



Maritime

2010

ANNUAL REPORT



Serving our boating community



Front cover picture: NSW Maritime leads Jessica Watson into Sydney Harbour to complete her historic circumnavigation of the world.

Picture this page: NSW Maritime is working with the community to improve safety through lifejacket reform.

Letter to the Minister

The Hon Eric Roozendaal MLC
Treasurer
Minister for State and Regional Development
Minister for Ports and Waterways
Minister for the Illawarra
Special Minister of State
Level 36 Governor Macquarie Tower
1 Farrer Place
SYDNEY NSW 2000

29 October 2010

Dear Minister

I am pleased to submit, for presentation to Parliament, the Annual Report of the Maritime Authority of NSW (trading as NSW Maritime) for the year ended 30 June 2010.

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

After the report has been tabled in Parliament, it will be made available on the NSW Maritime website www.maritime.nsw.gov.au. NSW Maritime will also write to key stakeholders to advise the Annual Report is available online.

Yours sincerely



Steve Dunn
Chief Executive

CONTENTS

Overview

Corporate governance	4
Management and structure	8
Chief Executive's overview	10
Key performance indicators	12
Financial summary	14
10 year customer trends	16

Key result areas

Boating safety	20
Maritime infrastructure	30
Safe and competitive ports	40
Community involvement	44
Maritime and the environment	50

Corporate Services	54
---------------------------	----

Financial Statements	59
-----------------------------	----

Appendices	110
-------------------	-----

Contact Information	131
----------------------------	-----

1

OVERVIEW



About Maritime

NSW Maritime is the State Government’s safety regulator for commercial and recreational vessels. NSW Maritime also regulates the safety functions of NSW port corporations; manages two regional ports; provides policy advice to the State Government on port-related activities; owns and manages the seabed of the major ports, including Sydney Harbour and its tributaries; and uses boating licence revenue to support better boating infrastructure across the State.

Our Vision:

Serving our boating community

Our Mission:

Safe waterways and support for the maritime community

Organisational Priorities:

To better serve the boating community, NSW Maritime has five key result areas as the focus for its endeavours and has identified the key objectives it is working to achieve. They are:

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

The services NSW Maritime provides to the boating community on a day-to-day basis support the goals of the *State Plan* and, in particular, its objective to:

- Maintain and invest in infrastructure
- Increase business investment and support jobs
- Speed up planning decisions
- Cut red tape
- Increase share of journey to work trips on a safe and reliable public transport system
- Support students to reach their full potential at school
- Improve access to jobs and training
- Increase access to knowledge and skills in partnership with universities
- Protect our native vegetation, biodiversity, land, rivers and coastal waterways
- Increase the number of people participating in sporting activity
- Increase the number of people participating in the arts and cultural activity
- Increase the number of people engaged in volunteering
- Strengthen Aboriginal communities
- Increase employment and community participation for people with disabilities
- Reduce levels of antisocial behaviour.

Pictured left: Main picture: A scene at The Spit, Middle Harbour, Sydney.

Bottom Left: Customer Service Officer Andrew McDonald explains the new prop strike safety awareness campaign to a boater.

Bottom Right: Nikky Waller is part of the Boating Safety Officer network statewide, who provide on-water safety education and compliance.

CORPORATE GOVERNANCE

Corporate structure

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

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

Strategic direction and operational management is the responsibility of an Executive Management Committee consisting of the Chief Executive, Deputy Chief Executive and four General Managers.

This Committee meets regularly to review operational performance and compliance. Advisory bodies and committees also provided advice to the Executive Management Committee.

Statutory framework

During 2009-2010 the Maritime Authority of NSW, trading as NSW Maritime, administered (either wholly or partly) or operated under the following legislation:

Commercial Vessels Act 1979

Environmental Planning and Assessment Act 1979

Marine Pilotage Licensing Act 1971

Marine Pollution Act 1987

Marine Safety Act 1998

Marine Safety Legislation (Lakes Hume and Mulwala) Act 2001

Maritime Services Act 1935

Navigation Act 1901

Passenger Transport Act 1990

Ports and Maritime Administration Act 1995

Protection of the Environment Operations Act 1997

Transport Administration Act 1988

Compliance strategy

A strategy is being developed to inform the maritime community of NSW Maritime's compliance management approaches under the legislation it administers and how it implements its compliance responsibilities.

In relation to NSW Maritime's own compliance to relevant instruments, such as legislation and Premier's memoranda, the agency will undertake a review in 2010-2011 to continue its focus on compliance.

Ethical behaviour and corruption prevention

NSW Maritime undertook a number of activities during the year in support of an ethical workplace culture.

There has been a number of amendments over the last 12 months to the NSW Maritime Code of Conduct and Ethics. In particular, there have been extensive amendments in the areas of secondary employment. For example, employees are now required to annually review secondary employment applications. Further changes related to contesting State or Federal elections; special provisions regarding the use of Maritime resources and consumption of alcohol.

Training provided on ethical behaviour in NSW Maritime's induction program for new staff was reviewed and amended during the year and an induction program specifically for trainees, which includes ethical behaviour at work, was also developed and delivered in 2009-2010.

In response to the "NSW Government Lobbyist Code of Conduct", a memo providing guidance to senior staff on appropriate engagement with lobbyists was issued.

Two reviews were undertaken during the year to ensure practices were consistent with relevant instruments, such as the Code of Conduct and Ethics, the Enterprise Agreement and appropriate legislation. Matters reviewed included special arrangements, time in lieu, additional hours, and starting and finishing times.

The creation of the position of Corruption Prevention Manager was approved during the year. One of the responsibilities of the position holder will be to conduct training on ethical behaviour and to provide advice to staff in relation to ethical dilemmas.

Strategic and business planning

NSW Maritime's strategic and business planning activities are structured to ensure the agency's focus and activities support its vision of serving the boating community as well as the goals of the State Plan.

During 2009-2010, the Executive Management Committee oversaw progress against the 2009-2012 Corporate Plan through quarterly reviews. The plan was implemented through more detailed divisional and branch business plans. A Strategic Management Calendar, which details NSW Maritime's responsibilities to other agencies on a month-by-month basis, was also used by the Executive to identify key organisational priorities.

In response to changing circumstances and emerging issues the Corporate Plan was also redeveloped during the year and, in accordance with the *Ports and Maritime Administration Act 1995*, the 2010-2013 Corporate Plan was delivered to the Minister on 30 June 2010. The revised plan identifies five key result areas that will be the focus of NSW Maritime's endeavours and the significant projects it will undertake.

Policy framework and development

NSW Maritime operates under relevant legislation, broad government policies and requirements, its current Corporate Plan and other strategic and corporate governance documents.

To enable NSW Maritime to implement these higher level policies and requirements on a day-to-day basis, the agency operates with a framework of policies, procedures and guidelines which are developed by NSW Maritime's policy staff in collaboration with relevant internal and external stakeholders, where relevant.

External stakeholder input to the policy framework is provided through stakeholder forums, and the public exhibition of new draft policies, procedures and guidelines. A routine review process is also in place to ensure these documents are current and deliver effective, measurable outcomes.

The internal Policy Co-ordination Group was formed in early 2010 to promote a consistency of approach across the authority and an organisation-wide ownership and involvement in policy development.

A range of new and reviewed policies, procedures and guidelines were implemented during 2009-2010. These include a procurement framework; the investment management guidelines and procedures for disposing of reclamations; revalidating certificates of competency; the disposal of expired flares; and the commercial marina rental procedure. NSW Maritime also had significant input to the Three Ports State Environmental Planning Policy which was introduced by the Department of Planning to protect the three major ports of Newcastle, Port Botany and Port Kembla.

ICAC inquiry

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

NSW Maritime was proactive in reviewing and improving corruption-prevention procedures across the agency during 2009-2010 and the ICAC noted in their report that NSW Maritime had already taken steps to address issues raised. NSW Maritime is committed to regular reporting to the ICAC on the progress of the implementation.



NSW Maritime oversees the compliance of private and commercial mooring licences.

CASE STUDY

GOVERNANCE FRAMEWORK

NSW Maritime is a statutory body classified by NSW Treasury as a non-budget dependent general government agency. NSW Maritime is a self-funding entity and provides an annual distribution to Treasury.

The Chief Executive is responsible to the Minister for the overall performance of the authority, for ensuring performance is compliant with applicable legislation, and that activities meet the broader aims of Government policies and plans.

The Executive Management Committee (EMC) plays a key role in delivery of the NSW Maritime governance framework. It supports the decision making process by providing a discussion and evaluation forum, and in some instances, for the formal provision of advice and decision making. The EMC is chaired by the Chief Executive (or nominee), and consists of designated Senior Executive Service staff, and other senior staff. The EMC develops and reviews the framework and plays a lead role by:

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

Advisory bodies and committees, such as the Audit and Risk Committee, provide advice to the Chief Executive.

CORPORATE GOVERNANCE *CONTINUED*

INTERNAL AUDIT AND RISK MANAGEMENT ATTESTATION

For the 2009-2010 financial year for NSW Maritime

I, Steve Dunn am of the opinion that NSW Maritime has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSWTC09/08 "Internal Audit and Risk Management Policy". These processes provide a level of assurance that enables the senior management of NSW Maritime to understand, manage and satisfactorily control risk exposures. NSW Maritime adopts the outsourced service delivery with only in-house project management model as it is a small agency that would have difficulty securing and retaining internal audit staff with sufficient skilled expertise to deliver professional internal audit services. (Internal Audit and Risk Management Survey, question 1.2).

I, Steve Dunn am of the opinion the Audit and Risk Committee for NSW Maritime is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSWTC09/08.

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

Independent Chair: Dr Liz Coombs – appointed 7 January 2009 for a 3 year term.

Independent Member 1: Alex Smith – appointed 16 January 2010 for a 3 year term.

Independent Member 2: Ken Barker – appointed 23 February 2010 for a 3 year term.

Non-independent Member 1: Howard Glenn General Manager Policy, Industry and Infrastructure – appointed 17 February 2010.

Non-independent Member 2: Melinda McCabe Executive Director Governance and Risk – appointed 15 February 2010 for a 3 year term.

I, Steve Dunn declare this Internal Audit and Risk Management Attestation is made on behalf of the following controlled entities:

Maritime Authority of NSW Division.



Steve Dunn
Chief Executive
NSW Maritime
30 June 2010

Contact Officer
Brian Stanwell
General Manager Corporate Services (Chief Audit Executive)
Telephone: 9563 8670

Risk management

The effective management of risk enables managers to achieve outcomes by providing a systematic way to make informed decisions and by allowing a broad analysis that encourages the identification of greater opportunities for continuous improvement.

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

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

NSW Maritime appointed two independent members to the Audit and Risk Committee during the year, who joined the existing independent Chair. NSW Maritime appointed a Chief Audit Executive and approved the new charter for the Audit and Risk Committee in March 2010.

The authority applies the International Standard for Risk Management (AS/NZS ISO 31000:2009), which was issued in November 2009 and replaces the existing Australian Standard AS/NZS 4360: 2004 - Risk Management.

An internal audit manual was developed. The manual prescribes a maximum period of internal audit service provision appointment as five years. As the current provider has been in place since 2004, NSW Maritime will undertake a selective tender to appoint an internal auditor for a new term during 2010-2011.

The NSW Treasury Managed Fund provides NSW Maritime's cover for its insurable risks in the areas of workers' compensation, motor vehicles, liability, property, travel and personal accident. No major changes to the insurance activities occurred in 2009-2010.

“The NSW Treasury Managed Fund provides NSW Maritime’s cover for its insurable risks in the areas of workers’ compensation, motor vehicles, liability, property, travel and personal accident”



One of 226,515 recreational vessels registered by NSW Maritime.

MANAGEMENT AND STRUCTURE (AS AT 30 JUNE 2010)



Steve Dunn

B.Sc.Hons. (Plymouth); M.Mgt. (Macquarie)
Chief Executive

Steve Dunn was appointed as Chief Executive in July 2008 after joining NSW Maritime in August 2007 as the Deputy Chief Executive. He joined the NSW public sector in 1991 as a Fisheries Officer with the Department of Fisheries and Agriculture. Prior to joining NSW Maritime he held a number of senior management positions in the Australian public sector including Director of Victorian Fisheries, Director General of NSW Fisheries, and as an Executive Director in the Department of Natural Resources.

As well as implementing major fishing industry reforms, he was a member of the board of the NSW Marine Parks Authority and played a lead role in the introduction of both the Solitary Islands and Jervis Bay Marine Parks.

He is a past Chair of the National Fisheries Compliance Committee and was the inaugural Chair of the Australian Fisheries Management Forum. From 2004 to 2006 he held a diplomatic posting as the Deputy Director General of the Pacific Islands Forum Fisheries Agency (FFA) based in Honiara, Solomon Islands.

He studied at the Marine Studies Institute in Plymouth, UK, majoring in law and economics. He completed his Masters Degree in Management at Macquarie University, Sydney, in 2000.

He is a keen fly fisher, scuba diving instructor, and holds a commercial vessel Coxswains certificate of competency.



Tony Middleton

B.A. Hons (London), MPP (Deakin)
Deputy Chief Executive

Tony was appointed as Deputy Chief Executive in January 2009. He has responsibility for the Ports and Shipping Division, the Maritime Investigation Unit and the Maritime Property Strategic Development Unit. Previously, he was the General Manager Ports and Shipping from December 2004 having moved from Victoria where he held the post of Director, Marine Safety Victoria. Tony worked previously with the NSW Waterways Authority as General Manager Policy and Planning; and in the NSW Department of Transport with responsibility for taxi and hire car regulation.

His responsibilities include port policy; shipping safety and port coordination, including management of the regional ports of Eden and Yamba; marine environment policy for shipping; pollution response; maritime incident investigation; inter-governmental relations; and oversight of the strategic development of NSW Maritime land, adjoining the main harbours of NSW, for maritime purposes.

Tony has considerable knowledge of ports and maritime issues, particularly in relation to safety, environmental policy and regulatory activities. He has extensive experience in maritime-related inter-governmental issues through past membership of the National Marine Safety Committee and other national maritime policy and environmental committees.



Howard Glenn

**General Manager Policy,
Industry and Infrastructure Division**

Howard joined NSW Maritime as General Manager Commercial Vessels in August 2008. He previously worked for the Roads and Traffic Authority where he managed the vehicle registration business and introduced substantial reforms that allowed for a major increase in transactions that could be completed online.

Howard has held several executive roles with the NSW and Commonwealth Governments, specialising in bringing business, government and the community sector together to cooperate on complex policy and program reforms. This has included the establishment of the reconciliation process, the modernisation of Australia Day celebrations and awards, and a range of other human rights and social policy initiatives.

As General Manager of the Policy, Industry and Infrastructure Division, Howard had a wide range of responsibilities from ensuring the safety of commercial vessels; funding enhancements of recreational boating infrastructure; the upgrade and maintenance of commuter ferry wharves to improve safety, amenity and reliability for commuters; and partnering with industry to promote growth and better performance.



Patrick Low
**General Manager Property,
Planning and Governance**

Patrick joined NSW Maritime in 2006 as General Manager Policy, following 12 years experience in public and private sector policy and strategic development. Prior to joining NSW Maritime, Patrick was a NSW Government senior policy advisor on planning issues including ports and maritime development, and urban transport.

Previous experience includes two years in the United States working on policy development and stakeholder consultation for a US Congressman and in the 2004 Presidential campaign. Patrick also has senior policy and communications experience within the NSW and Commonwealth Governments in Education, the Premier's office, Public Works and Services, Telecommunications and Health, and has worked in the private sector as Director of Public Affairs for a commercial enterprise.

His responsibilities included the development and updating of policies associated with waterfront infrastructure, commercial leasing, whole of government maritime policy and marine legislation.



Brett Moore
**General Manager Recreational Boating
and Regional Services**

Brett started his career with NSW Maritime in 1991 and was appointed to the position of General Manager Recreational Boating on 1 September 2004.

Brett has some 50 years experience in recreational boating, almost exclusively in NSW. He has a passion for safety, and safe vessel design, which he pursues with the Recreational Vessel Advisory Group and the boating industry.

Brett's focus for the Division was on building customer relationships, improving products and services, meeting government and client expectations, managing natural resources, and continuing education and safety programs for the boating community – both existing and new.

After many years of dedicated service to the boating community, Brett retired from NSW Maritime on 2 July 2010.



Brian Stanwell
General Manager Corporate Services

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

He was appointed General Manager Corporate Services in November 2004 and is responsible for finance, human resources, information technology, asset management, records management and internal audit.

The wide range of responsibilities stretch from ensuring NSW Maritime retains its self-funding status, re-engineering business processes to take advantage of the latest technologies available, managing recruitment limits within the government's staffing policy, meeting compliance requirements for access to documents and records, and meeting the organisations information technology requirements.

Brian was appointed Chief Audit Executive during the year, and reports to the Audit and Risk Committee on matters arising from internal and external audits.

CHIEF EXECUTIVE'S OVERVIEW



The 2009-2010 financial year was significant for NSW Maritime and we made considerable progress with our mission of providing safe waterways and supporting the maritime community.

On 28 February 2010 several recommendations were made to NSW Maritime by the Coroner following the inquest into the deaths of four people on Sydney Harbour as a result of a collision between the Sydney Ferry *Pam Burridge*, and the recreational vessel *Merinda* on 28 March 2007. NSW Maritime took an active role in the inquiry and has met with its peak advisory body the Maritime Ministerial Advisory Council on several occasions to ensure we do everything we can to avoid a reoccurrence.

Overall, 2009-2010 was a bad year for boating fatalities. A total of 23 people died in boating incidents. There was no clear trend or pattern to these incidents. Some involved speed, some capsized, small boats, large boats, falling overboard, and towing.

With that as a backdrop the year has involved a number of important safety initiatives. Among these has been the implementation of *Marine Safety (General) Regulations 2009* which creates improved provisions and penalties, and includes for the first time, a requirement for practical training in boat handling as a part of the licensing process.

It was agreed with advisory bodies that we would produce a discussion paper proposing changes to the rules about wearing lifejackets. The public response was overwhelming with the majority of submissions agreeing with the proposed changes and these will commence in late 2010.

Four fatal boating incidents over the Christmas and New Year period led to a review of boating safety issues on the Murray River. Public meetings were held and a discussion paper released for comment. NSW Maritime entered into a memorandum of understanding with Marine Rescue Victoria to share information and resources.

The importance of the newly formed volunteer organisation Marine Rescue NSW and the assistance it provides was recognised. To ensure a sustainable funding base to cover the substantial expense of a new rescue fleet, to update radio equipment, and help with rising operational costs, a contribution was proposed for boaters to support a volunteer rescue service and add an extra \$5 million on top of their annual funding of \$1.4 million for 2009-2010.

Boating safety incidents were reviewed as a basis for the development of safety campaigns. Eight safety campaigns were implemented including Operation Safe Speed, Operation Tow Smart and Take Care Be Prop Aware. These efforts were part of a new three-year \$3 million Safe Boating Communication and Education Plan that is now underway. This includes the expansion of a Safety Ambassadors initiative, with valued support from Andrew 'ET' Ettingshausen (trailerboat safety), Pete Goss (offshore), Justin Jones and James Castrissian (paddlecraft).

“Eight safety campaigns were implemented including Operation Safe Speed, Operation Tow Smart and Take Care Be Prop Aware. These efforts were part of a new three-year \$3 million Safe Boating Communication and Education Plan.”

For the first time in NSW a flare disposal scheme was introduced for boaters to dispose of expired flares in a safe and responsible manner.

From the commercial vessel perspective, NSW Maritime implemented the *Uniform Shipping Laws Code 2009* to give effect to revised national standards for commercial vessels, made progress with the rationalisation of commercial vessel regulations, and finalised a national agreement for progressing the Australian Government's agenda to create a single national jurisdiction for commercial vessel regulation and operator certification.

Infrastructure projects to service the boating community have been maintained and over \$5 million allocated and invested for 74 new Better Boating Program grant funded projects. These include major boat ramp and pontoon upgrades at Taplin Park Drummoyne, Wharf Road Ermington and Tunks Park Cammeray. In regional NSW, major boat ramp upgrades occurred at Soldiers Point, Port Stephens, Greenwell Point, Picnic Point, The Entrance and Deniliquin.

Maritime precinct development on Maritime owned land has continued with development agreements for Berrys Bay, Blackwattle Bay and the Rozelle Bay Seawind development being signed or substantially progressed. These will provide positive long-term contributions to boating infrastructure on Sydney Harbour.

In August 2009, the Commercial Marina Rental Framework was approved with the aim to improve consistency and transparency in commercial marina rental negotiations.

Ongoing support was provided to the three major ports, Sydney, Port Kembla and Newcastle. NSW Maritime's overarching policy guidance role continued, along with the administration of Port Safety Operating Licences. The Port and Maritime Chief Executives Committee met on three occasions.

As part of the Port Botany Landside Improvement Strategy, the preparation of new regulations to promote greater accountability between stevedores and road carriers was commenced. The regulations aim to increase land supply chain efficiencies by introducing mandatory performance standards for the stevedores and road carriers.

“The importance of the newly formed volunteer organisation Marine Rescue NSW and the assistance it provides was recognised.”

NSW Maritime was closely involved in the preparation of the Three Ports State Environmental Planning Policy (SEPP) that protects our key trading ports by delivering a planning regime for port expansion and the preservation of surrounding areas for port related activities and industry.

Finally, 2009-2010 was a challenging year for NSW Maritime as a result of the ICAC public inquiry into the misuse of resources by a Legal Services Branch Officer. NSW Maritime fully cooperated with the ICAC during this process. The ICAC released their report in September 2010 and made no findings of corrupt conduct against NSW Maritime. I have taken steps to ensure the report's seven recommendations are implemented and will be providing regular progress reports to the ICAC during the implementation process. A full report of the implementation will also be provided in next year's Annual Report.

Yours sincerely



Steve Dunn
Chief Executive

Acknowledgements

I would like to express my gratitude for the valuable advice on ports and waterways matters provided by members of the various NSW Maritime advisory groups. The Maritime Ministerial Advisory Council has provided significant advice on a range of issues, in particular on lifejackets and boating safety. In April 2010, the Minister appointed new membership to the Maritime Ministerial Advisory Council and I would like to thank all council members, past and present, for their contribution to the boating community. I would also like to thank all members of the Recreational Vessel Advisory Group, the Commercial Vessel Advisory Group and the NSW Builders Group who show great commitment and voluntarily provide their time and energy to NSW Maritime.

Finally my sincere thanks to the hard-working staff of NSW Maritime who continue to serve the boating community through promoting safe waterways and support for the maritime community.



Boating Safety Officers conduct more than 47,000 on-water safety checks statewide each year.

Key Performance Indicators

Indicator	2008-2009	2009-2010	Trend/Comment
Financial			
Total assets (\$M)	1,194.9	1,562.1	
Net surplus (\$M)	26.6	9.2	
Distribution to State Government (\$M)	15.3	4.0	Distribution reduced to allow funding of the commuter wharf upgrade program
Outputs			
Boating licences	483,649	491,521	
Registered recreational vessels	222,322	226,515	
Registered commercial vessels	9,594	10,120	
Competent commercial crew	12,814	15,392	
Educational seminars presented	245	56	Decrease reflects the increase in licence tests undertaken prior to the introduction of changes to the licensing scheme in June 2009
Solar lit navigation aids	1,282	1,444	Represents 98 per cent of total lights; 96 per cent of total lights are LED technology
Cubic metres of waste recovered from Sydney Harbour	2,737	2,778	
Number of commercial vessel discharges at NSW Maritime-monitored sewage pump-out facilities	8,365	9,622	Includes Myall Lakes
Permission to Lodge a Development Applications determined	121	114	
Development Applications Determined	42	30	
Projects offered BBP grant funding (including SSHAP & Sydney Harbour boat ramps)	53	74	
Commuter and charter wharf maintenance and upgrading	\$ 8.2M	\$20.2M	Increased spending associated with the launch of the commuter wharf upgrade program
Outcomes			
Fatalities per 100,000 recreational vessel registered	4.95	9.71	Included a number of incidents with multiple fatalities
Fatalities per 10,000 commercial vessel registered and licensed	1.04	0.99	
Fatalities – recreational	11	22	
– commercial	1	1	
Boating incidents reported	417	362	2008-2009 figure updated since last report
Serious injuries – recreational	66	48	
– commercial	9	17	
Safety compliance rate:			
- recreational vessels (%)	88.5	89.7	
- commercial vessels (%)	91	88.3	
- personal watercraft (%)	86.7	84	
Licence, registration and mooring renewals paid using Interactive Voice Response, the Internet or BPAY (%)	59.9	62.6	
Complaints received on NSW Maritime's Infoline (as % of total calls recorded)	0.3	0.3	
Major foreshore redevelopments announced	2	1	Homebush Bay West
Trade through Eden and Yamba (000 mass tonnes)	1,215	1,136	A 6.5 per cent reduction of log and woodchip export over the previous year is believed to be associated with the global financial crisis
Residual workers compensation exposure (\$M)	1.6	1.9	
Staff			
Full-time equivalent staff at 30 June	354.9	361.5	
% of women staff (including casuals)	43	41	
Hours lost due to industrial disputes	0	0	
Average days lost due to: – sick leave	3.7	5.1	4.1 (excluding long-term sick leave)
– accidents	0.7	0.2	

Five Year Performance Indicators 2009–2010

Indicator	2005-06	2006-07	2007-08	2008-09	2009-2010
Financial					
Total assets (\$M)	770.5	769.5	1,208.3	1,194.9	1,562.1
Net surplus (\$M)	59.4	17.6	26.6	26.6	9.2
Distribution to State Government (\$M)	13.2	13.8	14.6	15.3	4.0
Capital works expenditure (\$M)	13.6	24.1	19.6	13.2	25.9
Outputs					
General (non-PWC) boating licences	413,104	414,173	419,080	447,253	452,803
PWC boating licences	32,054	31,563	32,616	36,396	38,718
Non PWC registered recreational vessels	202,169	206,271	209,767	214,614	218,161
PWC registrations	7,213	7,116	7,307	7,708	8,354
Aquatic licences issued	641	637	675	637	655
Environmental assessments for mooring and aquatic licences	2,618	2,831	2,734	2,797	2,800
Educational seminars presented	471	432	246	245	56
Solar lit navigation aids	1,196	1,280	1,298	1,282	1,444
Cubic metres of waste recovered from Sydney Harbour	3,681	3,471	3,183	2,737	2,778
Number of commercial vessel discharges at sewage pump-out facilities at King Street wharf and Blackwattle Bay	7,837	5,224	4,932	6,249	7,733
Number of permission to lodge a development applications determined	94	132	174	121	114
Development applications determined	42	30	58	42	30
Projects offered BBP grant funds	43	39	46	53	74
Outcomes					
Boating incidents reported	371	368	365	417	362
Fatalities	9	23	21	12	23
Serious injuries	51	56	61	75	65
Fatalities per 100,000 total registered or licensed vessels	4.1	10.3	9.3	5.2	9.7
Safety compliance rate:					
- recreational vessels, incl. PWC (%)	89.5	87.4	87.1	88.3	89
- commercial vessels (%)	93.9	89.8	93.4	91	88.3
Complaints received on NSW Maritime's Infoline (as % of total calls recorded)	0.4	0.3	0.3	0.3	0.3
Major foreshore redevelopments announced	1	1	1	2	1
Trade through Eden and Yamba (000 mass tonnes)	1,061	1,340	1,289	1,215	1,136
MSB residual workers compensation exposure (\$M)	2.2	1.5	1.3	1.6	1.9
Staff					
Full time equivalent staff at 30 June	323	330	335	354.9	361.5
% of women staff (including casuals)	43	43	43	43	41
Hours lost due to industrial disputes	37.8	0	258.7	0	0
Average days lost due to: – sick leave	5.3	3.8	4.4	3.7	5.1
– accidents	2.1	0.8	0.5	0.7	0.2

Financial Summary

NSW Maritime's Customers 30 June 2010 Financial Statement	\$000	Income \$000	Expenditure \$000
Recreational boating revenue comes from the following major sources:			
Drivers' licences	18,246		
Boat registrations	20,368		
Mooring fees	7,705		
Boating fees (maps, publications, berthing charges, aquatic licences, penalty notices, boatcode)	1,761	48,080	
Recreational boating revenue pays for the following activities:			
Safety education	6,016		
Accident investigation	3,503		
Control, planning, management and administration	11,589		
Enforcement	4,575		
Navigation aid maintenance	5,207		
Mooring management	3,351		
Event management (Sydney-to-Hobart yacht race, New Years Eve celebrations)	1,753		
Grants to councils etc. for the provision of boating infrastructure (boat ramps)	3,896		
Other grants (marine rescue volunteers, marine safety committees, Australia Day support)	4,882		44,772
Recreational boating revenue also provides for replacement of the following assets:			
Wharves	282		
Navigation aids	984		
Buildings	26		
Plant and equipment	3,041		
Computer hardware and software	246		
Motor vehicles	1,089		
Office equipment, furniture and fittings	731		6,399
Commercial vessels revenue comes from the following major sources:			
Survey fees	1,839		
Registration fees	840		
Examinations etc.	379	3,058	
Commercial vessels revenue pays for the following activities:			
Vessel surveys	4,104		
Safety education	825		
Accident investigation	415		
Control, planning, management and administration	825		
Enforcement	825		
Navigation aid and wharf maintenance	9,527		
Grants	346		16,867
Commercial vessels revenue also provides for replacement of the following assets:			
Wharves and jetties	7,380		
Land and buildings	5		
Plant and equipment	48		
Computer hardware and software	31		
Motor vehicles	102		
Furniture and fittings	47		
Seawalls	645		8,258

Financial Summary *continued*

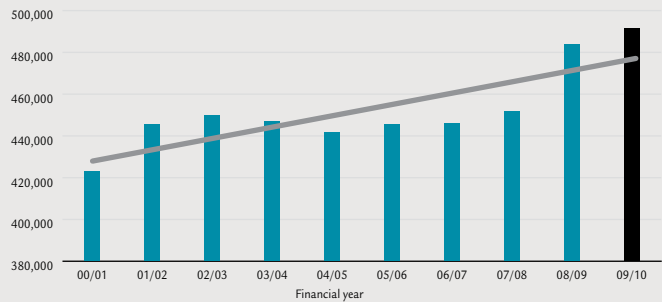
NSW Maritime's Customers 30 June 2010 Financial Statement	\$000	Income \$000	Expenditure \$000
Shipping revenue comes from the following major sources:			
Regional ports of Yamba and Eden (pilotage, navigation and storage facility charges)	940		
Wharfage, site occupation fees and ship utility fees	310		
Channel fees from port corporations	8,342	9,592	
Shipping revenue pays for the following activities:			
Protection of marine environment	857		
Environment including harbour cleaning	3,180		
Maritime safety and security	1,161		
Port co-ordination/policy/strategy	918		6,116
Shipping revenue also provides for replacement of the following assets:			
Wharves and jetties	10		
Navigation aids	12		
Land and buildings	117		
Plant and equipment	157		
Computer hardware and software	2		
Motor vehicles	30		
Furniture and fittings	8		
Roadways	1,427		1,763
Property revenue comes from the following major sources:			
Rents and leases	41,452	41,452	
Property revenue pays for the following activities:			
Wetland management (includes wharf maintenance)	7,823		
Property management (includes MTT lease)	15,483		
Grants to councils etc. for the provision of boating infrastructure (boat ramps)	0		
Other grants	5		23,311
Property revenue also provides for replacement of the following assets:			
Wharves	6,498		
Land and buildings	999		
Plant and equipment	37		
Computer hardware and software	484		
Motor vehicles	58		
Office equipment, furniture and fittings	0		
Roads	0		8,076
		102,182	115,562
Other sources of revenue and uses of that revenue are as follows:			
Miscellaneous services	2,554		
Interest on bank deposits and investments	5,699		
Revaluation increment or decrement on investment properties	1,730		0
Assets received at no cost	4,538		
Emerging asset - marina berth leases	1,597		
Funding for maritime shelter signage	8		
Funding for realignment of James Craig Road	230	16,356	
Total revenue received by NSW Maritime and total payments made by NSW Maritime:		118,538	115,562
Distribution to NSW Treasury			15,309
Balance to (from) accumulated funds			(12,333)
		118,538	118,538

10 YEAR CUSTOMER TRENDS

Boat licences

The total number of recreational boat licences in NSW increased by 1.6 per cent to 491,521. General boating licences increased by 1.2 per cent. Personal watercraft licences, which account for 7.9 per cent of all licences, increased by 6.4 per cent to 38,718. There has been a 16.3 per cent increase in all licences since 2000-2001.

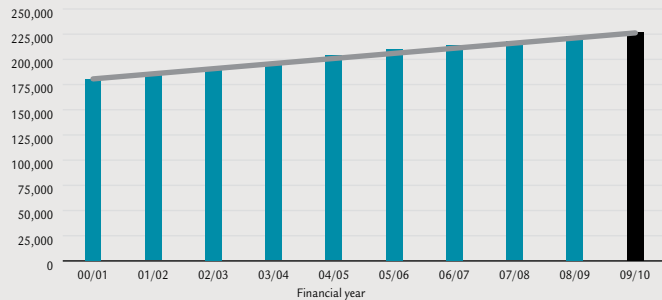
Boat licences



Vessel registrations

The total number of recreational vessel registrations increased by 1.9 per cent to 226,515. General boating registrations increased by 1.7 per cent while personal watercraft registrations, which account for 3.7 per cent of all registrations, increased by 8.4 per cent. Registrations have increased by 26 per cent since 2000-2001.

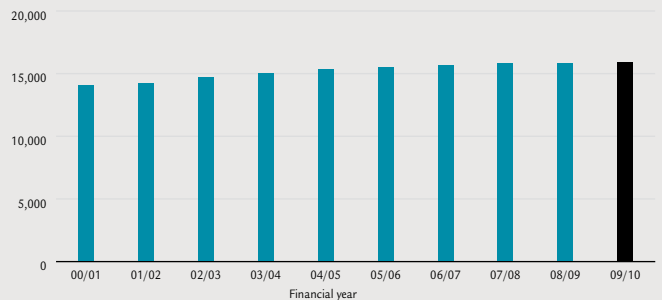
Vessel registrations



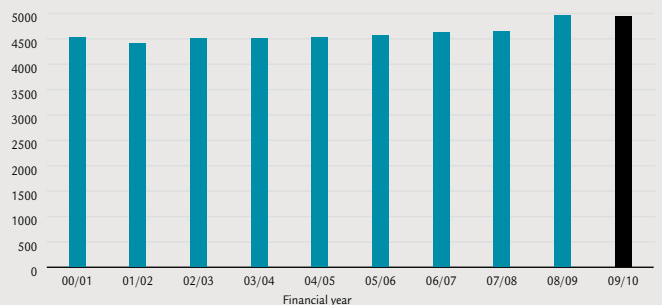
Moorings

Total mooring sites have increased by 11.4 per cent over the past 10 years. In 2009-2010 the number of private moorings (15,860) increased by 0.5 per cent, while sites at commercial moorings (4937), for which there are 1210 licences, have increased by 9.5 per cent since 2000-2001.

