets of Government Trading Enterprises,
- Guidelines for the Valuation of Land and Heritage Assets in the NSW Public Sector.
- Australian Accounting Standard AAS10 Revaluation of Non-current Assets,

Independent assessments were obtained of the deprival value of non-current assets based on existing use. An asset revaluation reserve was created for the difference between the assets' previous carrying value and their deprival value, Refer note 10.

In accordance with these guidelines a recoverable amount test was performed to ensure asset carrying values did not exceed recoverable amounts at 30 June 2000.



## notes to and forming part of the financial statements

### 1. Summary of Accounting Policies (continued)

AAS10 defines "recoverable amount" in relation to an asset as "the net amount that is expected to be recovered through the cash inflows and outflows arising from its continued use and subsequent disposal". Forward estimates were used to determine cash inflows and outflows arising from the continued use of the Corporation's assets. Cash inflows arising from the subsequent disposal of the Corporation's assets were estimated by extrapolating projected cash inflows and outflows for 2010 the final year of the estimate period, into perpetuity and discounting them at the Corporation's weighted average cost of capital.

Asset carrying values did not exceed recoverable amounts at 30 June 2000.

#### (e) Capitalisation of Property, Plant and Equipment

All expenditure of \$300 or more on land and buildings; roadways; wharves, jetties and breakwaters; and plant is capitalised where it is expected to provide future economic benefits to the Corporation for more than one reporting period. Only those assets completed and ready for service are taken to the Property, Plant and Equipment accounts. The remaining capital expenditures are carried forward as construction in progress and are included in Property, Plant and Equipment in the Balance Sheet.

#### (f) Depreciation of Property, Plant and Equipment

Depreciation has been calculated on depreciable assets, using rates estimated to write off the assets over their remaining useful lives to the Corporation on a straight line basis in accordance with Australian Accounting Standard AAS4, Depreciation of Non-Current Assets. Land assets have been treated as non-depreciable. The remaining useful lives of assets were reassessed during the year and no changes were made.

The expected useful lives of depreciable assets to the Corporation as at 30 June 2000 were:

- |                                    |                |
|------------------------------------|----------------|
| • Buildings                        | 10 to 50 years |
| • Roadways                         | 5 to 20 years  |
| • Wharves, Jetties and Breakwaters | 0 to 100 years |
| • Plant                            | 2 to 40 years  |

#### (g) Retirement Benefits (Superannuation)

The Corporation contributes to employee superannuation funds in addition to contributions made by employees. Such contributions are paid to the Superannuation Administration Corporation and

employee nominated funds. These payments are applied towards the accruing liability for superannuation in respect of employees and are charged against revenue.

#### (h) Employee Entitlements

Benefits for long service leave and annual leave have been provided on the basis of emerged entitlements for recognised service for long service leave (five years and over) and quantum due at balance date for annual leave. During the year ended 30 June 2000, the Corporation continued to provide fully for all employee entitlements in accordance with Australian Accounting Standard AAS30, Accounting for Employee Entitlements. The long service leave nominal undiscounted provisions method presently used provides a result which is considered to be not materially different from the present value basis of measurement required by AAS30. The average sick leave taken by employees based on past experience is less than the entitlement accruing each period. It is considered improbable that existing accumulated entitlements will be used and therefore no liability has been recognised.

#### (i) Revenue Recognition

Revenue is recognised as follows:

- Revenue from the rendering of a service is recognised upon the delivery of the service to the customer.
- Interest revenue is recognised when receivable.
- The Corporation's superannuation liabilities are currently in an overfunded position (refer note 9). The increase in overfunding during the year is recognised as an abnormal item in the operating statement.
- Proceeds from the sale of assets are recognised upon the delivery of the assets to the purchaser.
- Government capital grant revenue is recognised when received.
- Assets received at no cost are recorded at their fair value to the Corporation when received, and this amount is included in revenue.
- Goods or services exchanged that are of a different nature and value, are recognised at fair value to the Corporation when the following criteria has been met:
  - The entity has passed control of the goods or other assets to the Corporation.
  - It is probable that the economic benefits comprising the consideration will flow to the Corporation.
  - The amount of revenue can be measured reliably.



# notes to and forming part of the financial statements

## 1. Summary of Accounting Policies (continued)

### (j) Taxation Equivalent Regime

The Corporation is required to pay taxation equivalents to the NSW Government in accordance with Section 20T of the State Owned Corporations Act 1989. The payments are equivalent to the amounts that would be payable by the Corporation if it were liable to pay taxes under the law of the Commonwealth. The tax equivalents involved relate to income tax and sales tax.

The financial statements apply the principles of tax-effect accounting. The income tax equivalent expense in the operating statement represents the tax equivalent on the pre-tax accounting profit adjusted for income and expenses never to be assessed or allowed for taxation equivalent purposes.

The provision for deferred income tax equivalent liability and the future income tax equivalent benefit include the tax equivalent effect of differences between income and expense items recognised in different accounting periods for book and tax equivalent purposes. These are calculated at the tax equivalent rates expected to apply when the differences reverse. The components of the provision for deferred income tax equivalent and future income tax equivalent benefit are shown in note 5.

### (k) Dividend

The Corporation reviews its financial performance for the accounting period and recommends to its shareholders an appropriate dividend payment in light of the Corporation's current financial position and longer term financial commitments. The amount is set aside in a provision in the Balance Sheet.

### (l) Investments

Investments are carried at market value. Interest revenue is recognised when receivable.

### (m) Borrowings

Borrowings are carried at their face value after deducting any unamortised discount or adding any unamortised premium. Any discount or premium is deferred and amortised over the term of the borrowing.

### (n) Financial Instruments

Financial instruments give rise to positions that are a financial asset of either Sydney Ports Corporation or its counterparty and a financial liability (or equity instrument) of the other party. For Sydney Ports Corporation these include cash, receivables, investments, creditors, borrowings and derivative financial instruments (futures contracts).

In accordance with AAS33 "Presentation and Disclosure of Financial Instruments" information is disclosed in note 14 in respect of credit risk and interest rate risk of financial instruments. All such amounts are carried in the accounts at net fair value unless otherwise stated. The specific accounting policy in respect of each class of such financial instrument is stated hereunder.

Classes of instruments recorded at cost comprise:

- Cash
- Receivables
- Creditors
- Borrowings

Classes of instruments recorded at market value comprise:

- Investments
- Derivative Financial Instruments

All financial instruments, including revenue, expenses or other cash flows arising from instruments, are recognised on an accruals basis.

### (o) Rounding Amounts to Nearest \$000

In the financial statements, all amounts have been rounded to the nearest thousand dollars (shown as \$000) in accordance with Clause 12 of the Public Finance and Audit (General) Regulation 1995.



## notes to and forming part of the financial statements

|                                                  | Note  | 2000<br>\$000  | 1999<br>\$000  |
|--------------------------------------------------|-------|----------------|----------------|
| <b>2. Operating Revenue</b>                      |       |                |                |
| Port Revenue                                     |       | 73,476         | 68,828         |
| Rental Revenue                                   |       | 22,430         | 21,205         |
| Interest Received                                |       | 3,021          | 2,721          |
| Increase in Retirement Benefits (Superannuation) | 4 & 9 | -              | 2,257          |
| Proceeds on Sale of Non-Current Assets           |       | <b>348</b>     | 367            |
| Capital Grant                                    |       | -              | 7,000          |
| Asset Contributions                              |       | <b>26</b>      | 112            |
| Miscellaneous Sources                            |       | 8,423          | 6,357          |
|                                                  |       | <b>107,724</b> | <b>108,847</b> |

Port revenue comprises income from navigation services, wharfage and site occupation charges, mooring fees and pilotage revenue.

The increase in Retirement Benefits (Superannuation) is an abnormal item for 1999/00. See note 4.

|                                                    | Note | 2000<br>\$000 | 1999<br>\$000 |
|----------------------------------------------------|------|---------------|---------------|
| <b>3. Operating Expenditure</b>                    |      |               |               |
| Salaries and Wages                                 |      | 13,703        | 13,068        |
| Amounts Credited to Provisions for                 |      |               |               |
| - Annual Leave                                     | 12   | <b>1,125</b>  | 1,105         |
| - Long Service Leave                               | 12   | <b>600</b>    | 569           |
| - Decrease in Retirement Benefits (Superannuation) | 9    | -             | 360           |
| - Doubtful Debts                                   | 6    | (36)          | (565)         |
| Depreciation                                       | 10   | 10,130        | 9,743         |
| Interest and Related Financing Charges             |      | 12,714        | 12,378        |
| Auditors' Remuneration                             |      | 93            | 91            |
| Directors' Remuneration                            | 20   | <b>212</b>    | 183           |
| Consultants' Fees                                  |      | <b>169</b>    | 139           |
| Rental on Operating Leases                         |      | <b>1,500</b>  | 1,383         |
| Loss on Sale of Non-current Assets                 |      | <b>18</b>     | 16            |
| Other Operations and Services                      |      | 23,359        | 20,907        |
|                                                    |      | <b>63,587</b> | <b>59,377</b> |



## notes to and forming part of the financial statements

|                                                  | 2000<br>\$000  | 1999<br>\$000 |
|--------------------------------------------------|----------------|---------------|
| <b>4. Abnormal Items</b>                         |                |               |
| Increase in Retirement Benefits (Superannuation) | 7,096          | -             |
| Demolition Costs                                 | (6,174)        | -             |
|                                                  | <b>922</b>     | <b>-</b>      |
| <b>Income Tax Effect</b>                         |                |               |
| Increase in Retirement Benefits (Superannuation) | 7,096          | -             |
| Income tax equivalent expense applicable         | (2,132)        | -             |
| Sub-total                                        | 4,964          | -             |
| Demolition Costs                                 | (6,174)        | -             |
| Income tax equivalent expense applicable         | -              | -             |
| Sub-total                                        | (6,174)        | -             |
| <b>Total Abnormal Items after Income Tax</b>     | <b>(1,210)</b> | <b>-</b>      |

See note 2 "Operating Revenue" for comparison of Increase in Retirement Benefits (Superannuation) for 1998/99.

Demolition costs relate to silos at Glebe Island.



