

Vision planning and management of Sydney Harbour sites.

# Annual Report 2016–2017



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**Sydney Harbour Federation Trust**

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## LETTER FROM THE CHAIR TO THE MINISTER

29 September 2017

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

Dear Minister,

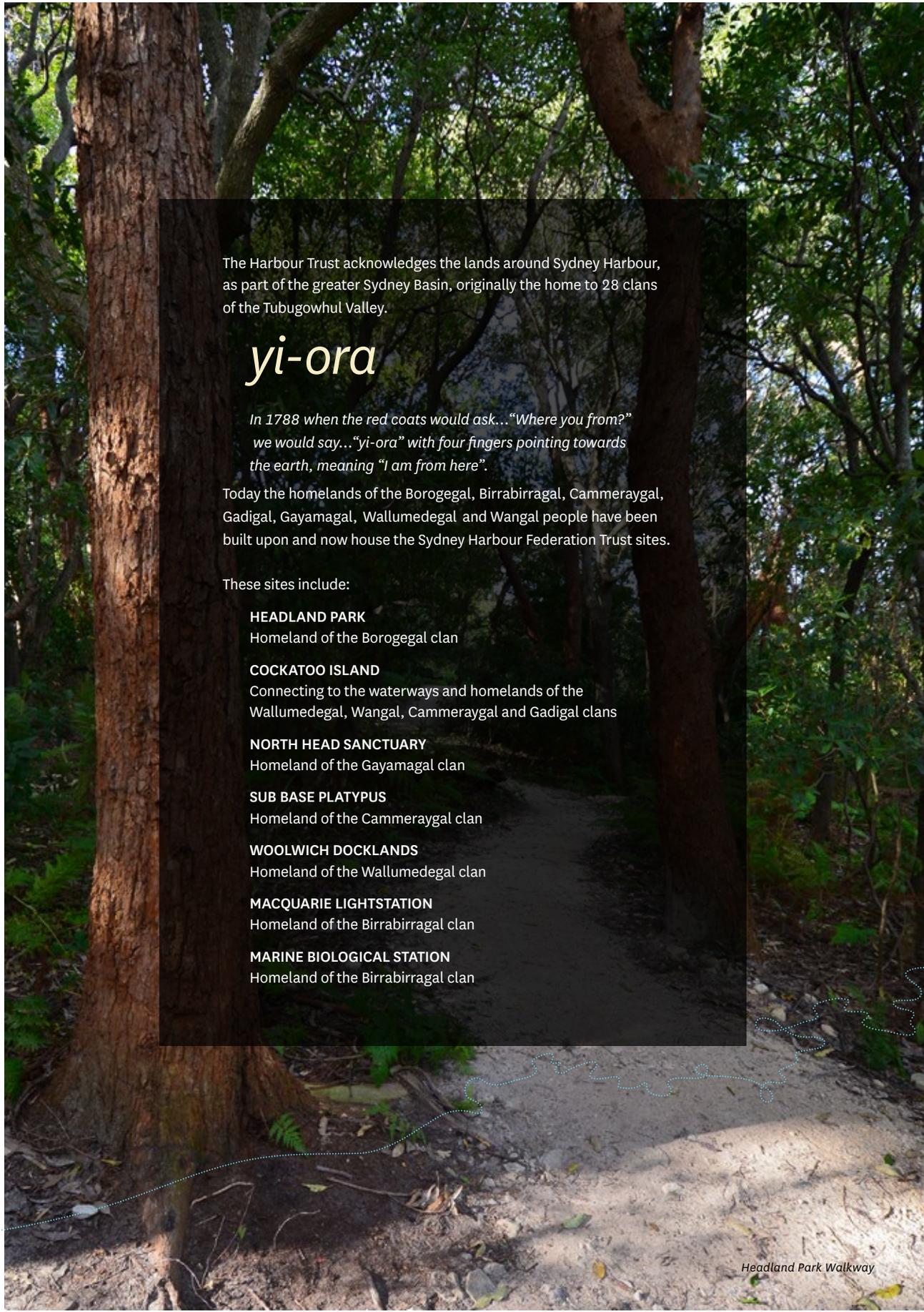
I present the report on the operations of the Sydney Harbour Federation Trust for the year ended 30 June 2017, which was approved at the Harbour Trust Board meeting on 18 September 2017.

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

A handwritten signature in black ink, appearing to read 'Kevin McCann'.

**Kevin McCann, AM**  
Chair



The Harbour Trust acknowledges the lands around Sydney Harbour, as part of the greater Sydney Basin, originally the home to 28 clans of the Tubugowhul Valley.

# yi-ora

*In 1788 when the red coats would ask...“Where you from?” we would say...“yi-ora” with four fingers pointing towards the earth, meaning “I am from here”.*

Today the homelands of the Borogegal, Birrabirragal, Cammeraygal, Gadigal, Gayamagal, Wallumedegal and Wangal people have been built upon and now house the Sydney Harbour Federation Trust sites.

These sites include:

**HEADLAND PARK**

Homeland of the Borogegal clan

**COCKATOO ISLAND**

Connecting to the waterways and homelands of the Wallumedegal, Wangal, Cammeraygal and Gadigal clans

**NORTH HEAD SANCTUARY**

Homeland of the Gayamagal clan

**SUB BASE PLATYPUS**

Homeland of the Cammeraygal clan

**WOOLWICH DOCKLANDS**

Homeland of the Wallumedegal clan

**MACQUARIE LIGHTSTATION**

Homeland of the Birrabirragal clan

**MARINE BIOLOGICAL STATION**

Homeland of the Birrabirragal clan

Headland Park Walkway

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# Chair's Foreword

The 2016–17 reporting year was a year of achievement for the Harbour Trust as we welcomed more than 1.55 million visitors to our iconic places.

The Harbour Trust continued to contribute to the Sydney landscape in 2016–17 offering much needed open space, recreational facilities and urban parkland for both the city's growing population and visitors to enjoy. With more than 1.55 million visitors this year, our sites now play a major role in the cultural life of the city and its harbour: preserving the heritage; sharing the rich stories of some of Sydney's most precious and significant sites; and providing connectivity in the circuit of spectacular harbour and coastal parklands.

Our sites, in particular Headland Park, also play a vital role in providing facilities for active and passive recreation. As the demand for Sydney's parkland and open space increases, the role of the Harbour Trust, in providing accessible urban parkland, grows with it. Through our work, these unique, historic harbourside locations also offer business hubs, community services, entertainment and dining options for local, national and international visitors.

Over the year, the Harbour Trust has invested in remediation, landcare and restoration work across our sites, and managed an operationally self-sufficient business. However, the Harbour Trust receives no recurrent or ongoing capital funding from the Federal Government. Our long term future relies upon us being able to secure sustainable revenue to meet our responsibilities to conserve and care for our significant heritage buildings and parklands, and make them accessible to all Australians. The Harbour Trust will review its commercial strategy in 2017–18 in order to establish a pathway to meet these needs.

During 2016–17, the renewal of HMAS Platypus, the former Oberon-class submarine facility in North Sydney, was a major priority. With the extensive six-year, \$46 million contamination work completed, the Harbour Trust embarked upon a new stage of the journey: establishing the vision and future use of the site. During the year it undertook extensive planning and community consultation to establish a Management Plan for Platypus which will see the site transformed over the coming years as a welcoming urban public place.

The \$23.8 million Platypus Renewal Project is being jointly funded by the Australian Government (\$20 million) and the Harbour Trust (\$3.8 million). This will allow a significant part, but not all, of the Plan to be realised, with the first stage of funding going towards the creation of public space set amongst renewed and repurposed buildings. To this end, we have engaged a team of specialist consultants to support the implementation phase of the Renewal Project this coming year.

This next phase welcomes a new era for Platypus, which has recently been rebranded as Sub Base Platypus, with works commencing to open the site to the public for the first time in more than 150 years. This is a major addition to the scope and portfolio of the Harbour Trust. When complete, Sub Base Platypus will provide an urban park and create a link with nearby North Sydney Wharf and Kesterton Park. Where possible, we will endeavour to open parts of the site to the public as works are progressively completed.

The Harbour Trust continues to renew and invest in Headland Park, with its distinct precincts of Georges Heights, Middle Head and Chowder Bay. New signage, directories and maps have enhanced the visitor experience at Headland Park, providing greater accessibility across the site. There has been continued investment in maintaining the heritage buildings and enhancing the bushland environment through track improvements and regeneration. We have also commenced work on improving the site's interpretation. As a priority, the Trust will work in 2017–18 to secure an appropriate use for the historic 10 Terminal buildings which protects heritage values and is compatible with visitor access to the surrounding park.

The North Head site is another focus for the Harbour Trust. In recognition of its unique natural and environmental values, North Head continues to be sensitively managed. In addition to promoting public access — and sympathetically repurposing the heritage buildings of the former School of Artillery for education, well-being, and visitor-orientated use



— the Trust continues to prioritise awareness of and accessibility to North Head's unique quarantine and military history.

Also in 2016–17, the World Heritage-listed Cockatoo Island continued to expand its cultural partnerships, ensuring a new direction as a major contemporary arts and live performance venue. The Trust will continue to cultivate the Island's reputation as a premier visitor destination by bringing to life its rich convict and ship-building heritage while creating new opportunities for significant arts and cultural experiences.

A National Historic Grant of \$1 million from the Australian Government allowed important works to be undertaken during 2016–17 on the Convict Workshop building at Cockatoo Island. This comprised major repairs and preservation works to the building's fabric, sandstone and windows. Due to be completed in September 2017, these works allow the heritage values of this historic structure to be preserved for future generations. The Trust's further aspirations for this site are to see other buildings restored to their original form, making them available for public-focussed cultural and community activities.

In early 2017–18, the Harbour Trust commenced work on its new Reconciliation Action Plan. This plan will provide a framework for guiding the Trust's business operations in a manner that will enable the organisation to realise our vision for reconciliation with Aboriginal and Torres Strait Islander communities.

Adding to the organisation's resources and capabilities in 2016–17, two new appointments were made to the Harbour Trust Board: Ms Jean Hay AM, who was appointed Deputy Chair, and Mr Garth Callender. Both bring further knowledge and expertise to the Board. Ms Hay, a former Mayor of Manly Council, has previously served on the Trust's Board as Deputy Chair. Her re-

appointment will provide continuity to the ongoing operation of the Trust. Mr Callender has a distinguished army career, is a Bravery Trust ambassador and works with the NSW Government on planning and delivering the Veterans Employment Program across the NSW public sector. His appointment will ensure a greater connection to the military history of the Trust lands.

This year, we also welcomed our new Executive Director, Ms Mary Darwell. Previously Chief Executive of Arts NSW for eight years, and worked with Infrastructure NSW on cultural infrastructure, Ms Darwell brings a wealth of experience and a deep commitment to Sydney. The Board offers its sincere thanks to Dr Susan Culverston for her contribution as Acting Executive Director for much of the 2016–17 reporting period.

We also acknowledge Geoff Bailey, the Trust's founding Executive Director, who after 15 successful years moved on to a new challenge at Parks Australia. In the establishment of the Trust, Geoff developed an effective business model and built a strong staff that enabled the organisation to develop as a stable and robust business and manager of public land. Under his leadership, the Trust was able to create thriving precincts and urban parklands on sites previously inaccessible to the public, now enjoyed by many.

I would also like to take this opportunity to acknowledge the support and guidance the Minister responsible for the Sydney Harbour Federation Trust, the Hon, Josh Frydenberg MP, Minister for the Environment and Energy, has provided to the Trust since coming into office.

As we continue to manage the sites for which we are the current custodians, the Harbour Trust will further broaden and deepen our work; expand and strengthen partnerships and continue to focus on maximising public access and rehabilitating the significant land under our care, while we preserve and interpret the heritage of these great national assets.

On behalf of the Harbour Trust Board, I look forward to another positive and productive year ahead.

**Kevin McCann, AM**  
Chair

*Crooked Characters of Cockatoo tour.*  
Credit: Geoff Magee.

# Executive Director's Summary

I am delighted and proud to have joined the Harbour Trust.

The Harbour Trust is responsible for extraordinary sites on Sydney Harbour: Cockatoo Island, Headland Park, North Head Sanctuary, Woolwich Docks and Parklands, Macquarie Lightstation, Sub Base Platypus and the Marine Biological Station. These places hold the rich and layered stories and continuing connections from Sydney's complex past: First Nations countries, convict incarceration, nineteenth and twentieth century military, navy and defence roles, and the enterprise and industry of Sydney's working harbour.

Today the Harbour Trust sites are welcoming parklands with mixed commercial and community activities, welcoming more than 1.55 million visitors annually.

Over the year we established a new Corporate Plan which clearly sets out our ambitions to *create extraordinary places on the world's best harbour that are inspiring, loved and shared.*

Financially, the Harbour Trust ends 2016-17 in a sound position with an operating surplus of more than half a million dollars. Our commercial income increased by eight per cent largely due to growth of the filming and venue hire business on Cockatoo Island and North Head. At the same time we are continuing to examine our portfolio of leased properties to ensure they are performing to market expectations.

In the coming year we will examine our business model and explore ways to secure the level of investment necessary to achieve our ambitions. Throughout our focus will be on achieving the right balance in managing revenue and environmental, ecological, heritage and visitor outcomes.

In 2016-17, the Harbour Trust continued its strong focus on engagement and seeking input from the local and broader community. Our Community Advisory Committee provides invaluable insight and advice; my thanks to the members for their contribution. We also held a number of consultative forums to seek advice on our interpretation strategies and plans for our sites, notably Sub Base Platypus.

Harbour Trust sites are home to a wide variety of enterprise ranging from restaurants, cafes, child-care and health and fitness providers to education, community service providers, professional services and more. These diverse businesses help make our

sites lively and welcoming places, and I am looking forward to strengthening our relationships with Harbour Trust tenants.

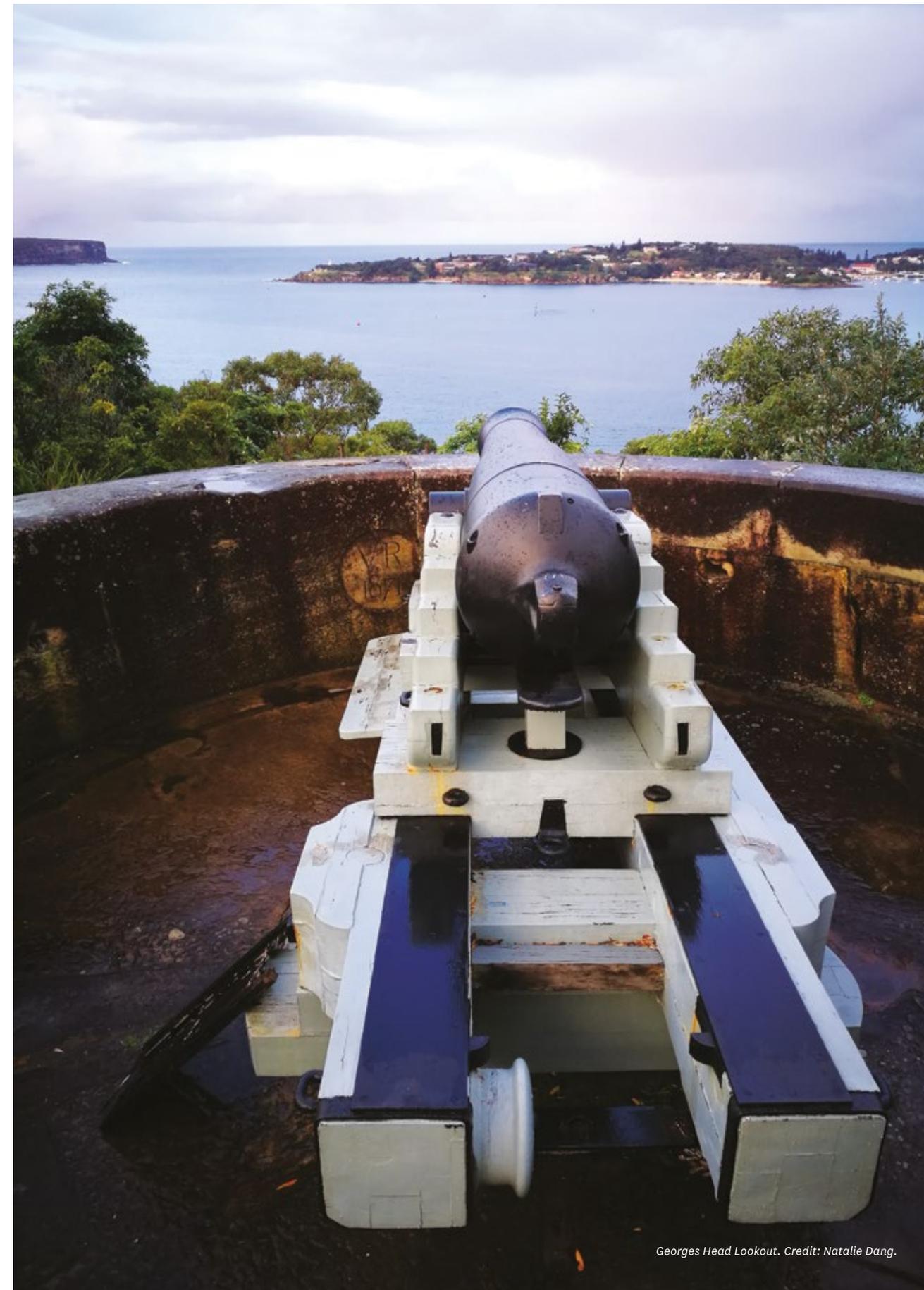
We are also working to enhance and deepen local and international visitor experiences of our sites and make them more widely known. In 2017-18, we will improve our understanding of visitor experiences and expectations. I am also very pleased that in the coming year the Biennale of Sydney will again have a significant presence on Cockatoo Island. The Harbour Trust has been a partner of the Biennale since 2008, enabling visitors to the Island to experience remarkable art in an extraordinary location.

Our wonderful volunteers continued to play a vital role in the work of the Harbour Trust. In 2016-17, 245 volunteers provided more than 29,000 hours of dedicated and enthusiastic work. Our volunteers, welcome visitors to our sites, provide vital office assistance, deliver our growing oral history program, support restoration work, lead many of our guided tours and present our talks program. They play an important part in sharing the Harbour Trust's extraordinary places and enrich us all with their experience and knowledge. My sincere gratitude to them all.

I would like to acknowledge the Harbour Trust staff who have delivered on an extensive body of work over the course of the year, with dedication, creativity and a great deal of care. Thanks to Dr Susan Culverston who led the Harbour Trust as Acting Executive Director over the majority of the reporting year, and the Harbour Trust executive leadership team for their commitment and generous advice in my early days with the Harbour Trust.

My thanks also to the Sydney Harbour Federation Trust Board, led by Kevin McCann, AM for their consideration, guidance and advice over 2016-17 that enables the team at the Harbour Trust to achieve and steward our wonderful harbourside places.

**Mary Darwell**  
Executive Director



Georges Head Lookout. Credit: Natalie Dang.