Private moorings



Commercial moorings



Commercial vessels

As at 30 June 2010, there were 10,120 commercial vessels operating in NSW. Commercial vessels are vessels used for a commercial purpose as defined under the *Commercial Vessels Act 1979* and include charter boats, ferries, water taxis, commercial fishing vessels, oyster punts, workboats, tugs, barges, adventure rides, houseboats, hire and drive vessels, white-water rafting vessels and sail-training vessels.

All commercial vessels operating in NSW are required to comply with the *Commercial Vessels Act 1979* including complying with the Uniform Shipping Laws (USL) Code for design, construction, equipment, and crewing, and are surveyed to ensure compliance.

Based on risk, a number of types of vessels are exempt from certain requirements of the Act provided other safety measures are put in place.

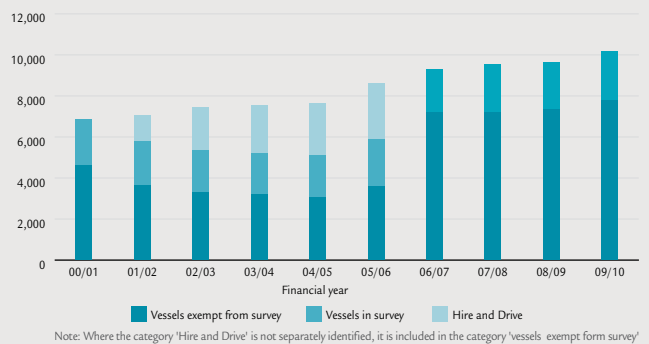
Commercial vessel registrations

Commercial vessels that are exempt from some or all of the requirements of the USL Code, and from the requirement to undergo survey and hold a Certificate of Survey, include estuarine fishing vessels, work boats operating on smooth waters, small hire and drive vessels operating under a Hire and Drive licence, white-water rafting vessels, and oyster punts. There were 7765 such vessels at 30 June this year. These vessels are required to comply with a range of other specified safety requirements depending on the risk.

Commercial vessels in survey

Of the 10,120 commercial vessels registered and operating in NSW 2355, or 23 per cent, are subject to a Certificate of Survey indicating that they comply with the highest level of safety standards. The majority of these vessels are subject to an annual survey inspection to ensure they continue to meet rigorous safety standards.

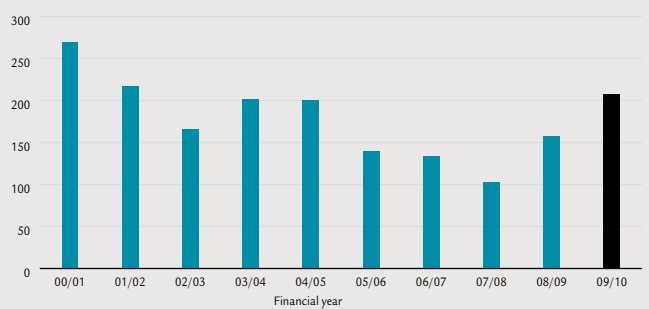
Commercial vessel registrations



Initial surveys completed

This year 207 vessels completed initial survey, an increase of 32 per cent on the previous year's figure.

Initial surveys completed

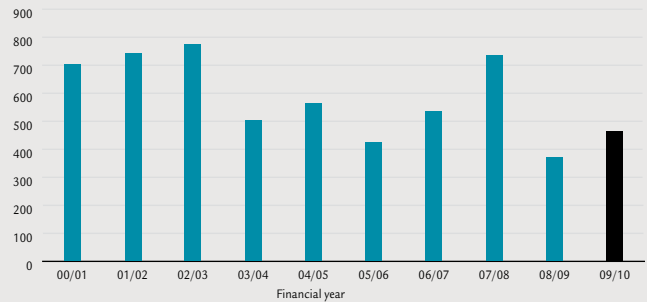


10 YEAR CUSTOMER TRENDS *CONTINUED*

Marine certification

All commercial vessels are required to carry appropriately qualified and licensed crew. NSW Maritime is responsible for issuing Certificates of Competency. This year 461 new Certificates of Competency and 228 general purpose hand endorsements were issued. Additionally, a total of 736 revalidations, of all certificate types, were processed.

Certificates of Competency Issued

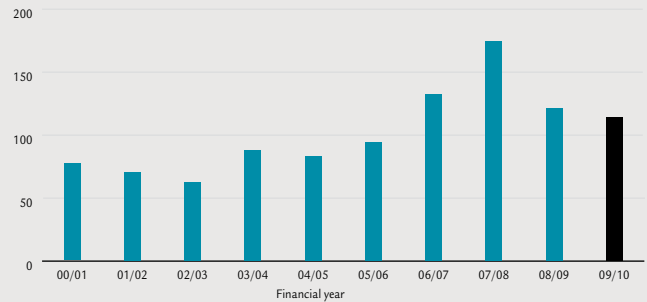


Applications for Permission to Lodge (PTL) a Development Application

The beds of Sydney Harbour, Botany Bay, Newcastle Harbour and Port Kembla Harbour are publicly-owned land. On behalf of the public, this land is vested in NSW Maritime. In the same way that permission of the landowner is required to lodge a development application on land, this is also required in respect of development applications on these waterways. During 2009-2010, NSW Maritime granted permission for the lodgement of 114 development applications, taking an average of 61 days to make a determination.

During 2009-2010, NSW Maritime carried out a number of reviews of the Obtaining Permission to Lodge a Development Application Policy. Changes included extension of the validity of permissions from six to 12 months and clarification of application requirements relating to hydrographic and geotechnical data.

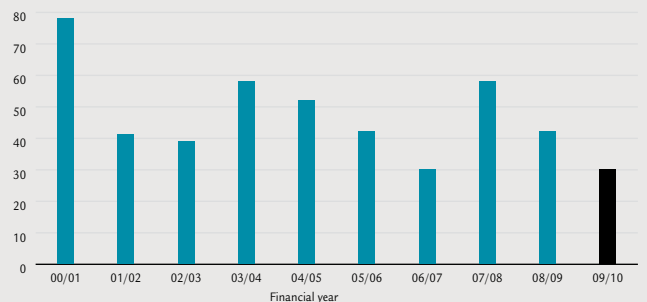
Application for Permission to Lodge determined



Development on NSW Maritime land

NSW Maritime is the consent authority for water-based development on Sydney Harbour. Water-based development includes such things as jetties, wharves, boat lifts, slipways, pontoons, mooring pens and the like. During 2009-2010, NSW Maritime determined a total of 30 development applications, which represents a 28.6 per cent decrease on the previous year.

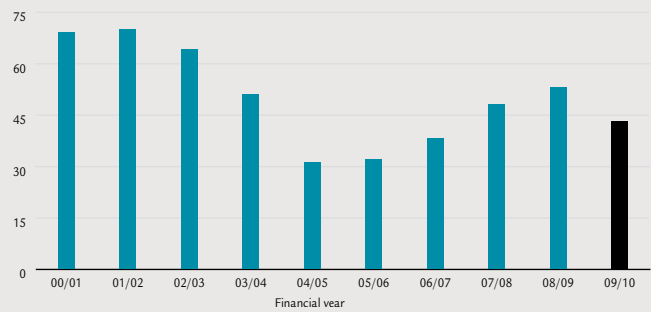
Applications for Development determined



Construction application determined

As consent authority for water-based development on Sydney Harbour, NSW Maritime issues Construction Certificates under the *Environmental Planning and Assessment Act, 1979*. NSW Maritime is also required to grant permission under Section 13T of the Maritime Services Act 1935 for structures on the bed of Sydney Harbour, Botany Bay, Port Kembla and Port Newcastle. During 2009-2010, NSW Maritime determined a total of 43 construction approvals.

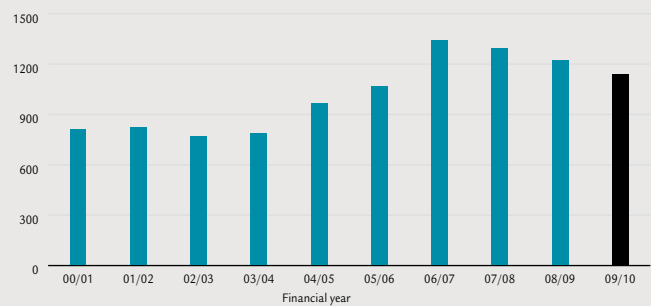
Construction application determined



Trade through regional ports

Trade through the regional ports of Eden and Yamba totalled 1,135,817 mass tonnes during 2009-2010, a decrease of 6.5 per cent on the previous year. There was a reduction of some 79,357 tonnes combined log and woodchip export, the major contributing factor of which is believed to be associated with the global financial crisis.

Regional ports trade



A ship berthed at the multipurpose wharf in Eden.

“Recreational vessel registrations have increased by 26 per cent since 2000–2001.”

2

KEY RESULTS

Boating Safety



Vessel safety management

Marine Rescue NSW

Since the establishment of Marine Rescue NSW (MRNSW) on 1 July 2009, membership has grown rapidly to a total of 2696 to 30 June 2010. This number is expected to continue growing and will allow MRNSW to better target its coverage, review and expand competency-based training for its volunteers, expand its radio network and boating education campaigns across NSW and into inland waterways. MRNSW had 33 units operational by the end of the year and continued discussions with remaining volunteer groups.

The volunteer marine rescue groups in NSW provide a radio network for boaters with over 570,000 radio communications in 2009 across all organisations. This included over 100,000 log-ons for local trips; offshore tracking for coastal cruising; and regular weather and sea condition updates. Over 2800 rescues and assists were undertaken during 2009-2010 with over 7000 people on those rescued or assisted vessels.

MRNSW also provided boating education, including boating safety courses, practical courses and safety information at boat ramps, and at events such as boat shows.

Boating safety compliance

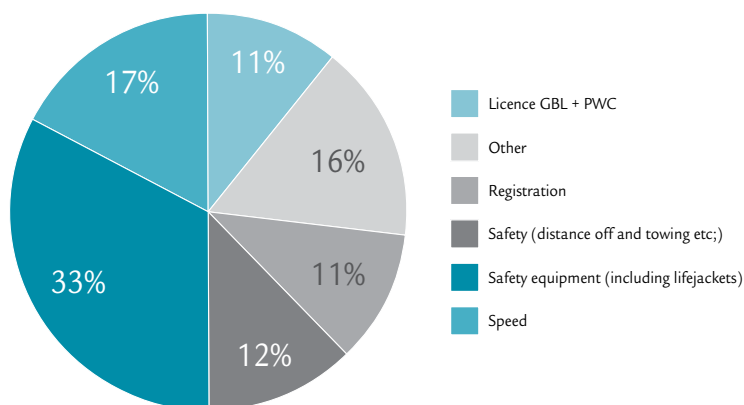
State-wide, a total of 3299 Penalty Notices were issued, during the year for a variety of offences. Non-compliance with safety equipment (including lifejackets) accounted for 1097, or 33 per cent, of all

notices issued, which is a slight increase from 32 per cent in the previous year.

Excessive speed accounted for 558, or 17 per cent, of notices issued. Non-compliance with safety regulations made up 12 per cent which includes offences such as not complying with distance off or towing requirements.

The remaining notices were issued for a variety of offences, including non-compliance with licence, registration and navigation lights requirements.

Penalty Notices Issued 2009–2010



CASE STUDY

LAKE MULWALA NAVIGATION AIDS

Lake Mulwala is located on the Murray River near the towns of Yarrawonga in Victoria and Mulwala in NSW and has a submerged area of 4,390 ha.

The lake is a popular destination for fishing, water-skiing, sailing and ski boat racing but lower rain falls in the Murray Darling Catchment Area has meant less depth of water in existing navigation channels. This has contributed to an increase in the number of incidents of vessels striking submerged hazards in established channels.

NSW Maritime and Goulburn Murray Water received approval to remove 22 hazards, yet many more exist and new hazards will continue to grow as tree debris falls into the lake. So, in consultation with the Lake Mulwala Safe Boating Committee, NSW Maritime developed an aids to navigation plan that would manage ongoing lower lake levels and provide greater safety for the boating public by moving navigation channels back to the established Murray River course.

Existing shallow channels were closed and aids to navigation removed and reused. NSW Maritime was able to source 71 buoys from Australian supplier Sealite including 55 synchronised SL70 LED lights for installation along the main river course.

The LED lights were configured with GPS receivers to provide a 'flare' pattern or 'stepping stone' approach so the boating public could easily follow the twisting river course at night.

The work, which cost \$179,520 and was completed in April 2010, has continued to generate positive feedback from the boating community. The lit river course is to be extended in the 2010-2011 financial year.



Review of boating safety on the Murray River

The Murray River defines the border between the States of NSW and Victoria, with the border mainly following the Victorian river bank. Lakes Hume and Mulwala straddle the NSW and Victorian border.

To avoid confusion, the NSW and Victorian Governments agreed in 2001 to apply NSW marine safety legislation to all of Lake Mulwala and part of the Ovens River north of the Murray Valley Highway Bridge, and the section of Lake Hume upstream of the Bethanga Bridge.

Boating activity on the Murray River is therefore primarily conducted under the jurisdiction of NSW Maritime.

The rate of serious boating incidents on the Murray River has increased, with typically around 80 per cent of all boating incidents now involving Victorian registered vessels.

- In the period 1 December 2009 to 13 February 2010 there were four fatalities and seven serious incidents.
- Between 1 January 1992 and 1 March 2010 there were 287 incidents on the Murray River reported to NSW Maritime, resulting in 28 fatalities, 115 serious and 122 minor injuries.

On 19 April 2010, the State Government announced a review of boating safety on the Murray River.

The review was conducted by NSW Maritime, in collaboration with Marine Safety Victoria. Targeted consultation meetings were held in April 2010 at Albury/Mulwala, Moama and Mildura/Buronga with boating and industry associations and boaters.

A discussion paper, based on analysis of incident data, the focus group outcomes, stakeholder submissions and input from NSW Maritime, was drafted for public consultation. The paper was released on NSW Maritime's website on 24 May 2010 and publicised with advertisements in newspapers along the Murray River and in Victoria, and a media release. Submissions were accepted until 13 June 2010.



In NSW, there are over 10,000 commercial vessels operating and NSW Maritime works with commercial operators to ensure appropriate operational and emergency procedures are in place.

Consultation outcomes are to be considered by the Recreational Vessels Advisory Group and the Maritime Ministerial Advisory Committee before a final report is prepared for the Minister to consider.

Introduction of flare disposal service

Under the *Marine Safety (General) Regulation 2009*, offshore vessels must be equipped with safety distress flares. Flares generally have a use-by date of three years. NSW Maritime requires all vessels to be equipped with non-expired flares.

In spite of being a required safety item for many years, there existed no simple lawful means for boat owners to dispose of unwanted and/or expired flares.

To resolve this situation, NSW Maritime worked with the WorkCover Authority (WorkCover), which has regulatory responsibility for the transport and storage of flares, and the Department of Environment, Climate Change and Water (DECCW) to find a suitable disposal option.

NSW Maritime, WorkCover and DECCW identified a suitable means for disposing of unwanted hand-held marine flares through incineration by a company called Sterihealth, which has a medical waste incinerator at Silverwater.

NSW Maritime, DECCW and WorkCover provided seed funding of \$10,000 each to establish the disposal program.

NSW Maritime has established collection points at most of its service centres, where boat owners can dispose of unwanted flares. Sterihealth, which already has a fleet of trucks collecting medical waste throughout NSW, collects the flares from NSW Maritime and delivers them to the Silverwater incinerator for disposal.

The State Government launched a trial of the new disposal system for expired flares on 15 March 2010. Since the launch, approximately 2852 flares have been handed in at NSW Maritime offices to 30 June 2010.

The trial will run until July 2011, when it will be reviewed.

CASE STUDY

LIFEJACKET DISCUSSION PAPER

On 7 November 2009, the State Government called for public comment on proposals to extend the requirements for compulsory wearing of lifejackets while boating.

A total of 3615 responses were received (3541 via the online survey and 74 via email and written submissions) from boating organisations, the marine industry and the broader boating public. There was majority support for each of the proposed changes.

The outcomes of the consultation phase were considered by NSW Maritime's peak advisory groups – the Recreational Vessels Advisory Group and the Maritime Ministerial Advisory Committee. They unanimously supported the following proposals for compulsory lifejacket wear in addition to current requirements:

1. By children less than 12 years of age in a vessel less than 4.8 metres in length and when in an open area of a vessel 4.8 to 8 metres that is underway
2. When being towed on the water (eg wakeboarding or water-skiing)
3. When operating off-the-beach sail craft in ocean waters. Note: this does not include sailboards
4. When a kitesurfer is kiting alone more than 400 metres from shore
5. On all vessels less than 4.8 metres in length (other than a PWC, kiteboard, sailboard, canoe or kayak) when:
 - a) Boating at night
 - b) On open (ocean) waters
 - c) On alpine waters
 - d) Boating alone
 - e) Vessel is being used to transport persons or goods more than 400 metres from shore
6. When operating a canoe or kayak:
 - a) In enclosed waters, when more than 100 metres from an accessible shore
 - b) In open (ocean) waters at all times
7. In any other situation where the master of the vessel deems it appropriate that a lifejacket be worn, eg when weather conditions deteriorate.

The changes will take effect on 1 November 2010. There will be a 12-month advisory period to allow boaters to get used to the new rules, during which NSW Maritime will only penalise repeat offenders.



Progress with national maritime safety reform

On 2 July 2009 the Council of Australian Governments (COAG) agreed that the Australian Maritime Safety Authority (AMSA) would become the national safety regulator for all commercial vessels in Australian waters to ensure national uniformity in commercial vessel standards, regulation and administration.

The Commonwealth, States and the Northern Territory are working together to develop and implement the COAG decision. Transitional arrangements for the new regulatory system will commence in 2011, with full implementation expected by January 2013.

NSW Maritime is represented on the Maritime Safety Reform Committee (MSRC) which has been established to determine the operational aspects of the new national system. NSW Maritime is also represented on a national project to develop competencies and an accreditation framework for marine surveyors when AMSA becomes the national regulator. In March 2010, NSW Maritime hosted a workshop of the Commonwealth, States and the Northern Territory to develop national service delivery arrangements.

A draft National Partnership Agreement (NPA) has been developed between the Commonwealth, the States and the Northern Territory to establish the framework for the national system. The draft Agreement sets out the roles and responsibilities of the parties and provides for oversight by the Commonwealth and States of the development of legislation, national standards, service delivery arrangements and financial arrangements. The draft NPA was agreed in principle by the Australian Transport Council in April 2010.

NSW Maritime will continue to provide commercial vessel services under the new national arrangements and will work to ensure the new arrangements are based on a low-cost regulatory approach that minimises the financial impact on commercial operators.

Trial of web cameras

The trial program of webcams providing real-time vision of key bar crossings in NSW continued. NSW Maritime continued to provide webcam vision of 15 coastal locations. These cameras, and the associated forecasts, provide people with valuable information to consider when trip planning. Live vision is available online for

the following locations:

North Coast

- Ballina
- Brunswick Heads
- Coffs Harbour
- Iluka/Yamba
- Port Macquarie
- South West Rocks
- Tweed Heads

Hunter

- Shoal Bay, Port Stephens
- Swansea
- Nobbys Beach, Newcastle

South Coast

- Narooma
- Bermagui
- Merimbula Bay
- Moruya River
- Sussex Inlet.

A total of 206,587 page views were recorded for the year, with a total of 121,856 unique page views. Maritime is preparing to launch a new webcam to cover Lake Eucumbene, along with local weather details. This camera is expected to be online by the start of the upcoming boating season.

CASE STUDY

SAFETY MANAGEMENT SYSTEM (SMS)

An SMS is a documented system of policies and records that focus on the management of risk (both identification and controls) in relation to operational and passenger safety. In NSW since 2005, passenger vessels that can seat more than eight persons have required an SMS under the *Passenger Transport Act, 1990*.

In October 2009 nationally agreed amendments to the Uniform Shipping Code introduced a new requirement for all commercial vessels to meet new standards for operational practices. Operational practices are those things that a company does as part of its day-to-day operations. They include how a company trains its staff, maintains records, reports incidents, identifies hazards and plans for emergencies.

In November 2009, NSW Maritime published a set of guidelines along with sample forms and checklists to assist operators to comply with Part E Operational Practices. By following these guidelines and customising the sample forms and checklists provided, an operator can satisfy the requirements of Part E. The Operational Practices Guidelines are less onerous than an SMS, while still ensuring operators have procedures in place to reduce risks in day-to-day operations and in emergency situations.

In 2009-2010, NSW Maritime formed an SMS team to assist commercial vessel operators address this operational requirement. The team is initially focusing on ferry and charter vessels.

In this reporting period, 90 desk-top audits and 72 onboard audits were conducted. Written feedback is provided to each customer following the audit in the form of an audit report. The SMS team also advises customers on best operational practice and ways to improve their SMS.

Boat licensing

The compulsory practical boating experience log book requirement for any person wishing to obtain a powerboat driver's licence was introduced on 1 June 2009.

Since that date, all new boat licensees have undertaken practical boating experience. 24,006 new licences were issued in 2009-2010 including general, young adult and PWC licences. This number brings the average for the past two years in line with the long-term trend of around 33,000 new licences per year, after a peak in 2008-2009 of 46,036. The peak was the result of a large number of people obtaining a boat driving licence prior to the introduction of the new licensing requirements.

Maritime alerts

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

This online service allows a person to choose the area of interest along the coast, or in alpine areas, and to choose how often the alert is sent. Subscribers can also identify what wind threshold they believe justifies an 'alert'. In this way, a person can customise the alert to be of most use. NSW Maritime however reminds all boaters that this service does not replace the official forecast and strongly recommends all skippers keep a close eye on the official weather.

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

Weather information

NSW Maritime provides a telephone boating weather service on 131 236. This service provides access to updated weather information from anywhere in NSW for the cost of a local call. This service is tied to NSW Maritime's effort to raise awareness of the need for mariners to check the weather and to check it often. A total of 50,534 (64,212 in the previous year) calls were received for the year with calls increasing in late summer to parallel seasonal boating activity and a peak of 5910 (9173) calls in the month of January and a low of 2927 (3251) calls in June.

Maritime is delivering a free weather Maritime Alert service via email and looking at the possible use of SMS.

Safety regulation of commercial vessels

Work has been progressing on finalising the new *Marine Safety (Commercial Vessels) Regulation*. The new regulation will provide a regulatory framework that supports safety, adopts a risk based approach to regulation, and supports a viable commercial vessel industry. The new regulation is expected to commence in late 2010. The regulation will adopt all completed sections of the National Standard for Commercial Vessels that have been approved by the Australian Transport Council.

In October 2009, NSW Maritime implemented USL 2009 which adopted the following parts of the National Standard for Commercial Vessels:

- Construction (NSCV Part C Section 3)
- Stability Information (NSCV Part C Section 6A)
- Stability Tests (NSCV Part C Section 6C)
- Communication Equipment (NSCV Part C Section 7B)
- Navigation Equipment (NSCV Part C Section 7C)
- Anchoring Systems (NSCV Part C Section 7D)
- Operational Practices (NSCV Part E).

New standards for operational practices require all vessels to comply with operational requirements and emergency procedures. Support materials have been developed to assist industry to comply with these new requirements. These are available on the NSW Maritime website.

NSW Maritime is currently working with industry to increase awareness of the new requirements and ensure operators have appropriate operational and emergency procedures in place. At a practical level NSW Maritime is also working with operators as they conduct safety drills to gauge the crew's emergency preparedness under various scenarios including fire, flooding, grounding, medical emergencies, person overboard, critical machinery failure, and traffic hazards.

Transport Regulators Executive Committee

The Transport Regulators Executive Committee (TREC) is comprised of the Chief Executive Officers and senior executives of the Independent Transport Safety Regulator, Transport NSW, and NSW Maritime. This committee's focus is to: monitor industry safety performance for each mode (bus, rail and ferry); monitor regulatory performance across modes; and identify specific cross-modal safety issues.

During the year, TREC continued to report on the status of responses to recommendations from investigation of transport incidents by independent transport safety investigators. This enabled improved monitoring of the implementation of these recommendations.

In addition, TREC considered issues that applied to all transport modes with emphasis on finalising the development of key performance indicators for safety and the efficiency of service delivery.

CASE STUDY

NAVIGATION LIGHTS

Appropriate navigation lights are required under the International Regulations for Preventing Collisions at Sea when operating from sunset to sunrise, and in restricted visibility, whether at anchor or underway.

Navigating at night or in restricted visibility does require special care and NSW Maritime actively promotes boaters to keep a proper lookout at all times. As well, it recommends travelling at a safe speed for the conditions. That is, a speed at which the master can stop and avoid a collision if necessary.

NSW Maritime has developed a brochure specifically targeting navigation lights on vessels known as, “Be Bright – Be Safe at Night”. Additional safety messages are contained in the brochure “You’re the Skipper, You’re Responsible” and both brochures are distributed with vessel registration renewals as a direct mail initiative.

The National Marine Safety Committee’s Australia and New Zealand Safe Boating Education Group developed an information package to provide guidance on the correct installation of navigation lights to recreational craft. The package entitled “Tips for installing navigation lights” was launched by the State Government at the Sydney International Boat Show in August 2008. The package was distributed to the marine industry and is available on Maritime’s website.

As well, NSW Maritime’s Boating Handbook includes information on navigation lights.

NSW Maritime also undertakes state-wide education and compliance campaigns targeting lights on vessels, with the prime objective to ensure compliance with navigation lights requirements.

NSW Maritime has significantly increased night patrols on Sydney Harbour. While adequate patrol rosters are in place, it is not possible for Boating Safety Officers (BSO) to be present at all locations at all times across the State. NSW Maritime is now recording compliance rates of 98 per cent in respect of navigation lights.

NSW Maritime’s efforts are supported by the NSW Police Marine Area Command comprising 34 Police Officers who also manage boating crime, conduct regular patrols of Sydney Harbour, and provide 24-hour, seven-day-a-week emergency response.

NSW Maritime and the Boating Industry Association of NSW (BIA) developed a program to bring industry the technical facts on navigation light fitting, function and rules for users. During the year, a BSO delivered a presentation on navigation lights at the BIA statewide roadshow to industry.

The navigation lights online safety guide, adapted from the Royal National Lifeboat Institute (RNLI)’s navigation lights information, was launched by NSW Maritime earlier this year. This guide is available on NSW Maritime’s website and as a DVD.

NSW Maritime recommends boaters consider the BIA’s 50-point safety check, which includes a navigation lights check by a trade qualified member of the Marine Industry Mechanical Repairers Association, to ensure lights are appropriate and in good working order.



Safety education

Statewide and regional education and compliance campaigns

During 2009–2010, NSW Maritime developed and conducted seven statewide education and compliance campaigns.

This began with a review of data in relation to boating safety, fatalities and non-compliance with the regulations. The education and compliance program was then designed to promote safety on the water, utilising education and compliance strategies developed from the Compliance Management Group and previous campaign history.

Each campaign had a primary focus and also included a component of lifejacket and safety equipment compliance.

NSW Maritime opened the boating season with Operation 'Boat Safe' on the October long weekend. Boating Safety Officers (BSO) carried out more than 1200 on-water safety checks statewide, resulting in a compliance rate of 92 per cent. The most common offence was failure to comply with lifejacket requirements. In some cases lifejackets were either not carried or not fit for use.

On-the-spot night safety checks were carried out on a total of 785 boats across NSW during Operation 'Lights-On', which was held over 14-15 November. A total of 48 penalty notices and 44 formal warnings were issued for a range of non-compliance issues, including lights. A compliance rate of 88 per cent was achieved.

NSW Maritime, in partnership with the Boating Industry Association of NSW, the Recreational Fishing Alliance of NSW and Marine Rescue NSW, participated in a 'Targeting Tinnies' campaign to promote the proper wearing of lifejackets, weather checks, safety equipment and boat seaworthiness. BSO conducted a total of 1740 vessel checks resulting in 143 penalty notices and 92 formal warnings for various offences, a compliance rate of 86 per cent.

Operation 'Tow Smart', which was held over 1-3 January, saw BSO inspect almost 1800 vessels with a result of 132 penalty notices and 104 formal warnings issued across NSW. Boaters received penalties and warnings for a range of offences including towing more than three skiers, not having an observer, not having the required safety equipment and speeding.

During the month of February, Operation 'Blue Water' resulted in a total of 290 vessel checks, with a statewide compliance rate of 84 per cent. Whilst this was a disappointing result, the majority of failures to comply were due to insufficient or out-of-date safety equipment such as flares.

The April 2010 'Safe Speed' education and compliance campaign was run as a result of speed continuing to be identified as the second highest boating safety issue following lifejackets (safety equipment). BSO checked 2360 vessels resulting in 139 penalty notices and 126 formal warnings, primarily for missing or insufficient safety equipment.

Over the Queen's Birthday long weekend, BSO checked more than 1300 vessels across the state and spoke to skippers about the hazards of cold water boating during Operation 'Cold Water'. Penalty notices and formal warnings were issued to 98 boaters, mostly for not having the required safety equipment, such as lifejackets, on-board.

In addition, over 48 regional boating safety programs were conducted to complement the statewide compliance campaigns.

These campaigns were supported by on-water patrols, service centre staff, and a range of public information activities from the Safe Boating Communication and Education Plan.

Boating safety education

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

NSW Maritime is the State's boating safety regulator, and conducts an active communications and education program to highlight on-water risks and responsibilities. NSW Maritime also works with schools, community and industry organisations to support a culture of boating safety on our waterways.

The State Government announced on 1 August 2008 a commitment to increase funding in support of boating safety education to \$3 million over three years starting from 1 August 2009. The aim is to promote a culture of safe boating in NSW.

The principal focus of the plan is skipper responsibility, with secondary themes related to lifejacket use, safe navigation, trip planning, and alcohol restrictions. The plan includes specific campaigns on each theme, targeted at varying boating demographics and using a range of communication and education tools. Reflecting the rapid evolution in communications technology, the plan identifies the Internet as a channel targeted for significant expansion.

NSW Maritime has over the past year launched a series of initiatives that include extending the Boat for Life program of 'safety ambassadors' to now include: Andrew "ET" Ettingshausen on trailerboat safety, Pete Goss on blue-water safety, Justin Jones and James Castrission on paddle craft safety. Other initiatives include the delivery of campaigns to promote awareness of propeller strike, lifejackets and night safety.

In keeping with the rapid rise in interest in internet and mobile services, Maritime has also delivered an online facilities locator system, night navigation guide to add to the existing services such as the live webcams of locations of heightened risk like bar crossings and the Maritime Alert system to help advise boaters of adverse conditions.

Incidents and investigations

Incident and fatality summary

NSW Maritime recorded a total of 362 boating incidents for the year, which involved both recreational and commercial vessels. The number of incidents decreased 13 per cent compared with 2009-2010 (417) and is five per cent less than the 10 year average of 380. It is possible that the decrease in reported incidents in 2009-2010 can largely be attributed to a March 2009 change in legislation which now requires a boating incident to be reported only when \$5000 damage is incurred, as opposed to damage of \$100 previously.

This year there were 23 fatalities, and 65 serious and 123 minor injuries. The 23 fatalities equals the previous highest annual total from 2006-2007 and is a significant increase from the average of 18 since 2000-2001 (the 65 serious injuries were down 14 per cent from 76, while minor injuries were up 39 per cent compared to the 89 recorded in 2008-2009). The 20 fatal incidents recorded increased by 9 (up 82 per cent) compared with the 11 fatal incidents recorded in 2008-2009.

The table below is a summary of incident data for 2009-2010 compared with the results for 2008-2009.

The table shows that in 2009-2010, incidents involving recreational vessels accounted for 72 per cent of all incidents (262), commercial vessels only accounted

for 17 per cent (63) and incidents involving both commercial and recreational vessels accounted for 10 per cent (37).

Vessel capsizing and a person falling overboard accounted for the majority of fatal incidents (seven and five respectively), while four fatalities also occurred as a result of separate towing incidents.

Preliminary analysis indicates that drowning was the cause of death in the majority of fatal incidents. Lifejackets were known to be worn by only two of the 23 deceased persons. Alcohol was identified as a factor in two of the fatal incidents.

A contributing factor in the rise in the number of minor injuries was that three incidents accounted for 29 minor injuries (24 per cent).

The introduction of new lifejacket regulations, as well as implementing outcomes of a safety review of the Murray River, improved facilities, increased patrols, the roll out of the Boating Safety Education and Communications Plan 2009-2012 and greater funding for Marine Rescue NSW, are all expected to improve on-water safety.

Vessel incident investigation

The Marine Investigations Unit (MIU) conducted 36 formal incident investigations (down from 63 in 2008-2009) which resulted in the issuing of three court attendance notices, nine penalty notices and six formal warnings.

Investigation Officers attended one Coronial Inquest as a subject matter expert, and one other "not guilty" court hearing. One covert compliance operation was conducted regarding non-compliant water taxis.

Three joint investigations were conducted throughout the year: one with NSW Police State Crime Command into vessel re-birthing; and two with NSW Police Marine Area Command targeting non-compliant and unsafe charter ferries during the lead-up to Christmas.

As a result of these investigations, over 20 safety recommendations were made to commercial vessel operators. The MIU closely monitored the implementation of these recommendations and have developed procedures to ensure that all recommendations are adequately tracked, audited and reported.

Many of the investigations conducted this year were complex and lengthy. The MIU investigated the serious injury by propeller to an Army Officer Cadet at Lake Burrinjuck. This incident occurred during small boat training conducted by the Australian Defence Force Academy (ADFA). The investigation resulted in the prosecution of one person and a safety investigation to address identified systemic issues within ADFA.

MIU officers assisted police investigating several fatal and serious collisions, using the training obtained last year in the USA in forensic boat accident examination. This technical assistance allowed police to more easily determine the circumstances of several high speed vessel collisions.

Table 1: Summary of incident data 2009-2010 and 2008-2009

	2009-2010				2008-2009			
	Vessel Type				Vessel Type			
	Rec	Com	C/R	Total	Rec	Com	C/R	Total
Incidents	262	63	37	362	309	74	34	417
Fatal incidents	19	1	0	20	10	1	0	11
Fatalities	22	1	0	23	11	1	0	12
Serious injuries	46	15	4	65	67	9	0	76
Minor injuries	90	27	6	123	63	18	6	87

*Figures current as of 9 July 2010

An investigation into a serious injury to a passenger on a charter fishing vessel on the north coast of NSW resulted in the MIU issuing the master with a Penalty Notice for Negligent Navigation Causing Grievous Bodily Harm (Commercial Vessel). This was the first such issue of a notice for this office under the provisions of the recently commenced *Marine Safety Act 1998*.

