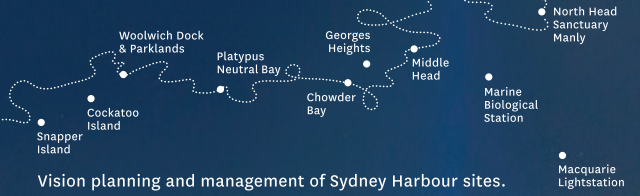


Harbour Trust



Australian Government
Sydney Harbour Federation Trust



Vision planning and management of Sydney Harbour sites.

Harbour Trust Annual Report 2015-2016



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Media & Communications Executive
Sydney Harbour Federation Trust
PO Box 607
Mosman NSW 2088

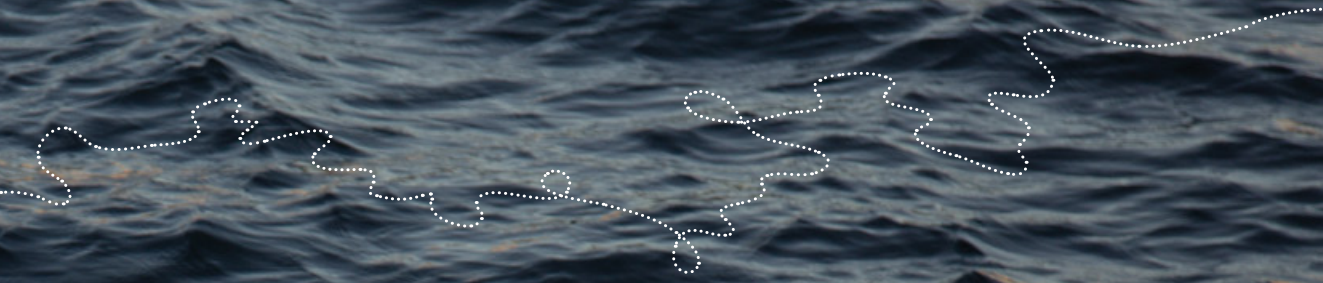
Telephone: 02 8969 2100
Email: info@harbourtrust.gov.au

For information about the Sydney Harbour Federation Trust, or to view this report online, visit the website at www.harbourtrust.gov.au

Cover Shot: Sydney Harbour at night, Harbour View Apartment, Cockatoo Island. Credit: Geoff Magee.

Inside front cover: Water treatment. Credit: Sarah Nguyen.

Inside back cover: Water treatment. Credit: Sarah Nguyen.



Letter from the Chair to the Minister

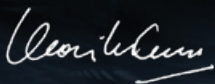
30 September 2016

The Hon. Josh Frydenberg, MP
Minister for the Environment and Energy
Parliament House
Canberra ACT 2600

Dear Minister,

I present the report on the operations of the Sydney Harbour Federation Trust for the year ended 30 June 2016, which was approved at the Harbour Trust Board meeting on 15 September 2016. The report complies with the provisions of section 70 of the *Sydney Harbour Federation Trust Act 2001* and section 46 of the *Public Governance, Performance and Accountability Act 2013*.

Yours sincerely,



Kevin McCann, AM
Chair



Aerial view of Cockatoo Island.
Credit: Mark Merton.



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Chair's Foreword

In my second year as returning Chair of the Sydney Harbour Federation Trust (Harbour Trust), we are firmly focused on ensuring that its management of the Harbour Trust land contributes to the amenity of the Sydney Harbour region. In pursuing this objective we seek to maximize public visitation of our sites.

The Harbour Trust has undertaken some significant projects during the past financial year. The organisation's major remediation project over the last six years (2010-16) has been the decontamination of the former HMAS *Platypus* site at North Sydney. These extensive below-ground remediation works were completed within budget during the reporting period.

In November 2015, the federal government provided a one-off contribution of \$20 million to the Harbour Trust to enable it to undertake the first stage of the redevelopment of the *Platypus* site into a public park and the adaptive reuse of buildings on the site. This contribution was in accordance with the promise made by the Howard Government to fund remediation of the land after decontamination was completed.

On behalf of the Harbour Trust, I would like to express our thanks to the Hon. Joe Hockey, the former Treasurer, the Hon. Greg Hunt MP, the former Minister for the Environment and Trent Zimmermann, MP, the member for North Sydney, for their support and help in securing this funding.

The funding of *Platypus* will be utilised to maximise public access and for the adaptive restoration of buildings. The public feedback from the Planning Open Day held on the site in May 2016 has informed the preparation of a Draft Management Plan for *Platypus*, which was exhibited for comment in August - September 2016.

At Middle Head in Mosman, the Harbour Trust is working in partnership with the NSW National Parks and Wildlife Service (NPWS) on the future of Middle Head. The two agencies are collaborating in their planning and community consultation for the site's future with the aim of creating a unified parkland experience and adaptive reuse of buildings.

As part of this process, a joint Middle Head Planning Information Day was held by both of us in May 2016. The public feedback gathered from the event has informed both organisations in the preparation of their plans for their lands at Middle Head. We are targeting October 2016 to have both plans on display for public comment.

At North Head Sanctuary in Manly, we are pursuing opportunities for adaptive reuse of former army buildings.

In the forthcoming year, Cockatoo Island will continue to be a focus of attention, with significant heritage conservation works to commence on the World Heritage-listed convict workshops. The island's convict and reformatory school history will take centre-stage with the launch of the *Ghosts of Biloela* geo-locative app and the *Convict Footprints* on Cockatoo Island production. These initiatives will help to reinforce Cockatoo Island's role as an important cultural venue and popular Sydney destination. We are also working on plans to make the island a more attractive destination for visitors, which will require improved curatorship of heritage sites, better food and beverage outlets and other attractions.

The program of review of the Harbour Trust's Plans will continue with the support and involvement of the community, which has always been crucial to the success of the Harbour Trust. As the organisation considers these plans for its sites around Sydney's magnificent harbour, it remains committed under my stewardship to consulting closely with the community to ensure that it maximises public access and continues to rehabilitate the natural values of these great national assets.

The Harbour Trust does not receive annual budget appropriations from the Federal Government so its ability to maintain its ongoing operations requires financial self-sufficiency. The organisation derives most of its revenue to meet operating costs from its leasing and licensing activities from restored landscapes and buildings. Capital grants are generally received in response to applications to the Federal Government in respect to capital program requests for heritage restoration. In most cases they are relatively modest and range from \$100,000 to \$1 million, paid over a three-year period.



Three new members of the Harbour Trust Board were appointed in 2016: Mr Joseph Carrozzi, Ms Sally Herman and Ms Sandra Hook, who was previously a Trustee from 2011-15 has been reappointed. They all bring a range of skills and experience.

I would like to thank my fellow Board members for their work during 2015-16 and acknowledge the significant contribution of outgoing members, the Hon. Leo McLeay, Rohan Jeffs and Paula Braxton-Smith. The Harbour Trust has the opportunity to build on their achievements and to continue to provide a lasting legacy for the people of Australia by creating and preserving its wonderful urban foreshore parklands.

The Executive Director of the Harbour Trust has been seconded to Parks Australia for a period of twelve months ending January 2017. In his absence, Dr Susan Culverston has been appointed Acting Executive Director. We thank her for her contribution to the Harbour Trust while she has held office.

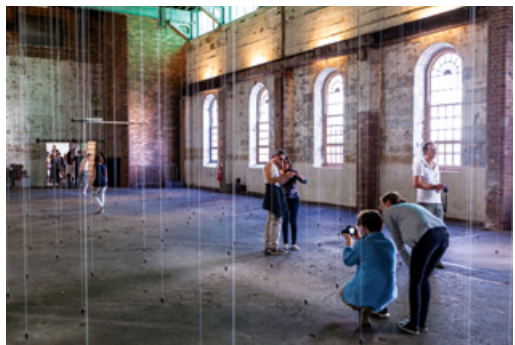
I would also like to welcome the incoming Minister responsible for the Sydney Harbour Federation Trust, the Hon Josh Frydenberg, MP, Minister for the Environment and Energy, and to acknowledge the support and encouragement of the Hon. Greg Hunt, MP, Minister for the Environment, and the Hon. Bob Baldwin, MP, Parliamentary Secretary for the Environment during 2015-16.

For the Board, the years ahead are promising. We look forward to a close and productive working relationship with the Executive Director, the Trust's management team, staff and volunteers, and a continuing close association with the community, both individually and collectively, who continue to support and take a keen interest in the Harbour Trust's work.

Kevin McCann, AM



RIGHT David Koch, Samantha Armytage and Justin Bieber, Cockatoo Island September 2015. Credit: Zakarij Kaczmarek. BOTTOM LEFT Geoff Bailey, Kevin McCann and Susan Culverston at the Middle Head Planning Information Day, May 2016. Credit: Ian Evans. BOTTOM RIGHT William Forsythe, *Nowhere and everywhere at the same time*, No. 2 2013. Credit: Geoff Magee.



Executive Director's Summary

The 2015-16 financial year was the first reporting period during which the Harbour Trust reported against its 2015-19 Corporate Plan, as now required under the *Public Governance, Performance and Accountability Act (2013)*. The full details of the organisation's outcomes against its performance criterion and key result areas are outlined in the Annual Performance Statements. It is satisfying to report that our overall results indicate we are well on target to meet our 2019 Key Performance Indicators and that the organisation has posted a small operating surplus of \$459,000.

Community consultation has always been at the centre of the Harbour Trust's endeavours. During the period reported, it was a key focus for the organisation. The Board approved a restructure of the Community Advisory Committee (CAC), which provided for representation across all of our sites, allowed for general membership with relevant experience, and, for the first time, included an Indigenous representative.

Community liaison activities increased at Cockatoo Island, North Head Sanctuary, Headland Park in Mosman and the Platypus site in North Sydney in 2015-16. In particular, there was a high level of community engagement with the Harbour Trust's two on-site Planning Open Days at Platypus and Middle Head in May 2016. Over 600 people attended the Platypus event while more than 350 people turned out for the Middle Head Planning Information Day, which was held jointly with the NPWS. The information sessions at both events were very well-attended and the organisation received hundreds of submissions. The public feedback from these events has played an important role in informing the preparation of our draft management plans for both sites.

Cockatoo Island continued to enjoy strong visitation from both locals and tourists. In September 2015, it reached a national and global audience when we hosted Canadian singer Justin Bieber in a special live performance jointly broadcast by Channel 7's

Sunrise program and the Kyle and Jackie O show on KIIS 1065. Many people visited Cockatoo Island for events such as the 20th Biennale of Sydney (when the island was transformed into the Embassy of the Real), the Underbelly Arts Festival and Lab and the Harbour Trust's own convict history tours, free guided tours, free heritage steam crane demonstrations and guided education group visits. Our heritage houses, apartments and waterfront campground remain an appealing drawcard for visitors. The first-ever Cockatoo Island Accommodation Open Day in February 2016 encouraged hundreds of people to view the houses and apartments, as well as attracting significant media interest.

In 2015-16, we increased our focus on improving the visitor experience at Headland Park in Mosman. At Chowder Bay, the new Discovery Centre at the Sydney Institute of Marine Science (SIMS) opened and we completed the refurbishment of the historic Chowder Bay Wharf. The Lower Georges Heights precinct welcomed its third Macquarie Group Prize-winning sculpture from Sculpture by the Sea, Jorg Plickat's *Divided Planet*, which was generously donated by the Macquarie Group to the Harbour Trust. The popular walking track between Georges Head Lookout and Middle Head Road was repaired and upgraded and we constructed a new harbour lookout on the Georges Heights parade ground which also serves as an elevated podium for the ANZAC Day Dawn Service.

At North Head Sanctuary, we added Saturday tours to our regular North Fort tours for the summer holiday period. This initiative resulted in a 50% increase in attendances and received excellent media coverage. The Harbour Trust commenced an archaeological research project in the Third Quarantine Cemetery. This project was largely funded by a grant from the Department of the Environment's *Protecting National Historic Sites Programme 2014-15*, and the project also received strong media interest. In partnership with the Royal Australian Artillery Historical Company (RAAHC), we opened the Sir Roden Cutler VC Artillery Research Centre in April 2016.

The Harbour Trust's Property and Business Development Business Unit yielded strong results from its leasing portfolio and licensing initiatives in 2015-16. Approval was granted for a marina and dry stack operation



in Cockatoo Island's Sutherland Dock precinct and important new tenants were welcomed at Headland Park and North Head Sanctuary. Cockatoo Island remained an attractive location for corporate venue hire events and commercial filming projects. Channel Seven's top-rating *My Kitchen Rules* program filmed their "Fishmongers Challenge" episode on Cockatoo Island and the Australian Wallabies rugby union team held a training camp on the island in April 2016.

Important remediation, conservation and refurbishment works were undertaken in 2015-16. The completion of the below-ground decontamination and remediation works at the former HMAS *Platypus* site at North Sydney was a significant achievement for the organisation. On Cockatoo Island, extensive remediation works were completed on the chimney of the former Powerhouse and a new potable water main was installed between Balmain and the island. At North Head Sanctuary, North Fort's miniature range was reconstructed and remedial works were undertaken to the underground Plotting Room.

Volunteers have always played an important role in the development of the Harbour Trust. In 2015-16, they provided over 28,500 hours of dedicated work, helping with our organisation's events and projects. The ongoing work of our Cockatoo Island heritage restoration volunteers in restoring the heritage cranes around the Fitzroy Dock received official acknowledgement during this reporting period. In May 2016, we were awarded

the Conservation Objects Award at National Trust NSW Heritage Festival Awards. The Harbour Trust and its team of volunteers were congratulated by the awards' judges "for saving such an important part of our industrial heritage and the entire industrial landscape of Fitzroy Dock". On behalf of the Harbour Trust, I would like to express our sincere gratitude to all of our volunteers.

Finally, I would like to acknowledge our staff. During the second half of the reporting period, the Harbour Trust's Executive Director, Geoff Bailey, was on secondment to Parks Australia. Our staff once again met the challenges of our ever-changing workplace with hard work, dedication and creativity and to them Geoff and I are immensely grateful.

Dr Susan Culverston
Acting Executive Director

RIGHT Filling out surveys. Middle Head Planning Information Day, May 2016. Credit: Ian Evans. BOTTOM LEFT Harbour Trust staff, Middle Head Planning Information Day, May 2016. Credit: Ian Evans. BOTTOM RIGHT *Divided Planet*, 2016 Sculpture by the Sea major prize winner, Headland Park, Mosman. Credit: Zakarij Kaczmarek.



The Sydney Harbour Federation Trust



Vision

To provide a lasting legacy for the people of Australia by helping to create the finest foreshore park in the world and provide places that will greatly enrich the cultural life of the city and nation.

Purpose

Enhance appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Harbour Trust lands on Sydney Harbour.

Objectives

The objectives of the Sydney Harbour Federation Trust are:

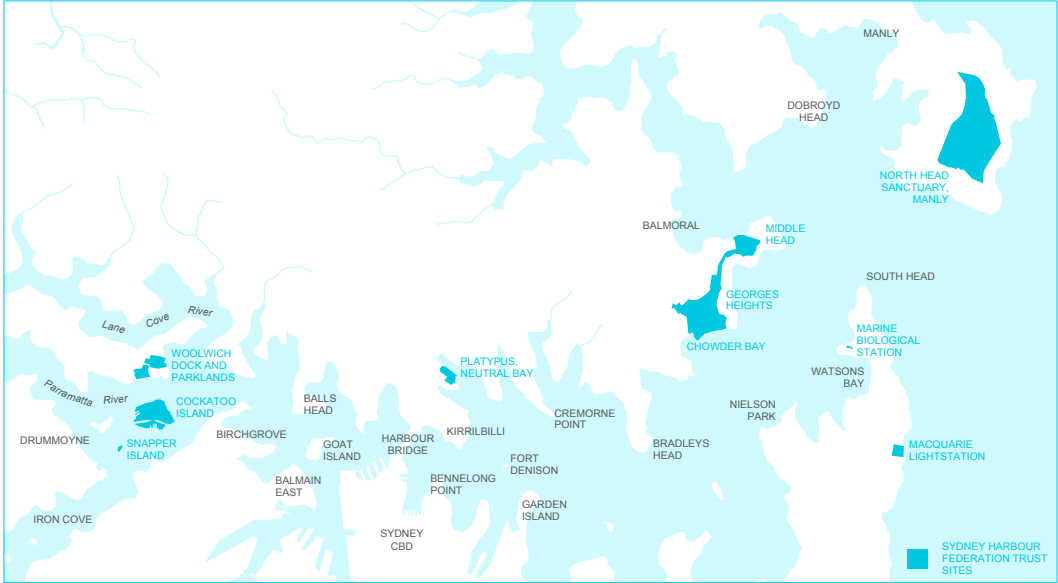
- to ensure that management of Harbour Trust land contributes to enhancing the amenity of the Sydney Harbour region.
- to protect, conserve and interpret the environmental and heritage values of Harbour Trust land.
- to maximise public access to Harbour Trust land.
- to establish and manage suitable Harbour Trust land as a park on behalf of the Commonwealth as the national government.
- to co-operate with other Commonwealth bodies that have a connection with any harbour land in managing that land.
- to co-operate with the government of New South Wales, affected councils and the community in furthering the above objectives.

Functions

The functions of the Sydney Harbour Federation Trust are:

- to hold Harbour Trust land for and on behalf of the Commonwealth.
- to undertake community consultation on the management and conservation of Harbour Trust land.
- to develop draft plans in respect of Harbour Trust land and any other harbour land in furthering the objects, and performing other functions, of the Harbour Trust.
- to rehabilitate, remediate, develop, enhance and manage Harbour Trust land, by itself or in co-operation with other institutions or persons, in accordance with the plans.
- to make recommendations to the Minister on plans and the proposed transfer of any Harbour Trust land.
- to promote appreciation of Harbour Trust land, in particular its environmental and heritage values.
- to provide services and funding to other Commonwealth bodies in furthering the objects, and performing other functions, of the Harbour Trust.
- anything incidental to or conducive to the performance of its other functions.

The sites



Legislation and Minister

The Harbour Trust was established under section 5 of the *Sydney Harbour Federation Trust Act 2001* which commenced on 20 September 2001.

In the year reported, the Minister for the Environment, the Hon. Greg Hunt, MP, was responsible for the Harbour Trust.

Organisational structure

The affairs of the Harbour Trust are managed, subject to the directions of and in accordance with the policies of the Harbour Trust, by the Acting Executive Director, Dr Susan Culverston.