# The Sydney Harbour Federation Trust

## A LASTING LEGACY FOR THE PEOPLE OF AUSTRALIA

### 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.

### OBJECTIVES

The objectives of the Sydney Harbour Federation Trust are:

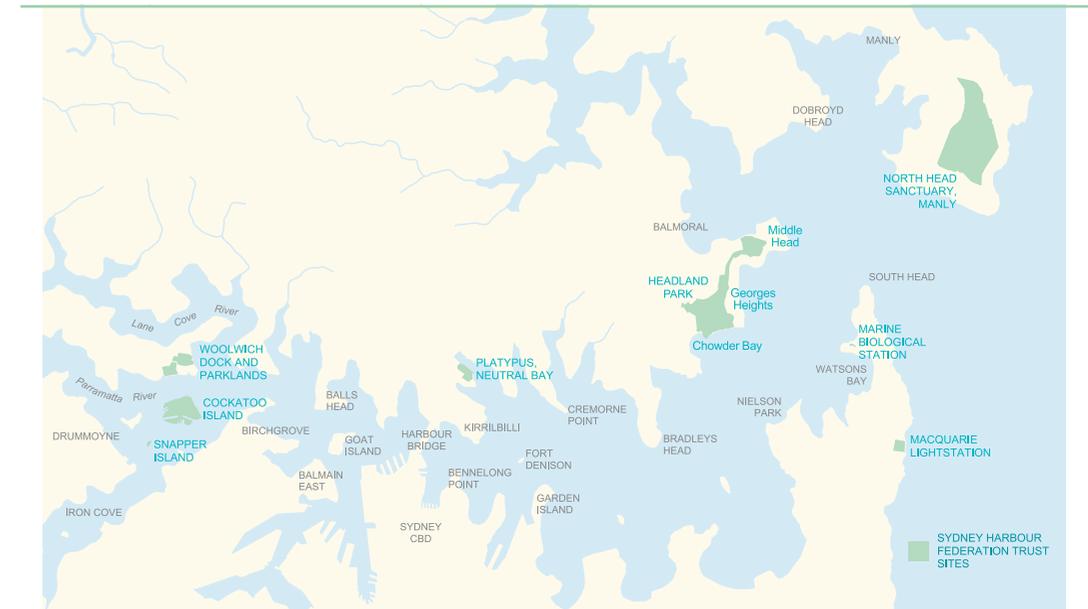
- To ensure that management of Harbour Trust land contributes to enhancing the amenity of the Sydney Harbour region.
- To protect, conserve and interpret the environmental and heritage values of Harbour Trust land.
- To maximise public access to Harbour Trust land.
- To establish and manage suitable 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 and Energy, The Hon Josh Frydenberg, 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 Harbour Trust Executive Director, Ms Mary Darwell.

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 promoting the sites to the public.

There are seven board members including the Chair, two members recommended by the NSW Government and one member representing the interests of Indigenous people.

### Board members



**Mr Kevin McCann**  
*AM, Chair*

Kevin 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.

He 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.

Kevin is a former Chairman of Macquarie Group Limited, Macquarie Bank Limited, Origin Energy Limited, Healthscope Limited and ING Management Limited.

From 1998–2001, Kevin was Chairman of the Interim Sydney Harbour Federation Trust, then from 2001–2010, Chairman of the Sydney Harbour Federation Trust.

Kevin practiced as a Commercial Lawyer as a Partner of Allens Arthur Robinson from 1970 to 2004 and was Chairman of Partners from 1995 to 2004.

Kevin 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 for services to the Law, Business and the Community in 2005.



**Jean Hay**  
*AM, Deputy Chair*

Jean Hay is a lifelong resident of Manly and was elected to Manly Council in 1987.

Jean served as Mayor of Manly from 1999 to 2004 and 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. Jean was appointed Chair, Implementation Advisory Group, Northern Beaches Council. She has served on all major Council Committees and numerous other Committees.

In June 1998, Jean 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.

Jean has also been presented with numerous other awards including the 2010 NSW Ministers' Awards for Women in Local Government (Metropolitan Elected Representative).

Jean 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 Garth Callender**

Garth left the regular Australian Army in 2013 after a distinguished 17 year career, during which time he commanded soldiers in Iraq and Afghanistan. He is a seasoned leader with proven, highly developed

management and leadership expertise within complex organisational structures and processes.

He currently leads the NSW Government Veterans Employment Program, working to ensure the highly transferable capabilities of former military professionals are understood and valued across Australian government and industry.

Garth holds a Masters of Business Administration and is a published author. 'After the Blast' was released in 2015 and chronicles his military deployments, including his recovery from wounds inflicted by an insurgent bomb attack in Baghdad in 2004. He remains an active member of the Australian Army Reserve and is a leader within the veteran community.

Garth was appointed to the Board in April 2017.



**Mr Joseph Carrozzi**

Joseph Carrozzi is a lawyer and financial advisor with over 25 years in the professional services sector.

He 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 of PwC in Sydney. Joseph has 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 also on the Board of the NSW Institute of Sport and Chairman of the Centenary Institute for Medical Research in Sydney.



**Ms Josephine Cashman**

Josephine Cashman is a Worimi woman from New South Wales. She is a lawyer, businesswoman and social entrepreneur with more than 18 years of experience on working on projects to create social and economic empowerment with Indigenous communities. In 2013, Josephine was appointed by the Prime Minister to the Indigenous Advisory Council and served as Chair of its Safe Communities Committee. More recently Josephine was appointed as Secretary of the Board of Directors at Gadigal Information Service.

As a lawyer, Josephine 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. Josephine recently spoke at a special session on violence against Indigenous women and children at the United Nation's full Human Rights Council in Geneva and is widely acknowledged for her work at all levels of the community to help bring an end to violence.



### Ms Sally Herman

Sally Herman 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 to a full time career as a Non-Executive Director.

Prior to that, she had 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.

Sally 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.

Sally 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

Sandra Hook is a professional Non-Executive Director and an investor in early stage digital businesses. Since 2000 she has also served on a number of Australian boards including listed,

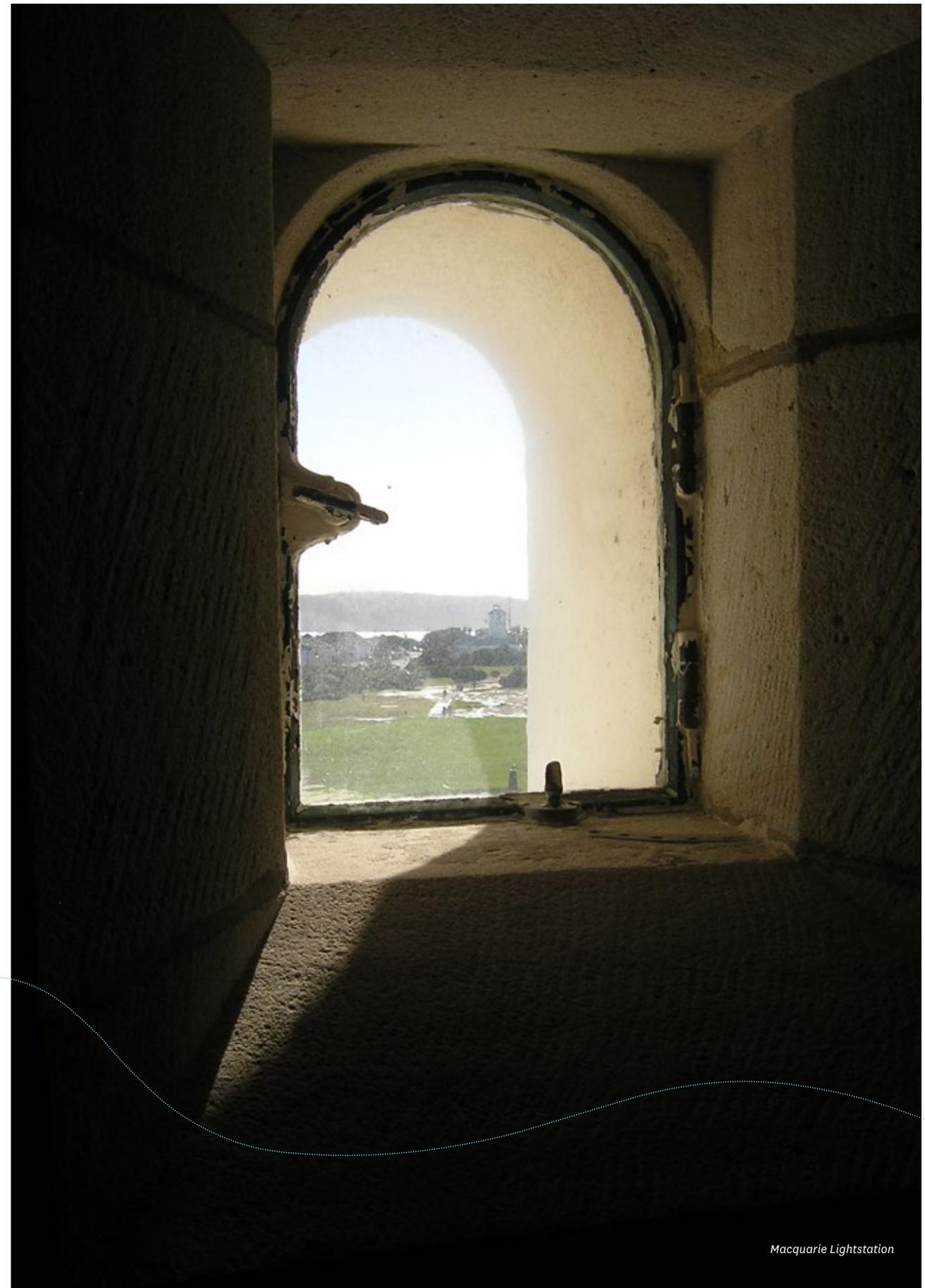
private and government organisations.

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.

Sandra 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.

She is currently a NED of RXP Services, Ive Group, MedAdvisor, The Sydney Fish Markets, auDA and is a Trustee of the Royal Botanic Gardens & Domain Trust.

Sandra was re-appointed to the Board in April 2016.





Open Day at Macquarie Lightstation



## PERFORMANCE AGAINST PURPOSE

The Sydney Harbour Federation Trust was created by the Australian Government in 2001 to protect, conserve, interpret, manage and to improve public access to important places around Sydney Harbour.

These Harbour Trust sites are: Cockatoo Island and Snapper Island in Sydney Harbour, Woolwich Dock and Parklands, HMAS Platypus on Neutral Bay at North Sydney, Headland Park at Mosman, North Head Sanctuary at Manly, Marine Biological Station at Watsons Bay and Macquarie Lightstation in Vaucluse.

The Harbour Trust's mission is to manage the emblematic lands around Sydney Harbour, preserve their natural and cultural heritage and foster and promote them as places of leisure, enjoyment and interest for all Australians.

We continue to focus on opportunities to protect, enhance and transform these historic harbour sites into accessible foreshore parks which enrich the cultural life of Sydney. Apart from their natural beauty, many of these public spaces and parklands now offer major events, exhibitions, venue hire, accommodation, tours and business tenancies.

The Harbour Trust is operationally self-funding: the revenue received from our commercial operations including property leasing, events and accommodation services, enables our work to maintain our parklands, undertake heritage preservation and deliver visitor and public programs.

However, financial sustainability is an ongoing challenge for the Harbour Trust. Further capital investment and a growth in revenue is necessary to ensure our significant heritage assets are properly preserved, interpreted and maintained in order to meet our ambitions to enable rich experiences at our sites for all visitors.

Over 2017-18 the Harbour Trust will undertake further work to explore opportunities to generate sustainable revenue and bolster our capacity to meet our statutory obligations.

At the same time the organisation will continue to focus on appropriate arrangements for our property portfolio

to secure growth revenue and provide public benefit, whilst also building our profile and brand to support increased visitation, venue hire and accommodation utilisation.

In undertaking this work our focus remains on the local identity, heritage and cultural values of all our sites, as we protect, restore and enhance each landmark Sydney Harbour location, and ensure their important stories are known.

### Urban Parklands and Asset Management overview

- Platypus Management Plan approved. Program to re-open the site to the public commenced
- Cockatoo Island and Middle Head revised plans approved
- ROI review completed for all accommodation, licensing and leasing assets
- 18 capital works projects completed

During 2016-17, the Harbour Trust continued its ongoing upgrade, conservation, rehabilitation and maintenance programs at all its sites, alongside our focus on enhancing safe public access. As well, environmental assessments and approvals were granted to a range of works and activities undertaken

by the Harbour Trust and users of its lands.

Asset management activities during 2016-17 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 full list of the Harbour Trust's maintenance, heritage conservation and environmental management projects in 2016-17 is included in Appendix 3. These activities help preserve, enhance and promote the rich historical, cultural and natural values of all Harbour Trust sites. They also enhance the Harbour Trust's function to promote appreciation of the land, in particular the environmental and heritage values of all our sites.

## TO PROTECT, CONSERVE, MANAGE AND IMPROVE

### Engagement overview

- 10 major public events; 12 partnership events and activities
- 7 Community Advisory Committee meetings
- Public open days, Board meetings in public, ongoing visitor surveys conducted
- Strategic marketing plans developed to support revenue-generation and increased visitation
- 23 new volunteers, volunteer hours increased by 1.7%

In 2016-17, the Harbour Trust focused on promotions, public programs and key projects in order to extend public engagement and affinity with Harbour Trust lands. Throughout the year, the Harbour Trust's Marketing & Visitor Experience team continued to source and establish cost-efficient and trackable methods of advertising, marketing and promotions to support increased site visits.

In addition, an expanded range of tour programs were offered across each priority site to enable visitors to better understand the history and contemporary stories of each location. Improved visitor counters were installed at North Head Sanctuary and, for the first time, at Headland Park. This will allow for more robust visitor reporting in the coming financial year.

The accommodation business was supported through a new marketing plan, resulting in increased guest numbers for overnight accommodation, as outlined in the Growth & Enterprise overview.

Community consultation continued to be a major focus for the organisation throughout 2016-17. Community liaison activities were maintained at Cockatoo Island, North Head Sanctuary and Headland Park and additional, liaison activities were introduced to support the launch of the Management Plans for Middle Head and Platypus. These activities enabled a dialogue between the Harbour Trust and broader community on the draft plans for these sites; community input was considered and where appropriate incorporated in the plans prior to their finalisation.

### Growth and Enterprise overview

- Total revenue increase of \$1,064,718.
- Licensing revenue significantly above budget (\$314,750 above budget)
- Leasing vacancies across all sites less than 2%
- 36% accommodation occupancy profit margin; 10% increase in overnight guests on Cockatoo Island
- Accommodation / campground increase of \$545,890 above budget
- Commercial revenue increase of \$859,875.

A major objective for the Harbour Trust is to grow and diversify funding streams to support the preservation, enhancement and operation of all Trust sites. The long-term financial success of the Trust is based on its capacity to generate revenue, which includes the

leasing and licensing of its buildings and lands.

In 2016-17, all four, revenue-generating business units (Commercial Leasing, Residential Leasing, Licensing & Venue Hire and Accommodation) reported increased year-on-year earnings. The Harbour Trust's leasing vacancies were less than two per cent during the period, highlighting the strength of the leasing

locations and the ability of the organisation to retain lessees in a commercial environment of low business confidence (as indicated in the NAB's Business Confidence Index 2016-17).

Encouraging visitors and increasing public awareness of all Harbour Trust sites is a key component of the Events & Venue Hire section of the business. In 2016-17, Licensing & Venue Hire activity brought more than 77,000 people to Harbour Trust sites.

Overnight accommodation was a major driver of visitors to Cockatoo Island, with the number of accommodation guests increasing by 10 per cent from the previous reporting period.

## TO GROW AND DIVERSIFY FUNDING STREAMS TO SUPPORT THE PRESERVATION, ENHANCEMENT AND OPERATION OF ALL TRUST SITES.

### Financial Summary

- \$0.652 million operating surplus
- \$19.289 million total revenue
- \$391 million total assets managed
- \$2.067 million operating activity surplus

The Harbour Trust posted a higher than budgeted operating surplus of \$652,000 for 2016–17. Total own source income increased by six per cent from the comparative year with total revenue of \$19.3 million. The improved outcome from the budget was as a result of increases in accommodation, campground and licensing income achieved during the year. Of the Trust's income, 67 per cent comes from the commercial

leasing and licensing arms of the agency with revenue achieving a five per cent increase when compared to 2015–16. Commercial leasing income has been steady for the year with improved returns from residential properties due to the continued capital improvement of this stock. The Harbour Trust also received grant funding during the financial year for the continued conservation works to the World Heritage-listed Convict Workshops on Cockatoo Island and for conservation works and archaeological investigation on the Third Quarantine Cemetery at North Head Sanctuary.

The continued strengthening of the Harbour Trust's income streams has allowed continued funding of a cyclical and condition-based maintenance program, with the Trustee's able to allocate additional funding for the program at mid-year due to improved revenue forecasts. Improvements to our educational, interpretive and event programs have been funded from our operating surplus with improved visitor experience being the focus of these programs.

With the Harbour Trust's continuation of strong revenue figures and the control of expenses we have been able to continue to allocate funds from cash reserves to

capital renewal reserve. This is critical in allowing the renewal of assets and asset elements as they approach the end of their useful life. The Harbour Trust is holding close to \$20 million in cash reserves for the funding of stage 1 refurbishment works at the Platypus site. The Trust has been able to allocate additional funds of \$3.8 million, from its asset renewal reserves to the project to ensure the successful upgrade of parklands, infrastructure, buildings and pedestrian links. Our organisation also continues to focus on: upgrading legacy infrastructure on all sites, conservation works through our volunteer programs, improved wayfinding/tenant signage and the installation of a new raised bushland walking path at Headland Park.



The Harbour Trust will continue to work with government, commercial and community partners to facilitate the achievement of the Corporate Plan Outcomes and Objectives under the enabling legislation.

During 2016–17, 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 Rules.



Barbecue facilities at Headland Park

# Urban Parklands and Asset Management

## TOTAL OF 18 CAPITAL WORKS PROJECTS

### MAJOR CAPITAL WORKS AND MAINTENANCE PROJECTS

Ongoing conservation, rehabilitation and maintenance management, alongside enhancing public access, remained the Urban Parkland and Asset Management focus for the Harbour Trust in 2016–17.

A total of 18 capital works projects were completed within the reporting period. Program activities included building and grounds maintenance, bush regeneration, building restoration, updating of electrical and potable water services, repairs of paths at Headland Park, and completion of the underground remediation works at Platypus.

The Harbour Trust also undertook environmental assessments and approvals of a range of works and activities on its sites. See Appendix 3 for a list of the Harbour Trust's maintenance, heritage conservation and environmental management projects in 2016–17.

#### Headland Park, Mosman

Located in Mosman, Headland Park comprises three, connected landmark sites — Chowder Bay, Georges Heights and Middle Head. Once the traditional land of the Borogegal clan, Middle Head was occupied by defence forces for more than a century.

Chowder Bay is a charming waterfront village with a thriving café and restaurant hub and areas for swimming, snorkelling, kayaking and bushwalking. Georges Heights, with its incredible views of Sydney, is a former World War I military lookout home to a rich tapestry of defence history. Middle Head, meanwhile, also offers panoramic vistas of Sydney Harbour as well as bushwalking tracks and heritage attractions, all within minutes of modern Mosman village. In its entirety, Headland Park features former training facilities, fortifications, depots, barracks and housing surrounded by remnant bushland.