The MIU conducted two investigations pursuant to Part 8, Division 3 of the *Marine Safety Act 1998*. The first was into small boating practices of the ADFA, as described above, and the other was into a shipping incident at the Port of Eden in southern NSW (not yet completed).

This year, two MIU officers attended training courses to obtain their Diplomas of Government (Investigation), and one officer completed the course work and dissertation to qualify for a Masters degree in Investigations Management.

Coroner's recommendations from *Merinda* incident

A Coronial Inquest was held into the deaths of four people on Sydney Harbour on the night of Wednesday 28 March 2007. The tragedy occurred as a result of a collision between the Sydney Ferries HarbourCat *Pam Burridge* and a recreational motor cruiser, the *Merinda*.

The collision occurred to the east of the Sydney Harbour Bridge as the *Pam Burridge* (with only its crew on board) was being navigated from Sydney Cove to its base at Balmain, and the *Merinda* (with 12 people on board) was being navigated towards Woolloomooloo.

NSW Maritime was given leave to be represented at the inquest, which heard evidence over approximately six weeks during May, June, September and November 2009. The Coroner's findings and recommendations were delivered on 23 February 2010.

The Coroner made 24 recommendations concerning inter-alia, the operational practices of Sydney Ferries, the safety of navigation on Sydney Harbour and boating safety generally.

NSW Maritime is reviewing the recommendations relevant to it in consultation with peak advisory groups. A response to the Attorney General will be provided at the completion of this process.

Alcohol and drug testing

Operators of vessels which are underway, as well as observers and persons being towed, may be subject to a Random Breath Test (RBT). NSW Police conducted more than 10,500 RBT on vessel operators in 2009-2010. As a result, 42 vessel operators were charged for being over the prescribed alcohol limit. During the preceding year, 41 charges resulted from 9996 on-water RBT.

With alcohol contributing to approximately one third of all boating fatalities, NSW Maritime continued to educate the public in relation to the dangers associated with alcohol and boating.

CASE STUDY

BRADLEYS HEAD INCIDENT

In the early hours of 1 May 2008, a runabout collided with a fishing trawler at Bradleys Head, Sydney Harbour. Six of the 14 people on board the runabout were killed. The master of the runabout had borrowed it (without permission) from a relative, for the purposes of a late night joyride with friends.

On 6 April 2010, following a jury trial, the driver of the runabout was convicted of six counts of dangerous navigation occasioning death, and the master was convicted of six counts of manslaughter.

The lessons learnt, and actions taken or reinforced by NSW Maritime include:

- A clear message that the 'master' is the person in command of the vessel regardless of whether he or she is holding the wheel, and the master may be just as liable for events that occur as the actual driver. In this case, the master was not driving, but the court found that he was guilty as the person responsible for the joyride (It should be noted that NSW Maritime has an awareness campaign – "You're the Skipper You're Responsible").
- The effect of drugs and alcohol on people operating vessels has no less potential for tragic consequences than driving a motor vehicle. NSW Maritime is working continuously to assist NSW Police to enforce the laws in this regard, and works to keep pace with the road transport legislation in this respect.
- Overcrowding on vessels continues to occur (NSW Maritime now has new requirements for easy to read, informative safety labels to be affixed to all registered vessels).
- Navigation lighting at night continues to be an issue ("Be Bright at Night" campaign, with increased night patrols and enforcement of navigation light rules).
- Increased night patrols (in conjunction with NSW Police), to bolster official presence on the water, as a result of this event and the *Merinda* tragedy).

3

KEY RESULTS

Maritime Infrastructure



Major Projects

King Street wharf

During the reporting period the King Street Wharf bus terminal was leased to Transport NSW on a 99-year lease, commencing February 2010. This represents one of the final stages of this multi-million dollar redevelopment, a rich blend of commercial and residential activities at the harbour edge of the CBD.

Walsh Bay

During 2009-2010 it was agreed that Wharf 2/3 Walsh Bay would be leased to Arts NSW for a period of 99 years for the development of arts related facilities. The multi-million dollar redevelopment of these finger wharves on the northern edge of the CBD into an international standard mix of commercial and residential space is now largely complete.

Rozelle Bay maritime precinct

NSW Maritime continued to work with the remaining five consortia chosen to develop the precinct. When complete, more than \$150 million of infrastructure for a wide range of maritime services including covered dry-boat storage, commercial/retail development, waterfront construction contractors, boat salvage services and vessel refit and repair will be provided at Rozelle Bay.

By 30 June 2010, the Sydney Slipways' development of a vessel repair facility under the Anzac Bridge was fully operational. The land at the western end of the bay was cleared ahead of development by Seawind Catamarans for a sales and service centre, and Devine Shipping for its marine salvage business. The developer of the dry-boat storage facility, Sydney Boathouse, and waterfront contractor, Waterway Constructions, are awaiting modifications to their development consents before commencing works on site.

Berrys Bay maritime precinct

The Berrys Bay maritime precinct comprises the former BP terminal site and the current Woodleys leased site on the western side of Berrys Bay, Waverton. Proposals were received to develop the four hectare land and water precinct owned by NSW Maritime and the State Property Authority. Following a two-stage assessment, Meridien Marinas Pty Ltd was short-listed for the negotiation of a Development Agreement on 31 July 2009.

Meridien Marinas' \$40 million development proposal provides:

- An on-water marina that can berth 92 vessels ranging from 12 metres to 30 metres in length
- Vessel sewage pump-out and refuelling facilities
- Berths for visiting and pick-up/drop-off vessels
- A 60-vessel dry stack storage facility
- A 1150 square metre covered vessel maintenance facility
- Maritime workshops, offices and ancillary businesses including a café
- Launch area for small craft such as canoes and kayaks, with storage space
- Parking for 140 cars
- Public foreshore access and retention of the heritage convict-era bund wall and original seawall.

Subject to the execution of the development agreement, it is anticipated that a development application will be lodged with the consent authority in 2011, with the newly developed precinct expected to be operational in 2014.

Balls Head maritime precinct

Redevelopment of the former Balls Head coal loader wharf at Waverton and adjacent berthing dolphin structure into a maritime precinct providing berthing facilities for vessels greater than 20 metres in length is planned.

During the year the following development tasks were completed:

- An Options Feasibility Report was completed in March 2010 which assessed nine possible redevelopment options from both financial and heritage perspectives, with the preferred option being used as a basis for preparing a development application
- An assessment of marine sediment quality at the coal loader wharf site was completed in June 2010 which indicated that the concentrations of contaminants at the site are low
- A geotechnical investigation which determined sediment strata and rock levels at the site was completed in June 2010
- Investigations commenced to determine the provision of water, sewerage, power and telecommunications requirements along a right-of-access to the site.

It is intended to submit a development application and seek redevelopment proposals during 2011.

Blackwattle Bay maritime precinct

NSW Maritime owns all of the dry land at the southern end of Blackwattle Bay bounded by Bridge Road, Pyrmont and the water's edge. A Request for Proposals process was completed in July 2009 for the redevelopment and long-term lease for most of the site for maritime industry use.

On 6 May 2010, both an Agreement to Lease and an Access and Works Licence were signed with Blackwattle Bay Marina Pty Ltd to carry out a \$26 million redevelopment of the site under a 35-year lease. The redevelopment will include:

- A new permanent charter vessel facility which will contain berthing space for a minimum of 18 vessels together with a two-storey building for storage and charter vessel operational support

- Reconstruction of the former coal bunker wharf and its redevelopment into a three-storey maritime commercial/retail building that will incorporate many historic features of the site
- Foreshore access along the development which will also feature a new over-water pedestrian link to the Sydney Fish Market.

Blackwattle Bay Marina expects to lodge a development application with the consent authority in 2011. The precinct will be progressively opened in three stages and is expected to be fully operational by the end of 2014.



Redevelopment of the Walsh Bay finger wharves is now largely complete.

Bank Street Pyrmont

NSW Maritime is providing a new common-user launching ramp, hardstand and wash down area for passive craft on land that it owns in Bank St, Pyrmont, underneath the Anzac Bridge. This will replace the current temporary structure being used to launch dragon boats from the site.

The facility is being designed in conjunction with proposed uses of the site which include a base for the Sydney Heritage Fleet, facilities for dragon boaters and public foreshore access. The site may also accommodate room for essential Anzac Bridge maintenance works to be undertaken. A Review of Environmental Factors was completed in May 2010 and tenders were to be called with a view to complete the facility in 2010-2011.

Yeend Street wharf day berthing facility

NSW Maritime has progressed with the development of a day berthing facility for recreational vessels at the former Yeend Street wharf in Birchgrove. Situated at the south-western entrance to the recently constructed Ballast Point Park, the accessible U-shaped pontoon will provide temporary berthing space for three small vessels at a time, as well as pick-up and drop-off space for vessels and water taxis. A low-level landing for launching kayaks and other small passive watercraft will be provided.

The Yeend Street wharf was originally built in 1938 by Leichhardt Council as a ferry wharf; it was reconstructed to its present alignment in 1964. The wharf continued as a public wharf and a calling place for ferries until its closure in 1991.

37 Bank Street Pyrmont

During the year, Hymix Australia completed the demolition of the former ACR wharf at this site. A temporary pontoon wharf system was installed for the berthing of around 14 charter vessels.

Superyachts

During the year NSW Maritime disposed of the Rozelle Bay Superyacht Marina lease and business to Sydney Superyacht Marina (SSM). The associated agreement makes provision for the redevelopment and long-term lease of the marina and the redevelopment and long-term lease of the adjoining dry land at Rozelle Bay. The marina site comprises an area of land below the mean high water mark of approximately 17,554sqm (wetland) and an area of land above the mean high mark of approximately 11,640sqm (dry land).

SSM is required to reconfigure the marina in accordance with the development application to include 24 stern-to-shore berths each with an adjacent marina pontoon finger, providing for vessels from 20 to 70 metres in length. Before entering a long-term lease SSM is required to develop the dry land in accordance with

the development timetable which sets out five building stages commencing in 2011, with practical completion of the last stage in 2016.

Homebush Bay remediation

Since May 2005 NSW Maritime's contractor, Thiess Services, has been remediating the bed of Homebush Bay and the adjacent land site previously owned by Union Carbide. Contaminated sediment has been progressively excavated, deposited on land and treated before being used as land fill on the site. No sediment has been returned to the bay once excavated. The area of the bay excavated has then been covered by a geo-fabric material and capped with a layer of clean shale to prevent aquatic life from being exposed to the sediment below.

The remediation of Homebush Bay was completed in May 2010. Remediation of the land site is still continuing with this work expected to be completed in October 2010. NSW Maritime's contribution to the remediation work will amount to \$21 million.

Wentworth Point maritime precinct

NSW Maritime has two sites at Homebush Bay West covering a total area of 18 hectares adjoining the Parramatta River and Homebush Bay. The area is collectively

known as Wentworth Point. It is intended to develop the area as a maritime hub for activities such as dry boat storage, boat building and repair facilities.

On 2 August 2009, NSW Maritime received the Minister for Planning's opinion that the Wentworth Point Maritime Hub at Homebush Bay West was considered a major project under Part 3A of the *Environmental Planning and Assessment Act, 1979*. The advice authorised a concept plan to be prepared for a range of maritime, maritime-related and recreational areas.

The maritime precinct is to include wet and dry-stack storage; boat launching and berthing facilities; boat manufacture and maintenance facilities; and ancillary uses. The 18-hectare site will be offered as a long-term lease to a developer, chosen as a result of a Request for Proposals (RFP) process, to construct and manage the maritime precinct. The project is expected to cost \$200 million and create 500 jobs.

NSW Maritime has prepared a development concept with a maritime precinct on the Burroway Rd site (eastern site) and on the Hill Rd site (western site).

Sydney Cove Infrastructure, Usage and Public Improvement Plan

Work commenced in December 2008 on the preparation of an Infrastructure, Usage and Public Improvement Plan for Sydney Cove to cover the maritime precinct from Walsh Bay to the Man o' War Steps. The purpose of the project is to create both a strategic

plan and development timetable for future maritime infrastructure suitable for the various craft that berth at Sydney Cove and surrounds under NSW Maritime jurisdiction, and to outline a public improvement concept plan that would improve signage, display of maritime/historic information, general and disabled access, functionality and other enhancement. A feature of the plan's development has been significant stakeholder consultation with both government agencies and the private sector. The plan is near completion and expected to be exhibited by December 2010.

Newcastle South Arm dredging

NSW Maritime, as owner of the bed of Newcastle harbour, is the proponent for the proposal to extend the shipping channels in the port. This permits the expansion of coal export wharves and facilitates future development of the former BHP steelworks site.

The Minister for Planning granted, subject to conditions, development consent for the project in 2005. This provided a framework for dredging to be carried out in stages from the existing port area westward along the South Arm of the Hunter River to Tourle Street Bridge by those developing new coal export facilities.

During the year a new \$1 billion coal export terminal on Kooragang Island, with a capacity of 30 million tonnes per annum, was completed by Newcastle Coal Infrastructure Group (NCIG).

This included the construction of two wharves for berthing coal ships with one ship loader and associated conveyor network. NCIG dredged a temporary shipping channel to permit access to its coal loader berths. NCIG is now planning to proceed to Stage Two, terminal construction. To control dredging activity by NCIG in the South Arm of the Hunter River, NSW Maritime issued a dredging licence to NCIG which contained strict environmental monitoring requirements.

BHP Billiton (BHPB) has responsibility and liability for the remediation of an area of contaminated sediments on the bed of the Hunter River South Arm, adjacent to the former BHP Steelworks site at Mayfield North. The area has been declared a remediation site under the *Contaminated Land Management Act 1997*. BHPB has undertaken extensive investigations and identified the location and type of contaminants in the river sediments.

During the year, BHPB completed the dredging of identified contaminated sediment from the least contaminated zone (Secondary Remediation Zone). Full scale dredging, treatment, transport and emplacement of contaminated sediments from the area of high levels of contamination (primary remediation zone) were scheduled to commence in mid-August 2010.

An estimated 500,000 cubic metres of contaminated material will be dredged from the Primary Remediation Zone and treated on the former Newcastle steelworks site at Mayfield.

CASE STUDY CIRCULAR QUAY

Impact Protectors for Circular Quay Wharves

Following a risk assessment of vessel collisions, NSW Maritime initiated a program to provide additional impact barrier protection at the northern ends of all Circular Quay wharves to improve commuter safety. A \$5.6 million contract was awarded to Waterway Constructions Pty Ltd with construction work completed in July 2010.

Circular Quay Western Promenade Deck Replacement

The Western Promenade consists of a concrete deck supported by steel piles. Major works involving the replacement of this deck have been undertaken progressively since 2006 in order to extend the life of the promenade. During the course of the year a contract was awarded to Waterway Constructions Pty Ltd for the third and final stage of these works. This third stage commenced in May 2009 and was completed in October 2009 at a cost of \$1.9 million.

The material will then be transported to Kooragang Island where it will be placed in specially engineered landfill which will prevent interactions with ground and surface waters. NSW Maritime has a dredging licence with BHPB for the full remediation exercise to ensure impacts on river users during the dredging phase will be managed. BHPB is also providing a one kilometre permanent sheet pile wall along the river edge on the Mayfield site. BHPB plans to complete all dredging in the river in 2011.

Port Waratah Coal Services (PWCS) completed dredging for the development of their new K7 berth during the year. NSW Maritime was able to facilitate this by amending the NCIG dredging licence as NCIG was contracted by PWCS to undertake the dredging. PWCS is currently mobilising the site for wharf construction which is planned to be completed in 2011. PWCS is also planning the development of another coal terminal (T4) between the NCIG site and the Tourle Street Bridge.

The success and timing of the dredging work relies heavily on the co-ordination of the three companies requiring dredging to be undertaken. NSW Maritime has a facilitation role as both landowner and proponent for the dredging. This role has been managed by negotiating dredging licences with NCIG and BHPB which are drafted to ensure projects are carried out in accordance with government approvals and environmental laws. Material dredged from the river and dumped at sea does not contain defined contaminated material.

Newcastle tug berths

NSW Maritime owned four tug berths located on Wharf Rd, Newcastle that were no longer suitable for port purposes. Tug Berths 1, 2, and 3 had no identified value to NSW Maritime and were in a state of disrepair.

Following a tender process, Australian Wharf and Bridge (AWB) was selected as the contractor to demolish tug berths 1, 2, and 3. Tug Berth 4 has been retained as it has some potential value as a future development site.

Stockton Boat Harbour

For some 50 years the Stockton Boat Harbour has provided berthing for small scale commercial fishermen and some recreational boaters. However, due its age and *ad hoc* evolution, it comprises non-compliant and dangerous structures. To address these issues, NSW Maritime has undertaken a number of activities over the year including:

- Consultation with boat owners (including the Prawners Club), Newcastle City Council and private sector interests who have all indicated support, in principle, for upgrading and developing the facility
- Commissioning and completing a Berth Demand Study and Concept Design Report which includes a number of options catering for different berth numbers and associated site layouts, providing flexibility for staged development of a future commercial marina and marine precinct.

A number of models are being investigated to establish whether the development is feasible.

Port Kembla Outer Harbour land use

A Port Kembla Outer Harbour Land Use Study was completed in December 2009 to investigate possible recreational and

commercial maritime precinct opportunities for two portions of land either side of the Outer Harbour port development being carried out by the Port Kembla Port Corporation. The study suggested there was sufficient demand to provide additional wet berths, dry storage and maintenance facilities, particularly on the eastern portion. The outcomes have been discussed with the Port Kembla Port User Council and a request for proposals will be prepared.

Eden

The cargo storage area on the southern shore of Twofold Bay was built in conjunction with the multi-purpose berth to store cargo, prior to export. With the increase in trade through the wharf to approximately 300,000 tonnes per annum of softwood logs from Bombala, it was necessary to undertake the development of the second stage of the cargo storage area. A contract for Stage Two works was awarded in May 2009 to a Bega company, Specialised Earthworks Pty Ltd, with the works comprising an all-weather surface to a four hectare area and additional stormwater management controls to reduce sediment runoff from the site. The work was completed in January 2010 at a cost of approximately \$1.7 million.



McLeans Beach boat ramp, completed in November 2009 by Deniliquin Shire Council with 50 per cent funding from NSW Maritime's Better Boating Program.

CASE STUDY

REDEVELOPMENT OF BLACKWATTLE BAY

One of the major objectives of NSW Maritime is to encourage and promote maritime precinct developments which meet community expectations and help create maritime jobs. The development of the Blackwattle Bay maritime precinct is a good example.

The precinct is located at the southern end of Blackwattle Bay between the Sydney Fish Market to the east and Blackwattle Secondary College to the west. It was the site of commercial wharf activity, all of which had ceased by 1990 except for the import of concrete aggregate which continues today.

The first step was to ensure the precinct was zoned for Waterfront Use within the City West Regional Environmental Plan. The next step was to prepare a master plan which outlined the preferred maritime-related land uses for the precinct. These included a permanent base for Sydney's charter vessel fleet and other maritime users, as well as maritime-related retail and commercial development at the former coal bunker wharf. Following consultation with the local community, the master plan provided for public foreshore access, sustainable design, historical recognition, landscaping and maintenance of views.

NSW Maritime sought the redevelopment of the precinct at the end of 2008 through a Request for Proposals process. Eight companies responded and after the proposals were assessed, the successful proponent Blackwattle Bay Marina Pty Ltd was selected in July 2009 to enter into negotiations for an Agreement to Lease. This agreement was signed in May 2010.

A Development Application to the Minister for Planning will be placed on public exhibition during 2011, allowing further stakeholder and community input into the final proposal. The redevelopment is due to commence operations by the end of 2014. The proposal will encompass all of the vision of the master plan and will result in a revitalised maritime and public precinct adjacent to the Fish Market precinct and close to the CBD.



An artist's impression of how the Blackwattle Bay redevelopment could look.

Asset and property management

Commuter wharves

The aim of this program is to ensure all commuter wharves in Sydney Harbour, and in particular the Circular Quay wharves, are upgraded by 2022. The main objectives of the program are as follows:

- Create a functional and distinctive design to unify and identify commuter wharves
- Upgrade facilities to be practical, robust and fit-for-purpose
- Introduce economies of scale with unification and a "kit-of-parts" approach
- Improve efficiencies and upgrade facilities to meet increasing commuter needs and expectations
- Incorporate current disabled access standards into wharf designs.

An \$82 million contract, to construct the first package of works comprising 12 wharves, was awarded to Hansen Yuncken Pty Ltd. Construction commenced in June

2010, starting with Milsons Point wharf, at an estimated cost of \$4.6 million. The next wharves planned to be upgraded are at Rose Bay, Neutral Bay and Cremorne Point.

Wharf 6 Circular Quay ticket booths

New ticket booths are proposed on the promenade to accommodate up to four operators. These would replace the current temporary booths. A review of environmental factors was completed in January 2010 and design and construct tenders will be called once negotiations with the Sydney Harbour Foreshore Authority have been concluded.

Wharf signage

In July 2009, NSW Maritime awarded a contract to Stainless Metal Craft (Aust) Pty Ltd to supply cabinets to be incorporated into a Ferry Operations and Customer Information System (FOCIS) to be implemented by Sydney Ferries

Corporation (Sydney Ferries) on commuter wharves in Sydney Harbour. FOCIS aims to ensure commuters are provided with real-time information of any changes or delays to ferry services. Cabinets were subsequently installed by NSW Maritime under a separate contract. The total cost to supply and install the cabinets amounted to \$340,000 with work being completed in January 2010.

In March 2010, NSW Maritime awarded a \$250,000 contract to Signcraft Pty Ltd to supply signage for commuter and charter vessel wharves in Sydney Harbour with the aim to provide uniform signage and establish consistent branding for NSW Maritime assets. In addition, the signage will clearly identify each wharf and allow timetables and other information to be attached by ferry operators. A separate contract for installation of signage is to be awarded, with installation expected to be completed during 2010-2011.

Wharf safety audit

Under the *Marine Safety Act 1998*, NSW Maritime has responsibility to undertake inspections of public ferry wharves and monitor wharf safety.

A public ferry wharf is a wharf or associated facilities used for the purposes of public passenger services provided by ferries. This includes commuter wharves, such as Sydney Harbour ferry wharves, and wharves used by smaller commercial operators such as charter or dive vessels in regional NSW. About 240 public wharves fit this description state-wide.

During 2009-2010, a total of 50 wharf safety inspections were completed comprising 20 commuter/charter wharves in Sydney Harbour and 30 wharves in regional areas. Non-compliance issues are progressively being addressed with owners. No formal Improvement Notices were issued in the current year.

In early 2010, Manly Fast Ferries announced that a new ferry service would operate from the Manly Pier Hotel jetty to Circular Quay from April 2010. The Manly Pier Hotel jetty comprises a timber jetty with fixed landings which was not previously used for scheduled commuter services and not defined as a public ferry wharf. NSW Maritime completed a number of inspections and issued notices to the owner regarding necessary upgrade works prior to the commencement of the commuter service. Works included engineering advice, maintenance of sub-structure and decking, and provision of lighting, lifebuoys and anti-slip treatment.

Charter wharf upgrade and maintenance

This program ensures the safety and integrity of wharf structures maintained by NSW Maritime. With a budget of \$4.4 million for 2009-2010, the program involved regular monthly inspections and maintenance of over one hundred maritime structures in Sydney, Newcastle and Port Kembla Harbours and, in particular, commuter and charter vessel wharves critical to Sydney's transport infrastructure.

Typical maintenance works included the repair or replacement of major wharf elements including shelters, decking, piling, ramps and stairs. Significant works included sub-structure repairs at Circular Quay wharves 2 and 6 together with mini-upgrades at Jeffreys Street, McMahons Point, Mosman Bay, Taronga, Hunters Hill, Old Cremorne, Cabarita and Mosman South wharves.

During the course of the year, new maintenance contracts were awarded to Waterway Constructions Pty Ltd, Sydney Marina Contracting Pty Ltd and Wormald.

Survey and spatial information

Hydrographic survey work

During the 2009-2010 financial year, NSW Maritime hydrographic surveyors completed numerous surveys for dredging, port bed clearance and monitoring purposes. Significant pre- and post-dredging surveys were completed at: Yamba, for a 30,000 cubic metre dredging of the Clarence River; Swansea Channel; and the Brisbane Water entrance channel.

An intensive hydrographic survey was completed in the Parramatta River at Camellia in January and February 2010. This survey was in support of an investigation into the reported grounding of a Sydney ferry at the time of a spring low tide.

Cadastral survey work

The high level of demand for our review of cadastral surveys and endorsement of mean high water mark and former mean high water mark boundaries continued in 2009-2010. Typically the purpose of these plans is for the subdivision, consolidation and redefinition of harbour foreshore lands. Further, we examined and approved numerous subdivisions of NSW Maritime land for the long-term lease of privately owned marine structures such as boathouses, jetties, ramps, pontoons, ramps, skids and piles associated with casual and permanent vessel moorings.

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

Boating maps

NSW Maritime's boating map series continued to be revised and enhanced. During 2009-2010, 10 maps were updated and reissued. These boating maps are printed on waterproof stock, provided at low cost through the network of service centres, and can be ordered online.

Maritime Trade Towers

NSW Maritime owns the Maritime Trade Towers at 201-207 Kent Street. The Authority occupies Levels 5, 6 and 11 at 207 Kent Street.

As at 30 June 2010, the building occupancy rate was 99 per cent with the small 293 square meter vacancy on Level 23 being marketed for lease.

The Maritime Trade Towers, due to its Smart Metering energy monitoring equipment, currently purchases eight per cent green energy to maintain its four star National Australian Built Environmental Rating System. The result equates to an improvement of approximately 33 per cent over the last assessment. Reporting on energy and water consumption enables the building management to closely monitor usage and reduce costs.

The Maritime Trade Towers also has an active waste reduction and recycling program. During the year, recycling of 68 per cent was achieved, an improvement of three per cent over last year.

Domestic lease roll-out

The program for the issue of some 1500 domestic leases around Sydney Harbour continued during 2009-2010. Lessees are being offered the opportunity of 20-year leases. Approximately 500 new leases have been issued.

Commercial leasing

As part of the administration of NSW Maritime's property portfolio, the Commercial Property Branch also manages approximately 385 commercial and 245 community leases or licences.

The Commercial Lease Policy, which was introduced on 1 January 2008, continues to improve business certainty and encourage new investment in marine infrastructure, while ensuring a fair return to taxpayers for the lease of public land.

In conjunction with the Commercial Lease Policy, the Commercial Marina Rents Procedure was introduced in July 2009, following extensive consultation with stakeholders. The principle aim of the procedure is to enable lessees to fully understand how rents will be determined, in order to create an environment of certainty and encourage new investment.

NSW Maritime has further developed template tenure agreements for common maritime related occupations, which are constantly being reviewed to assist lessees and proponents.

Community leases

NSW Maritime administers community leases via the Commercial Lease Policy, 2009. Community leases cover facilities provided by local councils and amateur clubs (eg rowing and fishing clubs, Scouts and Guides) such as public boat ramps, swimming enclosures and wharves.

NSW Maritime is an active partner with the Office of Film and Television. Fourteen agreements for filming locations were issued during the year, supporting a range of film and television productions.

MAPS

NSW Maritime continued the development work on the Maritime Property and Assets system (MAPS) in 2009-2010. Over the past year the planning and executive reporting modules were completed. The domestic and commercial property modules are expected to be finalised in early 2010-2011.



Acting Principal Solicitor, Property and Planning, Frank Krstic, and Chona Davidson, Solicitor, Property and Planning discuss the roll-out of some 1500 domestic leases.

Vessel fleet services contract

State-wide maintenance of the patrol boat, trailer and outboard engine fleet is performed under the Vessel Services Contract. Also included in the contract are outboard engine procurement and vessel refurbishment. The contract is tendered and is currently held by Buxton Marine. During the year the contract covered:

- 107 vessels and 103 trailers maintained under contract
- A total of 1378 work notifications issued for routine engine service and corrective maintenance tasks, totalling \$712,000.

Infrastructure programs

Better Boating Program

From July 2009, NSW Maritime grants for recreational boating infrastructure were consolidated under one banner – the Better Boating Program (BBP). From that time, funding for the BBP increased to \$25 million over five years. This represented an increase of \$2 million a year compared with previous funding arrangements.

The BBP provides grant funding opportunities across three categories:

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

Projects funded include the provision of public wharves/jetties, boat ramps, public sewage pumpout facilities, public moorings and related feasibility studies.

Since 1998, the State Government has provided more than \$25 million in grants supporting more than 470 projects across regional NSW for recreational boaters and their families.

Better Boating Program – Sydney Harbour boat ramps

The upgrade of boat ramp facilities in Sydney Harbour has been restricted in the past due to limited availability of foreshore land for significant boat ramp upgrades or new facilities.

Nine boat ramp projects were awarded full funding grants to the value of \$2.4 million.

Better Boating Program - regional infrastructure

The BBP – Regional Infrastructure provides grants that are allocated on a 50:50 partnership basis with funding shared by NSW Maritime and local councils, other State agencies, and boating and community groups. Vessel registration fees contribute to the funding of the program.

Projects are submitted by land owners, usually local councils, as part of the annual call for applications. NSW Maritime works in conjunction with councils during the year, as part of River and Estuary Management Committees or through Boating Management Plans, to identify opportunities and issues on particular waterways, including improvement to boating facilities.

In 2009-2010, a total of 77 applications for Regional Infrastructure grants were received, which resulted in 57 grants totalling \$2.9 million being offered.

Sharing Sydney Harbour Access Program (SSHAP)

The past year was the seventh year of the Sharing Sydney Harbour Access Program (SSHAP) for grants in Sydney Harbour. SSHAP is administered through the Department of Planning with funding and technical assistance provided by NSW Maritime. The objective of the SSHAP is to improve public access to, and along the foreshore of, Sydney Harbour.

Eight grants were offered through SSHAP in 2009-2010, totalling \$218,810.

SSHAP was originally designed as a five-year program, and in 2007-2008 all stakeholders, including NSW Maritime, the Department of Planning and the Sydney Harbour Foreshore Authority, committed to continuing the program for a further five years until 2013.

Aids to navigation (AtoN)

Under NSW Maritime's Total Asset Management (TAM) Strategy and due to operational requirements the number of aids to navigation upgraded/replaced are as follows:

- 310 lights converted/upgraded to LED technology
- 81 PVC markers replaced aged steel pipe markers
- 58 aqua-buoys were upgraded to replace old aqua marks and some steel pipe markers
- 163 plastic buoys to replace aged/damaged buoys and new floating assets
- 25 public/courtesy moorings upgraded
- Nine aged timber piles replaced with solid plastic, steel and timber piles.

Major capital works included:

- Installation of 71 buoys with synchronised lights in Lake Mulwala (\$179,520)
- Upgrade of AtoN at various waterways of Murray Region (\$15,517)
- Replacement AtoN in Shoalhaven River and Burrill Lake (\$29,393)
- Upgrade of leads at Moruya, Ulladulla and Bermagui River (\$45,104)
- Replacement/upgrade of AtoN in various waterways of South Coast (\$109,229)
- Installation of new seagrass buoys in Brooklyn (\$8,875)
- Replacement of various AtoN in Brisbane Water (\$18,555)
- Upgrade of AtoN in various waterways of Hawkesbury Region (\$25,413)
- Installation of 28 synchronised lights in Port Hacking (\$24,913)
- Replacement of various AtoN in Sydney Region (\$92,257)
- Replacement/upgrade of AtoN in various waterways of North Coast (\$201,243) including nine synchronised lights in Port Macquarie
- Replacement/upgrade of AtoN in various waterways of Hunter Inland (\$77,311)
- Replacement/upgrade of AtoN in Port of Yamba, Eden and Lord Howe Island (\$14,976).

A total of 450 breakdowns notifications were issued – 55 per cent lit aids and 45 per cent unlit aids. This was a decrease of 38 per cent from 2008-2009 figures. The total number of breakdown represents 11 per cent of the total AtoN population, which is currently 3354. The decrease in breakdowns is attributed to less flood damage.

Other major causes of failure were attributed to damage – 16 per cent, vandalism – 5 per cent, false alarm –

10 per cent, and missing/off station – 9 per cent. The AtoN maintenance contractor achieved 100 per cent compliance rating for meeting key contract performance targets.

State-wide planning

Boat storage study

A study report, entitled "NSW Boat Ownership and Storage: Growth Forecasts to 2026", was commissioned by NSW Maritime and completed in 2009-2010.

Using predictive models based on population growth and historic trends, the report forecasts that the number of registered vessels will be between 334,000 and 351,000 by 2026, an increase of between 55 per cent and 63 per cent. The report also projects likely trends in vessel size as well as on and off water storage needs, predicting a significant growth in demand for both.

These predictions have implications for moorings, marina berths, dry storage facilities and the provision of public maritime infrastructure such as boat ramps. For this reason, in 2010-2011, NSW Maritime will be forwarding a copy of the study to all local councils. The study will assist local government to plan for the predicted increased demand for boat storage facilities.

Crossings code

Electricity crossing are a significant risk to boaters. Anchors can snag on submerged cables, and masts can hit overhead power lines crossing rivers. NSW Maritime, Industry and Investment NSW and the electricity network operators developed a code for crossings of navigable waters by overhead and submarine electrical cables. This code was designed to help minimise the risk of electrocution of people boating in areas where cables cross waterways. At particular risk were people in sailing craft with tall masts.

By 31 December 2008 the network operators were required to have adopted the code in their safety plans. In March 2009 Australian Standard AS 6947-2009 Crossing of Waterways by Electricity Infrastructure was published. While the Australian Standard is based on the NSW code, it confines itself largely to

requirements for new crossings whereas the NSW code incorporates requirements for both new and existing crossings.

During 2009-2010, NSW Maritime worked closely with Industry and Investment NSW and the network operators to ensure the smooth operation of the NSW code and commenced a review of the code. The review aims to remove any material which duplicates the Australian Standard. The ultimate aim is to principally rely on the Australian Standard with the NSW code being a complementary document which incorporates additional local requirements.

Additionally, NSW Maritime engaged the Internal Audit Bureau to conduct regular, independent audits which aim to ensure the code is being implemented properly in NSW. The first audit is currently underway.

Sydney Harbour planning

Review Of Sydney Regional Environmental Plan

This plan, also known as the 'Harbour REP', covers all the waterways of the Harbour, its foreshores and the greater catchment. It was established in 2005 by the Department of Planning to set out

the strategic principles and assessment criteria for development on the Harbour and surrounds. It is now a deemed State Environmental Planning Policy (SEPP).

