



ANNUAL REPORT 2017-2018



This work is copyright. Apart from any use as permitted from the Chair to the Minister under the *Copyright Act 1958*, no part may be reproduced by any process without written permission from the Sydney Harbour Federation Trust.



Australian Government
Sydney Harbour Federation Trust

For more information about this report and other Harbour Trust publications, contact:

Engagement Manager
Harbour Trust
PO Box 607
Mosman NSW 2088

TELEPHONE 02 8969 2100
EMAIL info@harbourtrust.gov.au

To discover more about the Harbour Trust sites or to view this report online, visit the website at harbourtrust.gov.au

Cover images

Clockwise from top left: *Law of the Journey*, Ai Wei Wei, 2017, reinforced PVC with aluminium frame, featured at the 21st Biennale of Sydney; North Head Sanctuary; Diramu Aboriginal Dance and Didgeridoo, Smoking Ceremony, Harbour Trust RAP launch; Macquarie Lightstation; New playground, Sub Base Platypus; urban waterfront campground, Cockatoo Island.

Current page: North Head Sanctuary.



LETTER FROM CHAIR TO MINISTER

19 September 2018

The Hon Melissa Price, MP
Minister for the Environment
Parliament House
Canberra ACT 2600

Dear Minister,

I present this report on the operations of the Sydney Harbour Federation Trust for the financial year ending 30 June 2018. It was approved at the Harbour Trust Board Meeting on 18 September.

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

Mr Joseph Carrozzi
Chair

The Harbour Trust acknowledges the lands of
Sydney Harbour, as part of the greater Sydney Basin.

Today, the homelands of the Borogegal, Birrabirragal, Cammeraygal,
Gadigal, Gayamagal, Wallumedegal and Wangal people host Harbour 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 DOCK AND PARKLANDS

Homeland of the Wallumedegal clan

MACQUARIE LIGHTSTATION

Homeland of the Birrabirragal clan

MARINE BIOLOGICAL STATION

Homeland of the Birrabirragal clan

Contents

| | |
|--|-----|
| Chair's Foreword | 6 |
| Executive Director's Summary | 8 |
| Overview | 10 |
| Vision | 10 |
| Objectives | 10 |
| Functions | 10 |
| Legislation and Minister | 11 |
| Organisational structure | 11 |
| Board | 12 |
| Annual snapshot | 16 |
| Sites | 18 |
| Reconciliation | 25 |
| Steward our Parklands | 26 |
| Program of works | 27 |
| Bushland management | 30 |
| Landscape management | 31 |
| Site plans and environmental assessments | 31 |
| Environmental performance | 33 |
| Welcome Everyone | 38 |
| Visitation and engagement | 39 |
| Advertising and market research | 39 |
| External services | 39 |
| Programming and events | 40 |
| Tours and education | 42 |
| Media and publicity | 43 |
| Rangers | 43 |
| Build Partnerships | 44 |
| Stakeholder and community engagement | 45 |
| Volunteers | 45 |
| Local partnerships | 47 |
| A Robust Business | 48 |
| Commercial leasing | 49 |
| Residential leasing | 49 |
| Accommodation | 49 |
| Licensing and venue hire | 50 |
| Corporate governance | 50 |
| Portfolio Audit Committee meeting | 51 |
| Fraud control | 51 |
| Indemnities and insurances | 51 |
| Procurement | 51 |
| Tendering and contracting | 51 |
| Strengthen our Capabilities | 52 |
| Human resources | 53 |
| Equity and diversity | 53 |
| Access and safety | 55 |
| Judicial decisions and reviews by outside bodies | 55 |
| Ministerial directions | 55 |
| Annual Performance Statements | 56 |
| Regulator Performance Framework | 65 |
| Financial Statements | 70 |
| Independent Auditor's Report | 71 |
| Appendix 1 | 95 |
| Freedom of information | 95 |
| Appendix 2 | 96 |
| Community Advisory Committee members | 96 |
| Appendix 3 | 97 |
| Maintenance, heritage conservation and environmental management projects | 97 |
| Compliance | 100 |



CHAIR'S FOREWORD

I am proud to have assumed the role of Chair of the Sydney Harbour Federation Trust.

It is a privilege to take on this role from Kevin McCann AM who was Chair of the Interim Trust (1998-2001) and Chair of the Harbour Trust (2001-2010) and (2016-2018). Mr McCann led the work of the Harbour Trust through key stages of its development, working closely with his colleagues on the board, Harbour Trust management, staff and the broader community.

This year the Harbour Trust continued its work in creating extraordinary places that are inspiring, loved and shared. Our iconic places contribute to Sydney's reputation as a leading visitor destination.

A key achievement this year was the opening of Sub Base Platypus providing public access to the site for the first time in 150 years.

Extensive decontamination and remediation work has been undertaken by the Harbour Trust, and it is wonderful that this important harbour site, and link in Sydney's foreshore walk is finally open to the community. Our work demonstrates yet again the value of the Harbour Trust to the boarder community in bringing back to the public, sites that were locked away.

The next stage of the \$23.8M Sub Base Platypus renewal project will see the creation of further public spaces amongst the restored and renewed fleet workshops. This phase of work will see a significant part, but not all of the Management Plan realised.

The Harbour Trust continued to ensure Headland Park remains as important green breathing space, desirable visitor destination and a positive base for a myriad of enterprise and business.

North Head Sanctuary remains a major priority for the Harbour Trust. Supporting its direction as a sanctuary, the Harbour Trust developed a partnership with Solider On and renewed our partnership with the Australian Wildlife Conservancy.

This year Cockatoo Island was again a major part of the Biennale of Sydney, an internationally renowned contemporary arts exhibition. The 160,000 visitors during this period demonstrates the enormous potential of Cockatoo Island as a central part of Sydney's identity.

In 2018 we welcomed the appointment of North Sydney Councillor Jessica Keen to the Board. She brings extensive background and experience in tourism and marketing as well as close ties to the North Sydney community. Ms Josephine Cashman was reappointed.

The Harbour Trust invested in remediation, land care and restoration work across all our sites. We continued to strive towards becoming a fully operationally self-sufficient business, with the revenue we receive from the adaptive reuse of our sites reinvested in the management and improvement of Harbour Trust sites.

This year the Harbour Trust undertook a significant body of work to review its business model. This work has confirmed that our long-term future requires us to be able to grow the level of sustainable revenue we need to achieve to meet our responsibilities.

I would like to thank my fellow Board members for their work during 2018 and acknowledge again the significant contribution of the former Chair Kevin McCann AM. I thank in particular Deputy Chair Jean Hay for her role in chairing the Harbour Trust Tenant Selection Committee.

I would also like to take this opportunity to acknowledge the support and guidance of the Minister responsible for the Sydney Harbour Federation Trust during the reporting year, the Hon, Josh Frydenberg MP, Minister for the Environment and Energy, for his personal interest and guidance, and I welcome the Hon Melissa Price MP, Minister for the Environment.

Finally, I'd like to thank Harbour Trust management and staff for their continued work in delivering the vision of the Harbour Trust and the dedicated Harbour Trust volunteers and members of the community who continue to support and advocate for the work of the Harbour Trust.

Joseph Carrozzi
Chair

*Ai Wei Wei,
Law of the
Journey, 2017.
Cockatoo
Island,
(reinforced
PVC with
aluminium
frame,
3 x 60 x 6 m).*



EXECUTIVE DIRECTOR'S SUMMARY

It has been a busy and productive year for the Harbour Trust. In 2017-18, we welcomed more than 1.8 million visitors and returned a part of Sydney's harbour foreshore to all Australians with the opening of the first stage of Sub Base Platypus.

Our lands along Sydney's harbour foreshore are unique places. They contain rare and endangered flora and fauna, feature the nation's first defence fortifications and remnants of Australia's colonial past and many carry State, National and World Heritage listings. The lands are at the edge of a wild aquatic habitat and create a connected circuit of harbour and coastal walks. They provide green space, cultural amenity, and recreational activity to a global metropolis of more than 5 million people.

These sites hold Indigenous significance and the Harbour Trust carries a responsibility for reconciliation. In 2017-18, we launched the *Harbour Trust Innovate Reconciliation Action Plan*. A central element of the plan is the establishment of an Indigenous Advisory Reference Group to guide and advise the Harbour Trust. I am looking forward to working closely with this group.

In 2018-19, we completed Stage 1A of the Sub Base Platypus Renewal Project. Works included the over-water pedestrian link from Sub Base Platypus to Kesterton Park, northern stair case access, landscaping of the Northern Park, and the addition of a submariners memorial. The opening is the culmination of almost a decade of work by the Harbour Trust to bring the site back to life, working closely with the local community.

Restoration of convict era buildings on Cockatoo Island was undertaken and work continued across our sites on bushland regeneration and heritage building remediation, conservation and management. 2018-19 will see substantial work on the next phase of Sub Base Platypus, with renewal of the fleet workshops and public domain improvements.

We continued to build our strategies to provide enriching experiences for visitors. Highlights this year included the internationally renowned contemporary art exhibition, the Biennale of Sydney presented at Cockatoo Island, commemoration of the 75th anniversary of the Japanese submarine incursion to Sydney through the exhibition, Tokkotai at the camouflage fuel tanks, the Serving Country exhibition at the Landship Gallery, Headland Park and the joint community open day at North Head.

This year, 250 Harbour Trust volunteers provided 30,000 hours of enthusiastic and vital work across our sites. They welcomed visitors, delivered our growing oral history program, led tours and promoted the Harbour Trust through the talks program. Three major achievements of the volunteers this year were restoration works to two historic steam cranes on Cockatoo Island, restoration works to the engine room in the tunnels at North Head Sanctuary and the creation of playground equipment for Sub Base Platypus. My great thanks to all of our volunteers for their work and enriching us with their experience and knowledge.

The work of the Harbour Trust, as always, is underpinned by community engagement. Our work depends on trust and open dialogue with our local and broader community. My thanks to the insight and advice provided by our Community Advisory Committees and the contributions made by the broader community.

Harbour Trust places are home to a wide variety of successful business. These range from cafes, restaurants, furniture and other retail, medical and fitness services, community service providers and more. This year we have focused on strengthening our relationships with our tenants and this will continue to be a priority in the coming year. In 2017-18, revenue from our commercial leasing portfolio exceeded expectations. Our occupancy rates are high at 99 per cent, exceeding commercial benchmarks.

My thanks to my colleagues at the Harbour Trust who again brought skill, creativity, humour and dedication to achieve an extensive body of work in 2017-18. I also thank the Board for their guidance and advice over 2017-18, my first full year at the Harbour Trust.

Finally, I would like to thank and pay tribute to the former Chair Mr Kevin McCann. Kevin was instrumental in the establishment of the Harbour Trust, with the business and wider community benefiting greatly from his leadership.

Mary Darwell
Executive Director

HARBOUR TRUST OVERVIEW

Vision: To create extraordinary places on the world's best harbour that are inspiring, loved and shared.

Mission: To bring to life our natural and cultural heritage and provide a lasting legacy for all Australians through conservation, remediation and the adaptive reuse of places in our care.

Values: Open, accountable, collaborative, entrepreneurial, creative, act with integrity.

Objectives

- 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

- 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.

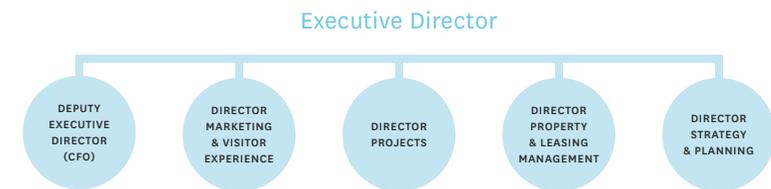
Legislation and Minister

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

In 2017-18, the Hon Josh Frydenberg MP was responsible for the Harbour Trust as the Minister for the Environment and Energy (the Minister).

Organisational structure

The affairs of the Harbour Trust are managed by an executive team under the leadership of Ms Mary Darwell as the Executive Director. In 2017-18, the organisation continued to operate from its head offices at Georges Heights in Mosman, Sydney.



Master Gunners Cottage, Headland Park





BOARD

City view from North Head Sanctuary

The Harbour Trust is governed by a Board of Trustees appointed by the Minister. The Board meets regularly to guide the process of planning and implementing projects for Harbour Trust land. It has seven members including the Chair, two members recommended by the NSW Government, and a representative for Aboriginal and Torres Strait Islander People. All board members are non-executive members.

Board members



Joseph Carrozzi (Chair)

Joseph is a lawyer and financial advisor with more than 25 years' senior leadership experience in the professional services sector.

He is Managing Partner of PwC, Sydney; Australia's largest professional services firm, and has advised numerous private sector businesses and governments on infrastructure, tax and policy matters.

A Board Member with the Harbour Trust since 2016, Joseph also plays an active role in the wider community. He resides as the Chair of the Centenary Institute for Medical Research in Sydney, is the National Chairman of the Italian Chamber of Commerce in Australia, Deputy Chair of the Greater Western Sydney Giants AFL Club, Board Member of Western Sydney University and Board Member of the NSW Institute of Sport.



Jean Hay AM (Deputy Chair)

A lifelong resident of Manly, Jean has spent her career serving the local community, including as an elected Councillor and later as Mayor.

Following three terms as Mayor of Manly (1999-2004, 2008-2012 and 2012-2016), she was appointed Chair of the Implementation Advisory Group for the Northern Beaches Council until August 2017.

Jean is a recipient of the Centenary Medal and the NSW Ministers' Awards for Women in Local Government (Metropolitan Elected Representative). For her service to the community, including through local government and community groups, she was named a Member of the Order of Australia (AM).

Jean has been on the Board of the Harbour Trust since July 2013 and has been Deputy Chair since August 2014.



Garth Callender

Garth is a seasoned leader whose expertise covers complex organisational structures and processes. Most notably, he carved out a distinguished 17 year career with the Australian Defence Force which included commanding soldiers in Iraq and Afghanistan.

Recently, Garth led the NSW Government Veterans Employment Program. Under his leadership, the Program employed over 500 veterans, exceeding their target by 150 per cent. This earned Garth's team the 'Leadership in Recruitment of Veterans' accolade at the 2018 Prime Minister's Veterans' Employment Awards.

Garth holds a Masters of Business Administration and is a published author. Released in 2015, *After the Blast* chronicles his military deployments, including his recovery from wounds inflicted by an insurgent bomb attack in Baghdad in 2004.

Garth is the Managing Director of Trebuchet Pivot, a consultancy firm specialising in preparing corporate leadership teams to make considered and deliberate decisions in adverse conditions. He remains an active member of the Australian Army Reserve and is a leader within the veteran community.



Josephine Cashman

Josephine Cashman is a Warrimay entrepreneur from New South Wales. She is the founder, Executive Director and Managing Director of Big River Consulting Pty Ltd, Big River Impact Investments Pty Ltd and the Big River Impact Foundation Ltd.

Josephine is a lawyer, businesswoman, orator and media commentator with more than two decades of experience working to create rapid business and socio economic growth for Indigenous communities around Australia. She was an inaugural member of the Prime Minister's Indigenous Advisory Council and served as the Chair of its Safe Communities Committee until 2017. In recognition of her notable expertise, Josephine was recently selected as a Friend of the Commonwealth Treasury.

Josephine worked for a decade as a lawyer in Australian courts, and has undertaken consultancy and voluntary roles for a variety of private, public and non-profit organisations. Additionally, she was an invited speaker at a special session of the United Nations Human Rights Council addressing violence against Indigenous women and girls.

Re-appointed 1 July 2018.



ANZAC Day, Headland Park

OVERVIEW



Sally Herman

Sally is an experienced Non-Executive Director for listed and unlisted companies across the financial services, retail, manufacturing and property sectors. Currently, she is a Non-Executive Director on several ASX listed boards, including Suncorp Group Ltd, Premier Investments Ltd and Breville Group Ltd. She is also on the Boards of Evans Dixon Ltd and Investec Property Ltd, and a member of Chief Executive Women.

Prior to becoming a Non-Executive Director, Sally had a long executive career in financial services, both in Australia and the US. This included 16 years with Westpac Group, during which time she ran major business units in numerous operating divisions, notably, the Institutional Bank, Wealth Management (BT Financial) and the Group's Retail and Business Banking division.

Sally is an active member of the community, with a particular interest in education, the arts and social disadvantage.



Sandra Hook

Sandra has a track record in driving customer-centric business transformation and transitioning traditional organisations in rapidly evolving environments. She has extensive operational, digital, financial management and strategic experience built over 25 years as a CEO and in senior executive roles for some of Australia's largest media companies. These include News Limited, Foxtel, Federal Publishing Company, Murdoch Magazines and Fairfax.

Since 2000, Sandra has also served as a non-executive director on listed, public and private companies and government bodies. Sandra is currently director of digital/technology companies RXP Services Ltd, MedAdvisor Ltd and .au Domain Administrator as well as IVE Group Ltd and the Sydney Fish Market. She is a trustee of the Royal Botanic Gardens and Domain Trust.



Jessica Keen

A 20-year veteran of the tourism industry, Jessica holds a Bachelor of Arts in Tourism Management from the University of Technology, Sydney as well as a Diploma in Social Studies from Oxford University.

Her career includes roles in private and public sector tourism organisations, both here and abroad, including Tourism Australia. During her time at the Australian Tourist Commission/Tourism Australia, Jessica worked as Business Tourism Marketing Assistant, Dreamtime Coordinator, Marketing Development Executive (Western Hemisphere) and Project Manager Segment Development – Food and Wine.

