

3 Operational Aspects

Corporate Governance

The affairs of the Trust are managed by the Executive Director subject to the directions of the Trust and in accordance with the policies determined by the Trust.

Members' Meetings

There were seven meetings of the Trust in the 2006-2007 financial year, two of which were open to the public. Under the Trust's enabling legislation the Trust must meet at least four times a year and at least two of the meetings have to be open to the public. Members attended as follows:

Member	Number of meetings attended
Mr K McCann, Chair	7
Mr R Conroy	6
Ms D Talty	5
Clr S Hoopmann	7
Mr P Lowry	7
Dr J Moriarty	7
Brigadier K O'Brien	6
The Hon B O'Keefe	6

Audit and Risk Management Committee

The functions of the Audit and Risk Management Committee include:

- Assisting the Trust to comply with its statutory obligations;
- Providing a forum for communications between the Trust, the Executive Director, senior managers and internal and external auditors; and to oversee:
 - 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.

The members of the Audit and Risk Management Committee during the 2006-2007 financial year were:

Mr P Lowry

Trust member and Chair of the committee.

Clr Susan Hoopmann

Trust member.

Brigadier Kevin O'Brien (ret.)

Trust member.

There were two Audit and Risk Management Committee meetings held during the 2006-2007 financial year with members attending as follows:

Member	Number of meetings attended
Mr P Lowry, Chair	2
Clr S Hoopmann	2
Brigadier K O'Brien (ret)	2

Walter Turnbull conducted two internal audits during the reporting period:

- Follow-up audit of recommendations of previous audits;
- Business risk assessment.

Finance Committee

In 2006-07, the Trust established a Finance Committee. The purpose of the committee is to provide a detailed review of proposed budgets for the Trust and address any specific financial issues raised by the Trust. The committee recommends amendments to the proposed budget and its acceptance.

The members of the Finance Committee during the 2006-07 financial year were:

Mr K McCann

Trust Chairman and Chair of the Committee.

The Hon B O'Keefe

Trust member.



There were two Finance Committee meetings held during the 2006-2007 financial year with members attending as follows:

Member	Number of meetings attended
Mr K McCann	2
The Hon B O'Keefe	2

Aboriginal Issues Committee

The Committee did not meet during the reporting period.

Community Advisory Committee

Site sub-committees of the Community Advisory Committee met nine times during the reporting period. The names of the members are provided in Appendix 2.

Tender Review Committee

The Trust nominated Brigadier Kevin O'Brien as the members' representative on the committee which is convened as required. Mr Peter Lowry is also a representative when required. The committee, which considers tenders estimated to be in excess of \$80,000, reviewed six tenders during the reporting period.

Defence History Steering Committee

The committee met twice during the reporting period.

North Head Scientific Committee

The committee met once during the reporting period.

Fraud Control

The Trust has in place appropriate fraud risk assessment and control mechanisms which are overseen by the Audit and Risk Management Committee, in accordance with the Commonwealth Fraud Control Guidelines.

Indemnities and Insurance Premiums for Officers

The Trust has taken out Directors and Officers' liability insurance with Comcover, the Trust's insurers.

The Trust did not provide any indemnities to directors or officers in respect of liabilities or claims against them during 2006-2007.

Photo: School group on Cockatoo Island

Financial Performance

The Trust received total Government appropriation of \$22.619m comprising \$1.619m in departmental appropriation and \$21.0m capital equity injection.

Revenue was also generated from the rental of Trust properties, licences for the hire of Trust sites and facilities, tour fees, and a grant from the Natural Heritage Fund for environmental works.

The primary emphasis for the organisation was on continuing the implementation of the Comprehensive Plan for the Trust sites. Funds were expended on the management, maintenance and operation of the sites and a range of planning, conservation and rehabilitation projects in line with the plan.

Financial Outcomes

Operating Outcome

During the financial year 2006-2007, income including revenue from the Government, was \$8.998m and operating expenses were \$11.777m resulting in an operating deficit of \$2.779m.