Under the Harbour Trust's management, most of Headland Park's various buildings are now leased for a range of purposes, drawing a variety of users to the site and creating a lively environment. These include education, retail, dining, business offices, childcare facilities, residential accommodation, creative arts, health and fitness, and a function centre.



During 2016–17 works and activities undertaken at Headland Park included:

- Construction of a new walking track from Georges Heights to Middle Head through bushland on the southern side of Middle Head Road
- The commencement of major refurbishment works on Building 1, Chowder Bay
- Upgrade of an existing residential property in Dominion Crescent
- Installation of a restored World War II anti-aircraft gun at Georges Heights
- Ongoing painting and repairs to various tenanted buildings

#### Cockatoo Island, Sydney Harbour

Sitting at the junction of the Lane Cove and Parramatta Rivers in the middle of Sydney Harbour, between Woolwich, Greenwich, Drummoyne and Birchgrove, Cockatoo Island is Sydney's largest harbour island. The island also has World, National and Commonwealth Heritage listings. Cockatoo Island's first visitors were most likely the Eora people, who called the island Wareamah.



Between 1839 and 1869, Cockatoo Island operated as a convict penal establishment before becoming one of Australia's biggest shipyards, which closed in 1991. Thus, Cockatoo Island is home to a unique mix of national and maritime history — an imperial convict

prison, two dry docks, wharves, slipways, maritime buildings, residences, a powerhouse, cranes, water towers and tunnels.

Today, under the Harbour Trust's auspices, Cockatoo Island has approved uses which include holiday accommodation, a campground, cafe, marine research, offices, marine centre and retail shops.

Capital works improvements undertaken on Cockatoo Island during 2016–17 include:

- Restoration works to the value of \$1.75M on the Convict Workshop building
- Installation of submarine services between Elkington Park, Balmain and Cockatoo Island
- Geotechnical remediation works at Cockatoo Island, including stabilisation of cliff faces
- Installation of new fencing around the Fitzroy and Sutherland Docks
- Conservation works to Building 9 (Free Overseer's Quarters)
- Commencement of upgrade of the Cockatoo Island Wharf (works by the NSW Government)

#### North Head Sanctuary, Manly

North Head Sanctuary, sitting high above Manly on the northern entrance to Sydney Harbour, is one of Sydney's

most spectacular landmarks and is home to a delicate ecosystem, the preservation of which is a key focus for the Harbour Trust. North Head Sanctuary also holds special Indigenous significance, with the site containing Aboriginal rock engravings, rock art, campsites, burials, middens and artefacts.

In defence history terms, the former School of Artillery occupies the highest part of North Head and comprises the Barracks and the North Fort complexes. The Barracks complex contains a collection of art deco buildings that include a parade ground, service areas and sheds, as well as a large area of remnant bushland. North Fort is home to a series of intact underground tunnels and an historic stone wall.

The Third Quarantine Cemetery at North Head, which was established in 1832, is an area of exceptional archaeological history potential and is of national significance due to its role in Australia's quarantine process.

The Harbour Trust's land at North Head Sanctuary also includes 28 houses that were originally used to accommodate officers of the former School of Artillery. Today, the majority of these houses are leased to medium-term residential tenants, while one has been converted to a café. Many of the other buildings at North Head Sanctuary are also leased.

In recent years, North Head Sanctuary has gained a reputation as a hub for health and well-being, with leased facilities now home to activities including education for adults and children, health, fitness and well-being, childcare, an artists' studio, a function centre and a plant nursery.

Key works and activities undertaken at North Head Sanctuary during 2016–17 included:

- Upgrade of fire safety infrastructure and underground services along North Fort Road
- Structural repairs to the underground Plotting Room in the Sheds Precinct
- Archaeological investigations and conservation works at the Third Quarantine Cemetery
- Monitoring of the Long-nosed Bandicoot, Eastern Pygmy Possum and the Bush Rat by the Australian Wildlife Conservancy
- Bush care and education, by the North Head Sanctuary Foundation

Chamber Wharf Marina at Cockatoo Island. Credit: Zakarij Kaczmarek.

### Platypus, North Sydney

The Harbour Trust continues to move forward with the rehabilitation, restoration and re-imagining of the former *HMAS Platypus* naval base at North Sydney, which began when the Trust took over management of the site in 2005.



The land is the country of the Cammeraygal Clan. Sitting amid prestige waterfront residential properties and foreshore parks on Neutral Bay, the former gasworks facility and Royal Australian Navy (RAN) base is part of Australia's maritime heritage and contains a range of buildings adapted from the gasworks operations and built for the war effort. It was used by the RAN from 1942, initially as a torpedo maintenance facility and, from 1967 when it was named HMAS Platypus, as a submarine base, before it was officially closed as a naval base in 1998.

The Harbour Trust commenced a complex, six-year remediation and consultation program of Platypus in 2010. This involved the demolition of buildings, removal of part of the wharf, treatment of contaminated material, and creation of a landscaped park at the northern end of the site.

Following extensive community consultation throughout the year, the Harbour Trust adopted a Management Plan for Platypus in December 2016 which sets out a vision to transform the site to become a new urban park, with remnant buildings being re-purposed for contemporary new uses.

In 2017–18, the Harbour Trust will commence a \$23.8 million project to implement a significant part of the Management Plan vision, with importance given

to creating new open space, improving access, and rehabilitating buildings to facilitate their modern re-use.

Core works undertaken at Platypus in 2016–17 included:

- Practical completion of the remediation project, including reinstatement of the northern wharf deck
- Additional landscaping of the northern park area
- Strip-out of selected buildings in preparation for their future refurbishment
- Work commenced on a Submariners commemorative wall located in the northern park

### Woolwich Dock and Parklands, Woolwich

Woolwich Dock and Parklands, located on the Harbour foreshore on the Hunters Hill peninsula, has a rich maritime history — as evidenced by the majestic sandstone dry dock which dominates its landscape, now linked by picturesque parklands and water view walkways. Aboriginal people called this site Mocoobola, which means meeting of the rivers, due to its location at the junction of the Parramatta and Lane Cove Rivers.

The sandstone dry dock, which was built between 1898 and 1901 by Morts Dock and Engineering Company, was previously used for repairing ships in Sydney during both World Wars.



Today, the site has been extensively rehabilitated, with parklands, a working dockyard, and a restaurant and function centre, and also offers public access around the dry dock, linking the new parklands which sit along the foreshore.

No major capital works were carried out at Woolwich Dock and Parklands during 2016–17.

### Macquarie Lightstation, Vaucluse

Perched high on the imposing cliffs above Vaucluse on Sydney Harbour's southern headland, Macquarie Lightstation is Australia's first and oldest still-operational, fully-automated navigational lighthouse.



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 construction was demolished. Today, the Lightstation site offers guided tours and contains the former head keeper's quarters, assistant keepers' quarters and remnants of cottages built for the engineer and his assistant.

In 2016–17, new concrete bollards were installed to replace the damaged timber boundary fence.

### Former Marine Biological Station, Watson's Bay

Built in 1881, the former Marine Biological Station, located on the Harbour foreshore at Camp Cove, Watsons Bay, was not only the first biological research station in Australia, but also the first in the Southern Hemisphere.

Comprising a sandstone residence and grounds, it later housed military officers for more than half a century. Today, most of the grounds have been transformed into a public foreshore park, providing access to Camp Cove Beach.

No major capital works were carried out at this site during 2016–17.

### Snapper Island, Sydney Harbour

Snapper Island, which sits in Sydney Harbour between the suburb of Drummoyne and Cockatoo Island, is the smallest island in Sydney Harbour, at just 1.65 hectares. Deliberately flattened and shaped to resemble the layout of a naval ship, it was previously used as a nautical training facility in the 1930s.



The island is yet to be formally transferred by the Department of Finance to the Harbour Trust and, at this time, remains closed to the public. As at 2016–17, the Department of Finance has completed a Heritage Validation Assessment and undertaken some decontamination and remediation to the existing buildings on the island.

LEFT:  
Northern Park  
at Platypus.  
RIGHT:  
Woolwich  
Docklands.  
Credit: Geoff  
Magee.

Macquarie  
Lightstation.  
Credit: Zakarij  
Kaczmarek.

### Bushland and Bushfire Risk Management

Ecological bushland restoration works continued throughout 2016–17 at Headland Park, North Head Sanctuary and within pockets of remnant bushland and reinstated areas at both Woolwich Dock and Cockatoo Island.

These works included: extensive control of weeds over an area of 45 hectares; maintenance of over 10km 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.

Bushfire risk is an issue at many Harbour Trust sites, due to both their location and the high percentage of natural vegetation and bushland.

There were no major hazard reduction burns on Harbour Trust land in 2016–17.

However, manual and mechanical fuel reduction was undertaken during the year to protect buildings and structures from bushfire risk at North Head Sanctuary and Headland Park. The Harbour Trust also worked closely with neighbouring landholders, via the Northern Beaches and Willoughby, Mosman and North Sydney district bushfire management committees, to further manage bushfire risk at both sites.

Separately, The Harbour Trust continues to work with neighbouring landholders and the NSW Office of Environment and Heritage (OEH), the National Parks and Wildlife Service (NWPS) and other stakeholders to proactively manage various feral animals on its sites. This includes programs to control rabbits and foxes at North Head Sanctuary, Woolwich Dock and Parklands, and Headland Park.

### Landscape Maintenance

The Harbour Trust’s established program of ongoing landscape reinstatement and maintenance works continued across all its sites in 2016–17.

These works generally included regular mowing and edging of lawns, pruning, weeding, mulching and infill planting of garden beds.

### Revegetation

More than 10,500 native trees, shrubs, grasses and groundcovers were planted across Harbour Trust sites

during the year. Many of these were for the establishment of a new urban park at Platypus and, following the removal of weeds, replenishment of landscaped areas at Macquarie Lightstation, Woolwich Dock and Parklands, and Marine Biological Station Park.

Additionally, more than 9,700 plants were propagated from local provenance native species and over 800 ornamental natives and exotics were planted within cultural landscapes.

Harbour Trust volunteer gardeners carried out extensive weed control and planting at Cockatoo Island and Headland Park, while the North Head Sanctuary

Foundation propagated 3,182 and planted more than 2,762 native plants across the sanctuary site.



Revegetation at North Head Sanctuary.

## HARBOUR TRUST PLANS AND ENVIRONMENTAL ASSESSMENTS

### Management Plans

The Harbour Trust has a suite of detailed Management Plans which guide the use of all the various sites under its care, in accordance with the Comprehensive Plan’s outcomes. All Harbour Trust Management Plans are regularly reviewed to ensure they continue to reflect current site conditions and legislative requirements.

The **Draft Cockatoo Island Management Plan 2017** updates the existing plan and was publicly exhibited during 2016–17. The Draft Plan 2017 was prepared to address the island’s rehabilitation by the Harbour Trust and its status as a World Heritage-listed site. Approved by the Board on 23 June 2017, the Draft Plan 2017 will come into effect once it is approved by the Minister for the Environment and Energy under sections 316 and 324S of the *Environment Protection and Biodiversity Conservation Act* (EPBC Act).

The **Platypus Management Plan** came into effect on 8 December 2016. This Plan was prepared following extensive community consultation, which included a site Open Day in May 2016, attended by more than 600 people. The Draft Plan was modified to address issues raised in submissions, including changes to provide more open space, and to protect the amenity of local neighbours. The final Management Plan will now guide the rehabilitation and adaptive re-use of Platypus as an urban park.

The **Middle Head Management Plan (Amendment 2)** was adopted on 11 April 2017. This amendment updates the Plan and includes more detail about the coordinated management of the entire headland; revised building controls for the 10 Terminal buildings; and a commitment to demolish at least two of the former Barracks. To inform the development of this Plan, the Harbour Trust undertook extensive public consultation, including an Open Day in May 2016 attended by more than 300 people.

### Background Studies

During 2016–17, specialist noise, transport, heritage and environmental consultants were engaged by the Harbour Trust to inform the preparation of the Platypus Management Plan.

### Environmental Assessments

As part of its work, the Harbour Trust prepares environmental assessments of actions proposed on all its lands. This ensures all 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 EPBC Act.

In 2016–17, the Harbour Trust completed environmental assessments for 21 proposed actions, including:

- Replacement of Cockatoo Island’s ferry wharf
- Construction of a new path linking Georges Heights with Middle Head
- Removal of redundant structures and services at Platypus, North Sydney
- Approved actions are subject to conditions to avoid, minimise or mitigate potential impacts. These conditions help the Harbour Trust manage activities in accordance with all relevant legislation and standards.

**Environmental Performance**

As per Section 516A of EPBC Act, all Commonwealth agencies are required to report annually regarding environmental matters. Agencies must report on how they accord with, and contribute to, ecologically sustainable development. They must also 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 a central objective of the Harbour Trust’s Comprehensive Plan and site-specific Management Plans.

In 2016–17, ESD remained fundamental to the 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 principles continue to inform the organisation’s approach to biodiversity and bushland conservation, management of native and introduced flora and

fauna, water quality and catchment protection. Equally, ESD also informs the Trust’s approach to 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 ensures that it 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 continues to encourage people to visit and learn about our heritage sites in ways that help contribute financially to the cost of park management through means such as site tours, parking fees, merchandise and publications. 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 back into the sites.

**ENVIRONMENTAL PERFORMANCE**

The Harbour Trust uses the Global Reporting Initiative’s (GRI’s) Sustainability Reporting Guidelines for reporting on its environmental performance. The GRI is an international independent organisation that helps organisations understand, communicate and set goals for their environmental performance.

Using the GRI guidelines, this section examines the environmental performance of the Harbour Trust’s direct operations at its head office in Mosman — measuring the office’s energy, fuel and water consumption, and the generation of waste and greenhouse gases.

**Environmental performance**

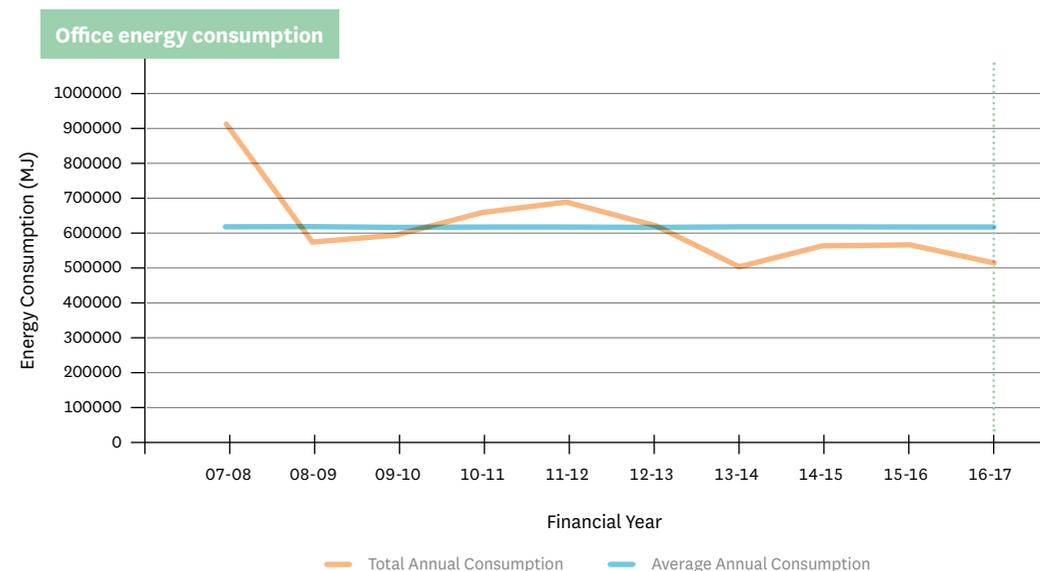
GRI Indicators	Targets for 2016–17	Results Achieved for 2016–17	Targets for 2017–18
Energy consumption within the organisation (EN3)	No increase →	11% reduction	No increase
Fuel consumption (EN3)	5% reduction →	28% reduction	To not exceed 2015–16 level
Greenhouse gases (EN16)	2% reduction →	5% reduction	No increase
Water consumption(EN8)	5% reduction →	21% Increase	5% reduction
Waste generation (EN23)	No increase →	No increase	No increase

**Energy Consumption**

In 2016–17, the Harbour Trust’s energy consumption decreased by 11.3 per cent, compared to the previous reporting period. This is generally attributed to improved use and management of the Harbour Trust’s office air-conditioning system (this includes, such cost-efficient actions as turning off air-conditioning when meeting rooms are not in use).

Harbour Trust staff continue to be encouraged to reduce energy consumption through the sustainable use of the office air conditioning system and other methods. Information to encourage environmentally responsible behaviour is also included in the New Employee Induction Program.

Total energy consumption				
Year	Annual Average (2007–2015)	2015–16	2016–17	% Change
Total Consumption (MJ)	615,727	565,847	515,581	- 11.3



**Energy Efficiency in Government Operations 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.

In 2016–17, the Harbour Trust continued to achieve these targets.

Electricity consumption (mega-joules per staff member per annum)	EEGO Policy Target		
	2015–16	2016–17	
Central Services	400	198	180
Office Light and Power	7,500	3,929	3,906

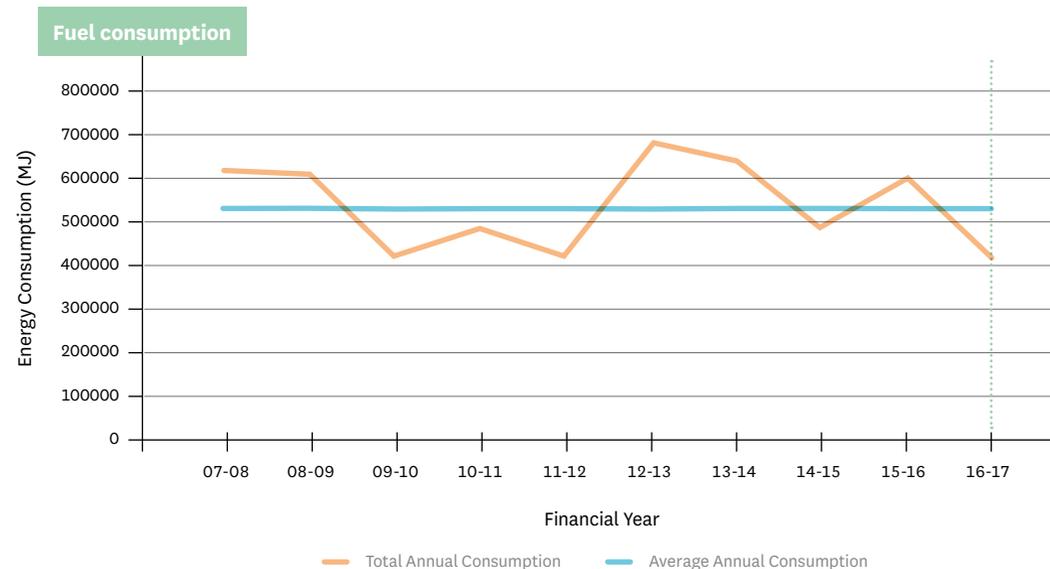
### Fuel Consumption

The Harbour Trust’s fuel consumption decreased by 28 per cent in 2016–17, compared with the previous reporting period. This recent decrease is largely attributed to some boats having being out-of-service for an extended period.