Most recently, Jessica worked for Restaurant & Catering Australia, specialising in food and wine tourism. During her 12 years with the industry association, she managed consumer marketing partnerships as well as the Savour Australia brand and the development of the Wine List Awards. Jessica recently joined the Australian Tourism Export Council as National Industry Development & Capability Specialist. In this role, she manages projects focused on wine tourism and the inbound Chinese market. Jessica was elected to North Sydney Council in 2017 and is currently a Councillor for the Victoria Ward.

Appointed 1 July 2018.

Outgoing members



Mr Kevin McCann AM

Kevin McCann is Chairman of Citadel Group Limited, Chairman of the National Library of Australia Foundation and Chairman of Telix Pharmaceuticals Limited. He is a member of the Male Champions of Change and Co-Vice Chair of the New Colombo Plan Reference Group.

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

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.

Term concluded 8 June 2018.

Dave Sharma was appointed 1 July 2018 and subsequently resigned.

*Convict precinct,
Cockatoo Island*



Images on page 16 (Clockwise from top left): Then, Now and Tomorrow Education Tour, Cockatoo Island; aerial view, Cockatoo Island; over-water walkway, Sub Base Platypus; Woolwich Dock and Parklands; Master Gunners Cottage, Headland Park; campground, Cockatoo Island; Powerhouse building, Cockatoo Island; (centre image) lookout, Headland Park.

Image on page 17: Macquarie Lightstation.



NUMBER OF VISITS
1,800,000



HARBOUR TRUST: ANNUAL SNAPSHOT

Statistics taken from July 2017–June 2018

NUMBER OF TENANCIES
165



145.9ha
ICONIC LAND ON
SYDNEY HARBOUR



534,000
VISITORS TO
OUR WEBSITES

74%
ADAPTIVE
REUSE OF ASSETS

7 PUBLIC SPORTS
FACILITIES



89%
OF LAND REHABILITATED
AND OPEN TO THE PUBLIC

\$19M
EARNED ANNUAL REVENUE

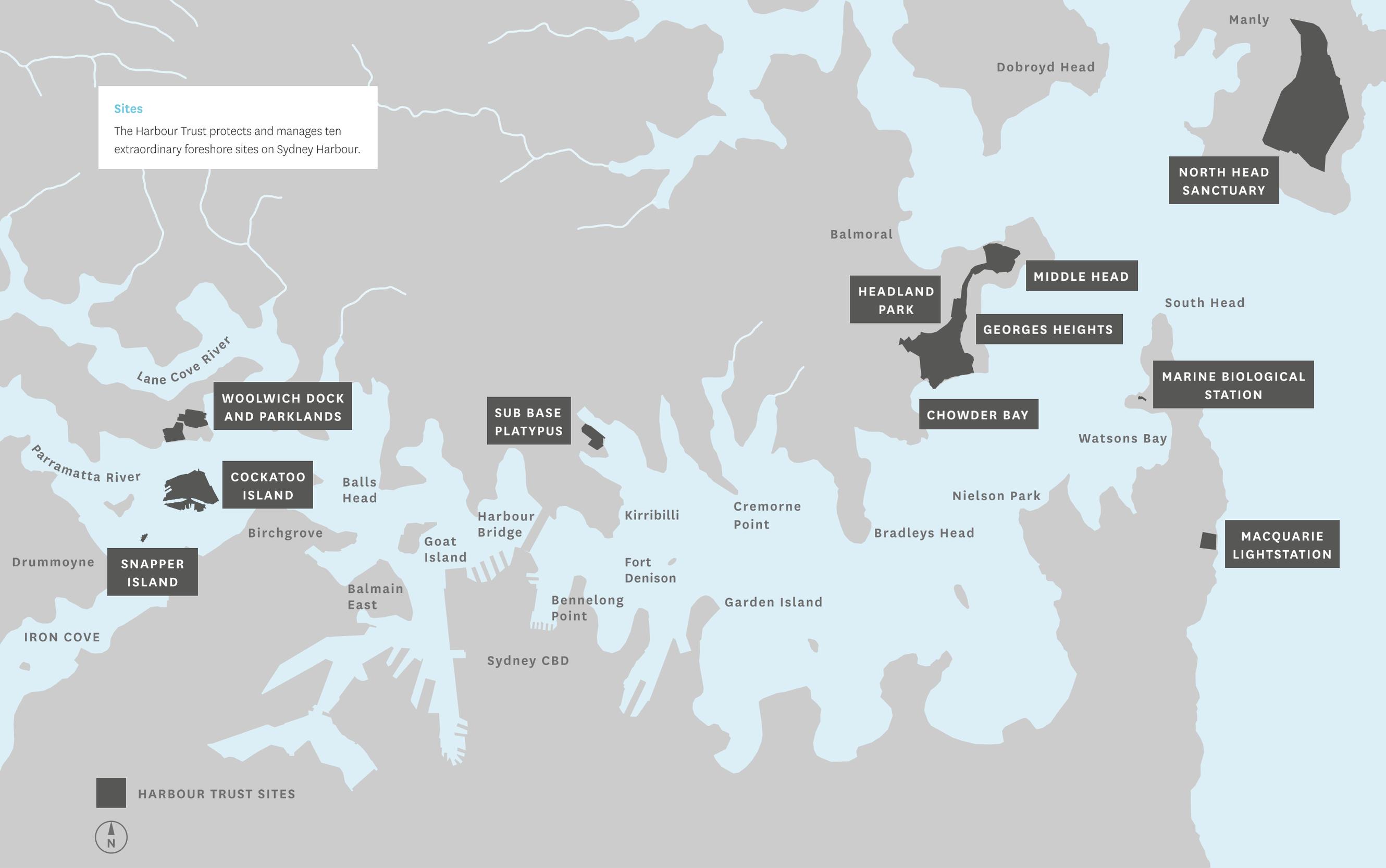
OVER
30,000
VOLUNTEER HOURS



10
SITES IN TOTAL



Sites
 The Harbour Trust protects and manages ten extraordinary foreshore sites on Sydney Harbour.



 HARBOUR TRUST SITES



OVERVIEW

North Head Sanctuary, Manly

Sitting high above Manly on the northern entrance to Sydney Harbour, North Head Sanctuary is a site of enduring significance to its Traditional Owners: the Gayamagal people. In addition to rock engravings and art, this spectacular destination contains campsites and middens.

The Third Quarantine Cemetery at North Head Sanctuary was established in 1881 for victims of a smallpox epidemic. In 2006, the cemetery was added to Australia's National Heritage List as an important example of the nation's evolving quarantine practices.

The site also features one of Sydney's most heavily fortified military sites: North Fort. With its large network of gun emplacements and underground tunnels, the former army base played a major role in the defence of Sydney during World War II.

The buildings at North Head Sanctuary, including 28 houses originally used to accommodate officers at the former School of Artillery, are leased to a range of tenants, including businesses, artists, community groups and residents.

North Head Sanctuary is home to many of Australia's endangered flora and fauna. The preservation of this delicate ecosystem remains a key focus for the Harbour Trust.

Headland Park, Mosman

Headland Park in Mosman comprises three connected destinations: Georges Heights, Middle Head and Chowder Bay.

As the traditional land of the Borogegal people, Headland Park is rich in First Nations history.

Headland Park also contains military relics dating back to the 1870s, including a network

of gun emplacements and underground tunnels, crucial to the defence of Sydney during World War II.

In addition to coastal bushland walks with breathtaking harbour views, Headland Park features numerous heritage buildings, which have been adapted for new uses by local businesses, artists and other tenants.

Sub Base Platypus, North Sydney

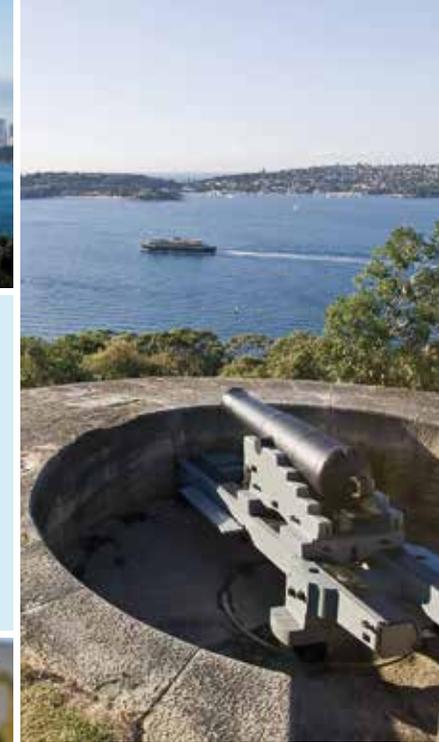
Sub Base Platypus is located in North Sydney, which is Cammeraygal Country. Over the past decade, the Harbour Trust has consulted extensively with the local community to breathe new life into the former torpedo factory, submarine base and gasworks.

Upon the completion of an over-water walkway, BBQ area and pocket playground in May 2018, the site was opened to the public.

These facilities have transformed the site from a once-hidden gem into a waterfront recreation hub where visitors can engage with the site's history.

2019 will be an exciting era for Sub Base Platypus with new areas to open to the public including a public courtyard and plaza. Many of the site's buildings will be leased and adaptively reused, further activating the site.

Images opposite: View from North Head Sanctuary; gun embankment, Georges Heights; play equipment, Sub Base Platypus; staircase access, Sub Base Platypus; over-water link, Sub Base Platypus; view from Headland Park, Discovery Day, North Head Sanctuary.



NORTH HEAD SANCTUARY MANLY

Features a heritage-listed quarantine cemetery, established in 1881.



HEADLAND PARK MOSMAN

As the traditional land of the Borogegal people, Headland Park is rich in First Nations history.



SUB BASE PLATYPUS NORTH SYDNEY

In May 2018, the site was opened to the public for the first time in

150 YEARS.





COCKATOO ISLAND SYDNEY HARBOUR

Inscribed on the UNESCO World Heritage List, together with ten other significant Australian convict sites.



Various images, Cockatoo Island

OVERVIEW

Cockatoo Island, Sydney Harbour

Cockatoo Island in Sydney Harbour connects to the waterways and homelands of the Wallumedegal, Wangal, Cammeraygal and Gadigal people.

In 2010, parts of the former penal establishment, reformatory school and naval ship dockyard was inscribed on the UNESCO World Heritage List, together with ten other significant Australian convict sites.

Also known as Wareamah, meaning ‘women’s land’ in the Dharug language, Cockatoo Island has emerged as an iconic contemporary arts and live performance venue.

In addition to heritage accommodation, Cockatoo Island offers the world’s first urban waterfront campground, with unbeatable views of the Harbour as well as picnic spots, BBQ facilities and cafés.



Macquarie Lighthouse

Macquarie Lightstation, Vaucluse

Located in Birrabirragal Country, Macquarie Lightstation in Vaucluse is Australia’s oldest lighthouse. Designed by convict architect Francis Greenway, the original lighthouse was completed in 1818 and named for Lachlan Macquarie, the then Governor of NSW.

Crumbling foundations led to the construction of a replacement lighthouse, in 1883, designed by James Barnet.



Woolwich Dock and Parklands, Woolwich

Built in 1901 and used for ship repairs during both World Wars, Woolwich Dock is a sandstone dry dock on the Hunters Hill peninsula – the homeland of the Wallumedegal clan. In addition to being a working dock, the site also hosts a restaurant and function centre.

Bordered by public parkland with views of Sydney Harbour, Woolwich Dock is located at the junction of the Parramatta and Lane Cove Rivers. For this reason, the Traditional owners refer to the area as Moocooboola, meaning ‘the meeting of the rivers’.

Marine Biological Station

Marine Biological Station, Watson’s Bay

Located in Birrabirragal country, the former Marine Biological Station at Camp Cove, Watson’s Bay, is notable for being the first laboratory of its kind in the Southern Hemisphere. Like Sydney Hotel and Katoomba’s Carrington Hotel, it was designed by architect John Kirkpatrick.

Built in 1881 for renowned Russian Scientist, Nikolai Nikoleavich de Miklouho-Maclay, the sandstone facility was subsequently acquired by the Australian Army to house officers.

Today, it is managed by the Harbour Trust and leased as a private residence.

Snapper Island, Sydney Harbour

Snapper Island is the smallest island in Sydney Harbour. Deliberately flattened and shaped to resemble the layout of a naval ship, it was used as a nautical training facility during 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.



Woolwich Dock



RECONCILIATION

The Harbour Trust was created to manage extraordinary foreshore sites on Sydney Harbour, arguably the location of first continuous contact between Aboriginal and non-Indigenous Australians. As such, we have a significant responsibility and opportunity to assist in the national process of reconciliation.

The Harbour Trust's vision for reconciliation is for all Australians to recognise and celebrate the cultures and histories of Aboriginal and Torres Strait Islander peoples as well as their continuing connections to the sites under our stewardship.

In support of this vision, we adopted an *Innovate Reconciliation Action Plan (RAP)* in June 2018, endorsed by Reconciliation Australia. It reflects our commitment to deepening relationships with First Nations people across our organisation, from employment and procurement through to the day-to-day management of our sites.

Crucially, our RAP outlines the key initiatives we plan to implement over a two-year period.

Implementation will be overseen, monitored and championed by our internal RAP Working Group in close collaboration with a newly-formed Aboriginal and Torres Strait Islander Advisory Group; that includes Djon Mundine, Roy Mundine OAM, Peter White, Josephine Cashman, Susan Moylan Coombs (pictured below) and Dennis Foley.

Reconciliation events

On Saturday, 2 June 2018, the Harbour Trust hosted *Wareamah* on Cockatoo Island to celebrate Reconciliation Week. Our RAP was formally launched on Friday 29 June 2018 with a special Smoking Ceremony at Headland Park, Mosman. The launch coincided with the opening of our NAIDOC Week 2018 exhibition, *Serving Country*. This month-long photographic exhibition acknowledged the valuable contribution of Aboriginal and Torres Strait Islander service people.

Opposite page:
Serving Country
Exhibition, by
Belinda Mason
Harbour Trust
RAP Launch

Below: Harbour
Trust Aboriginal and
Torres Strait Islander
Advisory Group



STEWARD OUR PARKLANDS



The Harbour Trust continued its ongoing conservation, rehabilitation and maintenance program across our sites. Enhancing safe public access was an ongoing focus of the program.

In total, 16 capital works projects were completed during the reporting period.

Key activities included conservation work on Cockatoo Island's Convict Workshops, the completion of a new pathway at Headland Park, and the introduction of an over-water bridge, BBQ and playground area at Sub Base Platypus. A condition based painting and carpentry program was undertaken across the ASOPA Precinct at Headland Park and Convict Precinct on Cockatoo Island to ensure building maintenance and stabilisation, and a parkland safety audit was also completed across all principal sites.

Additional asset management activities during 2017-18 included bushfire hazard reduction burns at North Head Sanctuary, building and grounds maintenance with a particular focus on Cockatoo Island during the Biennale of Sydney, bush regeneration, and improvements to electrical supplies and potable water.

Significant progress was achieved on the Harbour Trust's 10 Year Strategic Asset Management Plan, with the Plan to be completed in the coming financial year.

Program of works

Sub Base Platypus

In 2017-18, the Harbour Trust continued the rehabilitation, restoration and reimagining of Sub Base Platypus. With the completion of Stage 1A of our \$23.8 million Sub Base Platypus Renewal Project, there was progress towards the vision set out in the site's Management Plan.

Priorities for Stage 1A included the creation of open space, plus internal stripout and remediation works to site buildings to allow for adaptive reuse.

The capital works undertaken for Sub Base Platypus in 2017-18 included:

- Demolition of Building 3 to facilitate the future creation of an 'Arrival Square'
- Construction of a staircase connecting the site to an adjoining car park
- Landscaping of the site's northern area
- Installation of paths, BBQ facilities and shade structures
- Construction of a maritime-themed playground by our Volunteer Restoration Team
- Completion of an over-water walkway connecting the site to Kesterton Park
- Improvements to the car park adjoining the site, including lighting
- Completion of the site's northern wharf deck
- Completion of a memorial to submariners
- Finalisation of the site's long-term environmental plan

North Head Sanctuary



STEWARD OUR PARKLANDS

Headland Park

The capital works undertaken for Headland Park in 2017-18 included:

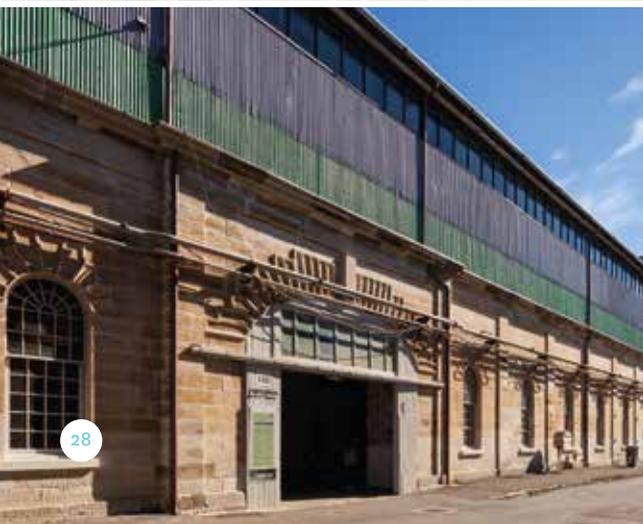
- Completion of a walking track linking the Georges Heights Artists Precinct to Middle Head through bushland
- Reconstruction of the boardwalk between Chowder Bay and Clifton Gardens
- Refurbishment of the residential property at 1103 Middle Head Road
- Works to consolidate office functions in the Harbour Trust's head office
- Ongoing repairs to tenanted buildings, including paintwork
- Refurbishment of building 1, Chowder Bay



Cockatoo Island

The capital works undertaken for Cockatoo Island in 2017-18 included:

- Completion of work to conserve the Convict Workshops
- Restoration of the exteriors to Buildings 2, 3 and 4 (Military Officer's Quarters, Mess Hall and Prisoner's Barracks)
- Reconstruction of the convict-built stone wall to the rear of Building 1 (Military Guardhouse)
- Restoration of two historic cranes by Harbour Trust volunteers



Top: New walking track, Headland Park
 Middle: North Fort Engine Room, North Head Sanctuary
 Bottom: Convict Workshop, Cockatoo Island

North Head Sanctuary

In the 2017-18 period, the Harbour Trust undertook restoration works to numerous buildings at North Head Sanctuary. Although structurally sound, these buildings are vulnerable to deterioration due to the harsh coastal environment.