During the year, the Harbour Trust operated from its offices at Georges Heights, Mosman, Sydney.



Harbour Trust Board

The Harbour Trust Board meets regularly to discuss issues relating to all the sites, including planning, maintenance of buildings and structures, and the opening of sites to the public.

There are eight board members including the Chair, two members recommended by the NSW Government, one member representing the interests of indigenous people and one elected member from a council area containing a Harbour Trust site. All board members are non-executive members.

Board members

Chair



Mr Kevin McCann, AM

Mr McCann was reappointed as the Non-Executive Chair and Director of the Sydney Harbour Federation Trust in 2015. He is Chairman of Citadel Group Limited and Dixon Hospitality Limited and is a member of the Male Champions

of Change, a Fellow of the Senate of the University of Sydney, Co-Vice Chair of the New Colombo Plan Reference Group, a Director of the US Studies Centre and Chair of the National Library of Australia Foundation. Mr McCann is a former Chairman of Macquarie Group Limited, Macquarie Bank Limited, Origin Energy Limited, Healthscope Limited and ING Management Limited.

From 1998-2001, Mr McCann was Chair of the Interim Sydney Harbour Federation Trust, then from 2001-2010, Chair of the Sydney Harbour Federation Trust.

He practised as a Commercial Lawyer and as a Partner of Allens Arthur Robinson from 1970 to 2004 and was Chairman of Partners from 1995 to 2004. Mr McCann has a Bachelor of Arts and Law (Honours) from Sydney University and a Master of Law from Harvard University. He was made a Member of the Order of Australia (AM) for services to the Law, Business and the Community in 2005.

Members



Former Councillor Jean Hay, AM

Former Councillor Jean Hay is a lifelong resident of Manly and was elected to Manly Council in 1987. Mrs Hay served as Mayor of Manly from 1999 to 2004 and from 2008 to 2012. At the September 2012 Council elections, she was

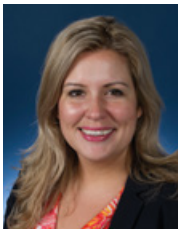
re-elected as Mayor for a further four-year term. In May 2016, the NSW Government announced that former Manly, Warringah and Pittwater Councils would merge to form a new Northern Beaches Council. Mrs Hay was appointed Chair, Implementation Advisory Group, and Chairperson, Local Representation Committee – Social for the Northern Beaches Council. She has served on all major Council Committees and numerous other Committees. In June 1998, she was awarded Membership of the Order of Australia (AM) for service to the community through local government, community action and sporting groups, and fundraising for welfare and health education programmes. In 2001, she was awarded a Centenary Medal. Mrs Hay has also been presented with numerous other awards including the 2010 NSW Ministers' Awards for Women in Local Government (Metropolitan Elected Representative). She has played a major role in the realisation of Bear Cottage, the only children's hospice in the State. Her contribution to this project has resulted in her being bestowed as Benefactor of the Children's Hospital Westmead.



Mr Joseph Carrozzi

Mr Carrozzi was appointed as a non-executive member of the Board in April 2016. He is a lawyer and financial advisor with over 25 years experience in the professional services sector. Mr Carrozzi is Managing Partner

of PwC, Sydney, the largest professional services firm in Australia, and has advised many businesses and governments on infrastructure, tax and policy matters. He is responsible for leading the more than 3,000-strong team at PwC in Sydney. Mr Carrozzi plays an active role in our community. He is the Chairman of the Italian Chamber of Commerce and Vice Chairman of the GWS Giants AFL team, he is on the Board of the NSW Institute of Sport and is a Governor of the Centenary Institute for Medical Research in Sydney.



Ms Josephine Cashman

Ms Cashman is a Worimi entrepreneur from New South Wales. She is a lawyer, business woman and social entrepreneur with more than 17 years of experience working to create rapid business, social and

economic growth for Indigenous communities around Australia. In 2013, Ms Cashman was appointed by the Prime Minister to the Indigenous Advisory Council and serves as Chair of its Safe Communities Committee. As a lawyer with a Graduate Diploma in Legal Practice, and a Bachelor of Laws and Communications (Journalism) from UTS, Ms Cashman worked for more than nine years in the Australian courts, and has worked in consultancy and voluntary roles for a variety of private, public and non-profit sector organisations.



Ms Sally Herman

Ms Herman was appointed as a non-executive member of the Board in April 2016. She is an experienced Non-Executive Director in the fields of financial services, retail, manufacturing and property. She had a

successful executive career in financial services in both Australia and the US, transitioning in late 2010 into a full-time career as a Non-Executive Director. Prior to that, Ms Herman spent 16 years with the Westpac Group, running major business units in most operating divisions of the Group, including the Institutional Bank, Wealth Management (BT Financial) and the Retail and Business Banking division. Her last role at Westpac was heading up Corporate Affairs and Sustainability, a role she held through the merger with St. George and the global financial crisis.

Ms Herman now sits on both listed and unlisted Boards, including three ASX 200 companies, Suncorp Group Limited, Premier Investments Limited and Breville Group Limited. She is also on the Board of Investec Property Limited and on the advisory board of Evans & Partners.

Ms Herman chairs the Board of an independent girls' school in Sydney, and is actively involved in the community, with a particular interest in education, the arts and disability. She is a member of Chief Executive Women.



Ms Sandra Hook

Ms Hook was re-appointed as a non-executive member of the Board in April 2016. She is a professional non-executive director and an investor in early stage digital businesses. Since 2000, Ms Hook has also served

on a number of Australian boards including listed, private and government organisations. She has a passion for place-making and the visitor economy and brings significant experience providing leadership

to businesses impacted by technological and digital disruption. Ms Hook has extensive operational, financial management, strategic and brand-building experience acquired over a 25-year executive career. She held senior executive positions within Foxtel, Federal Publishing Company, Murdoch Magazines, Fairfax, ACP and News Limited where she was CEO of NewsLifeMedia. Ms Hook is currently a non-executive director of RXP Services, Ive Group, MedAdvisor and The Sydney Fish Markets, the Chair of WYZA Limited, a Trustee of the Royal Botanic Gardens & Domain Trust and a Director of the Sydney Harbour Conservancy.

At the time of reporting, there are two Board member positions vacant.

Outgoing Members



Ms Paula Braxton-Smith

Ms Braxton-Smith was a member of the Board until her appointment expired in May 2016. She is an experienced Project Manager, researcher and policy adviser. At specialist communications consultancy KJA, she delivers

stakeholder engagement, community consultation and project management for a wide variety of government and private sector clients across the planning, housing, infrastructure and environment sectors. As a Project Manager at the University of Technology Sydney (UTS), she has led teams of social researchers based at the Australian Centre of Excellence for Local Government, to assist councils and other external clients to evaluate programs, projects, proposed service delivery changes and asset decisions. She has extensive prior experience in government as a policy adviser in the portfolio areas of Agriculture and Food; Industry and Trade; and Mineral Resources Development. As a local Mosman resident, she remains a regular user of Harbour Trust sites in that council area and beyond. Ms Braxton-Smith holds a Bachelor of Agricultural Science degree with honours in Animal Sciences.



Mr Rohan Jeffs

Mr Jeffs was a non-executive director of the Harbour Trust for five years until his appointment expired in May 2016. He is a lawyer with over 35 years experience in major listed

Australian companies in the areas of corporate and commercial law as well as in senior corporate roles responsible for governance, risk and compliance; human relations; procurement; industrial relations; superannuation; government and corporate relations. He is a Director of the Retail Employees Superannuation Trust (REST), and is Chairman of the REST Strategy Review Committee and Human Relations and Remuneration Committee. Mr Jeffs is an Adjunct Professor of Law at the University of Queensland and he holds a Masters of Law, Bachelor of Law and a Bachelor of Arts from the University of Sydney. He has extensive experience in commercial, legal, governance and regulatory matters.



The Hon. Leo McLeay

Mr McLeay was a member of the Board until his appointment expired in May 2016. He was a Member of the House of Representatives from 1979 until 2004. His parliamentary career included four years as Speaker

of the House of Representatives. He also held the office of Deputy Speaker and Chief Government and Opposition Whip and he chaired a number of Parliamentary Committees. Mr McLeay is Chair of the Catholic Cemeteries Board which manages a number of heritage cemeteries in Sydney and was a member of the Interim NSW Cemeteries and Crematoria Board. He is a Director of the Sydney Harbour Conservancy. He is a former Director of the Mary MacKillop Foundation.



Annual Performance Statements

INTRODUCTORY STATEMENT

We, the Sydney Harbour Federation Trust Board, as the accountable authority of the Sydney Harbour Federation Trust, present the 2015-16 annual performance statements of the Sydney Harbour Federation Trust, as required under paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). In our opinion, these annual performance statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

ENTITY PURPOSE

Enhance appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Harbour Trust lands on Sydney Harbour.

To achieve this purpose, the Harbour Trust identified five key result areas with performance criterion in its Corporate Plan for 2015-2019 to ensure that the organisation is on target to meet its strategic goals.

PERFORMANCE CRITERION

Urban Parklands: Preserve, enhance and promote the rich historical, cultural and natural values embodied in the Harbour Trust's lands

CRITERION SOURCE

2015-2019 Corporate Plan (Strategic Goal 1: Key Result Area – Urban Parklands)

RESULT AGAINST PERFORMANCE CRITERION

The Harbour Trust's Corporate Plan 2015-19 has set the following objectives to be achieved for this strategic goal:

- Review its Plans across all sites to ensure relevance and alignment to the Harbour Trust's core objectives. The Plans will continue to guide the Harbour Trust's decision making.
- Rehabilitate land, buildings, infrastructure and equipment consistent with conservation, environmental, cultural values and relevant standards, the Harbour Trust's Comprehensive Plan and Portfolio Budget Statement Outcomes, in order to provide renewed and redeveloped assets that enhance visitor experiences, access and safety.
- Have in place an Asset Management Plan to ensure prioritised programs are in place which preserve the Harbour Trust's values and offer the most tangible returns in maximising public access and contributing to the ongoing management of the lands.

In 2015-2016, the Harbour Trust set the following targets for this performance criterion:

- Complete a review of the Harbour Trust's existing Plans.
- Finalise a Return on Investment (ROI) Review of the Harbour Trust's assets.
- Implement a four-year comprehensive capital works project.

Results at 30 June 2016

- An internal review of the Comprehensive and Management Plans was undertaken to consider the urgency for revision. Cockatoo Island, Platypus and Middle Head were identified as the first sites to be targeted for action. However, the need to ensure comprehensive Community Advisory Committee and key stakeholder consultation may necessitate a reassessment of the current timeline for all plan revisions to be completed by 30 June 2017.
- A detailed list of all revenue-generating assets was compiled and a ROI review completed for all accommodation and leasing assets. An ROI review of the Harbour Trust's Licensing assets will be finalised in 2016-17.
- A four-year comprehensive capital works project is now underway. The planned works are reviewed and updated regularly to respond to the evolving demands of the business and the need for timeline flexibility due to the potential for latent conditions in the buildings which are scheduled for remediation.
- In meeting the requirements of the *Environment Protection and Biodiversity Conservation Act* (EPBC Act) and the Comprehensive Plan, particularly with respect to the protection of the environmental and heritage values of the Harbour Trust's places, the Cockatoo Island Management Plan was reviewed and a draft amendment exhibited; the Harbour Trust's Heritage Strategy was reviewed and amended; and proposed actions were assessed and approved with conditions.

2019 Key Performance Indicators

These results indicate that the Harbour Trust is on target to meet its 2019 Key Performance Indicators:

Approved, revised Plans are guiding the Harbour Trust's decision-making – The review of plans was finalised and stakeholder consultation commenced.

Maximisation of return from utilisation of Asset Renewal Reserve – The ROI on assets will assist in prioritisation of asset renewals.

5% decrease in reported Workplace Health & Safety incidents – During the reporting period, there was a total of ten staff, contractor and volunteer incidents. This was the same as for the prior year.

Asset Management Plan guides the priority of work projects, in line with the Comprehensive Plan and the Corporate Plan – A four-year capital works program has been implemented as part of the formulation of a comprehensive asset management strategy.

PERFORMANCE CRITERION

Growth and Enterprise: Grow and diversify our revenue and funding streams to support the preservation, enhancement and operation of the Harbour Trust's sites

CRITERION SOURCE

2015-2019 Corporate Plan (Strategic Goal 2: Key Result Area – Growth and Enterprise)

RESULT AGAINST PERFORMANCE CRITERION

The Harbour Trust's Corporate Plan 2015-19 has set the following objectives to be achieved for this strategic goal:

- Develop a long-term funding strategy which provides both operational costs and new capital funding for the organisation, from Government and other diverse sources.
- Put in place a revised Business Development Plan, primarily focusing on increasing revenue from commercial and residential leasing portfolios, and the accommodation business, as well as identifying other sources of revenue from activities catering to established and emerging needs of visitors.

In 2015-2016, the Harbour Trust set the following targets for this performance criterion:

- The future of the Sydney Harbour Conservancy (SHC) is finalised.
- A Strategic Business Development Plan is in place.

Results at 30 June 2016

- The Harbour Trust Board confirmed that the SHC will continue due to its Deductible Gift Recipient (DGR) status.
- A comprehensive Business Development Plan has been finalised for the Harbour Trust's Property and Business Development unit. The focus of the plan is on maximising commercial leasing opportunities and retaining existing and attracting new anchor tenants at its key sites (Cockatoo Island, Headland Park, North Head Sanctuary).

2019 Key Performance Indicators

These results indicate that the Harbour Trust is on target to meet its 2019 Key Performance Indicators:

17% increase in total revenue over four years (2015-2019) – At the end of 2015-2016, there were some increases in revenue items (e.g. leasing and licensing), but a significant decrease in one-off other income items. The implementation of the Strategic Business Development Plan should drive improvements in revenue over the remaining three years.

Leasing, licensing, venue hire and accommodation revenues are consistent with Portfolio Budget Statement Outcomes.

Leasing vacancies <4% – For the 2015-2016 reporting period, the Harbour Trust's leasing vacancies were less than 2%.

Accommodation Occupancy Rates to increase 27% with >40% profit margin – The 2015-2016 year has seen occupancy rates remaining stable. However, there have been improvements in the profit margin, which is now at 36%.





Building 18, Chowder Bay.
Credit: Mauricio Caicedo.

PERFORMANCE CRITERION

Engagement: Extend public engagement and affinity with the Harbour Trust's lands

CRITERION SOURCE

2015-2019 Corporate Plan (Strategic Goal 3: Key Result Area – Engagement)

RESULT AGAINST PERFORMANCE CRITERION

The Harbour Trust's Corporate Plan 2015-19 has set the following objectives to be achieved for this strategic goal:

- Develop partnerships and alliances with other organisations, offering cultural, educational, heritage or visitation benefits for the Harbour Trust.
- Implement a four-year Marketing and Public Events Program, which incorporates a range of high profile events to establish the Harbour Trust as a tourist destination and to increase revenue.
- Put in place a Public Engagement Plan, focusing on communications profiling and community engagements, to showcase the organisation, its sites and the 'urban park' model. This will encourage involvement in Harbour Trust activities, advisory committees and volunteer programmes.
- Implement site-specific strategies which will maximise public access to the Harbour Trust lands and improve the amenity of Sydney Harbour.
- Provide compelling visitor experiences, with a focus on preservation and interpretation of the heritage and cultural values of the Harbour Trust's sites.

In 2015-2016, the Harbour Trust set the following targets for this performance criterion:

- The organisation's Public Programs strategy focuses on Partnerships & Alliances.
- A four-year program of public events and experiences for Cockatoo Island and North Head Sanctuary is in place.
- An increase in Community Liaison and Volunteer program activities.
- An increase in volunteer hours.
- The implementation of a planned comprehensive approach to collating visitor data.
- The completion of a site interpretation inventory and gap analysis.



Justin Bieber performing at Cockatoo Island, September 2015. Credit: Zakarij Kaczmarek.

Results at 30 June 2016

- The Harbour Trust's Public Programs strategy has focused on Partnerships & Alliances across its sites, including:
 - cultural partnerships with the Underbelly Arts Festival and the Biennale of Sydney contemporary art exhibition on Cockatoo Island;
 - a heritage partnership with the Royal Australian Artillery Historical Company at North Head Sanctuary (Defence of Sydney historic artillery display and the Sir Roden Cutler VC Artillery Research Centre); and
 - a site-specific interpretation partnership with the Sydney Institute of Marine Science (SIMS) at Headland Park, Mosman (SIMS Discovery Centre and Harbour Trust heritage interpretation room charting the history of Chowder Bay).
- A calendar of events and experiences has been produced for key sites up until the end of the 2016-2017 financial year. A new Events Policy has been implemented to assist in targeting and assessing the suitability of future Venue Hire clients and partners.
- Community liaison activities (surveys, open days and public board meetings) have increased across the Harbour Trust's key sites of Cockatoo Island, North Head Sanctuary and Headland Park. Documentation to support new Community Advisory Committee processes and memberships were implemented. The appointment of a Public Engagement and Relationships Coordinator has helped to facilitate the Harbour Trust's increased community liaison activities.
- Volunteer activities, including new initiatives such as documenting historical artefacts, coordinating the Trust Talks program and assisting with on-site maintenance work and the Sydney Gold honey project, and volunteer hours (up by 2%) both increased during the year reported.
- An updated visitor data collection objective was determined and a review of customer feedback channels was completed. New feedback channels (iPad, paper surveys) were implemented at Cockatoo Island, North Head Sanctuary and Headland Park. A full calendar year of comprehensive visitor research is underway on Cockatoo Island.
- A draft four-year plan of interpretation priorities for Cockatoo Island convict history was completed. A gap analysis was determined for North Head Sanctuary.

2019 Key Performance Indicators

These results indicate that the Harbour Trust is on target to meet its 2019 Key Performance Indicators:

Minimum of five cultural or heritage partnerships per annum – The 2015-2016 reporting period saw the Underbelly Arts Festival and the Biennale of Sydney on Cockatoo Island.

Minimum of six large events per annum – The new Events Policy focuses on large events rather than small-to-medium-size events.

Visitation has increased by 2-5% – The 2015-2016 reporting period saw a 21% increase in visitation on Cockatoo Island.

Volunteer hours have increased by 5% – In the 2015-2016 financial year, volunteer hours increased by 2%.