As consent authority for much of the development which takes place on the Harbour, NSW Maritime has found that many of the provisions within the Harbour REP are now redundant or no longer suit the purpose. To help address this issue, NSW Maritime conducted an internal review of the Harbour REP in 2009-2010. This review broadly identified opportunities to streamline process and was intended to help inform the Department of Planning's formal review of the instrument.

Following our review, the Department of Planning has indicated their intention to release a discussion paper on the Harbour REP later in 2010.

Development on NSW Maritime land

Permission to Lodge a Development Application

The bed of Sydney Harbour, Botany Bay, Newcastle Harbour and Port Kembla Harbour is vested in NSW Maritime as publicly-owned land. NSW Maritime also owns parcels of reclaimed land, dry land

and intertidal land in selected locations.

The *Environmental Planning and Assessment Act 1979* prescribes that the consent of the landowner is required in order to lodge a planning application. In order to ensure consistency and transparency in development on our land, NSW Maritime requires that a formal 'Permission to Lodge' (PTL) application be made to obtain our consent to lodge a planning application.

In 2009-2010, NSW Maritime determined 114 PTL applications, taking an average of 61 days to make a determination.

Applications for development on NSW Maritime land

NSW Maritime is the consent authority under the Sydney Regional Environment Plan (Sydney Harbour Catchment) 2005 for water-based development on Sydney Harbour. Water-based development includes structures such as jetties, wharves, boat lifts, slipways, pontoons, mooring pens and the like.

In 2009-2010, NSW Maritime determined a total of 30 development applications, which represents a decrease of 28.6 per cent on the previous year.

CASE STUDY

BETTER BOATING PROGRAM

The Better Boating Program (BBP) is a State Government grants program aimed at providing waterways infrastructure for the benefit of the boating community and the marine sector on NSW waterways.

The BBP provides individual grant contributions to proponents such as local government, State agencies, boating organisations and community groups for the development of public boating infrastructure.

NSW Maritime utilises revenue raised from registration and licence fees to fund its contributions to the grants program. Under the BBP, up to \$5 million is available annually from July 2009 for five years, to assist in the funding of approved projects.

A key objective of the BBP is to deliver improved recreational boat ramps in Sydney Harbour. In 2009-2010, a number of significant Sydney Harbour projects were completed, including:

- **Taplin Park Boat Ramp and Pontoon, Drummoyne** – Full funding support of \$342,000 for the extension of the existing boat ramp and the installation of a new modular on-ramp pontoon
- **Tunks Park Boat Ramp and Pontoon, Cammeray** – Full funding support of \$385,200 for the installation of a new floating pontoon and gangway providing disabled access and an on-ramp modular connection to the boat ramp
- **Wharf Road Boating Facilities Improvements, Ermington** – Full funding support of \$623,803 for the widening and extension of the existing boat ramp, a new floating pontoon with connection to the boat ramp, access improvements to enhance traffic flow and a formalised car/trailer parking area.

The BBP will continue to deliver great results for the boating public of NSW through new and improved boating facilities and greater access to recreational areas statewide.



4

KEY RESULTS

Safe and Competitive Ports



Regional port update

Port of Eden trade report

The Port of Eden is the southern-most declared port in NSW, servicing the south coast of NSW and eastern Victoria. The port has significant capacity to meet the needs of a variety of importers and exporters, and is also home to a large fishing fleet.

In 2009-2010, the Port of Eden recorded total trade of 1,128,106 mass tonnes, a 5.9 per cent decrease on the previous year. Hard woodchip and softwood log exports continued to represent the major commodity traded. Total trade from general cargo vessels and offshore support vessels in 2009-2010 was minor at 577 mass tonnes or 0.05 per cent of the total trade. Trading ship visits increased from 69 in 2008-2009 to 75 in 2009-2010 and there were 36 visits by Royal Australian Navy vessels.

A total of 228,365 mass tonnes of logs were exported during the year, which is a 21 per cent decrease on 2008-2009. This decrease was due to a decline in demand for logs in the South East Asian region.

Port of Yamba trade report

The Port of Yamba is Australia's eastern-most sea port and is located at the mouth of the Clarence River in northern NSW. The port serves the Northern Rivers district including the towns of Grafton, Maclean, Ballina, Lismore, Casino and Coffs Harbour. It is also the home port of a prawning and fishing fleet, and handles a range of imports and exports.

The Port of Yamba services the general cargo trade to Norfolk Island, New Zealand and the Pacific Islands. The port also serviced Lord Howe Island until October 2009 when operations were moved to Port Macquarie.

In 2009-2010, trade through the port decreased by 52 per cent to 7711 mass tonnes following the transfer of Lord Howe Island trade to Port Macquarie. The major commodities traded included timber

products, miscellaneous manufactured articles and petroleum products. There were 27 vessel visits during the year.

Other port matters

Maritime/port security

NSW Maritime has installed an upgraded security system in the port of Yamba. The upgrade links the existing security systems at Goodwood Island and the pilot station to allow constant monitoring of NSW Maritime assets from either location.

The Maritime Security Plan for the Port of Eden is under review to meet regulatory requirements. Changes will reflect the current and predicted future operational security needs of the Port, including recent changes to the area covered by the Maritime Security Plan within Twofold Bay. The Maritime Security Plan, once reviewed, will be lodged with the Commonwealth Department of Infrastructure, Transport, Regional Development and Local Government for approval.

Drills and exercises in Eden and Yamba were carried out to test the security preparedness of the ports as required by the *Maritime Transport and Offshore Facilities Security Act 2003*.

NSW Maritime continues to be represented on the Sydney/Port Botany, Newcastle and Port Kembla port security committees, and on the related committees for Circular Quay, Manly wharf and King Street wharf. NSW Maritime is also represented on the Port Security Working Group of Ports Australia. These committees and the working group met regularly during the year.

Port Safety Operating Licences and operating standards

NSW Maritime is responsible for administering the Port Safety Operating Licences (PSOL) issued to each of the port corporations (Newcastle, Port Kembla and Sydney).

The PSOL issued to each port corporation under the *Ports and Maritime Administration Act 1995* (the Act) contains performance

standards for safety, provision of navigation aids, environment protection, investigation of incidents and other functions. Under section 15(2) of the Act, the Minister may renew a PSOL and initiate a review process as required.

PSOL regulatory arrangements have been in place since 1995 and current PSOL were issued to the three port corporations in December 2006 for a period of five years.

The Port Corporations' PSOL audits were carried out as follows:

- Newcastle Port Corporation in December 2009 and June 2010
- Port Kembla Port Corporation in September 2009
- Sydney Port Corporation in August 2009.

All port corporations were compliant with the conditions in their respective PSOL with no notable findings to record for correction or improvements identified during the audits.

NSW Maritime is in the process of developing a revised licencing model following a review of PSOL regulatory arrangements. The revised model is expected to be developed in 2010-2011 for consideration by the Minister and the port corporations.

NSW Maritime has also developed, and is in the process of implementing, a Port Safety Operating System for the regional ports of Eden and Yamba. The system is based on a similar structure and content to the PSOL for the port corporations. During the first half of 2010-2011, baseline audits were undertaken to inform priority areas that may require attention ahead of full implementation and future audits.

Response to Pasha Bulker report

During the reporting period all the recommendations from the report on the response to the *Pasha Bulker* incident of a non-ongoing nature were completed. The *Pasha Bulker* grounded during a storm on Nobbys Beach at Newcastle on 8 June 2007 and was refloated on 2 July 2007.

CASE STUDY

PILOTAGE REGULATIONS

A working group led by NSW Maritime has reviewed NSW legislation relating to marine pilotage requirements. The group comprised representatives from NSW Maritime, the NSW port corporations and NSW marine pilots. The group found that changes to the legislation were required.

NSW Maritime has subsequently prepared a *Marine Safety (General) Amendment (Pilotage) Regulation 2010* which includes the introduction of a new *Marine Pilotage Code* and a new *Standard for Health Assessment for Marine Pilots (NSW)*. The proposed amendment will be released for public consultation in 2010-2011.

Port planning and policy

Implementation of Port Botany landside reforms

In 2006, the State Government convened the Port Botany Logistics Taskforce. The taskforce, comprising industry and government representatives, provides advice to government on issues in the land transport logistics chain at Port Botany. Since its formation in 2006, the taskforce has met nine times. The last meeting was in August 2009.

In 2008, the Independent Pricing and Regulation Tribunal (IPART) released a report with 18 recommendations to improve the efficiency of landside operations at Port Botany. In response to the IPART report, the State Government determined a series of actions known commonly as the Port Botany Landside Improvement Strategy (PBLIS).

Implementation of the PBLIS involved a two-phased approach. Phase One focused on all parties voluntarily agreeing and implementing initiatives to improve efficiency of the landside supply chain. Phase Two would only be required if landside improvements could not be implemented voluntarily and would involve regulating industry to conform to access and performance standards.

During 2009-2010, despite significant efforts with the stevedores, agreement to voluntarily implement the required improvement measures under Phase One of the PBLIS could not be achieved.

In April 2010, the Minister for Ports and Waterways responded by announcing Phase Two of the PBLIS and the preparation of new regulations under the *Ports and Maritime Administration Act 1995*. The new regulations, due to commence in 2010-2011, will aim to increase land supply chain efficiencies by introducing mandatory performance standards that include direct penalty payments between the stevedores and road carriers. The regulations will also provide the Minister for Ports and Waterways with the power to regulate charges for rail servicing.

Commencement of Hunter Valley coal chain

The Hunter Coal Export Framework, which was brokered by the NSW Government in early 2009, is the Hunter Valley coal industry's agreement for a long-term solution for providing access to, and expansion of, the coal loading terminals. With the support of all the Hunter Valley coal producers, and following the Australian Competition and Consumer Commission's final determination on the matter, the Hunter Coal Export Framework commenced on 1 January 2010. Throughout the development process, NSW Maritime played a key role in the drafting of legislation to enable the continuation of a capacity balancing system at the port and allow time for negotiations on the framework to conclude.

Representation on national forums

Australian Maritime Group

NSW Maritime represents NSW on the Australian Maritime Group (AMG), which is a subcommittee of the Standing Committee on Transport. The AMG is an inter-governmental group that brings together the peak maritime organisations at State and national levels to discuss major issues of the maritime sector.

The AMG's key objectives are to:

- Develop advice and deliver agreed outcomes on national maritime safety reforms and standards
- Address other maritime issues of national importance including maritime sector productivity and maritime related environmental concerns.

During the year the AMG:

- Progressed the proposed national approach to maritime safety regulation
- Contributed to the development of a National Standard on "Competencies for a Trainee Marine Pilot"
- Held a forum with industry stakeholders to:
 - share knowledge on, and provide input to, national policy initiatives such as the national approach to maritime safety legislation and the emissions trading scheme
 - share knowledge on maritime trends/issues
 - inform industry stakeholders of AMG progress/activities
 - fine tune the AMG's work plan through industry feedback/comment.



Maritime's Eden Harbour Master Josephine Clark oversees port safety in Twofold Bay, South Coast.

National Marine Safety Committee

NSW Maritime represents NSW on the National Marine Safety Committee (NMSC), a national intergovernmental committee which seeks to promote national vessel standards supported by policy research, a national data base and safety education.

In 2009-2010, the NMSC's key achievements included:

- Introduction of the National Standard for Commercial Vessels on Fast Craft (NSCV F1)
- Publishing of the National Assessment of Boating Fatalities in Australia; the PFD Wearing Report; the Commercial Vessels Incidents in Australia 2005-2008 Report; and the National Recreational Boating Usage Study
- Signing of an agreement with Lloyds Register supporting the NSCV C3 – Construction under which the use of Lloyds Rules is recognised as a deemed-to-satisfy solution

- Approval of the National Standard for Competencies for Trainee Marine Pilots
- Ongoing commitment to the Australian and New Zealand Safe Boating Education Group.

National Plan Management Committee

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

Management of the National Plan is overseen by the National Plan Management Committee (NPMC) which provides high level advice to the Australian Transport Council on the strategic, policy and funding aspects of the National Plan. The NPMC is supported by the National Plan Operations Group (NPOG) which provides advice on the operational aspects of the National Plan.

NSW Maritime represents the State on both NPMC and NPOG, plus a number of working groups. The NPMC met once during the year with major items addressed including the 10-yearly review of the National Plan, involving a review of the national capability, risk assessments and emergency vessel towage capability. The committee also endorsed the training strategy for the introduction of formal accredited training at a national level and noted the recent responses and reports associated with the Montara wellhead platform spill and the *Shen Neng 1* grounding.

NPOG met twice during the year along with a number of working groups.

5

KEY RESULTS

Community Involvement



Advisory groups

Maritime Ministerial Advisory Council

The Maritime Ministerial Advisory Council met quarterly to provide advice, expertise and a strategic perspective on maritime issues to the Minister for Ports and Waterways.

The role of the Council is to advise the Minister on strategic matters concerning the promotion of boating and other waterways based activities, waterways safety, environment, navigation, regulation, infrastructure, amenity issues and the development of the maritime industry in NSW.

Over the last year the Council provided advice from a key stakeholder perspective on a wide range of issues. These included policy development in relation to lifejacket reform, the establishment of Marine Rescue NSW, boat storage, mooring and leasing policies and NSW Maritime's communication strategies.

Commercial Vessels Advisory Group (CVAG)

CVAG has 24 members and forms a representative cross-section of the NSW commercial vessels' industry. The group provides a forum to review issues facing the industry, changes to legislation, new NSW Maritime initiatives and to examine measures that will foster a safe, responsible and competitive environment in NSW.

Meetings during the reporting period were held on 13 August 2009, 3 December 2009 and 21 April 2010. The last meeting was held in Port Macquarie to gain input from the regional commercial vessel stakeholders.

Topics discussed in the reporting period include Safety Management Systems, Boat Share, national single jurisdiction and the national approach to Maritime Safety Regulation, arrangements to support mutual recognition of maritime licences issued in the other Australian States and Territories, the USL Code 2009 and the updates to the National Standard for Commercial Vessels (NSCV).

During the reporting period members recognised the success of the initiative to form an industry consultative committee and improvements in customer service.

Recreational Vessel Advisory Group (RVAG)

RVAG, comprising representatives from the boating industry, boating associations, clubs, Marine Rescue NSW and NSW Police, met on six occasions during the year and provided advice on a range of recreational boating issues including:

- Lifejacket wear proposals and new Australian standards
- Maritime infrastructure
- Hand-held marine flares disposal
- Coroners' recommendations in fatal boating incidents
- Propeller strike incidents/safety propeller
- PWC issues/forum
- "Safe distance"
- Navigation lights
- Review of Victorian marine safety legislation
- Boating incidents
- Education/compliance campaigns
- Marine Rescue NSW.

Commercial Vessels Builders Group

The Builders Group, which consists of NSW and interstate builders, designers, consultants, surveyors and importers, met on 12 August 2009, 1 December 2009 and 20 April 2010. The last meeting was held in Port Macquarie to gain input from the regional commercial vessel stakeholders. This provides a cooperative and collaborative forum to help understand issues from different stakeholder perspectives and has proved constructive and popular amongst its members. It also forms an effective vehicle for consultation, communication and networking. During the reporting period officials from Victorian and South Australian survey agencies attended a meeting as observers, with a view to replicate such a forum in their respective States.

The topics examined included:

- new design and construction requirements under USL 2009
- cost implications of the new requirements to builders
- new lightning protection requirements
- vessels imported from Europe
- vessel length restrictions
- structural fire protection
- ISO construction rules
- Lloyds Construction Rules
- USL Code 2010
- gangway requirements
- exhaust system compliance and equivalent solutions
- the introduction of Class 4D and 4C Permits
- new vessel design compliance aids on NSW Maritime website
- single national jurisdiction
- builder's liabilities in respect to design and construction
- importer liability for design and construction where the vessel is built overseas.

Commercial Vessels Importers Group

The inaugural meeting of the Commercial Vessels Importers Group was held at NSW Maritime's Rozelle office on 28 April 2010. The importers group is a subset of the NSW Boat Builders Group and formed to specifically address the requirements of importing vessels for commercial operations in NSW waters. Sixteen members attended the meeting. Issues discussed included leisure craft standards and USL Code 2010, ISO rules and CE Certifications issues, ISO certified fuel tanks and other equivalent solutions.

CASE STUDY

RED TAPE REDUCTION INITIATIVES – COMMERCIAL VESSELS OPERATIONS

During 2009-2010, substantial changes were introduced that improve services and cut red tape for vessel builders and designers as well as those working as crew on commercial vessels.

A series of electronic design and compliance aids has been made available to industry to assist vessel designers and builders to comply with the relevant national standards for commercial vessels. Design and compliance aids are available for anchors, basic shafting, bilge systems, buoyancy, fire safety, fuel tanks, rudders and steering, and safety equipment. These aids allow builders and designers to check design compliance prior to submitting designs for approval and substantially reduce the time required for design assessment.

Applications for initial survey of a commercial vessel can now be completed online with vessel plans able to be lodged and approved electronically. This substantially reduces printing costs for builders and designers, and expedites the approval process.

NSW Maritime has continued to build on initiatives introduced last year to streamline licence requirements for commercial vessel crew, making it easier for people to work in the maritime industry in NSW.

Streamlined requirements for the revalidation of certificates of competency will benefit hundreds of applicants each year by removing the requirement to provide documentary evidence to substantiate their sea service. This will reduce red tape, making it easier for commercial vessel crew to revalidate their certificates.

It is also now easier for crew with interstate and New Zealand certificates of competency to work on commercial vessels in NSW in an equivalent capacity. Former requirements to undertake training, provide a medical certificate and complete oral examinations have been removed to reduce red tape and avoid duplication.

These reforms will assist hundreds of people each year seeking a career in the maritime industry in NSW and make it easier for commercial operators to do business while maintaining appropriate standards of public safety.



Fishing Industry Group

The group consisting of representatives from the NSW Seafood Council, the Fishing Industry Training Council, NSW Department of Primary Industries Commercial Fisheries and NSW Maritime meets twice annually and was established to provide a medium for better consultation with the commercial vessel fishing industry. The inaugural meeting took place on 11 December 2009.

The group reviews issues from fishing vessels carrying additional personnel, prescribed safety equipment and possible equivalent solutions using fishing gear, public awareness of reduced vessel manoeuvrability when fishing, protocols for boarding fishing vessels at sea to the training of General Purpose Hands for operations on commercial fishing vessels.

Community forums

Clean, safe wharf forum

This initiative arose from discussions between NSW Maritime and stakeholders following the anti-social behaviour of various groups of people, together with safety hazards created by litter from fishing activity on commuter wharves in Sydney Harbour. As a result, NSW Maritime developed a co-ordinated and consistent approach to ensure commuter wharves remain clean and safe at all times.

In June 2010, cleaning contracts with an annual budget of \$500,000 were awarded to local councils, together with one external contractor. These contracts will enable clean-ups to be organised immediately at any commuter wharf in Sydney Harbour, as necessary. Other key elements of the initiative include the following:

- Auditing of existing regulatory signage with such signage being either updated or installed as necessary to regulate fishing and other activities

- Amending legislation to increase penalties for offences in contravention of regulatory signage
- Enforcing regulations against littering and issuing infringement notices
- Developing policies to manage dangerous or anti-social behaviour in conjunction with NSW Police and Council Rangers
- Restricting or banning fishing on problem wharves, as required.

National moorings forum

In June 2008 an initial meeting of the National Moorings Forum was held in Cairns, Queensland. NSW Maritime was represented, together with representation from marine based agencies in Queensland, Victoria and Western Australia. The forum discussed a number of issues including seagrass moorings and the administration of moorings.

A follow-up meeting was hosted by Parks Victoria in Melbourne in October 2009. Representatives from NSW Maritime met with marine agencies from

ACT, Queensland, Victoria, Tasmania, South Australia, Western Australia and Northern Territory. Also attending were representatives from the National Marine Safety Committee, Standards Australia and a number of companies which manufacture seagrass friendly moorings as well as local mooring contractors.

With its specific policies and procedures relating to moorings, together with the advantage of having control over both the mooring licence and the associated registered vessel, it was apparent NSW Maritime has a more robust administration process for moorings when compared with the other States and Territories.

A further meeting has tentatively been arranged for 2011 to be hosted by Marine Safety Queensland. In the meantime delegates representing the forum from NSW Maritime and Parks Victoria were asked to attend the August 2010 National Marine Safety Committee to discuss seagrass moorings and also to open discussion on guidelines for a national standard of mooring apparatus.

Personal watercraft forum

Personal watercraft (PWC) are frequently associated with water management issues such as multiple-use conflicts, noise complaints, public safety concerns and natural resource damage.

A forum arranged by NSW Maritime was held in November 2009 at the Justice and Police Museum, Sydney to explore a range of strategic opportunities to improve public perception of PWC use in NSW.

Invitations were sent to a number of individuals and organisations and forum attendees included: the Boating Industry Association; Boat Owners' Association; Jet Ski Sydney Harbour; Prorider; Surf Life Saving Australia; NSW Police Marine Area Command; Insurance industry; Bombardier Recreational Products (distributors of SeaDoo); and NSW Maritime.

The forum was advised of the history of PWC in NSW and current education action in train including a total revamp of the Ride Smart DVD and booklet, and having Tom Carroll (former world surfboard riding champion) as the Safety Ambassador for PWC tow-surfing.

The forum discussed a range of education and compliance strategies including:

- Utilising buoys in problematic areas to segregate PWC operators
- Revamp of the Ride Smart behaviour label
- Holding a 'PWC Industry Day' conducted under an Aquatic Licence
- Introduction of 'anti-social' legislation
- Conveyance of boating safety education to the second-hand PWC market
- Introduction of a compulsory PWC training course
- Signage at boat ramps
- Utilising cameras showing live action in 'hot spots'
- Industry hiring a Boating Safety Officer for increased presence at certain locations.

NSW Maritime is working with industry investigating the above strategies and revising current PWC educational material.

A follow-up forum is anticipated to take place in 2010-2011.

Other community involvement

Customer response – Info Line

NSW Maritime's Customer Service Infoline provides an important link to the public and received a total of 93,251 calls during the year. This represents an increase of 2,112 on last year. Of the calls received, 303 (0.3 per cent) were complaints about boating.

A comparison of complaints is shown in the table below.

	Complaints Last Year	Complaints This Year
Personal Watercraft	40	51
General on-water	187	252

The general on-water complaints (252) registered an increase of 34.8 per cent and the personal watercraft (PWC) complaints (51) registered an increase of 27.5 per cent. These figures reflect an upward trend with both the general on-water and PWC complaints and this may be attributable

to changes in NSW Maritime's customer feedback reporting system.

Of the 51 PWC complaints, 38 (or 74 per cent) were related to distance-off requirements and excessive speed.

The majority of the 252 general on-water complaints related to safety, speed or noise from vessels.

Infoline is operated seven days a week and allows Maritime to respond to complaints and on-water issues in a bid to support a culture of safe and responsible boating statewide. This service provides people with the option to not only leave feedback but to seek boating information, pay renewals and purchase boating maps.

Provision of selected maritime services at RTA and GAC

All Road and Traffic Authority motor registries and Government Access Centres continue to provide selected maritime services including boat licence knowledge tests and receiving payment for boat licences, moorings and vessel registrations.

Some 24,000 renewal transactions and close to 2000 licence tests were conducted at these centres during the financial year.

2009 Sydney International Boatshow

NSW Maritime once again formed a partnership with the Boating Industry Association of NSW to promote boating safety at the Sydney International Boat Show. The foundation of the partnership is the promotion of a safety culture. The show attracted almost 72,000 people and NSW Maritime promoted the "You're the Skipper – You're Responsible" campaign. NSW Maritime had a large stand in Hall 5 and provided gratis floor space to the newly formed volunteer group Marine Rescue NSW.

To further promote a culture of safety, NSW Maritime expanded the number of partners on the stand to present a coordinated, single point of contact for all major maritime safety organisations in one location and included: Australian Maritime Safety Authority, Australian Hydrographic Office, Marine Rescue NSW, and the Westpac Life Saver Rescue Helicopter Service.

CASE STUDY

PARTNERSHIPS – MARINE TEACHERS

NSW Maritime provides a Partnership Program designed to maintain and develop stakeholder relations to help promote a culture of safe and responsible boating in NSW. This program has assisted Maritime build a stronger relationship with the Marine Teachers Association of NSW.

The association has some 170 members in more than 100 high schools statewide and each of these high schools has linkages with 'feeder' primary schools. As a result of this partnership, NSW Maritime now recognises the Marine Studies course which is part of the high school curriculum and reaches about 7000 students a year. The recognition of the Marine Studies course, which more than meets the requirements of a boat driver's licence, allows students to operate a powerboat at 10 knots or more without the need to undertake additional courses through NSW Maritime.

The Maritime Teachers network is also supporting the responsible skipper, lifejacket and prop strike campaigns in a collaborative effort to drive generational change and promote safe and responsible boating.

Partnerships program

NSW Maritime continued to build upon existing, and develop new, partnerships in the promotion of safe, responsible and enjoyable boating. This effort resulted in stronger relations between the authority and organisations such as the Boating Industry Association, Boat Owners Association, Marine Teachers Association, United States Coast Guard, Royal National Lifeboat Institution of the UK and the marine safety jurisdictions throughout Australia and New Zealand.

NSW Maritime also formed partnerships with a small number of other organisations to promote safe, responsible and enjoyable boating, especially during specific events.

Such partnerships resulted in support in promoting safety during events that included Sail Port Stephens, Audi Sydney Harbour Regatta, International 14 World Championship, Port Kembla Community Day, Middle Harbour Yacht Club Schools Program, and the Eden Whale Festival.

Maritime Medal

The NSW Maritime Medal recognises exceptional contributions to the boating and maritime community.

In 2005, the Maritime Advisory Council encouraged and endorsed the creation of a NSW Maritime Medal to recognise outstanding and sustained contributions

by the public to boating. The first medal was awarded in 2006.

The annual awards are directed at, but not limited to, a person or group who performs an outstanding effort in the categories of Safety, Environment and Community.

NSW Maritime is proud to support these awards as a way of expressing our gratitude to those who are making an extraordinary contribution.

In 2009, 11 people were recognised with a Maritime Medal at a function held aboard the restored Tall Ship the James Craig, berthed alongside the Overseas Passenger Terminal, Sydney.

Multicultural relations

A Multicultural Policies and Services Program was finalised during the year. The program was developed following review of the effectiveness of NSW Maritime's Ethnic Affairs Priority Statement. The program complies with the Community Relations Commission's Multicultural Planning Framework and articulates how NSW Maritime plans to support the four Principles of Multiculturalism in the coming period. Following its approval by the Executive, the program was published on NSW Maritime's website.

The levels of usage of the Community Language Assistance Scheme and the safety messages in community languages that are accessible on NSW Maritime's website were assessed during the year, and no new trends in customer needs were identified.



Eight of the 11 Maritime Medal recipients at the 2009 presentation ceremony aboard the James Craig.

Planning and preparation were carried out for a mystery shopper customer service program with a cultural competency component. However, due to the need to focus on the introduction of a new operating database, the implementation of the program was rescheduled for 2010-2011.

Disability Action Plan

During the year, NSW Maritime finalised a new Disability Action Plan, which has been

published on its website. The plan was developed in accordance with the disability access planning guidelines published by the Department of Aging, Disability and Home Care in September 2008. Specifically, the plan sets out the actions NSW Maritime is committed to undertaking to ensure the needs of customers and stakeholders with disabilities are met within the guidelines' five outcome areas.

A major focus of the agency has been the commitment to upgrading commuter wharves to comply with the Disability

Standards for Accessible Public Transport (DSAPT). This commitment is embodied in NSW Maritime's commuter wharf upgrade program which aims to make all Sydney commuter wharves compliant to DSAPT requirements by 2022.

During 2009-2010, the rebuilding of the Milsons Point wharf, including compliant access, commenced, as did the design of three other wharves, Neutral Bay, Rose Bay and Cremorne Point. NSW Maritime intends to commence construction of one of these wharves by the end of 2010.

CASE STUDY

RED TAPE REDUCTION INITIATIVES – PROPERTY PLANNING

One of the key environmental planning instruments for Sydney Harbour and Parramatta River is the Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005, now deemed a State Environmental Planning Policy, or SEPP. Under this instrument, the Minister for Ports and Waterways is the consent authority for water-based development. That function is delegated to NSW Maritime and performed by the authority's Property Planning Branch.

During 2009-2010, NSW Maritime created the position of Planning Programs Coordinator within the Property Planning Branch as a dedicated position to improve the efficiency and effectiveness of NSW Maritime's consent authority role.

The key objective for 2009-2010 was to look for opportunities to streamline internal processes and to provide customers with greater control over costs associated with development.

Scoping the task of red tape reduction, and identifying prospective areas of reform, was identified initially through two main approaches: discussions with customers and stakeholders; and by a broad-level examination of the systems and practices which supported NSW Maritime's three main service areas – on-water safety regulator; land owner; and consent authority.

One key finding was that the established construction assessment and approval powers of NSW Maritime under the *Maritime Services Act, 1935* could be streamlined by simply relying on the construction assessment and approval provisions of the more contemporary *Environmental Planning and Assessment Act, 1979* (the EP&A Act).

The challenge was to meet the statutory obligations under both Acts and to retain appropriate levels of engineering assessment, and safety checking, but to avoid duplication. The solution was to configure the *Maritime Services Act, 1935* requirements so that they relied on, rather than duplicated, the requirements of the EP&A Act.

The first step during 2009-2010 was to unbundle NSW Maritime's generic Application for Construction system, which sought to simultaneously service two streams of assessment and approval, and to design an arrangement that provided for two separate applications.

In 2010-2011, NSW Maritime anticipates introducing a new system which will allow customers to apply separately for a Construction Certificate (under the EP&A Act) and a Permission to Build (under the *Maritime Services Act, 1935*). This will be achieved without the need to increase administrative fees and achieves major customer service improvements.

The benefits will be threefold:

- In all cases, the processing time associated with approvals under the *Maritime Services Act, 1935* (Permission to Build) will be substantially reduced
- In many cases, the cost associated with approvals under the *Maritime Services Act, 1935* (Permission to Build) will be reduced from several thousand dollars to just a small administrative fee
- In all cases, customers will also enjoy greater choice and financial control due to the option to use accredited certifiers or the consent authority for the issue of Construction Certificates and Occupation Certificates.



6

KEY RESULTS

Maritime and the Environment



Reducing the impact of boating on the environment

Boating in marine parks

An Operational Agreement between the Marine Parks Authority (MPA) and NSW Maritime (formerly Waterways Authority) was agreed in 1999 following implementation of the *Marine Parks Regulation, 1999*. The agreement included: mooring management (NSW Maritime to license moorings); navigation aids; vessel anchoring; vessel operation and safety; environment protection; and permits and licensing.

A new Operational Agreement between the MPA and NSW Maritime came into effect in January 2010. The agreement is an administrative arrangement and does not create any legally enforceable rights or obligations between the parties.

Arrangements under the agreement include:

- Appropriate Regulatory Authority (ARA) responsibilities
- Consultation process for marine park zoning plans and proposals for regulation of boating activities and marine infrastructure projects
- Communication initiatives
- Licences and permits lead agency responsibilities and the provision of co-endorsement at no additional cost
- Enforcement and cross-authorisation.

The MPA is currently considering providing a delegation to NSW Maritime to issue a marine park permit for most aquatic events in marine parks to avoid unnecessary overlap and duplication.

Environmental education

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

CASE STUDY

NATIONAL STANDARD FOR GREY-WATER MANAGEMENT ON VESSELS OPERATING ON INLAND WATERS

Part 7, Division 3 of the *Marine Pollution Regulation 2006* currently requires certain commercial vessels operating on NSW navigable waters to be fitted with a grey-water holding tank and for the contents of that tank to be disposed of properly.

In September 2009, Australian Standard 4995-2009 was published. The standard establishes requirements for on-board grey-water treatment systems for vessels operated on inland waters.

The Australian Standard relates to vessels operated on inland waters only because the technology is not yet able to handle the salt water environment.

Consequently, NSW Maritime proposed an amendment to the *Marine Pollution Regulation 2006* to provide relevant operators with a choice between using grey-water holding tanks or Australian Standard compliant on-board grey-water treatment systems.

In March 2010, NSW Maritime wrote to relevant operators and builders listed in its database to advise them of the proposed amendment to the regulation and to seek their input.

The regulatory amendment is currently being progressed.

When implemented, it will bring both the NSW and South Australian grey-water requirements into alignment, providing a consistent approach along the full length of the Murray River.

Vessel waste recovery

To protect the marine environment from the impacts of sewage pollution from vessels and to encourage the responsible disposal of vessel waste, NSW Maritime maintains multiple pump-out facilities at King Street wharf and Blackwattle Bay and monitors an additional two pump-out facilities at Cabarita and Birkenhead Point. During the financial year 2009-2010, a total of 10,722,249 litres of untreated sewage waste was pumped out from vessels through these facilities. This represented a 20 per cent increase on the previous year.

NSW Maritime also funds fixed and mobile vessel pump-out facilities on Myall Lakes. During the year 104,200 litres of untreated sewage waste was pumped out through these facilities, a decrease of 15.5 per cent on the previous year. Grant funding is also available for sewage pumpouts state-wide through the Better Boating Program.

This effort is helping to minimise the impact of boating on the environment and protect our waterways for future generations.

Environmental services

During the year, the Environmental Services team visited an average of 46 locations daily to remove rubbish and hazards to navigation from Sydney Harbour and navigable tributaries. This represented an increase in daily site visits of 2.2 per cent on the previous year. A total of 2778 cubic metres of litter and waste was removed from Sydney Harbour waters, public beaches and foreshores, an increase in volume of waste collected on the previous year of 1.6 per cent.

Environmental emergency management

Oil and chemical spill response

NSW Maritime is the combat agency for responding to marine oil and chemical spills in State waters between the Queensland border and Fingal Head (Port Stephens) and from Gerroa to the Victorian border. These areas include the Ports of Yamba and Eden and the State waters around Lord Howe Island. NSW Maritime conducted a number of exercises during the year to test local oil spill response arrangements.

NSW Maritime also delivered a number of oil spill shoreline response courses. Three training courses were held and approximately 90 personnel were trained across the State. This included personnel from other supporting agencies, including local government.

The annual State marine spill exercise, a desk-top chemical spill in the Port of Newcastle, was conducted in October 2009. The exercise was the first major marine chemical spill exercise of its type in Australia and brought together a number of agencies, including the Newcastle Port Corporation, NSW Maritime, NSW Fire Brigades, NSW Police, the Department of Environment, Climate Change and Water, local government and the chemical industry in response to the scenario. The exercise report is being considered by the relevant agencies through the State National Plan Executive Committee and its Technical Working Group.

NSW Maritime coordinated NSW's assistance with interstate incidents including the Montara Wellhead oil spill and the grounding of *Shen Neng 1* in the Great Barrier Reef.

Incident analysis reports from the *Pacific Adventurer* and Montara Wellhead oil spills released during the year were reviewed at a State level for relevance to NSW response arrangements and capability.