The works undertaken for North Head Sanctuary in 2017-18 included:

- Installation of a number of replica timber grave markers at the Third Quarantine Cemetery
- Restoration of North Fort's underground engine room by Harbour Trust volunteers
- Completion of paintwork and structural repairs to Buildings 43, 44 and 46
- Refurbishment of the residential property at 19 North Head Scenic Drive

Woolwich Dock and Parklands

The only major project completed in 2017-18 was the installation of life-rings and a safety ladder along the water's edge of Horse Paddock to improve visitor safety.

Macquarie Lightstation

No major works were completed for Macquarie Lightstation in 2017-18.

Former Marine Biological Station

Works completed for the Former Marine Biological Station in 2017-18 included restoration of the stairs that provide pedestrian access to Camp Cove beach.

Snapper Island

No major works were completed for Snapper Island in 2017-18.



North Fort, North Head Sanctuary



Headland Park

STEWARD OUR PARKLANDS

Bushland management

Bushland ecological restoration works continued throughout 2017-18 at Headland Park, North Head Sanctuary and within pockets of remnant bushland and revegetated areas at Woolwich Dock, Macquarie Lightstation and Cockatoo Island.

These works included; extensive control of weeds over an area of 80 hectares, maintenance of more than 10 kilometres 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 mitigation

Bushfire mitigation works were carried out at North Head Sanctuary and Headland Park to reduce the risk of unplanned bushfires impacting on life, property and natural and cultural heritage assets.

Works included a controlled burn of 4.5 hectares of Eastern Suburbs Banksia Scrub, listed as a 'Critically Endangered Ecological Community'. The burn was carried out at North Fort Road, North Head Sanctuary by Fire & Rescue NSW in collaboration with National Parks & Wildlife Service.

The Harbour Trust continued manual and mechanical fuel reduction around buildings and structures at North Head Sanctuary and Headland Park. To further manage bushfire risks at these sites, we worked closely with neighbouring land managers through local Bush Fire Management Committees.

Bush regeneration

In 2017-18, the NSW Office of Environment and Heritage provided grant funding for bush regeneration works and monitoring of *Acacia terminalis*, an endangered species found at North Head and Headland Park. The Office of Environment and Heritage has provided further funding to continue these activities throughout 2018-19.

Wildlife conservation

The Harbour Trust continued to work with neighbouring landholders at North Head Sanctuary and Headland Park including National Parks & Wildlife Service, to manage endangered native species, populations and communities, feral animals (primarily foxes and rabbits), and weeds.

The Australian Wildlife Conservancy (AWC) and North Head Sanctuary Foundation (NHSF) supported the restoration of bushland at North Head Sanctuary. The AWC monitored fauna populations and was instrumental in reintroducing native species. Meanwhile, the NHSF volunteers maintained a nursery, stocked with local provenance species, and assisted in the education of visitors about North Head's unique ecology.

Landscape management

In 2017-18, the Harbour Trust continued its program of landscape improvement and maintenance works.

Of the 5,000 trees, shrubs, grasses and groundcovers planted across our sites, approximately 3,500 were propagated from local native species, while 1,500 were ornamental natives and exotics.

Our volunteer gardeners assisted with pruning, weed control, mulching, watering and planting at the former Australian School of Pacific Administration in Middle Head and around Cockatoo Island's accommodation buildings.

Meanwhile, the North Head Sanctuary Foundation propagated and planted more than 1,300 native plants at North Head Sanctuary. They also assisted with environmental education activities throughout the reporting year.

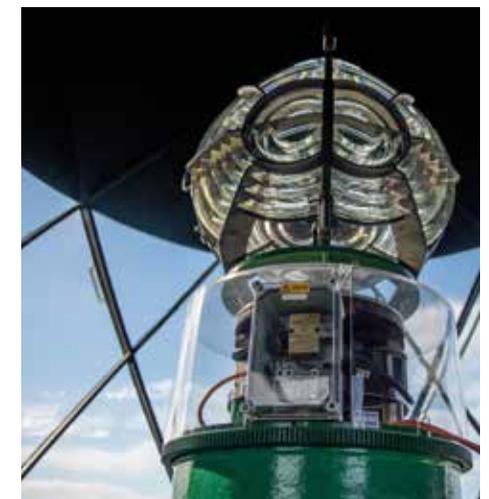
Site plans and environmental assessments

Management Plans

The Harbour Trust has a suite of detailed Management Plans, which govern the use of each site under our stewardship. These site-specific documents are regularly reviewed to ensure they reflect current site conditions and legislative requirements.

Background studies

In 2017-18, specialist heritage consultants were engaged by the Harbour Trust to inform the preparation of the draft Macquarie Lightstation Management Plan and the design of a potential passenger lift at Chowder Bay. Specialised noise consultants were also engaged to prepare an updated Noise Management Plan for Cockatoo Island.



Lantern Room, Macquarie Lightstation

STEWARD OUR PARKLANDS

Ecologically sustainable development

The Harbour Trust's approach to site management is guided by the principles of ecologically sustainable development (ESD). This responds to the *Sydney Harbour Federation Trust Act*, which requires the Harbour Trust to protect environmental values and prepare a plan that accords with the principles of ESD.

The assessment of proposed activities not only identifies potential environmental impacts but ensures there are documented steps to avoid or mitigate impacts.

In 2017-18, the Harbour Trust completed environmental assessments for ten proposed activities, including:

- Construction of Stage 1A of the Sub Base Platypus Renewal Project and the site's over-water walkway
- Filming of Nine Network's *Australian Ninja Warrior* at Cockatoo Island
- Installation of telecommunications infrastructure for the National Broadband Network at Headland Park
- Refurbishment of Building 1, Chowder Bay for temporary student accommodation
- Construction and operation of a temporary accommodation and food and beverage venue on Cockatoo Island.

Actions approved by the Harbour Trust are subject to conditions to avoid or minimise potential impacts.

Community consultation

In 2017-18, the Harbour Trust consulted with key stakeholders, including local communities, on the planning and rehabilitation of our sites. Consultation included formal Community Advisory Committee (CAC) meetings as well as workshops, drop-in sessions, presentations, discussions, newsletters and public exhibition of proposals for plans. See page 96 for further information on our CAC.

Notably, we undertook community engagement regarding the Sub Base Platypus Renewal Project between 20 July and 17 August 2017. This involved providing notification (by email and/or letters) to 140 stakeholders including neighbours; delivering a newsletter to more than 5,000 local residences; meeting with our CAC and the local Precinct Committee, and holding a drop-in session.

The community feedback was carefully considered and led to some minor changes to improve the project's outcomes.

Environmental performance

Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* requires the Harbour Trust to report on our environmental performance. This includes our contributions to ecologically sustainable development, the environmental impacts of our activities, and the steps being taken to mitigate these impacts.

The Harbour Trust uses the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines for reporting on its environmental performance. The GRI is an international independent organisation that helps organisations measure, 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. Key indicators include energy, fuel and water consumption as well as the generation of waste and greenhouse gases.

| ENVIRONMENTAL PERFORMANCE | | | |
|--|-----------------------------|------------------------------|---------------------|
| GRI indicators | Targets for 2017-18 | Results achieved for 2017-18 | Targets for 2018-19 |
| Energy consumption within the organisation (EN3) | No increase | No increase | 5% reduction |
| Fuel consumption (EN3) | To not exceed 2015-16 Level | 28% less than 2015-16 Level | No increase |
| Greenhouse gases (EN16) | No increase | No increase | No increase |
| Water consumption (EN8) | 5% reduction | 22% reduction | 5% reduction |
| Waste generation (EN23) | No increase | No increase | No increase |

Energy consumption

In 2017-18, the Harbour Trust met its target for energy consumption, which remained unchanged.

Our office space is being downsized in 2018-19, which will help us reach our new target – a five per cent decrease in total energy consumption. Additionally, we will continue to use our office air conditioning sustainably and to encourage staff to be environmentally responsible, including education through our Employee Induction Program.

| TOTAL ENERGY CONSUMPTION | | | | |
|--------------------------|----------------------------|---------|---------|-------------------|
| | Annual average (2007-2018) | 2016-17 | 2017-18 | Annual change (%) |
| Total consumption (MJ) | 606,540 | 515,581 | 514,671 | 0 |

STEWARD OUR PARKLANDS

Office energy consumption



Energy Efficiency in Government Operations Policy

The Harbour Trust is required to comply with the Australian Government's Energy Efficiency in Government Operations Policy (EEGO).

In 2017-18, the Harbour Trust achieved the electricity consumption targets set out in the EEGO (see table below).

| ELECTRICITY CONSUMPTION | | |
|--|--------------------|---------|
| | EEGO policy target | 2017-18 |
| Central services (mega-joules per m2, per annum) | 400 | 180 |
| Office light and power (mega-joules per staff member, per annum) | 7,500 | 5,594 |

Fuel consumption

The Harbour Trust's total fuel consumption in 2017-18 was almost unchanged from the previous reporting period. Repairs to out-of-service boats saw boat usage increase, however, this was offset by a reduction in vehicle use (see table on opposite page).

Ultimately, we achieved our target of not exceeding the total fuel consumed in 2015-16. Our target for 2018-19 is to not exceed the total fuel consumed in 2017-18. To this end, we will continue to encourage staff to car-pool and boat-pool, wherever possible.

TOTAL VEHICLE FUEL CONSUMPTION

Total vehicle fuel consumption (cars and boats)

| | Fuel consumption | 2016-17 (Litres) | 2017-18 (Litres) | Annual change (%) |
|-------------------|------------------|------------------|------------------|-------------------|
| VEHICLES* | Unleaded | 1,995 | 1,874 | -6 |
| | LPG | 0 | 0 | 0 |
| | Diesel | 690 | 397 | -43 |
| | Subtotal | 2,646 | 2,270 | -14 |
| BOATS** | Unleaded | 1,564 | 2,006 | 28 |
| | Diesel | 61 | 0 | -100 |
| | Subtotal | 1,621 | 2,006 | 24 |
| Total fuel | | 4,271 | 4,276 | 0 |

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

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

Fuel consumption



Greenhouse gas emissions

In 2017-18, greenhouse gas emissions generated by the Harbour Trust's energy and fuel consumption decreased marginally. Our photovoltaic arrays at Cockatoo Island and North Head Sanctuary generated slightly more power this year, helping to minimise our carbon footprint, and reducing our Total Net Emissions by 24 per cent compared to the previous year.

STEWARD OUR PARKLANDS

CARBON FOOTPRINT

| | Average (2007-2018) | 2016-17 | 2017-18 | Annual change (%) |
|---|---------------------|-------------|-------------|-------------------|
| Total gross emissions (tonnes of CO ₂ -e) | 202.2 | 168.9 | 168.4 | 0 |
| Less offsets | | | | |
| Greenfleet/Greenpower | 66 | 0 | 0 | 0 |
| Renewable energy/Photovoltaic | 104 | 143.4 | 149 | 4 |
| Less total offsets | 170 | 143.4 | 149 | 4 |
| Total Net Emissions (tonnes of CO₂-e) | 32 | 25.5 | 19.4 | -24 |

Greenhouse gas emissions



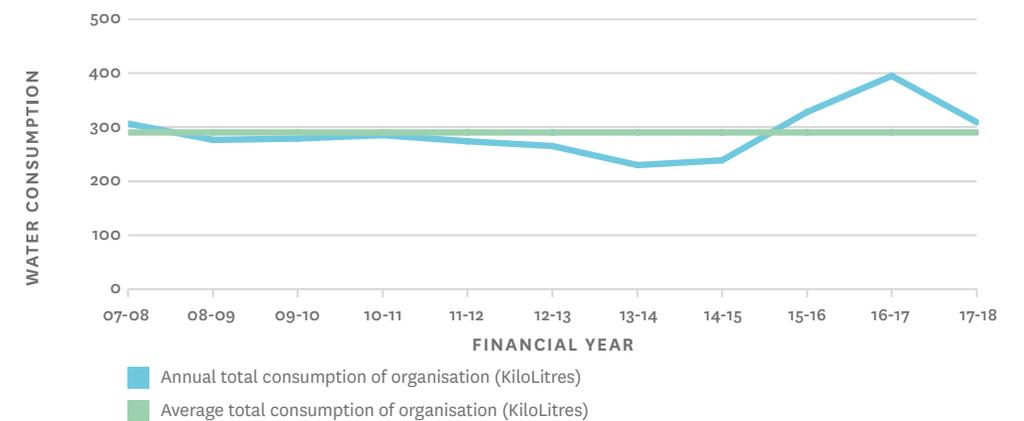
Water consumption

In 2017-18, potable water consumption decreased by 22 per cent from 2016-17. This decrease was due to the reinstatement of the office's rainwater tanks, which were temporarily decommissioned in 2016-17. The ongoing use of rainwater tanks is expected to result in a further five per cent decrease in water consumption in 2018-19.

WATER CONSUMPTION (POTABLE)

| | Annual average (2007-2018) | 2016-17 (Litres) | 2017-18 | Annual change (%) |
|-----------------------------|----------------------------|------------------|---------|-------------------|
| Total office consumption | 290,487 | 395,389 | 309,600 | -22 |
| Daily consumption (average) | 1,210 | 1,582 | 1,243 | -21 |
| Daily average per person | 22 | 24 | 27 | 13 |

Annual and daily water consumption



Waste generation

In 2017-18, the Harbour Trust generated an estimated 4.9 tonnes of waste, on par with previous reporting periods. This figure was based on the number of bins collected by our waste management contractor.

Since we share our bins with our tenants, this estimate does not reflect the true amount of waste exclusively generated by the organisation. To minimise the amount of waste to landfill, the Harbour Trust recycled kitchen waste (through worm farming), paper, containers and soft plastics.

Harbour Trust employees used, on average, 8.75 reams of A4 copy paper each in 2017-18. This is within the target set by the Australian Government's *ICT Sustainability Plan 2010-2015*: a maximum of nine reams per person. Further, the Harbour Trust continued to use paper consisting of 80 per cent recycled content.

The Harbour Trust is aiming for no increase in waste generation in 2018-19.

WELCOME EVERYONE



The extraordinary sites under our stewardship are for all Australians and visitors to enjoy. We seek to share the unique stories of our sites, make our sites easy to access, and promote them as sources of exploration and discovery.

The Harbour Trust demonstrated its commitment to public engagement in 2017-18 through a wide range of community, corporate, government and media activities. The Harbour Trust's principal sites attracted more than 1.8 million visitors and recorded strong visitor satisfaction at 88 per cent.

A range of activities were conducted to achieve this strong visitation, they included; marketing and publicity campaigns, visitor experience projects, partnership events, licensing and venue hire, interpretation of site history through public programs (tours and education) and updated wayfinding and signage strategies.

Notably, the Harbour Trust partially opened Sub Base Platypus to the public in May 2018, which allowed the Harbour Trust to welcome and engage visitors to the new harbour side recreation hub and share the diverse history of Sub Base Platypus.

Visitation and engagement

In 2017-18, the Harbour Trust made improvements to visitation measurement at North Head Sanctuary, Headland Park, Cockatoo Island and Sub Base Platypus. This provided a robust visitor analysis for the year and allowed better understanding of our visitor profile and drivers. This research concluded in June 2018 and will shape the direction of future visitor and marketing strategy.

Advertising and market research

In 2017-18, the marketing strategy involved advertising in key tourism publications and the distribution of Harbour Trust collateral through Tourist Information Kiosks in Sydney CBD. This was supported by some advertising in local publications including the Mosman Daily, Manly Daily and North Shore Times.

The Harbour Trust continued to promote and generate awareness of the organisation and its parklands through social media channels to further engage the community. In March 2018, we conducted a digital communications and engagement audit to better understand our audience and how we can improve the delivery of our communications through digital channels.

External services

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.

*Discovery Day 2018,
North Head Sanctuary*

In August 2017, the Harbour Trust conducted an advertising campaign to drive commercial leasing interest in Sub Base Platypus. This Expressions of Interest campaign required the Harbour Trust to contract the services of a media advertising agency. In addition, we made payments to a market research organisation. The Harbour Trust did not engage a polling organisation or undertake direct mail campaigns.

| ORGANISATION | PURPOSE | EXPENDITURE (excluding GST) |
|-------------------------|--|-----------------------------|
| Dentsu Mitchell | Advertising of events, tours and leasing opportunities | \$46,311 |
| AMR Interactive PTY LTD | Market Research | \$53,900 |

Programming and events

In 2017-18, the Harbour Trust delivered cultural partnerships and executed a number of small to large events. This resulted in improved awareness, strong visitor engagement and higher visitor numbers.

In March 2018, the Harbour Trust welcomed back a long-standing cultural partner; the Biennale of Sydney. Visitation to Cockatoo Island during the three month exhibition period was strong, drawing 166,699 local and international visitors. Supporting this event was Contained, a pop-up boutique accommodation and restaurant offering, which ran for the duration of the free contemporary art event.