80% positive response on visitor surveys – 2015-2016 saw the introduction of a full 12-month visitor survey initiated on Cockatoo Island to provide in depth visitor data for analysis.

Site interpretations are completed for the majority of Harbour Trust sites – Work continued on Cockatoo Island and North Head Sanctuary interpretation priorities.



LEFT Emma McNally, *Choral Fields*, 20th Biennale of Sydney, Cockatoo Island. Credit: Geoff Magee.
RIGHT Lee Bul, *Willing to be vulnerable*, 20th Biennale of Sydney, Cockatoo Island. Credit: Geoff Magee.

PERFORMANCE CRITERION

Innovation: Achieve operational and business efficiencies

CRITERION SOURCE

2015-2019 Corporate Plan (Strategic Goal 4: Key Result Area – Innovation)

RESULT AGAINST PERFORMANCE CRITERION

The Harbour Trust's Corporate Plan 2015-19 has set the following objectives to be achieved for this strategic goal by 30 June 2020:

- Implement up-to-date, efficient, integrated and appropriate resources to deliver the business objectives.
- Further develop workforce planning and strategic resourcing to ensure the Harbour Trust has the right number of people with the right skills, delivering the short and long term organisational objectives.

In 2015-2016, the Harbour Trust set the following targets for this performance criterion:

- A new financial management system is in place.
- A strategic people plan has been developed.

Results at 30 June 2016

- The new Microsoft Dynamics Financial Management Information system was deployed and is being utilised efficiently.
- A succession plan was completed and planning commenced for a skills audit. However, a strategic people plan has not yet been finalised. During the year reported, the position of Human Resources Manager was vacant for a period of time which affected the organisation's capacity to complete this plan. As a result, this target has been carried forward to the 2016-2017 financial year.

2019 Key Performance Indicators

These results indicate that the Harbour Trust is on target to meet its 2019 Key Performance Indicators:

Integrated Enterprise Resource Planning system is in place – The Finance module has been implemented and the CRM module is planned to be rolled out in the 2016-2017 financial year.

Regretted Staff Turnover is <5% – This was achieved in the 2015-2016 reporting period, ahead of the 2019 time frame.



LEFT Platypus Open Day, May 2016. Credit: Geoff Magee.
RIGHT Middle Head Planning Information Day, May 2016. Credit: Ian Evans.

PERFORMANCE CRITERION

Asset Management: Operate, maintain and upgrade the Harbour Trust’s facilities and infrastructure in an efficient and sustainable manner

CRITERION SOURCE

2015-2019 Corporate Plan (Strategic Goal 5: Key Result Area – Asset Management)

RESULT AGAINST PERFORMANCE CRITERION

The Harbour Trust’s Corporate Plan 2015-19 has set the following objectives to be achieved for this strategic goal:

- Ensure the Harbour Trust’s Comprehensive Asset Management Strategy is in place, delivering sustainable asset management. The strategy will improve whole life costs of assets, service delivery, operating cost reductions and capital projects. The Harbour Trust will adopt ecologically sustainable development principles as part of its Asset Management Strategy.

In 2015-2016, the Harbour Trust set the following target for this performance criterion:

- Capital and renewal work projects prioritised in line with the Comprehensive Asset Management Strategy and Corporate Plan.

Results at 30 June 2016

- A twelve-month capital and renewal work project plan was finalised and the projects prioritised accordingly. 100% of these projects were completed on budget. However, 83% of these projects were delayed due to issues with contractors or resource availability. The age and heritage nature of many Harbour Trust assets means that contingency allowances have to be made for additional latent works and unforeseen delays once these projects are underway.

2019 Key Performance Indicators

These results indicate that the Harbour Trust is on target to meet its 2019 Key Performance Indicator:

Capital Projects completed as per programme >75% and on/or under approved budget >75% – This KPI has been achieved ahead of the 2019 time frame.



Platypus Open Day, May 2016. Credit: Geoff Magee.

Regulator Performance Framework

The Sydney Harbour Federation Trust has the following regulated activities covered by the Regulator Performance Framework:

- Regulation of Child Care Centres operating on Harbour Trust land
- Issue of Liquor Permits for the service of alcohol on Harbour Trust land
- Issue of Development Applications (DA) for activities on Harbour Trust land

Reporting against KPIs:

KPI 1 Regulators do not unnecessarily impede the efficient operation of regulated entities

Harbour Trust Metrics

- Regular, ongoing review of policies, procedures and requirements, including consultation and engagement with stakeholders.
- Documented established communication mechanisms with regulated entities, including feedback from existing complaint mechanisms.

Results at 30 June 2016

- Stakeholder meetings held during the 2015-16 reporting period:
 - 7 Community Advisory Committee meetings;
 - 5 Cockatoo Island stakeholder meetings;
 - 9 North Head stakeholder and partner meetings.
- The Harbour Trust's Complaints Policies and Procedures were published on the organisation's website.

KPI 2 Communication with regulated entities is clear, targeted and effective

Harbour Trust Metrics

- Demonstrated effective mechanisms for responding to stakeholder engagement/complaint.
- Estimated timeframes for complaints handling are published, including maximum time for acknowledgement and average time for decisions.
- Decisions are accompanied by a statement of reasons and advice about relevant review or appeal mechanisms, where appropriate.

Results at 30 June 2016

- The Harbour Trust's complaint handling data logs are maintained, which incorporate the number of complaints received and the response time frames.
- The Complaints Policy and Procedures details the time frames for handling complaints.
- The organisation's Development Applications and Child Care Service Approvals provide reasons and advice about review or appeal mechanisms, where appropriate.



KPI 3 Actions undertaken by regulators are proportionate to the regulatory risk being managed

Harbour Trust Metrics

- Demonstrated engagement with regulated entities to inform them of the regulators' expectations.
- Risk management plans are provided by regulated entities.

Results at 30 June 2016

- DA Guidance Notes were provided to all DA applicants. 16 new DAs and three modifications to existing DAs were received during the year reported.
- Liquor Permit applicants receive all information about meeting and maintaining relevant requirements. 19 liquor permits were issued during the year. Eight were for events and 11 were tenant renewals.
- Child Care Service Approvals provide all information about meeting and maintaining relevant requirements. No new applications were received during the year reported.
- Where requested, all tailored risk management plans have been received.

KPI 4 Compliance and Monitoring Approaches are streamlined and co-ordinated

Harbour Trust Metrics

- Demonstrated effort to reduce the number and crossover of information requirements imposed on regulated entities.
- Demonstrated effort to share and receive information among regulators, where appropriate.
- Regular review and assessment of agreed monitoring and compliance strategies, including the use of earned autonomy approaches.

Results at 30 June 2016

- The Harbour Trust replicates NSW Liquor Licensing Laws and the National Child Care Regulations which assists in reducing the number and crossover of information requirements.
- The Harbour Trust maintains ongoing relationships with the NSW Government, neighbouring local councils and the NSW National Parks & Wildlife Service.
- A range of tailored responses in relation to regular review and assessments has been implemented. An earned autonomy approach is evident, in particular with liquor permits.



KPI 5 Regulators are open and transparent in their dealings with regulated entities

Harbour Trust Metrics

- Responses to requests from regulated entities are provided within specified timeframes.
- Performance information is made publicly available, where appropriate.
- Advice and guidance is widely available to stakeholders, with feedback mechanisms in place to support and inform continuous improvement.

Results at 30 June 2016

- The Harbour Trust has a documented and published Complaints Policy and Procedures with specified timeframes. During 2015-16, 35 complaints were received. 91% were responded to within the required time frame and all complaints were resolved within the required time frame.
- The number of DA applications requiring environmental assessments is provided in the Annual Report.
- The Harbour Trust publishes DA Guidance Fact Sheets and Liquor Licensing information. Feedback mechanisms are in place via our Complaints Handling Procedures. There are planned, regular inspections for child care services. Two inspections were carried out during the 2015-16 financial year.

KPI 6 Regulators actively contribute to the continuous improvement of regulatory frameworks

Harbour Trust Metrics

- Documented procedures are in place to allow active and regular engagement with stakeholders.
- Stakeholder events are held regularly.

Results at 30 June 2016

- The Harbour Trust carries out surveys as appropriate. During the year reported, a tenant survey was conducted.
- Records of stakeholder meetings are maintained.
- Board meetings were held in public three times during 2015-16.
- Summary of the Notes from the Community Advisory Committee meetings held during the reporting period were published on the Harbour Trust's website.



Harbour Trust architect Libby Bennett being interviewed by ABC TV News, 3rd Quarantine Cemetery, North Head Sanctuary. Credit: Zakarij Kaczmarek.

Analysis of performance against Purpose

Introduction

The Harbour Trust operates in an environment that is influenced by government funding availability and internal budget constraints. It faces significant competition for its commercial and residential leasing portfolio from both commercial and residential stock in the areas near its sites and in central Sydney. Visitation to its sites and accommodation facilities on Cockatoo Island face competition from other high-profile Sydney attractions and from other regions. Low business confidence and conditions in the small-to-medium-sized enterprise sector have also had an impact on the Harbour Trust's commercial leasing opportunities and occupancies.

The harsh coastal environment at most of the Harbour Trust's sites increases demand for cyclical, planned and reactive maintenance programs for the Harbour Trust's significant fixed asset base. This, in turn, puts considerable pressure on the organisation's operating budget.

The Harbour Trust currently faces challenges with regard to recognition of the Harbour Trust brand in the greater Sydney region and some ongoing brand-confusion with other similarly-named organisations. However, the recent focus on the social and environmental stewardship of comparable organisations provides the Harbour Trust with an opportunity to emphasise and promote its credentials and achievements.

As a self-funding government agency, the long-term financial sustainability of the Harbour Trust is based on its capacity to generate sustainable revenue. The organisation will continue to focus on increasing visitation to its sites and raising its public profile to ensure a positive impact on its commercial leasing, venue hire and accommodation activity.

Urban Parklands and Asset Management overview

During the year reported, the Harbour Trust continued its ongoing conservation, rehabilitation and maintenance program on its sites. Enhancing safe public access was an ongoing focus of the program.

The asset management activities included building and grounds maintenance, bushfire hazard reduction, bush regeneration, building restoration, updating

of electrical and potable water services, repairs of paths at Headland Park, and the completion of the underground remediation works at Platypus. A total of 18 capital works projects were completed within the reporting period. 100% of these projects were completed within the allocated budget, and 83% according to the original timetable. Environmental assessments of, and approvals were granted to, a range of works and activities undertaken by the Harbour Trust and its tenants.

A list of the Harbour Trust's maintenance, heritage conservation and environmental management projects in 2015–16 is included in Appendix 3.

These activities help to preserve, enhance and promote the rich historical, cultural and natural values embodied in the Harbour Trust's land and further the function of the Harbour Trust to promote appreciation of the land, in particular its environmental and heritage values.

Engagement overview

In 2015-16, the Harbour Trust continued its dedicated approach to improving, activating and promoting its sites for the benefit and enjoyment of the general public. Visitor experience remained a major focus across the reporting period in order to enrich visitors' understanding of the site-specific history and to improve visitor amenities.

Marketing communications activities were focused on digital channels and media coverage that raised the Harbour Trust's profile and supported the main revenue-generating segments of the business: Property Leasing, Accommodation and Venue Hire. Community and cultural partnerships continued to be nurtured so as to activate sites, increase site visitation and deliver an engaging visitor experience. Visitation to Cockatoo Island increased by 21% from the previous reporting period, demonstrating the island's continuing appeal as a destination in Sydney for locals and tourists alike.

Community consultation was a key focus of the Harbour Trust's public engagement activities during the reporting period and community liaison activities increased at Cockatoo Island, North Head Sanctuary, Headland Park and the Platypus site.

These activities contribute to extending public engagement and affinity with the Harbour Trust's lands, as well as furthering its objective to maximise public access and promote appreciation of the land.

Growth and Enterprise overview

The long-term financial sustainability of the Harbour Trust is based on its capacity to generate revenue, which includes the leasing and licensing of its buildings and lands. The underlying objective is to consolidate a robust and diversified revenue base across the total portfolio.

Within the Business Development division, three of the four business units (Commercial Leasing, Residential Leasing, Licensing & Venue Hire and Accommodation) reported increased year-on-year earnings in 2015-16.

The organisation continued to identify and prioritise the restoration and adaptive reuse of under-utilised buildings to add additional stock to its leasing portfolio. In most cases, these buildings require significant capital investment. However, undertaking larger-scale restoration works, such as potential key assets at North Head Sanctuary, would require additional funding beyond the Harbour Trust's current capability. Wherever possible, the Harbour Trust actively works with potential commercial partners to be able to assist in providing external capital.

Encouraging visitation and increasing public awareness of Harbour Trust sites is a key component of the Business Development strategy. Licensing & Venue Hire activity brought over 29,000 people to Harbour Trust sites in 2015-16.

These Harbour Trust activities focus on funding and business development initiatives to support the preservation, enhancement and operation of the Harbour Trust's sites and furthering the objectives of the Harbour Trust.

Financial Summary

The Harbour Trust's posted an operating surplus of \$459,000 in 2015-16. The organisation's own source revenue for the financial year was \$17.391 million, with the majority of income generated from our leasing and licensing activities. Commercial and residential income continued to show improvements during the year and the Harbour Trust also saw improved revenue performance from its accommodation, tour and hire business activities. Additionally, the Harbour Trust received grant funding during the year. The two major grants were for the conservation of the World Heritage-listed convict workshops on Cockatoo Island and the restoration and interpretation of the



Building 6 (Gate House), North Head Sanctuary.
Credit: Mauricio Caicedo.

Third Quarantine Cemetery at North Head Sanctuary. Strong revenue increases from the Harbour Trust's key activities has offset a fall in interest income as a result of lower cash reserves and falling interest rates.

Improvements in the Harbour Trust's income streams have allowed the organisation to continue to allocate funding to its extensive condition-based maintenance program and its cultural and interpretive events program to improve site visitation and visitor experience. The lower supplier expenses in 2015-16 were due to a number of key condition based maintenance works being brought forward into the prior 2014-15 financial year.

The strong result has also enabled the Harbour Trust to continue to allocate funds from its cash reserves to its capital renewal reserve. This reserve is critical in that it allows the organisation to undertake capital improvement works as required to its existing building stock. The Harbour Trust also received an additional \$20 million equity injection from the Commonwealth Government during 2015-16 for stage one refurbishments on the former HMAS *Platypus* site. During the reporting period, the Harbour Trust has continued to upgrade its sites' infrastructure and services assets, which were in poor condition when the organisation took ownership. The organisation has also continued to improve the public amenities within its urban parklands with upgrades to walking tracks, parkland landscaping and interpretive signage.

In summary, the Harbour Trust continues to develop key income streams and manage its operational expenses to maintain its strong financial position.

During 2015-16, there were no non-compliance issues that required notification to the Minister, in relation to Finance Law, including the *Public Governance Performance and Accountability Act* (2013) (PGPA Act) and the PGPA Rule 2014.

Urban Parklands & Asset Management





Major Capital Works and Maintenance Projects

Headland Park, Mosman

Headland Park in Mosman comprises Chowder Bay, Georges Heights and Middle Head. It features former training facilities, fortifications, depots, barracks and housing surrounded by remnant bushland. Most of the buildings are now leased for a range of uses that enliven the park including education, dining, offices, a function centre, childcare, residential accommodation, creative arts, health and fitness, and retail.

Major works and activities undertaken at Headland Park during the reporting period included:

- The refurbishment of the walking track between Georges Head Lookout and Middle Head Road
- The construction of a commemorative lookout at Georges Heights
- Upgrades to existing heating, ventilation and air conditioning systems in some tenanted buildings
- A hazard reduction burn upslope of Chowder Bay Road, in conjunction with NSW National Parks and Wildlife Service
- Repairs and painting to the historic timber wharf at Chowder Bay
- Ongoing painting and repairs to tenanted buildings at Headland Park

Cockatoo Island

Cockatoo Island is the largest island in Sydney Harbour and has been modified and used as a penal settlement and maritime industrial site. Originally only 12.9 hectares, the island has been greatly altered from its natural state. It has World, National and Commonwealth heritage listings and contains remnants of an imperial convict prison, two dry docks, wharves, slipways, maritime buildings, residences, a powerhouse, cranes, water towers and tunnels. Approved uses on Cockatoo Island include holiday accommodation and a campground, cafe, marine research, offices, marine centre and retail. The Harbour Trust is working closely with the public ferry operator to continually improve the level of service to the Island.

The capital works improvements completed by the Harbour Trust on Cockatoo Island during the 2015-16 financial year included:

- Extensive remedial works to the former Powerhouse chimney
- The installation of a new main for potable water between Cockatoo Island and Balmain
- Structural repairs to heritage cranes around the Fitzroy Dock
- Repairing areas of the pavement on the Southern Apron
- Landscaping along Burma Road
- The installation of drinking fountains
- Geotechnical investigations and repairs to the cliff faces and tunnels

North Head Sanctuary, Manly

North Head Sanctuary is one of Sydney's great landmarks, home to a delicate ecosystem. The former School of Artillery occupies the highest part of North Head and comprises the Barracks complex and the North Fort complex. The Barracks complex contains a collection of art deco buildings with a parade ground, service areas, sheds and a large area of remnant bushland.

The Harbour Trust's land at North Head Sanctuary includes 28 houses that were originally used to accommodate officers of the former School of Artillery. The majority of the houses are leased to medium-term residential tenants and one has been converted to a café (Bella Vista Café at the entrance to North Fort). Many of the other buildings at North Head Sanctuary are leased for a variety of purposes including education for adults and children, health, fitness and well-being, childcare, artists, a function centre and a plant nursery.

In the year reported, the Harbour Trust conserved and adapted many of the buildings at North Head Sanctuary. While these buildings are structurally sound, they are vulnerable to deterioration due to their exposure to the marine environment.

Major works and activities at North Head Sanctuary during the reporting period included:

- The commencement of repairs to the historic stone wall and underground tunnels at North Fort as part of a Green Army project
- The reconstruction of a Miniature Range, including the removal of hazardous materials
- Remedial works to the World War II underground Plotting Room
- An archaeological research project at the Third Quarantine Cemetery
- Essential repairs and works to Building 205 (former National Artillery Museum)
- Monitoring of Long-nosed Bandicoots and other species by the Australian Wildlife Conservancy

Woolwich Dock and Parklands

Woolwich Dock and Parklands, located on the Hunter's Hill peninsula, have a rich maritime history. In 1898, Morts Dock and Engineering Company constructed a new sandstone dry dock (1898-1901) that was used for repairing ships during both World Wars. Today, the site's dry dock links to parklands, walkways, workshops and a function centre.