## notes to and forming part of the financial statements

|                                                                                                                                                                       | Note | 2000<br>\$000 | 1999<br>\$000 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|---------------|---------------|
| <b>5. Taxation</b>                                                                                                                                                    |      |               |               |
| <b>(a) Income tax equivalent expense</b>                                                                                                                              |      |               |               |
| The difference between income tax equivalent expense provided in the financial statements and the prima facie income tax equivalent expense is reconciled as follows: |      |               |               |
| Operating profit before income tax equivalent                                                                                                                         |      | 45,059        | 49,470        |
| Prima facie tax thereon at 36%                                                                                                                                        |      | 16,221        | 17,809        |
| <i>Add/(less) tax effect of permanent and other differences:</i>                                                                                                      |      |               |               |
| Entertainment expenses                                                                                                                                                |      | 29            | 23            |
| Depreciation not deductible                                                                                                                                           |      | 4,079         | 1,907         |
| Capital Grants not assessable                                                                                                                                         |      | -             | (2,520)       |
| Change in future tax rates to 34% and 30%                                                                                                                             |      | (1,319)       | -             |
| Other                                                                                                                                                                 |      | (9)           | (42)          |
| <b>Total income tax equivalent attributable to operating profit</b>                                                                                                   |      | <b>19,001</b> | <b>17,177</b> |
| <i>Total income tax equivalent comprises movements in:</i>                                                                                                            |      |               |               |
| Provision for income tax equivalent                                                                                                                                   |      | 17,905        | 15,246        |
| Provision for deferred income tax equivalent                                                                                                                          |      | 1,416         | 1,712         |
| Future income tax equivalent benefit                                                                                                                                  |      | (320)         | 219           |
|                                                                                                                                                                       |      | <b>19,001</b> | <b>17,177</b> |



## notes to and forming part of the financial statements

|                                                         | Note      | 2000<br>\$000 | 1999<br>\$000 |
|---------------------------------------------------------|-----------|---------------|---------------|
| <b>5. Taxation (continued)</b>                          |           |               |               |
| <b>(b) Provision for income tax equivalent</b>          | <b>12</b> |               |               |
| Opening Balance                                         |           | 7,942         | 7,655         |
| Income tax equivalent paid                              |           | (16,632)      | (14,959)      |
| Income tax equivalent payable on operating profit       |           | 17,905        | 15,246        |
| <b>Closing Balance</b>                                  |           | <b>9,215</b>  | <b>7,942</b>  |
| <b>(c) Future income tax equivalent benefit</b>         | <b>9</b>  |               |               |
| <i>Attributable to timing differences:</i>              |           |               |               |
| Provisions and employee entitlements                    |           | 2,461         | 2,903         |
| Accrued expenditure                                     |           | 1,075         | 313           |
|                                                         |           | <b>3,536</b>  | <b>3,216</b>  |
| <b>(d) Provision for deferred income tax equivalent</b> | <b>12</b> |               |               |
| <i>Attributable to timing differences:</i>              |           |               |               |
| Retirement Benefits (Superannuation)                    |           | 5,994         | 4,629         |
| Depreciation                                            |           | 2,579         | 2,693         |
| Income receivable                                       |           | 444           | 422           |
| Prepaid expenditure                                     |           | 261           | 118           |
|                                                         |           | <b>9,278</b>  | <b>7,862</b>  |

Future Income Tax Benefit and Provision for Deferred Tax Liability have been adjusted in line with changes to company tax rates on 1 July 2000 (from 36% to 34%) and on 1 July 2001 (from 34% to 30%).



## notes to and forming part of the financial statements

|                                        | 2000   | 1999   |
|----------------------------------------|--------|--------|
|                                        | \$000  | \$000  |
| <b>6. Receivables</b>                  |        |        |
| <b>Current</b>                         |        |        |
| Trade debtors                          | 4,858  | 4,050  |
| Other debtors                          | 2,366  | 4,979  |
| Accrued income (a)                     | 5,522  | 1,472  |
|                                        | 12,746 | 10,501 |
| Less: Provision for doubtful debts (b) | (145)  | (181)  |
|                                        | 12,601 | 10,320 |

Based on a review of debtors the Corporation carries an appropriate provision for its doubtful debts.

**(a) Accrued income comprises:**

|                  |       |       |
|------------------|-------|-------|
| Operating income | 5,518 | 1,470 |
| Bank interest    | 4     | 2     |
|                  | 5,522 | 1,472 |

**(b) Provision for doubtful debts — current receivables**

|                                         |      |       |
|-----------------------------------------|------|-------|
| Opening balance                         | 181  | 979   |
| Add: current year's charge/(write back) | (36) | (545) |
|                                         | 145  | 434   |
| Less: bad debts written off             | —    | (253) |
| Closing balance                         | 145  | 181   |

|                                                                                                              | 2000         | 2000    | 1999    |
|--------------------------------------------------------------------------------------------------------------|--------------|---------|---------|
|                                                                                                              | \$000        | \$000   | \$000   |
|                                                                                                              | Market Value | At Cost | At Cost |
| <b>7. Investments</b>                                                                                        |              |         |         |
| Investments at 30 June 2000, consisting of securities with the NSW Treasury Corporation, are in the form of: |              |         |         |
| TCorp Hour Glass Facilities                                                                                  | 36,755       | 36,755  | 51,513  |
|                                                                                                              | 36,755       | 36,755  | 51,513  |

The Hour Glass Facilities were valued by the NSW Treasury Corporation.

## notes to and forming part of the financial statements

|                                                  | Note | 2000<br>\$000 | 1999<br>\$000 |
|--------------------------------------------------|------|---------------|---------------|
| <b>8. Other Current Assets</b>                   |      |               |               |
| <i>Prepayments</i>                               |      |               |               |
| Operating Expenditure Prepayments                |      | 824           | 318           |
| Capital Expenditure Prepayments                  |      | 20,000        | 10,000        |
|                                                  |      | <b>20,824</b> | <b>10,318</b> |
| <b>9. Other Non-Current Assets</b>               |      |               |               |
| Future income tax equivalent benefit             | 5(c) | 3,536         | 3,216         |
| Retirement Benefits (Superannuation) (a) and (b) |      | 19,954        | 12,858        |
|                                                  |      | <b>23,490</b> | <b>16,074</b> |

|                                                                            | 2000                        |                           |                       | 1999                        |                           |                       |
|----------------------------------------------------------------------------|-----------------------------|---------------------------|-----------------------|-----------------------------|---------------------------|-----------------------|
|                                                                            | Total<br>Liability<br>\$000 | Total<br>Funding<br>\$000 | Net<br>Asset<br>\$000 | Total<br>Liability<br>\$000 | Total<br>Funding<br>\$000 | Net<br>Asset<br>\$000 |
| <b>(a) Retirement Benefits (Superannuation)</b>                            |                             |                           |                       |                             |                           |                       |
| As at 30 June 2000, Sydney Ports Corporation's superannuation position is: |                             |                           |                       |                             |                           |                       |
| State Superannuation Scheme                                                | 16,652                      | 34,365                    | 17,713                | 19,204                      | 30,326                    | 11,122                |
| State Authorities Superannuation Scheme                                    | 5,826                       | 7,076                     | 1,250                 | 5,801                       | 6,738                     | 937                   |
| State Authorities Non-Contributory Superannuation Scheme                   | 2,017                       | 3,008                     | 991                   | 2,010                       | 2,809                     | 799                   |
|                                                                            | <b>24,495</b>               | <b>44,449</b>             | <b>19,954</b>         | <b>27,015</b>               | <b>39,873</b>             | <b>12,858</b>         |



## notes to and forming part of the financial statements

### 9. Other Non-Current Assets (continued)

The 2000 superannuation liability assessment is undertaken by the Superannuation Administration Corporation Actuary and is based on membership databases as at 29 February 2000 for all funds except for SSS fully commuted pensioners, which was based on the previous year's data. The Actuary has met the requirements of Australian Accounting Standard AAS25 Financial Reporting by Superannuation Plans by applying a "market determined risk adjusted discount rate" as the valuation interest rate in the calculation of the value of accrued benefits.

Calculation of the 30 June 2000 superannuation position uses actuarial assumptions revised from assumptions used in previous years. This change has created significant movement in the accrued superannuation liability. Thus, the superannuation funding position as at 30 June 2000 has changed significantly from 30 June 1999.

Assumptions adopted by the Actuary in the valuation of the funds are:

|                           | 30 June 2000 and Thereafter |
|---------------------------|-----------------------------|
|                           | %                           |
| Rate of investment return | 7.0                         |
| Rate of salary increase   | 4.0                         |
| Rate of increase in CPI   | 2.5                         |

The SAS Trustee Corporation approved a contribution holiday to the Corporation in respect of employer contributions for the State Superannuation Scheme, the State Authorities Superannuation Scheme and the State Authorities Non-Contributory Superannuation Scheme due to the over funded position. The contribution holiday is effective until 30 June 2000. The Corporation has applied for a continuance of the funding holiday to 30 June 2001. The funding holiday does not apply to certain employees.

|                                                                 | Balance<br>30 June<br>1999<br>\$000 | Current<br>Charge to<br>Revenue<br>\$000 | Current<br>Charge to<br>Expense<br>\$000 | Payment<br>\$000 | Balance<br>30 June<br>2000<br>\$000 |
|-----------------------------------------------------------------|-------------------------------------|------------------------------------------|------------------------------------------|------------------|-------------------------------------|
| <b>(b) Movement in Retirement<br/>Benefits (Superannuation)</b> |                                     |                                          |                                          |                  |                                     |
| State Superannuation Scheme                                     | 11,122                              | 6,591                                    | -                                        | -                | 17,713                              |
| State Authorities Superannuation Scheme                         | 937                                 | 313                                      | -                                        | -                | 1,250                               |
| State Authorities Non-Contributory<br>Superannuation Scheme     | 799                                 | 192                                      | -                                        | -                | 991                                 |
|                                                                 | 12,858                              | 7,096                                    | -                                        | -                | 19,954                              |

## notes to and forming part of the financial statements

|                                                      | 2000<br>\$000 | 1999<br>\$000 |
|------------------------------------------------------|---------------|---------------|
| 10. Property, Plant and Equipment                    |               |               |
| Property, plant and equipment (at cost or valuation) | 489,478       | 473,507       |
| Accumulated depreciation                             | (22,051)      | (12,721)      |
| Construction in progress                             | 18,537        | 6,987         |
|                                                      | 485,964       | 467,773       |

|                                                              | 2000          |                    |                | 1999          |                    |                |
|--------------------------------------------------------------|---------------|--------------------|----------------|---------------|--------------------|----------------|
|                                                              | Cost<br>\$000 | Valuation<br>\$000 | Total<br>\$000 | Cost<br>\$000 | Valuation<br>\$000 | Total<br>\$000 |
| (a) Property, Plant and Equipment<br>(at cost or valuation): |               |                    |                |               |                    |                |
| Land and Buildings                                           | 16,861        | 55,965             | 72,826         | 5,963         | 57,457             | 63,420         |
| Leased Land and Buildings                                    | 11,570        | 189,054            | 200,624        | 11,228        | 187,463            | 198,691        |
| Roadways                                                     | 977           | 5,870              | 6,847          | 1,007         | 5,870              | 6,877          |
| Wharves, Jetties and Breakwaters                             | 3,901         | 116,100            | 120,001        | 304           | 116,100            | 116,404        |
| Leased Wharves, Jetties and Breakwaters                      | -             | 72,140             | 72,140         | -             | 72,137             | 72,137         |
| Plant                                                        | 12,588        | 3,813              | 16,401         | 11,335        | 3,993              | 15,328         |
| Leased Plant                                                 | 393           | 246                | 639            | 404           | 246                | 650            |
| Total                                                        | 46,290        | 443,188            | 489,478        | 30,241        | 443,266            | 473,507        |

Property, plant and equipment assets at valuation include additions to assets at valuation which have been capitalised since the valuation date.

Leased assets are leased to external parties pursuant to operating leases.