Across 2017-18 the Harbour Trust held a variety of open days including; hosting the Australian National Maritime Museum's annual Family Fun Day, conducting a Marine Biological Station open day and Discovery Day at North Head Sanctuary held in collaboration with National Parks & Wildlife Service, Q Station, Northern Beaches Council and Manly Art Gallery & Museum.

In addition, the Harbour Trust successfully executed a series of events on Cockatoo Island, including the re-occurring New Year's Eve event, held across two nights at Cockatoo Island and attracting 1,800 people to stay on the island. Smaller event execution included *Sunset Sessions*, the ticketed live music event attracted 1,848 guests across a six month period.

Left: Contained pop-up accommodation, Cockatoo Island
Right: Don Tapa restaurant by Contained, Cockatoo Island

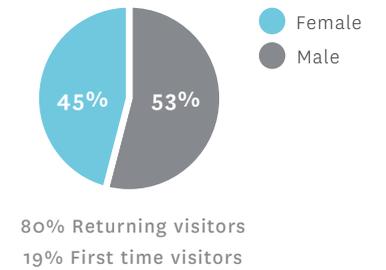


Headland Park

Where do they come from?



Who are they?

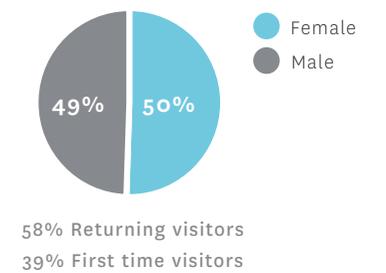


North Head Sanctuary

Where do they come from?



Who are they?

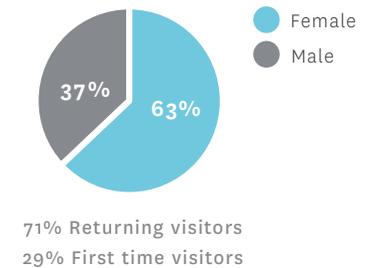


Cockatoo Island

Where do they come from?



Who are they?



Headland Park: Visitor Research Report conducted April 2017 – Mar 2018, 1,108 completions, through visitor surveys

North Head Sanctuary: Visitor Research Report conducted April 2017 – Mar 2018, 768 completions, through visitor surveys

Cockatoo Island: Visitor Research Report conducted Jan 2017 – Dec 2017, 1,578 completions, through visitor survey & accommodation survey

WELCOME EVERYONE

Tours and education

In 2017-18, we continued to engage site visitors with a schedule of interactive, educational and family-friendly tours. A total of 5,584 visitors purchased tickets to nine different tours across our sites. These tours were run by tour guides and volunteer guides.

In 2017-18, 3,837 school students, across 75 schools, participated in the educational programs offered on Cockatoo Island. In total, 76 school tours were held across our suite of five curriculum-based programs.

Significant initiatives, including projects, events and partnerships, for 2017-18 are listed below:

Cockatoo Island

- ICMS Cocktail and Awards Event, September 2017
- University Design Camp, September 2017
- Cricket Australia Kids Activities, September 2017
- Australian National Maritime Museum Family Fun Day, October 2017
- New Visitor Guidebook, October 2017
- Uber Conference, November 2017
- Australian Ninja Warrior, November 2017
- New Year's Eve Event, December 2017
- Sunset Sessions, October 2017 to May 2018
- Hillsong Powerhouse Summerfest, January 2018
- The Red Hot Summer Tour, February 2018
- The 21st Biennale of Sydney Exhibition, March to June 2018
- Contained Pop Up Restaurant and Hotel, March to June 2018
- *Wareamah*, June 2018
- Accommodation Open Day, June 2018
- POS and Online Event Ticketing System Upgrade, May 2018
- Ongoing tours, Crooked Characters, Haunted Histories

North Head Sanctuary, Manly

- *Bite Club* Season 1, August to December 2017
- North Head Discovery Day, January 2018.
- Solider On Event, January 2018
- Sydney Striders Race, March and June 2018

- Warringah Remembers Commemorative Service, May 2018
- Rotary Club of Manly Fun Run, May 2017
- POS and Online Event Ticketing System Upgrade, May 2018
- Ongoing Tunnel Tours, Third Quarantine Cemetery Tour

Sub Base Platypus, North Sydney

- Media Opening and Community Open Day, May 2018

Headland Park, Mosman

- Installation of 2016 and 2017 Sculpture by the Sea Winners, November 2017
- Ladies in Black, November 2017
- Balmoral Triathlon, December 2017
- Wild Women on Top, March 2018
- ANZAC Day Ceremony, April 2018
- Ongoing Tunnel Tours

Additional Activities

- Ongoing Tours at Macquarie Lightstation
- *The Bachelor* filming at Macquarie Lightstation, June 2018
- Marine Biological Station Open Day, November 2018



Media event, Sub Base Platypus, May 2018

Media and publicity

In 2017-18, the Harbour Trust consistently enjoyed positive media coverage across broadcast, print and digital media.

Sub Base Platypus received significant coverage on two occasions. Firstly, the Expressions of Interest campaign in August 2017 produced 125 media items with a total audience of 5,657,340. Media attention was also strong for the Media and Community Open Day, with television coverage across major news channels features in major metro and local papers. Activity reached a total audience of 9,986,258.

Cockatoo Island enjoyed heightened coverage between March and June 2018 due to the 21st Biennale of Sydney and Contained. To promote these two activations, the Harbour Trust hosted a visiting journalist and partner program. This resulted in a media coverage reach of 55,754,118 people.

Rangers

In 2017-18, the eight-person Harbour Trust ranger team played a pivotal role in welcoming people to our sites and ensuring their safety. Relevantly, they assisted with major events, delivered transport management of Cockatoo Island, provided first aid treatments, attended to emergencies and assisted with the North Head Sanctuary burn in May 2018.

Our rangers continued to be responsible for security and safety across all Harbour Trust sites. They also enforced compliance with our legislation and parking provisions, and helped protect native flora and fauna.

BUILD PARTNERSHIPS



Community engagement, partnerships and collaboration underpin the Harbour Trust's work. We welcome and create opportunities for local and broader stakeholders to help shape our approach to the important places we manage.

In 2017-18 we continued to consult with local community members and groups and liaise with key stakeholders about the management of our sites.

Stakeholder and community engagement

The Harbour Trust has two Community Advisory Committees (CAC): the general Harbour Trust CAC and the Sub Base Platypus CAC. A total of eight meetings were held in 2017-18. A full list of the Harbour Trust's CAC members is included in **Appendix 2** (page 96).

In 2017-18, the Harbour Trust invited public comment on the Headland Park Interpretation Strategy. A total of 22 submissions were received, assisting us to appropriately interpret all layers of the site's history. Implementation of the strategy commenced in 2017-18 and will continue in 2018-19, subject to funding.

Additionally, the Harbour Trust held formal and informal meetings with key stakeholder groups, government agency staff, councils, local members, communication organisations and individuals to discuss the management of our sites.

Volunteers

The Harbour Trust's volunteer program continued to gain momentum in 2017-18. Significantly, our dedicated team of volunteers strengthened our organisation's pool of expertise and capabilities.

In 2017-18, our volunteer program had 245 participants, contributing a total of more than 30,000 hours across various roles, including restoration, gardening and visitor services. Of these volunteers, 32 were new recruits.

As in previous years, volunteers contributed to the delivery of our major events. For example, 88 volunteers contributed 597 hours of their time to assisting with the running of New Year's Eve at Cockatoo Island and Discovery Day at North Head Sanctuary. Furthermore, volunteers contributed an additional 84 hours to assist with increased visitation to Cockatoo Island during the 21st Biennale of Sydney.

The 50 members of our skilled Volunteer Restoration Team completed several important projects in 2017-18. These included; the installation of playground equipment at Sub Base Platypus, the restoration of the No 2 Travelling Steam Crane at Cockatoo Island, and the restoration of North Fort's underground engine room.

Our volunteer speakers presented talks to 33 community groups for a combined audience of 1,492 people.



Left: Harbour Trust Volunteer Restoration team

Right: Gardening volunteers, Cockatoo Island



Discovery Day 2018, talk series, North Head Sanctuary

BUILD PARTNERSHIPS

Our *Trust Talks* program, a series of presentation by guest speakers, continued in 2017-18, with audience participation from Harbour Trust staff, volunteers and the public.

Volunteers operated tours for 3,457 visitors at Macquarie Lightstation, the Headland Park Tunnel Tour, the North Head Tunnel Tour and the North Head Quarantine Third Cemetery Tour.

New technology was introduced at the Cockatoo Island and North Head Sanctuary Visitor Centres, assisting volunteers to run the centres more efficiently and improve the visitor experience. This included upgrades to technology used in the audio tours and the introduction of a new Point of Sale system.

The annual volunteers' morning tea was held April 2018 to celebrate their efforts. Ten volunteers were presented with length-of-service awards for between 10 and 15 years of outstanding service with the Harbour Trust.



John Ellis Harbour Trust volunteer and Mary Darwell, Harbour Trust Executive Director, at the annual volunteers' morning tea.

Local partnerships

In 2017-18, the Harbour Trust continued to partner with local organisations on activities that met shared objectives for our sites.

North Head Sanctuary

The Harbour Trust continued to partner with North Head Sanctuary Foundation to restore bushland at North Head Sanctuary. Volunteers maintained an onsite nursery and educated visitors about North Head's unique ecology.

The Harbour Trust renewed its contract with the Australian Wildlife Conservancy to provide scientific services at North Head Sanctuary. Services included the monitoring of an endangered population of Long-nosed Bandicoots as well as the reintroduction of locally extinct species; namely, the Eastern Pygmy Possum, the Bush Rat, and the Brown Antechinus.

The Harbour Trust developed an important long-term partnership with Soldier On, which provides integral services for returned service men and women and emergency services personnel.

At North Fort, the Royal Australian Artillery Historical Company continue to maintain a memorial pathway. Again the *Warringah Australia Remembers Commemorative Service* was held at North Head. This event recognised the attack of Sydney Harbour, by Japanese mini-submarines, during World War II.

Headland Park

The Harbour Trust supported numerous initiatives at Headland Park. On 25 April 2018, we held our annual ANZAC Day service in partnership with the Mosman RSL and the Lions Club of Mosman. Additionally, the 2018 winning *Sculpture by the Sea* installation was added to the *Sculpture by the Sea* collection at Headland Park, providing visitors with the opportunity to view award-winning art within this picturesque and historic location.

Sub Base Platypus

At Sub Base Platypus, the Harbour Trust provided support for the Submarine Institute of Australia and the Submariners Association Australia to commemorate the 50th anniversary of the former HMAS Platypus submarine base. This included the creation of a permanent memorial.

Jorg Plickat, *Divided Planet*, *Sculpture by the Sea* collection, Headland Park



A ROBUST BUSINESS



In 2017-18, the Harbour Trust's leasing portfolio provided a significant contribution to the organisation's revenue, generating approximately 80 per cent of annual revenue.

This year the Harbour Trust focused on future business improvement strategies to ensure that Harbour Trusts tenants were well serviced. The Harbour Trust ended 2017-18 with one commercial vacancy across the entire portfolio.

Commercial leasing

During the reporting period, the Property and Leasing Management team offered some of Sydney's most unique leasing opportunities, including island offices, waterfront workshops, studio spaces and warehouses.

Our commercial leasing portfolio remains competitive with properties located in North Sydney, Crows Nest, Chatswood, Mosman, Manly and Neutral Bay. This was supported by our rate per square metre and a vacancy rate of less than one per cent.

Throughout our sites we retain a diverse range of tenants, including childcare providers, unique and highly regarded food and beverage operators, including the Sydney Chocolate School, as well as small businesses such as Ignite Global (a training and consultancy firm) and 3Brothers Coffee (a Brazilian coffee importer/distributor). In total, 18 new tenants joined our portfolio, 27 tenants renewed their existing leases and nine tenants expanded into additional premises.

A major undertaking for 2017-18 was the Expression of Interest campaign for Sub Base Platypus. We look forward to finalising tenancy arrangements over the coming period.

Left: Chowder Bay

Residential leasing

In 2017-18, the Harbour Trust's residential leasing revenue increased by four per cent. We have 53 residential properties for lease, located in and around Sydney Harbour, including Mosman, Manly and Vaucluse.

These properties remain highly sought-after, with no vacancies at the end of 2017-18, except for one property undergoing refurbishment.

Accommodation

The portfolio offered visitors an experience unrivalled in Sydney. Accommodation at the site includes waterfront glamping and camping, two heritage houses and five apartments.

During the reporting period, the campground remained popular with families, school groups and benefited from major events, including Nine Network's Australian Ninja Warrior. The filming had a very positive impact on the island's occupancy rates, with full occupancy during the 10-day filming period.

The Harbour Trust's strategy of packaging accommodation with major events, such as New Year's Eve, continued to deliver positive results.

Although seasonal factors impact occupancy rates on Cockatoo Island, the Harbour Trust continues to investigate initiatives, such as food and beverage pop-ups, that will position the site as a year-round, short-stay destination.



Heritage House, Cockatoo Island

A ROBUST BUSINESS

Licensing and venue hire

In 2017-18, short term commercial licensing, venue hire, partnerships and events drew more than 100,000 visitors to Harbour Trust sites. These activities remain an important way of promoting these sites to a broader and new audience.

The Harbour Trust directed its efforts toward securing a more diverse range of larger, professionally managed events. This overarching strategy proved a successful approach for Cockatoo Island. Key events executed at this destination included Red Hot Summer Tour, ICMS Awards Event, Uber Conference and the 21st Biennale of Sydney Exhibition.

Both Cockatoo Island and North Head Sanctuary remained popular for filming, with television programs such as Australian Ninja Warrior and Bite Club filming on site through 2017-18. 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 to a wider public.

Corporate governance

Trust meetings

In 2017-18, the Harbour Trust Board met ten times. Having been appointed to the Board on 1 July 2018, Jessica Keen attended no meetings during the reporting period. Josephine Cashman was reappointed to the Board on 1 July 2018. Dave Sharma was appointed to the Board 1 July 2018 and subsequently resigned.

Joseph Carrozzi was appointed as the Harbour Trust's new Chair on 1 July 2018. He succeeded Kevin McCann AM, who leaves behind a strong legacy as the Harbour Trust's founding Chair.

| NAME | MEETINGS ATTENDED |
|-------------------|-----------------------|
| Kevin McCann AM | 8 of the possible 8 |
| Jean Hay AM | 10 of the possible 10 |
| Garth Callender | 9 of the possible 10 |
| Joseph Carrozzi | 5 of the possible 10 |
| Josephine Cashman | 4 of the possible 8 |
| Sally Herman | 9 of the possible 10 |
| Sandra Hook | 8 of the possible 10 |

Portfolio Audit Committee meeting

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

The Committee's charter was reviewed in 2017-18. Its 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 Committee is chaired by an independent member and met five times during the reporting period.

Fraud control

The Harbour Trust Board and the Portfolio Audit Committee oversee fraud control in the organisation. The Commonwealth Fraud Control Guidelines form the basis for the Harbour Trust's policies and procedures.

In 2017-18, the Fraud Control Policy and the Fraud Control and Corruption Plan were reviewed. The plan drives control mechanisms, including fraud awareness training and internal and external audits of key functions. During the reporting period, fraud awareness training was conducted for all staff.

Indemnities and insurances

In 2017-18, the Harbour Trust had the following insurance policies with Comcover:

- 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 during the reporting period.