As boats are repaired and are returned to service, it is expected that fuel consumption will return to 2015–16 levels during the next reporting period. Meanwhile, the Harbour Trust continues to encourage staff to car-pool and boat-pool, wherever possible, to help further reduce fuel consumption.

Total vehicle fuel consumption		Total vehicle fuel consumption (cars and boats)		
Fuel Consumption		2015-16 (Litres)	2016-17 (Litres)	% Change
VEHICLES*	Unleaded	2,427	1,955	-19
	LPG	81	0	-100
	Diesel	574	690	20
	<b>Sub Total</b>	<b>3,082</b>	<b>2,646</b>	<b>-14</b>
BOATS**	Unleaded	2,679	1,564	-42
	Diesel	174	61	-65
	<b>Sub Total</b>	<b>2,853</b>	<b>1,625</b>	<b>-43</b>
<b>Total Fuel</b>		<b>5,936</b>	<b>4,271</b>	<b>-28</b>

\*The Trust’s vehicle fleet comprises two cars (unleaded); two Ute (LPG/unleaded); one truck (diesel).  
 \*\*The Trust’s boat fleet included two boats (unleaded and diesel).



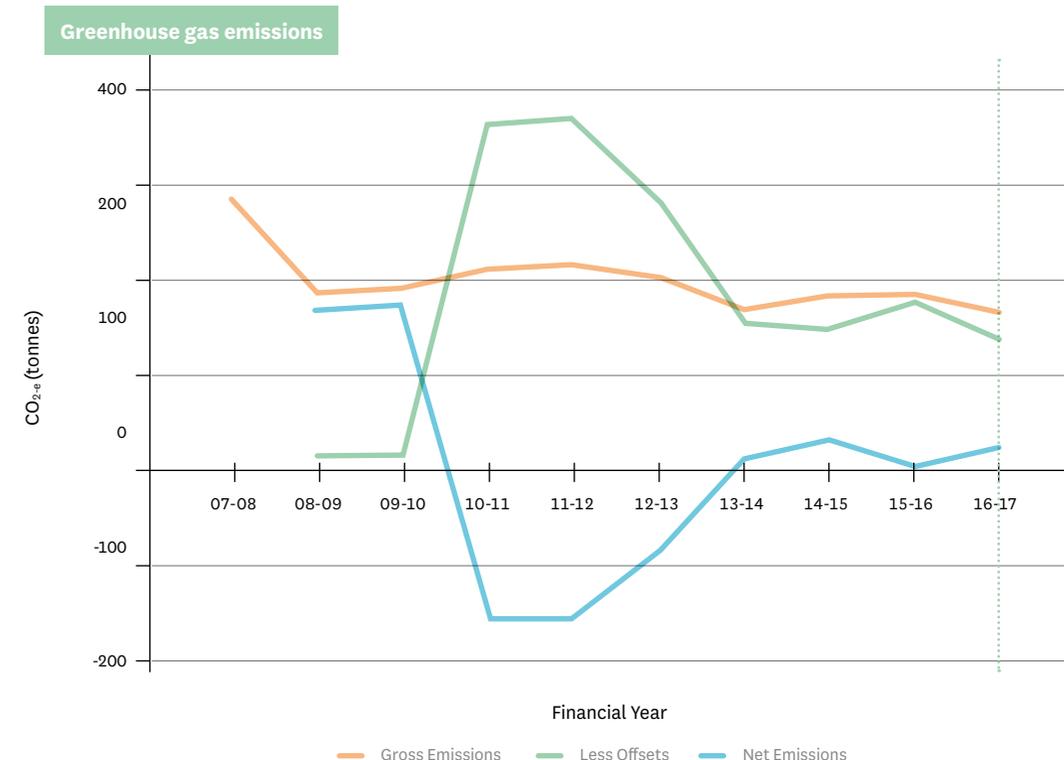
### Greenhouse Gas Emissions

In 2016–17 the Harbour Trust’s total greenhouse gas emissions generated from energy and fuel consumption decreased by nearly 19 tonnes.

This was made possible by the fact the Trust’s photovoltaic arrays at Cockatoo Island and North Head Sanctuary generated sufficient solar power for the Trust to significantly reduce net emissions.

Unlike in 2015–16, the Harbour Trust did not purchase a 20-tonne offset to reduce the carbon footprint of its vehicle fleet this year. This is reflected in the modest increase in net emissions of nearly 17 tonnes of CO<sub>2</sub>-e.

Carbon footprint		Average (2007-2016)	2015-16	2016-17 (Litres)	% Change
Total Gross Emissions (tonnes of CO <sub>2</sub> -e)		205.9	187.9	168.9	-5.3
Less Offsets (Green fleet/ Green power)		148.1	20	0	-100
Less Offset (Renewable Energy - Photovoltaic)		82	160.2	143.4	-5.5
Total Offsets		196.5	180.2	143.4	-11.4
<b>Total Net Emissions (tonnes of CO<sub>2</sub>-e)</b>		<b>0.8</b>	<b>7.7</b>	<b>24.67</b>	<b>220</b>

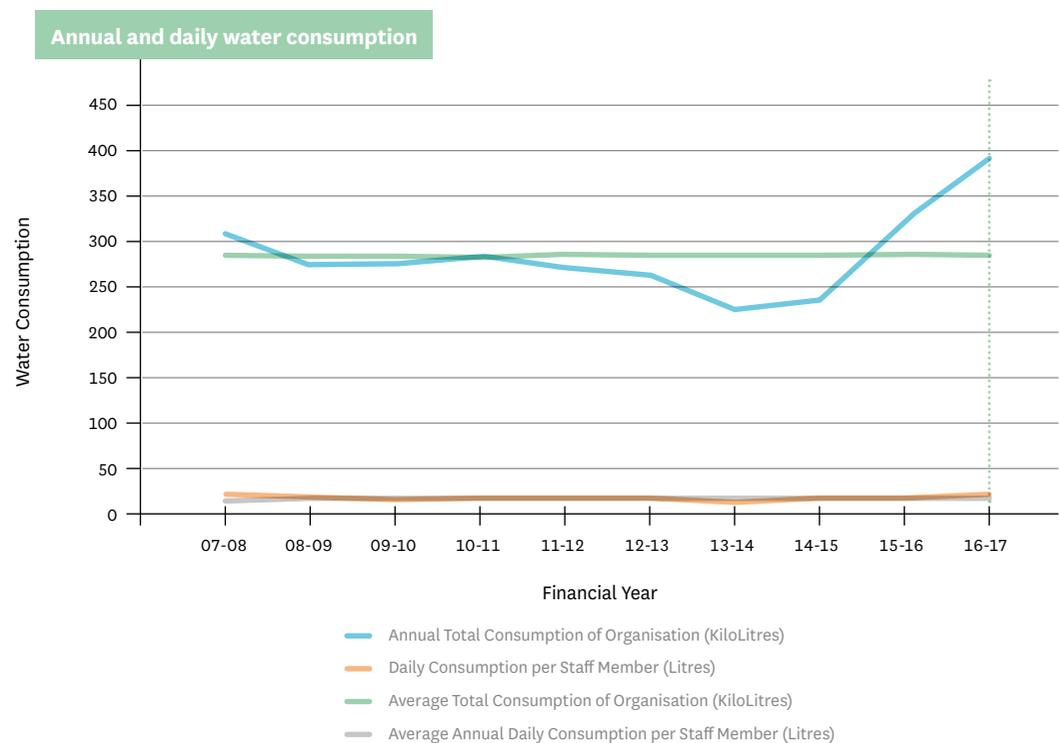


### Water Consumption

In 2016–17, potable water consumption increased by 21 per cent compared to 2015–16. This increase is linked to the result of the office’s rainwater tanks being temporarily decommissioned for servicing. The Harbour Trust aims to install upgraded rainwater management systems as soon as possible and this is expected to result in a decrease in usage of potable water in the next reporting period.

Water consumption (potable)				
	Annual average (2007–2016)	2015–16	2016–17 (Litres)	% Change
Total Office Consumption	288,576	327,950	395,389	21
Daily Consumption (Average)	1,171	1,286	1,582	23
Daily Average per Person	20	18	24	33

Note: Water consumption expressed in litres



### Waste Generation

Waste generated by the Harbour Trust was estimated to be approximately 4.9 tonnes in 2016–17.

The Harbour Trust’s waste generation is measured by the number of bins collected by its waste contractor.

## MINIMISE THE TOTAL AMOUNT OF WASTE GOING TO LANDFILL

However, as Trust bins are shared with other building tenants, it does not reflect the amount of waste the Harbour Trust generates exclusively.

Thus, with the number of bins collected remaining consistent with previous years throughout 2016–17, it is estimated that the Trust’s waste generation also remained unchanged from previous years (also estimated to be approx. 4.9 tonnes per year). Various recycling activities — including recycling kitchen waste (through worm farming), paper, containers and soft plastics — continue to help minimise the total amount of waste going to landfill.

In terms of paper use, the Harbour Trust used on average nine reams of printing paper, with an 80 per cent recycled content, per person during 2016–17.

This is within the target of a maximum of nine reams per person for internal copy paper as set by the Australian Government’s *ICT Sustainability Plan*

2010–2015. However, the Harbour Trusts’ paper usage is expected to continue to decrease as a result of the uptake of SPIRE (an electronic document management system).



City view from North Head Sanctuary.



Takkotai Exhibition, T5 Camouflage Fuel Tank, Headland Park. Credit: Ian Evans.

## Engagement

### COMMUNITY, CORPORATE, GOVERNMENT AND MEDIA ACTIVITIES

#### INTRODUCTION

The Harbour Trust created and implemented a wide range of strategic community, corporate, government and media activities throughout the year to increase public involvement and affinity with the Harbour Trust's lands. Over the course of 2016–17,

the Trust's various sites in and around Sydney Harbour attracted more than 1.55 million visitors.

These activities included marketing and communications, visitor experience projects, partnership events, licensing and venue hire events and activities, community consultation, interpretation, public programs and tour programs. In addition, the Harbour Trust continued to produce the popular Cockatoo Island education programs and a variety of school holiday activities.

Partnerships and large-scale events remained a priority for the Harbour Trust during 2016–17. These activities enabled the Trust to provide rich cultural and heritage experiences for visitors to its sites, while also increasing awareness of sites and offerings with new audiences.

In 2016–17, the Harbour Trust partnered with artists Creative Non-Fiction to produce the groundbreaking, *Ghosts of Biloea*, a geo-locative, fictional story, smartphone app designed to enhance the overall experience for visitors to Cockatoo Island. The Australian National Maritime Museum's annual Family Fun Day, involving a range of interactive maritime and history-themed activities, also returned to Cockatoo Island for the second time.

A range of tour programs was also offered across all our priority sites to enable visitors to better understand the history and contemporary stories of each place or location.

At Headland Park, the Harbour Trust partnered for the second time with the Mosman Art Gallery in 2016–17, hosting the *Takkotai: Contemporary Australian and Japanese Artists on war and the Battle of Sydney Harbour* in the heritage fuel tank at Georges Heights. This exhibition commemorated the 75th anniversary of the Battle of Sydney Harbour and featured Australian and Japanese artists. The Harbour Trust also continued its successful partnership with Mosman RSL to co-present the ANZAC Day Ceremony at Georges Heights in 2017, and another sculpture from the award-winning *Sculpture by the Sea* exhibition was installed within Headland Park, further strengthening the relationship with this popular Sydney cultural event.

Consultation with and involvement of the wider community remained a priority focus for the Harbour Trust during the 2016–17. All up, seven Community Advisory Committee (CAC) meetings were held during the year, with two new CAC members appointed at the beginning of 2017.

**ENGAGEMENT PROJECTS**

The Harbour Trust’s Marketing, Communications & Visitor Experience team continued to strive to find smart, cost-efficient and trackable methods of advertising, marketing and promotions to support site visits in 2016–17.

During the year, the Harbour Trust improved visitor counting and data collection methods at North Head Sanctuary. New counters were also installed, for the first time, at Headland Park. In addition to visitor information gathering systems already in place for Cockatoo Island, this means the Trust now has access to accurate 2016–17 figures for all three sites, which can be compared with visitor numbers for the upcoming 2017–18 period and future years.

advertising approach was complemented by a brochure distribution process which enabled visitors to pick up Harbour Trust-focused promotional collateral at those same CBD Tourist Information Kiosks.

The Harbour Trust also held a number of significant events across our sites during 2016–17 that attracted visitors and increased awareness of those sites. Specially-created events targeted both Sydneysiders and tourists and included: Cockatoo Island’s New Year’s Eve event which saw attendance figure for people staying on the island increase by 27 per cent up to 3,587 people and generated an income of \$366,944; Cockatoo Island’s education program, which saw more than 5,000 school children visit the island; and, regular guided tours across all our sites that were attended by over 11,000 visitors.

The year also featured the continued development and fostering of collaborative partnerships with a range of other organisations specifically to assist in increased visitor numbers and public awareness, and to further extend the reach of the stories of the Harbour Trust sites. This partnership approach remains a cost-efficient way to work with organisations who have specialised expertise, and who can also help to optimise promotional benefits through their established, individual, strong marketing channels.

The Trust also launched new social media channels in 2016–17 to promote the organisation and its parklands on Facebook, Instagram and Twitter.



This enhanced visitor data collection capability will allow research to be undertaken at these sites for the 2017–18 reporting period and beyond. The information they gather will allow the Harbour Trust to more accurately understand visitor trends and will inform future marketing campaigns by: building a profile of our visitors; understanding why and what prompts them to visit; asking if they would recommend visiting the location to others; gauging the likelihood of return visits; and, critically, identifying marketing, communications and other strategies required to increase visits to, and advocacy of, these sites.

2016–17 saw the implementation of a focus on advertising the Harbour Trust’s priority sites through key tourism publications, which are available to visitors through CBD Tourist Information Kiosks. This



Significant projects, events and partnerships in 2016–17 are listed below:

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

Headland Park Total Visitors 2016–17 = 931, 000

- A new *Sculpture by the Sea* sculpture was installed at Headland Park: *Dam* by local sculptor Anne Ferguson, November 2016
- ANZAC Day Ceremony, April 2017
- New entry signage for Headland Park precincts, April 2017
- *Tokkatai* Exhibition, partnership with Mosman Gallery, May–June 2017
- New tenant directory signage for Headland Park entry points, June 2017
- Ongoing weekly Tunnel Tours, led by Harbour Trust volunteers.

TOP: ANZAC Day Dawn Service 2017, Headland Park.  
CENTRE: Sculpture by the Sea sculpture “Dam” by Anne Ferguson.  
BOTTOM: Bacino Kiosk Chowder Bay, Headland Park.

Open House Day, Cockatoo Island. Credit: Geoff Magee.



**Cockatoo Island**

Cockatoo Island Total Visitors 2016–17 = 237,083

- 3,587 stayed overnight on Cockatoo Island as part of the New Year’s Eve accommodation experience, 30/31 December 2016. This was an increase in visitors of 27% on the 2015 event.
- *Ghosts of Biloele* Smartphone App, partnership with Creative Non-Fiction, September 2016
- Convict Footprints, interactive tour, November 2016 and February 2017
- Girl Guides NSW ‘The Great Guide Sleepover’, August 2016
- Australian National Maritime Museum Family Fun Day, October 2016
- Tex Perkins Concert, October 2016
- *Australian Ninja Warrior*, November 2016
- Rabobank Conference, November 2016
- *Diner En Blanc*, November 2016
- Kangaroo Tent City partnership accommodation promotion, prior to NYE 2016
- Contribution of historic dockyard doors to the Vernon Ah Kee exhibition, in partnership with Sydney Festival and the National Art School, January 2017
- Hillsong Powerhouse Summerfest, Cockatoo Island, January 2017
- Accommodation Open House Day, March 2017
- Reparation Exhibition, Kathryn Jeanes, April 2017
- University of Technology Design Camp, April 2017



- Vacation Care program during school holiday periods.
- Summer and school holiday drop-in weekend tours
- Ongoing Curriculum-based education tours
- Ongoing Haunted History — family-friendly tour.

TOP: *Dinner En Blanc*, Cockatoo Island. CENTRE: Aerial view of Cockatoo Island. Credit: Mark Merton. BOTTOM: Family Fun Day, Cockatoo Island.

**Platypus, North Sydney**

Platypus was not officially open to the public in 2016–17.

- Platypus Planning ‘Drop-in-Session’, September 2016
- Three Platypus Community Advisory Committee Meetings.



**North Head Sanctuary, Manly**

North Head Sanctuary Total Visitors 2016–17 = 390,543

- Sydney Trapeze School — School Holiday workshops, Summer and Easter 2017
- *Warringah Remembers* Commemorative Service, North Head — May 2017.
- Pollie Pedal Bike Ride, partnering with the office of the Hon. Tony Abbott MP to host the finish line event, North Head — May 2017
- Rotary Club of Manly Fun Run — May 2017.
- Ongoing weekly Tunnel Tour and monthly 3rd Quarantine Cemetery Tour



**Additional Activities — Various Sites**

- History Week 2016 — Tours were scheduled at Cockatoo Island, North Head Sanctuary and Headland Park.
- National Trust Heritage Festival 2017 — The Harbour Trust’s tours at Cockatoo Island, North Head Sanctuary, Headland Park and Macquarie Lightstation were included in the festival.
- Seniors Week 2017 — Tours were held at Cockatoo Island, North Head Sanctuary and Headland Park.

**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, and media advertising agencies.

During 2016–17, the Harbour Trust made no payments to advertising agencies or media advertising agencies that were over the reportable threshold for these services, and did not use polling organisations or undertake direct mail campaigns. One payment was made to a market research organisation during the year.

Organisation	Purpose	Expenditure (including GST)
AMR Interactive Pty Ltd	Visitor Research on Cockatoo Island	\$27,025
<b>Total</b>		<b>\$27,025</b>

**COMMUNICATIONS**

The Harbour Trust continued to secure strong and positive media coverage of its various sites and organisational activities during 2016–17.

At North Head Sanctuary, the reintroduction of the Brown Antechinus, a native species of marsupial mouse, received media coverage on ABC TV and within the Manly Daily. The filming at the Artillery School was covered in local and metropolitan press, and the North Fort Tours received coverage on television series Sydney Weekender.

The *Tokkatai* exhibition, in the T5 Camouflage Fuel Tank

TOP: Visitor filling out survey, Platypus Planning Open Day, May 2016. Credit: Geoff Magee. BOTTOM: Sydney Trapeze School, North Head Sanctuary.

at Headland Park, commemorated the 75th anniversary of 'The Battle of Sydney Harbour' with a multimedia exhibition, and artist talks, situated in the former Naval Fuel Tank. The exhibition received extensive media coverage across local and metropolitan media, as well as within art-based publications, providing extensive exposure for the exhibition space.

As well, Cockatoo Island continued to be profiled as a tourist destination in 2016–17, receiving solid, positive media coverage. As part of this push, the Trust hosted an ongoing Visiting Journalist Program and an Open House accommodation event in February. These two programs combined resulted in local, national and international media coverage which promoted the accommodation offering of the island. It included media stories in *Australian Traveller*, *The Australian Financial Review*, *The Daily Telegraph*, *Woman's Day* and on Channel Seven's *Sydney Weekender*.