### (b) Accumulated Depreciation:

|                                         |       |        |        |       |       |        |
|-----------------------------------------|-------|--------|--------|-------|-------|--------|
| Buildings                               | 161   | 1,282  | 1,443  | -     | 641   | 641    |
| Leased Buildings                        | -     | 2,085  | 2,085  | -     | 1,042 | 1,042  |
| Roadways                                | 49    | 1,122  | 1,171  | -     | 549   | 549    |
| Wharves, Jetties and Breakwaters        | 74    | 4,323  | 4,397  | 2     | 2,164 | 2,166  |
| Leased Wharves, Jetties and Breakwaters | -     | 7,071  | 7,071  | -     | 3,534 | 3,534  |
| Plant                                   | 4,066 | 1,610  | 5,676  | 3,168 | 1,464 | 4,632  |
| Leased Plant                            | 150   | 58     | 208    | 111   | 46    | 157    |
| Total                                   | 4,500 | 17,551 | 22,051 | 3,281 | 9,440 | 12,721 |



## notes to and forming part of the financial statements

|                                                      | 2000<br>\$000  | 1999<br>\$000  |
|------------------------------------------------------|----------------|----------------|
| <b>10. Property, Plant and Equipment (continued)</b> |                |                |
| <b>(c) Construction in Progress</b>                  |                |                |
| Land and Buildings                                   | 12,817         | 1,915          |
| Roadways                                             | 424            | 385            |
| Wharves, Jetties and Breakwaters                     | 2,493          | 4,118          |
| Plant                                                | 2,803          | 569            |
| <b>Total</b>                                         | <b>18,537</b>  | <b>6,987</b>   |
| <b>Movement in Property, Plant and Equipment</b>     |                |                |
| Opening Balance                                      | 473,507        | 454,332        |
| Add:                                                 |                |                |
| - acquisitions                                       | 14             | 6,690          |
| - from construction in progress                      | 17,095         | 13,622         |
|                                                      | 490,616        | 474,644        |
| Less:                                                |                |                |
| - disposals                                          | (669)          | (519)          |
| - write offs                                         | (469)          | (618)          |
| <b>Closing balance</b>                               | <b>489,478</b> | <b>473,507</b> |
| <b>Movement in Accumulated Depreciation</b>          |                |                |
| Opening Balance                                      | 12,721         | 3,295          |
| Add:                                                 |                |                |
| - depreciation charge (non-leased assets)            | 5,499          | 9,743          |
| - depreciation charge (leased assets)                | 4,631          | *              |
|                                                      | 22,851         | 13,038         |
| Less:                                                |                |                |
| - write back due to disposals                        | (361)          | (194)          |
| - write back due to write offs                       | (439)          | (123)          |
| <b>Closing balance</b>                               | <b>22,051</b>  | <b>12,721</b>  |
| <b>Movement In Construction in Progress:</b>         |                |                |
| Opening Balance                                      | 6,987          | 6,597          |
| Add: acquisitions                                    | 28,645         | 14,012         |
|                                                      | 35,632         | 20,609         |
| Less: to property, plant and equipment               | (17,095)       | (13,622)       |
| <b>Closing balance</b>                               | <b>18,537</b>  | <b>6,987</b>   |

\* Not calculated in previous year

## notes to and forming part of the financial statements

### 10. Property, Plant and Equipment (continued)

The most recent revaluation of the Corporation's property, plant and equipment was carried out as at 30 June 1998.

The revaluation allowed for

- 95% of non-current assets in total value being revalued. Those assets not revalued are recorded at their historical cost.
- Property, plant and equipment purchased within twelve months of the date of the revaluation being considered to have current values and therefore recorded at their historical cost.

The State Valuation Office (A. Stibbard AAPf) valued land and most buildings. A quantity and construction cost consultant, MDA Australia Pty Ltd (K. Thomson AAIQS, B.Build), valued roadways, the remaining buildings, and wharves, jetties and breakwaters.

In accordance with the guidelines listed above, recoverable amount tests have been applied to all valuations as at 30 June 2000. Valuation amounts did not exceed recoverable amounts.

|                                              | 2000<br>\$000 | 1999<br>\$000 |
|----------------------------------------------|---------------|---------------|
| <i>Sale of Property, Plant and Equipment</i> |               |               |
| Property, plant and equipment                | 669           | 519           |
| Less accumulated depreciation                | (361)         | (194)         |
|                                              | 308           | 325           |
|                                              | (348)         | (367)         |
| <b>Less: Proceeds from sale</b>              |               |               |
| Net loss/(profit) on sale                    | (40)          | (42)          |

### 11. Creditors and Borrowings

#### Current

|                            |        |        |
|----------------------------|--------|--------|
| Trade Creditors            | 508    | 738    |
| Other Creditors            | 15,469 | 9,505  |
| Income received in advance | 3,003  | 756    |
| Borrowings                 | 13,194 | 38,478 |
|                            | 32,174 | 49,477 |

#### Non-current

|                  |         |         |
|------------------|---------|---------|
| Borrowings       | 138,451 | 112,232 |
| Total Borrowings | 151,645 | 150,710 |

#### Amount payable in respect of borrowings:

|                                                   |         |         |
|---------------------------------------------------|---------|---------|
| payable no later than one year                    | 13,194  | 38,478  |
| payable later than one, not later than two years  | 9,215   | -       |
| payable later than two, not later than five years | 44,948  | 37,097  |
| payable later than five years                     | 84,288  | 75,135  |
|                                                   | 151,645 | 150,710 |



## notes to and forming part of the financial statements

|                                                      | 2000<br>\$000  | 1999<br>\$000  |
|------------------------------------------------------|----------------|----------------|
| <b>10. Property, Plant and Equipment (continued)</b> |                |                |
| <b>(c) Construction in Progress</b>                  |                |                |
| Land and Buildings                                   | 12,817         | 1,915          |
| Roadways                                             | 424            | 385            |
| Wharves, Jetties and Breakwaters                     | 2,493          | 4,118          |
| Plant                                                | 2,803          | 569            |
| <b>Total</b>                                         | <b>18,537</b>  | <b>6,987</b>   |
| <b>Movement in Property, Plant and Equipment</b>     |                |                |
| Opening Balance                                      | 473,507        | 454,332        |
| <b>Add:</b>                                          |                |                |
| - acquisitions                                       | 14             | 6,690          |
| - from construction in progress                      | 17,095         | 13,622         |
|                                                      | 490,616        | 474,644        |
| <b>Less:</b>                                         |                |                |
| - disposals                                          | (689)          | (519)          |
| - write offs                                         | (469)          | (618)          |
| <b>Closing balance</b>                               | <b>489,478</b> | <b>473,507</b> |
| <b>Movement in Accumulated Depreciation</b>          |                |                |
| Opening Balance                                      | 12,721         | 3,295          |
| <b>Add:</b>                                          |                |                |
| - depreciation charge (non-leased assets)            | 5,499          | 9,743          |
| - depreciation charge (leased assets)                | 4,631          | *              |
|                                                      | 22,851         | 13,038         |
| <b>Less:</b>                                         |                |                |
| - write back due to disposals                        | (361)          | (194)          |
| - write back due to write offs                       | (439)          | (123)          |
| <b>Closing balance</b>                               | <b>22,051</b>  | <b>12,721</b>  |
| <b>Movement In Construction in Progress:</b>         |                |                |
| Opening Balance                                      | 6,987          | 6,597          |
| Add: acquisitions                                    | 28,645         | 14,012         |
|                                                      | 35,632         | 20,609         |
| Less: to property, plant and equipment               | (17,095)       | (13,622)       |
| <b>Closing balance</b>                               | <b>18,537</b>  | <b>6,987</b>   |

\* Not calculated in previous year

## notes to and forming part of the financial statements

### 10. Property, Plant and Equipment (continued)

The most recent revaluation of the Corporation's property, plant and equipment was carried out as at 30 June 1998.

The revaluation allowed for

- 95% of non-current assets in total value being revalued. Those assets not revalued are recorded at their historical cost.
- Property, plant and equipment purchased within twelve months of the date of the revaluation being considered to have current values and therefore recorded at their historical cost.

The State Valuation Office (A. Stibbard AAPf) valued land and most buildings. A quantity and construction cost consultant, MDA Australia Pty Ltd (K. Thomson AAfQS, B.Build), valued roadways, the remaining buildings, and wharves, jetties and breakwaters.

In accordance with the guidelines listed above, recoverable amount tests have been applied to all valuations as at 30 June 2000. Valuation amounts did not exceed recoverable amounts.

|                                              | 2000<br>\$000 | 1999<br>\$000 |
|----------------------------------------------|---------------|---------------|
| <i>Sale of Property, Plant and Equipment</i> |               |               |
| Property, plant and equipment                | 669           | 519           |
| Less accumulated depreciation                | (361)         | (194)         |
|                                              | 308           | 325           |
| Less: Proceeds from sale                     | (348)         | (367)         |
| Net loss/(profit) on sale                    | (40)          | (42)          |

### 11. Creditors and Borrowings

#### Current

|                            |        |        |
|----------------------------|--------|--------|
| Trade Creditors            | 508    | 738    |
| Other Creditors            | 15,469 | 9,505  |
| Income received in advance | 3,003  | 756    |
| Borrowings                 | 13,194 | 38,478 |
|                            | 32,174 | 49,477 |

#### Non-current

|                         |                |                |
|-------------------------|----------------|----------------|
| Borrowings              | 138,451        | 112,232        |
| <b>Total Borrowings</b> | <b>151,645</b> | <b>150,710</b> |

#### Amount payable in respect of borrowings:

|                                                   |         |         |
|---------------------------------------------------|---------|---------|
| payable no later than one year                    | 13,194  | 38,478  |
| payable later than one, not later than two years  | 9,215   | -       |
| payable later than two, not later than five years | 44,948  | 37,097  |
| payable later than five years                     | 84,288  | 75,135  |
|                                                   | 151,645 | 150,710 |



## notes to and forming part of the financial statements

|                                           | Note                                | 2000<br>\$000                            | 1999<br>\$000                       |
|-------------------------------------------|-------------------------------------|------------------------------------------|-------------------------------------|
| <b>12. Provisions</b>                     |                                     |                                          |                                     |
| <b>Current</b>                            |                                     |                                          |                                     |
| Dividend                                  |                                     | 13,030                                   | 13,639                              |
| Income tax equivalent                     | 5(b)                                | 9,215                                    | 7,942                               |
| Employee entitlements, including oncosts  |                                     | 2,941                                    | 2,966                               |
|                                           |                                     | <b>25,186</b>                            | <b>24,547</b>                       |
| <b>Non-current</b>                        |                                     |                                          |                                     |
| Deferred income tax equivalent            | 5(d)                                | 9,278                                    | 7,862                               |
| Employee entitlements, including oncosts  |                                     | 4,845                                    | 4,917                               |
|                                           |                                     | <b>14,123</b>                            | <b>12,779</b>                       |
| <b>Movement in Provisions</b>             |                                     |                                          |                                     |
|                                           | Balance<br>30 June<br>1999<br>\$000 | Current<br>Charge to<br>Revenue<br>\$000 | Payments<br>\$000                   |
| <b>Current</b>                            |                                     |                                          | Balance<br>30 June<br>2000<br>\$000 |
| Dividend                                  | 13,639                              | 13,030                                   | (13,639)                            |
| Income tax equivalent                     | 7,942                               | 17,905                                   | (16,632)                            |
| Employee entitlements, including oncosts: |                                     |                                          |                                     |
| - Annual Leave (a)                        | 2,346                               | 1,125                                    | (1,181)                             |
| - Long Service Leave (b)                  | 436                                 | 672                                      | (590)                               |
| - Voluntary Separations                   | 184                                 | 267                                      | (318)                               |
|                                           | 24,547                              | 32,999                                   | (32,360)                            |
| <b>Non-current</b>                        |                                     |                                          |                                     |
| Deferred income tax equivalent            | 7,862                               | 1,416                                    | -                                   |
| Employee entitlements including oncosts:  |                                     |                                          |                                     |
| - Long Service Leave (b)                  | 4,917                               | (72)                                     | -                                   |
|                                           | 12,779                              | 1,344                                    | -                                   |

**(a) Employee entitlements**

**Annual Leave:** The liability for annual leave is calculated at 30 June 2000 wage rates and entitlements of personnel, and is fully provided.

