

3. Operational Aspects

Corporate Governance

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

Members' Meetings

There were eight meetings of the Harbour Trust in the 2005-2006 financial year, two of which were open to the public. Under the Harbour Trust's enabling legislation the Harbour 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:

<i>Member</i>	<i>Number of meetings attended</i>
Mr K McCann, Chair	6
Mr R Conroy	4
Ms D Talty	5
Clr S Hoopmann	7
Mr P Lowry	8
Dr J Moriarty	6
Brigadier K O'Brien	7
The Hon B O'Keefe	8

Audit and Risk Management Committee

The functions of the Audit and Risk Management Committee include:

- Assisting the Harbour Trust to comply with its statutory obligations; and
- Providing a forum for communications between the Harbour 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; and
- Effective fraud prevention and control measures.

The members of the Audit and Risk Management Committee during the 2005-2006 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 four Audit and Risk Management Committee meetings held during the 2005-2006 financial year with members attending as follows:

<i>Member</i>	<i>Number of meetings attended</i>
Mr P Lowry, Chair	4
Clr S Hoopmann	3
Brigadier K O'Brien (ret)	4

Walter and Turnbull conducted two internal audits during the reporting period:

- Cockatoo Island Festival Accounts Review;
- Business Development Leasing Process.

There were no significant issues arising from the audits.

Aboriginal Issues Committee

The Committee did not meet during the reporting period.

Community Advisory Committee

Site sub-committees of Community Advisory Committee met 7 times during the reporting period.

The names of the members are provided in Appendix 2.

Tender Review Committee

The Harbour 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 four times during the reporting period.

North Head Scientific Committee

The committee met once during the reporting period.

Fraud Control

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

The Harbour Trust did not provide any indemnities to directors or officers in respect of liabilities or claims against them during 2005-2006.

Financial Performance

The Harbour Trust received total Government appropriation of \$23.651m comprising \$3.151m in departmental appropriation and \$20.5m capital equity injection.

Revenue was also generated from sale of houses at Markham Close, the rental of Trust properties, licences for the hire of Harbour 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 Harbour 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 2005-2006, income including revenue from the Government, was \$14.4m and operating expenses were \$11.7m resulting in an operating surplus of \$2.7m.

Income

Total income of \$14.4m was \$6.3m above budget (PBS 2005-2006). This was primarily due to the inclusion of revenue from property sales that were not included in the budget.

Equity

The Harbour Trust's total equity increased by \$23.8m to \$120.4m.

Assets

The value of Harbour Trust assets increased by \$26.9m to \$124.6m primarily due to building works undertaken during the year, receipts due from property sales and an increase in cash held.

Total Liabilities

The Harbour Trust's total liabilities for trade creditors and prepayments increased by \$3.1m from the previous year to \$4.2m.

Cashflow Statement

Overall, there was an increase in the Harbour Trust's cash balance of \$10.4m to \$34.4m as at 30 June 2006. The Harbour Trust holds cash to meet existing liabilities and fund commitments for works.

Purchasing

The Harbour 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 Harbour Trust engaged 91 consultancies at a cost of \$1.8m 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 Harbour Trust are engaged under section 48 of the *Sydney Harbour Federation Trust Act 2001*.

Staff are engaged on terms and conditions contained in Harbour Trust Determination No.1 of 2004 that are similar to those in public sector certified agreements.

The Harbour Trust's staffing level for the year was 61 comprising 48 full-time, two part-time and 11 casual staff with a total of nine staff leaving during the reporting period:

<i>Classification</i>	<i>Male</i>	<i>Female</i>	<i>Full time</i>	<i>Part time</i>	<i>Ongoing</i>	<i>Non - ongoing</i>	<i>Casual</i>
Executive Director	1	0	1	0	0	1	0
Senior Executive	4	2	6	0	6	0	0
Executive Level 2	6	6	12	2	11	3	0
Executive Level 1	3	1	4	0	3	1	0
Level 6	4	4	8	0	5	3	0
Level 5	4	4	8	0	4	4	0
Level 4	2	4	6	0	0	6	0
Level 3	0	0	0	0	0	0	6
Level 1-2	2	1	3	0	0	3	5
Total	26	22	48	2	29	21	11

Staff Training

Training sessions or workshops involving all or significant numbers of Harbour 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 Harbour Trust has developed an overall risk management framework. Risk assessment is now an integral part of all new projects and events that the Harbour Trust undertakes.

Occupational Health and Safety

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

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

There were three recorded OH&S incidents in the period which were mainly of a minor nature, requiring minimal treatment or first aid only. There was one compensable injury involving manual handling activity. All incidents were reviewed to identify and implement relevant preventative action.

Providing Access to People With Disabilities

The Harbour 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 Harbour Trust.

There were no reports on the operations of the Harbour Trust by the Auditor-General (other than the report on the financial statements) or reports by a parliamentary committee or 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 Harbour Trust under section 9 during the period to which the report relates.”

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