NSW Maritime provided presentations to a number of regional council groups on the State marine pollution response arrangements. These included an overview of the state arrangements, lines of communications and the type of assistance local government can provide during major incidents such as the *Pacific Adventurer* in Queensland.

Emergency management

During the year, NSW Maritime continued to fulfil its varied roles in emergency management at the local, district, state and national level. As part of its role as the combat agency for oil spill incident response, NSW Maritime is a member of relevant district and local emergency management committees. These committees coordinate support from various agencies on behalf of NSW Maritime during an oil-spill response.

NSW Maritime is also a member of the State Emergency Management Committee (SEMC) which met on four occasions during the year and was attended by the Manager Shipping and Pollution Response or his delegate. As a member of SEMC, NSW Maritime is a supporting agency under a number of other emergency management plans such as the flood, tsunami and influenza pandemic plans.

In August 2009, NSW Maritime conducted an internal emergency management exercise "Blackadder" to test the organisation's response to a major incident. The exercise highlighted a number of areas which are being addressed ahead of a similar exercise to be held in August 2010, which will build on the initial exercise and test organisational resilience.

CASE STUDY

SEAGRASS PROTECTION

Seagrasses are a fragile habitat that is particularly important for fish populations. They provide shelter and food critical to the survival of a wide variety of aquatic organisms. A collaborative project between NSW Maritime, Hornsby Council and the Hawkesbury Nepean Catchment Management Authority was undertaken to protect fragile seagrass beds within the waterways of Brooklyn. This area receives high levels of boat use and local communities were concerned about potential damage from boat propellers and anchoring in the seagrass beds.

With funding arrangements through the Australian Government and further consultation with the Lower Hawkesbury Estuary Management Committee, six Special Marks indicating the seagrass area were established in May 2010 at a cost of \$10,000. These marks were deployed around the edge of the seagrass beds alerting boat users of their presence and directing them through a clearly defined channel. The markers, which have been well received by the local boating community, have been transferred to NSW Maritime who will continue routine maintenance as required.



A seagrass bed in the waterways of Brooklyn is protected from potential damage through the use of Special Marks to clearly define the channel.

“A total of 2778 cubic metres of litter and waste was removed from Sydney Harbour waters, public beaches and foreshores, an increase in volume of waste collected on the previous year of 1.6 per cent.”

7

CORPORATE SERVICES



Development of our organisation

NSW Maritime has undergone some structural changes during the year.

The most significant structural changes were:

- the establishment of a Maritime Operations Division to bring together our commercial vessel, and recreational boating and regional services functions under a single General Manager
- the establishment of a Policy, Risk and Governance Division, to link our strategic policy, legal and planning functions, with the significant risk and governance challenges we currently face
- the Infrastructure Branch reporting through the Property, Planning and Infrastructure Division.

The new structure took effect from Monday 5 July 2010. The changes were primarily made at the senior levels of management. These changes were managed in an environment governed by a public-sector-wide recruitment freeze.

NSW Maritime has commenced planning for the implementation of the e-Recruitment system. The project is in the research and analysis stage, with the end goal of providing a more efficient recruitment process, ensuring that the best person is selected for the job in the shortest amount of time and that NSW Maritime is more competitive in an increasingly strong job market.

The negotiations of the 2010-2013 Enterprise Agreement have commenced, with all parties committed to a December 2010 completion date.

Learning and development

The past year was the first operating under the 2009-2011 Learning and Development Plan. Training activity has increased across the organisation at all levels. This was highlighted by an external report conducted by the Internal Audit Bureau into training effectiveness in NSW Maritime that will see greater reporting and

interaction with stakeholders to further maximise the ability of the Learning and Development (L&D) Unit to engineer learning solutions for the specific needs of the organisation.

More than 260 staff attended L&D organised activities in this reporting period. Highlights include an in-house Certificate IV in Workplace Training and Assessment and a Certificate IV in Frontline Management, our annual Boating Safety Officers (BSO) compliance training, and several participants completing the Public Sector Management Program and Executive Development Programs. Our core soft skills training packages continued, as did our regular induction programs, as well as a compliance training program for all managers on EEO.

This financial year was also a significant milestone for NSW Maritime's Registered Training Organisation (RTO). A further 33 National Qualification Certificates were issued along with the RTO's 100th certificate being issued to Marine Investigator Nayland Aldridge. This came on the back of a substantial effort by the L&D Officer, who coordinates all of the Learning and Development programs at NSW Maritime, managing the RTO through a successful VETAB audit.

In training development, a new BSO compliance program was developed, with the assistance of all stakeholders, to allow for experienced BSO to continue their professional development in the compliance area. The course uses actual case studies from local examples to better refine investigation, compliance and prosecution techniques.

The Learning and Development team introduced 16 new trainees into the organisation in 2010. For the first time NSW Maritime was able to offer three new Maritime Operations Traineeships which will enable the trainees to obtain a Coxswain ticket at the completion of a 12-month program. Other highlights include a revamped three-day trainee induction program that brought together the trainees from all over NSW including four Aboriginal and Torres Strait Islander (ATSI) trainees.

The program for the coming year includes a new manager induction program, an increase to the number of e-learning packages available and a focus on the retention of critical knowledge across the organisation.

Legal services

The Legal Services Branch provides legal advice and assistance to all aspects of NSW Maritime's operations. The work falls into the following main areas:

Compliance and Litigation: advising on vessel incidents and whether actions by masters or crew breach marine legislation; reviewing representations received by NSW Maritime challenging the issuance of penalty notices; representing NSW Maritime in summary criminal proceedings for breaches of marine legislation; representing NSW Maritime at coronial inquiries and instructing NSW Maritime's insurers in civil claims against NSW Maritime e.g. for accidents on NSW Maritime land; advising on non-compliances with planning requirements or lease terms on NSW Maritime property; and training operational officers in the legal compliance framework.

Legislation, Shipping and Environment: advising on the scope of existing legislation and preparing drafting instructions for new acts and regulations across the Ports and Waterways portfolio, commenting on the legislation and policies of other organisations that impact on NSW Maritime; providing advice and assistance in relation to the legislative responsibilities of NSW Maritime under the passenger transport legislation such as its role as the regulator of ferries and obligations in relation to safety management systems, and the drug and alcohol testing of transport safety employees; providing advice on NSW Maritime's regulatory functions under pollution legislation and the preparation of legislative notices as required, including aquatic notices to exclude the operation of marine safety legislation for special events; advising on pilotage, ports, shipping and security matters and marine pollution

under the *Marine Pollution Act*; preparing appointments for Harbour Masters, and reviewing and maintaining the organisation's delegations register.

Contracts, Privacy, Information and Audit: managing the release of information by NSW Maritime through subpoenas, searches and access to information legislation; ensuring that NSW Maritime has an adequate Privacy Management Plan and complies with its responsibilities under the privacy legislation; managing the Legal Branch input into the Annual Report and preparing the reports required under access to information legislation; preparing and commenting on contracts and memoranda of understanding to be entered into by NSW Maritime; conducting or assisting external persons with ICAC and/or Ombudsman's investigations and conducting investigations in relation to allegations of misconduct in conjunction with the Manager Human Resources.

Property and Planning: providing advice in relation to the requirements of planning legislation and instruments, landowner's consent and construction approvals; preparing leases, licences or other tenure agreements for domestic, community and commercial occupation of NSW Maritime land as well as development agreements for major projects involving construction on NSW Maritime land; and advising on compliance issues concerning tenure arrangements together with Compliance and Litigation solicitors, conducting or instructing external Solicitors in relation to legal proceedings for property and planning matters in court e.g. refusal of development consent.

Occupational health and safety

The workplace health and safety policy is a public statement expressing management commitment to workplace health and safety, with the responsibilities of each worker involved in the risk management process. The risk management process is the key to preventing incidents, injuries and illnesses in the workplace.



Two boaters head out for a day's fishing offshore, each wearing a lifejacket

Research has shown that health and safety interventions will be most effective when incorporated into the core values of the organisation and championed by our leaders. This commitment is driven by NSW Maritime's senior management in exercising leadership and direction to enable the provision of resources and support, designed to ensure workplaces are kept safe and without risk to health for its workforce, contractors and all visitors.

These efforts also underscore the importance given to meeting the objectives of the NSW Government's Working Together Strategy 2010-2012, which is to guide and support improvements in public sector workplace safety and injury management systems, policy, procedures and outcomes. This will reduce the incidence and severity of injury and illness.

The following are indicative of the continued effort to meet OH&S obligations:

- A summary of workplace health and safety and return to work performance is tabled at every monthly executive meeting
- Regular reporting to the Executive on the performance of its three OH&S Committees toward achieving effective OH&S consultation
- The continuation of employee welfare information and screening programs, designed to address health and safety in the workplace, lifestyle issues, including: fitness, sun exposure, virulent diseases and associated immunisation clinics
- Review and updating of Influenza Pandemic Management Plans to support the overarching Business Continuity Plan
- OH&S training initiatives for First Aid Officers, including skills to utilise external defibrillators for resuscitation, and ongoing training for OH&S Committee members
- The delivery of OH&S and risk management overview training sessions for the Executive, supervisors, managers and line managers
- The delivery of Workplace Stress and Psychological Injury prevention training for the Executive, supervisors and managers
- The implementation of OH&S control measures and personal protective equipment targeting BSO field operations risks.

Occupational health and safety performance

- Number of lost-time injuries decreased from 8 to 6
- Reported non-lost-time injuries increased from 10 to 21
- Total number of workers' compensation claims increased from 21 to 27
- Days lost for workers compensation per employee increased from 0.7 to 0.8

MSB workers compensation liability

NSW Maritime holds legal responsibility for managing current and future liabilities arising from the run-off of claims for workers compensation (non-dust diseases) and dust diseases.

These claims stem from the period the Maritime Services Board (MSB) held its self insurance scheme, from 1 July 1989 to 30 June 1995. This licence was suspended after the MSB ceased to operate. Prior to July 1989, the Government Insurance Office (GIO) provided insurance covers for the MSB.

For the two categories, new claims from former MSB employees continue to be incurred with the passing of time, more so for non-dust diseases claims. Both categories of claims are managed by the OH&S and Workers Compensation Manager.

Actuarial estimates continue to indicate that an increased number of claims, dust diseases and non-dust diseases, are envisaged for the foreseeable future. In this way NSW Maritime ensures appropriate provisions are set aside based on actuarial projections.

Non-dust diseases liability

There remain 19 claims outstanding at 30 June 2010. Two of these claims are subject to long-term ongoing awards estimated above \$200,000 each. Of the 19 claims, there are 10 claims for industrial deafness, five for skin cancers and four other claims relating to physical injuries or degenerative diseases. One recent claim, for degenerative diseases, is estimated to bear a liability of over \$250,000 to NSW Maritime.

During the period 2009-2010, 11 new claims were lodged with three referred to the GIO as the MSB Insurer on risk up to 30 June, 1989, prior to the MSB becoming a self insurer. During this period eight claims, predominantly dealing with industrial deafness and skin cancers, were finalised.

The total claims expenditure incurred for the period 2009-2010 was \$114,438, which is lower than the expenditure incurred for the previous period.

To cater for future developments, a provision of \$1.9 million has been set aside to continue managing the claim run-off. This is an increase of \$320,000 from the previous period. This cautionary approach factors in any uncertainties in the estimation of liabilities for current and future projected claims.

Since the suspension of the MSB self-insurer licence in 1995, the total cost incurred to-date for workers compensation liabilities (non-dust diseases claims) is \$9.6 million. This comprises weekly benefits, lump sum payments, medical and legal costs.

Dust diseases liability

At 30 June 2010, there is one settled dust diseases claim with outstanding legal costs that are subject to ongoing negotiations between NSW Maritime and two other respondents.

NSW Maritime held 90 per cent share of the lump sum liability at a cost of \$198,000. The GIO contributed 50 per cent of this cost as the previous insurer for the MSB.

Based on an actuarial assessment, a provision of \$1.4 million has been set aside to manage current and future claims. This is lower than the \$1.9 million set aside for the previous period.

Equal employment opportunity (EEO)

NSW Maritime is committed to creating a skilled and diverse workforce and achieving the State Government's EEO targets by putting in place measures to improve employment access and participation for EEO groups and strengthening a culture which displays fair workplace practices and behaviours.

The Equity and Diversity Management Plan 2010-2012 demonstrates the organisation's commitment to EEO and articulates the targets and actions that NSW Maritime is committed to deliver.

Some of the actions arising out of the plan that have been undertaken during the year include the following:

- The NSW Maritime Aboriginal Employment Strategy 2010-2013 was developed, and closely follows the model prescribed by the Department of Premier and Cabinet. The strategy supports the NSW Government "Making it our Business - The NSW Aboriginal Employment Action Plan 2009-2012" strategic framework and the DPC Memorandum 2010-2013 "Strengthening Aboriginal Employment Opportunities and Community Partnerships". The Aboriginal Employment Strategy will benefit staff and clients of NSW Maritime by improving the recruiting experience for Aboriginal applicants; by retaining existing Aboriginal employees; encouraging diversity; and promoting acceptance, mutual respect and equity within the workplace
- NAIDOC week was celebrated in July with a flag raising ceremony and morning tea
- Four Indigenous traineeships were established in 2010

- The Harassment Contact Officer (HCO) program is now well underway with a number of new HCO undertaking this important role. The network has been trained in supporting staff on issues relating to bullying and harassment
- NSW Maritime's Grievance Procedures and Prevention of Workplace Harassment Guidelines have been reviewed
- NSW Maritime's Spokeswoman's Program sponsored a place at the Macquarie Graduate School of Management's Conference – the 2010 Australian Women's Leadership Symposium (10-11 June). The program was renewed with the introduction of two female staff who are now undertaking the role of Spokeswoman
- Relieving and Parental Leave Administrative Instructions have been developed to further support NSW Maritime's EEO objectives
- The Community Language Assistance Scheme underwent an annual review regarding usage levels. No new trends in customer needs were identified and consequently no changes to the scheme were introduced. Accredited staff members continue to provide valuable support in Greek, Italian and Indonesian language skills when required.

Human Resources administrative instructions (policies) and procedures

Internal policies are now titled Administrative Instructions. New Parental Leave, Email, Intranet, and Internet Usage and Relieving Administrative Instructions and Timesheet Guidelines have been developed and released. Revisions and updates were also completed on the Communication Devices Use and the Gym Subsidy Administrative Instructions.

The following Administrative Instructions will be developed throughout the following year:

- Managing Unsatisfactory Performance
- Managing Misconduct
- Use of NSW Maritime assets and resources
- Corruption Prevention
- Protected Disclosures
- Leave Without Pay
- Motor Vehicle
- Driver Fatigue
- After Hours Access
- Recruitment Procedures
- Retrospective Payment.

NSW Maritime is committed to training all managers and educating all staff with the release of all new administrative instructions and procedures, and delivery and progress will be tracked through the audit program.

IT management

The ICT Strategic Plan for the period 2010-13 is in the final stages of development. Data migration from NSW Maritime's licensing system (WALROS) to the Government Licensing Service (GLS) is a high priority, with this process due for completion in July 2010.

The development of MAPS is nearing completion. MAPS is a property management database which will replace the system currently in use, with a proposed go-live in January 2011. A reconciliation of data entered into the old application is to be undertaken in late 2010.

The implementation of wireless data access into NSW Maritime's network is now in production, enabling off-site staff, such as Boating Safety Officers and Vessel Surveyors, to increase efficiencies and spend increased time on the water, improving boating safety initiatives.

The preparation and planning for transitioning from CBA to Westpac as part of the Government Banking Contract is complete, scheduled for action in July 2010.

Other IT projects undertaken include – setup of a new network site at the Pitt Street office and the relocation of the Wollongong and Queanbeyan offices to new sites, state-wide rollout of a new anti-virus application, refurbishment of the Disaster Recovery site, and the implementation of SAP security enhancements.

CASE STUDY

RETENTION OF CORPORATE KNOWLEDGE

During 2009-2010, NSW Maritime experienced a number of employee related milestones. Most notable were the retirements of two employees with a combined service of over 80 years, with a key employee in Human Resources reaching 50 years' service. This highlights the demographics of NSW Maritime's employees and the risk of a large amount of corporate knowledge leaving our organisation over the next five years.

An age-versus-seniority study was undertaken and not surprisingly it revealed a large proportion of our crucial decision making positions were held by employees who could potentially leave our organisation due to retirement in the near to medium future. This has prompted a re-think of the way in which knowledge is held in the organisation and the way it can be transferred and disseminated more readily amongst work groups.

While the collective experience and corporate knowledge of some cannot be completely replaced or retained, 2010-2011 will see new systems introduced to help capture and retain this valuable commodity and collective corporate knowledge. NSW Maritime remains an organisation that enjoys a low staff turnover rate and benefits from a large number of employees that stay for more than 20 years.

8

FINANCIAL STATEMENTS

For the year ended 30 June 2010





GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Maritime Authority of New South Wales

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Maritime Authority of New South Wales (the Authority), which comprise the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes for both the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Authority and the consolidated entity as at 30 June 2010, and of their financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
INDEPENDENT AUDIT REPORT

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

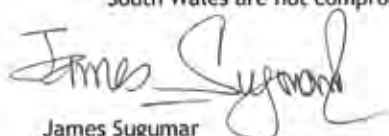
My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



James Sugumar
Director, Finance Audit Services

20 October 2010
SYDNEY

MARITIME AUTHORITY OF NSW Financial Statements

For the year ended 30 June 2010

STATEMENT BY CHIEF EXECUTIVE

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

1. The accompanying Financial Statements exhibit a true and fair view of the Authority's financial position as at 30 June 2010 and the 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*, the *Public Finance and Audit Regulation 2010*, and the Treasurer's Directions.

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



Steve Dunn
Chief Executive

19 October 2010

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2010

	Note	Consolidated		Parent	
		2010 \$000	2009 \$000	2010 \$000	2009 \$000
Income					
Rendering of services:					
Port management	5	1,250	1,209	1,250	1,209
Channel fees	6	8,342	7,872	8,342	7,872
Boat licences	7	18,246	17,301	18,246	17,301
Boat registrations	8	20,368	19,174	20,368	19,174
Moorings	9	7,705	7,312	7,705	7,312
Commercial vessel charges	10	3,058	2,789	3,058	2,789
Lease revenue:					
Rentals	11	41,452	40,045	41,452	40,045
Investment income	12	5,699	3,384	5,699	3,384
Other income:					
Gain on revaluation of investment properties		1,730	-	1,730	-
Other	13	10,450	6,419	10,450	5,925
Contract revenue	14	238	212	238	212
Total income		118,538	105,717	118,538	105,223
Expenses					
Employee related expenses	15	39,221	36,759	44,478	58,260
Contract service expenses	16	22,056	22,011	22,056	22,011
Fuel, protective clothing and other materials		1,117	1,102	1,117	1,102
Utilities and communications		3,366	3,078	3,366	3,078
Administration	17	8,300	9,009	7,920	8,605
Depreciation and amortisation		11,417	9,773	11,417	9,773
Loss on revaluation of investment properties		-	3,942	-	3,942
Grants and subsidies	18	5,233	2,283	5,233	2,283
Better Boating Program		3,896	2,758	3,896	2,758
Finance costs	19	7,707	7,855	7,707	7,855
Audit fees – audit of the financial statements		170	170	170	170
Net loss on disposal of assets	20	6,827	966	6,827	966
Total expenses		109,310	99,706	114,187	120,803
Surplus (deficit) for the year		9,228	6,011	4,351	(15,580)
Other comprehensive income					
Other comprehensive income in accumulated funds					
Superannuation actuarial gains (losses)		(4,877)	(21,591)	-	-
Other comprehensive income in asset revaluation reserve					
Revaluation increment		150,102	8,831	150,102	8,831
Other comprehensive income for the year		145,225	(12,760)	150,102	8,831
Total comprehensive income for the year		154,453	6,749	154,453	(6,749)

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

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY

STATEMENT OF FINANCIAL POSITION

As at 30 June 2010

	Note	Consolidated		Parent	
		2010 \$000	2009 \$000	2010 \$000	2009 \$000
Assets					
Current assets					
Cash and cash equivalents	21	39,160	59,634	38,092	58,713
Trade and other receivables	22	13,376	7,433	13,376	7,393
Inventories	23	137	173	137	173
Financial assets at fair value through profit or loss	24	39,013	35,679	39,013	35,679
Total current assets		91,686	102,919	90,618	101,958
Non-current assets					
Trade and other receivables	22	79,862	65,598	79,775	65,457
Property, plant and equipment	25	1,258,412	955,210	1,258,412	955,210
Investment properties	26	131,188	129,458	131,188	129,458
Intangible assets	27	983	855	983	855
Total non-current assets		1,470,445	1,151,121	1,470,358	1,150,980
TOTAL ASSETS		1,562,131	1,254,040	1,560,976	1,252,938
Liabilities					
Current liabilities					
Trade and other payables	28	55,729	49,480	91,370	78,265
Interest bearing borrowings	29	1,340	1,206	1,340	1,206
Provisions	30	21,123	34,564	6,117	22,709
Total current liabilities		78,192	85,250	98,827	102,180
Non-current liabilities					
Trade and other payables	28	481,699	314,282	462,943	299,471
Interest bearing borrowings	29	66,629	67,968	66,629	67,968
Provisions	30	3,034	3,221	-	-
Total non-current liabilities		551,362	385,471	529,572	367,439
TOTAL LIABILITIES		629,554	470,721	628,399	469,619
NET ASSETS		932,577	783,319	932,577	783,319
Equity					
Asset revaluation reserve		648,064	509,789	648,064	509,789
Accumulated funds		284,513	273,530	284,513	273,530
TOTAL EQUITY		932,577	783,319	932,577	783,319

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

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY

STATEMENT OF CASH FLOWS

For the year ended 30 June 2010

	Note	Consolidated		Parent	
		2010 \$000	2009 \$000	2010 \$000	2009 \$000
Cash flows from operating activities					
Receipts from customers		101,297	87,771	101,297	90,025
Payments to suppliers and employees		(87,604)	(78,512)	(87,751)	(79,872)
Interest received		5,699	3,384	5,699	3,384
Contract receipts from development projects		238	212	238	212
Net GST refund received from the Tax Office		2,272	474	2,272	474
Payments for Better Boating Program		(3,896)	(2,758)	(3,896)	(2,758)
Net cash flows from operating activities	21	18,006	10,571	17,859	11,465
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		6,923	2,051	6,923	2,051
Purchase of property, plant and equipment		(25,770)	(10,333)	(25,770)	(10,333)
Receipt of lease revenue – Maritime Trade Tower lease		22,189	21,673	22,189	21,673
Payment capital works – Port Kembla		–	(1,833)	–	(1,833)
Net cash flows from investing activities		3,342	11,558	3,342	11,558
Cash flows from financing activities					
Contribution paid to Government		(15,309)	(24,777)	(15,309)	(24,777)
Payment of lease expense – Maritime Trade Tower lease		(23,179)	(21,664)	(23,179)	(23,137)
Net cash flows used in financing activities		(38,488)	(46,441)	(38,488)	(47,914)
Net decrease in cash and cash equivalent		(17,140)	(24,312)	(17,287)	(24,891)
Cash and cash equivalents at the beginning of the year		95,313	119,625	94,392	119,283
Cash and cash equivalents at the end of the year	21	78,173	95,313	77,105	94,392

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

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2010

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Accumulated funds				
Balance at 1 July	273,530	293,367	273,530	293,367
Surplus for the year	9,228	6,011	4,351	(15,580)
Other comprehensive income for the year	(4,877)	(21,591)	-	-
Total comprehensive income for the year	4,351	(15,580)	4,351	(15,580)
Transactions with owners in their capacity as owners				
Transfer from asset revaluation reserve on disposal	11,827	12,250	11,827	12,250
Assets transferred to Port Kembla Port Corporation	(695)	(15,630)	(695)	(15,630)
Assets transferred from (to) Sydney Ferries	(500)	23,935	(500)	23,935
Assets transferred from Sydney Ports Corporation	-	667	-	667
Distributions to Government	(4,000)	(25,479)	(4,000)	(25,479)
Total transactions with owners in their capacity as owners	6,632	(4,257)	6,632	(4,257)
Balance at 30 June	284,513	273,530	284,513	273,530
Asset revaluation reserve				
Balance at 1 July	509,789	513,208	509,789	513,208
Total other comprehensive income	150,102	8,831	150,102	8,831
Revaluation transferred to equity on disposal	(11,827)	(12,250)	(11,827)	(12,250)
Balance at 30 June	648,064	509,789	648,064	509,789
Total equity				
Balance at 1 July	783,319	806,575	783,319	806,575
Comprehensive income for the year	154,453	(6,749)	154,453	(6,749)
Transactions with owners in their capacity as owners	6,632	(4,257)	6,632	(4,257)
Revaluation transferred to equity on disposal	(11,827)	(12,250)	(11,827)	(12,250)
Balance at 30 June	932,577	783,319	932,577	783,319

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

1 Information about Maritime Authority of NSW

The Maritime Authority of NSW (NSW Maritime) was established on 1 July 1995 under the *Ports and Maritime Administration Act 1995*, as a statutory authority with responsibility for “all waterways management functions under the marine legislation other than those relating to any vessel that either requires a pilot ... or whose master is the holder of a Pilotage Exemption Certificate that applies to that vessel”. The financial statements for the year ended 30 June 2010 was authorised for issue by the Chief Executive on 19 October 2010. The Maritime Authority of NSW’s registered business name is NSW Maritime.

2 Summary of significant accounting policies

Basis of preparation

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

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

(a) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the consolidated entity for the annual reporting period ending 30 June 2010. These are outlined in the table below.

Reference	Title	Summary	Financial year of application
AASB 9	Financial Instruments	Simplifies the mixed measurement model and establishes two primary measurement categories for financial assets: amortised cost and fair value, resulting from Phase 1 of the IASB’s project to replace AASB 139.	30 June 2014
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors	Minor editorial change and will not result in a material financial impact on the financial statements.	30 June 2012
AASB 110	Events after the Reporting Period	Minor editorial change and will not result in a material financial impact on the financial statements.	30 June 2012
AASB 119	Employee Benefits	Minor editorial change and will not result in a material financial impact on the financial statements.	30 June 2012
AASB 137	Provisions, Contingent Liabilities and Contingent Assets	Minor editorial change and will not result in a material financial impact on the financial statements.	30 June 2012
AASB 139	Financial Instruments: Recognition and Measurement	Clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.	30 June 2012

(b) Basis of consolidation

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

(c) Cash and cash equivalents – refer note 21

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

2 Summary of significant accounting policies (continued)

(d) Trade and other receivables – refer note 22

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

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

(e) Inventories – refer note 23

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

(f) Financial assets at fair value – refer note 24

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

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

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

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

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

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

(g) Impairment of financial assets

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

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

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

(h) De-recognition of financial assets and financial liabilities

A financial asset is derecognised when:

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

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

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

(i) Property, plant and equipment – refer note 25

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

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

2 Summary of significant accounting policies (continued)

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

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

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

The assets residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each reporting date.

Revaluations of property plant and equipment

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

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

NSW Maritime's dredged assets (principally channels) were independently valued at 30 June 2008, using the written down replacement cost methodology.

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

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

Derecognition

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

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount, which is the greater of fair value less costs to sell and value in use. As NSW Maritime is a not-for-profit entity, value in use is defined as depreciated replacement cost. Impairment losses are recognised in the statement of comprehensive income.

Contributed assets

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

Port Corporation dredging

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

2 Summary of significant accounting policies (continued)

(j) Investment properties – refer note 26

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

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

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

(k) Intangible assets – refer note 27

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

(l) Trade and other payables – refer note 28

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

(m) Operating leases

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

Where NSW Maritime is the lessee, operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

Where property is subject to long term operating leases (up to 99 years) which have up-front lease payments, the lease revenue in advance is amortised over the term of the lease on a straight line basis. Property that is subject to such long term operating leases is retained in the accounting records of NSW Maritime at a nominal value of \$1. The fair value will increase towards the end of the lease term as the effect of the encumbrance diminishes.

(n) Interest bearing borrowings – refer note 29

The Maritime Trade Tower finance lease liability is initially recognised at the fair value of the asset acquired less directly attributable transaction costs. After initial recognition, the lease liability is subsequently measured at amortised cost using the effective interest method.

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

(o) Provisions – refer note 30

Provisions are recognised when NSW Maritime has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where NSW Maritime expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

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

MARITIME AUTHORITY OF NSW AND CONTROLLED ENTITY
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
For the year ended 30 June 2010

2 Summary of significant accounting policies (continued)

Employee leave benefits

(i) Salaries, sick leave and annual leave

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

(ii) Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on an actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates. The related carrying amounts are disclosed in note 30.

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

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

(iv) Superannuation

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

(p) Revenue recognition – refer notes 5–14

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

(i) Licences, registrations, and grants and subsidies –

where control of a right exists to receive consideration upon the completion of or a stage of services provided.

(ii) Rentals and moorings –

where control of a right exists to receive consideration for the provision of assets has been attained in accordance with Australian Accounting Standard AASB 117 *Leases*.

(iii) Interest –

where control of a right exists to receive consideration for the provision of, or investment in assets has been attained.

(iv) Fines and penalties –

Fines and penalties are recognised on a cash basis when received from NSW Police Service Infringement Processing Bureau.

(q) Financial expenses – refer note 19

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

(r) Insurance

NSW Maritime's insurance requirement is managed by the NSW Treasury Managed Fund. NSW Maritime had the following coverage in place during 2009–2010: workers' compensation, public liability, motor vehicle, property and miscellaneous.

(s) Distribution policy

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

(t) Income and other taxes

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

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

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

The net amount of GST recoverable from or payable to the Australian Taxation Office is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from or payable to the Australian Taxation Office is included in operating cash flows. Commitments and contingencies are disclosed at the gross amount, including any GST.

3 Financial instruments

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

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

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

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

(a) Financial instrument categories

	Note	Category	Consolidated		Parent	
			2010 \$000	2009 \$000	2010 \$000	2009 \$000
Financial assets						
Cash and cash equivalents	21	N/A	39,160	59,634	38,092	58,713
Receivables	22	Loans and receivables at amortised cost excluding prepayments and statutory receivables	8,485	4,482	8,485	4,442
Financial assets at fair value	24	At fair value through profit or loss – designated as such upon initial recognition	39,013	35,679	39,013	35,679
Financial liabilities						
Payables	28	Financial liabilities measured at amortised cost, excluding unearned income	9,845	6,596	45,548	35,423
Borrowings	29	Finance lease liabilities measured at amortised cost	67,969	69,174	67,969	69,174

(b) Credit risk

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

Cash

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

Receivables – trade debtors

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

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

3 Financial instruments (continued)

Categories	2010	2009
Boating industries	14%	8%
Government authorities	30%	32%
Other business	56%	60%
	100%	100%

Based on past experience, debtors that are less than 3 months past due (2010: \$6.772M; 2009: \$4.073M) are not considered impaired. Total unimpaired debtors represent 90% (2009: 59%) of the total debtors. There are no debtors which would otherwise be past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are 'trade debtors' and 'rental debtors' in the 'receivables' category of the statement of financial position.

	Total \$000	Not past due \$000	Past due but not impaired \$000	Considered impaired \$000
2010 – Consolidated				
< 3 months overdue	6,772	6,772	-	-
3 months – 6 months overdue	235	-	235	-
> 6 months overdue	2,444	-	1,478	966
	9,451	6,772	1,713	966
Allowance for impairment	(966)	-	-	(966)
Receivables	8,485	6,772	1,713	-
2009 – Consolidated				
< 3 months overdue	4,073	4,073	-	-
3 months – 6 months overdue	475	-	409	66
> 6 months overdue	3,045	-	-	3,045
	7,593	4,073	409	3,111
Allowance for impairment	(3,111)	-	-	(3,111)
Receivables	4,482	4,073	409	-
2010 – Parent entity				
< 3 months overdue	6,772	6,772	-	-
3 months – 6 months overdue	235	-	235	-
> 6 months overdue	2,444	-	1,478	966
	9,451	6,772	1,713	966
Allowance for impairment	(966)	-	-	(966)
Receivables	8,485	6,772	1,713	-
2009 – Parent entity				
< 3 months overdue	4,033	4,033	-	-
3 months – 6 months overdue	475	-	409	66
> 6 months overdue	3,045	-	-	3,045
	7,553	4,033	409	3,111
Allowance for impairment	(3,111)	-	-	(3,111)
Receivables	4,442	4,033	409	-

The aging analysis excludes statutory receivables and prepayments.

Financial assets at fair value

NSW Maritime has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poors. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits vary. The deposits at balance date were earning an average interest rate of 7.02% (2009: 2.4%), while over the year the weighted average interest rate was 6.67% (2009: 2.7%) on a weighted average balance during the year of \$82.8M (2009: \$103.7M). None of these assets are past due or impaired.

3 Financial instruments (continued)**(c) Liquidity risk**

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

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

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment. NSW Maritime policy is to apply the judgement debt interest rate as stated in the Uniform Civil Procedures Rules 2005.

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

	Interest rate exposure				Maturity dates			
	Interest rate %	Nominal amount \$000	Fixed rate \$000	Variable rate \$000	Non-interest bearing \$000	< 1 year \$000	1-5 years \$000	> 5 years \$000
2010 – Consolidated								
Payables								
Accrued salaries	-	439	-	-	439	439	-	-
Creditors	-	9,406	-	-	9,406	9,406	-	-
Borrowings								
Finance leases	13.50%	67,969	67,969	-	-	1,340	9,279	57,350
	-	77,814	-	-	9,845	11,185	9,279	57,350
2009 – Consolidated								
Payables								
Accrued salaries	-	288	-	-	288	288	-	-
Creditors	-	6,308	-	-	6,308	6,308	-	-
Borrowings								
Finance leases	13.50%	69,174	69,174	-	-	1,206	8,354	59,614
	-	75,770	-	-	6,596	7,802	8,354	59,614
2010 – Parent								
Payables								
Accrued salaries	-	-	-	-	-	-	-	-
Creditors	-	45,548	-	-	45,548	45,548	-	-
Borrowings								
Finance leases	13.50%	67,969	67,969	-	-	1,340	9,279	57,350
	-	113,517	-	-	45,548	46,888	9,279	57,350
2009 – Parent								
Payables								
Accrued salaries	-	-	-	-	-	-	-	-
Creditors	-	35,423	-	-	35,423	35,423	-	-
Borrowings								
Finance leases	13.50%	69,174	69,174	-	-	1,206	8,354	59,614
	-	104,597	-	-	35,423	36,629	8,354	59,614

3 Financial instruments (continued)**(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. NSW Maritime's exposure to market risk is primarily through price risks associated with the movement in the unit price of the Hour-Glass investment facilities. NSW Maritime has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NSW Maritime operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the reporting date. The analysis is performed on the same basis as for 2009. The analysis assumes that all other variables remain constant.