**(b) Employee entitlements**

**Long Service Leave:** The liability for long service leave is calculated at 30 June 2000 wage rates and entitlements of personnel, and is fully provided. This figure excludes allowance for personnel still subject to completion of service conditions.

## notes to and forming part of the financial statements

|                                                                                                                                                                                                                           | 2000           | 1999           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                                                                                                                                                           | \$000          | \$000          |
| <b>13. Capital and Reserves</b>                                                                                                                                                                                           |                |                |
| The State Owned Corporations Act 1989 requires the Corporation to have two voting shareholders; the Treasurer and another Minister. Each shareholder must at all times have an equal number of shares in the Corporation. |                |                |
| Shares are held by each of the Corporation's voting shareholders, the Hon. M R Egan, MLC and the Hon. J Delia Bosca, MLC.                                                                                                 |                |                |
| <b>Reserves</b>                                                                                                                                                                                                           |                |                |
| Share Capital                                                                                                                                                                                                             | 125,542        | 125,542        |
| Asset Revaluation Reserve                                                                                                                                                                                                 | 180,220        | 180,220        |
|                                                                                                                                                                                                                           | <b>305,762</b> | <b>305,762</b> |
| <b>Movement in Asset Revaluation Reserve:</b>                                                                                                                                                                             |                |                |
| Opening balance                                                                                                                                                                                                           | 180,220        | 180,220        |
| Add revaluation                                                                                                                                                                                                           | -              | -              |
| <b>Closing balance</b>                                                                                                                                                                                                    | <b>180,220</b> | <b>180,220</b> |



## notes to and forming part of the financial statements

### 14. Financial Instruments

#### a) Interest Rate Risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. Sydney Ports Corporation's exposure to interest rate risk and the effective interest rates of financial assets and liabilities, both recognised and unrecognised at the balance sheet date, are as follows:

|                                                 | Fixed interest rate maturing in: |                         |                            |                            |                               | Total carrying amount as per the balance sheet | Weighted average effective interest rate* |
|-------------------------------------------------|----------------------------------|-------------------------|----------------------------|----------------------------|-------------------------------|------------------------------------------------|-------------------------------------------|
|                                                 | Floating Interest Rate<br>\$000  | 1 year or less<br>\$000 | Over 1 to 5 years<br>\$000 | More than 5 years<br>\$000 | Non-interest bearing<br>\$000 | \$000                                          | %                                         |
| <b>2000</b>                                     |                                  |                         |                            |                            |                               |                                                |                                           |
| <b>Financial Assets</b>                         |                                  |                         |                            |                            |                               |                                                |                                           |
| Cash                                            | 1,363                            |                         |                            |                            | 2                             | 1,365                                          | 3.71                                      |
| Receivables                                     | 1,070                            |                         |                            |                            | 11,515                        | 12,585                                         | 6.36                                      |
| Investments                                     | 36,755                           |                         |                            |                            |                               | 36,755                                         | 5.13                                      |
| <b>Total Financial Assets</b>                   | <b>39,188</b>                    | <b>-</b>                | <b>-</b>                   | <b>-</b>                   | <b>11,517</b>                 | <b>50,705</b>                                  |                                           |
| <b>Financial Liabilities</b>                    |                                  |                         |                            |                            |                               |                                                |                                           |
| Creditors                                       |                                  |                         |                            |                            | 14,915                        | 14,915                                         | NA                                        |
| Borrowings                                      | 13,194                           |                         | 54,163                     | 84,288                     |                               | 151,645                                        | 7.80                                      |
| <b>Total Financial Liabilities</b>              | <b>13,194</b>                    | <b>-</b>                | <b>54,163</b>              | <b>84,288</b>              | <b>14,915</b>                 | <b>166,560</b>                                 |                                           |
| <b>Off Balance Sheet Financial Instruments</b>  |                                  |                         |                            |                            |                               |                                                |                                           |
| Derivative Financial Instruments - Receivable** | -                                | 5,000                   | 800                        | -                          | -                             |                                                |                                           |
| <b>1999</b>                                     |                                  |                         |                            |                            |                               |                                                |                                           |
| <b>Financial Assets</b>                         |                                  |                         |                            |                            |                               |                                                |                                           |
| Cash                                            | 1,072                            |                         |                            |                            | 2                             | 1,074                                          | 4.58                                      |
| Receivables                                     | 506                              | 1,060                   |                            |                            | 8,755                         | 10,321                                         | 6.49                                      |
| Investments                                     | 51,513                           |                         |                            |                            |                               | 51,513                                         | 4.89                                      |
| <b>Total Financial Assets</b>                   | <b>53,091</b>                    | <b>1,060</b>            | <b>-</b>                   | <b>-</b>                   | <b>8,757</b>                  | <b>62,908</b>                                  |                                           |
| <b>Financial Liabilities</b>                    |                                  |                         |                            |                            |                               |                                                |                                           |
| Creditors                                       |                                  |                         |                            |                            | 9,375                         | 9,375                                          | NA                                        |
| Borrowings                                      | 4,276                            | 34,202                  | 37,097                     | 75,135                     |                               | 150,710                                        | 8.16                                      |
| <b>Total Financial Liabilities</b>              | <b>4,276</b>                     | <b>34,202</b>           | <b>37,097</b>              | <b>75,135</b>              | <b>9,375</b>                  | <b>160,085</b>                                 |                                           |
| <b>Off Balance Sheet Financial Instruments</b>  |                                  |                         |                            |                            |                               |                                                |                                           |
| Derivative Financial Instruments - Receivable** | -                                | -                       | 12,300                     | 1,300                      | -                             |                                                |                                           |

\* Weighted average effective interest rate was computed on a monthly basis. \*\* Notional principal amounts for futures contracts.

## notes to and forming part of the financial statements

### 14. Financial Instruments (continued)

#### b) Credit Risk

Credit risk is the risk of financial loss arising from another party to a contract or financial position failing to discharge a financial obligation thereunder. Sydney Ports Corporation's maximum exposure to credit risk is represented by the carrying amounts of the financial assets included in the balance sheet.

Trade debtors are due within 28 days of service date. Other debtors are due within 7 days of invoice date except lease rental payments which are payable on or before the due date as stated in each lease agreement. Trade and other creditors are settled within 28 days of invoice date.

\* Credit risk by classification of counterparty

|                               | Governments<br>\$000 | Banks<br>\$000 | Other<br>\$000 | Total<br>\$000 |
|-------------------------------|----------------------|----------------|----------------|----------------|
| <b>2000</b>                   |                      |                |                |                |
| <i>Financial Assets</i>       |                      |                |                |                |
| Cash                          | 54                   | 1,311          |                | 1,365          |
| Receivables                   | 972                  | 4              | 11,609         | 12,585         |
| Investments                   | 36,755               |                |                | 36,755         |
| <b>Total Financial Assets</b> | <b>37,781</b>        | <b>1,315</b>   | <b>11,609</b>  | <b>50,705</b>  |
| <b>1999</b>                   |                      |                |                |                |
| <i>Financial Assets</i>       |                      |                |                |                |
| Cash                          | 138                  | 936            |                | 1,074          |
| Receivables                   | 599                  | 2              | 9,720          | 10,321         |
| Investments                   | 51,513               |                |                | 51,513         |
| <b>Total Financial Assets</b> | <b>52,250</b>        | <b>938</b>     | <b>9,720</b>   | <b>62,908</b>  |

\* The only significant concentration of credit risk arises in respect of investments with NSW TCorp being 72% of total financial assets (82% at 30 June 1999). The largest single debtor included in Receivables totals \$0.5 million and is 1 % of total financial assets (4% at 30 June 1999).



## notes to and forming part of the financial statements

### 14. Financial Instruments (continued)

#### c) Net Fair Value

As stated in note 1 (n), all financial instalments are carried at net fair value, unless stated otherwise.

The aggregate net fair values of financial assets and financial liabilities (both recognised and unrecognised), which are carried at balance date on a basis other than net fair value, are as follows:

|                                    | Total carrying amount<br>as per the balance sheet |                | Aggregate<br>net fair value |                |
|------------------------------------|---------------------------------------------------|----------------|-----------------------------|----------------|
|                                    | 2000<br>\$000                                     | 1999<br>\$000  | 2000<br>\$000               | 1999<br>\$000  |
| <b>Financial Assets</b>            |                                                   |                |                             |                |
| Cash                               | 1,365                                             | 1,074          | 1,365                       | 1,074          |
| Receivables                        | 12,585                                            | 10,321         | 12,585                      | 10,321         |
| Investments                        | 36,755                                            | 51,513         | 36,755                      | 51,513         |
| <b>Total Financial Assets</b>      | <b>50,705</b>                                     | <b>62,908</b>  | <b>50,705</b>               | <b>62,908</b>  |
| <b>Financial Liabilities</b>       |                                                   |                |                             |                |
| Creditors                          | 14,915                                            | 9,375          | 14,915                      | 9,375          |
| Borrowings                         | 151,645                                           | 150,710        | 162,579                     | 164,865        |
| <b>Total Financial Liabilities</b> | <b>166,560</b>                                    | <b>160,085</b> | <b>177,494</b>              | <b>174,240</b> |

#### d) Derivative Financial Instruments

The nature of Sydney Ports Corporation's business gives rise to gaps in maturity of its cashflows and to exposures arising from possible changes in the repricing of financial positions upon their maturity.

The Corporation has identified the risks that arise from such gaps and exposures and has established policies to prudentially monitor and limit those risks. In managing such risks, the Corporation may be involved in derivative financial instruments.

A derivative financial instrument is a contract or agreement whose value is derived from the value of the underlying instrument, reference rate or index. Derivative financial instruments (futures contracts) are used to alter and modify the natural risks inherent in the balance sheet.

The Corporation uses futures contracts to hedge financial exposures arising from its borrowing portfolio thereby limiting the risk that changes in interest rates will adversely affect profit.

#### Net Exposure

The market value of the Corporation's transactions in derivative financial instruments outstanding at the year end are as follows:

|                                                              | 2000<br>\$000 | 1999<br>\$000 |
|--------------------------------------------------------------|---------------|---------------|
| <b>Derivative Financial Instruments (Payable)/Receivable</b> |               |               |
| Exchange Traded Futures (Mark to Market)                     | (1)           | 17            |

## notes to and forming part of the financial statements

### 15. Capital Expenditure Commitments

Forward obligations of the Corporation under major contracts committed as at 30 June 2000 but not otherwise brought to account have been assessed at \$13.42 million including GST (\$7,158 million in 1998/99).