Major works completed at Woolwich Dock and Parklands during the reporting period included regeneration and planting of the Upper Horse Paddock and Goat Paddock.

Platypus, Neutral Bay

The former HMAS *Platypus* naval base is a waterfront industrial site in one of Sydney's quiet bays, a reminder of the harbour's maritime heritage. Sitting amid Neutral Bay's waterfront residential properties and foreshore parks, the former gasworks facility and Royal Australian Navy (RAN) base contains a range of buildings adapted from the gasworks operations and built for the war effort, which were utilised by Defence from 1942. In 1967, the existing concrete wharf was built for the RAN's Oberon Class submarine fleet. The Navy closed HMAS *Platypus* in 1998.

The Harbour Trust took over management of the site in 2005 and began planning for remediation. The six-year program of remediation of the site, and the construction and landscaping of the urban park at the northern end of the site, comprising planting of native and introduced species and numerous seating areas, was completed during the reporting period.

Macquarie Lightstation

Macquarie Lightstation is Australia's first and longest-operating navigational light. Built in 1818, the original lighthouse was designed by convict Francis Greenway and constructed of sandstone quarried on site.

Following construction of a new lighthouse (designed by James Barnet) in 1883, the original Greenway lighthouse was demolished. No major works were carried out during the year reported.

Former Marine Biological Station

The former Marine Biological Station comprises a residence and grounds on the foreshore of Camp Cove, Watsons Bay. Most of the grounds have been transformed into a public foreshore park providing access to Camp Cove beach. Major works carried out during the year reported included the removal of weeds and replenishment of landscaped areas at the Marine Biological Station Park and the replacement of the boundary fence between the Park and the adjoining residential property.

Snapper Island

Snapper Island is yet to be formally transferred by the Department of Finance to the Harbour Trust. In the 2015-16 financial year, the Department of Finance completed a Heritage Validation Assessment, and undertook some remediation to the existing buildings on the island.

Bushland and Bushfire Risk Management

Ecological restoration works continued during the year at Headland Park, North Head Sanctuary and pockets of remnant bushland and reinstated areas at Woolwich Dock and Cockatoo Island. The works included extensive control of weeds over an area of 45 ha, maintenance of over 10 km of bush tracks and access trails, manual and mechanical bushfire hazard reduction around built assets, and reinstatement of previously cleared areas using local provenance seedlings.

During the reporting year, fuel reduction and the clearing of fire breaks and trails adjacent to buildings and structures at North Head Sanctuary and Headland Park were undertaken. The Harbour Trust also worked closely with neighbouring landholders through the Manly-Mosman-North Sydney District Bushfire Management Committee and the North Head Stakeholder Group to manage bushfire risk.

The Harbour Trust continued to work with the NSW Office of Environment & Heritage (OEH), NPWS and other stakeholders to manage feral animals on its sites. This included programs to control rabbits and foxes at North Head Sanctuary, Woolwich Dock and Parklands, and Headland Park.

Landscape maintenance

The Harbour Trust continued its regular program of ongoing landscape reinstatement and maintenance works throughout all of its sites in 2015–16. The works generally consist of regular mowing and edging of lawns, and pruning, weeding, mulching and infill planting of garden beds.

Over 25,000 native trees, shrubs, grasses and groundcovers were planted on Harbour Trust sites during the year, including for the establishment of a new urban park at Platypus and removal of weeds and replenishment of landscaped areas at Macquarie

Lightstation Park, Woolwich Dock and Parklands, and the Marine Biological Station Park. A large number of Jacarandas were also planted in public spaces at Headland Park.

More than 23,000 plants were propagated from local provenance native species, and over 2,000 ornamental natives and exotics were planted within cultural landscapes. The Cockatoo Island gardening volunteers planted over 300 plants on the island, Headland Park gardening volunteers planted over 100 plants at the former ASOPA complex in Middle Head, and the North Head Sanctuary Foundation propagated and planted over 4,000 native plants around the sanctuary.



Landscaping at Northern Park, Platypus, Neutral Bay.
Credit: Geoff Magee.

Harbour Trust Plans and Environmental Assessments

Heritage Strategy

In 2015-16, the Harbour Trust's Heritage Strategy was reviewed in accordance with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). The review recommended the Strategy be updated to reflect the substantial remediation activities, conservation works and revitalisation that has been undertaken across the sites through the implementation of the Harbour Trust's Plans. In June 2016, the Delegate for the Minister for the Environment endorsed a revised Strategy.

Management Plans

In early 2016, the Harbour Trust completed a statutory review of the 2010 Cockatoo Island Management Plan, which recommended the Plan be updated to reflect physical changes since the current Plan was made (such as remediation and conservation works); and satisfy the requirements of a Management Plan for a World Heritage place.

Accordingly, a Draft Amendment to the management plan was exhibited by the Harbour Trust in May-June 2016. In 2016-17, the Draft Plan will be forwarded to the Minister for the Environment and Energy for approval.

In 2015-16, the consultation process commenced for a review of the Middle Head Management Plan and for a new plan for Platypus, which is discussed later in this section. The Draft Management Plans for Middle Head and Platypus are expected to be placed on public exhibition in the 2016-17 financial year.

Background Studies

Specialist noise and transport consultants were engaged by the Harbour Trust to inform the planning for the Platypus site in North Sydney. These reports analysed the site and its surrounds and provided detailed measures for managing noise and transport impacts. The consultants' findings will be used by the Harbour Trust to assist in identification of suitable land uses for the site, and will inform the Draft Management Plan for Platypus. Consultants were also engaged to provide advice regarding the condition of the aquatic environment to inform the detailed design of a potential future over-water link between Platypus and Kesterton Park.

Environmental assessments

The Harbour Trust prepares environmental assessments of actions proposed on Harbour Trust lands, to ensure proposals further the objects of the *Sydney Harbour Federation Trust Act 2001*, are consistent with Harbour Trust Plans, protect the sites' environmental and heritage values, and are in accordance with the *Environment Protection and Biodiversity Conservation Act 1999*.

In the past year, the Harbour Trust completed environmental assessments for 19 proposed actions, including:

- Landscaping and wharf works at Platypus
- Archaeological research and conservation works to the Third Quarantine Cemetery, North Head Sanctuary
- Construction of a commemorative lookout and path at Headland Park
- Hosting of the 20th Biennale of Sydney contemporary art festival at Cockatoo Island
- Hazard reduction burns at North Head Sanctuary

Approved actions are subject to conditions to avoid potential impacts or to minimise or mitigate impacts. These conditions help the organisation to manage activities in accordance with relevant legislation and standards.

Community consultation

The Harbour Trust continued to consult with communities and liaise with key stakeholders on the planning and rehabilitation of its sites. This ranged from formal Community Advisory Committee meetings to workshops, open days, presentations, discussions, public exhibition of plans and newsletters.

Community Advisory Committees met seven times throughout the year, twice to specifically discuss Platypus and five times to discuss various Harbour Trust projects across all the sites.

Planning Open Days were held at Middle Head and Platypus in the reporting period. A combined total of almost 1,000 members of the public attended the two days, which included self-guided tours, presentations and opportunities to participate in public information

sessions. The Open Day at Middle Head was held in conjunction with NSW National Parks and Wildlife Service. Following the Open Days, the Harbour Trust received approximately 1,150 completed survey forms and 27 other written submissions. This feedback will assist the Harbour Trust in its preparation of management plans for the two sites.

The Harbour Trust held and attended many formal and informal meetings with key stakeholder groups, government agency staff, councils, local members, community organisations and individuals to discuss issues on the planning and rehabilitation of its sites.

A full list of the Harbour Trust's Community Advisory Committee members is included in Appendix 2.

Environmental performance

Commonwealth agencies are required to report annually regarding environmental matters under Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act). An agency must report on how they accord with and contribute to ecologically sustainable development (ESD), and document their environmental performance, including the impact their activities have on the natural environment, how these are mitigated and how they will be further mitigated.

Ecologically sustainable development

Ecologically Sustainable Development (ESD) is fundamental to the Harbour Trust's approach to decision-making, planning and rehabilitation, and the use of its sites. The Harbour Trust's Act includes the object of protecting environmental values and requires the preparation of a plan that accords with the principles of ESD. ESD is a central objective of the Harbour Trust's Comprehensive Plan and site-specific Management Plans.

ESD principles inform the organisation's approach to biodiversity and bushland conservation, management of native and introduced flora and fauna, water quality and catchment protection, bushfire management, remediation of hazardous and contaminated material, transport management and air quality, renewable energy and rainwater harvesting, and Aboriginal and cultural heritage protection.

The Harbour Trust selects uses and tenants that respect the environmental values of the buildings and/or lands. Proposed actions are assessed in accordance with the EPBC Act to identify any potential environmental impacts and to put in place measures to avoid or minimise these. Risk assessments are incorporated into project planning to ensure any risks to the environment are identified and mitigated.

The Harbour Trust promotes the enjoyment and understanding of our heritage sites while encouraging visitors to contribute to the cost of park management (e.g. site tours, merchandise and books). The rehabilitation of Harbour Trust sites has facilitated the re-use of buildings for community and revenue-generating activities which provide funds that are reinvested in maintaining its sites.

Environmental performance

This section of the Annual Report examines the environmental performance of the Harbour Trust's direct operations, measuring the office's energy, fuel and water consumption, and the generation of waste and greenhouse gases. It details the Harbour Trust's environmental performance against each of these targets compared to previous reporting periods. These results relate to the environmental impact of the Harbour Trust's operations at the head office in Mosman.

The Harbour Trust uses the *Global Reporting Initiative's (GRI's) Sustainability Reporting Guidelines* for reporting performance. A summary of the results is provided in the table below:

Environmental performance

GRI Indicators	Targets for 2015-16	Results 2015-16	Targets 2016-17
Energy consumption (EN3)	No increase in energy	Target achieved	No increase in energy consumption
Fuel consumption (EN3)	No increase in fuel consumption	19% increase	5% reduction
Greenhouse gases (EN16)	No increase in greenhouse gases	2% increase	2% reduction
Water consumption (EN8)	No increase in water consumption	17% increase	5% reduction
Waste generation (EN22)	No increase in waste generation	Target achieved	No increase in waste generation

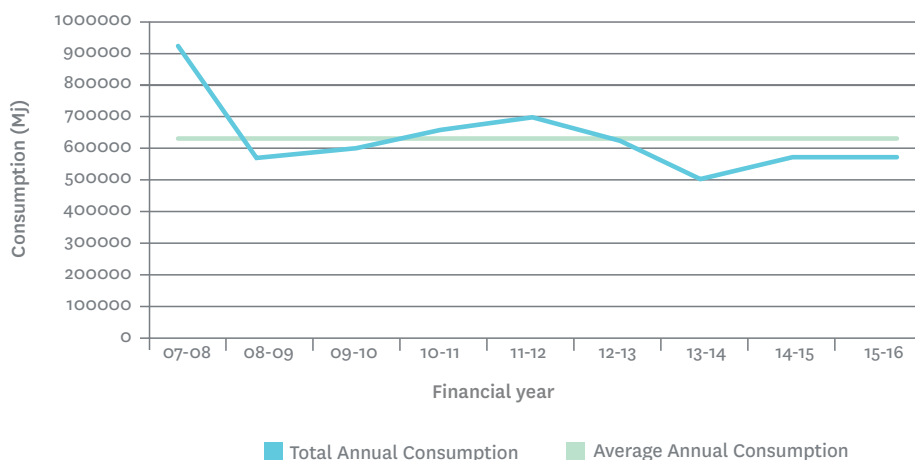
Energy Consumption

The Harbour Trust’s energy consumption has remained very similar to the previous reporting period. Energy consumption is lower than the annual average over the past eight reporting periods. Staff members are encouraged to reduce energy consumption through the sustainable use of the office air conditioning system. Information to encourage environmentally responsible behaviour is included in the New Employee Induction Program.

Total Energy Consumption

Year	Annual Average (2007-2015)	2014-15	2015-16	% Change
Total Consumption (MJ)	632,539	564,745	565,847	0.2

Office Energy Consumption



Energy Efficiency in Government Operations (EEGO) Policy

The Energy Efficiency in Government Operations (EEGO) Policy aims to reduce the energy consumption of Australian Government operations with particular emphasis on building energy efficiency. A key objective of the EEGO Policy for Government office buildings is to achieve the energy intensity targets set out in the table below. The Harbour Trust has achieved these targets.

Electricity consumption (mega-joules per staff member per annum)

	EEGO Policy Target	2014-15	2015-16
Central services	400	198	198
Office light and power	7,500	4,278	3,929





Fuel Consumption

The Harbour Trust uses fuel for its small fleet of vehicles and boats. Fuel consumption increased by 19% compared to the previous year which is slightly above the average annual consumption (5,474 litres). Increased staff numbers, additional trips to the Platypus site, the introduction of an additional vehicle and more site maintenance activities requiring vehicle use have all been contributing factors to this increase in fuel consumption. The Harbour Trust will continue to encourage staff to car- and boat-pool to help reduce fuel consumption.

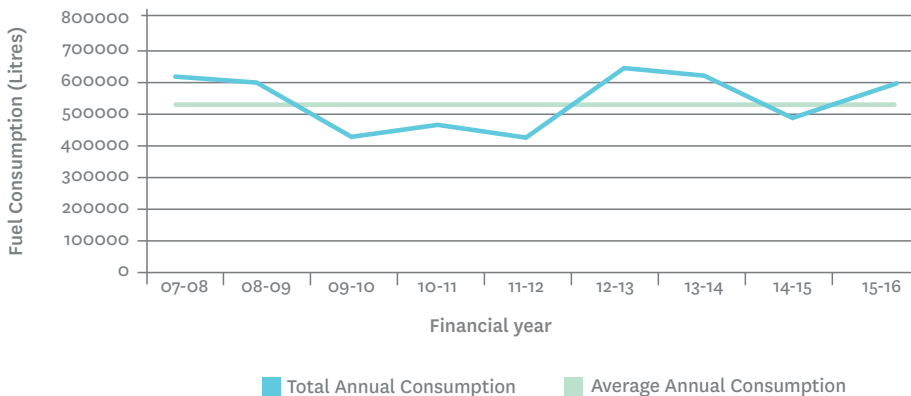
Total vehicle fuel consumption (cars and boats)

Fuel Consumption	2014-15 (Litres)	2015-16 (Litres)	% Change
Vehicles*			
Unleaded	2,008	2,427	21
LPG	69	81	17
Diesel	539	574	6
Sub Total	2,620	3,082	18
Boats**			
Unleaded	2,352	2,679	14
Diesel	0	174	
Sub Total	2,352	2,853	21
Total Fuel	4,969	5,936	19

*The Harbour Trust's vehicle fleet comprises two cars (unleaded); two utes (LPG/unleaded); one truck (diesel).

**The Harbour Trust's boat fleet comprises two boats (unleaded and diesel).

Fuel Consumption



Greenhouse Gas Emissions

There was a slight increase in total greenhouse emissions generated from energy and fuel consumption. However, this is still below the annual average net emissions. The Harbour Trust purchased Greenfleet offsets to reduce the carbon footprint of the Harbour Trust’s vehicle fleet. The photovoltaic (PV) arrays at Cockatoo Island and North Head Sanctuary generated sufficient power for the Harbour Trust to significantly reduce net emissions. This has resulted in a reduction in net greenhouse gas emissions compared to last year.

Carbon Footprint

	Annual Average (2007-2015)	2014-15	2015-16	% Change
		Co ₂ -e (tonnes)		
Total Gross Emissions	208.1	185.2	187.9	1.5
Less Offsets (Greenfleet/Greenpower)	40	20	20	0
Less Renewable Energy (Pv)	147.9	133	160.2	20.4
Total offsets	196	153	180.2	20.1
Total Net Emissions	-0.2	32.1	7.7	-76

Greenhouse Gas Emissions



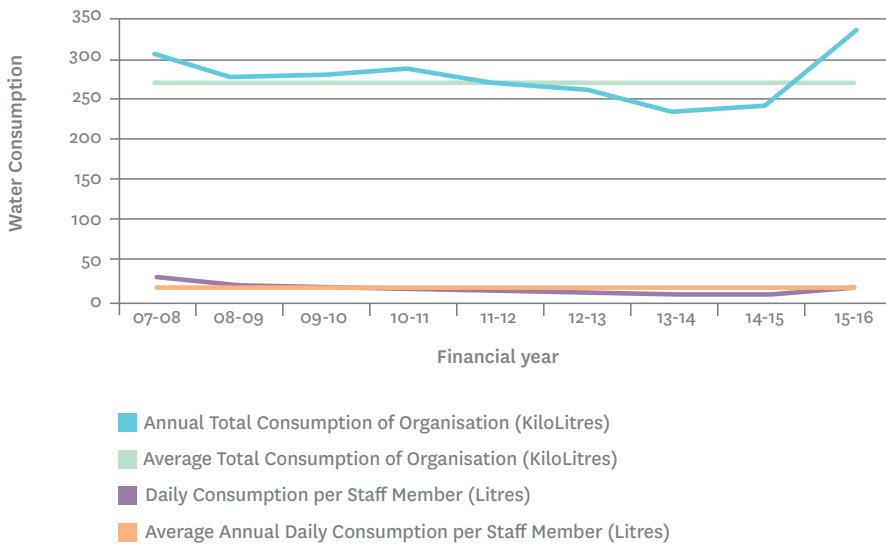
Water Consumption

Water consumption increased by 37% compared to the previous year. During the next reporting period, the Harbour Trust will investigate water saving devices, improvements to the office's water supply and ensuring the system is regularly maintained.

Water Consumption (Potable)

	Annual Average (2007-2015)	2014-15 (Litres)	2015-16 (Litres)	% Change
Total Office Consumption	270,420	239,000	327,950	37
Daily Consumption (Average)	1,060	937	1,286	37
Daily Average per Person *	18	14	18	28.6

Annual and Daily Water Consumption



Waste Generation

Waste generated by the Harbour Trust is measured by the number of bins that are collected by its waste collection contractor. As the bins are shared with tenants, it does not reflect the amount of waste the Harbour Trust generates exclusively. The number of bins collected has remained consistent so it is estimated that waste generation is unchanged from previous years. Recycling kitchen waste, green waste (by use of worm farms) and soft plastics has reduced the amount of waste going to landfill.

