Dear Ms. Campbell:

Further to your correspondence this week concerning question relating to the PSDC, I offer the following responses. Please understand the CBRM Council has not been presented with a 2015 – 2016 operating plan and budget or capital spending plans from PSDC. By way of information, March 31st and an independent audit will be conducted and presented at a public meeting. I encourage you to continue to seek responses from the Mayor and Councillors who serve on the interim Board of Directors of PSDC.

1. What is the ownership structure of the Port of Sydney Development Corporation (PSDC)?

Ownership structure of the Port of Sydney Development Corporation – 100% owned by CBRM – Registry Number – 3288625 – Registry of Joint Stocks Companies effective March 31st, 2015. The articles of Incorporation, Section 5.02 requires an annual General Meeting open to the public, to be held at the Joan Harris Pavilion, with an agenda that includes:

* Ad option of the annual report, financial statements, business plan, risk assessment, governance report.

1. Does the PSDC have a budget? If so, where can it be viewed?

No budget was tabled by the PSDC with the Council of CBRM. We as a Council are into budget talks now with all departments of the C BRM as well as PSDC for the budget for the budget year 2016-2017.

3. Does the PSDC have access to the $2.5 million trust earmarked for the construction and installation of navigational aids in Sydney Harbour?

Yes, the Port CEO recently commissioned that some funds set aside by the previous board

Navigational aids had been redeployed. Where those redeployed funds were redirected and by what approval and authority to do so, has not been discussed by CBRM Council.

4. Does the PSDC require the approval of CBRM Council to spend that money?

No - according to the articles of incorporation.

5. Has the PSDC spent that money for items other than navigational aids, and if so, what has this money been spent on?

Apparently yes. Monies have been redeployed for Consulting, Legal, Reports, etc.

6. Does the PSDC control the $1 million in marketing money provided to the CBRM from various government sources last August?

Unknown. Nothing has been presented to Council regarding a $1 million marketing fund.

7. If so, has it spent any of that money and what has it spent that money on?

Unknown, CBRM Council has not been informed or made aware of any $1 million marketing fund. CBRM Council has not received any briefing on how it’s wholly owned subsidiary, the PSDC funded salary increases, international travel or consultants.

8. Has the PSDC reported regularly to CBRM Council on its activities?

PSDC has not reported regularly to Council from March 31st, 2015 to February 22nd, 2015.

The Board of Directors of the PSDC consists of the Mayor and four Council Members and the CBRM CAO. A select few CBRM Councillors may have this information but nothing has been presented to Council.

9. Does the PSDC pay the salary of its newly hired business development manager?

I would assume this to be the case. CBRM pays half of the cost of the CEO ($1000,000).

10. Does the PSDC have a lease agreement with the CBRM and if so, what are the terms of that agreement?

The Sydney Ports Corporation had a fifteen year lease with the CB RM signed on August 1st, 2002. It was discussed that the new PSDC would assume all assets and liabilities of SPC as of March 31st, 2015. The current lease wit6h the CBRM does not expire until 2017.

11. Did the PSDC assume the $1.4 million debt of its predecessor, the Sydney Ports Corp, and if not, what happened to that debt?

The SPC managed the Sydney Marine Terminal owned by the CBRM, via a fifteen year lease agreement with the CBRM. Over the first twelve years, the SPC grew the asset from $1.5 million to a current value of approximately $13 million. However, it was in arrears in the lease payments owed to the CBRM. This debt is still outstanding in the amount of $1.6 million.

Regards;

Councillor Ray Paruch