**COMMUNITY ENGAGEMENT**

The Harbour Trust aims to work with all of the various communities who are connected to our sites, and gather their input to inform our decisions. To this end, the Harbour Trust works with local communities, special interest groups and visitors when planning and developing major projects or programs across its sites.

The Harbour Trust continued to consult with local communities and liaise with key stakeholders on the planning and rehabilitation of all its sites during 2016–17.

Community consultation ranged from formal Community Advisory Committee (CAC) meetings, to workshops, open days, presentations, discussions, public exhibition of plans and newsletters. The CAC continued to meet as required, either as an entire group for presentations, or as a site-based group for workshops to discuss concepts, plans and projects. Members provided valuable local knowledge of sites and ensured ideas being proposed were viable and met community needs.

The Harbour Trust now has two Community Advisory Committees; the general Harbour Trust CAC and Platypus-specific CAC. Each group generally meets four times each year. A full list of the Harbour Trust's CAC members is included in Appendix 2.

In 2016–17, the Harbour Trust invited the public to comment on the *Draft Platypus Management Plan*, the

*Middle Head Management Plan — Draft Amendment 2*, and the proposed wharf upgrade at Cockatoo Island.

The Community Advisory Committee was also consulted in relation to each of these matters. For each Plan's public exhibition, notices were placed in local newspapers, stakeholders directly notified and exhibition material was made available at local venues and on the Harbour Trust's website. Submissions were carefully considered in the Harbour Trust's assessment and approval of each plan, and proposals were modified where

appropriate to address issues raised in submissions.

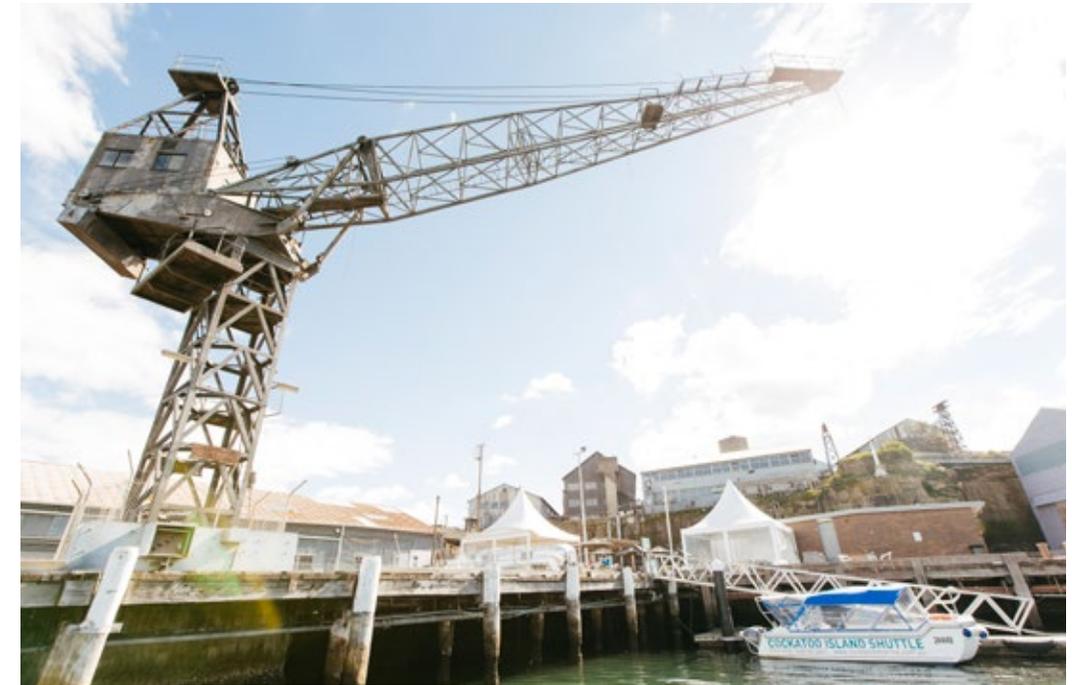
The *Draft Platypus Management Plan* was exhibited from 12 August – 23 September 2016, and included a public drop-in information session on-site on 8 September 2016. At the end of the consultation period, 71 community submissions had been received in relation to this Draft Plan.

The *Draft Middle Head Management Plan* was, for the first time, concurrently exhibited with NSW National Parks and Wildlife Service's (NPWS) Draft Master Plan for Middle Head, from 3 November – 16 December 2016. A drop-in information session was held on 17 November 2016. The Harbour Trust received 53 submissions in relation to this Draft Plan. NPWS forwarded a further 12 submissions to the Trust which directly referenced issues in the Harbour Trust's Draft Plan, while the Harbour Trust forwarded 20 submissions on to the NPWS that related to NPWS's Draft Master Plan.

The proposed wharf upgrade at Cockatoo Island was also exhibited from 23 November – 21 December 2016 resulting in 10 submissions being received by the Trust.

Additionally, the Harbour Trust held 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.

**HARBOUR TRUST WORKS WITH LOCAL COMMUNITIES, SPECIAL INTEREST GROUPS AND VISITORS**



**VOLUNTEERS**

Harbour Trust's dedicated volunteers help bring our extraordinary sites to life adding to the organisation's expertise, capabilities and limited workforce.

Our skilled volunteers help the Harbour Trust in a number of areas, including visitor services, heritage restoration, gardening, events, photography and a range of administration roles. The work of our volunteers continues to be a highly valued asset for the organisation.

In 2016–17 volunteers contributed 29,000 hours to the Harbour Trust.

Over the year, 23 new volunteers joined the program, taking on various roles, including restoration, gardening and guiding.

A new volunteer role, Volunteer Administration Assistant for the Volunteer Restoration team, was created. This role supports the team's administrative needs allowing the team and supervisor more productive hands-on restoration time.

An additional volunteer also joined the Harbour Trust's Work Health and Safety committee to represent volunteers and a volunteer joined the North Head

Sanctuary Community Consultation Committee.

Selected volunteers have also been involved in panels discussing the interpretive strategy for both Headland Park and Third Quarantine Cemetery.

A new volunteer-operated program, involving guided tours of the Third Quarantine Cemetery at North Head Sanctuary, commenced in 2016–17. This tour highlights an aspect of the site not previously shared publicly — taking visitors through the stories of people buried at the site. In addition to these Third Quarantine Cemetery tours, guided tours led by volunteers ran at North Head Sanctuary (North Fort) and Headland Park while regular tour days were held at Macquarie Light Station.

Meanwhile, volunteers continued to staff the visitor centres at Cockatoo Island and North Head Sanctuary on a daily basis to assist visitors to our sites. In addition to their regular roles, volunteers assisted on a variety of Harbour Trust events including: the Cockatoo Island Open House; the school holiday 'island's oldest' steam crane demonstrations; the *Reparation: Biloela 1871–1887* art exhibition at Cockatoo Island; and, the Australian National Maritime Museum's Family Fun Day.

Volunteers were also integral to the regular New Year's

Cockatoo Island. Credit: Zakarij Zakczmarek.

Eve event at Cockatoo Island through guiding tours, staffing the visitor centre, demonstrating the steam crane, providing children’s activities and assisting accommodation staff with booked campers.

The Cockatoo Island and North Head Sanctuary expert heritage restoration volunteers continued their ongoing restoration work at both sites and the gardening volunteer teams maintained the gardens at both Cockatoo Island and Headland Park.

Volunteers also played key roles in, and assisted with, various media stories across our sites, including a feature on Channel Seven’s *Sydney Weekender*, and volunteers continued to undertake research for the Marketing and Visitor Experience team and helped Harbour Trust staff with administration tasks.

The Trust Talks program, a series of presentations by various speakers — which is open to Harbour Trust staff, volunteers and the public and is designed to encourage people to visit the Harbour Trust’s sites — continued in 2016–17.

Volunteer speakers presented talks about the Harbour Trust and its sites at 30 venues to a combined audience of 1,500 people. As well, a public call for interest from those who lived or worked on Harbour Trust sites to be interviewed for the Trust’s oral history program created positive interest with two new volunteer interviewees recruited for the task.

To support the work of our volunteers the Trust enabled a number of training programs in 2016–17. These included: tour guiding techniques, customer service skills and cultural awareness training. In addition, regular volunteer information sessions and social occasions, including events during the annual, national Volunteer Week, have been held throughout the year.

### RANGERS

The Harbour Trust’s nine Rangers played a vital role in ensuring the safety and enjoyment of visitors to all our sites, while also helping to protect the sites and the native plants and animals within them, during 2016–17.

Importantly, our rangers 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.

Harbour Trust rangers also assisted with events and site presentations, provided first aid, attended to emergencies when called, and assisted people living with disabilities and the elderly around Harbour Trust sites.



Chowder Bay

# Growth and Enterprise

## UNIQUE & HIGHLY SOUGHT AFTER

### COMMERCIAL LEASING

The Harbour Trust's commercial leasing portfolio provided a significant contribution to the organisation's revenue. Over the last 12 months, this business unit has provided a refreshed and refocused approach to leasing.



Aerial view of North Head Sanctuary. Credit: Mark Merton.

The Harbour Trust offers some of the most unique and highly sought after leasing opportunities in Sydney. Spaces range from island offices and waterfront workshops through to quirky studios and impressive warehouses.

In 2016-17, it enjoyed an increase in commercial rental income of six per cent on the previous year across its 162 tenancies. This was mostly due to the portfolio remaining competitive when compared to the surrounding nearby suburbs of North Sydney, Crows Nest, Chatswood, Mosman, Manly and Neutral Bay, and the fact vacancy rates remained well below market benchmarks.

The Harbour Trust Expressions of Interest and open leasing processes continued to ensure a fair, equitable and robust system. Leasing processes are highly competitive and continued to secure a diverse range of new tenants in 2016-17 — including new childcare providers, as well as Grace - a Story Telling Company (TV and movie script writers), and Curious Grace (a high-end furniture retailer).

### Headland Park

In 2016-17, Headland Park at Mosman remained the dynamic hub of the Harbour Trust's leasing portfolio. The positive nature of the relationship between the Harbour Trust and its tenants and the unique environmental setting of the site, continued to be instrumental in attracting and retaining tenants.



A significant number of tenants have now been with the Harbour Trust for longer than five years, and many have long-term leases. The Trust continues to work closely with all our tenants and, where possible, arranges for new accommodation solutions within Headland Park, or other sites, to meet their changing needs.

During 2016-17, planning for infrastructure works at Chowder Bay — including improvements to public access between the wharf and the site's upper levels, as well as major refurbishments to Building 1 — progressed positively. The Harbour Trust is currently working in cooperation with its tenants to jointly develop and fund these initiatives.

The Harbour Trust also secured an experienced new operator for the Lookout Childcare Centre at Headland Park in 2016-17, following a thorough Expression of Interest process. At the centre of the Harbour Trust's process was the well-being of children, parents and centre staff. This process saw the Trust work closely with the parent community and the interim provider during the transition period.

### Cockatoo Island

Cockatoo Island remained home to a number of commercial businesses including marine, architectural, light industrial, and food and beverage providers in 2016-17.

The Harbour Trust's leasing team will continue to focus on attracting additional tenants to Cockatoo Island whilst also aiming to attract tenants who have the ability to improve visitation.

### North Head Sanctuary, Manly

Marketing activities have supported the site's tenants, many of which have continued to experience growth in their business activities in 2016-17, and the Harbour Trust continued to work with them to accommodate their long-term needs.

During this period the Harbour Trust commenced the Expressions of Interest leasing process for Buildings 44 and 46. At the end of the reporting period, this process was nearing completion.

The site continued to increase its use as a location for short-term TV and film productions.

### RESIDENTIAL LEASING

Residential leasing revenue increased by five per cent in 2016-17.

The Harbour Trust has 53 highly sought after residential properties available for lease, located in and around Sydney Harbour.

All Harbour Trust residential properties remain highly sought-after and there are no current vacancies — except for four houses that were still being refurbished in 2016-17; three being of a significant nature.

### LICENSING AND VENUE HIRE

In 2016-17, short-term commercial licensing, venue hire, partnerships and events drew more than 77,000 visitors to Harbour Trust sites. These activities remained an important way of promoting Harbour Trust sites to a broader audience, including regional, interstate and overseas markets.

In recent years, the Harbour Trust has directed its efforts toward securing a more diverse range of larger, professionally-managed events: the strategic aim with these types of events (and other similar large-scale events) is that they are, or become, major drawcards for attracting local, interstate and international visitors.

This over-arching strategy proved to be a successful approach for Cockatoo Island during this year. Key events in 2016-17 included the Rabobank conference, as well as the pop-up dinner *Diner En Blanc*; the Kangaroo City Partnership accommodation program;

Headland Park office precinct. Credit: Natalie Dang.

and the Tex Perkins concert. On Cockatoo Island, in particular, the Trust continued to maximise the flow-on benefits that arose from being a multi-use location for such large events; continually and directly cross-promoting and linking them back to our camping, accommodation and conference offerings.

Both Cockatoo Island and North Head Sanctuary also remained popular for filming, with television programs such as *A Place to Call Home*, as well as *Australian Ninja Warrior* filming onsite throughout 2016–17. As well, Platypus was used as the outdoor film location for the 2017 edition of *The Biggest Loser*. These high-profile television and film opportunities further assisted the Harbour Trust in driving revenue as well as growing awareness of the organisation and its full range of sites and activities with the wider public.

### ACCOMMODATION

The Harbour Trust’s accommodation business comprises a range of overnight and longer-term accommodation facilities located on Cockatoo Island. These include the Cockatoo Island campground, including campsites, camping packages and glamping, the two Heritage Houses, the Garden Riverview Apartment, the Fire station Studio Apartment and the three Harbour View Apartments. During 2016–17, the island’s campground remained popular with school and family groups.

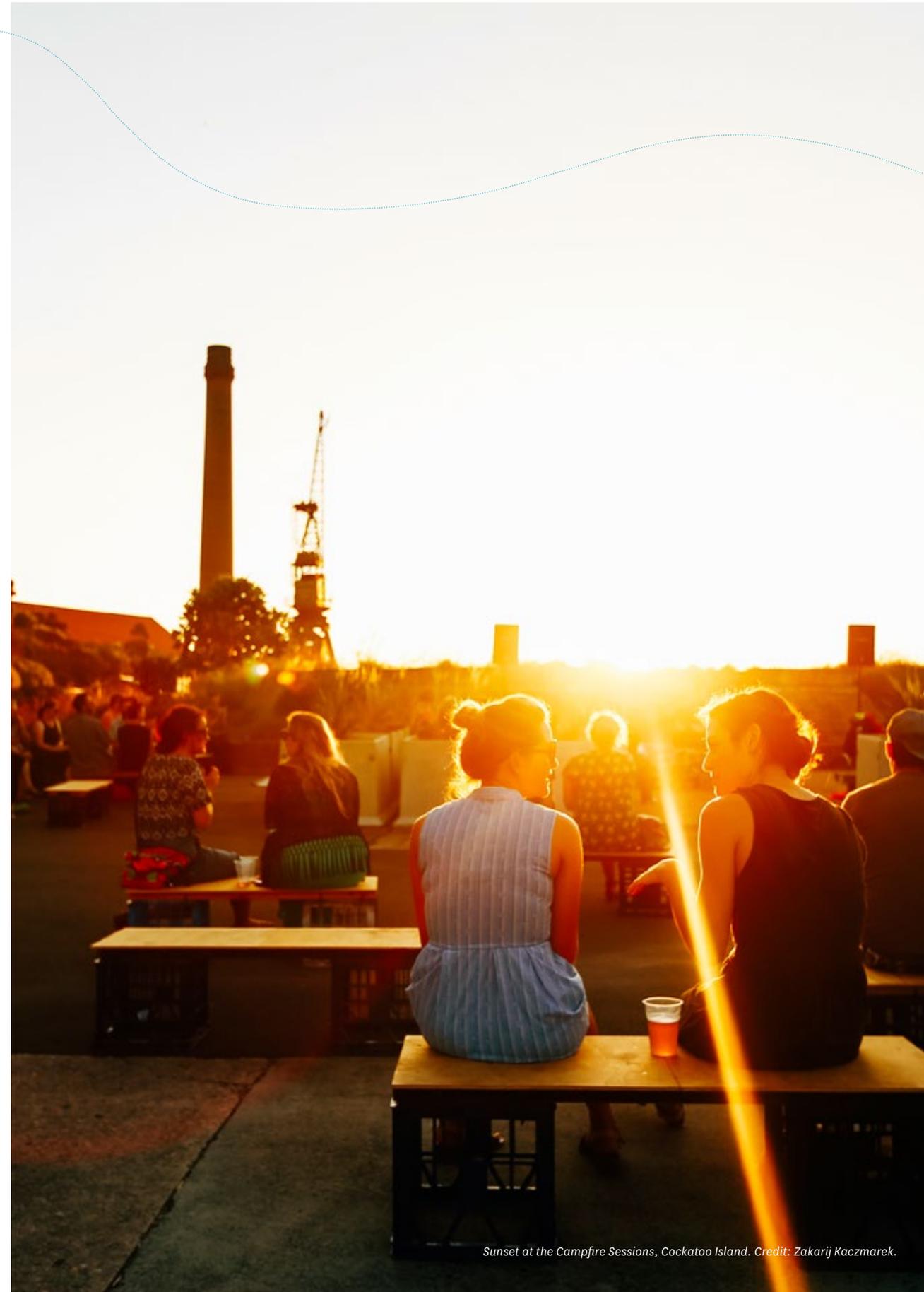
Also in this year, the Japanese Travel Bureau (JTB) undertook its first accommodation booking on Cockatoo Island. JTB is a Japanese government-backed inbound tourist operator and, if leveraged and nurtured appropriately, as planned, this growing relationship will have an ongoing benefit to Cockatoo Island and could lead to a much wider appreciation of the Trust’s sites, generally.

In terms of accommodation bookings in 2016–17, the filming of Channel Nine’s hit series *Australian Ninja Warrior* on Cockatoo Island had a very positive impact on island occupancy rates: turning over 275 tents on a daily basis for 10 days.

The Harbour Trust’s strategy of ‘packaging’ our accommodation offerings alongside events and special themes, such as New Year’s Eve, worked well in 2016–17, by maximizing both revenue and overall visitor experience.

While seasonal factors impact the appeal of Cockatoo

Island’s accommodation portfolio throughout the year, the Harbour Trust is nevertheless investigating opportunities to further establish Cockatoo Island as a year-round, short-stay destination.



Sunset at the Campfire Sessions, Cockatoo Island. Credit: Zakarij Kaczmarek.

TOP: Glamping at Cockatoo Island. Credit: Geoff Magee.  
BOTTOM: Fire Station Studio Interior, Cockatoo Island. Credit: Geoff Magee.

# Innovation and 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 seven meetings of the Harbour Trust in the 2016-17 financial year. Members attended as follows:

Name	Meetings attended
Mr K McCann AM, Chair	7 of the possible 7
Former Mayor J Hay, AM	6 of the possible 6
Mt Garth Callender	2 of the possible 2
Mr J Carrozzi,	5 of the possible 7
Ms J Cashman	5 of the possible 7
Ms S Herman	7 of the possible 7
Ms S Hook	6 of the possible 7

### Portfolio Audit Committee

The Portfolio Audit Committee has been established by the Accountable Authorities of the Department of the Environment and Energy, 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 members are key officers of the Department and Agencies and the Committee is chaired by an independent member.