On average, the Harbour Trust used eight reams of photocopying paper per person. This is within the target of a maximum of nine reams per person set by the *ICT Sustainability Plan 2010-2015*.

Engagement





Introduction

The Harbour Trust demonstrated its commitment to extending public engagement and affinity with Harbour Trust lands in the 2015-16 financial year. The activities undertaken by the organisation included marketing and communications, visitor experience improvements, partnership events, community consultation, interpretation and public programs in the form of tours and education programs.

Partnerships remained a priority during this period, enabling the Harbour Trust to provide enriching cultural and heritage experiences for visitors to its sites. Two long-standing event partners returned to Cockatoo Island: the 20th Biennale of Sydney and the 2015 Underbelly Arts Lab and Festival. Both contemporary arts events resulted in high visitation and provided world-class exhibitions for visitors to enjoy.

The Harbour Trust fostered community partnerships in order to improve site interpretation and amenities. Key projects included the completion of the new Sydney Institute of Marine Science (SIMS) Discovery Centre at Chowder Bay, which interprets the marine life of Sydney Harbour and includes a display about the defence history of the Headland Park site in Mosman. *Vantage Points*, an exhibition of artworks by Nick Hollo, resulted in over \$12,000 being donated to the Sydney Harbour Federation Trust's Museum Gift Fund, which will help the Harbour Trust to improve the natural amenity of its foreshore parks. The Harbour Trust also welcomed the third and final *Sculpture by the Sea* sculpture to its Georges Heights site at Headland Park. Engaging with the community was a key focus for the Harbour Trust during the 2015-16 financial year. Seven Community Advisory Committee (CAC) meetings were held during the reporting period and 10 new members were appointed to the CAC at the beginning of 2016. The organisation welcomed over 1,000 attendees to two site Open Days at Platypus and Middle Head and over 2,000 surveys were collected from the public which will assist the Harbour Trust in planning its future improvements and public engagement activities across its sites.

Engagement Projects

The marketing and communications approach in 2015-16 continued to drive positive results for the revenue generating units of the Harbour Trust, with priority

being given to Property Leasing, Accommodation and Venue Hire campaigns. Digital marketing and channels continued to perform strongly and were coupled with traditional marketing channels (print advertising, brochure distribution) in order to produce timely seasonal campaigns.

Alongside the organisation's ongoing marketing and communications activities, there was also a range of notable partnerships, events and programs implemented across the Harbour Trust sites to increase visitation and public awareness. These projects are listed below in site order.

Headland Park (Middle Head, Georges Heights, Chowder Bay)

- Sydney Institute of Marine Science (SIMS) Discovery Interpretation Centre, Chowder Bay. In partnership with SIMS.
- *Vantage Points* art exhibition by Nick Hollo, Georges Heights.
- The Fantasea Harbour Hike, Chowder Bay. In partnership with SIMS.
- *Sculpture by the Sea*. Third and final installation of the Macquarie Group Sculpture Prize-winning sculpture from *Sculpture by the Sea* at Georges Heights. In partnership with *Sculpture by the Sea* and the Macquarie Group.
- Sydney Gold honey. The honey was produced from beehives at Georges Heights and sold through Harbour Trust visitor centres and selected tenants at Headland Park and North Head Sanctuary.
- *The Story of Bungaree*. 300 copies of this book were donated to local Mosman schools.
- Headland Park Tenant Handbook.
- Middle Head Planning Information Open Day (22 May 2016).

Cockatoo Island

- 20th Biennale of Sydney (18 March-5 June 2016), returning to Cockatoo Island for the fifth time.
- 2015 Underbelly Arts Lab and Festival (22-26 July; 1-2 August), returning to Cockatoo Island for the third time.

- Accommodation Open House Day (February 2016).
- New entry signage and Aboriginal and Torres Strait Islander flags.
- The regular Vacation Care program during school holiday periods.
- Summer drop-in tours.
- Curriculum-based education tours.

Woolwich

- HarbourSculpture exhibition at Woolwich Dock and Parklands (30 July-9 August 2015). In partnership with HarbourSculpture.

Platypus

- Platypus Planning Open Day (14 May 2016).
- Federal Government media event and announcement of \$20 million funding for the Harbour Trust to commence work to open up the Platypus site to the public (November 2015).

North Head Sanctuary, Manly

- Opening and interpretation of the Sir Roden Cutler VC Artillery Research Centre. In partnership with the Royal Australian Artillery Historical Company (RAAHC).
- Participated in the Q Station Open Day at North Head Sanctuary.

All sites

- National Trust Heritage Festival 2016. The Harbour Trust's tours at Cockatoo Island, North Head Sanctuary, Georges Heights and Macquarie Lightstation were included in the festival.

Advertising and market research

Under Section 311A of the Commonwealth Electoral Act 1918, the Harbour Trust is required to report on payments made for the services of:

- advertising agencies
- market research organisations
- polling organisations
- direct mail organisations
- media advertising agencies

During 2015-16, the Harbour Trust did not use polling organisations or undertake direct mail campaigns. The organisation made no payments to advertising agencies or media advertising agencies that were over the reportable threshold for these services.

The Harbour Trust made one payment over the reportable threshold to a market research organisation during the period reported.

Organisation	Purpose	Expenditure (\$ excluding GST)
AMR Interactive Pty Ltd	Visitor research surveys on Cockatoo Island	\$17,525
Total		\$17,525

Communications

Media

The Harbour Trust continued to secure excellent media coverage of its sites and activities during 2015-16.

At North Head Sanctuary, the new Saturday summer North Fort tours were covered by Channel Seven News, ABC 1 TV News, ABC Radio 702 Sydney, ABC online, *Daily Telegraph*, *Sydney Morning Herald* and *Broadsheet Sydney*. The Harbour Trust's archaeological research survey at the Third Quarantine Cemetery in March 2016 was featured on ABC 1 TV News, ABC 24 TV News, 702 ABC Sydney, ABC online and in the *Sydney Morning Herald* (print and online).

Channel Seven's *Sydney Weekender* broadcast a segment about our Georges Heights site and the Federal Government's announcement of \$20 million for public-access funding at Platypus, Neutral Bay was covered by Channel Nine News, ABC 1 TV News, ABC 24 TV News, 702 ABC Sydney, 2GB Sydney and relevant local press. Local suburban newspapers continued to frequently cover the Harbour Trust's activities and events.

Cockatoo Island continued to receive positive media coverage. The Harbour Trust's Open House accommodation promotion in February 2016 was featured on Channel Nine News Sydney and in the *Sydney Morning Herald*, *Daily Telegraph*, *Time Out Sydney* and relevant local press. The restoration of the Powerhouse chimney at Cockatoo Island was the subject of an exclusive feature article in the *Sydney Morning Herald*. In April 2016, Channel Seven's *Sunrise* did six live weather crosses from Cockatoo Island and Channel





Hatggen - Military History

Historical information and photos related to the military history of Hatggen.



Seven's *Sydney Weekender* broadcast a segment about the island. The Justin Bieber concert on Cockatoo Island (aka #BieberIsland), the 20th Biennale of Sydney and the 2015 Underbelly Arts Lab and Festival all generated significant media coverage.

During the reporting period, Cockatoo Island continued to be profiled as a tourist destination. The Harbour Trust generated a significant amount of travel and tourism-related media coverage across all channels. Media visits to Cockatoo Island were also regularly organised through the Harbour Trust's Visiting Journalist Program and in conjunction with Destination NSW and Tourism Australia.

Community Engagement

During the reporting period, the Harbour Trust Board approved a restructure of the Community Advisory Committee (CAC). This initiative provided for representation across all Harbour Trust sites through assigned delegates as well as allowing for general memberships of the CAC with relevant experience in fields such as heritage, environment or tourism.

For the first time, the CAC included an Indigenous Representative position on the committee to ensure a consistent connection with the Aboriginal community in committee discussions. The delegates were also designated to correlate with Harbour Trust sites and ex-officio members included the Mayors of local councils and Federal Members for electorates in which Harbour Trust sites are located.

Volunteers

The organisation's volunteers contributed over 28,500 hours to the Harbour Trust during 2015-16 and 45 new volunteers were also welcomed to the program. In addition, corporate volunteers contributed 80 hours to the preparations for the 20th Biennale of Sydney at Cockatoo Island.

Volunteers continued to staff the visitor centres at Cockatoo Island and North Head Sanctuary and assist on events such as the Middle Head Planning Information Open Day, Platypus Planning Open Day and New Year's Eve at Cockatoo Island. Volunteers represented the Volunteer team on the Harbour Trust's Work Health and Safety committee, undertook research for the Marketing & Visitor Experience team and helped Harbour Trust staff with administration tasks.

Guided tours led by volunteers ran at North Head Sanctuary (North Fort) and Headland Park while regular tour days were held at Macquarie Lightstation. Volunteer speakers presented talks about the Harbour Trust and its sites at 30 venues to a combined audience of 1,640 people.

The Cockatoo Island and North Head Sanctuary heritage restoration volunteers continued their ongoing restoration work at both sites and the gardening volunteer teams maintained the gardens at Cockatoo Island and Headland Park. Oral history volunteer interviewers gathered stories from those who lived and worked at Harbour Trust sites and the artefacts project volunteers created a documented list of historic found objects.

New volunteer roles

During 2015-16, two new volunteer roles commenced. A maintenance volunteer assists the Maintenance team with smaller maintenance tasks. The Trust Talks Coordinator manages the new *Trust Talks* program which is a series of presentations by various speakers, open to Harbour Trust staff, volunteers and the public and designed to encourage people to visit the Harbour Trust's sites.

Rangers

With their high public visibility, the organisation's nine rangers are Harbour Trust ambassadors, providing information and assistance to visitors at its sites. They are also responsible for the safety and security of all Harbour Trust buildings, parklands, tracks and roadways. They implement the *Sydney Harbour Federation Trust Act (2001)* and regulations to ensure all visitors to our sites comply with legislation and parking provisions.

Rangers assist with events and site presentations, provide first aid, attend to emergencies when called, and assist people with disabilities or the elderly around the sites.

Growth & Enterprise





Commercial Leasing

The Harbour Trust's commercial leasing portfolio provides the largest business-unit contribution to the organisation's revenue. Its portfolio remains competitive when compared to the nearby suburbs of North Sydney, Crows Nest, Chatswood and Manly and offers a unique business environment. Vacancy rates have remained well below market benchmarks, which contributed to an increase in commercial rental income of 3.1% on the previous year.

The Harbour Trust continues to approach the market through Expressions of Interest and requests for leasing proposals. These processes are highly competitive and have secured a diverse range of new tenants including childcare providers, a coffee marketing company and health and allied services businesses.

Headland Park

Headland Park is the dynamic hub of the Harbour Trust's leasing portfolio. A significant number of tenants have been with the organisation for over five years and many have long-term leases. The Harbour Trust works closely with tenants and, where possible, it arranges for new accommodation solutions within Headland Park, or other sites, to meet their changing needs. The positive nature of the relationship between the Harbour Trust and its tenants and the unique environmental setting of the site are vital in attracting and retaining tenants.

During the year reported, planning for infrastructure works at Chowder Bay, including improvements to access between the wharf and the site's upper levels, and major refurbishments to Building 1 have been advanced. The Harbour Trust is working in cooperation with its tenants to jointly develop and fund these initiatives.

The legal proceedings regarding the proposed aged care facility at Terminal 10 were discontinued in November 2015 by consent and on a 'without admission' basis and the proposal will not proceed. The Harbour Trust is seeking community input to assist in determining a strategy for the future use of these buildings. Considerable capital investment will be required outside of the organisation's resources to utilise the buildings for any appropriate future use.

Cockatoo Island

Cockatoo Island is home to a number of commercial businesses including marine, architectural, retail and food and beverage providers. During the year reported, the proposal for a marina and dry stack operation in the Sutherland Dock precinct on Cockatoo Island was approved and the work on this stage of the marina is now well advanced. The Business Development Strategy will continue to focus on attracting additional tenants to Cockatoo Island whilst also aiming to improve visitation.

North Head Sanctuary, Manly

Existing tenants such as Headland Montessori Day Care and Farmhouse Montessori School continued to experience growth in their business activities and the Harbour Trust is working with them to accommodate their long-term needs. During the year reported, buildings and other locations on the site were leased or licensed for short-term TV and film productions.

Residential Leasing

Residential leasing revenue increased by 11.4% on the previous year. All Harbour Trust residential properties are highly sought-after and there are no vacancies except where properties are being refurbished. Planning and design were advanced for the refurbishment of two heritage houses at Middle Head Road and Dominion Crescent with works being commenced in 2016.

Licensing and Venue Hire

Short-term commercial licensing and venue hire is an important way of promoting Harbour Trust sites to a broad audience, including regional, interstate and overseas markets. In 2015-16, these events brought over 29,000 visitors to Harbour Trust sites.

As part of its Business Development Strategy, the Harbour Trust is directing its efforts toward securing a more diverse range of larger, recurrent events that are a major drawcard for attracting both visitors and other similar large-scale events. On Cockatoo Island, the organisation seeks to maximise the flow-on benefits arising from events back into camping, accommodation and conference usage. There are a number of regular major events such as Hillsong annual conference that are testament to the island's unique qualities which make it an attractive venue for such events.

During the year reported, the Harbour Trust invested in an upgrade of Cockatoo Island's conference facilities and the emphasis in 2015-16 has been in securing regular corporate users and creating conference and accommodation packages.

Cockatoo Island and North Head Sanctuary continue to be popular locations for film and TV production. As part of the Business Development Strategy, the Harbour Trust will be building stronger industry relationships and developing promotional packages to secure more of these activities.

Accommodation

The Harbour Trust's accommodation business comprises the Cockatoo Island Campsite, the Heritage Houses and Harbour View Apartments. During the year reported, the campground remained popular with school and family groups. In April 2016, the Australian Wallabies rugby union team held a successful training camp on the island.

The packaging of accommodation with events and special themes such as New Year's Eve maximizes both revenues and visitor experience. Although there are seasonal factors that impact on the appeal of Cockatoo Island's accommodation portfolio, the Harbour Trust is investigating opportunities to further establish the island as a year-round short-stay destination.





Innovation & Operations



Corporate governance

The Executive Director manages the Harbour Trust's affairs subject to the Harbour Trust's directions and in line with the Harbour Trust's policies.

Trustees' meetings

There were nine meetings of the Harbour Trust in the 2015-16 financial year. Members attended as follows:

Name	Meetings attended
Mr K McCann AM, Chair	8 out of possible 9
Former Mayor of Manly J Hay, AM	6 out of possible 7
Mr J Carrozzi	2 out of possible 2
Ms J Cashman	7 out of possible 9
Ms S Herman	2 out of possible 2
Ms S Hook	1 out of possible 2
Ms P Braxton-Smith	5 out of possible 5
Mr R Jeffs	7 out of possible 7
The Hon. L McLeay	6 out of possible 7

Ethics

The Harbour Trust Board, staff and volunteers abide by the organisation's Code of Conduct and undertake an induction process and have appropriate training when required.

Audit, Risk and Compliance Committees

The Harbour Trust's Audit, Risk and Compliance Committee met for the last time on 1 September 2015. From this date, the Harbour Trust commenced using the Department of the Environment's Portfolio Audit Committee.

The Harbour Trust's Audit, Risk and Compliance Committee oversaw:

- effective identification and management of risks
- reliable financial and management reporting
- compliance with applicable laws and regulations
- maintenance of an effective and efficient audit service
- effective fraud prevention and control measures

There was one meeting of the Audit, Risk and Compliance Committee during the 2015-16 financial year with members attending as follows:

Name	Meetings attended
Mr R Jeffs, Chair	1 out of possible 1
Mr R Butterworth	0 out of possible 1
Mr P Hinchey	1 out of possible 1

The Portfolio Audit Committee has been established by the Accountable Authorities of the Department of the Environment, the Director of National Parks, and the Sydney Harbour Federation Trust in compliance with Section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Public Governance, Performance and Accountability Rule 2014*, Section 17 Audit committee for Commonwealth Entities.

The Portfolio Audit Committee's role is to provide independent assurance to the Accountable Authorities on each entity's financial and performance reporting responsibilities, risk oversight and management, and system of internal control and compliance. The Portfolio Audit Committee is not responsible for the executive management of these functions. The Portfolio Audit Committee engages with management in a constructive and professional manner in discharging its advisory responsibilities and formulating its advice to the Accountable Authorities.

The Department's Portfolio Audit Committee met on four occasions during the reporting period. The (Acting) Executive Director of the Harbour Trust attended these meetings.

Community Advisory Committee

See Appendix 2 for a list of the Community Advisory Committee members for each of the Harbour Trust's sites.

Fraud control

The Harbour Trust has adopted the Commonwealth Fraud Control Guidelines as the model for its Fraud Control Policy. A detailed Fraud Risk Assessment was used to inform the Harbour Trust's Fraud Control Plan which in turn drives control mechanisms, including fraud awareness training and internal and external audits of key functions. The Harbour Trust Board and Portfolio Audit Committee oversee fraud risk management.

Indemnities and insurance

The Harbour Trust took out Directors' and Officers' liability insurance with our insurers, Comcover, for the 2015-16 period.

The Harbour Trust did not provide any indemnities to directors or officers for liabilities or claims against them in 2015–16.

Procurement

The Harbour Trust’s guidelines and financial instructions for purchasing goods and services are consistent with the Commonwealth Procurement Rules. Internal audits are conducted against those criteria.

The Tender Review Committee considers tenders estimated to be in excess of \$250,000. It reviewed one tender during the 2015-16 financial year. This tender was for the remediation works to the Powerhouse chimney on Cockatoo Island.

Tendering and contracting

The unique heritage nature of the sites, buildings and equipment demand a wide variety of highly specialised skills that are not always readily available in our existing staff. We engage specialist consultants for these roles.

The Harbour Trust engaged 48 consultants with a total value of \$584,814 (including GST) to provide specialist advice on:

- legal matters
- planning
- business matters
- engineering services
- archaeology
- conservation
- design
- environmental risk management
- air quality
- historical research and interpretation
- communications
- site safety
- other technical aspects relating to sites.

Human Resources

Employees

Employees of the Harbour Trust are engaged under section 48 of the *Sydney Harbour Federation Trust Act 2001* with the terms and conditions of employment according to the Harbour Trust’s Enterprise Agreement 2016-19. The current number of employees stands at 86, comprising 63 full-time, 9 part-time and 14 casual employees.