Interest rate risk

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

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

		-2%		+2%	
	Carrying amount \$000	Profit \$000	Equity \$000	Profit \$000	Equity \$000
2010 – Consolidated					
Financial assets					
Cash and cash equivalents	39,160	(783)	(783)	783	783
2009 – Consolidated					
Financial assets					
Cash and cash equivalents	59,634	(1,193)	(1,193)	1,193	1,193
2010 – Parent					
Financial assets					
Cash and cash equivalents	38,092	(762)	(762)	762	762
2009 – Parent					
Financial assets					
Cash and cash equivalents	58,713	(1,174)	(1,174)	1,174	1,174

3 Financial instruments (continued)

Other price risk – TCorp Hour-Glass facilities

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

Facility	Investment sectors	Investment horizon	2010 \$000	2009 \$000
Cash facility	Cash, money market instruments	Up to 1.5 years	35,675	55,205
Medium term growth facility	Cash, money market instruments Australian and international bonds listed property Australian and international shares	3 years to 7 years	28,792	26,494
Long term growth facility	Cash, money market instruments Australian and international bonds listed property Australian and international shares	7 years and over	10,221	9,185
			74,688	90,884

The unit price of each facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue for that facility. Unit prices are calculated and published daily.

TCorp as trustee for each of the above facilities is required to act in the best interest of the unitholders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the cash facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour-Glass facilities limits NSW Maritime’s exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

TCorp provides sensitivity analysis information for each of the facilities, using historically based volatility information. The TCorp Hour-Glass investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on comprehensive income (rather than equity).

	Impact on comprehensive income		
	Change in unit price	2010 \$000	2009 \$000
Cash facility	+/- 1%	357	552
Medium term growth facility	+/- 7%	2,015	1,855
Long term growth facility	+/- 15%	1,533	1,378

A reasonable possible change is based on the percentage change in unit price multiplied by the redemption price as at 30 June each year for each facility (as advised by TCorp).

(e) Fair value

Financial instruments are generally recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. As discussed, the value of the Hour-Glass investments is based on NSW Maritime’s share of the value of the underlying assets of the facility, based on the market value. All of the Hour-Glass facilities are valued using ‘redemption’ pricing.

As at 30 June 2010 NSW Maritime recognised \$nil (2009: \$nil) amortised cost of financial instruments in the statement of financial position.

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

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

3 Financial instruments (continued)

	Level 1 \$000	Level 2 \$000	Level 3 \$000	2010 Total \$000
Financial assets at fair value through profit or loss				
TCorp Hour-Glass investment facilities				
Long term growth facility	-	10,221	-	10,221
Medium term growth facility	-	28,792	-	28,792
	-	39,013	-	39,013

There were no transfers between levels in the period.

4 Significant accounting judgements, estimates and assumptions

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

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

Significant accounting judgements

Operating lease commitments – NSW Maritime as lessor

NSW Maritime has entered into commercial property leases of its property portfolio and has determined that it retains all the significant risks and rewards of ownership of these properties and has thus classified the leases as operating leases.

Impairment of non-financial assets

NSW Maritime assesses impairment of all assets at each reporting date by evaluating possible impairment conditions. These include changes in technology, economic and political environments and future customer expectations. If an impairment trigger exists, the recoverable amount of the asset is determined. In relation to the year ended 30 June 2010, management did not identify significant triggers for impairment testing and as such these assets have not been tested for impairment.

Capitalised development costs

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

Significant accounting estimates and assumptions

Make good provisions

A provision has been made for the present value of anticipated costs of future environmental restoration. The provision includes future cost estimates associated with remediation of the maritime environment. The calculation of this provision requires assumptions such as application of environmental legislation, community expectations, available technologies and engineering cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised in the statement of financial position by adjusting both the expense and/or asset (if applicable) and provision. The related carrying amounts are disclosed in note 30.

Long service leave provision

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on an actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates. The related carrying amounts are disclosed in note 30.

Net defined benefit superannuation asset or liability

The net defined benefit superannuation asset or liability arising from under funded or over funded obligations is assessed each year by independent consultants. This assessment requires assumptions in relation to future salary increases, changes in CPI and return on plan assets. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The related carrying amounts are disclosed in note 31.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience as well as manufacturers' warranties (for plant and equipment), lease terms (for leased equipment) and turnover policies (for motor vehicles). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary. Depreciation charges are included in note 25.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
5 Port management				
Wharfage	210	279	210	279
Site occupation charges	97	82	97	82
Ship utility charges	3	5	3	5
Navigation services	611	576	611	576
Pilotage	193	197	193	197
Storage facilities	136	70	136	70
	1,250	1,209	1,250	1,209
6 Channel fees				
Newcastle Port Corporation	3,204	3,012	3,204	3,012
Port Kembla Port Corporation	1,664	1,382	1,664	1,382
Sydney Ports Corporation	3,203	3,207	3,203	3,207
Channel deepening	271	271	271	271
	8,342	7,872	8,342	7,872
7 Boat licences				
One year licence	1,987	1,863	1,987	1,863
Three year licence – current year's portion	15,897	14,414	15,897	14,414
Licence tests	362	1,024	362	1,024
	18,246	17,301	18,246	17,301
8 Boat registrations				
Initial	799	810	799	810
Renewal	16,382	15,476	16,382	15,476
Other	3,187	2,888	3,187	2,888
	20,368	19,174	20,368	19,174
9 Moorings				
Private	5,995	5,610	5,995	5,610
Commercial	1,558	1,574	1,558	1,574
Inspection fees	152	128	152	128
	7,705	7,312	7,705	7,312
10 Commercial vessels charges				
Survey fees	1,839	1,652	1,839	1,652
Registration fees	840	805	840	805
Examinations	169	150	169	150
Other	210	182	210	182
	3,058	2,789	3,058	2,789
11 Rentals				
Land	–	282	–	282
Maritime Trade Tower – building	10,491	10,596	10,491	10,596
Maritime Trade Tower – land	3,385	3,385	3,385	3,385
Long term lease rental income	1,259	1,258	1,259	1,258
Commercial	17,542	15,320	17,542	15,320
Private	8,274	7,884	8,274	7,884
Superyacht charges	501	1,320	501	1,320
	41,452	40,045	41,452	40,045

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

For the year ended 30 June 2010

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
12 Investment income				
Bank and other interest	119	217	119	217
TCorp investment facilities designated at fair value through profit or loss - gain on fair valuation	5,580	3,167	5,580	3,167
	5,699	3,384	5,699	3,384
13 Other income				
Other boating fees	1,761	1,807	1,761	1,807
Miscellaneous services	2,554	2,270	2,554	2,270
Defined benefit superannuation schemes net income	-	494	-	-
Wharf assets received from Local Councils	4,538	343	4,538	343
Emerging asset - marina berth leases	1,597	1,505	1,597	1,505
	10,450	6,419	10,450	5,925
14 Contract revenue				
Repair of Circular Quay Wharf for high speed ferry	-	101	-	101
Repair of Watsons Bay Pilot Station	-	111	-	111
Maritime shelter signage	8	-	8	-
Realignment of James Craig Road	230	-	230	-
	238	212	238	212
15 Employee related expenses				
Payroll services	-	-	44,478	58,260
Ordinary time	27,680	25,634	-	-
Long service leave	2,386	1,110	-	-
Recreation leave	2,589	2,494	-	-
Payroll tax and fringe benefits tax	2,295	2,291	-	-
Overtime	501	582	-	-
Sick leave	684	448	-	-
Voluntary separation payments	42	125	-	-
Other employee benefits and workers' compensation	1,111	1,402	-	-
Superannuation expenses				
Accumulation schemes expense including contributions	1,980	1,740	-	-
Defined benefit superannuation schemes net expense	357	148	-	-
Accrual for salaries, enterprise agreement, annual leave and long service leave	(404)	785	-	-
	39,221	36,759	44,478	58,260

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
16 Contract service expenses				
Contractors	8,448	7,210	8,448	7,210
External labour	2,467	3,255	2,467	3,255
Maintenance agreements	1,209	1,979	1,209	1,979
Wharf maintenance	7,426	6,797	7,426	6,797
Navigational aids maintenance	1,476	1,539	1,476	1,539
Motor vehicle and vessel expenses	979	1,158	979	1,158
Other	51	73	51	73
	22,056	22,011	22,056	22,011
17 Administration				
Advertising	673	615	673	615
Collection fees	708	674	708	674
Printing	828	834	828	834
Rent	1,034	993	1,034	993
Training	710	651	710	651
Stationery and office supplies	320	348	320	348
Insurance	616	557	616	557
Travel	932	838	553	433
Legal fees	1,414	1,562	1,414	1,562
Management fees – port corporations	241	106	241	106
Internal audit fees and special reviews	257	259	257	259
Subscriptions, donations and professional fees	129	112	129	112
Other	438	1,460	437	1,461
	8,300	9,009	7,920	8,605
18 Grants and subsidies				
Marine Rescue NSW	4,481	1,350	4,481	1,350
National Marine Safety Committee	577	557	577	557
Australia Day NSW Maritime staff support	170	166	170	166
Menai High School Boat Smart program	5	–	5	–
Repair of legacy Rushcutters Bay Marina	–	100	–	100
Repair of Newcastle Fisherman's Co-op	–	105	–	105
Australian Research Council project	–	5	–	5
	5,233	2,283	5,233	2,283
19 Finance cost				
Interest – Maritime Trade Tower	7,656	7,776	7,656	7,776
Transactions and account keeping fees	51	79	51	79
	7,707	7,855	7,707	7,855
20 Net loss on disposal of assets				
Property plant and equipment				
Proceeds from sale of property, plant and equipment	6,923	11,621	6,923	11,621
Disposed assets at cost	16,146	13,627	16,146	13,627
Less: accumulated depreciation	(2,396)	(1,040)	(2,396)	(1,040)
Written down value of disposed assets	13,750	12,587	13,750	12,587
Net loss on disposal of property, plant and equipment	(6,827)	(966)	(6,827)	(966)

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
21 Cash and cash equivalents				
Cash on hand	50	50	50	50
Cash at bank	3,435	4,379	2,367	3,458
TCorp Investments: Hour-Glass cash facility	35,675	55,205	35,675	55,205
Cash and cash equivalents in the statement of financial position	39,160	59,634	38,092	58,713

Reconciliation of cash

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

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

Cash and cash equivalents (per statement of financial position)	39,160	59,634	38,092	58,713
Long term growth facility	10,221	9,185	10,221	9,185
Medium term growth facility	28,792	26,494	28,792	26,494
Closing cash and cash equivalents (per statement of cash flows)	78,173	95,313	77,105	94,392

Reconciliation of net cash flows from operating activities to net surplus (deficit)

Net cash provided by operating activities	18,006	10,571	17,859	11,465
Revaluation (decrement) increment on investment properties	1,730	(3,942)	1,730	(3,942)
Depreciation and amortisation	(11,417)	(9,773)	(11,417)	(9,773)
Interest paid shown as financing cash flow	(7,656)	(7,776)	(7,656)	(7,776)
Operating lease rental shown as investing cash flow	22,189	21,673	22,189	21,673
Net loss on assets disposed, written off and granted	(6,917)	(966)	(6,917)	(966)
Non-cash assets received and recognised	6,135	1,848	6,135	1,848
Change in assets and liabilities				
(Decrease) increase in current receivables	7,816	(3,416)	7,816	(4,671)
Decrease in inventory	(36)	(12)	(36)	(12)
Increase in non-current receivables	14,465	1,517	14,318	-
Decrease (increase) in current payables	(6,161)	21,743	(12,977)	1,429
Increase in non-current payables	(31,245)	(28,430)	(31,976)	(28,517)
Decrease in provisions	2,319	2,974	5,283	3,662
Net surplus (deficit)	9,228	6,011	4,351	(15,580)

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
22 Trade and other receivables (current)				
Trade debtors	4,070	4,576	4,070	4,576
Rental debtors	5,075	2,546	5,075	2,546
Payments in advance	71	1,955	71	1,955
Accrued income	1,993	57	1,993	57
Net GST receivable	2,827	939	2,827	939
Other	306	471	306	431
Less: allowance for impairment	(966)	(3,111)	(966)	(3,111)
	13,376	7,433	13,376	7,393
Movement in the allowance for impairment				
Balance at 1 July	3,111	2,505	3,111	2,505
Amounts written off during the year	(1,669)	(46)	(1,669)	(46)
Increase in allowance recognised in profit or loss	(476)	652	(476)	652
Balance at 30 June	966	3,111	966	3,111
Trade and other receivables (non-current)				
Superannuation surplus	87	141	-	-
Maritime Trade Tower finance lease payments in advance	79,775	65,457	79,775	65,457
	79,862	65,598	79,775	65,457

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

23 Inventories

Boating maps (at cost) and fuel (at average cost)	137	173	137	173
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24 Financial assets at fair value through profit or loss

TCorp Hour-Glass investment facilities				
Long term growth facility	10,221	9,185	10,221	9,185
Medium term growth facility	28,792	26,494	28,792	26,494
	39,013	35,679	39,013	35,679

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

25 Property, plant and equipment (consolidated and parent entity)

	Construction in progress \$000	Land and buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Year ended 30 June 2010					
At 1 July 2009					
Carrying amount	5,728	126,415	807,920	15,147	955,210
Additions	4,581	1,975	14,082	6,734	27,372
Assets transferred between classes	-	(26,362)	26,362	-	-
Transfers of assets from local agencies	-	-	4,538	-	4,538
Assets received from developer	-	-	145,814	-	145,814
Emerging assets – marinas	-	-	1,597	-	1,597
Disposal of assets	-	(10,967)	(2,419)	(1,651)	(15,037)
Revaluations	-	27,405	122,697	-	150,102
Depreciation charge for the year	-	(1,281)	(6,519)	(3,384)	(11,184)
At 30 June 2010					
Carrying amount	10,309	117,185	1,114,072	16,846	1,258,412
At 1 July 2009					
Cost or fair value	5,728	130,188	825,939	22,459	984,314
Accumulated depreciation and impairment	-	(3,773)	(18,019)	(7,312)	(29,104)
Carrying amount	5,728	126,415	807,920	15,147	955,210
At 30 June 2010					
Cost or fair value	10,309	122,259	1,285,860	25,915	1,444,343
Accumulated depreciation and impairment	-	(5,074)	(171,788)	(9,069)	(185,931)
Carrying amount	10,309	117,185	1,114,072	16,846	1,258,412

Asset stocktake

An asset stocktake of all items on the fixed asset register was undertaken during 2009–2010. Records were adjusted for stocktake results.

Valuation

All significant physical non-current assets except for dredged assets were revalued as at 30 June 2010 by independent external valuers.

NSW Maritime’s dredged assets (channels) were independently valued at 30 June 2008. The depreciated replacement cost methodology was used for this valuation, in accordance with NSW Treasury Policy and Guidelines Paper TPP 07-1.

25 Property, plant and equipment (consolidated and parent entity) (continued)

	Construction in progress \$000	Land and buildings \$000	Infrastructure \$000	Plant and equipment \$000	Total \$000
Year ended 30 June 2009					
At 1 July 2008					
Carrying amount	14,201	123,674	778,312	15,416	931,603
Additions	(8,473)	9,151	9,387	4,523	14,588
Transfers of assets from state and local agencies	-	2,695	21,985	-	24,680
Assets received from developer	-	2,597	2,669	-	5,266
Emerging assets - marinas	-	-	1,505	-	1,505
Disposal of assets held for sale	-	(10,670)	(275)	(1,642)	(12,587)
Revaluations	-	-	-	(204)	(204)
Depreciation charge for the year	-	(1,032)	(5,663)	(2,946)	(9,641)
At 30 June 2009					
Carrying amount	5,728	126,415	807,920	15,147	955,210
At 1 July 2008					
Carrying amount	14,201	123,674	778,312	15,416	931,603
At 30 June 2009					
Cost or fair value	5,728	130,188	825,939	22,459	984,314
Accumulated depreciation and impairment	-	(3,773)	(18,019)	(7,312)	(29,104)
Carrying amount	5,728	126,415	807,920	15,147	955,210

26 Investment properties

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
Opening balance at 1 July	129,458	133,400	129,458	133,400
Changes in fair value	1,730	(3,942)	1,730	(3,942)
Closing balance at 30 June	131,188	129,458	131,188	129,458

The fair value of investment properties has been determined by reference to independent valuations as at 30 June 2010. Such valuations are performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date, in accordance with Australian Valuation Standards.

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
27 Intangible assets				
Opening balance at 1 July	855	358	855	358
Additions (subsequent expenditure)	361	629	361	629
Depreciation charge for the year	(233)	(132)	(233)	(132)
Closing balance at 30 June	983	855	983	855
At 1 July				
Cost	5,306	4,991	5,306	4,991
Accumulated depreciation and impairment	(4,451)	(4,633)	(4,451)	(4,633)
	855	358	855	358
At 30 June				
Cost	5,639	5,306	5,639	5,306
Accumulated depreciation and impairment	(4,656)	(4,451)	(4,656)	(4,451)
	983	855	983	855

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

28 Trade and other payables

Current

Accrued salaries, wages and on-costs	748	2,176	37,314	31,852
Creditors	11,206	7,837	10,312	6,967
Customer advances and deposits	456	141	456	141
Priority list on moorings	561	511	561	511
Wetland lease security deposits (a)	1,078	1,109	1,078	1,109
Rent in advance	5,112	3,060	5,112	3,060
Long term lease unearned income (c)	4,673	4,643	4,673	4,643
Long term channel fees unearned income	1,789	271	1,789	271
Other creditors and accruals	2,109	3,417	2,078	3,396
Boating fees in advance (b)	27,997	26,315	27,997	26,315
	55,729	49,480	91,370	78,265

Non-current

Boating fees in advance (b)	10,970	10,494	10,970	10,494
Long term lease unearned income (c)	281,726	262,754	281,726	262,754
Long term channel fees unearned income	170,247	26,223	170,247	26,223
Superannuation deficit	18,756	14,811	-	-
	481,699	314,282	462,943	299,471

Trade payables are non-interest bearing and are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. Treasurer's Direction 219.01 allows the Minister to award interest for late payment.

- (a) This amount mainly represents cash deposits, in lieu of bank guarantees, received from the developer of King Street Wharf, as security over the completion of specific stages of the construction project.
- (b) Boating fees in advance comprises prepayments by customers for licences, registrations and moorings for the service component which will be provided by NSW Maritime in the future.
- (c) Long term lease unearned income comprises prepaid lease rental in which the income is recognised on a straight-line basis over the term of the lease.

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

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
29 Interest bearing borrowings				
Current				
Less than one year				
Future minimum lease payments	8,862	8,862	8,862	8,862
Future finance charges	(7,522)	(7,656)	(7,522)	(7,656)
	1,340	1,206	1,340	1,206
Non-current				
Between one and five years				
Future minimum lease payments	44,309	44,309	44,309	44,309
Future finance charges	(35,030)	(35,955)	(35,030)	(35,955)
	9,279	8,354	9,279	8,354
More than five years				
Future minimum lease payments	106,340	115,202	106,340	115,202
Future finance charges	(48,990)	(55,588)	(48,990)	(55,588)
	57,350	59,614	57,350	59,614
	66,629	67,968	66,629	67,968

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

30 Provisions

Current employee benefits and related on-cost

Annual leave (a)	3,398	2,987	-	-
Long service leave - short term benefit (b)	1,226	775	-	-
Long service leave - long term benefit (b)	9,892	7,683	-	-
Provision for workers' compensation (c)	490	410	-	-
	15,006	11,855	-	-

Current other provisions

Provision for distribution	4,000	15,309	4,000	15,309
Provision for environmental restoration	2,117	7,400	2,117	7,400
	21,123	34,564	6,117	22,709

Non-current employee benefits and related on-cost

Long service leave (b)	269	181	-	-
Provision for workers' compensation (c)	2,765	3,040	-	-
	3,034	3,221	-	-

Movement in annual and long service leave provisions

	Balance 1 Jul 09 \$000	Charges to revenue \$000	Less payments \$000	Balance 30 Jun 10 \$000
Annual leave	2,987	2,877	(2,466)	3,398
Long service leave - current	8,458	3,292	(632)	11,118
Long service leave - non current	181	88	-	269

(a) The liability for annual leave is calculated using 1 July 2010 wage rates.

(b) Workers' compensation provision includes \$1.380M for dust diseases (2009: \$1.890M) of which \$151K (2009: \$189K) is current. This provision is for claims from former Maritime Services Board (MSB) staff for dust related diseases that can be attributed to their service during the period 1/7/89 - 30/6/95 when the MSB was a self insurer.

31 Superannuation

Fund information

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

- State Superannuation Scheme (SSS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)
- State Authorities Superannuation Scheme (SASS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All of the schemes are closed to new members.

	SASS 2010	SANCS 2010	SSS 2010
Member numbers			
Contributors	56	87	31
Deferred benefits	–	–	2
Pensioners	3	–	33
Pensions fully commuted	–	–	5
	SASS 2009	SANCS 2009	SSS 2009
Contributors	56	90	34
Deferred benefits	–	–	2
Pensioners	2	–	30
Pensions fully commuted	–	–	5

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

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total \$000
Accrued liability	19,093	4,039	58,026	81,158
Estimated reserve account balance	(18,593)	(4,126)	(39,770)	(62,489)
Net (asset) liability recognised in the statement of financial position	500	(87)	18,256	18,669
Future service liability	3,525	1,286	2,297	7,108
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Accrued liability	16,212	3,614	51,420	71,246
Reserve account balance	(15,924)	(3,755)	(36,897)	(56,576)
Net (asset) liability recognised in the statement of financial position	288	(141)	14,523	14,670
Future service liability	3,544	1,416	2,416	7,376

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

Accounting policy

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

31 Superannuation (continued)

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Reconciliation of the present value of the defined benefit obligation				
Present value of partly funded defined benefit obligations at beginning of year	16,212	3,614	51,420	71,246
Current service cost	662	177	410	1,249
Interest cost	881	194	2,831	3,906
Contributions by fund participants	336	-	400	736
Actuarial losses	1,170	216	4,114	5,500
Benefits paid	(168)	(162)	(1,149)	(1,479)
Present value of partly funded defined benefit obligations at end of year	19,093	4,039	58,026	81,158
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Present value of partly funded defined benefit obligations at beginning of year	14,972	3,118	39,660	57,750
Current service cost	588	164	275	1,027
Interest cost	951	195	2,550	3,696
Contributions by fund participants	325	-	317	642
Actuarial losses	501	344	10,129	10,974
Benefits paid	(1,125)	(207)	(1,511)	(2,843)
Present value of partly funded defined benefit obligations at end of year	16,212	3,614	51,420	71,246
	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Reconciliation of the fair value of fund assets				
Fair value of fund assets at beginning of year	15,924	3,755	36,897	56,576
Expected return on fund assets	1,358	319	3,121	4,798
Actuarial gains	477	14	132	623
Employer contributions	667	200	369	1,236
Contributions by fund participants	335	-	400	735
Benefits paid	(168)	(162)	(1,149)	(1,479)
Fair value of fund assets at end of year	18,593	4,126	39,770	62,489
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Fair value of fund assets at beginning of year	17,591	4,140	41,423	63,154
Expected return on fund assets	1,418	332	3,319	5,069
Actuarial losses	(2,921)	(705)	(6,991)	(10,617)
Employer contributions	636	195	340	1,171
Contributions by fund participants	325	-	317	642
Benefits paid	(1,125)	(207)	(1,511)	(2,843)
Fair value of fund assets at end of year	15,924	3,755	36,897	56,576

31 Superannuation (continued)

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Total expense (income) recognised in the statement of of comprehensive income				
Current service cost	662	177	410	1,249
Interest cost	881	194	2,831	3,906
Expected return on fund assets (net of expenses)	(1,358)	(319)	(3,121)	(4,798)
Expense recognised	185	52	120	357
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Current service cost	588	164	275	1,027
Interest cost	951	195	2,550	3,696
Expected return on fund assets (net of expenses)	(1,418)	(332)	(3,319)	(5,069)
Expense (income) recognised	121	27	(494)	(346)
	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Amounts recognised in other comprehensive income				
Actuarial losses	693	201	3,983	4,877
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Actuarial losses	3,421	1,049	17,121	21,591
	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Cumulative amount recognised in other comprehensive income				
Actuarial (gains)/losses	(1,268)	1,053	20,281	20,066
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Actuarial (gains)/losses	(1,961)	852	16,298	15,189
Fund assets			2010	2009
The percentage invested in each asset class at reporting date				
Australian equities			31.0%	32.1%
Overseas equities			26.8%	26.0%
Australian fixed interest securities			6.1%	6.2%
Overseas fixed interest securities			4.3%	4.7%
Property			9.5%	10.0%
Cash			9.6%	8.0%
Other			12.7%	13.0%
Total			100.0%	100.0%

31 Superannuation (continued)**Fair value of fund assets**

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

Expected rate of return on assets

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

Actual return on fund assets

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Actual return on fund assets – gains	1,498	333	3,387	5,218
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Actual return on fund assets – losses	(1,771)	(372)	(4,451)	(6,594)

Valuation method and principal actuarial assumptions at reporting date**(a) Valuation method**

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

(b) Economic assumptions

	2010	2009
Salary increase rate (excluding promotional increases)	3.50%	3.50%
Rate of CPI increase	2.50%	2.50%
Expected rate of return on assets	8.60%	8.13%
Discount rate	5.17%	5.59%

(c) Demographic assumptions

The demographic assumptions at 30 June 2010 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Expected contributions				
Expected employer contributions to be paid in the next reporting period	638	198	372	1,208

31 Superannuation (continued)

Funding arrangements for employer contributions

(a) Surplus/deficit

The following is a summary of the 30 June 2010 financial position of the fund calculated in accordance with AAS25 "Financial Reporting by Superannuation Plans":

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Accrued benefits	17,376	3,654	40,139	61,169
Net market value of fund assets	(18,593)	(4,126)	(39,771)	(62,490)
Net (surplus)/deficit	(1,217)	(472)	368	(1,321)

	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Accrued benefits	15,050	3,312	37,429	55,791
Net market value of fund assets	(15,924)	(3,755)	(36,897)	(56,576)
Net (surplus)/deficit	(874)	(443)	532	(785)

(b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS 2010	SANCS 2010	SSS 2010
multiple of member contributions	1.90	-	0.93
% member salary	-	2.5	-

	SASS 2009	SANCS 2009	SSS 2009
multiple of member contributions	1.90	-	0.93
% member salary	-	2.5	-

(c) Funding method

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

(d) Economic assumptions

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

Weighted average assumptions

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

Nature of asset / liability

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

(e) Five year comparatives	2010 \$000	2009 \$000	2008 \$000	2007 \$000	2006 \$000
Fair value of the plan assets	62,489	56,576	63,154	68,801	61,359
Present value of the defined benefit obligation	(81,158)	(71,246)	(57,750)	(57,853)	(57,310)
Plan surplus (deficit)	(18,669)	(14,670)	5,404	10,948	4,049

32. Commitments

	Consolidated		Parent	
	2010 \$000	2009 \$000	2010 \$000	2009 \$000
(a) Capital expenditure commitments				
Aggregate capital expenditures contracted for at balance date and not provided:				
Not later than one year (total including GST)	17,055	3,735	17,055	3,735
Later than one year and not later than 5 years	56,281	-	56,281	-
Total Including GST	73,336	3,735	73,336	3,735
(b) Operating expenditure commitments (excluding lease commitments)				
Not later than one year	4,235	2,955	4,235	2,955
Later than one year and not later than 5 years	5,280	3,530	5,280	3,530
Total Including GST	9,515	6,485	9,515	6,485
(c) Operating lease commitments payable				
Not later than one year	587	467	587	467
Later than one year and not later than 5 years	693	616	693	616
Later than 5 years	29	28	29	28
Total Including GST	1,309	1,111	1,309	1,111
(d) National Marine Safety Committee Incorporated (NMSC)				
Commitments in relation to operating expenditure of the NMSC are as follows				
Not later than one year (total Including GST)	634	634	634	634
(e) Better Boating Program				
Not later than one year	3,599	2,574	3,599	2,574
Later than one year and not later than 5 years	5,238	5,285	5,238	5,285
Total Including GST	8,837	7,859	8,837	7,859
(f) Marine Rescue NSW				
Not later than one year	1,442	4,391	1,442	4,391
Total (no GST)	1,442	4,391	1,442	4,391

33 Contingent liabilities and assets

Contingent liabilities for unsettled claims subject to litigation as at 30 June 2010 are estimated to be \$1.340M (2009: \$3.165M). If successful, these claims will be met by NSW Maritime's insurers. The contingent asset in relation to these claims is \$1.340M (2009: \$3.165M).

		Consolidated		Parent	
		2010	2009	2010	2009
		\$000	\$000	\$000	\$000

34 Auditors' remuneration

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

audit and review of financial statements *

		Consolidated		Parent	
		2010	2009	2010	2009
		\$000	\$000	\$000	\$000
		170	170	170	170

* There were no other services performed by the NSW Auditor-General

35 Comparatives

No comparative information has been materially amended from the previous financial statements.

36 Events after the reporting date

NSW Maritime has not identified any material events or transactions that require adjustments or disclosures in the financial report.

End of Audited Financial Statements



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Maritime Authority of New South Wales Division

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of the Maritime Authority of New South Wales Division (the Division), which comprises the statement of financial position as at 30 June 2010, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial statements:

- present fairly, in all material respects, the financial position of the Division as at 30 June 2010, and of its financial performance for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

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

The Chief Executive's Responsibility for the Financial Statements

The Chief Executive is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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

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

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

My opinion does *not* provide assurance:

- about the future viability of the Division
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal controls.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies, but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



James Sugumar
Director, Finance Audit Services

20 October 2010
SYDNEY

MARITIME AUTHORITY OF NSW DIVISION Financial Statements


For the year ended 30 June 2010

STATEMENT BY CHIEF EXECUTIVE

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

1. The accompanying Financial Statements exhibit a true and fair view of the Division's financial position as at 30 June 2010 and the 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*, the *Public Finance and Audit Regulation 2010*, and the Treasurer's Directions.

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



19/10/10

Steve Dunn
Chief Executive

19 October 2010

MARITIME AUTHORITY OF NSW DIVISION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2010

	Note	2010 \$000	2009 \$000
Revenue			
Payroll services		44,478	58,260
Superannuation funding surplus		-	494
Total revenue		44,478	58,754
Expenses			
Employee related expenses	5	39,221	36,759
Administration	6	380	404
Total expenses		39,601	37,163
Surplus for the year		4,877	21,591
Other comprehensive income			
Superannuation actuarial losses	11	(4,877)	(21,591)
Other comprehensive income for the year		(4,877)	(21,591)
Total comprehensive income for the year		-	-

STATEMENT OF FINANCIAL POSITION
For the year ended 30 June 2010

Assets

Current assets

Cash and cash equivalents	7	1,068	921
Trade and other receivables	8	37,314	31,892
Total current assets		38,382	32,813

Non-current assets

Trade and other receivables	8	87	141
Total non-current assets		87	141
TOTAL ASSETS		38,469	32,954

Liabilities

Current liabilities

Trade and other payables	9	1,673	3,067
Provisions	10	15,006	11,855
Total current liabilities		16,679	14,922

Non-current liabilities

Trade and other payables	9	18,756	14,811
Provisions	10	3,034	3,221
Total non-current liabilities		21,790	18,032
TOTAL LIABILITIES		38,469	32,954

NET ASSETS

Equity

Accumulated funds		-	-
TOTAL EQUITY		-	-

The accompanying notes form part of these financial statements

MARITIME AUTHORITY OF NSW DIVISION
STATEMENT OF CASH FLOWS
For the year ended 30 June 2010

	Note	2010 \$000	2009 \$000
Cash flows from operating activities			
Receipts from customers		38,909	36,926
Payments to suppliers and employees		(38,762)	(36,347)
Net cash flows from operating activities	7	147	579
Net increase in cash and cash equivalents		147	579
Cash and cash equivalents at the beginning of the year		921	342
Cash and cash equivalents at the end of the year	7	1,068	921

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2010

	2010 \$000	2009 \$000
Accumulated funds		
Balance at 1 July	-	-
Surplus for the year	4,877	21,591
Other comprehensive income for the year	(4,877)	(21,591)
Balance at 30 June	-	-

1 Information about NSW Maritime Authority Division

Maritime Authority of NSW Division was established on 16 March 2006, as a special purpose entity to take over all payroll and employment related responsibilities from NSW Maritime in order to enhance and protect the working conditions of NSW Maritime employees. The financial report of the Maritime Authority of NSW Division for the year ended 30 June 2010 was authorised for issue by the Chief Executive on 19 October 2010.

2 Summary of significant accounting policies

Basis of preparation

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

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

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

(a) New accounting standards and interpretations

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the annual reporting period ending 30 June 2010. These are outlined in the table below.

Reference	Title	Summary	Financial year of application
AASB 119	Employee Benefits	Minor editorial change and will not result in a material financial impact on the financial statements.	30 June 2012
AASB 137	Provisions, Contingent Liabilities and Contingent Assets	Minor editorial change and will not result in a material financial impact on the financial statements.	30 June 2012
AASB 139	Financial Instruments: Recognition and Measurement	Clarifies that a prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.	30 June 2012

(b) Cash and cash equivalents – refer note 7

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

(c) Trade and other receivables – refer note 8

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

(d) Trade and other payables – refer note 9

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

2 Summary of significant accounting policies (continued)

(e) Provisions – refer note 10

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where Maritime Authority of NSW Division expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

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

Employee leave benefits

(i) Salaries, sick leave and annual leave

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

(ii) Long service leave

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

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

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

(iv) Superannuation

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

(f) Revenues

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

(g) Insurance

The Division's insurance requirement is managed by the NSW Treasury Managed Fund. During 2009–2010 the Division had workers' compensation insurance in place.

3 Financial instruments

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

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

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

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

(a) Financial instrument categories

	Note	Category	2010 \$000	2009 \$000
Financial assets				
Cash and cash equivalents	7	N/A	1,068	921
Receivables	8	Loans and receivables at amortised cost	37,314	31,852
Financial liabilities				
Payables	9	Financial liabilities measured at amortised cost	1,673	3,067

(b) Credit risk

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

Cash

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

Receivables – NSW Maritime

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

(c) Liquidity risk

As a body funded by NSW Maritime, the Division has no significant liquidity risk. The table below reflects all contractually fixed payables resulting from recognised financial liabilities as at 30 June, based on management expectations. The Division has no interest-bearing payables and, therefore, no exposure to interest rate risk. All obligations are shown at undiscounted cash amounts.