Income

Total income of \$8.998m was \$0.879m above budget (PBS 2006-2007). This was primarily due to the inclusion of revenue generated by rental returns and interest.

Equity

The Trust's total equity increased by \$81.4m to \$201.8m.

Assets

The value of Trust assets increased by \$83.0m to \$207.6m primarily due to building works undertaken during the year, the transfer of North Head land and buildings to the Trust and the revaluation of the land and buildings.

Total Liabilities

The Trust's total liabilities for trade creditors and prepayments increased by \$1.59m from the previous year to \$5.0m.

Cashflow Statement

Overall, there was an increase in the Trust's cash balance of \$14.7m to \$49.2m as at 30 June 2007. The Trust holds cash to meet existing liabilities and fund commitments for works.



Photo: Cockatoo Island

Purchasing

The Trust's Purchasing Guidelines and Financial Instructions for the purchase of goods and services are consistent with the Commonwealth Procurement Guidelines. Consideration is given to energy efficient and recycled and recyclable products when making purchasing decisions.

Consultants and Competitive Tendering and Contracting

The Trust engaged 104 consultants at a cost of \$5,589.66m to provide specialist advice on planning, business matters, community consultation, conservation, design, environmental, finance and risk management, communications and other technical aspects relating to the sites. The nature of the sites, buildings and equipment mean that it is not possible to employ staff with the wide variety of specialist skills that are required.

Staffing

Staff of the Trust are engaged under section 48 of the *Sydney Harbour Federation Trust Act 2001*.

Staff are engaged on terms and conditions contained in Trust Determination No.1 of 2006 that are similar to those in public sector certified agreements. The Trust's staffing level for the year was 48 comprising 48 full-time with a total of 4 staff leaving during the reporting period:

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual
Executive Director	1	0	1	0	0	1	0
Senior Executive	5	2	7	0	7	0	0
Executive Level 2	5	6	11	0	9	2	0
Executive Level 1	5	2	7	0	4	3	0
Level 6	3	4	7	0	5	2	0
Level 5	3	4	7	0	3	4	0
Level 4	2	4	6	0	0	6	0
Level 3	0	1	1	0	0	1	0
Level 1-2	0	1	1	0	0	1	0
Total	24	24	48	0	28	20	0

Staff Training

Training sessions or workshops involving all or significant numbers of Trust staff were conducted as follows:

- First Aid;
- Fire Safety – Evacuation Procedures;
- Corporate Governance;
- Contract Administration;
- Heritage Conservation;
- Information Technology Training;
- Insurance and Risk Management.

Access and Safety

Risk Assessment and Management

The Trust has developed an overall risk management framework. Risk assessment is now an integral part of all new projects and events that the Trust undertakes.

Occupational Health and Safety

The Trust appointed an Occupational Health and Safety Committee which monitors occupational health and safety and risk management within the Trust. The following actions were undertaken during the year:

- Staff received training in manual handling and workplace safety;
- Staff members undertook first aid training;
- Regular site safety inspections carried out;
- Risk assessments conducted for all events.

There were no recorded OH&S incidents in the reporting period. There were three compensable injuries, one of which was on-going. The Trust reviews all incidents to identify and implement relevant preventative action.

Providing Access to People With Disabilities

The Trust is implementing the Commonwealth Disability Strategy in its day-to-day operations and as part of the Comprehensive Plan for its sites. It is a key consideration in designing roads, paths, car parks and providing access to buildings.

Judicial Decisions and Reviews by Outside Bodies

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

There were no reports on the operations of the Trust by the Auditor-General (other than the report on the financial statements) or reports by a parliamentary committee. There was one report received from the Commonwealth Ombudsman.

Effects of Ministerial Directions

The Sydney Harbour Federation Trust Act 2001 requires that the annual report must include “the text of all directions, and reasons for directions, given by the Minister to the Trust under section 9 during the period to which the report relates”. There were no Ministerial directions given to the Trust during the reporting period.

For the purposes of the Commonwealth Authorities and Companies Act 1997 (paragraph 16(1)(c)), the Trust provided a Compliance Report to the Minister and the Finance Minister for the reporting period.