Learning and Development

The Harbour Trust encourages the growth of skills and knowledge of their employees to meet the needs of the organisation now and into the future.

The Learning and Development Plan for 2015-16 revolved around training employees in:

- Perception Leadership and Talent Analytics for middle management
- Corporate governance
- Risk management
- Fraud awareness
- Excel software training
- Emergency response and fire warden training
- Managing difficult people
- Work Health and Safety (WHS) qualifications and working safely
- Maintaining employees’ qualifications required for the role
- Maintaining employees’ industry knowledge
- Updates on new or changed legislation

Public Interest Disclosures

The Sydney Harbour Federation Trust reported to the Commonwealth Ombudsman in June 2016 that it had received no public interest disclosures. This is a requirement of the *Public Interest Disclosure Act 2013*.

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual
Executive Director	1	0	1	0	0	1	0
Senior Executive	2	3	5	0	1	4	0
EL2	6	3	6	3	3	6	0
EL1	8	7	13	2	2	13	0
L6	1	8	7	2	1	8	0
L5	7	1	8	0	2	6	0
L4	5	3	8	0	1	7	0
L3	6	8	12	2	0	14	0
L1-2	4	12	2	0	0	2	14
Trainees	0	1	1	0	0	1	0
Total	40	46	63	9	10	62	14

Access and safety

Risk Management

Risk management is an integral part of all Harbour Trust projects and events. During the reporting period, the Harbour Trust implemented key policies to support the government's Protective Security Policy Framework. The organisation also updated its Risk Management Policy and Business Continuity Management Policy to incorporate amendments recommended by our internal auditors after a review of the Harbour Trust's Risk Management framework. Operational risk registers have been introduced to improve the monitoring of the dynamic nature and profile of the Harbour Trust's roles and functions. The Harbour Trust's Internal Audit service provider reviewed contractor accreditation and WHS framework during the year.

As part of the risk management strategy, an internal audit tool is used whereby major tenders and randomly selected smaller value procurements are assessed against Commonwealth Procurement Rules.

Workplace Health and Safety

The Harbour Trust and all workers recognise their obligations under the *Work Health and Safety Act 2017*, its related regulations and codes of practice. The Harbour Trust's Workplace Health and Safety Committee is a key part of this system by discussing, consulting and monitoring workplace health and safety within the Harbour Trust.

WHS statistics

Table: WHS statistics 2014-15 and 2015-16 for employees, volunteers and contractors

Hazards, Incidents, Injuries	2014-15	2015-16
Number of incidents and accidents reported	10*	10
Number of lost time injuries	0	0

*Restated figure.



Equity and diversity

The Harbour Trust is committed to the principles of equity and diversity ensuring our workforce is representative of the broader Australian community. The Harbour Trust has put in place a Disability Action Plan and an Indigenous Employment Strategy to help achieve this objective.

Disability Action Plan

The Harbour Trust Disability Action Plan outlines how the needs and preferences of people with a disability are considered when planning, delivering, promoting and evaluating its services. The organisation also has a responsibility to ensure that people face no barriers to employment. It will provide reasonable adjustments to its workplaces to enable staff with a disability to be fully productive.

As at 30 June 2016:

- The proportion of employees with disability relative to the whole workforce is 2.3%
- The organisation has not undertaken targeted recruitment of employees with disability relative to all new recruits

Indigenous Employment Strategy

The Indigenous Employment Strategy focuses on providing opportunities to increase the representation of Aboriginal and Torres Strait Islander people working at the Harbour Trust. As part of this strategy, the Harbour Trust introduced the Reconciliation Action Plan (RAP). The RAP guides the Harbour Trust in:

- protecting and promoting the indigenous heritage on its sites
- liaising with the Aboriginal community to assist with its objectives
- fostering the active participation of Aboriginal people in activities across its sites
- welcoming Aboriginals and Torres Strait Islanders as employees.

Achievements

As at the 30 June 2016, the Harbour Trust had a goal of achieving two full-time indigenous positions on its staff. Currently, the organisation has one indigenous employee.

As part of its RAP, the organisation:

- changed its primary source of office supplies to Kulbardi Australia
- donated 300 copies of the book *The Story of Bungaree* to 10 local Mosman schools. The publication tells the story of indigenous leader Bungaree who was granted land at Georges Heights by Governor Macquarie in 1815. Each book contained an introductory sticker in the front acknowledging the donation from the Sydney Harbour Federation Trust.
- progressed in its planning for an event in 2017 to commemorate Bungaree's Farm.
- added an Indigenous Representative position to the Community Advisory Committee to ensure a consistent connection with the Indigenous community in committee discussions.

Judicial decisions and reviews by outside bodies

Case NSD284/2015 was due to be heard in the Federal Court on 30 November 2015. Prior to the hearing, the Headland Preservation Group Inc discontinued proceedings against the Sydney Harbour Federation Trust by consent and on a 'without admission' basis.

There were no judicial decisions or decisions of other administration appeals tribunals that have had a significant impact on the operation of the Harbour Trust.

There were no reports on the operations of the Harbour Trust by the Auditor-General (other than the report on financial statements), or reports by a parliamentary committee.

Ministerial directions

There were no ministerial directions given to the Harbour Trust during the reporting period.



Independent Auditor's Report

To the Minister for the Environment and Energy

I have audited the accompanying financial statements of Sydney Harbour Federation Trust and the consolidated entity for the year ended 30 June 2016, which comprise:

- Statement by Members, Executive Director and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement;
- Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

The consolidated entity comprises the Sydney Harbour Federation Trust and the entities it controlled at the year's end or from time to time during the year.

Opinion

In my opinion, the financial statements of the Sydney Harbour Federation Trust and the consolidated entity:

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Sydney Harbour Federation Trust and the consolidated entity as at 30 June 2016 and their financial performance and cash flows for the year then ended.

Accountable Authority's Responsibility for the Financial Statements


The Board of the Sydney Harbour Federation Trust is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act and is also responsible for such internal control as the Board determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the 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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Accountable Authority of the entity, 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.

Independence

In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Australian National Audit Office



Rahul Tejani

Senior Director
Delegate of the Auditor-General
Canberra

16 September 2016

Financial Statements

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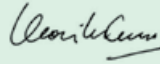
Sydney Harbour Federation Trust and its Consolidated Entities Statement by Members, Executive Director and Chief Financial Officer.

In our opinion, the attached financial statements for the year ended 30 June 2016 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Sydney Harbour Federation Trust will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the members.

Signed,



Kevin McCann
Chairperson
15 September 2016



Susan Culverston
Acting Executive Director
15 September 2016



David Lewelyn
Acting Chief Financial Officer
15 September 2016

Statement of Comprehensive Income

for the year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3A	6,408	6,796	7,206
Suppliers	3B	7,927	8,669	7,330
Depreciation and amortisation	3C	2,399	2,158	2,220
Write-down and impairment of assets	3D	198	39	30
Total expenses		16,932	17,662	16,786
LESS:				
OWN-SOURCE INCOME				
Own-source revenue				
Sale of goods and rendering of services	4A	3,127	2,823	2,911
Fees and fines	4B	358	355	249
Interest	4C	1,193	1,540	1,330
Rental income	4D	12,232	12,097	12,296
Other revenue	4E	479	979	38
Total own-source revenue		17,389	17,794	16,824
Gains				
Sale of assets	4F	2	-	-
Total gains		2	-	-
Total own-source income		17,391	17,794	16,824
Surplus		459	132	38
OTHER COMPREHENSIVE INCOME				
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Change in asset revaluation reserve		-	30,022	-
Total other comprehensive income		-	30,022	-
Total comprehensive income		459	30,154	38

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

Budget variances commentary:

Employee Benefits – lower than budget as a result of the delay in the budgeted Enterprise Agreement salary increases which did not come into effect until 1 June 2016. Further reductions were as a result of vacant positions and a secondment out during the year

Other Revenue – increased significantly as a result of two grants awarded late in 2014-15 for conservation works at the 3rd Quarantine Cemetery at North Head and the Convict Workshops on Cockatoo Island.

Suppliers - Additional expenditure was approved to complete outstanding maintenance and repairs emanating from the asset condition based maintenance plan.

Statement of Financial Position

as at 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	6A	1,353	3,282	1,592
Investments	6B	58,061	38,629	36,773
Trade and other receivables	6C	1,241	1,079	795
Total financial assets		60,655	42,990	39,160
Non-Financial Assets				
Land and buildings	7A	274,618	274,705	251,765
Infrastructure, plant and equipment	7B	29,308	29,103	14,316
Heritage and collections	7C	25,939	25,447	32,700
Intangibles	7D	281	243	399
Inventories	7F	126	110	75
Other non-financial assets	7G	137	179	15
Total non-financial assets		330,409	329,787	299,270
Total Assets		391,064	372,777	338,430
LIABILITIES				
Payables				
Suppliers	8A	1,203	133	725
Other payables	8B	4,206	4,836	3,148
Total payables		5,409	4,969	3,873
Provisions				
Employee provisions	9A	1,447	1,378	1,807
Other provisions	9B	1,204	3,885	-
Total provisions		2,651	5,263	1,807
Total Liabilities		8,060	10,232	5,680
Net Assets		383,004	362,545	332,750
EQUITY				
Contributed equity		277,735	257,735	257,735
Reserves		98,617	98,409	66,348
Retained surplus		6,652	6,401	8,667
Total Equity		383,004	362,545	332,750

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

Budget variances commentary:

Financial Assets, Investments and Contributed Equity - increased as a result of the additional equity injection provided to SHFT at additional Estimates 2015-16 for stage 1 refurbishment works at the former HMAS *Platypus* site.

Non Financial Assets & Revaluation Reserves - Land, Heritage and Infrastructure Plant & Equipment categories varied to budget mainly as a result of an independent asset revaluation at 30 June 2015.

Suppliers - higher expenditure in the repair and maintenance programs during June creating higher trade creditors at year end.

Other Payables - higher than budgeted as a result of higher security deposits and unearned revenue from the accommodation business and capital project contributions.

Other Provisions - provision higher than estimated due to the delay in completion of the final stage of the decontamination works on the former HMAS *Platypus* site.

Statement of Changes in Equity

for the year ended 30 June 2016

	Retained Surplus		Asset Renewal Reserve		Asset Revaluation Reserve		Contributed Equity		Total Equity	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Opening balance										
Balance carried forward from previous year	6,401	8,309	8,238	6,198	90,171	60,149	257,735	362,545	332,391	332,712
Adjusted opening balance	6,401	8,309	8,238	6,198	90,171	60,149	257,735	362,545	332,391	332,712
Asset Renewal Reserve										
Transfer to Retained Surplus	2,191	-	(2,191)	-	-	-	-	-	-	-
Transfer (from) Retained Surplus	(2,399)	(2,040)	2,399	2,040	-	-	-	-	-	-
Total asset renewal reserve	(208)	(2,040)	208	2,040	-	-	-	-	-	-
Comprehensive income										
Other comprehensive income	-	-	-	-	30,022	-	-	-	30,022	-
Surplus for the year	459	132	-	-	-	-	-	459	132	38
Total comprehensive income	459	132	-	-	-	30,022	-	459	132	38
Transactions with owners										
Equity injection - Appropriations	-	-	-	-	-	-	20,000	20,000	-	-
Total transactions with owners	-	-	-	-	-	-	20,000	20,000	-	-
Closing balance as at 30 June	6,652	6,401	8,446	8,238	90,171	90,171	277,735	383,004	362,545	332,750

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

Budget variances commentary:

Contributed Equity – additional equity injection of \$20 million provided to SHFT at Additional Estimates 2015-16 for stage 1 refurbishment works at the former HMAS Platypus site.

Cash Flow Statement

for the year ended 30 June 2016

	Notes	2016 \$'000	2015 \$'000	Original Budget \$'000
OPERATING ACTIVITIES				
Cash received				
Sales of goods and rendering of services		3,554	3,087	3,457
Rent income		12,995	13,140	13,566
Interest		61	105	260
Other revenue		559	1,310	-
Total cash received		17,169	17,642	17,283
Cash used				
Employee benefits		(6,620)	(6,749)	(7,058)
Suppliers		(8,427)	(9,604)	(8,427)
Net GST paid		(21)	(1,010)	(576)
Total cash used		(15,068)	(17,363)	(16,061)
Net cash from/(used by) operating activities	10	2,101	279	1,222
INVESTING ACTIVITIES				
Cash received				
Proceeds from sale of assets		2	-	-
Investments		68,592	90,217	72,670
Total cash received		68,594	90,217	72,670
Cash used				
Investments		(86,895)	(79,438)	(74,000)
Purchase of property, plant and equipment		(5,729)	(10,186)	(1,970)
Total cash used		(92,624)	(89,624)	(75,970)
Net cash from/(used by) investing activities		(24,030)	593	(3,300)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		20,000	-	-
Total cash received		20,000	-	-
Net cash from financing activities				
Net increase (decrease) in cash held		(1,929)	872	(2,078)
Cash and cash equivalents at the beginning of the reporting period		3,282	2,410	3,672
Cash and cash equivalents at the end of the reporting period	6A	1,353	3,282	1,594

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

Budget variances commentary:

Other Revenue – increase in receipts as a result of two grants awarded to SHFT late in 2014-15 for conservation works of 3rd Quarantine Cemetery at North Head and the Convict Workshop on Cockatoo Island.

Employee Benefits – lower than budget as a result of the delay in the budgeted Enterprise Agreement salary increases which did not come into effect until 1 June 2016. Further reductions were as a result of vacant positions and a secondment out during the year.

Content of the Notes to the Financial Statements

Note 1:	Summary of Significant Accounting Policies
Note 2:	Events After the Reporting Period
Note 3:	Expenses
Note 4:	Own-Source Income
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Note 6:	Financial Assets
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Note 16:	Sydney Harbour Conservancy

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Sydney Harbour Federation Trust (the “Trust” or “SHFT”)

The Trust is an Australian Government accountable authority. The Trust is structured to meet one outcome:

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

The continued existence of the Trust in its present form and with its present programs is dependent on Government policy.

1.2 Basis of Preparation of the Financial Statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* and are General Purpose Financial Statements.

The financial statements have been prepared in accordance with:

- a) Finance Reporting Rule 2015 (FRR) for reporting periods ending on or after 1 July 2015; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the Trust or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an Accounting Standard.

Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the statement of comprehensive income when, and only when, the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

Consolidation and associated company

The financial statements show information for the economic entity only; this reflects the consolidated results for the parent entity, the Sydney Harbour Federation Trust, and its controlled entities, Sydney Harbour Conservancy Limited and Sydney Harbour Conservancy. The results of the parent entity do not differ materially from the economic entity and have therefore not been separately disclosed. The Sydney

Harbour Conservancy is a Trust for which the Sydney Harbour Conservancy Limited (company limited by guarantee) is Trustee (refer to Note 16 for further details).

The accounting policies of the Sydney Harbour Conservancy Limited and Sydney Harbour Conservancy are consistent with those of the Trust and its assets, liabilities and results have been consolidated with the parent entity accounts in accordance with the Accounting Standards. All internal transactions and balances have been eliminated on consolidation.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Trust has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land has been taken to be the market value of similar properties as determined by an independent valuer. Buildings have been valued using depreciated replacement cost and therefore the valuer has provided an estimate with respect to the replacement cost.
- A provision for decontamination works at HMAS *Platypus* has been reflected in the Trust’s balance sheet. The value of the provision in the Statement of Financial Position is based on funds provided by the Department of Defence to complete the works. At the time of these statements the major remediation contract for stage 2 works has been completed and the final ‘make good’ works are to be completed within the next 6 months.

The Harbour Trust is currently undertaking the remaining project works, namely the wharf works and ‘make good’ landscaping works at *Platypus*. These works are expected to be completed by December 2016.

- The provision held for doubtful debts is based on overdue receivables greater than 90 days where an arrears agreement has not been finalised or where it has been assessed that the debt is unlikely to be recovered.

No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to carrying amounts of assets and liabilities within the next reporting period.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable in the current period have had a material financial impact on the Trust.

Future Australian Accounting Standard Requirements

New standards, amendments to standards, and interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements, when effective, will have no material financial impact on future reporting periods.

<i>Standard/Interpretation</i>	<i>Application Date</i>	<i>Nature of impending change/s in accounting policy and likely impact on application</i>
AASB 15 Revenue from Contracts with Customers	1 July 2017	This revised Standard will replace AASB 111 Construction Contracts and AASB 118 Revenue. The main objectives of the new AASB 15 are to: <ul style="list-style-type: none"> • Provide a single revenue recognition model based on the transfer of goods and services and the consideration expected to be received in return for that transfer. • Remove inconsistencies and weaknesses in existing revenue recognition standards. • Simplify the preparation of financial statements and enhance disclosures about revenue. Likely impact: This standard will have no material impact on the Trust's contracts with tenants and licensees.
AASB 9 Financial Instruments	1 July 2018	This revised Standard represents the finalisation of the three phase project to replace AASB 139 Financial Instruments: Recognition and Measurement. Likely impact: This standard will have an impact on the categorisation, recognition and measurement of financial instruments.
AASB 16 Leases	1 July 2019	AASB 16 replaces AASB 117 and some lease-related Interpretations. Likely impact: This standard will have an impact on the transactions and balances recognised in: <ul style="list-style-type: none"> • Lease assets and financial liabilities; and • Operating cash flows and financing cash flows.

1.5 Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The authority retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Trust.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date.

The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits associated with the transaction will flow to the Trust.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

Rental Income

Rental revenue for operating leases is recognised on a straight line basis over the term of the lease, except when an alternative basis is more representative of the pattern of service rendered through the provision of the leased premises. Lease incentives offered under operating leases are amortised on a straight line basis in the profit or loss over the life of the lease.

1.6 Gains

Sale of Assets

Gains from disposal of non-current assets are recognised when control of the asset has passed to the buyer.

1.7 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting. The average sick leave taken in future years by employees of the Trust is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the Trust's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Trust recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Certain employees of the Trust are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS Accumulation Plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

The Trust makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government.

Employer superannuation contributions for employees who are not members of the CSS or PSS are expensed in the financial statements. There is no residual liability in respect of these contributions. The Trust accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Trust has no finance leases, and operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Cash

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.10 Fair Value Measurement

The Trust deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.11 Financial Assets

The Trust classifies its financial assets in the following categories:

- 'held to maturity investments'; and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset, or, where appropriate, a shorter period.