	Maturity dates		
	< 1 year	1–5 years	> 5 years
2010			
Payables			
Accrued salaries	439	-	-
Creditors	1,234	-	-
	1,673	-	-
2009			
Payables			
Accrued salaries	288	-	-
Creditors	2,779	-	-
	3,067	-	-

(d) Market risk

Interest rate risk

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

(e) Fair Value

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

4 Significant accounting judgements, estimates and assumptions

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

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

Significant accounting estimates and assumptions

Long service leave provision

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. This is based on an actuarial assessment. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using Commonwealth bond rates. The related carrying amounts are disclosed in note 10.

Net defined benefit superannuation asset or liability

The net defined benefit superannuation asset or liability arising from under funded or over funded obligations is assessed each year by independent consultants. This assessment requires assumptions in relation to future salary increases, changes in CPI and return on plan assets. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The related carrying amounts are disclosed in note 11.

	2010 \$000	2009 \$000
5 Employee related expenses		
Ordinary time	27,680	25,634
Long service leave	2,386	1,110
Recreation leave	2,589	2,494
Payroll tax and fringe benefits tax	2,295	2,291
Overtime	501	582
Sick leave	684	448
Voluntary separation payments	42	125
Other employee benefits and workers' compensation	1,111	1,402
Superannuation		
Accumulation schemes expense including contributions	1,980	1,740
Defined benefit superannuation schemes net expense	357	148
Accrual for salaries, enterprise agreement, annual leave and long service leave	(404)	785
	39,221	36,759
6 Administration		
Travel allowances	380	404
7 Cash and cash equivalents		
Cash at bank	1,068	921
Reconciliation of cash		
The amount shown is fair value. For the purposes of the statement of cash flows, cash and cash equivalents comprise the amount shown above.		
Reconciliation of net cash flows from operating activities to net surplus		
Net cash provided by (used in) operating activities	147	579
Changes in assets and liabilities		
Increase in current receivables	5,422	20,311
Increase in non-current receivables	147	1,517
Decrease (increase) in current payables	1,394	(118)
Decrease (increase) in non-current payables	731	(11)
Increase in provisions	(2,964)	(687)
Net surplus	4,877	21,591
8 Trade and other receivables		
Current receivables		
Amount owing from NSW Maritime	37,314	31,852
Recoverable expenses	-	40
Total current receivables	37,314	31,892
Non current receivables	87	141
Superannuation surplus	87	141

(i) Net fair value

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

(ii) Significant terms and conditions

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

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

	2010 \$000	2009 \$000
9 Trade and other payables		
Current payables		
Trade creditors	894	870
Accrued superannuation	31	1,078
Accrued payroll tax	220	733
Accrued salaries	439	288
Accrued fringe benefits tax	89	98
	1,673	3,067
Non current payables	18,756	14,811
Superannuation deficit	18,756	14,811

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

10 Provisions

Current employee benefits and related on-cost

Annual leave (a)	3,398	2,987
Long service leave – short term benefit (b)	1,226	775
Long service leave – long term benefit (b)	9,892	7,683
Provision for workers' compensation (c)	490	410
	15,006	11,855

Non-current employee benefits and related on-cost

Long service leave (b)	269	181
Provision for workers' compensation (c)	2,765	3,040
	3,034	3,221

(a) The liability for annual leave is calculated using 1 July 2010 wage rates.

(b) Workers' compensation provision includes \$1.380M for dust diseases (2009: \$1.890M) of which \$151K (2009: \$189K) is current. This provision is for claims from former Maritime Services Board (MSB) staff for dust related diseases that can be attributed to their service during the period 1/7/89 – 30/6/95 when the MSB was a self insurer.

	Balance 1 Jul 09 \$000	Charges to revenue \$000	Less payments \$000	Balance 30 June 10 \$000
Movement in annual and long service leave provision				
Annual leave	2,987	2,877	(2,466)	3,398
Long service leave – current	8,458	3,292	(632)	11,118
Long service leave – non-current	181	88	-	269

11 Superannuation

Fund information

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

- State Superannuation Scheme (SSS)
- State Authorities Non-Contributory Superannuation Scheme (SANCS)
- State Authorities Superannuation Scheme (SASS)

These schemes are all defined benefit schemes – at least a component of the final benefit is derived from a multiple of member salary and years of membership. All of the schemes are closed to new members.

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	
Member numbers				
Contributors	56	87	31	
Deferred benefits	–	–	2	
Pensioners	3	–	33	
Pensions fully commuted	–	–	5	
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	
Contributors	56	90	34	
Deferred benefits	–	–	2	
Pensioners	2	–	30	
Pensions fully commuted	–	–	5	
	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Superannuation position recognised in the statement of financial position under AASB 119				
Accrued liability	19,093	4,039	58,026	81,158
Estimated reserve account balance	(18,593)	(4,126)	(39,770)	(62,489)
Net (asset) liability recognised in the statement of financial position	500	(87)	18,256	18,669
Future service liability	3,525	1,286	2,297	7,108
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Accrued liability	16,212	3,614	51,420	71,246
Reserve account balance	(15,924)	(3,755)	(36,897)	(56,576)
Net (asset) liability recognised in the statement of financial position	288	(141)	14,523	14,670
Future service liability	3,544	1,416	2,416	7,376

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

Accounting policy

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

11 Superannuation (continued)

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Reconciliation of the present value of the defined benefit obligation				
Present value of partly funded defined benefit obligations at beginning of year	16,212	3,614	51,420	71,246
Current service cost	662	177	410	1,249
Interest cost	881	194	2,831	3,906
Contributions by fund participants	336	-	400	736
Actuarial losses	1,170	216	4,114	5,500
Benefits paid	(168)	(162)	(1,149)	(1,479)
Present value of partly funded defined benefit obligations at end of year	19,093	4,039	58,026	81,158
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Present value of partly funded defined benefit obligations at beginning of year	14,972	3,118	39,660	57,750
Current service cost	588	164	275	1,027
Interest cost	951	195	2,550	3,696
Contributions by fund participants	325	-	317	642
Actuarial losses	501	344	10,129	10,974
Benefits paid	(1,125)	(207)	(1,511)	(2,843)
Present value of partly funded defined benefit obligations at end of year	16,212	3,614	51,420	71,246
	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Reconciliation of the fair value of fund assets				
Fair value of fund assets at beginning of year	15,924	3,755	36,897	56,576
Expected return on fund assets	1,358	319	3,121	4,798
Actuarial gains	477	14	132	623
Employer contributions	667	200	369	1,236
Contributions by fund participants	335	-	400	735
Benefits paid	(168)	(162)	(1,149)	(1,479)
Fair value of fund assets at end of year	18,593	4,126	39,770	62,489
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Fair value of fund assets at beginning of year	17,591	4,140	41,423	63,154
Expected return on fund assets	1,418	332	3,319	5,069
Actuarial gains	(2,921)	(705)	(6,991)	(10,617)
Employer contributions	636	195	340	1,171
Contributions by fund participants	325	-	317	642
Benefits paid	(1,125)	(207)	(1,511)	(2,843)
Fair value of fund assets at end of year	15,924	3,755	36,897	56,576

11 Superannuation (continued)

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Total expense (income) recognised in the statement of comprehensive income				
Current service cost	662	177	410	1,249
Interest cost	881	194	2,831	3,906
Expected return on fund assets (net of expenses)	(1,358)	(319)	(3,121)	(4,798)
Expense recognised	185	52	120	357

	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Current service cost	588	164	275	1,027
Interest cost	951	195	2,550	3,696
Expected return on fund assets (net of expenses)	(1,418)	(332)	(3,319)	(5,069)
Expense (income) recognised	121	27	(494)	(346)

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Amounts recognised in other comprehensive income				
Actuarial losses	693	201	3,983	4,877

	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Actuarial losses	3,421	1,049	17,121	21,591

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Cumulative amount recognised in other comprehensive income				
Actuarial (gains)/losses	(1,268)	1,053	20,281	20,066

	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Actuarial (gains)/losses	(1,961)	852	16,298	15,189

Fund assets

The percentage invested in each asset class at the reporting date

	2010	2009
Australian equities	31.00%	32.10%
Overseas equities	26.80%	26.00%
Australian fixed interest securities	6.10%	6.20%
Overseas fixed interest securities	4.30%	4.70%
Property	9.50%	10.00%
Cash	9.60%	8.00%
Other	12.70%	13.00%
Total	100.00%	100.00%

11 Superannuation (continued)**Fair value of fund assets**

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

Expected rate of return on assets

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

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Actual return on funds assets				
Return on fund assets – gains	1,498	333	3,387	5,218
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Return on fund assets – losses	(1,771)	(372)	(4,451)	(6,594)

Valuation method and principal actuarial assumptions at reporting date**(a) Valuation method**

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

	2010	2009
(b) Economic assumptions		
Salary increase rate (excluding promotional increases)	3.50%	3.50%
Rate of CPI increase	2.50%	2.50%
Expected rate of return on assets	8.60%	8.13%
Discount rate	5.17%	5.59%

(c) Demographic assumptions

The demographic assumptions at 30 June 2010 are those that were used in the 2009 triennial actuarial valuation. The triennial review report is available from the NSW Treasury website.

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Expected contributions				
Expected employer contributions to be paid in the next reporting period	638	198	372	1,208

11 Superannuation (continued)**Funding arrangements for employer contributions****(a) Surplus/deficit**

The following is a summary of the 30 June 2010 financial position of the fund calculated in accordance with AAS25 "Financial Reporting by Superannuation Plans":

	SASS 2010 \$000	SANCS 2010 \$000	SSS 2010 \$000	Total 2010 \$000
Accrued benefits	17,376	3,654	40,139	61,169
Net market value of fund assets	(18,593)	(4,126)	(39,771)	(62,490)
Net (surplus)/deficit	(1,217)	(472)	368	(1,321)
	SASS 2009 \$000	SANCS 2009 \$000	SSS 2009 \$000	Total 2009 \$000
Accrued benefits	15,050	3,312	37,429	55,791
Net market value of fund assets	(15,924)	(3,755)	(36,897)	(56,576)
Net (surplus)/deficit	(874)	(443)	532	(785)

(b) Contribution recommendations

Recommended contribution rates for the entity are:

	SASS 2010	SANCS 2010	SSS 2010
multiple of member contributions	1.90	-	0.93
% member salary	-	2.50	-
	SASS 2009	SANCS 2009	SSS 2009
multiple of member contributions	1.90	-	0.93
% member salary	-	2.5	-

(c) Funding method

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

11 Superannuation (continued)

(d) Economic assumptions

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

Weighted average assumptions

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

Nature of asset / liability

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

	2010 \$000	2009 \$000	2008 \$000	2007 \$000	2006 \$000
(e) Five year comparatives					
Fair value of the plan assets	62,489	56,576	63,154	68,801	61,359
Present value of the defined benefit obligation	(81,158)	(71,246)	(57,750)	(57,853)	(57,310)
Plan surplus (deficit)	(18,669)	(14,670)	5,404	10,948	4,049

12 Commitments

The Division had no commitments for expenditures at 30 June 2010.

13 Contingent liabilities and assets

The Division had no contingent assets or liabilities at 30 June 2010.

14 Comparatives

No comparative information has been materially amended from the previous financial statements.

15 Events after the reporting date

The Division has not identified any material events or transactions that require adjustments or disclosures in the financial report.

End of Audited Financial Statements

9

APPENDICES



1. Legislation

Date	Legislation	Action
17 July 2009	<i>Marine Safety (General) Regulation 2009</i>	Schedule 5, Part 1, Key was amended by the <i>Statute Law (Miscellaneous Provisions) Act 2009</i> to correct a typographical error.
1 October 2009	<i>Commercial Vessels (Certificates of Competency and Safety Manning) Regulation 1986</i> <i>Commercial Vessels (Load Lines) Regulation 1986</i> <i>Commercial Vessels (Permits) Regulation 1986</i> <i>Management of Waters and Waterside Lands Regulations – N.S.W.</i> <i>Marine Safety (General) Regulation 2009</i>	Amended by the following Regulations to increase fees generally in line with movements in the Consumer Price Index: <i>Commercial Vessels Legislation (Fees, Charges and Expenses) Regulation 2009</i> <i>Management of Waters and Waterside Lands Amendment (Fees) Regulation 2009</i> <i>Marine Safety (General) Amendment (Fees) Regulation 2009</i>
8 January 2010	<i>Marine Safety Act 1998</i>	Schedule 1 Alcohol and drug use – random breath testing and related matters was amended by the <i>Statute Law (Miscellaneous Provisions) Act (No 2) 2009</i> concerning sample handling.
19 February 2010	<i>Marine Safety (General) Regulation 2009</i>	Amended by the <i>Marine Safety (General) Amendment Regulation 2010</i> to provide that certain references to legislation in the <i>Marine Safety Act 1998</i> are taken to include references to the <i>Commercial Vessels Act 1979</i> and Regulations until the repeal of that Act.
19 February 2010	<i>Commercial Vessels (Emergency Procedures and Safety of Navigation) Regulation 1986</i> <i>Commercial Vessels (Equipment) Regulation 1986</i> <i>Commercial Vessels (Permits) Regulation 1986</i>	Amended by the <i>Commercial Vessels (National Standards) Regulation 2010</i> to apply and update references to the most current relevant provisions of the <i>Uniform Shipping Laws Code</i> and introduce two new classes of vessel permit.
23 April 2010	<i>Management of Waters and Waterside Lands Regulations – N.S.W.</i>	Amended by the <i>Management of Waters and Waterside Lands Amendment (Penalty Notice Offences) Regulation 2010</i> to increase the penalty notice penalty for an alleged offence under clause 5 for failing to comply with a sign or notice that regulates the conduct of persons on or in areas controlled by NSW Maritime from \$60 to \$250.
23 April 2010	<i>Marine Safety (General) Regulation 2009</i>	Amended by the <i>Marine Safety (General) Amendment (Narrow Channels or Fairways) Regulation 2010</i> to remove the NSW Special Rule modifying Rule 9 Narrow channels of the <i>International Regulations for Preventing Collisions at Sea</i> as adopted in Schedule 2.

2. Freedom of Information (FOI)

SECTION A – NEW FOI APPLICATIONS

How many FOI applications were received, discontinued or completed?	NUMBER OF FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
A1 New	4	4	53	86	57	90
A2 Brought forward	0	0	1	14	1	14
A3 Total to be processed	4	4	54	100	58	104
A4 Completed	0	3	39	65	39	68
A5 Discontinued	4	0	1	7	5	7
A6 Total processed	4	3	40	72	44	75
A7 Unfinished (carried forward)	0	1	14	28	14	29

SECTION B – DISCONTINUED FOI APPLICATIONS

Why were FOI applications discontinued?	DISCONTINUED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
B1 Request transferred out to another agency (s.20)	0	0	0	0	0	0
B2 Applicant withdrew request	4	0	1	7	5	7
B3 Applicant failed to pay advance deposit (s.22)	0	0	0	0	0	0
B4 Applicant failed to amend a request that would have been an unreasonable diversion of resources to complete (s.25(1)(a1))	0	0	0	0	0	0
B5 Total discontinued	4	0	1	7	5	7

SECTION C – COMPLETED APPLICATIONS

What happened to completed FOI applications?	NUMBER OF COMPLETED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
C1 Granted or otherwise available in full	0	1	16	26	16	27
C2 Granted or otherwise available in part	0	1	18	23	18	24
C3 Refused	0	0	5	5	5	5
C4 No documents held	0	1	0	11	0	12
C5 Total completed	0	3	39	65	39	68

SECTION D – APPLICATIONS GRANTED OR OTHERWISE AVAILABLE IN FULL

How were the documents made available to the applicant?	NUMBER OF FOI APPLICATIONS (GRANTED OR OTHERWISE AVAILABLE IN FULL)					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
All documents requested were:						
D1 Provided to the applicant	0	1	16	26	16	27
D2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
D3 Available for inspection	0	0	0	0	0	0
D4 Available for purchase	0	0	0	0	0	0
D5 Library material	0	0	0	0	0	0
D6 Subject to deferred access	0	0	0	0	0	0
D7 Available by a combination of any of the reasons listed in D1-D6 above	0	0	0	0	0	0
D8 Total granted or otherwise available in full	0	1	16	26	16	27

SECTION E – APPLICATIONS GRANTED OR OTHERWISE AVAILABLE IN PART

How were the documents made available to the applicant?	NUMBER OF FOI APPLICATIONS (GRANTED OR OTHERWISE AVAILABLE IN PART)					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
Documents made available were:						
E1 Provided to the applicant	0	1	18	23	18	24
E2 Provided to the applicant's medical practitioner	0	0	0	0	0	0
E3 Available for inspection	0	0	0	0	0	0
E4 Available for purchase	0	0	0	0	0	0
E5 Library material	0	0	0	0	0	0
E6 Subject to deferred access	0	0	0	0	0	0
E7 Available by a combination of any of the reasons listed in E1-E6 above	0	0	0	0	0	0
E8 Total granted or otherwise available in part	0	1	18	23	18	24

SECTION F – REFUSED FOI APPLICATIONS

Why was access to the documents refused?	NUMBER OF REFUSED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
F1 Exempt	0	0	5	4	5	4
F2 Deemed refused	0	0	0	1	0	1
F3 Total refused	0	0	5	5	5	5

SECTION G – EXEMPT DOCUMENTS

Why were the documents classified as exempt?	NUMBER OF FOI APPLICATIONS (REFUSED OR ACCESS GRANTED OR OTHERWISE AVAILABLE IN PART ONLY)					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
Restricted documents:						
G1 Cabinet documents (Clause 1)	0	0	0	0	0	0
G2 Executive Council documents (Clause 2)	0	0	0	0	0	0
G3 Documents affecting law enforcement and public safety (Clause 4)	0	0	0	6	4	6
G4 Documents affecting counter terrorism measures (Clause 4A)	0	0	0	0	0	0
Documents requiring consultation:						
G5 Documents affecting intergovernmental relations (Clause 5)	0	0	0	0	0	0
G6 Documents affecting personal affairs (Clause 6)	0	1	0	16	13	17
G7 Documents affecting business affairs (Clause 7)	0	0	0	3	4	3
G8 Documents affecting the conduct of research (Clause 8)	0	0	0	0	0	0
Documents otherwise exempt:						
G9 Schedule 2 exempt agency	0	0	0	0	0	0
G10 Documents containing information confidential to Olympic Committees (Clause 22)	0	0	0	0	0	0
G11 Documents relating to threatened species, Aboriginal objects or Aboriginal places (Clause 23)	0	0	0	0	0	0
G12 Documents relating to threatened species conservation (Clause 24)	0	0	0	0	0	0
G13 Plans of management containing information of Aboriginal significance (Clause 25)	0	0	0	0	0	0
G14 Private documents in public library collections (Clause 19)	0	0	0	0	0	0
G15 Documents relating to judicial functions (Clause 11)	0	0	0	0	0	0
G16 Documents subject to contempt (Clause 17)	0	0	0	0	0	0
G17 Documents arising out of companies and securities legislation (Clause 18)	0	0	0	0	0	0
G18 Exempt documents under interstate FOI legislation (Clause 21)	0	0	0	0	0	0
G19 Documents subject to legal professional privilege (Clause 10)	0	0	2	1	2	1

table continued next page

SECTION G – EXEMPT DOCUMENTS (CONTINUED)

Why were the documents classified as exempt?	NUMBER OF FOI APPLICATIONS (REFUSED OR ACCESS GRANTED OR OTHERWISE AVAILABLE IN PART ONLY)					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
G20 Documents containing confidential material (Clause 13)	0	0	0	0	0	0
G21 Documents subject to secrecy provisions (Clause 12)	0	0	0	0	0	0
G22 Documents affecting the economy of the State (Clause 14)	0	0	0	0	0	0
G23 Documents affecting financial or property interests of the State or an agency (Clause 15)	0	0	0	0	0	0
G24 Documents concerning operations of agencies (Clause 16)	0	0	0	0	0	0
G25 Internal working documents (Clause 9)	0	0	0	1	0	1
G26 Other exemptions (eg., Clauses 20, 22A and 26)	0	0	0	0	0	0
G27 Total applications including exempt documents	0	1	0	27	23	28

SECTION H – MINISTERIAL CERTIFICATES (S.59)

How many Ministerial Certificates were issued?	NUMBER OF MINISTERIAL CERTIFICATES	
	(previous year)	(current year)
H1 Ministerial Certificates issued	0	0

SECTION I – FORMAL CONSULTATIONS

How many formal consultations were conducted?	NUMBER	
	(previous year)	(current year)
I1 Number of applications requiring formal consultation	16	29
I2 Number of persons formally consulted	16	29

SECTION J – AMENDMENT OF PERSONAL RECORDS

How many applications for amendment of personal records were agreed or refused?	NUMBER OF APPLICATIONS FOR AMENDMENT OF PERSONAL RECORDS	
	(previous year)	(current year)
J1 Agreed in full	0	0
J2 Agreed in part	0	0
J3 Refused	0	0
J4 Total	0	0

SECTION K – NOTATION OF PERSONAL RECORDS

How many applications for notation of personal records were made (s.46)?	NUMBER OF APPLICATIONS FOR NOTATION	
	(previous year)	(current year)
K1 Applications for notation	0	0

SECTION L – FEES AND COSTS

What fees were assessed and received for FOI applications processed (excluding applications transferred out)?	ASSESSED COSTS		FEES RECEIVED	
	(previous year)	(current year)	(previous year)	(current year)
L1 All completed applications	\$ 2,374	\$4,225	\$ 2,374	\$ 4,045

SECTION M – FEE DISCOUNTS

How many fee waivers or discounts were allowed and why?	NUMBER OF FOI APPLICATIONS (WHERE FEES WERE WAIVED OR DISCOUNTED)					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
M1 Processing fees waived in full	0	0	0	0	0	0
M2 Public interest discounts	0	0	0	0	0	0
M3 Financial hardship discounts – pensioner or child	0	0	0	6	0	6
M4 Financial hardship discounts – non profit organisation	0	0	0	0	0	0
M5 Total	0	0	0	6	0	6

SECTION N – FEE REFUNDS

How many fee refunds were granted as a result of significant correction of personal records?	NUMBER OF REFUNDS	
	(previous year)	(current year)
N1 Number of fee refunds granted as a result of significant correction of personal records	0	0

SECTION O – DAYS TAKEN TO COMPLETE REQUEST

How long did it take to process completed applications? (Note: calendar days)	NUMBER OF COMPLETED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
O1 0-21 days – statutory determination period	0	1	18	36	18	37
O2 22-35 days – extended statutory determination period for consultation or retrieval of archived records (S.59B)	0	2	8	28	8	30
O3 Over 21 days – deemed refusal where no extended determination period applies	0	0	13	1	13	1
O4 Over 35 days – deemed refusal where extended determination period applies	0	0	0	0	0	0
O5 Total	0	3	39	65	39	68

SECTION P – PROCESSING TIME: HOURS

How long did it take to process completed applications?	NUMBER OF COMPLETED FOI APPLICATIONS					
	PERSONAL		OTHER		TOTAL	
	(previous year)	(current year)	(previous year)	(current year)	(previous year)	(current year)
P1 0-10 hours	0	2	35	38	35	40
P2 11-20 hours	0	1	4	25	4	26
P3 21-40 hours	0	0	0	2	0	2
P4 Over 40 hours	0	0	0	0	0	0
P5 Total	0	3	39	65	39	68

SECTION Q – NUMBER OF REVIEWS

How many reviews were finalised?	NUMBER OF COMPLETED REVIEWS	
	(previous year)	(current year)
Q1 Internal reviews	0	9
Q2 Ombudsman reviews	1	2
Q3 ADT reviews	0	4

SECTION R – RESULTS OF INTERNAL REVIEWS

What were the results of internal reviews finalised?

GROUNDS ON WHICH THE INTERNAL REVIEW WAS REQUESTED	NUMBER OF INTERNAL REVIEWS					
	PERSONAL		OTHER		TOTAL	
	Original Agency Decision Upheld	Original Agency Decision Varied	Original Agency Decision Upheld	Original Agency Decision Varied	Original Agency Decision Upheld	Original Agency Decision Varied
R1 Access refused	1	0	8	0	9	0
R2 Access deferred	0	0	0	0	0	0
R3 Exempt matter deleted from documents	0	0	0	0	0	0
R4 Unreasonable charges	0	0	0	0	0	0
R5 Failure to consult with third parties	0	0	0	0	0	0
R6 Third parties' views disregarded	0	0	0	0	0	0
R7 Amendment of personal records refused	0	0	0	0	0	0
R8 Total	1	0	8	0	9	0

The tables contain a statistical breakdown of how the agency dealt with FOI applications. The applications for exempt documents listed in Section F refer to applications that were refused because the information sought consisted only of “exempt documents”. The larger number of applications concerning “exempt documents” set out in section G includes applications where some documents sought were exempt and the exempt material was omitted.

The following narrative should accompany the FOI tables of statistics in the annual report as required by paragraph 2.9.3 of the FOI Manual and clause 10 of the FOI Regulation:

There was a significant increase in the number of new FOI applications received during the reporting year, 90 for the current year compared with 57 for the previous year. The increase created some difficulties for NSW Maritime in dealing with applications in a timely manner but 75 applications were processed during the current year compared with 44 during the previous year. However, several applications were deemed refused because they were not processed within the required timeframe, resulting in applications for internal and external review being made by a few applicants.

Except as set out above, no major issues arose during the year in connection with compliance with the FOI requirements.

The Ombudsman investigated two complaints under the FOI Act during the year but in both cases found that the complaints were not sustained.

There were five applications for review under the FOI Act to the Administrative Decisions Tribunal (ADT) during the year. One application was later withdrawn when the applicant was satisfied that no relevant documents were held by NSW Maritime. Three applications were withdrawn when NSW Maritime consented to provide access to documents that had previously been determined to be exempt but which the ICAC subsequently made publicly available by tendering them in a public inquiry. The other application was listed for a planning meeting before the ADT on 1 July 2010.

3. Legal information

During the year, Legal Services Branch conducted 51 Local Court prosecutions across the State, including Tweed Heads, Queanbeyan, Moama and Corowa.

Of note, the above included two matters for breaches of the *Environmental Planning and Assessment Act 1979* prosecuted by NSW Maritime in its role under that Act as consent authority for development below the mean high water mark in Sydney Harbour. The offences involved the demolition of a structure, and the building of a skid, ramp and boatshed access deck on the waterfront of a property at Middle Harbour. NSW Maritime was successful in obtaining a conviction and securing fines against the offenders.

Legal Services Branch also conducted a criminal hearing on appeal in the District Court in Sydney, and a variety of civil matters, from debt recovery to personal injury, arising from its role as the controller of managed lands.

Legal Services Branch dealt with 246 written representations made in relation to Penalty Notices issued by authorised officers for breaches of marine legislation. The branch also delivered compliance training to NSW Maritime's authorised officers in an intensive one-week course in September 2009, and conducts regular training by way of weekly bulletins distributed to all authorised officers and police.

Legal Services Branch also drafted and delivered 448 new leases over waterfront property to domestic tenants during 2009-2010.

4. Publications

Information Documents

- (i) Annual Report.
- (ii) NSW Boating Handbook.
- (iii) Maritimes Newsletter – The newsletter of NSW Maritime.
- (iv) NSW Tides 2009/2010.
- (v) Better Boating Program Information Kit and Application Form.
- (vi) Sydney's Aquatic Events A Boating Guide.
- (vii) School Activity Booklet.
- (viii) Brochures and fliers entitled:
 - Aquatic Licences
 - Australian Builders Plate
 - Bars 'n' Boats – A Safety Guide
 - Be Bright. Be Safe at Night
 - Better Boating Program
 - Be Responsible Near Whales and Dolphins
 - Big Ships, Small Boats
 - Boatcode Agents
 - Boatcode Built-in Security For Your Boat
 - Boat Ramp Etiquette
 - Boating on Iron Cove
 - Boatsmart – Boats and Alcohol Caution
 - Buying or Registering a Vessel
 - Carbon Monoxide
 - Determining the Length of Your Vessel
 - Don't Make Waves
 - Go Easy on the Drink
 - Hypothermia
 - I've Gone Boating (Magnet)
 - Info Kit
 - Leave Only Water In Your Wake
 - Maritime Skills
 - Mooring Licence Conditions (Private and Commercial)
 - Noise Annoys
 - Pittwater No Wash Zone
 - Proof of Identity and the Use of Personal Information under the *Privacy and Personal Information Protection Act 1998*
 - Safety Equipment Checklist
 - Sailboarding in the Waters of Sydney Harbour
 - Series of Boating Maps – Your guide to safe navigation of NSW coastal and inland waterways

- Serving our Boating Community
- Small Craft Safety
- Some People Go Overboard – Overloading Boats
- Take Care be Prop Aware
- Take Charge of Your Discharge
- Take Charge of Your Discharge on Lake Macquarie
- Take Note When Hiring A Boat
- Traffic Co-ordination on Georges River (Revesby Beach)
- Traffic Co-ordination On Parramatta River
- Traffic Separation on Middle Harbour
- Transit Zone Under Sydney Harbour Bridge
- Volunteer Marine Radio
- Wash Your Boat
- What To Know Before You Tow
- Working with NSW Maritime
- Your Boating Fees At Work
- You're the Skipper – You're Responsible

Posters

- (i) Always check the weather before and during boating
- (ii) Boatsmart From the Start - Know when to wear your lifejacket
- (iii) Boat suitability – know the wind and wave limits
- (iv) Capsize is a major contributor to boating fatalities
- (v) Excessive wash can cause nuisance, annoyance or danger
- (vi) Go Easy on the Drink
- (vii) Keep carbon monoxide levels at a minimum and prevent poisoning
- (viii) Lifejackets compulsory when crossing bars
- (ix) Make sure when towing that it is safe
- (x) Preserve the aquatic environment for future generations

Stickers

- (i) Bar Crossing
- (ii) Bin Your Butts
- (iii) Boatsmart From The Start – Know When To Wear Your Lifejacket
- (iv) Bow Riding
- (v) Capacity Plate
- (vi) Drowning Is Uncool
- (vii) Go Easy on the Drink
- (viii) Hypothermia – Cold Water Kills
- (ix) Kids In Boats
- (x) Navigation Rules/Signs and Signals
- (xi) Ride Smart – PWC Behaviour
- (xii) Row Smart
- (xiii) Safe Boating – Buoyage System
- (xiv) Safe Boating – Navigation Marks
- (xv) Safe Boating – Navigation Rules
- (xvi) Safety Check
- (xvii) Safety Check – Offshore
- (xviii) Safety Label

- (xix) Take Care be Prop Aware (small)
- (xx) Take Care be Prop Aware (large)
- (xxi) Water Ski Hand Signals
- (xxii) Wear it!
- (xxiii) Whale and Dolphin Watching
- (xxiv) You're the Skipper – You're Responsible

Boating Maps

North Coast

- 93. 1A
Tweed River, Cudgen Creeks
Upper Tweed River, Cudgera and Mooball Creeks
- 94. 1B
Brunswick River
Evans River
- 95. 2A
Richmond River and Wilsons River including detail insets
Lismore and Casino Richmond River Ballina Area
- 96. 2B
Clarence River
Yamba, Wooli, Sandon River, Brooms Head and
Minnie Water Insets
- 97. 3A
Bellinger/Kalang Rivers and detail Inset Sawtell area.
Detail Insets Coffs Harbour, Red Rock, Arrawarra and
Woolgoolga areas.
- 98. 4A
Nambucca River, Warrell and Deep Creeks
Nambucca Heads and Scotts Head Insets
- 99. 4B
Macleay River Area
South West Rocks, Crescent and Hat Heads Inset
- 100. 5A
Hastings, Wilson and Maria Rivers and Port Macquarie Area
Camden Haven River, Queens and Watson Taylors Lakes,
Laurieton and Lake Cathie areas
- 101. 6A
Manning River area and Crowdy Head Boating Harbour
Harrington, Old Bar and Khappinghat Creek Insets
- 102. 6B
Wallis Lake, Coolongolook, Wallingat and Wallamba Rivers Area
Smiths Lake and Upper Wallis Lake, Forster/ Tuncurry Area Insets

Hunter

- 103. 7A
Port Stephens and Tea Gardens Inset
Karuah River, Broughton Island and Nelson Bay detail Insets
- 104. 7B
Myall River and Tea Gardens detail Inset
Myall Lakes and Upper Myall River area and detail Inset Seal Rocks
- 105. 7C
Newcastle Harbour, Hunter River and Williams Rivers
Newcastle Harbour detail Inset
- 106. 8A
Lake Macquarie
Detail Insets for Swansea Channel/Belmont, Toronto, Cockle
Bay and Wangi Wangi areas.
- 107. 8B
Tuggerah, Budgewoi and Munmorah Lakes
Brisbane Water and Broken Bay

Hawkesbury

- 108. 9A
Pittwater
Cowan Creek and Narrabeen Lakes
- 109. 9B
Lower Hawkesbury River, Berowra, Mooney Mooney Creeks
Mid Hawkesbury River and Mangrove Creek
- 110. 9C
Upper Hawkesbury and Colo Rivers
Nepean River at Penrith

Sydney

- 111. 9D
Port Jackson east of the Harbour Bridge
Middle Harbour
- 112. 9E
Botany Bay, Lower Georges and Cooks Rivers
Georges and Woronora Rivers and Chipping Norton Lakes
- 113. 9F
Port Hacking
Botany Bay, Lower Georges and Cooks River
- 114. 9G
Port Jackson west of the Harbour Bridge including Lane Cove
and Lower Parramatta Rivers.
Upper Parramatta River

South Coast

- 115. 10A
Wollongong and Port Kembla Area
Bellambi, Wollongong Harbour, Austimer, Shellharbour and
Port Kembla Boat Harbour detail Insets
- 116. 10B
Lake Illawarra Area
Windang and Minnamurra detail Insets
- 117. 11A
Shoalhaven and Crookhaven Rivers, Culburra detail Inset
Kiama, Gerringong, Gerroa, Nowra and Crookhaven Heads
detail Insets
- 118. 11B
Jervis Bay, Currumbene and Currarong Creeks
Sussex Inlet, Swan Lake and St. Georges Basin
- 119. 12A
Lake Conjola and Narrawallee Inlet
Ulladulla, Burrill and Tabourie Lakes, Bawley Point and Kioloa Areas
- 120. 12B
Batemans Bay, Clyde and Tomaga Rivers
Batemans Bay detail and Durras Lake Insets
- 121. 13A
Moruya River Area and Congo Creek
Tuross, Coila and Mummuga Lakes
- 122. 13B
Wagonga Inlet and Montague Island
Bermagui River, Wallaga and Coruma Lakes, Brogo Dam
- 123. 14A
Merimbula and Pambula Lakes, Mogareka Inlet and Tathra
detail Insets
Twofold Bay and Wonboyn River

Inland Dams

- 124. 15
Lake Keepit
Split Rock and Chaffey Dams
- 125. 16
Glenbawn Dam
Lake St.Clair and Lostock Dam
- 126. 17
Copeton Dam
Pindari Dam
- 127. 18
Lake Jindabyne
Lake Eucumbene and Tantangara Reservoir
- 128. 19
Murray River – Moama/Echuca, Barmah, Picnic Point,
Tocumwal and Cobram/Barooga Areas

Lake Mulwala

- 129. 20
Murray River - Wentworth to Wickets, including insets for
Mildura/Buronga, Wentworth and Wickets to Collngan
Murray River - Wentworth to the South Australian Border
Including Insets for Locks 7, 8 and 9

Coastal Boating Maps

- 130. 1-2
Tweed Heads to Ballina
Ballina to Brooms Head
- 131. 3-4
Brooms Head to Coffs Harbour
Bonville Creek to Crescent Head
- 132. 5-6
Crescent Head to Crowdy Head
Crowdy Head to Seal Rocks
- 133. 7-8
Seal Rocks to Newcastle
Newcastle to Broken Bay
- 134. 9-10
Broken Bay to Garie Beach
Garie Beach to Crookhaven Heads
- 135. 11-12
Crookhaven Heads to Ulladulla Harbour
Ulladulla Harbour to Tuross Heads
- 136. 13-14
Tuross Heads to Tathra
Tathra to Wonboyn River

Digital Media

- 137. Website – <http://www.maritime.nsw.gov.au/>
- 138. Boating Safety Course - <https://online.maritime.nsw.gov.au/OnlineBSC/>
- 139. Boating Quiz – <http://www.maritime.nsw.gov.au/boattest.html>
- 140. Renewals – <https://online.maritime.nsw.gov.au/renewals/>
- 141. Maritimes Newsletter – <http://maritime.sites.optin.com.au/maritimes/march2009/newsletter.html>
- 142. Maritimes Staff Newsletter (url available internally only)
- 143. Wharf Bookings – <https://webpay.maritime.nsw.gov.au/wharfnet/>
- 144. Maps\DVDs order form – <https://netpay.maritime.nsw.gov.au/mvdonline/>
- 145. Live bar crossing web cams – <http://www.maritime.nsw.gov.au/webcams/web-cam.html>
- 146. Safety Campaigns – <http://www.maritime.nsw.gov.au/campaign.html>
- 147. Port of Yamba – <http://www.yamba.nsw.gov.au/>
- 148. Port of Eden – <http://www.eden.nsw.gov.au/>
- 149. Flickr – <http://www.flickr.com/photos/nswmaritime/>
- 150. Facebook – <http://www.facebook.com/pages/Rozelle-Australia/NSW-Maritime/118052160630>
- 151. Twitter – <http://twitter.com/nswmaritime>
- 152. YouTube – <http://www.youtube.com/NSWMaritime>
- 153. Boat for Life – <http://www.boatforlife.com.au/> (due for launch in early August 2009)

5. Consultants

NSW Maritime engaged 13 consultancies in planning and analysis activities during the year, none of which were valued at \$50,000 or over. Total consultancy costs were \$235,816.78.