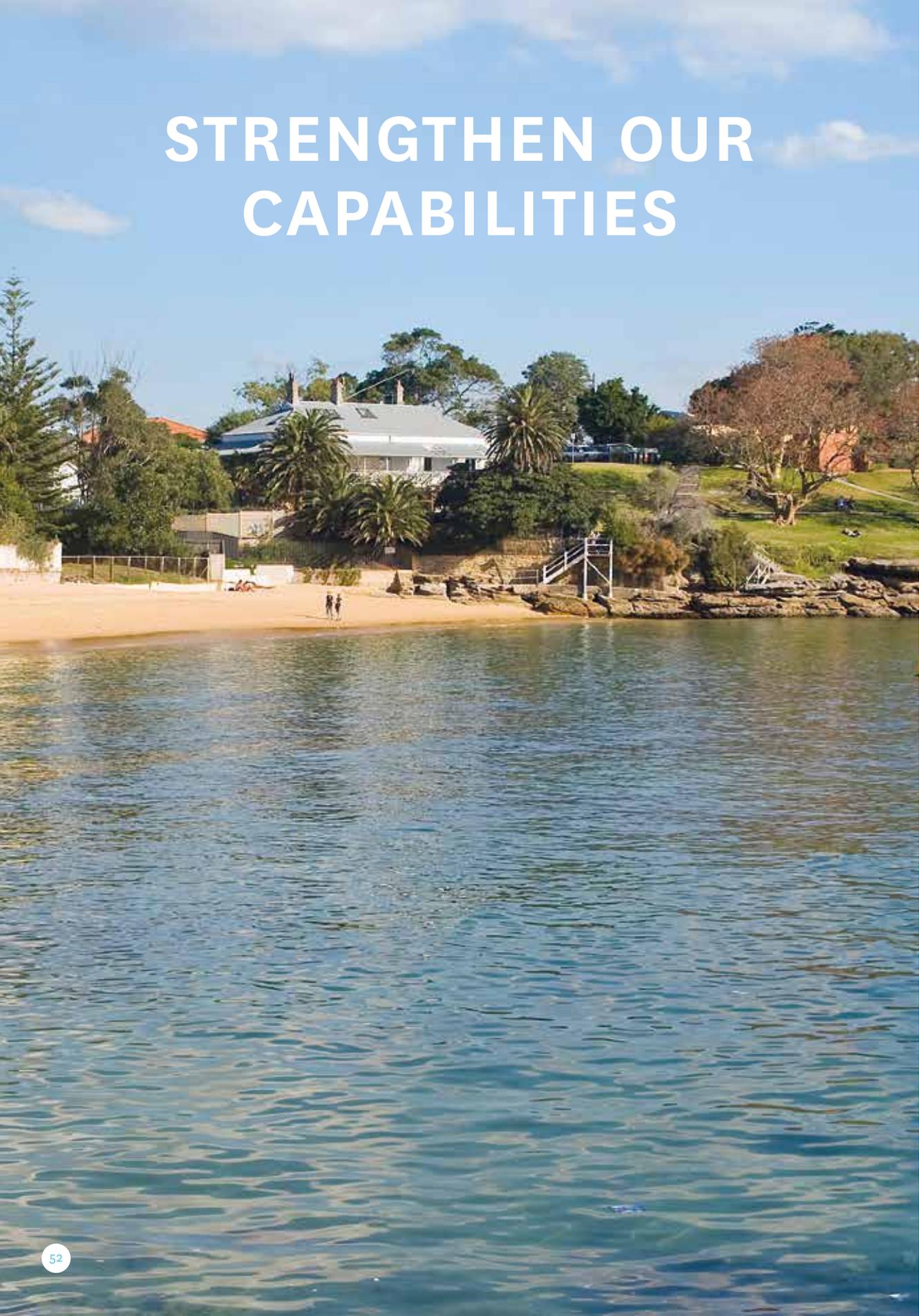
Procurement

The Harbour Trust's guidelines and financial instructions for purchasing goods and services are consistent with the Commonwealth Procurement Rules. Internal audits are conducted against those criteria. The Tender Review Committee considers tenders estimated to be in excess of \$250,000. It reviewed five tenders in 2017-18 – three construction tenders, each relating to Sub Base Platypus. These tenders were for Stage 1A of the Sub Base Platypus Renewal Project; the demolition of Building 3; and the completion of both an over-water walkway and stairs, enhancing public access to the site. Tenders were also reviewed for security services and Headland Park wayfinding signage.

Tendering and contracting

The Harbour Trust engaged 55 consultants with a total value of \$1,252,688 (including GST) to provide specialist advice on acoustics, archaeology, bushfire management, conservation and heritage, engineering services, environmental services, fire and safety, graphic design, IT, legal fees and disbursements, marketing and public relations, planning and other technical aspects relating to sites.

STRENGTHEN OUR CAPABILITIES



Human resources

Employees

Employees of the Harbour Trust are engaged under section 48 of the *Sydney Harbour Federation Trust Act*, with the terms and conditions of their employment prescribed by the *Sydney Harbour Federation Trust Enterprise Agreement 2016-19*.

Our headcount at the end of 2017-18 was 72, comprising of 47 full-time, eight part-time and 17 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 | 4 | 7 | 0 | 1 | 6 | 0 |
| EL2 | 6 | 3 | 8 | 1 | 2 | 7 | 0 |
| EL1 | 5 | 6 | 10 | 1 | 1 | 10 | 0 |
| L6 | 2 | 5 | 4 | 3 | 1 | 6 | 0 |
| L5 | 4 | 2 | 5 | 1 | 1 | 5 | 0 |
| L4 | 2 | 3 | 4 | 1 | 0 | 5 | 0 |
| L3 | 5 | 4 | 8 | 1 | 0 | 9 | 0 |
| L1 - 2 | 7 | 10 | 0 | 0 | 0 | 0 | 17 |
| Trainees | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total | 34 | 38 | 47 | 8 | 6 | 49 | 17 |

Equity and diversity

The Harbour Trust's commitment to the principles of equity and diversity includes ensuring our workforce reflects the broader Australian community.

This commitment is reflected in our Disability Action Plan and Indigenous Employment Strategy.

Marine Biological Station,
Watsons Bay



Discovery Day 2018, North Head Sanctuary

STRENGTHEN OUR CAPABILITIES

Disability Action Plan

The Harbour Trust's Disability Action Plan outlines how we consider the needs and preferences of people living with a disability when planning, delivering, promoting and evaluating services. We also have a responsibility to ensure people living with a disability face no barriers to employment. This includes an obligation to make reasonable adjustments to our selection process, job descriptions and workplaces to welcome people with a disability and enable them to be fully productive. At the end of 2017-18, people with a disability made up four per cent of our overall workforce.

Indigenous Employment Strategy

The Harbour Trust's Indigenous Employment Strategy focuses on opportunities to increase the representation of Aboriginal and Torres Strait Islander people within our workforce.

In June 2018, the Harbour Trust had a goal of filling two full-time Indigenous positions on its staff. During the reporting period, the Harbour Trust recruited one Indigenous casual employee. Two full-time Identified Indigenous Positions are currently being recruited.

Organisational capabilities – learning and development

The Harbour Trust supported staff development in 2017-18 to ensure the organisation's current and future needs will continue be met by our workforce.

Our Learning and Development Plan for 2017-18 focussed on the following areas:

- Fraud awareness
- Aboriginal cultural appreciation
- Improving personal effectiveness
- Work Health and Safety (WHS) requirements
- Critical Incident Management
- Plain English Writing
- Leadership
- Senior First Aid, CPR, Responsible service of Alcohol, Boat Licencing, White Card training
- MS Office training, particularly Excel
- Maintaining key qualifications and increasing industry knowledge e.g Women in Real Estate Conference, Australian Institute of Company Director's Course, CAD Drawing.

Public Interest Disclosure

The Harbour Trust complied with the *Public Interest Disclosure Act 2013* by reporting to the Commonwealth Ombudsman, at the end of 2017-18, that there had been no public interest disclosures during the reporting period.

Access and safety

Risk management

Risk management is an integral part of all Harbour Trust projects and events. In 2017-18, we continued to develop our risk maturity levels through the completion of a Comcover Risk Management Survey. Further, operational risk registers continued to be used to monitor the dynamic nature and profile of the Harbour Trust's roles and functions.

Workplace Health and safety

The Harbour Trust and all workers recognise their obligations under the *Work Health and Safety Act 2011 (Cth)*, its related regulations and codes of practice. The Harbour Trust reviewed and updated its WH&S systems during the year and put in place arrangements to discuss, consult and monitor workplace health and safety across the various Harbour Trust offices and sites.

WHS statistics

WHS Statistics 2016-17 and 2017-18 for employees, volunteers and contractors:

| HAZARDS, INCIDENTS, INJURIES | 2016-17 | 2017-18 |
|--|---------|---------|
| Number of incidents and accidents reported | 16 | 8 |
| Number of lost time injuries | 3 | 2 |

Judicial decisions and reviews by outside bodies

There were no judicial decisions or decisions of other administration appeal tribunals that had a significant impact on the operation of the Harbour Trust in 2017-18.

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

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

The Board received a report from management which showed no significant compliance breaches in 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 2017-18 annual performance statements of the Sydney Harbour Federation Trust, as required under paragraph 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). In our opinion, these Annual Performance Statements are based on properly maintained records, accurately reflect the performance of the entity, and comply with subsection 39(2) of the PGPA Act.

Entity purpose

Enhance appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the adaptive reuse of, and access to, Harbour Trust lands on Sydney Harbour.

To achieve this purpose, the Harbour Trust identified five key results areas with performance criterion in its Corporate Plan for 2017-2021 to ensure that the organisation is on target to meet its strategic goals.

Corporate plan and performance indicators

The Harbour Trust Board approved a new Corporate Plan in 2017. This has provided the organisation with revised Key Performance Indicators.

In 2017, the Harbour Trust set out ambitious goals and performance targets in its Corporate Plan. We have made good progress in delivering against the Plan, meeting or exceeding 11 of our 14 Key Performance Indicators and achieving significant work in key performance criterion.

Cockatoo Island

Performance criterion: Steward Our Parklands

Criterion source

2017-2021 Corporate Plan (Strategic Goal 1: Key Result Area – Steward Our Parklands)

Results against performance criterion

The Harbour Trust's Corporate Plan set the following objectives to be achieved in 2017-18 for this strategic goal:

OBJECTIVES

1. Be a leader in the conservation, interpretation and adaptive reuse of heritage assets, and progressively bring more spaces back to life.
2. Partner with Indigenous custodians to care for the land.
3. Rehabilitate and preserve our natural environment.

In 2017-18, the Harbour Trust set the following targets for this performance criterion:

| 2017-18 CRITERION | OUTCOME |
|---|--|
| 1. Finalise our 10 year Strategic Asset Management Plan. | Partially achieved Work has been undertaken towards developing the Strategic Asset Management Plan and five underlying Asset Management Plans. This work will continue in 2018-19. |
| 2. Develop a new Reconciliation Action Plan in consultation with community stakeholders. | Achieved Created and received endorsement from Reconciliation Australia on the Harbour Trust's Reconciliation Action Plan in consultation with Community stakeholders. |
| 3. Open Sub Base Platypus to the public by delivering the first stage of public domain and access improvements. | Achieved Opened Sub Base Platypus to the public by delivering the first stage of access improvements, including a waterfront park and over-water walkway to Kesterton Park. |
| 4. Subject to the availability of new funds to undertake rehabilitation works, bring Snapper Island into the asset portfolio. | Not achieved Snapper Island has not been transferred to the Harbour Trust by the Australian Government. |

Key performance indicators (results at 30 June 2018)

| PERFORMANCE MEASURE | TARGET | ACTUAL |
|---|--------|--------------------|
| % of our land open to the public | 89% | 89% |
| % of our built assets in active use | 75% | 74% ^(a) |
| Visitor satisfaction with the public domain | >80% | 86% |

Note:

(a) The percentage of our built assets available is at 75%, however only 74% are currently in active use as lease negotiations are still underway for the remainder. We expect to finalise negotiations in the coming months.

Performance criterion: Welcome Everyone

Criterion source

2017–2021 Corporate Plan (Strategic Goal 2: Key Result Area – Welcome Everyone)

Results against performance criterion

The Harbour Trust’s Corporate Plan set the following objectives to be achieved in 2017-18 for this strategic goal:

| OBJECTIVES |
|--|
| 1. Make our places ones of discovery and delight that draw visitors. |
| 2. Make our parks more widely known. |
| 3. Strengthen ties with those with a deep connection to our sites, including Indigenous custodians, military families and veterans, and the industrial workforce of Cockatoo Island. |
| 4. Make visiting our places a great experience. |

In 2017-18, the Harbour Trust set the following targets for this performance criterion:

| 2017-18 CRITERION | OUTCOME |
|---|---|
| 1. Develop a Precinct Strategy for North Head Sanctuary, consistent with the Management Plan, which integrates visitation, public and commercial use and asset renewal plans for the site. This will include making buildings available for adaptive reuse, enhancing bush remediation work and partnering with veteran and wildlife organisations. | Not achieved Precinct Strategy for North Head has not been developed. However a number of elements of the Management Plan have been implemented including continued bush regeneration work, partnerships with veterans, wild life organisations and commercial leasing. |
| 2. Investigate opportunities to enhance visitation to Cockatoo Island by improving interpretation of the World Heritage Listed Convict Precinct, delivering quality accommodation, food and beverage and visitor experiences, and building multi-years arts partnerships to make the Island one of Sydney’s premier visitor destinations. | Achieved Increased visitor numbers and good satisfaction levels at Cockatoo Island through the enhanced food and beverage offering and accommodation pop-up. |
| 3. Measure and assess the efficiency of the management and use of our existing sports facilities and develop a recreation strategy to explore opportunities for increased active recreation on our sites. | Partially achieved Work commenced on developing a Recreation Strategy. The Recreation Strategy will be completed in 2018-19. |

| 2017-18 CRITERION | OUTCOME |
|--|--|
| 4. Benchmark our approach to brand, marketing and publicity and implement changes to ensure site visitation and awareness are increased. | Achieved Conducted brand and communications audit and commenced implementation of revised brand and communications strategy, aimed to increase Harbour Trust awareness and site visitation. |
| 5. Review and develop initiatives to ensure each principal site includes substantive interpretation of Indigenous relationships with those places. | Partially achieved Developed interpretation strategies for Headland Park and North Head Third Quarantine Cemetery. Established a RAP advisory and reference group to consult on interpretation. |
| 6. Implement new wayfinding and signage within Headland Park and Sub Base Platypus. | Partially achieved New branding for Sub Base Platypus, and installed new Stage 1 Wayfinding. Final wayfinding and tenancy signage at Headland Park in production, to be installed by 2018-19. |
| 7. Establish an annual visitor survey across all our principal places to provide evidence and insight into our work. | Achieved Established and concluded an annual visitor survey across North Head, Headland Park, and Cockatoo Island to provide evidence and insight into Harbour Trust visitor profiles, sentiment, and behaviour on arrival at our sites. |

Key performance indicators (results at 30 June 2018)

| PERFORMANCE MEASURE | TARGET | ACTUAL |
|----------------------|-----------|-----------|
| Number of visits | 1,650,000 | 1,800,000 |
| Visitor satisfaction | >80% | 88% |

Performance criterion: Build Partnerships

Criterion source

2017–2021 Corporate Plan (Strategic Goal 3: Key Result Area – Build Partnerships)

Results against performance criterion

The Harbour Trust’s Corporate Plan set the following objectives to be achieved in 2017-18 for this strategic goal:

| OBJECTIVES |
|---|
| 1. Work openly with the community and other stakeholders as we plan our work and implement our vision. |
| 2. Extend and build philanthropic and commercial partnerships. |
| 3. Enable public benefit use of our assets through our rental subsidies to better deliver our vision. |
| 4. Support and grow our volunteer activities in the fields of natural and built environment, visitor experience and administrative support. |

In 2017-18, the Harbour Trust set the following targets for this performance criterion:

| 2017-18 CRITERION | OUTCOME |
|--|---|
| 1. Lead and contribute to discussions on cultural heritage and the public domain, and share stories of our success. | Achieved Promoted, shared, and advocated Harbour Trust ideas for sustaining great places at public forums including, the Committee of Sydney, Transport and Tourism Forum and New Zealand Parks & Recreation. |
| 2. Continue to work with our Community Advisory Committees in planning our work and strengthen opportunities for community engagement. | Achieved General and Sub Base Platypus Community Advisory Committees engagement and meeting process reviewed with improvements implemented. Quarterly meetings held for both groups. |
| 3. Support and partner with our volunteers. | Achieved Installation of upgraded Point of Sale system to assist volunteers in the visitor centres. Completion of the Number 2 Steam Crane restoration at Cockatoo Island by Cockatoo Island volunteers. Provision of annual Flu Shots for all volunteers and partners. Volunteer information sessions, training support days, annual social day and a special event held to celebrate 15 years of the Harbour Trust Volunteer program. |

| 2017-18 CRITERION | OUTCOME |
|---|---|
| 4. Ensure we have the right policy settings to enable development of corporate sponsorships beyond tenancy relationships. | Not achieved A strategy for engaging corporate sponsorships and philanthropic support will be completed in 2018–19. |
| 5. Work with the Department of Veterans Affairs to strengthen partnerships with veteran organisations. | Achieved Partnered with Solider On, to create an Innovation Hub at North Head Sanctuary, supporting veterans. |
| 6. Renew our partnership with Australian Wildlife Conservancy to care for North Head Sanctuary. | Achieved Contract renewed with Australian Wildlife Conservancy to care for North Head Sanctuary. |

Note:
(a) Volunteer hours are up 400 hrs on the comparable roles in 2016-17, even though they are just below the 2017-18 target.

Key performance indicators (results at 30 June 2018)

| PERFORMANCE MEASURE | TARGET | ACTUAL |
|---|--------|--------|
| Number of volunteer hours | 30,500 | 30,450 |
| Number of significant, multi-year cultural, environmental and heritage partnerships | 6 | 6 |
| Value of philanthropic and sponsorship contributions | \$6k | \$6k |

Performance criterion: Robust Business

Criterion source

2017–2021 Corporate Plan (Strategic Goal 4: Key Result Area – Robust Business)

Results against performance criterion

The Harbour Trust’s Corporate Plan set the following objectives to be achieved in 2017–18 for this strategic goal:

OBJECTIVES

Safeguard and grow our residential and commercial leasing revenue by developing commercial strategies

1. for each site and attracting and nurturing quality tenants to help us deliver our vision and service the community.
2. Develop a sound understanding of the financial challenges facing the Harbour Trust and explore potential solutions.
3. Implement financially viable events and accommodation strategies.