Income from investments is recognised on an effective interest rate basis.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. The Trust has no loans. Receivables are included in current assets. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at each reporting period.

Financial assets held at amortised cost -

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held to maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

1.15 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

Fair Value & Revaluations

Fair value for each class of asset equals the total of the most recent revalued amounts and capital expenditure at cost subsequent to the last valuation.

Fair values of each class of asset are determined as shown below:

Asset Class	Fair valued measured at
Land	Market appraisal
Buildings exc. Leasehold improvements	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Depreciated replacement cost
Heritage and cultural assets	Market appraisal

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Trust using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2016	2015
Buildings on freehold land	10 to 125 years	10 to 125 years
Infrastructure	5 to 50 years	10 to 50 years
Plant and equipment	3 to 20 years	3 to 20 years

All heritage and cultural assets have indefinite useful lives and are not depreciated.

Certain buildings held by the Trust have been classified as Heritage assets. As there is no foreseeable limit to the period over which these assets will be held or used they are not depreciated. The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 3C.

Impairment

All assets were assessed for impairment at 30 June 2016. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Trust were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of infrastructure, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Heritage and Cultural Assets

The Trust owns and manages buildings, monuments and structures that have significant heritage and cultural value (with an aggregated fair value of \$25.939m (2015: \$25.447m)). The Trust has classified them as heritage and cultural assets as they were primarily used for purposes that relate to their cultural significance. The Trust has adopted appropriate curatorial and preservation policies for these heritage assets and the items are deemed to have indefinite useful lives and hence are not depreciated. The Trust’s curatorial and preservation policies are publicly available within the Trust’s Management Plans at <http://www.harbourtrust.gov.au/planning-projects/strategic-plans>.

Asset Renewal Reserve

The Trust established an asset renewal reserve in 2012-13 to set aside funds for the future asset renewal of its significant asset base. The Trust transferred \$2.399 million from its accumulated results to a general equity reserve account called “Asset Renewal Reserve” (see Statement of Changes in Equity in 2015/16). The asset renewal reserve will be supplemented at the end of each financial year by an amount equivalent to the minimum 100% of the annual depreciation expense, subject to a review of the asset renewal plans. The reserve funds will be drawn down to fund future major capital renewal works to Trust assets. In the 2016 year, a total of \$2.191 million was spent on major capital renewal works.

AASB 13 Fair Value Measurement

Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (ie. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. (See Note 5A).

AASB 13 applies when another accounting standard requires or permits fair value measurements or disclosures about fair value measurements. The standard requires entities to classify these measurements into a ‘fair value hierarchy’ based on the nature of the inputs.:

Level 1 - quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

1.16 Intangibles

The Trust’s intangibles comprise software purchased externally for internal use. These assets are carried at cost less accumulated amortisation and impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Trust’s software is 3 to 7 years (2014-15: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2016.

1.17 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value and consist of externally produced clothing, merchandise and publications.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.18 Taxation

The Trust is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Note 2: Events After the Reporting Period

There are no other events that have occurred after the reporting period that would have an effect on the Trust's 2015-16 financial statements other than those that are already reflected in the financial statements.

Note 3: Expenses

	2016 \$'000	2015 \$'000
Note 3A: Employee benefits		
Wages and salaries	5,632	5,945
Superannuation	624	624
Leave and other entitlements	127	192
Separation and redundancies	20	27
Other employee costs	5	8
Total employee benefits	<u>6,408</u>	<u>6,796</u>
Note 3B: Suppliers		
Goods and services supplied or rendered		
Corporate Overheads	886	1,013
Marketing, Programming & Events	643	714
Management of Environment	1,463	1,194
Site Maintenance & Planning	2,963	3,574
Security	714	682
Accommodation Management	562	521
Property Management	498	647
Total goods and services supplied or rendered	<u>7,729</u>	<u>8,345</u>
Goods supplied	564	560
Services rendered	7,165	7,785
Total goods and services supplied or rendered	<u>7,729</u>	<u>8,345</u>
Other supplier expenses		
Operating lease rentals - external parties	-	32
Workers compensation premiums	198	292
Total other supplier expenses	<u>198</u>	<u>324</u>
Total supplier expenses	<u>7,927</u>	<u>8,669</u>

The Trust has provided resources free of charge to the Sydney Harbour Conservancy Ltd amounting to \$7,245 (2015: \$6,492), and to the Sydney Harbour Conservancy Fund amounting to \$3,600 (2015: \$3,200) during the year ended 30 June 2016.

	2016 \$'000	2015 \$'000
Note 3C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	1,056	695
Buildings	1,304	1,344
Total depreciation	<u>2,360</u>	<u>2,039</u>
Amortisation:		
Intangibles:		
Computer Software	39	29
Lease Incentives	-	90
Total amortisation	<u>39</u>	<u>119</u>
Total depreciation and amortisation	<u>2,399</u>	<u>2,158</u>
Note 3D: Write-down and impairment of assets		
Asset Write-Downs from		
impairment on financial assets	198	39
impairment on non-financial assets	-	-
Total write-down and impairment of assets	<u>198</u>	<u>39</u>

The financial asset write-down is in relation to a provision for doubtful debts associated with the Trust's trade debtors.

Note 4: Own-Source Income

	2016 \$'000	2015 \$'000
Own-Source Revenue		
Note 4A: Sale of goods and rendering of services		
Provision of goods	53	36
Rendering of services	<u>3,074</u>	<u>2,787</u>
Total sale of goods and rendering of services	<u>3,127</u>	<u>2,823</u>
Note 4B: Fees and fines		
Infringements	<u>358</u>	<u>355</u>
Total fees and fines	<u>358</u>	<u>355</u>
Note 4C: Interest		
Deposits	<u>1,193</u>	<u>1,540</u>
Total interest	<u>1,193</u>	<u>1,540</u>
Note 4D: Rental income		
Property rentals and short-term hire	<u>12,232</u>	<u>12,097</u>
Total rental income	<u>12,232</u>	<u>12,097</u>
Note 4E: Other revenue		
Fees, Sponsorship & Infrastructure contribution	72	717
Grants - Department of Environment & Energy	<u>407</u>	<u>262</u>
Total other revenue	<u>479</u>	<u>979</u>
Note 4F: Sale of assets		
Infrastructure, plant and equipment:		
Proceeds from sale	<u>2</u>	<u>-</u>
Net gain from sale of assets	<u>2</u>	<u>-</u>

Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements, Valuation Techniques and Inputs Used

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets and liabilities in 2016

	Fair Value Measurements		Category (Level 1, 2 or 3)	Valuation technique(s) ¹	Inputs used ²	Range ^{2/3}
	2016	2015				
	\$'000	\$'000				
Non-financial assets						
Land	197,268	196,708	Level 2	Market approach	Direct comparison of similar open space land sales. Land size. Advised outstanding costs of remediation.	
Buildings	77,350	77,997	Level 2	Depreciated Replacement Cost	Building design, structure and materials used, current construction costs, assets useful life, visual inspection to estimate of written down value of asset used	Building components range from \$6,006 to \$5,405,533
Infrastructure, plant and equipment	29,308	29,103	Level 2	Depreciated Replacement Cost	Market replacement cost less estimate of written down value of asset used.	\$2,000 per item to \$7,746,984 for a hardstand
Heritage and collections	25,939	25,447	Level 2	Depreciated Replacement Cost	Building design, structure and materials used, replacement market value, assets useful life, site improvements, visual inspection to estimate of written down value of asset used.	\$3,025 per item to \$2,535,800 for an office building
Total non-financial assets	329,865	329,255				

There has been transfers between level 2 and 3 fair value measurements during the 2015-16 year.

1. No change in valuation technique occurred during the period.
2. Significant unobservable inputs only.
3. Due to the range no weighted average has been calculated.

Note 6: Financial Assets

	2016	2015
	\$'000	\$'000
Note 6A: Cash and cash equivalents		
Cash at bank	1,351	3,280
Cash on hand	<u>2</u>	<u>2</u>
Total cash	<u>1,353</u>	<u>3,282</u>
Note 6B: Investments		
Term Deposits	<u>58,061</u>	<u>38,629</u>
Total Investments	<u>58,061</u>	<u>38,629</u>

Cash at bank and investments include funding quarantined for the decontamination of HMAS *Platypus* (\$1.203 million), Stage 1 Refurbishment HMAS *Platypus* (\$20.000 million), reserves from the sale of Markham Close properties held for future capital renewal projects (\$23.000 million), as well as the Trust's ongoing capital works and capital renewal.

	2016	2015
	\$'000	\$'000
Note 6C: Trade and other receivables		
Goods and Services		
Goods and services	<u>718</u>	<u>619</u>
Total receivables for goods and services	<u>718</u>	<u>619</u>
Other receivables		
Interest receivable	9	5
Other receivables	<u>812</u>	<u>564</u>
Total other receivables	<u>821</u>	<u>569</u>
Total trade and other receivables (gross)	<u>1,539</u>	<u>1,188</u>
Less impairment allowance account:		
Goods and services	(151)	-
Fees and fines	<u>(147)</u>	<u>(109)</u>
Total trade and other receivables (net)	<u>1,241</u>	<u>1,079</u>

All receivables are expected to be recovered in no more than 12 months.

	2016	2015
	\$'000	\$'000
Trade and other receivables (gross) are aged as follows:		
Not overdue	821	569
Overdue by:		
Less than 30 days	394	315
31 to 60 days	12	25
61 to 90 days	70	45
More than 90 days	<u>242</u>	<u>234</u>
Total trade and other receivables (gross)	<u>1,539</u>	<u>1,188</u>

Note 6: Financial Assets, continued

	2016 \$'000	2015 \$'000
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	(56)	-
More than 90 days	(242)	(109)
Total Impairment allowance account	<u>(298)</u>	<u>(109)</u>

Receivables for Goods & Services

Credit terms are net 30 days (2015: 30 days).

Reconciliation of the Impairment allowance account:

Movements in relation to 2016

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	(109)	(109)
Increase recognised in net surplus	(151)	(38)	(189)
Closing balance	<u>(151)</u>	<u>(147)</u>	<u>(298)</u>

Movements in relation to 2015

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	(70)	(70)
Increase recognised in net surplus	-	(39)	(39)
Closing balance	<u>-</u>	<u>(109)</u>	<u>(109)</u>

Note 7: Non-Financial Assets

	2016 \$'000	2015 \$'000
Note 7A: Land and buildings		
Freehold land		
- at fair value	197,268	196,708
Total freehold land	<u>197,268</u>	<u>196,708</u>
Buildings on freehold land:		
- at fair value	78,654	77,997
- accumulated depreciation	(1,304)	-
Total buildings on freehold land	<u>77,350</u>	<u>77,997</u>
Total land and buildings	<u><u>274,618</u></u>	<u><u>274,705</u></u>

The Trust has completed the majority of decontamination works to its current sites. The cost of the remaining decontamination and remediation works has been taken into account in arriving at the fair values.

No land or buildings are expected to be sold or disposed of within the next 12 months.

Note 7B: Infrastructure, plant and equipment

Infrastructure, plant and equipment:		
- at cost	32,896	31,635
- accumulated depreciation	(3,588)	(2,532)
Total infrastructure, plant and equipment	<u>29,308</u>	<u>29,103</u>

No indicators of impairment were found for infrastructure, plant and equipment.

No infrastructure, plant and equipment is expected to be sold or disposed of within the next 12 months.

Note 7C: Heritage and collections

Heritage assets:		
- at fair value	25,939	25,447
Total heritage assets	<u>25,939</u>	<u>25,447</u>

No heritage assets or collections are expected to be sold or disposed of within the next 12 months.

Valuations were conducted by an independent valuer (Jones Lang LaSalle) in 2015.

An internal desktop valuation was undertaken for buildings and infrastructure which indicated that there were no material movements in the depreciated replacement value of assets. Jones Lang LaSalle was asked to review open space land sales during 2015-16 and provided a letter of comfort to the Trust indicating that there had been no open space land sales since their last valuation and it was their opinion that it is unlikely that there have been any material changes in value of the Open Space Land adopted in their valuation report dated 30 June 2015.

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

Note 7: Non-Financial Assets, continued

	2016 \$'000	2015 \$'000
Note 7D: Intangible assets		
Computer software at cost:		
Externally developed – in use	610	533
Total computer software	<u>610</u>	<u>533</u>
Accumulated amortisation	(329)	(290)
Total intangibles	<u>281</u>	<u>243</u>

No intangibles are expected to be sold or disposed of within the next 12 months.

No indicators of impairment were found for intangible assets.

Note 7E: Analysis of infrastructure, plant, equipment and intangibles

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2015-16)

	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2015							
Gross book value	196,708	77,997	274,705	31,635	25,447	533	332,320
Accumulated depreciation/ amortisation	-	-	-	(2,532)	-	(290)	(2,822)
Total as at 1 July 2015	<u>196,708</u>	<u>77,997</u>	<u>274,705</u>	<u>29,103</u>	<u>25,447</u>	<u>243</u>	<u>329,498</u>
Additions:							
by purchase	560	657	1,217	904	849	77	3,047
Revaluations and impairments recognised in other comprehensive income	-	-	-	-	-	-	-
Reclassification	-	-	-	357	(357)	-	-
Depreciation/ amortisation expense	-	(1,304)	(1,304)	(1,056)	-	(39)	(2,399)
Disposals/write-down	-	-	-	-	-	-	-
Total as at 30 June 2016	<u>197,268</u>	<u>77,350</u>	<u>274,618</u>	<u>29,308</u>	<u>25,939</u>	<u>281</u>	<u>330,146</u>
Total as at 30 June 2016 represented by:							
Gross book value	197,268	78,654	275,922	32,896	25,939	610	335,367
Accumulated depreciation/ amortisation	-	(1,304)	(1,304)	(3,588)	-	(329)	(5,221)
	<u>197,268</u>	<u>77,350</u>	<u>274,618</u>	<u>29,308</u>	<u>25,939</u>	<u>281</u>	<u>330,146</u>

Note 7: Non-Financial Assets, continued

Note 7E: Analysis of infrastructure, plant, equipment and intangibles

TABLE A - Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2014-15)

	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2014							
Gross book value	179,324	76,390	255,714	17,082	32,423	398	305,617
Accumulated depreciation/ amortisation	-	(5,028)	(5,028)	(3,333)	-	(261)	(8,622)
Total as at 1 July 2014	179,324	71,362	250,686	13,749	32,423	137	296,995
Additions:							
by purchase	674	1,869	2,543	1,659	212	135	4,549
Revaluations and impairments recognised in other comprehensive income	16,710	17,680	34,390	1,355	(5,723)	-	30,022
Reclassification	-	(11,570)	(11,570)	13,035	(1,465)	-	-
Depreciation/ amortisation expense	-	(1,344)	(1,344)	(695)	-	(29)	(2,068)
Disposals/write-down	-	-	-	-	-	-	-
Total as at 30 June 2015	196,708	77,997	274,705	29,103	25,447	243	329,498
Total as at 30 June 2015 represented by:							
Gross book value	196,708	77,997	274,705	31,635	25,447	533	332,320
Accumulated depreciation/ amortisation	-	-	-	(2,532)	-	(290)	(2,822)
	<u>196,708</u>	<u>77,997</u>	<u>274,705</u>	<u>29,103</u>	<u>25,447</u>	<u>243</u>	<u>329,498</u>

2016	2015
\$'000	\$'000

Note 7F: Inventories

Finished goods at cost	<u>126</u>	<u>110</u>
Total inventories	<u>126</u>	<u>110</u>

During the 2016 year \$976 of inventory held for distribution was recognised as an expense (2015: \$33,815). Expensing of inventory was high in 2015 as inventory stock was donated to school libraries as well as inventory adjustment to visitor guide numbers.

Note 7G: Other non-financial assets

Lease incentives	111	164
Prepayments	<u>26</u>	<u>15</u>
Total other non-financial assets	<u>137</u>	<u>179</u>

Other non-financial assets expected to be settled:

No more than 12 months	56	68
More than 12 months	<u>81</u>	<u>111</u>
Total other non-financial assets	<u>137</u>	<u>179</u>

Note 8: Payables

	2016	2015
	\$'000	\$'000
Note 8A: Suppliers		
Trade creditors	1,146	19
Contract retentions	57	114
Total supplier payables	<u>1,203</u>	<u>133</u>
Supplier payables expected to be settled:		
No more than 12 months	1,203	133
More than 12 months	-	-
Total supplier payables	<u>1,203</u>	<u>133</u>
Settlement is usually made within 30 days.		
Note 8B: Other Payables		
Salaries and wages	34	251
Accrued expenses/suppliers	195	636
Bonds and security deposits	1,104	1,030
Unearned Revenue	2,873	2,919
Total Other Payables	<u>4,206</u>	<u>4,836</u>
Other payables expected to be settled:		
No more than 12 months	2,507	2,881
More than 12 months	1,699	1,955
Total Other Payables	<u>4,206</u>	<u>4,836</u>

Note 9: Provisions

	2016 \$'000	2015 \$'000
Note 9A: Employee provisions		
Leave	<u>1,447</u>	<u>1,378</u>
Total employee provisions	<u>1,447</u>	<u>1,378</u>
Employee provisions are expected to be settled in:		
No more than 12 months	511	1,036
More than 12 months	<u>936</u>	<u>342</u>
Total employee provisions	<u>1,447</u>	<u>1,378</u>
Note 9B: Other provisions		
Provision for remediation - <i>Platypus</i>	<u>1,204</u>	<u>3,885</u>
Total other provisions	<u>1,204</u>	<u>3,885</u>
Other provisions are expected to be settled in:		
No more than 12 months	1,204	3,885
More than 12 months	<u>-</u>	<u>-</u>
Total other provisions	<u>1,204</u>	<u>3,885</u>

Movements in relation to 2016

	Provision for remediation \$'000	Total \$'000
As at 1 July 2015	3,885	3,885
Amounts used	<u>(2,681)</u>	<u>(2,681)</u>
Total as at 30 June 2016	<u>1,204</u>	<u>1,204</u>

In accordance with the Memorandum of Understanding between the Trust and the Department of Defence signed on 5 June 2009, the Trust is entitled to claim variations from the Department of Defence above those funds provided to-date for additional decontamination costs incurred by the Trust in relation to HMAS *Platypus*.