The \$13.42 million includes input tax credits of \$1.22 million that are expected to be recoverable from the Australian Taxation Office.

|  | 2000  | 1999  |
|--|-------|-------|
|  | \$000 | \$000 |

### 16. Operating Lease Commitments

#### Payable

Operating lease expenditure commitments contracted for at balance date, but not recognised in the financial statements are payable as follows:

|                                              |              |              |
|----------------------------------------------|--------------|--------------|
| Not later than one year                      | 1,465        | 1,272        |
| Later than one and not later than five years | 3,187        | 3,664        |
| Later than five years                        | -            | -            |
| <b>Total including GST</b>                   | <b>4,652</b> | <b>4,936</b> |

The above total includes input tax credits of \$0,237 million that are expected to be recoverable from the Australian Taxation Office.

#### Receivable

Operating lease minimum income commitments in relation to non-cancellable leases, not recognised in the financial statements are receivable as follows:

|                                              |                |   |
|----------------------------------------------|----------------|---|
| Not later than one year                      | 19,486         | * |
| Later than one and not later than five years | 44,292         | * |
| Later than five years                        | 58,717         | * |
| <b>Total including GST</b>                   | <b>122,495</b> |   |

The above total includes GST output tax of \$10.1 million that is expected to be paid to the Australian Taxation Office.

\*Not calculated in previous year.

### Leasing Arrangements

All receivable leases are entered into at commercial rates and terms. Regular market valuations and tendering processes are carried out to ensure commercial arrangements are maintained.

### 17. Contingent Liabilities

The estimated value of liability claims against the Corporation as at 30 June 2000 is \$1.255 million (\$1.23 million in 1998/99). The Corporation believes that negotiated solutions will be possible in respect of these claims.

### 18. Consultancy Fees

Total fees paid and payable to consultants engaged in capital and operating projects by Sydney Ports Corporation during 1999/00 amounted to \$0,184 million (\$0,219 million in 1998/99).



## notes to and forming part of the financial statements

|                                                                                                                                                                                                                                                                                                                                                                   | 2000<br>\$000 | 1999<br>\$000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>19. Notes to the Statement of Cash Flows</b>                                                                                                                                                                                                                                                                                                                   |               |               |
| <b>(a) Reconciliation of Cash</b>                                                                                                                                                                                                                                                                                                                                 |               |               |
| For the purpose of the Statement of Cash Rows, cash includes cash on hand and in banks (net of any outstanding bank overdraft) and short term investments in money market instruments which are classified as current assets. Cash as at 30 June 2000 as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows: |               |               |
| Cash                                                                                                                                                                                                                                                                                                                                                              | 1,365         | 1,074         |
| Current investments                                                                                                                                                                                                                                                                                                                                               | 36,755        | 51,513        |
|                                                                                                                                                                                                                                                                                                                                                                   | <b>38,120</b> | <b>52,587</b> |
| <b>(b) Reconciliation of operating profit after income tax equivalent to net cash provided by operating activities</b>                                                                                                                                                                                                                                            |               |               |
| Operating profit after income tax equivalent                                                                                                                                                                                                                                                                                                                      | 26,058        | 32,293        |
| Capital Grant                                                                                                                                                                                                                                                                                                                                                     | -             | (7,000)       |
| Depreciation                                                                                                                                                                                                                                                                                                                                                      | 10,130        | 9,743         |
| Amortisation of discount on borrowings                                                                                                                                                                                                                                                                                                                            | 974           | 128           |
| Net loss/(profit) on sale of borrowings                                                                                                                                                                                                                                                                                                                           | -             | -             |
| Net loss/(profit) on sale of non-current assets                                                                                                                                                                                                                                                                                                                   | (40)          | (42)          |
| Assets written off                                                                                                                                                                                                                                                                                                                                                | 30            | 495           |
|                                                                                                                                                                                                                                                                                                                                                                   | <b>37,152</b> | <b>35,617</b> |
| <b>Net movement in assets and liabilities applicable to operating activities</b>                                                                                                                                                                                                                                                                                  |               |               |
| (Increase)/decrease in receivables                                                                                                                                                                                                                                                                                                                                | (2,281)       | 839           |
| (Increase)/decrease in inventories                                                                                                                                                                                                                                                                                                                                | -             | 12            |
| (Increase)/decrease in other assets                                                                                                                                                                                                                                                                                                                               | (7,922)       | (2,255)       |
| (Decrease)/increase in creditors                                                                                                                                                                                                                                                                                                                                  | 4,794         | 197           |
| (Decrease)/increase in provisions                                                                                                                                                                                                                                                                                                                                 | 2,592         | 2,026         |
|                                                                                                                                                                                                                                                                                                                                                                   | <b>34,335</b> | <b>36,436</b> |
| <b>Net cash provided by operating activities</b>                                                                                                                                                                                                                                                                                                                  | <b>34,335</b> | <b>36,436</b> |

The Corporation has the following credit facilities in place at 30 June 2000:

- A contingent liability (debit authority) facility for \$1 million with the Commonwealth Bank.
- A guarantee facility for \$100,000 with the Commonwealth Bank.
- A credit card facility for \$50,000 with the Commonwealth Bank.

## notes to and forming part of the financial statements

### **20. Directors' Remuneration and Loans**

Directors' remuneration includes emoluments and other benefits paid, or due and payable, to Directors but does not include amounts paid by way of salary to full-time Directors of the Corporation.

Directors' remuneration for 1999/00 was \$0,212 million (\$0,183 million in 1998/99).

During the year the Corporation made no loans to Directors.

### **21. Events Occurring After Reporting Date**

There are no known events occurring after reporting date that materially affect the financial statements.

This information is provided in accordance with Australian Accounting Standard AAS8, Events Occurring After Reporting Date.

End of audited financial statements.

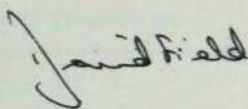


## directors' statement

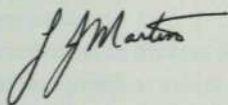
In accordance with a resolution of the directors of Sydney Ports Corporation, Clause 14 of the Public Finance and Audit (General) Regulation 1995, and pursuant to Section 41C(1C) of the Public Finance and Audit Act 1983, in the opinion of the directors:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Corporation as at 30 June 2000 and transactions for the year then ended.
2. The statements have been prepared in accordance with the provisions of the Public Finance and Audit Act 1983, and the Public Finance and Audit (General) Regulation 1995.

Further, we are not aware of any circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



DLP Field  
Chairman



G J Martin  
Chief Executive Officer

17 October 2000

# independent audit report



SYDNEY NSW 2000

## INDEPENDENT AUDIT REPORT SYDNEY PORTS CORPORATION SYDNEY PORTS CORPORATION

To Members of the New South Wales Parliament and Members of the Corporation

### Scope

I have audited the accounts of the Sydney Ports Corporation for the year ended 30 June 2000. The members of the board of the Corporation are responsible for the financial statements, the accompanying balance sheet, operating statement and statement of cash flows, and the information contained therein. My responsibility is to express an opinion on the financial report to Members of the New South Wales Parliament and members of the Corporation on my audit as required by section 24A of the *State Owned Corporations Act 1988* and section 41C(1) of the *Public Finance and Audit Act 1983* (the PF&A Act).

My audit has been conducted in accordance with statutory requirements and Auditing Standards to provide reasonable assurance whether the financial report is true and correct. My procedures included examination, on a test basis, of evidence supporting disclosures in the financial report, and the evaluation of accounting policies and estimates.

In addition, other legislative and policy requirements, which could have an impact on the Sydney Ports Corporation's financial report, have been reviewed on a cyclical basis. The requirements examined comprised compliance with core business activities based on the *Ports Corporation and Waterways Management Act 1995*.

These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other professional reporting requirements and statutory requirements, in Australia, which is consistent with my understanding of the Corporation's financial position, operations and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

In my opinion financial report of the Sydney Ports Corporation complies with section 41B of the PF&A Act, other statutory requirement and present fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements the financial position of the Corporation as at 30 June 2000 and the results of its operations and its cash flows for the year then ended.

  
G. J. GIBSON, FCA  
PRINCIPAL AUDITOR

(duly authorised by the Auditor-General of New South Wales  
under section 41C(1A) of the Act)

SYDNEY  
20 October 2000

### Audit Opinion



## Statement of land as at 30 June 2000

Land is disclosed in the financial statements under the asset grouping 'Land and Buildings' within Property, Plant and Equipment. In the following summary, land has been separated from buildings and other non-current assets to show land value and usage in terms of balance sheet valuations.

|                                                                   | Note | 2000<br>\$000  |
|-------------------------------------------------------------------|------|----------------|
| <b>Land and Buildings</b>                                         |      |                |
| Port Land                                                         | #    | 222,394        |
| Buildings                                                         |      | 60,345         |
| <b>Total</b>                                                      |      | <b>282,739</b> |
| <b>Other Property, Plant and Equipment</b>                        |      |                |
| Roadways                                                          |      | 6,100          |
| Wharves, Jetties and Breakwaters                                  |      | 183,166        |
| Plant                                                             |      | 13,959         |
| <b>Total Property, Plant and Equipment (as per balance sheet)</b> |      | <b>485,964</b> |

Note #: Port Land is land at Sydney Harbour and at Botany Bay which is used for port purposes.

## appendices

### Corporate Governance

Good corporate governance creates and sustains an ethical and legal environment which recognises the interests of all the stakeholders in a corporation.

### The Role of the Board

The Board oversees the business and commercial affairs of the Corporation, approves the business and financial objectives and strategies proposed by and subsequently implemented by management and monitors performance and policy.

Apart from participating in regular Board and committee meetings, the Directors from time to time visit the Corporation's operations and informally meet port users and staff.

### The Composition and Procedures of the Board

The Board of seven Directors comprises five non-executive directors (one of whom is the Chairman), the Chief Executive Officer and a Staff Director who is selected in accordance with the procedures set out in the Ports Corporatisation and Waterways Management Act 1995. The Directors are appointed by the Governor on the recommendation of the voting shareholders. The proceedings and certain procedures of the Board are governed by the State Owned Corporations Act 1989 and the Articles of Association of the Corporation.

### Board Remuneration

Non-executive Directors and the Staff Director are remunerated by fees determined by the voting shareholders from time to time. These fees are comparable with those paid to directors of similarly constituted and similarly sized corporations.

### Board Committees

Three Committees support the Board -

- The Audit and Risk Management Committee considers internal accounting controls and procedures, the activities of the internal and external auditors, the relationship between management and the external auditors, the financial statements of the Corporation and risk management.
- The Remuneration Committee considers remuneration policies and practices, the remuneration of the executive management group and merit recognition arrangements. The majority of the Corporation's staff are remunerated on the basis of an Enterprise Agreement which was registered on 14 December 1998. This agreement is in force until 30 June 2001. In line with developments in the employment market, executive and senior management are remunerated by fixed base salaries coupled with "at risk" performance incentives.
- The Trade Committee considers, among other things, the Corporation's marketing strategy and plans, strategic alliances, the retention and attraction of new trade and appropriate pricing strategies and policies.