6. Overseas visits

The following officer made overseas visits during 2009-2010. In both circumstances the trip costs were paid by the relevant client.

NSW Maritime Officer Travelling	Date of Trip	Trip Purpose	Country of Trip	City of Trip
Naval Architect	27 to 29 October 2009	Vessel Survey	New Zealand	Auckland
Naval Architect	21 to 25 June 2010	Vessel Survey	New Zealand	Auckland

7. Significant committees

External:

- **Australian Maritime Group** – Steve Dunn, Tony Middleton
- **Australia and New Zealand Safe Boating Education Group** – Ed Kwanten, Neil Patchett
- **Bays Precinct and Barrangaroo Taskforce** – Patrick Low
- **CEO Counter Terrorism Coordination Group** – Steve Dunn
- **Commercial Vessels Advisory Group** – Howard Glenn (Chair), Shankar Ramanathan, Chris Bolton
- **Government Licensing System Steering Committee** – Steve Dunn
- **Maritime Consultative Committee** – Brian Stanwell (Chair), Sue Ohanian, Ellery Hickson, Natasha Ianni, Victoria Cook, Leslie Brix-Nielsen, Peter Woolfenden, Fiona Thompson, Richard Barnes (Australian Maritime Officer's Union), Christopher Friend (Australian Services Union), Paul McAleer (Maritime Union of Australia)
- **Marine Rescue NSW Facilitation Group** – Brett Moore, Lisa White
- **National Marine Safety Committee** – Steve Dunn, Tony Middleton
- **Maritime Ministerial Advisory Council** – Steve Dunn
- **National Plan of Management Committee** – Tony Middleton
- **NSW National Plan Executive Committee** – Steve Dunn, Tony Middleton
- **NSW Water Safety Advisory Council** – Brett Moore/Ed Kwanten
- **Port Botany Logistics Taskforce** – Tony Middleton, Geraldine Andrews
- **Port Chief Executive Officers Meeting** – Steve Dunn, Tony Middleton
- **Recreational Vessels Advisory Group** – Brett Moore (Chair), Ed Kwanten, Laura Armstrong (Secretary)
- **Sharing Sydney Harbour Access Program Grants Committee** – Bruce Green
- **State Emergency Management Committee** – Steve Dunn
- **Transport Regulators Executive Committee** – Steve Dunn, Tony Middleton
- **Transport Services Functional Area Committee** – Brett Moore

Internal:

- **Audit & Risk Committee** – Liz Coombs (Chair), Howard Glenn (Internal), Melinda McCabe (Internal), Alex Smith (Independent), Ken Barker (Independent).
- **Better Boating Program Assessment Committee (including Regional and Sydney Harbour Boat Ramps)** – Howard Glenn (Chair), Terry Young (Secretary), Brett Moore, Lachlan Whetham
- **Commercial Vessels Incident Review Committee** – Howard Glenn, Sean O'Dwyer, Shankar Ramanathan, Trevor Williams, Craig Purdon
- **Equity and Diversity Committee** – Brian Stanwell (Chair), Sue Ohanian, Nelly Felczynski, Judith Webster, Neil Patchett, Michelle Egan
- **Executive Management Committee** – Steve Dunn (Chair), Brett Moore, Tony Middleton, Brian Stanwell, Patrick Low, Bruce Green, Howard Glenn, Melinda McCabe, Sue Mahony, Neil Patchett, Michelle Dumazel (Secretary)

- **IT Steering Committee** – Brian Stanwell (Chair), Steve Potter, Melinda McCabe, Rob Lea, Kumar Sundaram, Ann Waddington, Neil Patchett, Lindsay Phair (Secretary)
- **MIP Assessment Committee** – Howard Glenn (Chair), Lisa Anderson (Secretary), Brett Moore, Terry Young, Peter Maunder
- **Project Managers' Group** – Steve Dunn (Chair), Bruce Green, Brett Moore, Howard Glenn, Neil Mudge, Melinda McCabe, David Hunter, John Sturday, Ken Bywater, Anthony Dever, Michael Freeland, Peter Maunder, Theo Poulos, Sammy Rehim, Tim Woolnough and Emily Frost (Secretary)
- **Sydney Harbour Wharf Upgrade Program Design Review Panel** – Tony Middleton (Chair), Neil Mudge (Secretary)

Committees Established

The Sydney Harbour Wharf Upgrade Program Design Review Panel was established during the year. The purpose of the panel is to provide guidance in relation to uniform design concepts for replacement wharves at Circular Quay.

8. Maritime Ministerial Advisory Council

The Council is appointed for a period of two years with the term of the inaugural Council ending in May 2010. The Minister appointed a new Council which met for the first time in May 2010.

Current Membership:

- Darren Vaux
- Kay Cottee
- Gerry Ambrosine
- John Barbouttis
- Marcus Blackmore
- Michael Chapman
- Warwick Fairweather
- James Lawson
- Robert McMillan
- Douglas Olding
- Malcolm Poole
- Jan Thurgar
- Steve Dunn (ex-officio) Chief Executive, NSW Maritime.

9. Grants to non-government community organisations

Volunteer Marine Rescue

The member organisations of the Volunteer Marine Rescue Council (VMRC) established by the State Rescue Board (SRB) continue to rely heavily on the support of the general public, the boating community and corporate sponsorship to meet their significant capital and operational costs.

In recognition of the vital contribution of volunteers, the State Government provides operational funding support through an agreement between NSW Maritime and the SRB. The amount is adjusted by CPI each year, and for 2009-2010 the total amount of funding allocated was \$1.4 million. Supplementary funding of \$3 million was provided in 2009-2010 for the formation of the new entity, Marine Rescue NSW.

Organisation	Grant
Total operational funding made available:	\$1,390,500
Volunteer Rescue Association Marine	\$351,048.70
Replacement vessel at Shoalhaven	\$130,000
Replacement vessel at Tuross	\$10,000
Operational support funds distributed to units	\$88,325
Funding to support Competency Based Training	\$122,724.70
Australian Volunteer Coast Guard	\$391,434.37
Repair vessel at Swansea	\$8,500
Repair vessel at Port Jackson	\$55,000
Repair vessel Botany Bay	\$5,500
Repair vessel Cottage Point	\$42,500
SARcc repairs Solander	\$7,000
SARcc dedicated DCN radios	\$5,383
SARcc repairs Swansea	\$2,000
Replace computers at Port Stephens base	\$3,900
Upgrade radio antennae – Port Kembla	\$5,000
SARcc repairs at Ballina	\$1,500
Repair radio base – Kingscliff	\$3,000
Repair radio base – Iluka, Yamba	\$2,500
State insurances	\$65,470
Engineering investigation SARcc extension	\$5,000
Funding to support Competency Based Training	\$176,210
Contingency fund	\$2971.37
Royal Volunteer Coastal Patrol	\$648,016.93
Capital expenditure	\$204,056.30
Administration	\$92,326.58
Communications	\$101,634.05
Funding to support Competency Based Training	\$250,000

Better Boating Program Grants to non-government community organisations

Under the Better Boating Program, grants totalling approximately \$5.5 million were approved for 74 projects to government and non-government organisations (NGO). Grants to NGO included the following:

Applicant	Project Name	Estimated Cost	BBP Grant (incl/SSHAP)
Wangi Wangi District Workers Club	Repairs to Wangi Wangi District Workers Club & Public Jetty	\$80,000	\$40,000
Australian Volunteer Coastguard (Marine Rescue NSW)	Pontoon installation at Lemon Tree Passage-Port Stephens	\$19,226	\$9,226
Cameron Brae P/L	Berowra Waters Marina Sewage Pumpout Facility	\$125,231	\$36,940
D'Albora Marinas	Akuna Bay Marina Pumpout Upgrade – Hawkesbury River	\$36,680	\$18,340
Tocumwal Foreshore Committee	Boat Ramp Erosion Control, Tocumwal	\$34,875	\$17,438
Wentworth Angling Club	Fort Courage pontoons & Boat Ramp Upgrade – Murray River, Wentworth	\$118,000	\$59,000
Balmain Sailing Club	Access Project Balmain Sailing Club	\$309,500	\$95,000
Mosman Rowing Club	Pontoon at Mosman Rowing Club, Pearl Bay	\$67,637	\$29,900
Middle Harbour Amateur Sailing Club	MHASC Car Park Refurbishment	\$20,000	\$7,000

10. Guarantee of service

NSW Maritime sets internal customer service standards in relation to customer transactions, responses to client submissions, and the quality of information and educational material provided. Through education, appropriate staffing and the review and re-engineering of business processes, NSW Maritime is continually reviewing areas of service for improvement.

11. Electronic service delivery

Continual improvements were made to the Maritime website to keep it up-to-date and relevant. This often required updates to be made multiple times each day. The maritime website attracted 3.2 million page views, with the average length of time on site of 9 minutes, 15 seconds. The top five pages viewed were: Boating Handbook; Homepage; Boating Quiz; Contact Us; and How to get your Boat Licence. The Maritime website's popularity peaked in December with 105,052 visits making it the 32nd ranked State Government website out of 570 agency sites, placed between Sydney Ferries and NSW Legislation.

Maritime established the following during the year:

- A Maritime Alert on adverse boating conditions
- Interactive navigation guide
- A facilities locator service to help trip planning
- The Boat for Life website with Safety Ambassadors that include Andrew 'ET' Ettingshausen, Pete Goss, and Justin Jones and James Castrission.

Maritime also continued to offer a range of other online services such as:

- Renewals for business transactions for boat driver licences, boat registration and mooring fees
- Boating Safety Course which is a requirement for obtaining a licence to drive a powerboat

- A Quiz which is consistently one of the most popular pages on the Maritime website
- Quarterly stakeholder newsletter Maritimes, which has some 10,000 subscribers.

The authority was also finalising work to deliver a new webcam for Lake Eucumbene, which has subsequently come online. Other work involved an additional Safety Ambassador under Boat for Life to promote safe and responsible use of personal watercraft; investigating the delivery of the Maritime Alert by sms, and some online services as 'apps' for mobile phones.

12. Privacy and Personal Information Protection Act 1998

In accordance with the requirements of the *Privacy and Personal Information Protection Act 1998* (the Privacy Act), NSW Maritime has prepared and implemented a Privacy Management Plan. This plan is subject to ongoing review.

NSW Maritime takes its responsibilities under the Privacy Act seriously and makes every effort:

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

13. Number of employees by category and comparison to the previous three years

	June 2007	June 2008	June 2009	June 2010
SES	8	6	7	7
Senior Officer	1	3	3	4
Recreational Boating & Regional Services	147.56	171.20	176.64	159.64
Corporate Services	48	44.22	45	64.11
Commercial Vessels#	44	29.20	37.45	N/A
Policy Industry & Infrastructure#	N/A	N/A	N/A	47.6
Maritime Property	45.75	36.65	28.6	N/A
Property Planning & Governance**	N/A	N/A	N/A	54.18
Ports & Shipping	30.64	18.25	21.03	24.92
Policy & Strategy*	1	26	36.2	N/A
	330	334.53	354.92	361.45

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

As a result of an organisational restructure in February 2010:

** The Legal, Governance and Risk, and Communications branches, the Ministerial Unit/Office of the Chief Executive and the Corporate Planner became part of the Property, Planning & Governance Division, as did the Domestic Property, Commercial Property and Property Planning branches

Both the Infrastructure and Policy branches became part of the Commercial Vessels Division, which was retitled Policy, Industry & Infrastructure Division

14. Senior Executive Service

Chief and Senior Executive Service Positions at each level	June 2008	June 2009	June 2010
8	0	0	0
7	0	0	0
6	2	1	1
5	0	0	0
4	0	0	1
3	4	4	3
2	2	2	2
1	0	0	0

Number of SES positions filled by women:	June 2008	June 2009	June 2010
	0	0	0

15. Chief Executive's performance statements

Name: Steve Dunn

Position: Chief Executive

Position Level: SES Level 6

Remuneration Package (including allowances): \$377,219.47 (increased from \$366,233.50 pa on 1 October 2009).

During the year, Mr Dunn has made a personal contribution to changes to the state's lifejacket wearing rules, finalisation of a funding model for the new amalgamated marine rescue organisation, finalisation of the Government's response to the Coroner's recommendations related to the *Pam Burridge/Merinda* incident, progression of the new single national jurisdiction for

commercial vessels, finalisation of the Government Licensing Service, a review of Port Safety Operating Licences, and progress to market for a number of significant maritime precinct development projects. A methodical low level review of various elements of organisational governance has been a focus over the last 12 months including the appointment of a majority-independent Audit and Risk Committee, and the implementation of a new procurement framework.

16. Credit card certification

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

17. Community affairs – multicultural policies and services program statement

Action	Responsible Officer	Implementation Date	Performance Indicator
Review traffic volumes of audio files on NSW Maritime's website to determine level of use and consider extending the program.	Manager Communications	March 2011	Review completed and determination made as to whether the service should be expanded
Undertake audit of accessibility of offices across the State and publish information on internet site	Corporate Planner	June 2011	Publish on NSW Maritime's website which offices have disabled access
Implementation of the Commuter Wharf Upgrade Program	Executive Director, Infrastructure Procurement Branch	June 2011	Construction of Milsons Point wharf completed Design of Neutral Bay, Rose Bay, and Cremorne Point wharves completed Upgrade of one wharf commenced

18. Equal employment opportunity (EEO) statistics

EEO Group	Benchmark or Target	2007	2008	2009	2010
Women	50%	44%	43%	44%	43%
Aboriginal people and Torres Strait Islanders	2%	0.7%	0.6%	0.3%	0.3%
People whose first language was not English	20%	11%	12%	14%	15%
People with a disability	12%	7%	7%	6%	6%
People with a disability requiring work-related adjustment	7%	3.3%	3.3%	2.6%	2.6%

B. Trends in the Distribution of EEO Groups

EEO Group	Benchmark or Target	Distribution Index			
		2007	2008	2009	2010
Women	100	81	82	79	82
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	104	102	101	103
People with a disability	100	97	97	98	93
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

Notes: 1. Staff numbers are as at 30 June. 2. Excludes casual staff

19. Land register

Further improvements have been made during the five-yearly revaluation of property assets. NSW Maritime also continues to provide lease and property information to the central Government Property Register administered by the Land & Property Management Authority. NSW Maritime intends to further streamline its processes through the use of its new property management system (MAPS) ensuring all property related reporting functions, including the heritage register, are compliant.

20. Divestments, disposals and acquisitions

During the past 12 months, NSW Maritime has disposed of five properties, mainly associated with the proposed Port Kembla Outer Harbour redevelopment. In addition, it has also acquired seven properties following the transfer of commuter ferry wharves on Sydney Harbour.

NSW Maritime has also finalised a procedure for the disposal of private reclamations which are currently held under lease.

Disposal of reclaimed land will only be considered following the initiation of negotiations by the applicant, being the adjoining landowner. Upfront fees, to cover administrative, valuation and legal costs, will be refunded if not fully expended.

All costs associated with the disposal are to be met by the applicant.

Reclaimed land will not be sold by NSW Maritime if there is an identified public benefit in retaining the land.

In the 2009-2010 year, no applications were finalised. As at 30 June 2010, 15 applications to purchase were being assessed by NSW Maritime.

Any approved disposal will be on the basis of current market value and progressed in accordance with NSW Treasury and ICAC guidelines, and other relevant policies, guidelines and directions of the NSW Government.

21. Asset acquisition

Minor Works

Expenditure on minor works totalled \$6.6 million.

The main items of expenditure were:

- New signage that conforms to international standards as part of ongoing replacement program
- Upgrade/new installation of 310 lights to LED technology, 221 buoys and 90 piles
- Replacement of nine patrol vessels and seven personal watercraft
- Refurbishment of five patrol vessels
- Purchase of 45 outboard engines
- Upgrade of network hardware and desktop computers

- Improvement of mooring facilities at Little Beach Head, Port Stephens and Newcastle
- New cargo storage shed at Yamba
- Refurbishment of regional operational centres at Queanbeyan and Newcastle, and Rozelle and Kent St offices
- Motor vehicle replacements.

Major Works

Total capital works expenditure (excluding minor works) for the year totalled \$19.4 million, compared to a budget of \$17.8 million. The budget variance related to work carried out at Circular Quay, Eden Port Development and Homebush Bay works. This is partially offset by the Wharf Upgrade Program, Balls Head Coal Loader Works and the Rozelle Bay Development.

Projects		Allocation 2009-10 \$M	Estimated Total cost \$M	Actuals (YTD) 2009-10 \$M	Completion Date
Balls Head Coal Loader	Redevelopment of Balls Head Coal Loader	0.550	3.050	0.029	2012
Homebush Bay West Maritime Facilities	Redevelopment of Homebush Bay West Maritime Facilities	0.250	4.035	0.965	2013
Regional Service Centre - Tamworth	Office refurbishment at Tamworth	0.400	0.400	-	2009
Commuter Wharf Upgrade	Upgrade of Sydney Harbour Commuter wharves	8.537	43.175	4.858	2011
Charter Vessel Wharf Upgrade	Upgrade of Sydney Harbour Charter Vessel wharves	4.248	12.223	1.909	2015
Rozelle Bay Precinct Development	Includes commercial boat ramp	1.200	1.801	0.086	2010
Blackwattle Bay Precinct Development	Includes boardwalk and precinct works	0.450	1.645	0.003	2012
Sydney Harbour Pumpout and Day Berthing	Development of sewage pumpout and day berthing facilities at Yeend Street and Pyrmont Point Park	1.050	1.169	0.053	2012
Environmental and Harbour Cleaning Services Vessel	Replacement of the Environmental and Harbour Cleaning Services vessel	0.700	1.401	0.887	2011
Property Management	Upgrade of NSW Maritime's property management system	0.400	1.560	0.400	2010
Circular Quay Wharf Upgrade	Upgrade of impact protector, promenade and lateral stability at Circular Quay	-	7.146	7.146	2010
Rozelle Bay Precinct Works	Relocation of utilities	-	0.204	0.204	2011
NSW Maritime Services Centres	Build and/or fitout of service centres at Port Kembla and Kent St	-	2.479	0.647	2010
Stockton Boat Harbour	Development of Stockton Boat Harbour	-	1.370	0.099	2012
Yeend Street	Seawall repairs at Yeend Street	-	0.645	0.645	2010
Eden Port Development	Cargo storage area - paving, dredging	-	2.953	1.427	2010

22. Energy management

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

A program to replace the air conditioning control units has been continued from 2007 to increase the efficiency of the air conditioning system. The existing mains pressure hot water system has been replaced with a more energy efficient heat pump system.

Energy consumption at the Rozelle Bay offices and workshops increased by 2.8 per cent compared to the 2008-2009 financial year.

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

23. Heritage assets

During the year NSW Maritime's updated Heritage and Conservation Register neared completion. It comprises 88 items that are owned or maintained by NSW Maritime. The 81 fixed heritage items include Sydney Harbour commuter wharves; former commercial trading wharves at Woolloomooloo, Walsh Bay, Pyrmont and Balls Head; seawalls and railings at Circular Quay; harbour obelisks such as Searles Monument, the former navigation beacons at East and West Parsley Bay and Bradleys Head stone pillar; and various shipwrecks that lie on the bed of Sydney Harbour. In many instances, for example the commuter wharves, it is the location and past or present function of these items, rather than their current structure, that is of heritage significance. The seven movable heritage items include the figurehead of the former pilot boats Captain Cook 2 and Captain Cook 3, as well as the Sydney Harbour Trust and Maritime Services Board honour boards collection, bound journals and reports.

Work during 2009-2010 concentrated on completing the commuter wharf entries in conjunction with the commuter wharf upgrade program and finalising the historical, spatial, heritage significance and financial aspects of each entry in accordance with the State Heritage Inventory Database.

The updated Heritage and Conservation Register will be submitted to NSW Heritage in 2010-2011.

24. Waste Reduction and Purchasing Plan/Recycling

Further revisions were carried out to the NSW Maritime Waste Reduction and Purchasing Plan. All NSW Maritime offices recycle waste paper, cardboard, toner cartridges and comingles wherever a recycling system is available.

The Rozelle Bay office continued to provide a high percentage of NSW Maritime's office paper and cardboard waste sent for recycling. During the year, 8.3 tonnes of white paper and 7.7 tonnes of cardboard were collected from Rozelle Bay along with 3.5 tonnes of comingles.

A total of 280.3 kilograms of toner cartridges and associated products were recycled.

25. Pesticide Use Notification Plan

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

Appropriate signage is displayed warning the public of pesticide and herbicide use and to-date no complaints have been received.

26. Contracting and market testing policy

In 2009-2010, NSW Maritime introduced a procurement framework and undertook a series of workshops on the framework for all staff in key procurement positions. The intention of the framework is to ensure all contracts for the engagement of external contractors and/or consultants are undertaken in accordance with the NSW Government Procurement Guidelines titled "Tendering Guidelines". In accordance with Section 2.3 of the "Tendering Guidelines", the framework specifies the minimum number of quotes and tenders required.

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

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

27. Account payment performance

Schedule of Accounts Payable	Sept 2009	%	Dec 2009	%	Mar 2010	%	June 2010	%	Total	%
Current within due date (no)	4,126	82	3,777	80	3,370	80	4,100	83	15,373	81
<30 days overdue	649	13	618	13	563	13	646	13	2,476	13
31-60 days overdue	140	3	204	4	136	3	146	3	626	3
61-90 days overdue	37	1	34	1	57	1	20	0	148	1
>90 days overdue	62	1	69	1	84	2	51	1	266	1
Total payable	5,014		4,702		4,210		4,963		18,889	

Accounts paid per quarter	Sept 2009	%	Dec 2009	%	Mar 2010	%	June 2010	%	Total	%
% of accounts paid on time		82		80		80		83		81
Total amount of accounts paid on time (\$)	60,810,101		31,970,197		55,412,053		34,700,171		182,892,522	
Total amount of accounts paid (\$)	66,290,333		37,252,161		57,837,192		39,881,394		201,261,080	
% of amounts paid on time		92		86		96		87		91

28. Investment performance

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

NSW Maritime retains funds for the following purposes:

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

	2009	2010
	%	%
Cash facility	5.4	4.5
Medium term growth facility	0.7	8.7
Long term growth facility	(10.3)	11.3

29. Debt management performance

NSW Maritime's major external debt is for the sub-lease of the Maritime Trade Towers, 207 Kent Street, Sydney, which is being repaid over 25 years. The 2009-2010 principal payment of \$1.8 million was repaid in March 2010 and the outstanding balance is \$4.8 million.

30. Budgets

	2009/10 Budget	2009/10 Actual	2010/11 Budget
Income Statement	\$000	\$000	\$000
Revenue			
Rendering of services:			
Port management	1,199	1,250	1,199
Channel fees	7,933	8,342	7,650
Drivers licences	16,514	18,246	18,354
Boat registrations	18,865	20,368	20,006
Moorings	7,388	7,705	7,716
Commercial vessel charges	3,346	3,058	2,976
Rental income:			
Rentals (*)	56,294	41,452	36,528
Investment income:			
Interest on investments	2,865	5,699	4,153
Other income:			
Other	4,392	12,180	5,234
Grants and contributions	7,000	238	-
Total revenue	125,796	118,538	103,815
Expenses			
Employee related expenses	37,931	39,221	39,486
Contract service expenses	23,240	21,743	18,390
Fuel, protective clothing and other materials	1,450	1,117	1,289
Utilities and communications	3,112	3,366	3,219
Administration	7,842	8,300	7,904
Depreciation and amortisation	9,265	11,417	10,710
Grants and subsidies	2,109	5,233	2,372
Better Boating Program	5,000	3,896	5,000
Finance expenses (*)	21,476	7,707	7,522
Audit fees - audit of financial report	170	170	205
Loss on disposal of assets and assets written off	262	6,827	(1,433)
Total expenses	111,857	108,997	94,664
Surplus for the year	13,939	9,541	9,151

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

31. Ministerials

Between 1 July 2009 and 30 June 2010, 1133 ministerial items were managed in the Office of the Chief Executive. This number includes 65 Questions on Notice and 197 ministerial letters advising NSW councils of the Better Boating Program.

A total 536 ministerial responses were provided.

32. Media actions

The Communications branch handled more than 900 media actions which included responses on issues and delivering information through the media to promote a culture of safe, responsible and enjoyable boating in NSW.

33. Research & development

Research Project for Sydney Regional Environmental Plan (Sydney Harbour Catchments) 2005.

The Sydney Regional Environmental Plan (Sydney Harbour Catchments) 2005 zones parts of Sydney Harbour and its tributaries as W8 Scenic Waters: Passive Use Zone. One of the main purposes of the zoning is to identify and protect suitable areas for intertidal access in accordance with the Department of Planning's Sharing Sydney Harbour Access Plan.

The areas of Sydney Harbour and its tributaries currently zoned as W8 were identified some years ago and the current project was to review the zonings for their continuing suitability as W8 zoning. The project was undertaken between June and September 2009.

Criteria used to determine an area's suitability included the following:

- Public access points to the intertidal zone
- Open space linkages
- The physical and recreational attractions of the area
- Safety factors
- Existing development in the intertidal zone.

The outcomes of the project provide a resource to assist NSW Maritime to conduct its 2010 overall review of the Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005.

34. Glossary and acronyms

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

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

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

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

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

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

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

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

Safety compliance – the level of safe navigation compliance achieved by the recreational and commercial boating public. The compliance rate is calculated as:

- number of vessels not issued with infringements and formal warnings divided by number of vessels checked.

One vessel check could result in multiple infringements or formal warnings issued.

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

Acronyms

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

35. Annual Report availability and costs

The Annual Report is available online at www.maritime.nsw.gov.au. The cost of design and printing of the Annual Report was \$21,705. The online design, delivery and hosting was \$9930.

Acknowledgements

Annual Report Team

Nicola Wass, Scott Haywood, Neil Patchett and Vanessa Dudley

Design

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NSW Maritime

CONTACT INFORMATION

OFFICE	ADDRESS	PHONE/FAX	OPENING TIMES
SYDNEY REGION			
Rozelle Bay	Rozelle Bay James Craig Road Rozelle Bay NSW 2039 Locked Bay 5100 Camperdown NSW 1450	Ph: (02) 9563 8511 Fx: (02) 9563 8522	Monday – Friday 8.30am – 4.30pm
Sydney	Level 6 207 Kent Street Sydney NSW 2000 Locked Bag 5100 Camperdown NSW 1450	Ph: (02) 9241 6307 Fx: (02) 9241 3663	Monday – Friday 8.30am – 4.30pm
HAWKESBURY/BROKEN BAY REGION			
Hornsby	4 Bridge Road Hornsby NSW 2077 PO Box 797 Hornsby NSW 1630	Ph: (02) 9477 6600 Fx: (02) 9477 3418	Monday – Friday 8.30am – 4.30pm
NORTH COAST REGION			
Coffs Harbour	2/16 Isles Drive Coffs Harbour NSW 2450 PO Box 4259 Coffs Harbour Jetty NSW 2450	Ph: (02) 6691 9555 Fx: (02) 6691 9599	Monday – Friday 8.30am – 4.30pm
HUNTER/INLAND REGION			
Newcastle	8 Cowper Street South Carrington NSW 2294 PO Box 653 Newcastle NSW 2300	Ph: (02) 4962 8500 Fx: (02) 4962 8528 - service centre Fx: (02) 4962 8588 - regional office	Monday – Friday 8.30am – 4.30pm
SOUTH COAST REGION			
Wollongong	91 Foreshore Road Port Kembla NSW 2505 PO Box 1441 Wollongong NSW 2500	Ph: (02) 4274 7914 Fx: (02) 4274 8017	Monday – Friday 8.30am – 4.30pm
MURRAY/INLAND REGION			
Albury	440 Swift Street Albury NSW 2640	Ph: (02) 6021 7188 Fx: (02) 6041 2668	Monday – Friday 8.30am – 4.30pm
REGIONAL PORTS			
Port of Eden	Main Jetty Snug Cove Eden NSW 2551 PO Box 137 Eden NSW 2551	Ph: (02) 6496 1719 Fx: (02) 6496 3024	
Port of Yamba	Pilot Street Yamba NSW 2464 PO Box 143 Yamba NSW 2464	Ph: (02) 6646 2002 Fx: (02) 6646 1596	
Port staff are available 7 days per week/24 hours per day for shipping movements into and out of the ports. The office is opened as required.			

Index

Aids to navigation (AtoN)	38	Management and structure	8
Alcohol and drug testing	29	Marine Rescue NSW	21
Appendices	110	Maritime alerts	25
Balls Head maritime precinct	31	Maritime Medal	48
Bank Street Pyrmont	32	Maritime Trade Towers	36
Berrys Bay maritime precinct	31	Maritime/port security	41
Better Boating Program	37	MSB workers compensation liability	57
Better Boating Program – case study	39	Multicultural policies and services program statement (formerly EAPS)	48, 125
Blackwattle Bay maritime precinct	31	National Marine Safety Committee	43
Blackwattle Bay redevelopment – case study	35	National maritime safety reform	24
Boat licensing	25	National moorings forum	46
Boat storage study	38	National Plan Management Committee	43
Boating in marine parks	51	Navigation lights – case study	26
Boating safety compliance	21	Newcastle South Arm dredging	33
Boating safety education	27	Newcastle tug berths	34
Boating safety on the Murray River review	22	Occupational health and safety	56
Bradleys Head incident – case study	29	Oil and chemical spill response	52
Budgets	129	Partnerships – Marine Teachers – case study	48
Charter wharf upgrade and maintenance	36	Partnerships program	48
Chief Executive’s overview	10	Personal watercraft forum	47
Circular Quay – case study	33	Pilotage regulations – case study	42
Circular Quay wharf 6 ticket booths	35	Port Botany landside reforms implementation	42
Clean, safe wharf forum	46	Port Kembla Outer Harbour land use	34
Commercial leasing	37	Port of Eden trade report	41
Commercial vessels consultation groups	45	Port of Yamba trade report	41
Commercial Vessels Safety Regulation	25	Port Safety Operating Licences and operating standards	41
Commuter wharves	35	Recreational vessel advisory group (RVAG)	45
Contact information	131	Red tape reduction initiatives – commercial vessels operations – case study	46
Coroner’s recommendations from <i>Merinda</i> incident	29	Red tape reduction initiatives – property planning – case study	49
Crossings code	38	Response to <i>Pasha Bulka</i> report	41
Customer response – Info Line	47	Retention of corporate knowledge – case study	58
Development of our organisation	55	Risk management	7
Disability Action Plan	49	Rozelle Bay maritime precinct	31
Domestic lease roll-out	36	Safety management system – case study	24
Eden	34	Seagrass protection – case study	53
Education and compliance campaigns	27	Sharing Sydney Harbour Access Program (SSHAP)	38
Emergency management	52	Statutory framework	4
Environmental education	51	Stockton Boat Harbour	34
Environmental services	52	Superyachts	32
Equal employment opportunity (EEO)	57, 125	Survey and spatial information	36
Ethical behaviour and corruption prevention	4	Sydney Cove Infrastructure, Usage and Public Improvement Plan	33
Financial statements	59	Sydney International Boatshow – 2009	47
Financial summary	14	Sydney Regional Environmental Plan review	39
Fishing Industry Group	46	Ten year customer trends	16
Flare disposal service introduction	22	Transport Regulators Executive Committee	25
Glossary and acronyms	130	Vessel incident investigation	28
Grey-water management on vessels operating on inland waters – case study	51	Vessel waste recovery	52
Homebush Bay remediation	32	Walsh Bay	31
Hunter valley coal chain commencement	42	Weather information	25
ICAC inquiry	5	Webcam trial	24
Incident and fatality summary	28	Wentworth Point maritime precinct	32
Key performance indicators	12, 13	Wharf safety audit	36
King Street wharf	31	Wharf signage	35
Lake Mulwala navigation aids – case study	21	Yeend Street wharf day berthing facility	32
Leases – commercial, community	37		
Lifejacket discussion paper – case study	23		





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