Note 10: Cash Flow Reconciliation

	2016 \$'000	2015 \$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	1,353	3,282
Statement of Financial Position	<u>1,353</u>	<u>3,282</u>
Difference	<u>-</u>	<u>-</u>
Reconciliation of net contribution by services to net cash from/(used by) operating activities:		
Net contribution by services	459	132
Adjustments for non-cash items		
Depreciation and amortisation	2,399	2,158
Net write down of non-financial assets	-	-
Gain on disposal of assets	(2)	-
Investment activity	(1,128)	(1,436)
Changes in assets/liabilities		
(Increase) / decrease in trade & other receivables	(109)	99
(Increase) / decrease in inventories	(16)	25
(Increase) / decrease in prepayments	(11)	1
Increase / (decrease) in employee provisions & payables	(148)	127
Increase / (decrease) in suppliers	629	(1,044)
Increase / (decrease) in security deposits	74	172
Increase / (decrease) in prepayments received	<u>(46)</u>	<u>45</u>
Net cash from / (used by) operating activities	<u>2,101</u>	<u>279</u>

Note 11: Senior Management Personnel Remuneration

	2016 \$'000	2015 \$'000
Note 11: Remuneration Paid to Senior Executives		
Short-term employee benefits:		
Salary	<u>1,310,354</u>	<u>1,553,768</u>
Total short-term employee benefits	<u>1,310,354</u>	<u>1,553,768</u>
Post-employment benefits:		
Superannuation	<u>152,800</u>	<u>187,713</u>
Total post-employment benefits	<u>152,800</u>	<u>187,713</u>
Other long-term benefits:		
Annual leave accrued	<u>96,369</u>	<u>114,895</u>
Long-service leave	<u>19,827</u>	<u>50,114</u>
Total other long-term benefits	<u>116,196</u>	<u>165,009</u>
Total senior executive remuneration expenses	<u>1,579,350</u>	<u>1,906,490</u>

Notes:

- The total number of senior management personnel that are included in the above table is 17 individuals (2015: 17 individuals). The total number includes both board member and senior management remuneration.

Note 12: Financial Instruments

	2016 \$'000	2015 \$'000
12A Categories of financial instruments		
Financial Assets		
Held-to-maturity investments		
Investments	58,061	38,629
Total held-to-maturity	58,061	38,629
Loans and receivables		
Cash at bank	1,351	3,280
Cash on hand	2	2
Receivables for goods and services	718	619
Interest receivable	9	5
Other receivables	812	564
Total loans and receivables	2,892	4,470
Total financial assets	60,953	43,099
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	1,146	19
Contract retentions	57	114
Salaries and wages	34	251
Accrued expenses/suppliers	195	636
Bonds and security deposits	1,104	1,030
Total financial liabilities measured at amortised cost	2,536	2,050
12B Net income and expense from financial assets		
Held-to-maturity investments		
Interest revenue (see note 4C)	1,128	1,436
Net gain held-to-maturity investments	1,128	1,436
Loans and receivables		
Interest revenue (see note 4C)	65	104
Net gain loans and receivables	65	104
Net gain from financial assets	1,193	1,540

12C Net income and expense from financial liabilities

There was no net income or expense from financial liabilities for the year ended 30 June 2016 (2015 - Nil).

12D Fee income and expense

There was no fee income or expense arising from financial instruments for the year ended 30 June 2016 (2015 - Nil).

Note 12: Financial Instruments, continued

12E Fair value of financial instruments

	Carrying amount	Fair value	Carrying amount	Fair value
	2016	2016	2015	2015
	\$'000	\$'000	\$'000	\$'000
FINANCIAL ASSETS				
Cash at bank	1,351	1,351	3,280	3,280
Cash on hand	2	2	2	2
Investments	58,061	58,061	38,629	38,629
Receivables for goods and services	718	718	619	619
Interest receivable	9	9	5	5
Other receivables	812	812	564	564
Total	60,953	60,953	43,099	43,099
FINANCIAL LIABILITIES				
Trade creditors	1,146	1,146	19	19
Contract retentions	57	57	114	114
Salaries and wages	34	34	251	251
Accrued expenses/suppliers	195	195	636	636
Bonds and security deposits	1,104	1,104	1,030	1,030
Total	2,536	2,536	2,050	2,050

Note 12: Financial Instruments, continued

12F: Credit risk

The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2016: \$1,539,000 and 2015: \$1,188,000). The Trust has assessed the risk of the default on payment and has allocated \$298,000 in 2016 (2015: \$109,000) to an impairment allowance account.

The Trust manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Trust has policies and procedures that guide employees debt recovery techniques that are to be applied.

The Trust holds amounts on deposit and bank guarantees to mitigate against credit risk.

Credit quality of financial instruments not past due or individually determined as impaired:

	Not Past Due Nor Impaired		Past due or impaired	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Cash at bank	1,351	3,280	-	-
Cash on hand	2	2	-	-
Investments	58,061	38,629	-	-
Receivables for goods and services	-	-	718	619
Interest receivable	9	5	-	-
Other receivables	812	564	-	-
Total	60,235	42,480	718	619

Ageing of financial assets that are past due but not impaired for 2016

30 June 2016	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90 + days \$'000	Total \$'000
Receivables for goods and services	394	12	70	242	718
Total	394	12	70	242	718

Ageing of financial assets that are past due but not impaired for 2015

30 June 2015	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90 + days \$'000	Total \$'000
Receivables for goods and services	315	25	45	234	619
Total	315	25	45	234	619

Note 12: Financial Instruments, continued

12G: Liquidity risk

The Trust's financial liabilities are payables and accruals.

The exposure to liquidity risk is based on the notion that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrate the maturities for non-derivative financial liabilities:

30 June 2016	On demand	Within 1 year	1 to 5 years	> 5 years	Total
	2016	2016	2016	2016	2016
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	1,146	-	-	1,146
Contract retentions	-	57	-	-	57
Salaries and wages	-	34	-	-	34
Accrued expenses/suppliers	-	195	-	-	195
Bonds and security deposits	-	697	407	-	1,104
Total	-	2,130	407	-	2,536

30 June 2015	On demand	Within 1 year	1 to 5 years	> 5 years	Total
	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	19	-	-	19
Contract retentions	-	114	-	-	114
Salaries and wages	-	251	-	-	251
Accrued expenses/suppliers	-	636	-	-	636
Bonds and security deposits	-	900	130	-	1,030
Total	-	1,920	130	-	2,050

The Trust manages its budget to ensure it has adequate funds to meet payments as they fall due.

In addition, the Trust has policies in place to ensure timely payments are made when due and has no past experience of default.

The Trust had no derivative financial liabilities in either the current or prior year.

12H: Market risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk, currency risk and 'other price risk'. The Trust is not exposed to 'currency risk' or 'other price risk'.

The Trust holds basic financial instruments that are exposed to interest rate risk.

The Trust's exposure to the risk of changes in market interest relates primarily to bank accounts with floating interest rates.

The table below demonstrates the interest rate sensitivity analysis of the Trust at the reporting date, holding all other variables constant. A 150 basis point change is deemed to be reasonably possible and is used when reporting interest rate risk.

At reporting date, if interest rates decreased/(increased) by 1.5%, with all other variables held constant, operating results and equity would have been:

Risk variable	Change in risk variable	%	Effect on		Effect on	
			Profit and loss	Equity	Profit and loss	Equity
			2016	2016	2015	2015
			\$'000	\$'000	\$'000	\$'000
Interest rate risk	Interest	+1.5	20	20	49	49
Interest rate risk	Interest	-1.5	(20)	(20)	(49)	(49)

Note 13: Reporting of Outcomes

Note 13A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2016 \$'000	2015 \$'000	2016 \$'000	2015 \$'000
Expenses	16,932	17,662	16,932	17,662
Income from non-government sector				
Activities subject to cost recovery	15,717	15,275	15,717	15,275
Total costs recovered	15,717	15,275	15,717	15,275
Other own-source income				
Interest	1,193	1,540	1,193	1,540
Other	481	979	481	979
Total own-source income	1,674	2,519	1,674	2,519
Net (contribution) of outcome delivery	(459)	(132)	(459)	(132)

The Trust has one outcome:

Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

The net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Outcome 1 is describe in Note 1.1.

Note 14: Commitments

Note 14: Schedule of Commitments

BY TYPE	2016 \$'000	2015 \$'000
Commitments receivable		
Lease rental income ¹	<u>(29,320)</u>	<u>(32,798)</u>
Total commitments receivable	<u>(29,320)</u>	<u>(32,798)</u>
Commitments payable		
Net GST Payable on commitments	<u>2,534</u>	<u>2,472</u>
Total net GST commitments payable	<u>2,534</u>	<u>2,472</u>
Capital commitments		
Project commitments ²	<u>1,154</u>	<u>5,235</u>
Total capital commitments	<u>1,154</u>	<u>5,235</u>
Other commitments		
Other commitments ³	<u>290</u>	<u>325</u>
Total other commitments	<u>290</u>	<u>325</u>
Net commitments by type	<u>(25,342)</u>	<u>(24,766)</u>
BY MATURITY		
Other commitments receivable		
Within one year	(6,703)	(7,259)
Between one to five years	(12,391)	(13,533)
More than five years	<u>(10,226)</u>	<u>(12,006)</u>
Total other commitments receivable	<u>(29,320)</u>	<u>(32,798)</u>
Commitments payable		
Net GST commitments		
Within one year	478	150
Between one to five years	1,126	1,230
More than five years	<u>930</u>	<u>1,092</u>
Total net GST commitments	<u>2,534</u>	<u>2,472</u>
Capital commitments		
Within one year	<u>1,154</u>	<u>5,235</u>
Total capital commitments	<u>1,154</u>	<u>5,235</u>
Other commitments		
Within one year	<u>290</u>	<u>325</u>
Total other commitments	<u>290</u>	<u>325</u>
Net Commitments by maturity	<u>(25,342)</u>	<u>(24,766)</u>

NB: Commitments are GST inclusive where relevant.

Notes:

1. Commitments receivable consists of tenant lease payments due from the leasing of Trust buildings, plus GST receivable.
2. Project commitments comprise contracts for rehabilitation and conservation works at Trust sites.
3. Other commitments are amounts payable under supply contracts.

The above schedule should be read in conjunction with the accompanying notes.

Note 15: Contingencies

Note 15: Schedule of Contingencies

There were no contingent assets or liabilities required to be disclosed as at 30 June 2016 (2015 - Nil).

Note 16: Sydney Harbour Conservancy

As disclosed at Note 1 “Consolidation and associated company”, The Sydney Harbour Conservancy (the “Conservancy”), a Trust for which the Sydney Harbour Conservancy Ltd is Trustee, was established on 10th December 2009 and is controlled by the Sydney Harbour Federation Trust.

The objectives of the Conservancy are to:

- Preserve the natural environmental value of the Trust sites including activities such as weed and feral animal control, waste minimisation, revegetation of native flora, protection of native biodiversity, the conservation of habitat, soil stabilisation and erosion control;
- Encourage and promote enjoyment of recreation and activity within natural surrounds of Trust sites;
- Recognise and appreciate the natural and historical significance of Trust sites; and
- Provide information, education and research about the natural environment.

The financial position of the Conservancy is as follows:

	2016	2015
	\$	\$
Opening balance at 1 July	1,137	1,107
Revenue:		
- Grants	17,561	-
- Donations	<u>1,400</u>	<u>150</u>
	20,098	1,257
Less expenses:		
- Suppliers	150	120
- Project funding to SHFT	<u>17,561</u>	<u>-</u>
Closing balance at 30 June	2,387	1,137
Represented by:		
Cash at bank	<u>2,387</u>	<u>1,137</u>
	2,387	1,137

Appendix 1

Freedom of information

The *Freedom of Information Act 1982* gives everyone access to documents Commonwealth agencies hold, subject to certain exemptions.

Document categories

- Administration matters including personnel and recruitment, accounts, purchasing and registers
- Planning, architecture and environmental matters including reports and studies commissioned by the Harbour Trust, research, drawings and concept proposals
- Minutes of meetings of the Harbour Trust and meetings of the community advisory committees
- Reference materials including press clippings, survey and research materials, documents relating to conferences and seminars
- Legal matters including legal documents, opinions, advice and representations

Information Publication Scheme

In accordance with the *Freedom of Information Act 1982* the Harbour Trust publishes information to the public as part of the Information Publication Scheme (IPS). An agency plan showing the information the Harbour Trust has published under IPS requirements is available on the Harbour Trust's website.

For more on the Information Publication Scheme, visit the Office of the Australian Information Commissioner www.oaic.gov.au

Requests

Any person can lodge a request. A request for a document must be in writing and provide such information concerning the document requested as is reasonably necessary to enable the agency to identify the document. There is no application fee for an FOI request. There are no processing charges for requests for access to documents containing personal information about you. However, processing charges may apply to other requests. For more information visit: www.harbourtrust.gov.au/about/policies/freedom-information

Requests should be sent to:

Freedom of Information Officer
Sydney Harbour Federation Trust
PO Box 607
MOSMAN NSW 2088

Reporting

The Harbour Trust received one application under the Act during the reporting period.

Appendix 2

Community Advisory Committee members

2015 Members

Cockatoo and Snapper Islands

Cr Rochelle Porteous, Mayor of Leichhardt (ex-officio)
Cr Angelo Tsirekas, Mayor of Canada Bay (ex-officio)
Mr Joe Glascott (deceased)
Mr Tony Hardy
Mr James Morton
Mr Terry Ryan

Middle Head

The Hon. Tony Abbott MP, Member for Warringah (ex-officio)
Cr Peter Abelson, Mayor of Mosman (ex-officio)
Cdr Paul Gall, Commanding Officer of HMAS *Penguin* (ex-officio)
Ms Kate Eccles
Mr Ian Henderson
Mr Stewart Reed

North Head

Cr Jean Hay AM, Mayor of Manly (ex-officio)
Mr Ian Freeman
Mr Walt Graham
Ms Judy Reizes
Mr Douglas Sewell
Brigadier (Retired) Vince Williams

Woolwich

Cr Richard Quinn, Mayor of Hunter's Hill (ex-officio)
Mr Philip Jenkyn OAM
Mr Austin Driscoll
Ms Peta Lewis

Woollahra

Cr Toni Zeltzer, Mayor of Woollahra (ex-officio)
Dr Robin Derricourt
Mr Peter Poland OAM

HMAS *Platypus*

The Hon. Joe Hockey MP, Member for North Sydney (ex-officio)
The Hon. Jillian Skinner MP, Member for North Shore (ex-officio)
Cr Jilly Gibson, Mayor of North Sydney
Ms Carole Baker
Mr Brian Evesson
Mr Paul Forward
Mr Denny Linker
Dr Zena O'Connor
Ms Adrienne Sallay
Mr Neil Schafer
Captain Chris Skinner
Mr Ken Williams

2016 Members

Cockatoo and Snapper Islands

Ms Allison O'Sullivan

Headland Park

Ms Kate Eccles

North Head Sanctuary

Dr Geoffrey Lambert
Mr Douglas Sewell

Woolwich Docks and Parklands

Ms Peta Lewis

Macquarie Lightstation and Marine Biological Station

Dr Robin Derricourt

HMAS *Platypus*

Mr Paul Forward
Dr Zena O'Connor

Ex-Officio Members

The Hon. Tony Abbott MP, Member for Warringah
Cr Peter Abelson, Mayor of Mosman
Cdr Paul Gall, Commanding Officer of HMAS *Penguin*
Mrs Jean Hay AM, Chair, Implementation Advisory Group, Northern Beaches Council
Cr Richard Quinn, Mayor of Hunter's Hill
Cr Toni Zeltzer, Mayor of Woollahra
Mr Trent Zimmerman MP, Member for North Sydney
Cr Jilly Gibson, Mayor of North Sydney

General Members

Ms Julie Goodsir
Brigadier (Retired) Vince Williams
Ms Adele Rancan
Mr Bob Smith
Ms Susan Moylan-Coombs
Ms Jill L'Estrange
Ms Colleen Godsell
Ms Sarah Dinning

Appendix 3

Maintenance, heritage conservation and environmental management projects

<i>All sites</i>	<ul style="list-style-type: none">Grounds maintenanceGeneral building maintenanceServices maintenanceFire systems maintenancePest managementSite security
<i>Headland Park</i>	<ul style="list-style-type: none">Construction of a new commemorative lookout and pathRefurbishment and replanting of walking tracksContract bush regenerationUpgrades to HVAC systems of tenanted buildingsRepairs to Chowder Bay WharfFeral animal controlBushfire hazard reductionOngoing maintenance to the housesMinor internal fitouts by tenantsExternal and internal painting of tenanted buildings
<i>Cockatoo Island</i>	<ul style="list-style-type: none">Re-pointing of the chimney of the Powerhouse and refurbishment of the original lightning conductorsPublic safety worksConservation of historic machinery and planting of gardens by volunteersInstallation of CCTV to monitor movements of crowds and vessels in the vicinity of the Parramatta Wharf and pedestrian entry to Cockatoo IslandReplacement of the submarine potable water service between Cockatoo Island and Elkington Park, BalmainGeotechnical investigation and repairs to the cliff faces and tunnelsOngoing replacement and upgrading of services including electricity, water, fire services and telephone
<i>North Head Sanctuary</i>	<ul style="list-style-type: none">Repairs to the historic stone wallRepairs and maintenance of walking tracksMaintenance to the housesRepairs to the underground Plotting Room and reconstruction of a building at the Miniature RangeUpgrade to electrical supply to Substation near Building 1Conservation and reconstruction of historic military equipment by volunteersPropagation and planting of local species by the NHSFContract bush regenerationFeral animal control



<i>Woolwich Dock</i>	Contract bush regeneration Weed removal and replanting of the Upper Horse Paddock and Goat Paddock Feral animal control
<i>Platypus</i>	Ground remediation works continued Landscaping of the site
<i>Macquarie Lightstation</i>	Contract bush regeneration and maintenance Weed removal and replanting
<i>Former Marine Biological Station</i>	Weed removal and replanting as a result of storm damage to Marine Biological Station Park Replacement of the boundary fence between the adjoining residential property and the Park
<i>Snapper Island</i>	No major works were carried out during the year, although the Department of Finance completed some minor building remediation works

Compliance Index

Compliance

The table below shows this report's compliance with the *Public Governance, Performance and Accountability Act (2013)* and the PGPA Rule 2014.

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