The 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, but rather 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 Executive Director of the Harbour Trust attended these meetings.

### Community Advisory Committee

See Appendix 2 for a list of both the general and the Platypus Community Advisory Committees.

### Fraud control

The Harbour Trust uses 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 has the following insurances policies with Comcover during 2016-17:

- General Liability
- Professional Indemnity
- Directors & Officers Liability
- Property & Motor Vehicle

The Harbour Trust did not provide any indemnities to directors or officers for liabilities or claims against them in 2016-17.

### PROCUREMENT

The Harbour Trust's guidelines and financial instructions for purchasing goods and services are consistent with the Commonwealth Procurement Rules. During 2016-17 an independent review was undertaken to ensure that the Trust's procurement policy and guidelines are appropriately in accordance with the Commonwealth Procurement Rules.

The Trust's Tender Review Committee considers tenders estimated to be in excess of \$250,000. It reviewed two tenders during the 2016-17 financial year. These tenders were for refurbishment works on a residence in Mosman and architectural services for the Stage 1 Platypus refurbishment project.

### TENDERING AND CONTRACTING

Major construction design and project works at Platypus, as well as the unique heritage nature of the sites, buildings and equipment, require the Trust to contract with a wide variety of highly specialised skills that are not available within our existing staff. The Trust engages specialist consultants for such roles.

The Harbour Trust engaged 49 consultants with a total value of \$1,033,079 (including GST) to provide specialist advice on:

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

## HUMAN RESOURCES

The Harbour Trust strives to be a workforce strengthened by a diversity of knowledge, experience and backgrounds.

Our ambition is to be an innovative, creative and agile organisation that fosters innovation in design and delivery. We have a talented group of passionate and highly skilled staff and on an ongoing basis, we seek to ensure we have the right mix of skills and competencies. To achieve our goals, training and development of our people continued to be a focus in 2016-17.

### Employees

Employees of the Harbour Trust are engaged under section 48 of the *Sydney Harbour Federation Trust Act 2001*, with terms and conditions of employment according to the Harbour Trust's Enterprise Agreement 2016-19.

The organisation's 2016-17 headcount stands at 75 employees, comprising 52 full-time, nine part-time and 14 casual employees.

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual
Executive director	0	1	1	0	0	1	0
Senior executive	3	3	6	0	1	5	0
EL2	6	2	6	2	4	4	0
EL1	8	9	13	4	2	15	0
L6	0	3	2	1	1	2	0
L5	7	3	9	1	2	8	0
L4	5	4	8	1	1	8	0
L3	3	2	5	0	0	5	0
L1-2	4	12	2	0	0	2	14
Trainees	0	0	0	0	0	0	0
<b>Total</b>	<b>36</b>	<b>39</b>	<b>52</b>	<b>9</b>	<b>11</b>	<b>50</b>	<b>14</b>

## INDEPENDENT ASSURANCE

### Learning and Development

The Harbour Trust supported the development of its staff in 2016–17, ensuring staff are well positioned to meet the organisation’s current and future needs.

The Learning and Development Plan for 2016–17 revolved around training employees in:

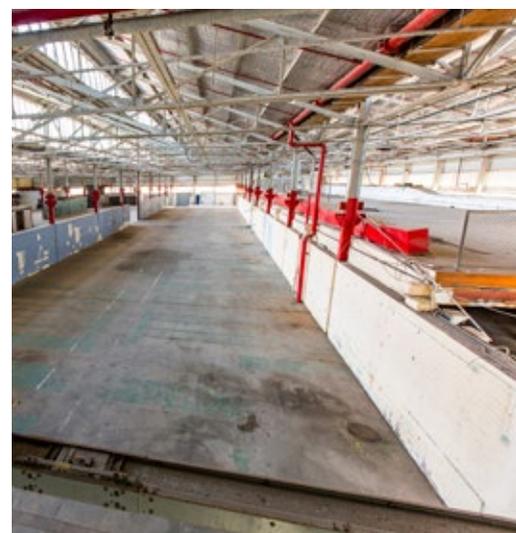
- Cultural awareness
- WHS Harmonisation and Due Diligence
- WHS for Managers and Supervisors
- Critical Incident Management
- Excel software training
- Emergency response and fire warden training
- Rescue and Immediate Care of Wildlife (Rangers)
- Conflict Resolution and Negotiation
- Incident Investigation
- Work Health and Safety (WHS) qualifications and working safely
- Maintaining employees’ qualifications required for their role e.g Senior First Aid, Responsible Service of Alcohol, Boat Licencing
- Maintaining employees’ industry knowledge
- Public Interest Disclosure Legislation

### Public Interest Disclosures

The Sydney Harbour Federation Trust reported to the Commonwealth Ombudsman in June 2017 that it had received one public interest disclosure. This is a requirement of the *Public Interest Disclosure Act 2013*.



LEFT: Societe Overboard Café, Cockatoo Island. RIGHT: Torpedo Factory, Platypus.



### ACCESS AND SAFETY Risk Management

- Risk management is an integral part of all Harbour Trust projects and events and, during 2016–17, the Harbour Trust continued with the development of its risk maturity levels, as evidenced by the most recent Comcover Risk Management Survey.
- Operational risk registers continued to be used to monitor the dynamic nature and profile of the Harbour Trust’s roles and functions. The Harbour Trust also undertook independent reviews of its WHS Management Systems and reviewed its procurement policies’ compliance with the Commonwealth Government Procurement Rules during the year.

### Workplace Health and Safety

The Harbour Trust and all workers recognise their obligations under the *Work Health and Safety Act 2011*, its related regulations and codes of practice. The Harbour Trust’s Workplace Health and Safety Committee is a key part of this system, and continued discussing, consulting and monitoring workplace health and safety throughout 2016–17 across the various Harbour Trust offices and sites.

### WHS statistics

#### WHS statistics 2015–16 and 2016–17 for employees, volunteers and contractors

Hazards, Incidents, Injuries	2015–16	2016–17
Number of incidents and accidents reported	10	16
Number of lost time injuries	0	3

### 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 an established Disability Action Plan and an Indigenous Employment Strategy.

#### 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 living with a disability face no barriers to employment. As such, in 2016–17, the Trust continued to provide reasonable adjustments to its workplaces to enable staff with a disability to be fully productive.

As at 30 June 2017:

- The proportion of employees with disability relative to the whole workforce is 4%
- The organisation has one current vacancy listed with WISE Employment (Disability Employment Services) with the aim of increasing the number 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 is developing its Reconciliation Action Plan (RAP) in the 2017–18 financial year, which will underpin a stronger focus on engagement with Indigenous people and business performance in procurement and employment.

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 Aboriginal and Torres Strait Islanders as employees.

#### Achievements

As at 30 June 2017, the Harbour Trust had a goal of achieving two full-time Indigenous positions on its staff. Due to a resignation within the reporting period, the Harbour Trust currently has no Indigenous employees. However, active steps are being taken to change this position with one current vacancy listed with Indigenous Employment Australia with the aim of increasing the number of Indigenous employees.

### JUDICIAL DECISIONS AND REVIEWS BY OUTSIDE BODIES

There were no judicial decisions or decisions of other administration appeals tribunals that had a significant impact on the operation of the Harbour Trust in 2016–17.

Furthermore, 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. For the purposes of the *Public Governance, Performance and Accountability Act 2013* s19, the Harbour Trust provided a Compliance Report to the Minister and the Finance Minister for the reporting period.

# Annual Performance Statements

## INTRODUCTORY STATEMENT

We, the Sydney Harbour Federation Trust Board, as the accountable authority of the Sydney Harbour Federation Trust, present the 2016–2017 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.

# 5 KEY RESULT AREAS

## 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 2016–2020 to ensure that the organisation is on target to meet its strategic goals.

## CORPORATE PLAN AND KEY PERFORMANCE INDICATORS

The Harbour Trust Board has approved a new Corporate Plan for the period 2017–2021. This has provided the organisation with new Key Performance Indicators. The 2020 indicators in this Performance Statement have been superseded by the indicators in the Sydney Harbour Federation Trust Corporate Plan 2017–2021.

## PERFORMANCE CRITERION

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

## CRITERION SOURCE

2016–2020 Corporate Plan (Strategic Goal 1: Key Result Area — Urban Parklands)

## RESULT AGAINST PERFORMANCE CRITERION

The Harbour Trust's Corporate Plan 2016–2020 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 2016–17, the Harbour Trust set the following targets for this performance criterion:

- Revised Plans drafted and stakeholder consultations undertaken
- ROI has resulted in underperforming assets identified
- Decrease in Workplace Health & Safety incidents

### Results at 30 June 2017

- Revised Plans drafted, stakeholder consultation undertaken and plans subsequently approved for Cockatoo Island and Middle Head. A Management Plan was also drafted for the Platypus site, stakeholder consultation undertaken and plan subsequently approved. Community Advisory Committee and key stakeholder consultation has necessitated 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, licensing and leasing assets. Underperforming assets have been identified.
- There has been an increase in reported WH&S incidents. However, it is believed that this is due to education programs that have provided a greater awareness of WH&S matters.

### 2020 Key Performance Indicators (superseded in the revised Corporate Plan 2017–2021)

**Approved, revised Plans are guiding the Harbour Trust's decision-making** — The plans approved to date suggested that all plans will be reviewed and finalised by 2020.

**Maximisation of return from utilisation of Asset Renewal Reserve** — The ROI and identification of underperforming assets will assist in prioritisation of asset renewals.

**5% decrease in reported Workplace Health & Safety incidents** — Whilst the previous year there was no change in this figure, during the current reporting period, there was a total of 16 staff, contractor and volunteer incidents. These injuries comprised two medical treatment injuries for sprains/strains, three lost time injuries for strains, laceration and spider bite, one near miss and ten first aid injuries. The increase of 60% over the prior year (10 incidents) reflects increased awareness and reporting as a result of further education on WH&S matters.

**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**

2016–2020 Corporate Plan (Strategic Goal 2: Key Result Area — Growth and Enterprise)

**RESULT AGAINST PERFORMANCE CRITERION**

The Harbour Trust's Corporate Plan 2016–2020 has set the following objectives to be achieved for this strategic goal:

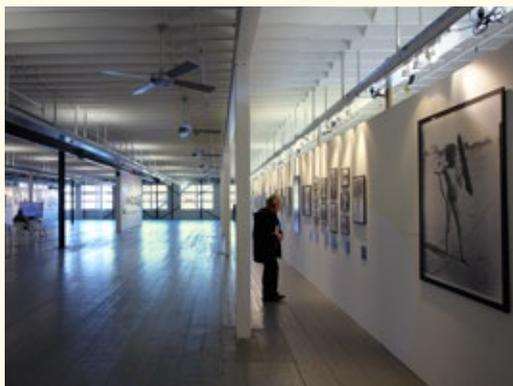
- Develop a long-term funding strategy which provides both operational costs and new capital funding for the organisation, from Government and other diverse sources.
- Put in place a revised Business Development Plan, primarily focusing on increasing revenue from commercial and residential leasing portfolios,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

In 2016–17, the Harbour Trust set the following targets for this performance criterion:

- Government funding sought for capital projects.
- North Head commercial and public use strategy implemented.

**Results at 30 June 2017**

- Approaches for New Policy Proposals were not possible due to requirements for equivalent offsets.
- The North Fort Masterplan was finalised. However the commercial and public use strategy has not yet been implemented — pending finalisation of a revised Corporate Plan.

**2020 Key Performance Indicators (superseded in the revised Corporate Plan 2017–2021)**

**17% increase in total revenue over four years.** At the end of 2017, there were improved revenue outcomes in accommodation, educational tours, residential leasing and venue hire, with small decreases in parking and enforcement.

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

Licensing revenue is significantly above budget statements.

**Leasing vacancies <4%.** For the 2016–17 reporting period, the Harbour Trust's leasing vacancies were less than 2%.

**Accommodation Occupancy Rates to increase 27% with >40% profit margin.** The 2016–17 year has seen occupancy rates remaining stable and a profit margin of 39% also remaining stable.

**PERFORMANCE CRITERION**

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

**CRITERION SOURCE**

2016–2020 Corporate Plan (Strategic Goal 3: Key Result Area — Engagement)

**RESULT AGAINST PERFORMANCE CRITERION**

The Harbour Trust's Corporate Plan 2016–2020 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 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 2016–17, the Harbour Trust set the following targets for this performance criterion:

- A yearly program of public events and experiences for Cockatoo Island and North Head Sanctuary.
- Strategic Marketing Plans in place for accommodation, venue hire and general site visitation.
- Community Liaison activities increased and volunteer program expanded.
- Increased media coverage to coincide with plan revisions and stakeholder consultation.

**Results at 30 June 2017**

- The Harbour Trust produced an annual program of public events and experiences for Cockatoo Island and North Head Sanctuary across the 2016–17 financial year. This included a range of tour programs across both sites, run by Education Guides and Harbour Trust volunteers, with additional tours scheduled to align with key NSW events e.g. Seniors Week and the National Trust Heritage Festival.
- The Harbour Trust also partnered with a range of community groups, commercial clients and cultural partners in order to host innovative events and experiences for the general public to enjoy.
- Strategic marketing plans were developed and executed to support the accommodation business, and to support general public visitation to the sites. Due to the ongoing popularity of the Harbour Trust locations, a strategic marketing plan was not required to support revenue hire. Positive results were achieved in relation to revenue, site visitation, and general site awareness.
- Community liaison activities have been maintained to a high standard, including public open days, Board Meetings in public, ongoing visitor surveys and responsiveness to community queries. Liaison activities were increased around key consultation periods surrounding the development of the Middle Head Management Plan (Amendment 2), and the Platypus Management Plan.
- 23 new volunteers have joined the program over various roles including restoration, gardening and guiding.
- Media outreach and coverage continued to be strong throughout the period for the Harbour Trust. Proactive media outreach and resulting coverage increased during the priority planning periods for the Harbour Trust.



**2020 Key Performance Indicators (superseded in the revised Corporate Plan 2017-2021)**

**Minimum of five cultural or heritage partnerships per annum** — The Harbour Trust held 12 partnership events and activities held across the principal sites in the reporting period. Ongoing partnerships were fostered with the Australian Wildlife Conservancy, The Royal Australian Artillery Historical Company and the North Head Sanctuary Foundation and Nursery. The Harbour Trust continued to work with the Biennale of Sydney in planning the 2018 exhibition on Cockatoo Island.

**Minimum of six large events per annum** — The Harbour Trust held 10 large events during the reporting period.

**Visitation has increased by 2-5%** — The reporting period saw a 13% decrease in visitors to Cockatoo Island, a figure that can be expected due to the Biennale of Sydney taking place in the previous reporting period. During the period the Harbour Trust improved visitor counting methods at North Head Sanctuary and now has a 2016-17 visitor figure to compare to in the 2017-18 reporting period. Visitor counters were installed at Headland Park in the reporting period, therefore allowing the Harbour Trust to report accurately on visitation in the following reporting period.

**Volunteer hours have increased by 5%** — In the 2016-17 financial year, volunteer hours increased by 1.7%. 23 new volunteers joined the program across various roles.

**80% positive response on visitor surveys** — During the period Cockatoo Island was the only site to have a robust visitor survey process underway. A visitor satisfaction rating of 80% and higher was maintained on Cockatoo Island during the reporting period.

**Site interpretations are completed for the majority of Harbour Trust sites** — A number of interpretation projects progressed in the reporting period and will be completed in the 2017-18 financial year. An interpretation strategy was drafted for the Platypus site, to be implemented as the site is progressively opened to the public. Interpretation strategies are in progress for Headland Park (Georges Heights, Middle Head, Chowder Bay), and the Third Quarantine Cemetery at North Head Sanctuary.

LEFT: 2016 Sydney Biennale at Cockatoo Island. Credit: Geoff Magee. TOP RIGHT: Headland Park Artists Open Day 2016. BOTTOM RIGHT: Australia's Memorial Walk, North Head Sanctuary. Credit: Dave Swift.

**PERFORMANCE CRITERION**

Innovation: Achieve operational and business efficiencies

**CRITERION SOURCE**

2016-2020 Corporate Plan (Strategic Goal 4: Key Result Area — Innovation)

**RESULT AGAINST PERFORMANCE CRITERION**

The Harbour Trust's Corporate Plan 2016-2020 has set the following objectives to be achieved for this strategic goal:

- 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 2016-17, the Harbour Trust set the following targets for this performance criterion:

- Customer Relationship Management system utilised for property leasing.
- A strategic people plan has been developed.



**Results at 30 June 2017**

- The new Microsoft Dynamics Financial Management Information system was previously deployed, however a delay in full functionality, in relation to report writing, has led to the delay in the roll out of the CRM system for leasing.
- A strategic people plan has been drafted, with adoption pending implementation of the new Corporate Plan 2017-2021.

**2020 Key Performance Indicators (superseded in the revised Corporate Plan 2017-2021)**

**Integrated Enterprise Resource Planning system is in place** — It is anticipated that 2017-18 will see the implementation of the new CRM system for leasing, as well as partial roll out of elements of an Asset Management system.

**Regretted Staff Turnover is <5%** — During 2016-17 regretted staff turnover was 13%.

LEFT: Platypus Planning Open Day, May 2016. Credit: Geoff Magee. RIGHT: ASOPA office precinct Headland Park.

**PERFORMANCE CRITERION**

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

**CRITERION SOURCE**

2016–2020 Corporate Plan (Strategic Goal 5: Key Result Area — Asset Management)

**RESULT AGAINST PERFORMANCE CRITERION**

The Harbour Trust's Corporate Plan 2016–2020 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 2016–17, the Harbour Trust set the following targets for this performance criterion:

- Condition-based asset survey completed for all infrastructure and parkland assets.

**Results at 30 June 2017**

A condition-based asset survey has been completed for all revenue generating assets and assets in use. The balance of this work has been deferred until the Strategic Asset Management Plan has been finalised.

**2020 Key Performance Indicators (superseded in the revised Corporate Plan 2017–2021)**

Capital Projects completed as per programme >75% and on/or under approved budget >75%. During 2016–17 91% of projects were completed as per programme and 100% of projects were completed on budget.

TOP LEFT: Cockatoo Island view to Sydney CBD. TOP RIGHT: Chowder Bay precinct viewed from Chowder Bay Wharf. Credit: Ian Evans.  
BOTTOM LEFT: Georges Head Lookout. BOTTOM RIGHT: Platypus site.

## 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



### 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 through consultation and engagement with stakeholders.
- Documented established communication mechanisms with regulated entities, including feedback from existing complaint mechanisms.

#### Results at 30 June 2017

- Stakeholder meetings held during the 2016–17 reporting period:
  - 7 Community Advisory Committee meetings;
  - 5 Cockatoo Island stakeholder meetings;
  - 5 North Head stakeholder 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/complaints.
- 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 2017

- 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 2017

- 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. 21 liquor permits were issued during the year. Six were for events and 15 were tenant or 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 2017

- 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 2017

- The Harbour Trust has a documented and published Complaints Policy and Procedures with specified timeframes. During 2016–17, 16 complaints were received. 100% were acknowledged within the required timeframe and 88% (14) of complaints were resolved within the required time frame. Delays for two matters were due to Christmas shutdown and time required to investigate a matter.
- 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 the Harbour Trust's Complaints Handling Procedures. There are planned, regular inspections for child care services.