In 2017–18, the Harbour Trust set the following targets for this performance criterion:

| 2017-18 CRITERION | OUTCOME |
|---|---|
| <ol style="list-style-type: none"> 1. Develop a Harbour Trust business strategy to: <ul style="list-style-type: none"> • Quantify the requirements to complete the asset renewal and remediation work across all our sites. • Consider the opportunities and constraints of our legislative framework. • Explore alternative ways of doing business to best achieve our objectives. • Develop business cases in relation to priority capital needs. | <p>Partially achieved</p> <p>Completed a business and strategy review of the Harbour Trust, which considered current state and challenges, providing basis for future work. Business cases to be developed in 2018–19.</p> |
| <ol style="list-style-type: none"> 2. Review and reform, as necessary, the Harbour Trust’s approach to commercial lease arrangements to ensure best commercial practice. | <p>Partially achieved</p> <p>Review of unsolicited proposals, lease length and alignment with commercial expectations completed. Reform of commercial lease arrangements to be finalised 2018–19.</p> |
| <ol style="list-style-type: none"> 3. Proactively attract and secure public and commercial uses at Sub Base Platypus to deliver the site vision. | <p>Partially achieved</p> <p>Marketing campaign, and Expressions of Interest completed. Commercial discussions underway.</p> |

Key performance indicators (results at 30 June 2018)

| PERFORMANCE MEASURE | TARGET | ACTUAL |
|-----------------------|---------|---------|
| Leasing revenue | \$12.5m | \$12.5m |
| Venue hire revenue | \$0.6m | \$0.6m |
| Visitor accommodation | \$1.9m | \$2.4m |

Performance criterion: Strengthen Our Capabilities

Criterion source

2017 – 2021 Corporate Plan (Strategic Goal 4: Key Result Area – Strengthen Our Capabilities)

Results against performance criterion

The Harbour Trust’s Corporate Plan set the following objectives to be achieved in 2017–18 for this strategic goal:

OBJECTIVES

1. Attract and retain an outstanding, diverse workforce and invest in its development.
2. Shape our organisation to achieve our goals.
3. Recognising that our sites are a complex mix of natural, heritage and industrial assets, take all appropriate steps to ensure our workplace and parklands are safe for all by mitigating and managing risks.
4. Ensure the culture of our organisation is focused on visitor and client service and delivering quality and best value outcomes.

Performance criterion: Strengthen Our Capabilities — Continued

In 2017-18, the Harbour Trust set the following targets for this performance criterion:

| 2017-18 CRITERION | OUTCOME |
|--|--|
| 1. Ensure a strong safety culture through leadership, reforming WHS policies, procedures and practices and staff training. | Partially achieved WHS policies reviewed, revised and implemented, staff training to commence 2018-19. |
| 2. Realign organisational resources to support the implementation of this plan. | Achieved Completed the organisational realignment to enable a responsive organisation to support the Corporate Plan. |
| 3. Undertake a workplace culture and engagement survey. | Not achieved Deferred to 2018-19, whilst the organisation restructure was implemented. |
| 4. Develop and implement a workforce and talent development strategy. | Achieved Established a workforce and talent development strategy. |
| 5. Review and update IT resources to support the implementation of this plan. | Partially achieved Updated ICT environment to support implementation of Property and Leasing Management (PLM) CRM. PLM finalised CRM design, implementation due in 2018-19. Updated Point of Sale System at North Head and Cockatoo Island to support visitor centre services. |
| 6. Undertake a parkland safety audit. | Achieved Parkland Safety Audits completed across all sites. |

Key performance indicators (results at 30 June 2018)

| PERFORMANCE MEASURE | TARGET | ACTUAL |
|---|--------|--------------------------|
| Average employment engagement | 72% | Survey not yet conducted |
| % of employees with effective Personal Development Plans | 95% | 80% |
| Lost Time Injury Frequency Rate (LTFR) for staff and volunteers | <10 | 5.17 |

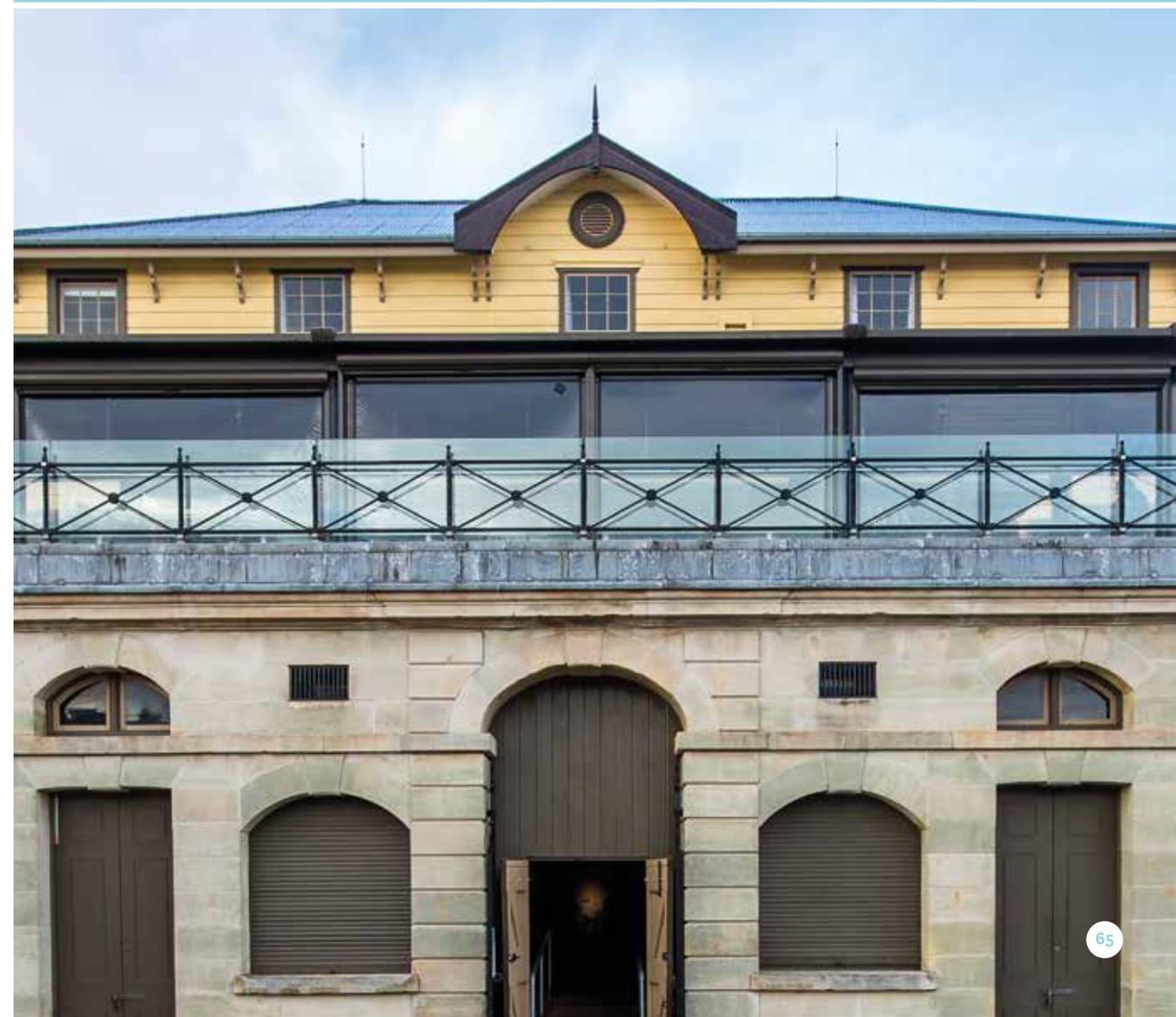
Note:
 (a) The Employee Engagement Survey has been deferred to fiscal year 2019 due to the organisational restructure.
 (b) The percentage of employees with effective Personal Development plans is lower than expected levels as the majority of performance reviews had already been set for 2018 year before the Personal Development plans were implemented. Consequently, performance development plans have fallen short of the target this year but are on track to achieve 2019's target.
 (c) For statistical purposes the LTFR will be superseded by the WHS Incident Rate in the Sydney Harbour Federation Trust Corporate Plan 2018-2022.

Chowder Bay

REGULATOR PERFORMANCE FRAMEWORK

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

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



REPORTING AGAINST KPIS

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

HARBOUR TRUST METRICS

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

RESULTS AT 30 JUNE 2018

- Stakeholder meetings held during the 2017-18 reporting period:
 - 8 Community Advisory Committee meetings;
 - 17 Cockatoo Island stakeholder meetings;
 - 8 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/complaint.
- Estimated timeframes for complaints handling are published, including maximum time for acknowledgement and average time for decisions.
- Decisions are accompanied by a statement of reasons and advice about relevant review or appeal mechanisms, where appropriate.

RESULTS AT 30 JUNE 2018

- 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 2018

- Development Application (DA) Guidance Notes were provided to all DA applicants. Applications for 12 new DAs and one modification to an existing DA were received during the year reported.
- Liquor Permit applicants receive all information about meeting and maintaining relevant requirements. 30 liquor permits were issued during the year. 16 were for events and 14 were tenant or tenant annual 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 2018

- 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.

REGULATOR PERFORMANCE FRAMEWORK

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 2018

- The Harbour Trust has a documented and published Complaints Policy and Procedures with specified timeframes. During 2017-18, 69 complaints were received. 83 per cent were responded to within the required time frame and all complaints were resolved within the required time frame.
- The number of DA applications requiring environmental assessments is provided in the Annual Report on page 32.
- The Harbour Trust publishes DA Guidance Fact Sheets and Liquor Licensing information. Feedback mechanisms are in place via our Complaints Handling Procedures. There are planned, regular inspections for child care services.

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

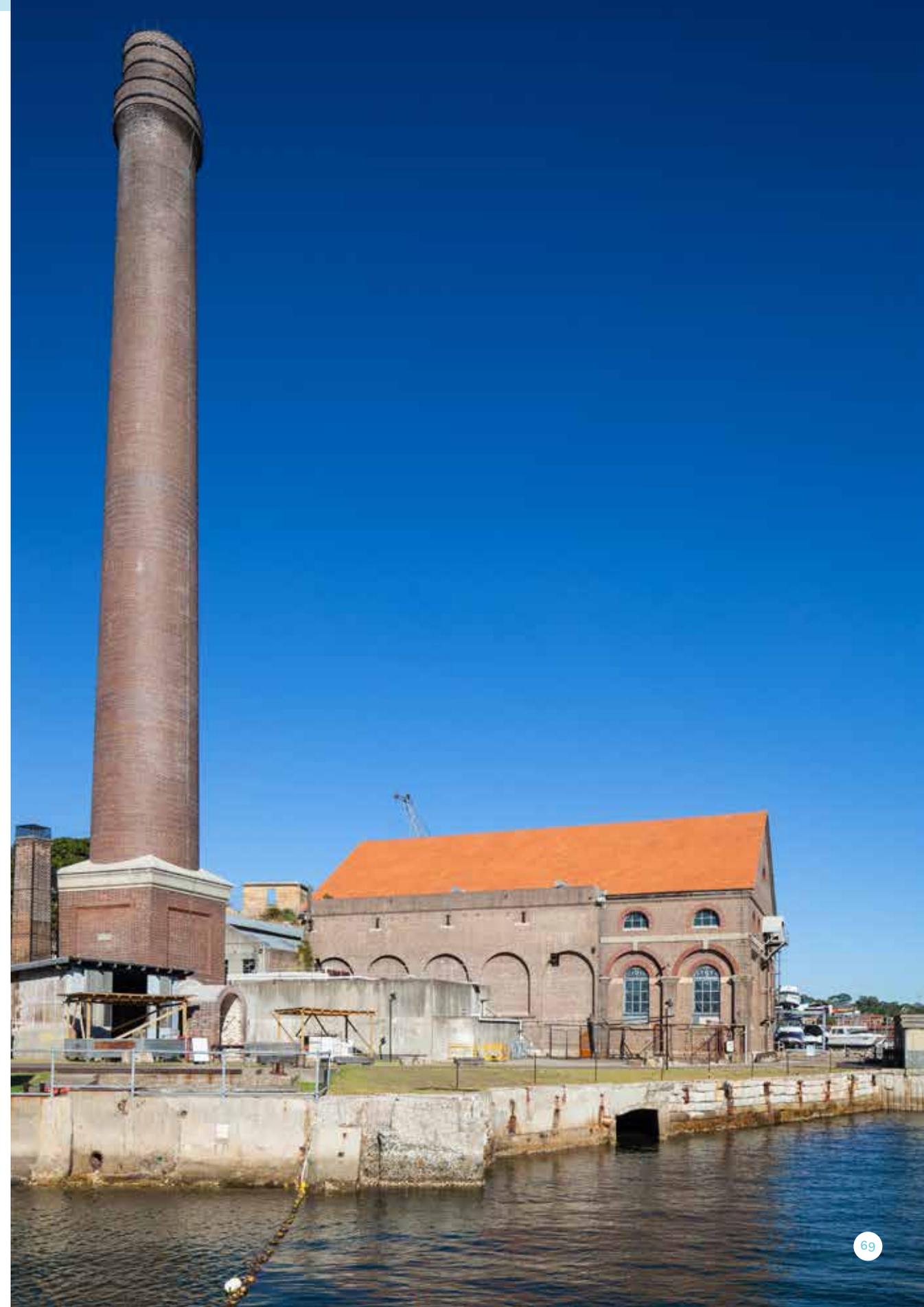
HARBOUR TRUST METRICS

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

RESULTS AT 30 JUNE 2018

- The Harbour Trust carries out surveys as appropriate. Records of stakeholder meetings are maintained.
- Board meetings were held in public twice during 2017-18.
- Summary of the Notes from the Community Advisory Committee meetings held during the reporting period were published on the Harbour Trust's website.

Powerhouse building, Cockatoo Island



FINANCIAL STATEMENTS

Content of the Notes to the Financial Statements

| | |
|--|----|
| Independent Auditor's Report | 71 |
| Statement by Members, Executive Director & Chief Financial Officer | 73 |
| Statement of Comprehensive Income | 74 |
| Statement of Financial Position | 75 |
| Statement of Changes in Equity | 76 |
| Cash Flow Statement | 77 |
| <i>Overview</i> | |
| Note 1: Summary of Significant Accounting Policies | 78 |
| Note 2: Events After the Reporting Period | 79 |
| <i>Departmental Financial Performance</i> | |
| Note 3: Expenses | 80 |
| Note 4: Own-Source Revenue | 82 |
| <i>Departmental Financial Position</i> | |
| Note 5: Financial Assets | 83 |
| Note 6: Non-Financial Assets & Fair Value Measurements | 86 |
| Note 7: Payables | 89 |
| <i>People & Relationships</i> | |
| Note 8A: Provisions | 90 |
| Note 8B: Key Management Personnel Remuneration | 91 |
| <i>Other Information</i> | |
| Note 9: Other Information | 91 |
| Note 10: Financial Instruments | 92 |
| <i>Managing Uncertainties</i> | |
| Note 11: Contingencies | 93 |
| Note 12: Related Party Disclosures | 93 |
| Note 13: Sydney Harbour Conservancy | 94 |

INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment Opinion

In my opinion, the financial statements of the Sydney Harbour Federation Trust and its consolidated entities for the year ended 30 June 2018:

(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 2018 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 2018 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 and its consolidated entities 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* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. 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 Board of the Sydney Harbour Federation Trust and its consolidated entities is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Board of the Sydney Harbour Federation Trust is also responsible for such internal control as the Board of the Sydney Harbour Federation Trust determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of the Sydney Harbour Federation Trust is responsible for assessing the Sydney Harbour Federation Trust's 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 Board of the Sydney Harbour Federation Trust is also responsible for disclosing, as applicable, matters related to going concern 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 the entity's 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 the entity's 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 the entity to cease to continue as a going concern; and
- 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.

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



Rahul Tejani
Acting Executive Director
Delegate of the Auditor-General
Canberra 19 September 2018

FINANCIAL STATEMENTS

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

In our opinion, the attached financial statements for the year ended 30 June 2018 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,



Joseph Carrozzi
Chairperson
18 September 2018

Signed,



Mary Darwell
Executive Director
18 September 2018

Signed,



Susan Culverston
Chief Financial Officer
18 September 2018

FINANCIAL STATEMENTS

Statement of Comprehensive Income

for the year ended 30 June 2018

| | Notes | 2018 \$'000 | 2017 \$'000 | ORIGINAL BUDGET \$'000 |
|---|-------|----------------|----------------|------------------------------|
| NET COST OF SERVICES | | | | |
| Expenses | | | | |
| Employee benefits | 3A | 7,141 | 6,851 | 7,229 |
| Suppliers | 3B | 9,089 | 8,832 | 8,593 |
| Depreciation and amortisation | 3C | 2,587 | 2,468 | 2,570 |
| Write-down and impairment of assets | 3D | 238 | 486 | 71 |
| Total expenses | | 19,055 | 18,637 | 18,463 |
| LESS: | | | | |
| OWN-SOURCE INCOME | | | | |
| Own-source revenue | | | | |
| Sale of goods and rendering of services | 4A | 3,724 | 3,743 | 3,351 |
| Fees and fines | 4B | 184 | 303 | 360 |
| Interest | 4C | 1,311 | 1,577 | 1,215 |
| Rental income | 4D | 13,255 | 12,797 | 13,585 |
| Other revenue | 4E | 48 | 869 | 35 |
| Total own-source revenue | | 18,522 | 19,289 | 18,546 |
| Gains | | | | |
| Loss on disposal of assets | 4F | (2) | - | - |
| Total gains | | (2) | - | - |
| Total own-source income | | 18,520 | 19,289 | 18,546 |
| (Deficit)/Surplus on continuing operations | | (535) | 652 | 83 |
| OTHER COMPREHENSIVE INCOME | | | | |
| Other comprehensive income | | - | - | - |
| Total comprehensive (loss)/income | | (535) | 652 | 83 |

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

Budget variances commentary:

The deficit outcome for the year was the result of Board approved out of budget expenditure for organisational re-design, strategic work and associated costs. The organisation also received Minister for Finance approval to incur a deficit. This expenditure has enabled the Trust, under new leadership, to review its vision, and revitalise its mission as well as addressing the Trust's sustainability over the longer term. Strategies are being developed to ensure the organisation continues to deliver significant benefit to the community, whilst conserving and representing legacy assets in new ways.