Attendance at Board Meetings

|               | Regular Board Meetings |    | Extraordinary Board Meetings |   | Trade Committee |   | Term of Appointment   |
|---------------|------------------------|----|------------------------------|---|-----------------|---|-----------------------|
|               | A                      | B  | A                            | B | A               | B |                       |
| D.LP. Field   | 11                     | 11 | 1                            | 1 | -               | - | 23.12.1998-03.12.2001 |
| C.S. Bart     | 11                     | 10 | 1                            | 1 | 1               | 1 | 04.12.1998-03.12.2001 |
| J.W. Douglas  | 11                     | 11 | 1                            | 1 | -               | - | 01.07.1999-30.06.2002 |
| G.J. Martin   | 11                     | 11 | 1                            | 0 | 1               | 0 | 29.05.1999-15.04.2001 |
| P.J. Medlock  | 11                     | 11 | 1                            | 1 | 1               | 1 | 05.06.1999-04.06.2002 |
| K.A.J. Murray | 11                     | 11 | 1                            | 1 | -               | - | 15.12.1998-08.09.2001 |
| V.J. Smith    | 11                     | 7  | 1                            | 0 | -               | - | 21.04.1999-03.12.2001 |

## appendices

### Key Result Areas

At the commencement of the financial year, the Corporation established corporate strategies grouped under four key result areas - planning, port control and safety, marketing and organisational culture.

### Planning

SPC Objective:

- To provide sufficient port infrastructure to meet long-term cargo and passenger growth.
- To improve the movement of cargo at the sea/land interface.

| Strategy                                                                                                               | Outcomes                                                                                                                                                                            |
|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commence a program of major new investments in cargo handling infrastructure at Botany Bay and White Bay/Glebe Island. | Projects underway in White Bay/Glebe Island.<br>Planning continues for Botany Bay development.                                                                                      |
| Actively promote the "working harbour" concept for Sydney Harbour.                                                     | Master Plan for Glebe Island and White Bay prepared and approved. Work commenced on draft Master Plan for Darling Harbour.                                                          |
| Upgrade Sydney Cove Passenger Terminal.                                                                                | Stage completed in September 2000. Stage II to be undertaken in 2001.                                                                                                               |
| Facilitate rail service improvements and work with the transportation industry to develop "inland ports".              | Four stage upgrade of Sydenham to Port Botany rail corridor being undertaken. Stage I completed.<br><br>New road/rail freight terminals to open at Minto and St Marys in late 2000. |
| Encourage greater use of rail transport for containerised cargoes.                                                     | Rail volumes to/from Port Botany increased by 35% in 1999/00.                                                                                                                       |
| Promote the industry adoption of E-Commerce solutions by facilitating information exchanges between parties.           | SPC's first phase of Internet E-Commerce is Sydney's Integrated Port System (ShIPS), a computerised scheduling and booking service. ShIPS is scheduled to go live in October 2000.  |
| Implement changes for introduction of GST.                                                                             | Successfully implemented.                                                                                                                                                           |
| Undertake wharf modifications and other tasks to cater for "hotel" vessels during Olympic Games.                       | Progressing according to plan.                                                                                                                                                      |
| Assist with planning for efficient movement of port cargo during Olympic Games.                                        | Dedicated resources working with industry to facilitate movement of cargo during the Olympic Games.                                                                                 |



Port Control and Safety

SPC Objective:

- To maintain the safety standards of Sydney's ports and protect the natural environments of Sydney Harbour and Botany Bay.
- To exceed the requirements of the Port Safety Operating Licence.

| Strategy                                                                         | Outcome                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop a Risk Management System in accordance with AS4360.                      | Successfully implemented.                                                                                                                                                                               |
| Update EDI System for dangerous goods approvals and bunkering and work permits.  | To be implemented in October 2000 in first phase of SHIPS.                                                                                                                                              |
| Undertake Land Use Safety Study for Sydney Harbour.                              | Study completed.                                                                                                                                                                                        |
| Continue to influence port service providers to furnish efficiency improvements. | Pilotage company provided further 2.5% price reduction in pilotage charges effective 1 July 2000.<br><br>SPC continues to work with towage and lines services company to implement operational changes. |

Marketing

SPC Objective:

- To attract more volume to Sydney's ports in order to maximise the use of port infrastructure and deliver business growth for port stakeholders.

| Strategy                                                                       | Outcome                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Provide focus, leadership and promotion of the Corporation and port community. | Trade growth of 10.2% in 1999/00.<br><br>Fourth Annual Customer Perception Survey undertaken with improved rating.<br><br>Study into the source/destination of containerised cargo undertaken. Results being utilised to improve the transportation chain servicing Sydney's ports. |

Organisational Culture

SPC Objective:

- To provide a climate to foster the development of the technical, professional and managerial skills of the Corporation's employees in order to meet fresh challenges.
- To deliver quality service to port users and other clients.

appendices

| Strategy                                                                                                                            | Outcome                                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop a workplace environment where staff have confidence and pride in the organisation and the opportunity for self-development. | Annual Organisation Climate Survey undertaken.<br>Results analysed to improve customer service and address staff issues.<br><br>Performance Management System successfully implemented.<br><br>SPC Consultative Committee continues to meet regularly to discuss health and safety issues and other workplace matters. |

Key Performance Indicators

Sydney Ports Corporation's Board of Directors and Voting Shareholders negotiate an annual agreement, titled the Statement of Corporate Intent, which lists key financial performance targets for the coming financial year. Comparison of performance in 1999/2000 against the targets for the year and the results for 1998/99 reveal:

|                                    | 1999-00<br>Actual \$M | 1999-00<br>Target \$M | 1998-99<br>Actual \$M |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| Shareholder Value Added (SVA)      | +7.4                  | +2.2                  | +7.2                  |
| Debt Level                         | 151.6                 | 182.7                 | 150.7                 |
| Operating Profit before Income Tax | 45.1                  | 32.7                  | 49.5                  |
| Tax Expense                        | 19.0                  | 13.5                  | 17.2                  |
| Operating Profit after Income Tax  | 26.1                  | 19.1                  | 32.3                  |
| Income Tax Payable                 | 17.9                  | 13.1                  | 15.2                  |
| Target Dividend Payable            | 13.0                  | 9.6                   | 13.6                  |

Key operational indicators:

|                                            |       |       |       |
|--------------------------------------------|-------|-------|-------|
| Throughput (million revenue tonnes)        |       |       |       |
| - SPC Berths                               | 45.0  | 40.5  | 39.3  |
| - All Berths (includes private oil berths) | 5&3   | 54.3  | 52.9  |
| TEUs ('000)                                | 1,016 | 910   | 879   |
| % Trade Growth (all berths)                | 10.2  | 2.6   | 5.6   |
| % TEU Growth                               | 15.6  | 3.5   | 9.8   |
| Ship Visits                                | 2,413 | 2,456 | 2,293 |
| Total Gross Tonnage (millions)             | 56.7  | 57.0  | 56.2  |
| Customer Perception Ranking                | 7.7   | ≥7.5  | 7.6   |



## appendices

|                                 | 1999-00<br>Actual | 1999-00<br>Target | 1998-99<br>Actual |
|---------------------------------|-------------------|-------------------|-------------------|
| Staff Numbers                   | 188               | 185               | 189.0             |
| Sick Leave (days)               | 728               | 658               | 623.3             |
| Average Sick Days per Employee  | 4.25              | 3.5               | 3.7               |
| Lost Time Injury Frequency Rate | 8.83              | 11.8              | 11.5              |
| Staff Training (\$'000)         | 488.0             | 355.0             | 355.0             |
| Days Lost due to Work Accidents | 12                | 15                | 27                |
| No. of Lost Time Work Accidents | 3                 | 3                 | 4                 |

### Staff who are members of external committees

#### Chris Alsop

The Mission to Seamen

#### Simon Barney

Sydney Port User Consultative Group

Botany Rail Steering Committee

Seafreight Council

#### Kevin Davis

Shell Community Consultative Committee

Port Botany Neighbourhood Consultative Group

White Bay/Glebe Island Noise Reference Committee

Standards Australia Committee ME/81 (Storage,

Handling of Transport of Dangerous Goods in

Port Areas)

#### Denis Dillon

Business Efficiency Group AAPMA

#### Murray Fox

Port Botany Neighbourhood Consultative Group

Bulk Liquids Industry Association

Sydney Harbour Committee for Australia Day

Celebrations

#### Liam Gavin

State Marine Committee

Navigation Committee (Pilots)

Navigators Committee

Sydney to Hobart Yacht Race Committee

State Committee of the National Plan to Combat

Pollution of the Sea by Oil

Olympic Trial Regattas Committee

Harbour users groups: East, Middle and West

Australia Day Committee

Olympic Waterways Working Committee

Port Operations Sub-Committee

#### Rhonda Griffin

Northside Storage Tunnel White Bay Community

Liaison Committee

Bizwatch

White Bay/Glebe Island Noise Reference Committee

#### John Hayes

IAPH Executive Committee

IAPH/IMO Interface Working Group

IAPH Port Planning and Construction Committee (Chair)

Sydney Ports User Consultative Group

AAPMA Executive Committee (President)

Olympic Waterways Working Committee and Port

Operations Sub-Committee

First Port Club (President)

Seafreight Council of NSW

#### Shane Hobday

Port Botany Neighbourhood Consultative Group

Botany and Eastern Regional Development

Protection Association

Port Botany Emergency Response Committee

Shell Community Consultative Committee

White Bay/Glebe Island Noise Reference Committee

First Port Club (President)

#### John Huckson

Sydney Airport Consultative Committee

Botany Bay Business Enterprise Centre (Director)

#### Greg Martin

Sydney Ports User Consultative Group

The Mission to Seamen

PIANC Congress Committee

#### John Morrison

IAPH Finance/Budget Committee

State Treasury - Accounting Issues Reference Panel

AAPMA Electronic Commerce Working Group

## appendices

### Tony Navaratne

Maritime Panel - Institution of Engineers, Australia  
 IAPH Port Planning and Construction Committee  
 Standards Australia Committee (CE-030 Maritime Structures)

### Morgan Noon

Botany Bay/Bizwatch Traffic Steering Committee  
 NSW Cargo Facilitation Committee

### Stephen Potter

Property Council of Australia - NSW Infrastructure Committee  
 ICHCA Awards Committee

### Phil Rosser

State Chamber of Commerce - Infrastructure Standing Committee/Trade and Industry Standing Committee  
 Sydney Ports User Consultative Group  
 Sydney Cruise Industry Forum (Chair)  
 Cruising Down Under (Deputy Chair)  
 ICHCA National and State Executive Committees

### Barrie Turner

Bays Precinct Advisory Committee  
 White Bay/Glebe Island Noise Reference Committee

### Max Willoughby

Botany Bay Coastal Management Committee (Chair)  
 Maritime Panel - Institution of Engineers, Australia

### Internal committees

Executive Committee, GST Steering Committee, Year 2000 (Y2K) Steering Committee  
 Occupational Health and Safety Committee, Sydney Ports Corporation Consultative Committee