### 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 2017

- 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 twice during 2016–17.
- Summary of the Notes from the Community Advisory Committee meetings held during the reporting period were published on the Harbour Trust's website.

# Independent Auditor's Report

## TO THE MINISTER FOR THE ENVIRONMENT AND ENERGY

### Opinion

In my opinion, the financial statements of the Sydney Harbour Federation Trust and its consolidated entities for the year ended 30 June 2017:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 its consolidated entities as at 30 June 2017 and its financial performance and cash flows for the year then ended.

The financial statements of the Sydney Harbour Federation Trust and its consolidated entities, which I have audited, comprise the following statements as at 30 June 2017 and for the year then ended:

- 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; and
- Notes to the financial statements comprising a summary of significant accounting policies and other explanatory information.

### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Sydney Harbour Federation Trust in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* to the extent that they are not in conflict with the *Auditor-General Act 1997* (the Code). I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Sydney Harbour Federation Trust the members are 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 – Reduced Disclosure Requirements and the rules made under that Act. The members are also responsible for such internal control as the members determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the members are responsible for assessing the Sydney Harbour Federation Trust and its consolidated entities' ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The members are also responsible for disclosing matters related to going concern as applicable and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.



## Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

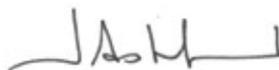
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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 its consolidated entities' internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based

on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on its consolidated entities' ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause its consolidated entities to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within its consolidated entities to express an opinion on the financial report. I am responsible for the direction, supervision and performance of its consolidated entities audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### Australian National Audit Office



**Jocelyn Ashford**  
Senior Executive Director  
Delegate of the Auditor-General  
Canberra  
19 September 2017

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In our opinion, the attached financial statements for the year ended 30 June 2017 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, AM**  
Chair  
18 September 2017



**Mary Darwell**  
Executive Director  
18 September 2017



**Susan Culverston**  
Deputy Executive Director and Chief Financial Officer  
18 September 2017

## STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
<b>EXPENSES</b>				
Employee benefits	3A	6,851	6,408	6,798
Suppliers	3B	8,832	7,927	8,523
Depreciation and amortisation	3C	2,468	2,399	2,484
Write-down and impairment of assets	3D	486	198	20
<b>Total expenses</b>		<b>18,637</b>	<b>16,932</b>	<b>17,825</b>
<b>LESS:</b>				
<b>OWN-SOURCE INCOME</b>				
<b>Own-source revenue</b>				
Sale of goods and rendering of services	4A	3,743	3,127	3,376
Fees and fines	4B	303	358	330
Interest	4C	1,577	1,193	1,140
Rental income	4D	12,797	12,232	12,937
Other revenue	4E	869	479	96
<b>Total own-source revenue</b>		<b>19,289</b>	<b>17,389</b>	<b>17,879</b>
Gains				
Sale of assets	4F	-	2	-
<b>Total gains</b>		<b>-</b>	<b>2</b>	<b>-</b>
<b>Total own-source income</b>		<b>19,289</b>	<b>17,391</b>	<b>17,879</b>
<b>SURPLUS ON CONTINUING OPERATIONS</b>				
		<b>652</b>	<b>459</b>	<b>54</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Other comprehensive income		-	-	-
<b>Total comprehensive income</b>		<b>652</b>	<b>459</b>	<b>54</b>

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

**Budget variances commentary:**

Write-down and Impairment of Assets — doubtful debt provisioning for tenant receivables and writedown of outstanding and rescinded infringement advices.

Rendering of Services — three major filming licenses occurred during the financial year which were not fully budgeted. One of the licenses also provided overnight audience accommodation on the Trust's campground.

Fees & Fines — less infringement notices issued at our sites due to improved compliance with SHFT's parking rules and notices.

Interest — higher cash reserves held for the full year with the \$20million Platypus funds received in June 2016.

Other Revenue — higher grant revenue recognised in 2016-17 with the major works of the convict workshops and 3rd Quarantine Cemetery occurring during 2016-17.

## STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	2017 \$'000	2016 \$'000	Original Budget \$'000
<b>ASSETS</b>				
<b>Financial Assets</b>				
Cash and cash equivalents	5A	248	1,353	1,273
Investments	5B	56,403	58,061	45,454
Trade and other receivables	5C	632	1,241	842
<b>Total financial assets</b>		<b>57,283</b>	<b>60,655</b>	<b>47,569</b>
<b>Non-Financial Assets</b>				
Land and buildings	6A	275,854	274,618	282,388
Infrastructure, plant and equipment	6B	29,746	29,308	31,550
Heritage and collections	6C	27,759	25,939	26,446
Intangibles	6D	277	281	215
Inventories	6G	124	126	110
Other non-financial assets	6H	231	137	201
<b>Total non-financial assets</b>		<b>333,991</b>	<b>330,409</b>	<b>340,910</b>
<b>Total Assets</b>		<b>391,274</b>	<b>391,064</b>	<b>388,479</b>
<b>LIABILITIES</b>				
<b>Payables</b>				
Suppliers	7A	1,247	1,203	775
Other payables	7B	4,213	4,206	2,964
<b>Total payables</b>		<b>5,460</b>	<b>5,409</b>	<b>3,739</b>
<b>Provisions</b>				
Employee provisions	8A	1,376	1,447	1,903
Other provisions	9	779	1,204	-
<b>Total provisions</b>		<b>2,155</b>	<b>2,651</b>	<b>1,903</b>
<b>Total Liabilities</b>		<b>7,615</b>	<b>8,060</b>	<b>5,642</b>
<b>Net Assets</b>		<b>383,659</b>	<b>383,004</b>	<b>382,837</b>
<b>EQUITY</b>				
Contributed equity		277,735	277,735	277,735
Reserves		98,421	98,617	98,410
Retained surplus		7,503	6,652	6,692
<b>Total Equity</b>		<b>383,659</b>	<b>383,004</b>	<b>382,837</b>

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

**Budget variances commentary:**

Financial Assets and Investments — were higher due to considerable planning and community consultation with respect to Stage 1 Platypus works, which has moved expenditure to 2017-18.

Trade receivables reduced during the year as a result of a large doubtful debt provision for outstanding infringement penalties.

Non Financial Assets & Revaluation Reserves — Land, Heritage and infrastructure Plant & Equipment categories varied to budget mainly as a result of the movement in major Stage 1 construction works at Platypus to 2017-18.

Suppliers — higher expenditure in the maintenance program and construction works 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 final audit sign-off date extended while investigative works were undertaken by Department of Defence for treatment of submerged power cables.



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### OVERVIEW

## 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 Corporate Entity.

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.

Section 66 of the Sydney Harbour Federation Trust Act 2001 provides for the repeal of the Trust's enabling legislation as soon as practicable after the end of 19 September 2033. 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:

- Finance Reporting Rule 2015 (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations, Reduced Disclosure Requirements 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 14 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 site environmental audits are to be completed within the next month of signing.
- 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.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****1.4 Taxation**

The Trust is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and 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 events that have occurred after the reporting period that would have an effect on the Trust's 2016–17 financial statements other than those that are already reflected in the financial statements.

**FINANCIAL PERFORMANCE****NOTE 3: EXPENSES**

	2017 \$'000	2016 \$'000
<b>Note 3A: Employee benefits</b>		
Wages and salaries	6,023	5,632
Superannuation	673	624
Leave and other entitlements	87	127
Separation and redundancies	46	20
Other employee costs	22	5
<b>Total employee benefits</b>	<b>6,851</b>	<b>6,408</b>

Accounting Policy

Accounting policies for employee related expenses is contained in the People & Relationships section (Note 8)

	2017 \$'000	2016 \$'000
<b>Note 3B: Suppliers</b>		
<b>Goods and services supplied or rendered</b>		
Corporate Overheads	1,142	886
Marketing, Programming & Events	878	643
Management of Environment	1,280	1,463
Site Maintenance & Planning	3,267	2,963
Security	735	714
Accommodation Management	722	562
Property Management	627	498
<b>Total goods and services supplied or rendered</b>	<b>8,651</b>	<b>7,729</b>
Goods supplied	637	564
Services rendered	8,014	7,165
<b>Total goods and services supplied or rendered</b>	<b>8,651</b>	<b>7,729</b>
<b>Other supplier expenses</b>		
Workers compensation premiums	181	198
<b>Total other supplier expenses</b>	<b>181</b>	<b>198</b>
<b>Total supplier expenses</b>	<b>8,832</b>	<b>7,927</b>

The Trust has provided resources free of charge to the Sydney Harbour Conservancy Ltd amounting to \$7,252 (2016: \$7,245), and to the Sydney Harbour Conservancy Fund amounting to \$3,900 (2016: \$3,600) during the year ended 30 June 2017.

**NOTE 3: EXPENSES (CONTINUED)**

	2017 \$'000	2016 \$'000
<b>Note 3C: Depreciation and amortisation</b>		
Depreciation:		
Infrastructure, plant and equipment	1,105	1,056
Buildings	1,316	1,304
<b>Total depreciation</b>	<b>2,421</b>	<b>2,360</b>
Amortisation:		
Intangibles:		
Purchased Computer Software	47	39
<b>Total amortisation</b>	<b>47</b>	<b>39</b>
<b>Total depreciation and amortisation</b>	<b>2,468</b>	<b>2,399</b>
<b>Note 3D: Write-down and impairment of assets</b>		
Asset Write-Downs from		
impairment on financial assets	486	198
impairment on non-financial assets	-	-
<b>Total write-down and impairment of assets</b>	<b>486</b>	<b>198</b>

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

**Accounting Policy****Impairment of Assets**

Financial and non-financial assets are assessed for impairment at the end of each reporting period.

**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.

**NOTE 4: OWN-SOURCE INCOME**

	2017 \$'000	2016 \$'000
<b>Note 4A: Sale of goods and rendering of services</b>		
Provision of goods	47	53
Rendering of services	3,696	3,074
<b>Total sale of goods and rendering of services</b>	<b>3,743</b>	<b>3,127</b>
<b>Note 4B: Fees and fines</b>		
Infringements	303	358
<b>Total fees and fines</b>	<b>303</b>	<b>358</b>
<b>Note 4C: Interest</b>		
Deposits	1,577	1,193
<b>Total interest</b>	<b>1,577</b>	<b>1,193</b>
<b>Note 4D: Rental income</b>		
Property rentals and short-term hire	12,797	12,232
<b>Total rental income</b>	<b>12,797</b>	<b>12,232</b>
<b>Note 4E: Other revenue</b>		
Fees, Sponsorship & Infrastructure contribution	70	72
Grants — Department of The Environment & Energy	799	407
<b>Total other revenue</b>	<b>869</b>	<b>479</b>
<b>Note 4F: Sale of assets</b>		
Infrastructure, plant and equipment		
Proceeds from sale	-	2
<b>Net gain from sale of assets</b>	<b>-</b>	<b>2</b>

**Accounting Policy****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 or 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.

**NOTE 4: OWN-SOURCE INCOME (CONTINUED)**

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. Fees and fines include infringement notices issued under the *Sydney Harbour Federation Trust Act 2001*.

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

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.

A government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that grant will be received. Government grants are rarely gratuitous. The entity earns them through compliance with their conditions and meeting the envisaged obligations.

Government grants shall be recognised in The Statement of Comprehensive Income on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

**Gains****Sale of Assets**

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

**FINANCIAL POSITION****NOTE 5: FINANCIAL ASSETS**

	2017 \$'000	2016 \$'000
<b>Note 5A: Cash and cash equivalents</b>		
Cash at bank	246	1,351
Cash on hand	2	2
<b>Total cash</b>	<b>248</b>	<b>1,353</b>
<b>Note 5B: Investments</b>		
Term Deposits	56,403	58,061
<b>Total Investments</b>	<b>56,403</b>	<b>58,061</b>

Cash at bank and investments include funding quarantined for the decontamination of HMAS Platypus (\$0.779 million), Stage 1 Refurbishment HMAS Platypus (\$19.418 million), reserves from the sale of Markham Close properties held for future capital renewal projects (\$23 million), as well as the Trust's ongoing capital works and capital renewal.

Of the \$56.403 million in term deposits, \$42 million is in short term deposits of 3 month terms or less.

**Accounting Policy**

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.

**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.

	2017 \$'000	2016 \$'000
<b>Note 5C: Trade and other receivables</b>		
<b>Goods and Services</b>		
Goods and services	653	718
<b>Total receivables for goods and services</b>	<b>653</b>	<b>718</b>
<b>Other receivables</b>		
Interest receivable	1	9
Other receivables	517	812
<b>Total other receivables</b>	<b>518</b>	<b>821</b>
<b>Total trade and other receivables (gross)</b>	<b>1,171</b>	<b>1,539</b>
Less impairment allowance account:		
Goods and services	(362)	(151)
Fees and fines	(177)	(147)
	(539)	(298)
<b>Total trade and other receivables (net)</b>	<b>632</b>	<b>1,241</b>

**Accounting Policy****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.

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

	2017 \$'000	2016 \$'000
Trade and other receivables (gross) are aged as follows:		
Not overdue	319	821
Overdue by:		
Less than 30 days	69	394
31 to 60 days	262	12
61 to 90 days	18	70
More than 90 days	503	242
<b>Total trade and other receivables (gross)</b>	<b>1,171</b>	<b>1,539</b>
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	(6)	-
31 to 60 days	(19)	-
61 to 90 days	(11)	(56)
More than 90 days	(503)	(242)
<b>Total Impairment allowance account</b>	<b>(539)</b>	<b>(298)</b>

**Receivables for Goods & Services**

Credit terms are net 30 days (2016: 30 days).

**NOTE 5: FINANCIAL ASSETS (CONTINUED)***Reconciliation of the Impairment allowance account:*

	Goods and services \$'000	Other receivables \$'000	Total \$'000
<b>Movements in relation to 2017</b>			
<b>Opening balance</b>	(151)	(147)	(298)
Increase recognised in net surplus	(211)	(30)	(241)
<b>Closing balance</b>	(362)	(177)	(539)
<b>Movements in relation to 2016</b>			
<b>Opening balance</b>	-	(109)	(109)
Increase recognised in net surplus	(151)	(38)	(189)
<b>Closing balance</b>	(151)	(147)	(298)

**Accounting Policy****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.

**NOTE 6: NON-FINANCIAL ASSETS**

	2017 \$'000	2016 \$'000
<b>Note 6A: Land and buildings</b>		
Freehold land		
· at fair value	197,985	197,268
<b>Total freehold land</b>	197,985	197,268
Buildings on freehold land:		
· at fair value	80,489	78,654
· accumulated depreciation	(2,620)	(1,304)
<b>Total buildings on freehold land</b>	77,869	77,350
<b>Total land and buildings</b>	275,854	274,618
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.		
<b>Note 6B: Infrastructure, plant and equipment</b>		
Infrastructure, plant and equipment:		
· at cost	34,424	32,881
· accumulated depreciation	(4,678)	(3,573)
<b>Total infrastructure, plant and equipment</b>	29,746	29,308
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.		
<b>Note 6C: Heritage and collections</b>		
Heritage assets:		
· at fair value	27,759	25,939
<b>Total heritage assets</b>	27,759	25,939

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.

Jones Lang LaSalle was asked to review open space land sales at 30 June 2016 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.

Management carried out an internal desktop valuation in 2017 for buildings and infrastructure which indicated that there were no material movements in depreciated replacement value of assets.

The Lightkeepers and Deputy Lightkeepers cottages at Macquarie Lightstation have not been included in the valuation of buildings as they are assigned to private individuals on 125 year lease terms.

All revaluations were conducted in accordance with the revaluation policy stated at Note 6E.

**NOTE 6: NON-FINANCIAL ASSETS (CONTINUED)**

	2017 \$'000	2016 \$'000
<b>Note 6D: Intangible assets</b>		
Computer software at cost:		
Purchased – in use	653	610
<b>Total computer software</b>	<b>653</b>	<b>610</b>
Accumulated amortisation	(376)	(329)
<b>Total intangibles</b>	<b>277</b>	<b>281</b>

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 6E: Analysis of infrastructure, plant, equipment and intangibles****TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2016–17)**

	Land \$'000	Buildings on Freehold Land \$'000	Total Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2016</b>							
Gross book value	197,268	78,654	275,922	32,881	25,939	610	335,352
Accumulated depreciation/amortisation	–	(1,304)	(1,304)	(3,573)	–	(329)	(5,206)
<b>Total as at 1 July 2016</b>	<b>197,268</b>	<b>77,350</b>	<b>274,618</b>	<b>29,308</b>	<b>25,939</b>	<b>281</b>	<b>330,146</b>
Additions:							
by purchase	717	1,835	2,552	1,543	1,820	43	5,958
Depreciation/amortisation expense	–	(1,316)	(1,316)	(1,105)	–	(47)	(2,468)
<b>Total as at 30 June 2017</b>	<b>197,985</b>	<b>77,869</b>	<b>275,854</b>	<b>29,746</b>	<b>27,759</b>	<b>277</b>	<b>333,636</b>
<b>Total as at 30 June 2017 represented by:</b>							
Gross book value	197,985	80,489	278,474	34,424	27,759	653	341,310
Accumulated depreciation/amortisation	–	(2,620)	(2,620)	(4,678)	–	(376)	(7,674)
	<b>197,985</b>	<b>77,869</b>	<b>275,854</b>	<b>29,746</b>	<b>27,759</b>	<b>277</b>	<b>333,636</b>

**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 Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
<b>As at 1 July 2015</b>							
Gross book value	196,708	77,997	274,705	31,635	25,447	533	332,320
Accumulated depreciation/amortisation	–	–	–	(2,532)	–	(290)	(2,822)
<b>Total as at 1 July 2015</b>	<b>196,708</b>	<b>77,997</b>	<b>274,705</b>	<b>29,103</b>	<b>25,447</b>	<b>243</b>	<b>329,498</b>
Additions:							
by purchase	560	657	1,217	904	849	77	3,047
Reclassification	–	–	–	357	(357)	–	–
Depreciation/amortisation expense	–	(1,304)	(1,304)	(1,056)	–	(39)	(2,399)
<b>Total as at 30 June 2016</b>	<b>197,268</b>	<b>77,350</b>	<b>274,618</b>	<b>29,308</b>	<b>25,939</b>	<b>281</b>	<b>330,146</b>
<b>Total as at 30 June 2016 represented by:</b>							
Gross book value	197,268	78,654	275,922	32,881	25,939	610	335,352
Accumulated depreciation/amortisation	–	(1,304)	(1,304)	(3,573)	–	(329)	(5,206)
	<b>197,268</b>	<b>77,350</b>	<b>274,618</b>	<b>29,308</b>	<b>25,939</b>	<b>281</b>	<b>330,146</b>

**Accounting Policy****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.

**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 value 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 board resolved that a full independent valuation would be completed every 5 years due to the infrequent market sales of open space lands.

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.

**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 6F).

AASB 13 applies when another accounting standard requires or permits fair value measurements or disclosures about fair value measurements.

**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:

	2017	2016
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

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 2017. 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.

**NOTE 6: NON-FINANCIAL ASSETS (CONTINUED)****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 \$27.759m (2016: \$25.939m)). 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 \$2.468 million from its accumulated results to a general equity reserve account called "Asset Renewal Reserve" (see Statement of Changes in Equity). 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 2017 year, a total of \$2.665 million was spent on major capital renewal works.