Suppliers — higher than budget as a result of funds allocated to major organisational reform and strategy work. Write-down and Impairment of Assets — Doubtful debt provisioning for tenant receivables and writedown of outstanding and rescinded infringement advices.

Rendering of Services — one major filming licence occurred during the financial year which was not fully budgeted. This license also provided overnight audience accommodation on the Trust's campground.

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

Statement of Financial Position

as at 30 June 2018

| | Notes | 2018 \$'000 | 2017 \$'000 | ORIGINAL BUDGET \$'000 |
|-------------------------------------|-------|----------------|----------------|------------------------------|
| ASSETS | | | | |
| Financial Assets | | | | |
| Cash and cash equivalents | 5A | 3,402 | 248 | 1,052 |
| Investments | 5B | 49,216 | 56,403 | 40,061 |
| Trade and other receivables | 5C | 671 | 632 | 759 |
| Total financial assets | | 53,289 | 57,283 | 41,872 |
| Non-Financial Assets | | | | |
| Land and buildings | 6A | 276,261 | 275,854 | 286,456 |
| Infrastructure, plant and equipment | 6A | 32,207 | 29,746 | 32,964 |
| Heritage and collections | 6A | 29,544 | 27,759 | 27,939 |
| Intangibles | 6A | 277 | 277 | 359 |
| Inventories | 6C | 100 | 124 | 126 |
| Other non-financial assets | 6D | 100 | 231 | 112 |
| Total non-financial assets | | 338,489 | 333,991 | 347,956 |
| Total Assets | | 391,778 | 391,274 | 389,828 |
| LIABILITIES | | | | |
| Payables | | | | |
| Suppliers | 7A | 1,106 | 1,247 | 850 |
| Other payables | 7B | 5,747 | 4,213 | 3,448 |
| Total payables | | 6,853 | 5,460 | 4,298 |
| Provisions | | | | |
| Employee provisions | 8A | 1,204 | 1,376 | 1,643 |
| Other provisions | 9 | 597 | 779 | - |
| Total provisions | | 1,801 | 2,155 | 1,643 |
| Total Liabilities | | 8,654 | 7,615 | 5,941 |
| Net Assets | | 383,124 | 383,659 | 383,887 |
| EQUITY | | | | |
| Contributed equity | | 277,735 | 277,735 | 277,735 |
| Reserves | | 95,503 | 98,421 | 98,617 |
| Retained surplus | | 9,886 | 7,503 | 7,535 |
| Total Equity | | 383,124 | 383,659 | 383,887 |

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

Budget variances commentary:

Cash and Investments were higher due to project expenditure of Sub Base Platypus site being delayed, with a number of works moved to 2018-19.

Trade receivables were under budget as a result of a large doubtful debt provision for outstanding infringement penalties written off.

Non Financial Assets & Revaluation Reserves – Land, Heritage and infrastructure Plant & Equipment categories varied to budget due to Sub Base Platypus works not yet finalised. Intangibles were lower than budget as the implementation of Stage 2 Enterprise Resource Planning software was moved to 2018-19.

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 lease premiums.

Employee Provisions — lower due to an organisational restructure which lowered average staffing level and leave balances.

Other Provisions — provision higher than estimated due to unused provision for Department of Defence regarding treatment of submerged power cables at Sub Base Platypus not yet finalised.

Statement of Changes in Equity

for the year ended 30 June 2018

| | RETAINED SURPLUS | | ASSET RENEWAL RESERVE | | ASSET REVALUATION RESERVE | | CONTRIBUTED EQUITY | | TOTAL EQUITY | |
|---|------------------|---------|-----------------------|---------|---------------------------|--------|--------------------|---------|--------------|---------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Opening balance | 7,503 | 6,652 | 8,249 | 8,446 | 90,172 | 90,171 | 277,735 | 277,735 | 383,659 | 383,004 |
| Balance carried forward from previous year | | | | | | | | | | |
| Adjustment for errors or changes in accounting policies | - | 2 | - | - | - | 1 | - | - | - | 3 |
| Adjusted opening balance | 7,503 | 6,654 | 8,249 | 8,446 | 90,172 | 90,172 | 277,735 | 277,735 | 383,659 | 383,007 |
| Asset Renewal Reserve | | | | | | | | | | |
| Transfer to Retained Surplus (Note 6B) | 2,918 | 2,665 | (2,918) | (2,665) | - | - | - | - | - | - |
| Transfer (from) Retained Surplus | - | (2,468) | - | 2,468 | - | - | - | - | - | - |
| Total asset renewal reserve | 2,918 | 197 | (2,918) | (197) | - | - | - | - | - | - |
| Comprehensive income | | | | | | | | | | |
| Other comprehensive income (Deficit)/surplus for the year | (535) | 652 | - | - | - | - | - | - | (535) | 652 |
| Total comprehensive income | (535) | 652 | - | - | - | - | - | - | (535) | 652 |
| Transactions with owners | | | | | | | | | | |
| Equity injection - Appropriations | - | - | - | - | - | - | - | - | - | - |
| Total transactions with owners | - | - | - | - | - | - | - | - | - | - |
| Closing balance as at 30 June | 9,886 | 7,503 | 5,331 | 8,249 | 90,172 | 90,171 | 277,735 | 277,735 | 383,124 | 383,659 |

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

Accounting Policy:

Amounts appropriated which are designated as equity injections for a year (less any formal reductions) are recognised directly in contributed equity in that year.

Asset Renewal Reserve — see Note 6B Accounting Policy for Non-Financial Assets.

Budget variances commentary:

Deficit for the year — The Trust board approved additional out of budget expenditure to enable the organisation to undertake an organisational review and restructure and commence significant strategic work.

This has resulted in a deficit for 2017-18.

Cash Flow Statement

for the year ended 30 June 2018

| | Notes | 2018 \$'000 | 2017 \$'000 | ORIGINAL BUDGET \$'000 |
|---|-------|----------------|----------------|---------------------------|
| OPERATING ACTIVITIES | | | | |
| Cash received | | | | |
| Sales of goods and rendering of services | | 4,125 | 3,885 | 3,706 |
| Rent income | | 15,844 | 14,603 | 13,375 |
| Interest | | 42 | 26 | 60 |
| Other revenue | | 147 | 457 | 532 |
| Total cash received | | 20,158 | 18,971 | 17,673 |
| Cash used | | | | |
| Employees benefits | | (7,322) | (6,890) | (7,179) |
| Suppliers | | (10,406) | (9,884) | (8,676) |
| Net GST paid | | (84) | (130) | - |
| Total cash used | | (17,812) | (16,904) | (15,855) |
| Net cash from operating activities | | 2,346 | 2,067 | 1,818 |
| INVESTING ACTIVITIES | | | | |
| Cash received | | | | |
| Proceeds from disposal of assets | | (2) | - | - |
| Investments | | 8,453 | 3,216 | 14,755 |
| Total cash received | | 8,451 | 3,216 | 14,755 |
| Cash used | | | | |
| Investments | | - | - | - |
| Purchase of property, plant and equipment | | (7,643) | (6,388) | (16,370) |
| Total cash used | | (7,643) | (6,388) | (16,370) |
| Net cash from/(used in) investing activities | | 808 | (3,172) | (1,615) |
| Net increase/(decrease) in cash held | | 3,154 | (1,105) | 203 |
| Cash and cash equivalents at the beginning of the reporting period | | 248 | 1,353 | 850 |
| Cash and cash equivalents at the end of the reporting period | 5A | 3,402 | 248 | 1,053 |

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

Budget variances commentary:

Sales of Goods and Rendering of Services — higher sales receipts due to improved income from licensing and accommodation activities.

Rent Income — increase due to significant cash contribution for leasehold improvements and lease premiums.

Other Revenue — decrease due to final decontamination and remediation financial reconciliation not yet finalised in relation to the Sub Base Platypus site.

Suppliers — higher than budget as a result of funds allocated to major organisational reform and strategy work.

Investments — cash held for capital renewal held in shorter period term deposits than budgeted.

Purchase of property, plant and equipment — expenditure varied to budget mainly as a result of the movement in major Stage 1b construction works at Sub Base Platypus to 2018-19.

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:

- a) *Public Governance, Performance and Accountability (Financial Reporting) Rule 2017* (FRR) for reporting periods ending on or after 1 July 2017; and
- b) 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.

Note 1: Summary of Significant Accounting Policies — Continued

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 13 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 taking into consideration the restrictions on sale and use imposed by the *Sydney Harbour Federation Trust Act*. 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 Sub Base 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 all works associated with the remediation and decontamination have been completed. The residual balance is to be finalised with the Department of Defence.
- The provision held for doubtful debts is based on overdue receivables greater than 90 days where an arrears agreement has not been finalised or where it has been assessed that the debt is unlikely to be recovered.

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

1.4 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 2017-18 financial statements other than those that are already reflected in the financial statements.

FINANCIAL STATEMENTS

Financial Performance

Note 3: Expenses

Note 3A: Employee benefits

| | 2018 \$'000 | 2017 \$'000 |
|--------------------------------|----------------|----------------|
| Wages and salaries | 5,868 | 6,023 |
| Superannuation | 645 | 673 |
| Leave and other entitlements | 206 | 87 |
| Separation and redundancies | 410 | 46 |
| Other employee costs | 12 | 22 |
| Total employee benefits | 7,141 | 6,851 |

Accounting Policy

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

Note 3B: Suppliers

Goods and services supplied or rendered

| | 2018 | 2017 |
|--|--------------|--------------|
| Corporate Overheads | 1,612 | 1,142 |
| Marketing, Programming & Events | 952 | 878 |
| Management of Environment | 1,202 | 1,280 |
| Site Maintenance & Planning | 2,850 | 3,267 |
| Security | 856 | 735 |
| Accommodation Management | 802 | 722 |
| Property Management | 727 | 627 |
| Total goods and services supplied or rendered | 9,001 | 8,651 |

| | | |
|--|--------------|--------------|
| Goods supplied | 589 | 637 |
| Services rendered | 8,412 | 8,014 |
| Total goods and services supplied or rendered | 9,001 | 8,651 |

Other supplier expenses

| | | |
|--------------------------------------|--------------|--------------|
| Workers compensation premiums | 88 | 181 |
| Total other supplier expenses | 88 | 181 |
| Total supplier expenses | 9,089 | 8,832 |

During the year ended 30 June 2018, the Trust has provided resources free of charge to the Sydney Harbour Conservancy Ltd amounting to \$6,624 (2017: \$7,252), and to the Sydney Harbour Conservancy Fund amounting to \$3,900 (2017: \$3,900).

Note 3: Expenses — Continued

Note 3C: Depreciation and amortisation

| | 2018 \$'000 | 2017 \$'000 |
|-------------------------------------|----------------|----------------|
| Depreciation: | | |
| Infrastructure, plant and equipment | 1,206 | 1,105 |
| Buildings | 1,332 | 1,316 |
| Total depreciation | 2,538 | 2,421 |

Amortisation:

| | | |
|--|--------------|--------------|
| Intangibles: | | |
| Purchased Computer Software | 49 | 47 |
| Total amortisation | 49 | 47 |
| Total depreciation and amortisation | 2,587 | 2,468 |

Note 3D: Write-down and impairment of assets

| | | |
|--|------------|------------|
| Asset Write-Downs from | | |
| Impairment on financial assets | 117 | 480 |
| Write-down of obsolete stock | 121 | 6 |
| Total write-down and impairment of assets | 238 | 486 |

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.

FINANCIAL STATEMENTS

Note 4: Own-source Income

Own-Source Revenue

Note 4A: Sale of goods and rendering of services

Provision of goods

Rendering of services

Total sale of goods and rendering of services

Note 4B: Fees and fines

Infringements

Total fees and fines

Note 4C: Interest

Deposits

Total interest

Note 4D: Rental income

Property rentals and short-term hire

Total rental income

Note 4E: Other revenue

Fees, Sponsorship & Infrastructure contribution

Grants - Department of The Environment & Energy

Total other revenue

Note 4F: Sale of assets

Infrastructure, plant and equipment

Proceeds from sale

Net (loss)/gain from sale of assets

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| Note 4A: Sale of goods and rendering of services | | |
| Provision of goods | 37 | 47 |
| Rendering of services | 3,687 | 3,696 |
| Total sale of goods and rendering of services | 3,724 | 3,743 |
| Note 4B: Fees and fines | | |
| Infringements | 184 | 303 |
| Total fees and fines | 184 | 303 |
| Note 4C: Interest | | |
| Deposits | 1,311 | 1,577 |
| Total interest | 1,311 | 1,577 |
| Note 4D: Rental income | | |
| Property rentals and short-term hire | 13,255 | 12,797 |
| Total rental income | 13,255 | 12,797 |
| Note 4E: Other revenue | | |
| Fees, Sponsorship & Infrastructure contribution | 48 | 70 |
| Grants - Department of The Environment & Energy | - | 799 |
| Total other revenue | 48 | 869 |
| Note 4F: Sale of assets | | |
| Infrastructure, plant and equipment | | |
| Proceeds from sale | (2) | - |
| Net (loss)/gain from sale of assets | (2) | - |

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.

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 & Fines include infringement penalties 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

Note 5A: Cash and cash equivalents

Cash at bank

Cash on hand

Total cash

Note 5B: Investments

Term Deposits

Total Investments

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| Note 5A: Cash and cash equivalents | | |
| Cash at bank | 3,401 | 246 |
| Cash on hand | 1 | 2 |
| Total cash | 3,402 | 248 |
| Note 5B: Investments | | |
| Term Deposits | 49,216 | 56,403 |
| Total Investments | 49,216 | 56,403 |

Cash at bank and investments include funding quarantined for the decontamination of Sub Base Platypus (\$0.497 million), Stage 1 Refurbishment Sub Base Platypus (\$16.574 million), reserves from the sale of Markham Close properties (\$23 million), as well as the Trust's ongoing capital works and capital renewal.

The \$49.216 million is in short term deposits readily convertible to cash.

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.

FINANCIAL STATEMENTS

Note 5: Financial Assets — Continued

Note 5C: Trade and other receivables

Goods and Services

Goods and services

Total receivables for goods and services

Other receivables

Interest receivable

Other receivables

Total other receivables

Total trade and other receivables (gross)

Less impairment allowance account:

Goods and services

Fees and fines

Total trade and other receivables (net)

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.

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| Total receivables for goods and services | 680 | 653 |
| Total other receivables | 432 | 518 |
| Total trade and other receivables (gross) | 1,112 | 1,171 |
| Less impairment allowance account: | | |
| Goods and services | (407) | (362) |
| Fees and fines | (34) | (177) |
| | (441) | (539) |
| Total trade and other receivables (net) | 671 | 632 |

Trade and other receivables (gross) are aged as follows:

Not overdue

Overdue by:

Less than 30 days

31 to 60 days

61 to 90 days

More than 90 days

Total trade and other receivables (gross)

The impairment allowance account is aged as follows:

Not overdue

Overdue by:

Less than 30 days

31 to 60 days

61 to 90 days

More than 90 days

Total impairment allowance account

Receivables for Goods & Services

Credit terms are net 30 days (2017: 30 days).

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| Not overdue | 376 | 319 |
| Overdue by: | | |
| Less than 30 days | 246 | 69 |
| 31 to 60 days | 49 | 262 |
| 61 to 90 days | - | 18 |
| More than 90 days | 441 | 503 |
| Total trade and other receivables (gross) | 1,112 | 1,171 |
| 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) |
| More than 90 days | (441) | (503) |
| Total impairment allowance account | (441) | (539) |

Financial Position

Note 5: Financial Assets — Continued

Reconciliation of the Impairment allowance account:

Movements in relation to 2018

| | Goods and services \$'000 | Other receivables \$'000 | Total \$'000 |
|---|------------------------------|-----------------------------|-----------------|
| Opening balance | (362) | (177) | (539) |
| (Increase)/Decrease recognised in net deficit | (45) | 143 | 98 |
| Closing balance | (407) | (34) | (441) |

Movements in relation to 2017

| | Goods and services \$'000 | Other receivables \$'000 | Total \$'000 |
|--------------------------------------|------------------------------|-----------------------------|-----------------|
| Opening balance | (151) | (147) | (298) |
| (Increase) recognised in net surplus | (211) | (30) | (241) |
| Closing balance | (362) | (177) | (539) |

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.

FINANCIAL STATEMENTS

Note 6: Non-financial Assets

Note 6A: Analysis of infrastructure, plant, equipment and intangibles

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2017-18)

| | Land | Buildings on Freehold Land | Total Land & Buildings | Infrastructure, Plant & Equipment | Heritage & Collections | Intangibles | Total |
|---|---------|----------------------------|------------------------|-----------------------------------|------------------------|-------------|----------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| As at 1 July 2017 | | | | | | | |
| 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) |
| Total as at 1 July 2017 | 197,985 | 77,869 | 275,854 | 29,746 | 27,759 | 277 | 333,636 |
| Additions: | | | | | | | |
| by purchase | 780 | 959 | 1,739 | 3,669 | 1,785 | 49 | 7,242 |
| Depreciation/ amortisation expense | - | (1,332) | (1,332) | (1,206) | - | (49) | (2,587) |
| Disposals/ write-down | - | - | - | (2) | - | - | (2) |
| Total as at 30 June 2018 | 198,765 | 77,496 | 276,261 | 32,207 | 29,544 | 277 | 338,289 |
| Total as at 30 June 2018 represented by: | | | | | | | |
| Gross book value | 198,765 | 81,448 | 280,213 | 38,093 | 29,544 | 702 | 348,552 |
| Accumulated depreciation/ amortisation | - | (3,952) | (3,952) | (5,886) | - | (425) | (10,263) |
| | 198,765 | 77,496 | 276,261 | 32,207 | 29,544 | 277 | 338,289 |

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.