### Overseas travel

| Name     | Date         | Destination                                    | Purpose                                                                                                                             |
|----------|--------------|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| J Hayes  | August 1999  | Nagoya                                         | Sister Port responsibilities                                                                                                        |
| G Martin | August 1999  | Nagoya                                         | Sister Port responsibilities                                                                                                        |
| A Dever  | October 1999 | Singapore                                      | Attend Sapphire '99 Conference                                                                                                      |
| S Wood   | October 1999 | Singapore                                      | Attend Sapphire '99 Conference                                                                                                      |
| S Barney | March 2000   | Singapore                                      | Attend SingaPort Conference and Exhibition; meet shipping line principals, other clients and PSA Corporation                        |
| P Rosser | March 2000   | Singapore                                      | Attend SingaPort Conference and Exhibition; meet shipping line principals, other clients and PSA Corporation                        |
| L Gavin  | April 2000   | Dubai                                          | International Harbour Masters' Conference                                                                                           |
| S Hobday | June 2000    | Vancouver, Seattle, San Francisco, Los Angeles | Look at environmental practices, dangerous goods handling and community consultation in Vancouver, Seattle, Oakland and Long Beach. |



statutory disclosures

Funds Granted to Non-Government Community Organisations

The following grants were made to non-government community organisations during the year:

|                                                        |          |
|--------------------------------------------------------|----------|
| The Mission to Seamen                                  | \$250    |
| The Returned Services League                           | \$500    |
| NSW Volunteer Rural Fire Brigade                       | \$500    |
| NSW Sports Council for the Disabled                    | \$250    |
| Westmead Children's Hospital                           | \$1,000  |
| World Vision East Timor Aid and Recovery Program       | \$500    |
| Sydney Children's Hospital Foundation*                 | \$10,000 |
| Heart Research Institute*                              | \$10,000 |
| Malcom Sargent Cancer Fund*                            | \$10,000 |
| Westmead Millennium Fund*                              | \$10,000 |
| Brain Foundation*                                      | \$10,000 |
| 'Donations made out of the proceeds of a special event |          |

1999/2000 Annual Report

|                          |         |
|--------------------------|---------|
| Number of copies printed | 3000    |
| Average cost per copy    | \$19.63 |

Exemptions from the Reporting Provisions

Section 41B(1)(c)(va) of the Public Finance and Audit Act 1983 and clause 19 of the Annual Reports (Statutory Bodies) Regulation 1995 require a statutory body to include in its annual report statements of all exemptions, omissions, modifications and variations from reporting provisions which have been granted by the Treasurer under section 41BA of that Act and Regulation and which apply to the statutory body and a summary of the reasons for them.

As a statutory body in competition, the following exemptions, omissions, modifications and variations apply to Sydney Ports Corporation.

| Requirements                   | Legislative Source of Requirements       | Exemptions and Conditions                                                                                                                                                                     |
|--------------------------------|------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Financial reporting            |                                          |                                                                                                                                                                                               |
| Format of financial statements | Public Finance and Audit Act 1983(PF&AA) |                                                                                                                                                                                               |
| Financial Statements           | Section 41 B(c) PF&AA                    | Exempt from preparing manufacturing, trading and profit and loss statements. Required to prepare a summarised Operating Statement (ie summarising major categories of revenues and expenses). |

statutory disclosures

| Requirements                                                                      | Legislative Source of Requirements                                                                               | Exemptions and Conditions                                                                         |
|-----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------|
| Notes: Income and Expenditure                                                     | Public Finance & Audit (General) Regulation 1995 (PF&AGR) Schedule 1, Part 1                                     |                                                                                                   |
| Amounts set aside for renewal or replacement of fixed assets                      | Clause 2                                                                                                         |                                                                                                   |
| Amounts set aside to any provision for known commitments                          | Clause 4                                                                                                         |                                                                                                   |
| Amount appropriated for repayment of loans/advances/debentures/deposits           | Clause 6                                                                                                         |                                                                                                   |
| Material items of income and expenditure on a program or activity basis           | Clause 13                                                                                                        | Required to summarise the material items of revenues and expenses on a program or activity basis. |
| Notes: Additional information                                                     | PF&AGR: Schedule 1, Part 3                                                                                       |                                                                                                   |
| Excess of non-current asset value over replacement cost                           | Clause 13                                                                                                        |                                                                                                   |
| ANNUAL REPORTING EXEMPTIONS                                                       |                                                                                                                  |                                                                                                   |
| Requirements from which we are Exempt                                             | Legislative Source of Requirements                                                                               | Conditions (if any) attaching to Exemption                                                        |
| Budgets                                                                           | Annual Reports (Statutory Bodies) Act 1984 (ARSBA) and Annual Reports (Statutory Bodies) Regulation 1995 (ARSBR) |                                                                                                   |
| - detailed budget for the year reported on                                        | Section 7(1)(a)(iii) ARSBA                                                                                       |                                                                                                   |
| - outline budget for next year                                                    | Section 7(1)(a)(iii) ARSBA                                                                                       |                                                                                                   |
| - particulars of material adjustments to detailed budget for the year reported on | Clause 6 ARSBR                                                                                                   |                                                                                                   |



## statutory disclosures

| Requirements from which we are Exempt                                                                                                                                                                                                                                                                                                                                                                                                                       | Legislative Source of Requirements     | Conditions (if any) attaching to Exemption                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Report of Operations</b>                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                        |                                                                                                                                                        |
| Summary Review of Operations<br>- narrative summary of significant operations<br>- selected financial and other quantitative information associated with the administration of programs or operations                                                                                                                                                                                                                                                       | Section 7(1)(a)(iv)<br>ARSBA and ARSBR | Exempt subject to the condition that comments and information relating to the "summary review of operations" are to be disclosed in a summarised form. |
| Management & Activities<br>- nature and range of activities<br>- measures and indicators of performance<br>- internal and external performance reviews<br>- benefits from management and strategy reviews<br>- management improvement plans and achievements<br>- major problems and issues<br>- major works in progress, cost to date, estimated dates of completion and cost overruns<br>- reasons for significant delays etc. to major works or programs | Schedule 1 ARSBR                       | Exempt subject to the condition that comments and information relating to "management and activities" are to be disclosed in a summarised form.        |
| Research & Development<br>- completed research including resources allocated<br>- continuing research including resources allocated<br>- developmental activities including resources allocated                                                                                                                                                                                                                                                             | Schedule 1 ARSBR                       |                                                                                                                                                        |
| Human Resources<br>- number of employees by category & comparison to prior three years<br>- exceptional movements in employee wages, salaries or allowances<br>- personnel policies and practices<br>- industrial relations policies & practices                                                                                                                                                                                                            | Schedule 1 ARSBR                       | Exempt subject to the condition that overseas visits with the main purposes highlighted are required to be disclosed.                                  |

## statutory disclosures

| Requirements from which we are Exempt                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Legislative Source of Requirements | Conditions (if any) attaching to Exemption                                                                                                                  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Consultants</b> <ul style="list-style-type: none"> <li>- for each engagement costing greater than \$30,000               <ul style="list-style-type: none"> <li>- name of consultant project</li> <li>- title of project</li> <li>- actual cost</li> </ul> </li> <li>- for each engagement costing less than \$30,000               <ul style="list-style-type: none"> <li>- total number of engagements</li> <li>- total cost</li> </ul> </li> <li>- if applicable, a statement that no consultants were engaged</li> </ul>                                                                                                                                                                                                                                                                                              | Schedule 1 ARSBR                   | Exempt subject to the condition that the total amount spent on consultants is to be disclosed along with a summary of the main purposes of the engagements. |
| <b>Land Disposal</b> <ul style="list-style-type: none"> <li>- properties disposed of during the year               <ul style="list-style-type: none"> <li>- total number</li> <li>- total value</li> </ul> </li> <li>- if value greater than \$5,000,000 and not by public auction or tender               <ul style="list-style-type: none"> <li>- list of properties</li> <li>- for each case, name of person who acquired the property &amp; proceeds from disposal</li> </ul> </li> <li>- details of family or business connections between the purchaser &amp; the person responsible for approving the disposal</li> <li>- purposes for which proceeds were used</li> <li>- statement indicating that access to the documents relating to the disposal can be obtained under the Freedom of Information Act</li> </ul> | Schedule 1 ARSBR                   |                                                                                                                                                             |
| <b>Consumer Response</b> <ul style="list-style-type: none"> <li>- extent &amp; main features of complaints</li> <li>- services improved/changed in response to complaints/suggestions</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Schedule 1 ARSBR                   | Exempt subject to the condition that comments and information relating to "consumer response" are to be disclosed in a summarised form.                     |
| <b>Payment of Accounts</b> <ul style="list-style-type: none"> <li>- performance in paying accounts, including action to improve payment performance</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Schedule 1 ARSBR                   |                                                                                                                                                             |
| <b>Time for Payment of Accounts</b> <ul style="list-style-type: none"> <li>- reasons for late payments</li> <li>- interest paid due to late payments</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Schedule 1 ARSBR                   |                                                                                                                                                             |



statutory disclosures

| Requirements from which we are Exempt                                                                                                   | Legislative Source of Requirements | Conditions (if any) attaching to Exemption                                                                                                                                                                                                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Report on Risk Management and Insurance Activities                                                                                      | Schedule 1 ARSBR                   | Exempt subject to the condition that the comments and information are to be disclosed in a summarised form.                                                                                                                                                                                    |
| Disclosure of Controlled Entities<br>- details of objectives, operations, activities of controlled entities and measures of performance | Schedule 1 ARSBR                   | Exempt subject to the condition that the names of the controlled entities are to be disclosed along with a summarised disclosure of the controlled entities' objectives, operations and activities and measures of performance. Sydney Ports Corporation currently has no controlled entities. |
| Investment Management Performance                                                                                                       | Clause 12 ARSBR                    |                                                                                                                                                                                                                                                                                                |
| Liability Management Performance                                                                                                        | Clause 13 ARSBR                    |                                                                                                                                                                                                                                                                                                |
| Financial Statements of Controlled Entities                                                                                             | Section 7(1)(a)(ia) ARSBA          | Exempt from preparing manufacturing and trading statements. Required to prepare a summarised Operating Statement (ie summarising major categories of revenues and expenses). Sydney Ports Corporation currently has no controlled entities.                                                    |

These exemptions, omissions, modifications and variations arise from a review of the External Reporting Framework for Statutory State Owned Corporations (SOCs) and Particular Statutory Bodies by the NSW Treasury and are based on commercial sensitivity and commercial damage considerations. A number of exemptions relate to financial reporting requirements that are redundant or not considered essential for performance assessment and accountability purposes.

Response to Significant Issues Raised by the Auditor General

There were no significant issues raised by the Auditor General in his 1998/99 report.

1999/00 Performance Relative to Statement of Corporate Intent (SCI)

The material deviations from targets in the 1990/00 Statement of Corporate Intent are:

- Increased operating profit as a result of container trade through Sydney's ports on 1999/00, interest on deposits from investment balances and a superannuation adjustment from an actuarial assessment.
- Improved Income Tax Equivalent and Dividend payments resulting from increased operating profits.
- Reduced expenditure on Capital Works as a result of factors external to the Corporation.

## statutory disclosures

### Freedom of Information (FOI)

Sydney Ports Corporation is required to report annually on its administration of the applications it receives under the Freedom of Information Act 1989 (NSW). The following tables detail statistics required to be reported under the Act for the period 1 July to 30 June for the corresponding years 1998/1999 and 1999/2000.

During the reporting period, no requests were transferred to another organisation or agency. No requests were carried forward to the reporting period 2000/2001.