**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 (2015-16: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2017.

**Note 6F: Fair Value Measurements****Note 6F: Fair Value Measurements, Valuation Techniques and Inputs Used****Fair value measurements – assets and liabilities in 2017**

	Fair Value Measurements	
	2017 \$'000	2016 \$'000
Non-financial assets		
Land	197,985	197,268
Buildings	77,869	77,350
Infrastructure, plant and equipment	29,746	29,308
Heritage and collections	27,759	25,939
<b>Total non-financial assets</b>	<b>333,359</b>	<b>329,865</b>

	2017 \$'000	2016 \$'000
<b>Note 6G: Inventories</b>		
Finished goods at cost	124	126
<b>Total inventories</b>	<b>124</b>	<b>126</b>

During the 2017 year \$6,492 of inventory held for distribution was recognised as an expense (2016: \$976). Expensing of inventory was higher in 2017 as inventory stock was donated to school libraries as well as inventory adjustment to visitor guide numbers.

**Accounting Policy****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.

	2017 \$'000	2016 \$'000
<b>Note 6H: Other non-financial assets</b>		
Lease incentives	129	111
Prepayments	102	26
<b>Total other non-financial assets</b>	<b>231</b>	<b>137</b>
Other non-financial assets expected to be settled:		
No more than 12 months	147	56
More than 12 months	84	81
<b>Total other non-financial assets</b>	<b>231</b>	<b>137</b>

**NOTE 7: PAYABLES**

	2017 \$'000	2016 \$'000
<b>Note 7A: Suppliers</b>		
Trade creditors	1,105	1,146
Contract retentions	142	57
<b>Total supplier payables</b>	<b>1,247</b>	<b>1,203</b>
Supplier payables expected to be settled:		
No more than 12 months	1,247	1,203
More than 12 months	-	-
<b>Total supplier payables</b>	<b>1,247</b>	<b>1,203</b>
Settlement is usually made within 30 days.		
<b>Note 7B: Other Payables</b>		
Salaries and wages	57	34
Accrued expenses/suppliers	525	195
Bonds and security deposits	1,284	1,104
Grants	-	411
Unearned Revenue	2,347	2,462
<b>Total Other Payables</b>	<b>4,213</b>	<b>4,206</b>
The Trust also holds 47 bank guarantees (2016: 52) as security for tenants on long term leases. The total value of those bank guarantees is \$1.980 million (2016: \$1.973 million).		
Other payables expected to be settled:		
No more than 12 months	2,597	2,507
More than 12 months	1,616	1,699
<b>Total Other Payables</b>	<b>4,213</b>	<b>4,206</b>

**Accounting Policy****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).

**PEOPLE AND RELATIONSHIPS****NOTE 8: PROVISIONS**

	2017 \$'000	2016 \$'000
<b>Note 8A: Employee provisions</b>		
Leave	1,376	1,447
<b>Total employee provisions</b>	<b>1,376</b>	<b>1,447</b>
Employee provisions are expected to be settled in:		
No more than 12 months	539	511
More than 12 months	837	936
<b>Total employee provisions</b>	<b>1,376</b>	<b>1,447</b>

**Accounting Policy****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.

**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'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.

**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.

**NOTE 8: PROVISIONS CONTINUED****Note 8B: Key Management Personnel Remuneration**

	2017 \$	2016 \$
Short-term employee benefits:		
Salary	453,255	415,269
Total short-term employee benefits	453,255	415,269
Post-employment benefits:		
Superannuation	42,859	53,372
Total post-employment benefits	42,859	53,372
Other long-term benefits:		
Annual leave accrued	19,295	21,257
Long-service leave	5,713	6,918
Total other long-term benefits	23,897	27,374
<b>Total key management remuneration expenses</b>	<b>520,011</b>	<b>496,015</b>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly and including any director (whether executive or otherwise) of that entity. The Trust has determined the key management personnel to be the Board members and the Chief Executive. Key management personnel remuneration is reported in the table above.

The total number of key management personnel that are included in the above table is 9 individuals (2016: 11 individuals). The total number includes both board member and key management remuneration.

**OTHER INFORMATION****NOTE 9: OTHER PROVISIONS****Note 9: Other provisions**

	2017 \$'000	2016 \$'000
Provision for remediation – Platypus	779	1,204
<b>Total other provisions</b>	<b>779</b>	<b>1,204</b>
Other provisions are expected to be settled in:		
No more than 12 months	779	1,204
More than 12 months	-	-
<b>Total other provisions</b>	<b>779</b>	<b>1,204</b>
	Provision for remediation \$'000	Total \$'000
<b>Movements in relation to 2017</b>		
<b>As at 1 July 2016</b>	1,204	1,204
Amounts used	(425)	(425)
<b>Total as at 30 June 2017</b>	<b>779</b>	<b>779</b>

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**

	2017 \$'000	2016 \$'000
<b>Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement</b>		
Cash and cash equivalents as per:		
Cash Flow Statement	248	1,353
Statement of Financial Position	248	1,353
<b>Difference</b>	<b>-</b>	<b>-</b>
<b>Reconciliation of net contribution by services to net cash from/(used by) operating activities:</b>		
Net contribution by services	652	459
<b>Adjustments for non-cash items</b>		
Depreciation and amortisation	2,468	2,399
Net write down of non-financial assets	7	-
Gain on disposal of assets	-	(2)
Investment activity	(1,558)	(1,128)
<b>Changes in assets/liabilities</b>		
(Increase) / decrease in trade & other receivables	591	(109)
(Increase) / decrease in inventories	2	(16)
(Increase) / decrease in prepayments	(76)	(11)
Increase / (decrease) in employee provisions & payables	(48)	(148)
Increase / (decrease) in suppliers	374	629
Increase / (decrease) in security deposits	180	74
Increase / (decrease) in prepayments received	(525)	(46)
<b>Net cash from / (used by) operating activities</b>	<b>2,067</b>	<b>2,101</b>

**NOTE 11: FINANCIAL INSTRUMENTS**

	2017 \$'000	2016 \$'000
<b>11A Categories of financial instruments</b>		
<b>Financial Assets</b>		
<b>Held to maturity investments</b>		
Investments	56,403	58,061
<b>Total held to maturity</b>	<b>56,403</b>	<b>58,061</b>
<b>Loans and receivables</b>		
Cash at bank	246	1,351
Cash on hand	2	2
Receivables for goods and services	653	718
Interest receivable	1	9
Other receivables	517	812
<b>Total loans and receivables</b>	<b>1,419</b>	<b>2,892</b>
<b>Total financial assets</b>	<b>57,822</b>	<b>60,953</b>
<b>Financial Liabilities</b>		
<b>Financial liabilities measured at amortised cost</b>		
Trade creditors	1,105	1,146
Contract retentions	142	57
Salaries and wages	57	34
Accrued expenses/suppliers	525	195
Bonds and security deposits	1,284	1,104
<b>Total financial liabilities measured at amortised cost</b>	<b>3,113</b>	<b>2,536</b>
<b>11B Net income and expense from financial assets</b>		
<b>Held to maturity investments</b>		
Interest revenue	1,559	1,128
<b>Net gain held to maturity investments</b>	<b>1,559</b>	<b>1,128</b>
<b>Loans and receivables</b>		
Interest revenue	18	65
<b>Net gain loans and receivables</b>	<b>18</b>	<b>65</b>
<b>Net gain from financial assets</b>	<b>1,577</b>	<b>1,193</b>

**11C Net income and expense from financial liabilities**

There was no net income or expense from financial liabilities for the year ended 30 June 2017 (2016 - Nil).

**11D Fair value of financial instruments**

	Carrying amount 2017 \$'000	Fair value 2017 \$'000	Carrying amount 2016 \$'000	Fair value 2016 \$'000
<b>Financial Assets</b>				
Cash at bank	246	246	1,351	1,351
Cash on hand	2	2	2	2
Investments	56,403	56,403	58,061	58,061
Receivables for goods and services	653	653	718	718
Interest receivable	1	1	9	9
Other receivables	517	517	812	812
<b>Total</b>	<b>57,822</b>	<b>57,822</b>	<b>60,953</b>	<b>60,953</b>
<b>Financial Liabilities</b>				
Trade creditors	1,105	1,105	1,146	1,146
Contract retentions	142	142	57	57
Salaries and wages	57	57	34	34
Accrued expenses/suppliers	525	525	195	195
Bonds and security deposits	1,284	1,284	1,104	1,104
<b>Total</b>	<b>3,113</b>	<b>3,113</b>	<b>2,536</b>	<b>2,536</b>

## MANAGING UNCERTAINTIES

## NOTE 12: CONTINGENCIES

## Note 12: Schedule of Contingencies

There were no contingent assets or liabilities required to be disclosed as at 30 June 2017 (2016 – Nil).

## Accounting Policy

## 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.

## NOTE 13: RELATED PARTY DISCLOSURES

## Note 13: Related party relationships

The Trust is an Australian Government controlled entity. Related parties to this entity are its members, key management personnel including Portfolio Minister and Executive and other Australian Government entities.

Giving consideration to relationships with related entities, and transactions entered into during the reporting period by the entity, it has been determined that there are no related party transactions to be separately disclosed.

## NOTE 14: 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:

	2017 \$	2016 \$
Opening balance at 1 July	2,387	1,137
Revenue:		
• Grants		17,561
• Donations	5,000	1,400
	<b>7,387</b>	<b>20,098</b>
Less expenses:		
• Suppliers	120	150
• Project funding to SHFT		17,561
Closing balance at 30 June	<b>7,267</b>	<b>2,387</b>
Represented by:		
Cash at bank	<b>7,267</b>	<b>2,387</b>
	<b>7,267</b>	<b>2,387</b>



Dusk at Headland Park. Credit: Natalie Dang.

# 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](http://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](http://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 two applications under the Act during the reporting period.

# Appendix 2

## COMMUNITY ADVISORY COMMITTEE MEMBERS

### 2016 Members

**Cockatoo and Snapper Islands**  
Ms Allison O'Sullivan

**HMAS Platypus**  
Mr Paul Forward  
Dr Zena O'Connor

**Headland Park**  
Ms Kate Eccles

**Macquarie Lightstation and Marine Biological Station**  
Robin Derricourt

**North Head**  
Dr Geoffrey Lambert  
Mr Douglas Sewell

**Woolwich**  
Ms Peta Lewis

**Ex-Officio Members**  
The Hon Tony Abbott MP, Member for Warringah  
Cr Peter Abelson, Mayor of Mosman  
Cdr Ian Campbell, Commanding Officer of HMAS Penguin  
Cr Jilly Gibson, Mayor of North Sydney  
Mrs Jean Hay AM, Mayor Manly Council  
Cr Richard Quinn, Mayor of Hunter's Hill  
Cr Toni Zeltzer, Mayor of Woollahra  
Mr Trent Zimmerman MP, Member for North Sydney

**General Members**  
Ms Sarah Dinning  
Ms Colleen Godsell  
Ms Julie Goodsir  
Ms Jill L'Estrange  
Ms Susan Moylan-Coombs  
Ms Adele Rancan  
Mr Bob Smith  
Brigadier Vince Williams

**HMAS Platypus Community Advisory Committee**  
Mr Trent Zimmerman (ex-officio)  
Mayor Jilly Gibson (ex-officio)  
Ms Tammy Dodd  
Mr Paul Forward  
Dr Zena O'Connor  
Mr Neil Schafer  
Captain Chris Skinner  
Mr Ken Williams

### 2017 Members

**Cockatoo and Snapper Islands**  
Ms Liz Foster  
Mr Matthew Rafferty

**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**  
Prof. Roy MacLeod

**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 Ian Campbell, 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 Vince Williams  
Ms Adele Rancan  
Mr Bob Smith  
Ms Susan Moylan-Coombs  
Ms Jill L'Estrange  
Ms Sarah Dinning  
Ms Colleen Godsell

**HMAS Platypus Community Advisory Committee**  
Mr Trent Zimmerman (ex-officio)  
Mayor Jilly Gibson (ex-officio)  
Ms Tammy Dodd  
Mr Paul Forward  
Dr Zena O'Connor  
Mr Neil Schafer  
Captain Chris Skinner  
Mr Ken Williams

# Appendix 3

## MAINTENANCE, HERITAGE CONSERVATION AND ENVIRONMENTAL MANAGEMENT PROJECTS

All sites	<ul style="list-style-type: none"> <li>Grounds maintenance</li> <li>General building maintenance</li> <li>Services maintenance</li> <li>Fire systems maintenance</li> <li>Pest management</li> <li>Site security</li> </ul>
Headland Park	<ul style="list-style-type: none"> <li>Refurbishment and replanting of walking tracks</li> <li>Contract bush regeneration</li> <li>Upgrades to HVAC systems of tenanted buildings</li> <li>Restoration of an historic Naval Gun</li> <li>Refurbishment of an existing residential property in Dominion Crescent</li> <li>Feral animal control</li> <li>Ongoing maintenance of houses</li> <li>Minor internal fitouts by tenants</li> <li>Repairs to the Volunteers' Change Room</li> <li>Mechanical and manual bushfire hazard reduction works</li> <li>External and internal painting of tenanted buildings</li> </ul>
Cockatoo Island	<ul style="list-style-type: none"> <li>Public safety works</li> <li>Conservation of historic machinery and planting of gardens by volunteers</li> <li>Installation of utility services between Cockatoo Island and Elkington Park, Balmain</li> <li>Installation of new fencing to the Fitzroy and Sutherland Docks</li> <li>Conservation works to Building 9 (Free Overseer's Quarters)</li> <li>Repairs to the doors of Building 150 (Turbine Shop)</li> <li>Geotechnical investigation and repairs to the cliff faces and tunnels</li> <li>Ongoing replacement and upgrading of utilities services</li> </ul>
North Head Sanctuary	<ul style="list-style-type: none"> <li>Repairs and maintenance of walking tracks</li> <li>Maintenance to the houses</li> <li>Structural repairs to the Underground Plotting Room</li> <li>Installation of underground services infrastructure along North Fort Road</li> <li>Archaeological research and conservation works to the Third Quarantine Cemetery</li> <li>Repairs to the gates and fence at the Volunteers' area</li> <li>Conservation and reconstruction of historic military equipment by volunteers</li> <li>Propagation and planting of local species by the NHSF</li> <li>Contract bush regeneration</li> <li>Mechanical and manual bushfire hazard reduction works</li> <li>Feral animal control</li> </ul>

Woolwich Dock	<ul style="list-style-type: none"> <li>Contract bush regeneration</li> <li>Weed removal and replanting of the Horse Paddock and Goat Paddock</li> <li>Feral animal control</li> </ul>
Platypus	<ul style="list-style-type: none"> <li>Practical completion of the Platypus Remediation Project including Above-Ground Remediation</li> <li>Landscaping of the site</li> </ul>
Macquarie Lightstation	<ul style="list-style-type: none"> <li>Installation of pre-cast bollards</li> <li>Contract bush regeneration and maintenance</li> <li>Weed removal and replanting</li> </ul>
Former Marine Biological Station	<ul style="list-style-type: none"> <li>Grounds maintenance</li> <li>Weed removal and replanting</li> </ul>
Snapper Island	<ul style="list-style-type: none"> <li>No major works were carried out during the year, although the Department of Finance completed some minor building remediation works</li> </ul>

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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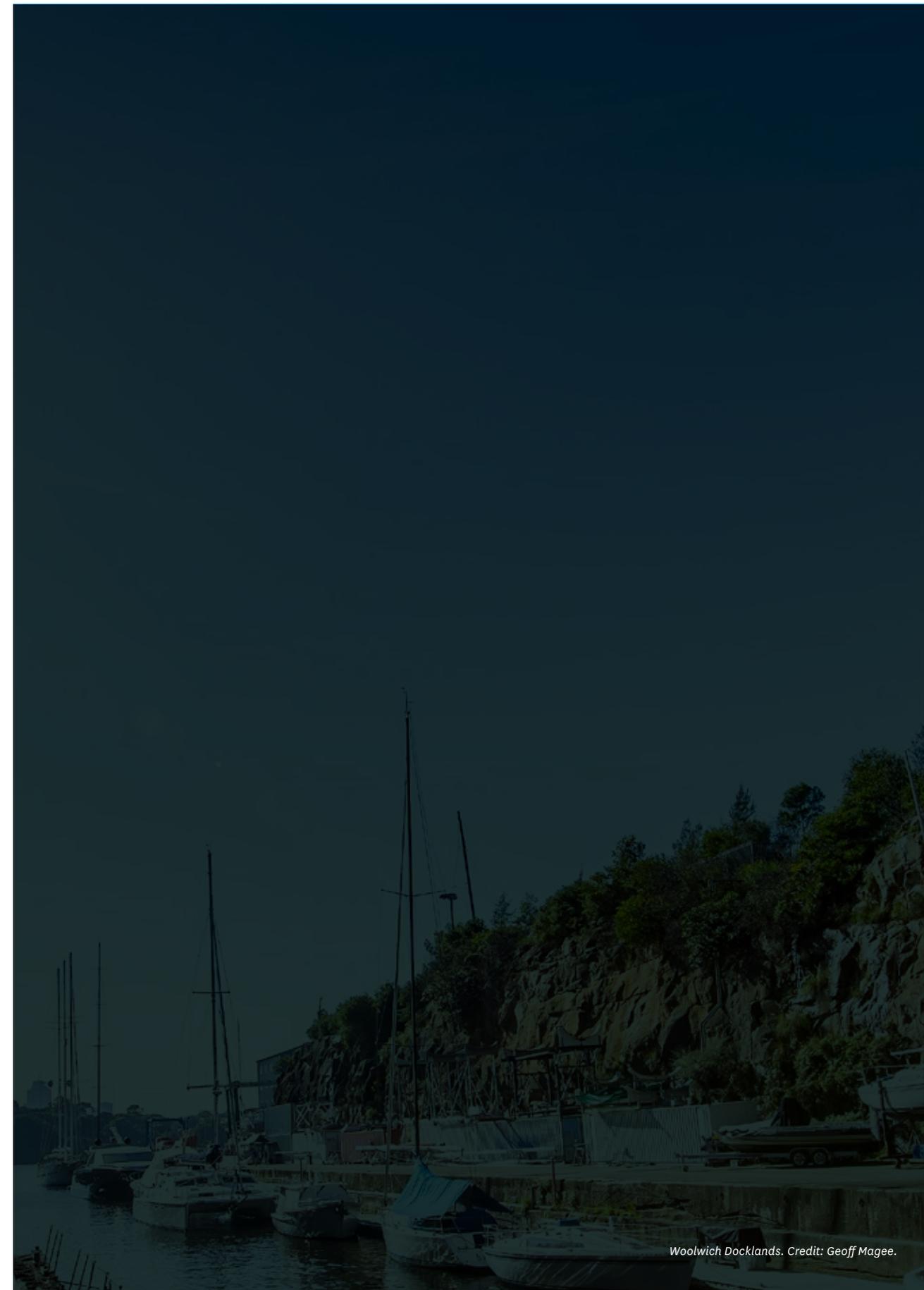
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Woolwich Docklands. Credit: Geoff Magee.



Vision planning and management of Sydney Harbour sites.

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