

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 2008-2009 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	5
Ms D Talty	7
Clr S Hoopmann	6
Mr P Lowry	7
Dr J Moriarty	6
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 2008-2009 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 3 Audit and Risk Management Committee meetings held during the 2008-2009 financial year with members attending as follows:

Member	Number of meetings attended
Mr P Lowry, Chair	3
Clr S Hoopmann	3
Brigadier K O'Brien (ret)	3

Walter Turnbull conducted four internal audits during the reporting period:

- Records Management
- Legislative Compliance
- Lease Management
- Tendering & Procurement.

Aboriginal Issues Committee

The Committee did not meet during the reporting period.

Community Advisory Committee

The Community Advisory Committee met twice 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 18 tenders during the reporting period.

Defence History Steering Committee

The committee met 3 times during the reporting period.

North Head Scientific Committee

The Committee did not meet 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 2008-2009.



Photo: Volunteering at North Head Sanctuary Visitor Centre

"Now the Sydney dream is a whole lot cheaper. Waterfront addresses with million-dollar views up the Parramatta River and down to the Harbour Bridge have been released on the harbour's largest island – each with trifling two-figure asking prices"

– Sydney Morning Herald, Cockatoo Island article, April 2008

Photo: The Hon Peter Garrett AM, Minister for the Environment, Heritage and the Arts launching the Cockatoo Island campground, September 2008.

"It has to be one of the finest experiences a Sydneysider can have, to pitch a tent in the centre of our working Harbour and contemplate the history that made it what it is today"

– Daily Telegraph, April 2008



Photo: New Year's Eve, Cockatoo Island camping

Financial Performance

The 2008-09 year was a challenging year for the Trust. The Trust ended the previous financial year with an operating loss of \$2.3m. Forecasts at the commencement of the 08/09 financial year indicated similar results, highlighting the Trust's financial vulnerability in the longer term. Accordingly, the Trust's revenue and expenses were reviewed in an effort to ensure the Trust's ongoing financial self-sufficiency. Expenses were reduced by 8% over last year and revenue from Trust operations increased by 21%, to \$12.8m. As a result the Trust's financial position at the end of this year is sound with a year-end operating surplus of \$.833m, a pleasing result given the adverse economic environment.

The Trust's forward year forecasts demonstrate a sound financial basis for the Trust in the short to medium term and provide some confidence in the Trust's capacity to be fully self-sufficient. The challenge facing the Trust in the longer-term is its capacity to fund major capital renewal works and complete its capital works program.

Financial Outcomes

Operating Outcome

During the financial year 2008-2009, total operating income was \$12.781m and operating expenses were \$11.948m, resulting in an operating surplus of \$0.833m.

Income

Total income of \$12.781m was \$2.187m above previous year's income. Income was generated from the rental of Trust properties, licences for the hire of Trust sites and facilities, accommodation, merchandising, tour fees and interest income. Revenue from government reduced by \$0.542m to \$.024m.

Equity

The Trust's total equity increased by \$53.110m to \$274.638m. This increase was mainly as a result of the transfer to the Trust of Macquarie Lighthouse, decontamination funding for Former HMAS *Platypus* from Department of Defence, and the Trust's capital injection appropriation of \$22m.

Assets

The value of Trust assets increased by \$55.932m to \$282.869m primarily due to building works undertaken during the year, transfer of Macquarie Lighthouse to the Trust and an increase in cash held.

Total Liabilities

The Trust's total liabilities for trade creditors and prepayments increased by \$2.745m from the previous year to \$7.452m. \$2m of this increase related to a GST payment associated with funding received from Department of Defence.

"Evocative, historic, beautiful.
A perfect setting for Biennale too."

– Cate Blanchett & Andrew Upton comment on Cockatoo Island in 'Cate and Andrew's Sydney' in the *Sydney Morning Herald's* magazine

Photo: Biennale of Sydney at Cockatoo Island



Cashflow Statement

Overall, there was an increase in the Trust's cash balance of \$33.804m to \$71.651m as at 30 June 2009. \$20m of this increase relates to the funding received from Department of Defence for the decontamination works to be undertaken at Former HMAS *Platypus*.

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.

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 49 comprising 37 full-time, 12 part-time, with a total of 12 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	4	3	0
Executive Level 2	7	4	6	5	5	6	0
Executive Level 1	3	4	6	1	3	4	0
Level 6	1	2	2	1	2	1	0
Level 5	3	3	6	0	2	4	0
Level 4	4	3	5	2	0	7	0
Level 3	3	2	4	1	0	5	0
Level 1-2	0	2	0	2	0	2	0
Total	27	22	37	12	16	33	0

Staff Training

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

- First Aid Awareness
- Defibrillator and CPR
- Occupational Health and Safety Awareness
- Communications Skills
- Project Management
- AS4000.

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 25 recorded OH&S incidents in the reporting period, mainly arising from the 86,000 visitors who attended the Biennale of Sydney at Cockatoo Island. There were no compensable injuries. The Trust reviews all incidents to identify and implement relevant preventative action. The lost time injury frequency and the medical treatment injury frequency rates were both zero.

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.

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.

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.

Photo: Filming of 'The Biggest Loser' on Cockatoo Island