No reviews were requested either internally, to the Ombudsman or to the District Court during the reporting period.

### FOI Applications and Applications determined

|                                                                | Personal |          | Other    |          | Total    |          |
|----------------------------------------------------------------|----------|----------|----------|----------|----------|----------|
|                                                                | 1999     | 2000     | 1999     | 2000     | 1999     | 2000     |
| New                                                            | 0        | 0        | 0        | 2        | 0        | 2        |
| Completed                                                      | 0        | 0        | 0        | 1        | 0        | 1        |
| Granted in Full                                                | 0        | 0        | 0        | 0        | 0        | 0        |
| Refused (Exempt)                                               | 0        | 0        | 0        | 0        | 0        | 0        |
| Information sought not retained<br>(Application Fees Refunded) | 0        | 0        | 0        | 1        | 0        | 1        |
| <b>TOTAL PROCESSED</b>                                         | <b>0</b> | <b>0</b> | <b>0</b> | <b>2</b> | <b>0</b> | <b>2</b> |

### Days to process FOI Applications

| Elapsed Time | Personal |      | Other |      |
|--------------|----------|------|-------|------|
|              | 1999     | 2000 | 1999  | 2000 |
| 0 - 21 days  | 0        | 0    | 0     | 2    |
| 22 - 35 days | 0        | 0    | 0     | 0    |
| Over 35 days | 0        | 0    | 0     | 0    |

### Processing Time

| Processing Hours | Personal |      | Other |      |
|------------------|----------|------|-------|------|
|                  | 1999     | 2000 | 1999  | 2000 |
| 0 - 10 hours     | 0        | 0    | 0     | 1    |
| 11 - 20 hours    | 0        | 0    | 0     | 1    |

During the period no Ministerial Certificates were issued, no formal consultations requested, no amendments or notations to records made.

Assessed costs for the two FOI requests were \$30.00 each, for which a total of \$60.00 in fees were received. The Corporation refunded \$30.00 to one applicant, as the documents sought by the applicant were not held by the Corporation.

The Corporation's compliance with the Act did not raise any major issues in the reporting period, nor did compliance with the Act have any significant impact on Sydney Ports Corporation's activities.



## statutory disclosures

### Code of Conduct

The Corporation has a code of conduct which is observed by all staff. During the year, no amendments were made to the code.

### Legal Changes and Subordinate Legislation

There have been no material legal changes or changes to subordinate legislation or significant judicial decisions that have had any significant effect on the operations of Sydney Ports Corporation.

### Factors Affecting Achievement of Operational Objectives

There were no unanticipated factors during the year that led to any material affect on the achievement of Sydney Ports Corporation's operational objectives.

### EEO REPORT

Sydney Ports Corporation is an equal employment opportunity employer. Vacant positions are advertised internally for all who consider themselves qualified to apply and selection is based on merit.

| Overall Staff<br>Numbers | Female Staff | NESB Staff   | Number of<br>Vacancies | No of Females<br>Appointed | No of NESB<br>Appointed |
|--------------------------|--------------|--------------|------------------------|----------------------------|-------------------------|
| 188                      | 28<br>14.89% | 31<br>16.49% | 17                     | 6<br>35.29%                | 3<br>17.65%             |

Women currently are employed in all areas of the Corporation except in the marine emergency response area. With rationalisation of operations and very little external advertising, opportunities for women to apply for positions in this area are limited and maritime qualifications are a pre-requisite for many roles thus limiting opportunities.

Of the 28 women working for Sydney Ports Corporation, 21 % hold executive, managerial and/or supervisory roles.

In order to accommodate staff needs, a range of flexible work practices (many of which are of assistance to women) are in place. These include:

- Mutually agreed daily starting and finishing times within a spread of hours
- Approved hours worked in addition to contract hours can be taken as time off in lieu (TIL) or, if requirements do not allow for taking time off, payment at ordinary rate
- Paid Aged & Dependant Care Leave to arrange or provide short term care for sick, injured or aged dependants or family members (5 days per annum) plus the capacity to utilise TIL
- Generous sick leave supported by income protection insurance in the event of extended incapacity due to illness or accident
- A wide range of personal leave types to accommodate the needs of employees
- Study assistance including payment of fees and time off work to attend lectures or exams
- Attendance at specifically identified short course training to improve the skills of existing women in the workforce.

Female and NESB staff attended 225 training courses totalling 1184 hours training throughout the year - an average of 20 hours per person. The focus was mainly on professional development and computer training. Individual Training Plans were prepared for each individual in consultation with supervisors/managers.

## statutory disclosures

In November 1999 Sydney Ports Corporation participated in the E-Team Project organised through the Australian Quality Council. Students from Glebe High School designed a Linguistics Skills Register for use by Corporation staff after interviewing senior managers to ascertain the Corporation's needs and staff who spoke a second language.

12 month Traineeships were offered in the following areas: Corporate Communications, Information Technology and Marine (Port Officer-Port Services). Off-the-job training was organised through Registered Training Organisations. The Corporation has also employed a Trainee Graduate Engineer and one candidate for Trainee Port Officer was employed in a temporary capacity and is being considered for permanent appointment.

Following the successful trial in the Technical Exchange Program with our sister port of Yokkaichi in Japan, further negotiations took place and agreement reached to send a Sydney Ports Corporation employee to Japan in October 2001 to coincide with the 33rd anniversary of the Sydney-Yokkaichi Sister Ports affiliation. Staff were invited to nominate themselves to partake in the 2-3 week exchange.

The Employee Information Link (accessed through Lotus Notes) enables all staff to access current working conditions detailed in the 1998-2001 Enterprise Agreement, revised policies and procedures and the on-line Induction Program.

### **Contract and Market Testing**

During the year, Sydney Ports Corporation tested the market for the following services:

- telecommunications services;
- web programming services;
- and electronic property management systems.

Market testing was also undertaken for insurance valuation services for selected assets, development of a Customer Management System (CMS) and for the supply of energy (electricity).

New contracts were let for pilotage services and appointments made for audit services, property management systems and Web programming services. New contracts were also let for the supply of energy (electricity) and the development of a Customer Management System (CMS).

### **Recycling Activities**

Sydney Ports Corporation uses recycled materials where possible and cost effective as well as taking opportunities to recycle material capable of being recycled.

### **Publications**

During the year, in addition to the Annual Report 1999, Sydney Ports Corporation printed and distributed the following publications:

- Port Focus (four editions) - quarterly newsletter of Corporation and customer activities
- Olympic Port (six editions) - port information relating to Olympic planning

Sydney Ports Corporation's website [www.sydneyports.com.au](http://www.sydneyports.com.au) was extensively upgraded to include more information for customers and the general public.



statutory disclosures

Consultancy Fees

Total fees paid and/or becoming payable to consultants engaged by Sydney Ports Corporation for the period 1 July 1999 to 30 June 2000 amounted to \$0,184 million (\$0,219 million for the year ended 30 June 1999).

The main purpose of the engagements were:

- Economic Benefit Studies
- Stakeholder Perception Survey
- Sydney Import and Export Container Analysis
- Line Mooring Study

Year 2000 Compliance

Sydney Ports Corporation had a Year 2000 Steering Committee, chaired by the Corporation's Secretary. The objective of this committee was to ensure that the Corporation was year 2000 ready and was able to protect the value of its business and honour its obligations. All planning was completed on time and no year 2000 issues affected the Corporation.

Relevant Legislation

Sydney Ports Corporation is a statutory state-owned corporation established under the State Owned Corporations Act 1989 and Ports Corporatisation and Waterways Management Act 1995, and operates in accordance with these pieces of legislation.

Other significant legislation affecting the Corporation includes:

- Dangerous Goods Regulation 1978;
- Marine Pollution Act 1987 and associated legislation;
- Management of Waters and Waterside Lands Regulation - NSW;
- Marine Pilotage Licensing Regulation 1995;
- Maritime Services Act 1935; and
- Navigation Act 1901.

After Balance Date Development

On 30 August 2000 the NSW Treasurer announced that State owned corporations will be required to include 'senior salary information in their annual reports'.

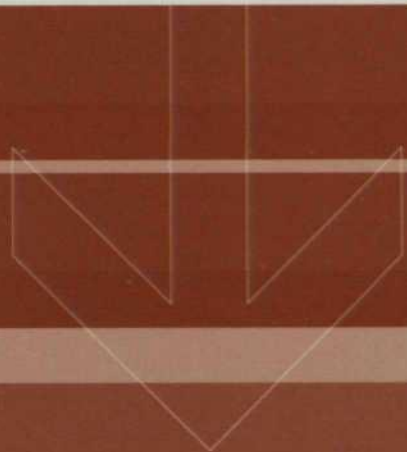
In line with that policy announcement, the following information is provided, for the year ended 30 June 2000, about the Corporation's Chief Executive Officer and officers with the potential to earn more than \$153,000.

| Title                                       | Fixed Salary | At risk salary assessed against performance objectives set annually |
|---------------------------------------------|--------------|---------------------------------------------------------------------|
| Chief Executive Officer                     | \$300,560    | \$75,000                                                            |
| Secretary & General Counsel                 | \$160,000    | \$40,000                                                            |
| General Manager, Property and Planning      | \$145,000    | \$35,000                                                            |
| General Manager, Navigation and Environment | \$140,000    | \$30,000                                                            |
| Chief Finance Officer                       | \$130,000    | \$30,000                                                            |
| General Manager, Port Services              | \$140,000    | \$30,000                                                            |
| General Manager, Human Resources            | \$130,000    | \$25,000                                                            |

## Glossary

|                |                                                                          |
|----------------|--------------------------------------------------------------------------|
| AAPMA          | Association of Australian Port and Marine Authorities                    |
| AMOU           | Australian Maritime Officers' Union                                      |
| APESMA         | Association of Professional Engineers, Scientists and Managers Australia |
| AQIS           | Australian Quarantine Inspection Service                                 |
| ASU            | Australian Services Union                                                |
| CBS            | Central Booking Service                                                  |
| CEO            | Chief Executive Officer                                                  |
| CPI            | Consumer Price Index                                                     |
| DUAP           | Department of Urban Affairs and Planning                                 |
| EIS            | Environmental Impact Statement                                           |
| GPS            | Global Positioning System                                                |
| GRT            | Gross Registered Tonne                                                   |
| ha             | hectares                                                                 |
| HMS            | Harbour Management System                                                |
| IAPH           | International Association of Ports and Harbours                          |
| M              | million/millions                                                         |
| <i>mt</i> MMHC | Marine Ministerial Holding Corporation                                   |
| MUA            | Maritime Union of Australia                                              |
| OH&S           | Occupational Health and Safety                                           |
| PSOL           | Port Safety Operating Licence                                            |
| SCI            | Statement of Corporate Intent                                            |
| ShIPS          | Sydney's Integrated Port System                                          |
| SOCOG          | Sydney Organising Committee for the Olympic Games                        |
| SPUCG          | Sydney Ports Users Consultative Group                                    |
| TEU/TEUs       | Twenty-foot equivalent units                                             |





**Sydney Ports Corporation**

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Emergency and after hours telephone 9296 4000

**Port Services and Emergency Response Operations**

Moore's Wharf Store, 4 Towns Place, The Rocks

Port Services Building, Inter-terminal Access Road, Port Botany