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.

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 undertook an internal desktop valuation in 2018 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 6B.

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 6: Non-financial Assets — Continued

6B: 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.

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:

| | 2018 | 2017 |
|----------------------------|-----------------|-----------------|
| 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.

FINANCIAL STATEMENTS

Note 6: Non-financial Assets — Continued

6B: Accounting Policy — Continued

Impairment

All assets were assessed for impairment at 30 June 2018. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Heritage and Cultural Assets

The Trust owns and manages buildings, monuments and structures that have significant heritage and cultural value (with an aggregated fair value of \$29.544m (2017: \$27.759m)). 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. Prior to 2017-18, the asset renewal reserve was being 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. In 2017-18 the reserve funds were drawn down to fund \$2.918 million of major capital renewal works. However, in this current 2017-18 financial year, there has been no transfer from the Trust's accumulated results to a general equity reserve, due to the Board approved deficit result and the budgeted deficit for the 2018-19 financial year. These deficits were approved by the Minister for Finance.

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 (2016-17: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2018.

| | 2018 \$'000 | 2017 \$'000 |
|-----------------------------|----------------|----------------|
| Note 6C: Inventories | | |
| Finished goods at cost | 100 | 124 |
| Total inventories | 100 | 124 |

During the 2018 year \$20,777 of inventory held for distribution was recognised as an expense (2017: \$6,492). Expensing of inventory was higher in 2018 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.

Note 6: Non-financial Assets — Continued

Note 6D: Other non-financial assets

Lease incentives

Prepayments

Total other non-financial assets

Other non-financial assets expected to be settled:

No more than 12 months

More than 12 months

Total other non-financial assets

| | 2018 \$'000 | 2017 \$'000 |
|--|----------------|----------------|
| Note 6D: Other non-financial assets | | |
| Lease incentives | 84 | 129 |
| Prepayments | 16 | 102 |
| Total other non-financial assets | 100 | 231 |
| Other non-financial assets expected to be settled: | | |
| No more than 12 months | 48 | 147 |
| More than 12 months | 52 | 84 |
| Total other non-financial assets | 100 | 231 |

Note 7: Payables

Note 7A: Suppliers

Trade creditors

Contract retentions

Total supplier payables

Supplier payables expected to be settled:

No more than 12 months

More than 12 months

Total supplier payables

Settlement is usually made within 30 days.

Note 7B: Other Payables

Salaries and wages

Accrued expenses/suppliers

Bonds and security deposits

Grants received in advance

Unearned Revenue

Total Other Payables

The Trust also holds 48 bank guarantees (2017: 47) as security for tenants on long term leases. The total value of those bank guarantees is \$2.110 million (2017: \$1.980 million).

Other payables expected to be settled:

No more than 12 months

More than 12 months

Total Other Payables

| | 2018 \$'000 | 2017 \$'000 |
|---|----------------|----------------|
| Note 7A: Suppliers | | |
| Trade creditors | 1,006 | 1,105 |
| Contract retentions | 100 | 142 |
| Total supplier payables | 1,106 | 1,247 |
| Supplier payables expected to be settled: | | |
| No more than 12 months | 1,106 | 1,247 |
| More than 12 months | - | - |
| Total supplier payables | 1,106 | 1,247 |
| Note 7B: Other Payables | | |
| Salaries and wages | 103 | 57 |
| Accrued expenses/suppliers | 485 | 525 |
| Bonds and security deposits | 1,270 | 1,284 |
| Grants received in advance | 70 | - |
| Unearned Revenue | 3,819 | 2,347 |
| Total Other Payables | 5,747 | 4,213 |
| Other payables expected to be settled: | | |
| No more than 12 months | 3,062 | 2,597 |
| More than 12 months | 2,685 | 1,616 |
| Total Other Payables | 5,747 | 4,213 |

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).

FINANCIAL STATEMENTS

People and Relationships

Note 8: Provisions

| | 2018 \$'000 | 2017 \$'000 |
|-------------------------------------|----------------|----------------|
| Note 8A: Employee provisions | | |
| Leave | 1,204 | 1,376 |
| Total employee provisions | 1,204 | 1,376 |

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of the reporting period are measured at their nominal amounts.

Leave

The liability for employee benefits includes provision for annual leave and long service 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 liability for long service leave has been determined by the Department of Finance shorthand method as described under the FRR. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

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.

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 8B: Key Management Personnel Remuneration

| | 2018 \$ | 2017 \$ |
|---|----------------|----------------|
| Short-term employee benefits: | | |
| Salary | 493,992 | 453,255 |
| Total short-term employee benefits | 493,992 | 453,255 |
| Post-employment benefits: | | |
| Superannuation | 58,246 | 42,859 |
| Total post-employment benefits | 58,246 | 42,859 |
| Other long-term benefits: | | |
| Annual leave accrued | 16,182 | 19,295 |
| Long-service leave | 6,514 | 5,713 |
| Total other long-term benefits | 22,696 | 25,008 |
| Total key management remuneration expenses | 574,934 | 521,122 |

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

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio minister. The Portfolio minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the Trust.

The total number of key management personnel that are included in the above table is 8 individuals (2017: 9 individuals). The total number includes both board member and key management remuneration.

Other Information

Note 9: Other Information

| | 2018 \$'000 | 2017 \$'000 |
|---|--------------------------------|---------------------|
| Other provisions | | |
| Provision for remediation - Platypus | 497 | 779 |
| Provision for obsolete stock | 100 | - |
| Total other provisions | 597 | 779 |
| Other provisions are expected to be settled in: | | |
| No more than 12 months | 597 | 779 |
| More than 12 months | - | - |
| Total other provisions | 597 | 779 |
| Movements in relation to 2018 | Other Provisions \$'000 | Total \$'000 |
| As at 1 July 2017 | 779 | 779 |
| Amounts used | (182) | (182) |
| Total as at 30 June 2018 | 597 | 597 |
| Movements in relation to 2017 | Other Provisions \$'000 | Total \$'000 |
| As at 1 July 2016 | 1,204 | 1,204 |
| Amounts used | (425) | (425) |
| Total as at 30 June 2017 | 779 | 779 |

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 Sub Base Platypus.

FINANCIAL STATEMENTS

Note 10: Financial Instruments

10A Categories of financial instruments

Financial Assets

Held to maturity investments

Investments

Total held to maturity

Loans and receivables

Cash at bank

Cash on hand

Receivables for goods and services

Interest receivable

Other receivables

Total loans and receivables

Total financial assets

Financial Liabilities

Financial liabilities measured at amortised cost

Trade creditors

Contract retentions

Salaries and wages

Accrued expenses/suppliers

Bonds and security deposits

Total financial liabilities measured at amortised cost

10B Net income and expense from financial assets

Held to maturity investments

Interest revenue (see note 4C)

Net gain held to maturity investments

Loans and receivables

Interest revenue (see note 4C)

Impairment of receivables (see note 5C)

Net (loss) loans and receivables

Net gain from financial assets

10C Net income and expense from financial liabilities

There was no net income or expense from financial liabilities for the year ended 30 June 2018 (2017 - Nil).

10D Financial instruments

Accounting Policy

Financial assets

The entity classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- held-to-maturity investments;
- 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

Income is recognised on an effective interest rate basis except for financial assets that are recognised at fair value through profit or loss.

Financial Assets at Fair Value Through Profit or Loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets:

- have been acquired principally for short term investment;
- are parts of an identified portfolio of financial instruments that the entity manages together and has a recent actual pattern of short-term investment.

| | 2018 \$'000 | 2017 \$'000 |
|---------------|----------------|----------------|
| 49,216 | 56,403 | |
| 49,216 | 56,403 | |
| 3,401 | 246 | |
| 1 | 2 | |
| 680 | 653 | |
| 4 | 1 | |
| 428 | 517 | |
| 4,514 | 1,419 | |
| 53,730 | 57,822 | |
| 1,006 | 1,105 | |
| 100 | 142 | |
| 103 | 57 | |
| 485 | 525 | |
| 1,270 | 1,284 | |
| 2,964 | 3,113 | |
| 1,266 | 1,559 | |
| 1,266 | 1,559 | |
| 45 | 18 | |
| (441) | (539) | |
| (396) | (521) | |
| 870 | 1,038 | |

Note 10: Financial Instruments

— Continued

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of 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.

Available for sale financial assets - if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Statement of Comprehensive Income.

Financial assets held at cost - if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate for similar assets.

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'.

Financial Liabilities at Fair Value Through Profit or Loss

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other Financial Liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest 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).

Note 11: Contingencies

Schedule of Contingencies

There were no contingent assets or liabilities required to be disclosed as at 30 June 2018 (2017 - 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 12: Related Party Disclosures

Related party relationships

The Trust is an Australian Government controlled entity. Related parties to this entity are its members, key management personnel (KMP) including the Portfolio Minister and Executive and other Australian Government entities including the Department of the Environment and Energy.

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of taxes, receipt of a Medicare rebate or higher education loans. These transactions have not been separately disclosed in this note.

The following transactions with related parties occurred during the financial year:

- The Trust received consulting services from PricewaterhouseCoopers for an amount of \$30,000 at which time a KMP was both a Director of the Trust and a senior partner in the firm. There is no balance outstanding at year end.

The Trust transacts with other Australian Government controlled entities consistent with normal day-to-day business operations provided under normal terms and conditions. These are not considered individually significant to warrant separate disclosure as related party transactions.

APPENDIX 1

Note 13: 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:

| | 2018 | 2017 |
|----------------------------------|-----------------|-------|
| | \$ | \$ |
| Opening balance at 1 July | 7,267 | 2,387 |
| Revenue: | | |
| - Donations | - | 5,000 |
| | 7,267 | 7,387 |
| Less expenses: | | |
| - Suppliers | 150 | 120 |
| Closing balance at 30 June | 7,117 | 7,267 |
| Represented by: | | |
| Cash at bank | 77,117 | 7,267 |
| Grant received in advance | (70,000) | - |
| | 7,117 | 7,267 |

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

Requests

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

Requests should be sent to:
Freedom of Information Officer
Harbour Trust
PO Box 607 MOSMAN NSW 2088

Reporting

The Harbour Trust received two applications under the Act during the reporting period.

APPENDIX 2

Advisory and reference groups

2017 General Community Advisory Committee

Cockatoo Island

Liz Foster
Matthew Rafferty

Headland Park

Kate Eccles

Macquarie Lightstation/Marine Biological Station

Prof. Roy Macleod

North Head Sanctuary

Geoffrey Lambert
Douglas Sewell

Sub Base Platypus

Paul Forward
Dr Zena O'Connor

Woolwich Dock

Peta Lewis

General Members

Sarah Dinning
Colleen Godsell
Julie Goodsir
Beth Lawsen
Jill L'Estrange
Susan Moylan-Coombs
Adele Rancan
Bob Smith
Brigadier Vince Williams

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
Cr Richard Quinn, Mayor of Hunter's Hill
Cr Toni Zelter, Mayor of Woollahra
Trent Zimmerman MP, Member for North Sydney

2017 Sub Base Platypus Community Advisory Committee

Tammy Dodd
Paul Forward
Dr Zena O'Connor
Neil Schafer
Captain Chris Skinner
Ken Williams

Ex-Officio Members

Cr Jilly Gibson, Mayor of North Sydney
Trent Zimmerman MP, Member for North Sydney

2018 General Community Advisory Committee

General Members

Robert Crawford
Sarah Dinning
Kate Eccles
Paul Forward
Colleen Godsell
Julie Goodsir
Geoffrey Lambert
Beth Lawsen
Jill L'Estrange
Peta Lewis
Prof. Roy Macleod
Susan Moylan-Coombs
Matthew Rafferty
Adele Rancan
Bob Smith

Ex-Officio Members

The Hon Tony Abbott MP, Member for Warringah
Cdr Mathew Bradley
Cr Mark Bennett, Mayor of Hunter's Hill
Cr Peter Cavanagh, Mayor of Woollahra
Cr Carolyn Corrigan, Mayor of Mosman
Cr Jilly Gibson, Mayor of North Sydney
Michael Regan, Mayor of Northern Beaches
Trent Zimmerman MP, Member for North Sydney

2018 Sub Base Platypus Community Advisory Committee

Phil Burford
Tammy Dodd
Paul Forward
Neil Schafer
Captain Chris Skinner
Christopher Stapleton
Ken Williams

Ex-Officio Members

Cr Jilly Gibson, Mayor of North Sydney
Trent Zimmerman MP, Member for North Sydney

Aboriginal and Torres Strait Islander Advisory Group

Josephine Cashman
Susan Moylan Coombs
Dennis Foley
Djon Mundine
Roy Mundine OAM
Peter White

APPENDIX 3

Maintenance, heritage conservation and environmental management projects

All sites

- Grounds maintenance
- General building maintenance
- Services maintenance
- Fire systems maintenance
- Pest management
- Site security

Headland Park

- Refurbishment and replanting of walking tracks
- Completion of walking track from Georges Heights to Middle Head
- Contract bush regeneration
- Refurbishment of an existing residential property on Middle Head Road
- Feral animal control
- Refurbishment of Building 1 Chowder Bay
- Repairs to the boardwalk between Chowder Bay and Clifton Gardens
- Minor internal fitouts by tenants
- Mechanical and manual bushfire hazard reduction works
- External and internal painting of tenanted buildings
- Installation of life rings to Chowder Bay wharf

Cockatoo Island

- Public safety works
- Conservation of historic machinery and planting of gardens by volunteers
- Conservation works to Buildings 2, 3 and 4
- Conservation works to the Convict Workshops
- Restoration of the historic convict built stone wall to the rear of Building 1
- Restoration of historic cranes by Harbour Trust heritage restoration volunteers
- Installation of life rings to Camber wharf, Fitzroy and Sutherland docks
- Ongoing replacement and upgrading of utilities services and major upgrades to the hot water supply to the campground

North Head Sanctuary

- Repairs and maintenance of walking tracks
- Installation of timber grave markers in the Third Quarantine Cemetery
- Improvements to the volunteer's workshop and storage area
- Refurbishment of an existing residential property on North Head Scenic Drive
- Conservation and reconstruction of historic military equipment by heritage restoration volunteers
- Propagation and planting of local species by the North Head Sanctuary Foundation
- Contract bush regeneration
- Mechanical and manual bushfire hazard reduction works
- Feral animal control

APPENDIX 3

Maintenance, heritage conservation and environmental management projects

| | |
|---|---|
| Woolwich Dock | <ul style="list-style-type: none">• Contract bush regeneration• Weed removal and replanting of the Horse Paddock and Goat Paddock• Feral animal control• Installation of life rings to main wharf and safety ladders to the Horse Paddock |
| Sub Base Platypus | <ul style="list-style-type: none">• Completion of the overwater pedestrian link between Kesterton Park and Sub Base Platypus• Completion of the Northern Park stair, landscaping and timber deck• Demolition of Building 3 for the next stage Arrival Square• Commencement of base works to buildings 2 and 10• Installation of life rings and safety ladders to waterfront areas |
| Macquarie Lightstation | <ul style="list-style-type: none">• Contract bush regeneration and maintenance• Weed removal and replanting |
| Former Marine Biological Station | <ul style="list-style-type: none">• Repairs to stairs between park and beach• Grounds maintenance• Weed removal and replanting |
| Snapper Island | <ul style="list-style-type: none">• No major works were carried out during the year, although the Department of Finance completed some minor building remediation works |

*Third quarantine cemetery,
North Head Sanctuary*



COMPLIANCE INDEX

The table below shows this report's compliance with the PGPA Act and the PGPA Rule.

| ITEM | PAGE |
|--|-----------|
| Letter of transmittal | 3 |
| Significant activities and changes affecting the authority | 6-69 |
| Objects and functions of the entity | 10 |
| Organisational structure | 10 |
| Location | 10 |
| Information on the accountable authority | 10-15, 50 |
| Members of the accountable authority | 10-15, 50 |
| Legislation establishing the body | 11 |
| Responsible Minister | 11 |
| Analysis of Performance Against Purpose | 25-55 |
| Corporate governance | 50 |
| Indemnities and insurance | 51 |
| Procurement | 51 |
| Tendering and contracting | 51 |
| Fraud control | 51 |
| Ministerial directions | 55 |
| Judicial decisions and reviews | 55 |
| Purpose of the entity | 56 |
| Annual Performance Statements | 56-64 |
| Regulator Performance Framework | 65-68 |
| Compliance index | 100 |

INDEX

A

Access and safety 55
 Accommodation 22, 31-32, 40-42, 49, 55, 58, 62-63
 Advertising and market research 39
 Annual Performance Statements 56-64
 Asset Management Plan 27, 57
 Auditor's report 70
 Australian Wildlife Conservancy 6, 31, 47, 61

B

Biennale of Sydney 27, 40, 42-43, 45, 50
 Board
 – Meetings 50, 68, 88
 – Members 7, 12-15
 Bushfire management 51
 Bushland management 30

C

Carbon footprint 35-36
 Chair's foreword 6-7
 Child care regulations and service approvals 67
 Chowder Bay 19, 20, 28, 31-32, 90
 Chowder Bay Wharf 90
 Cockatoo Island 4, 6, 9, 18, 22, 25, 27-28, 30, 32, 35, 41, 43, 46, 49, 50, 58, 60, 59, 66, 90
 – Accommodation 22, 31, 40-42, 49, 58
 – Accommodation Open Day 93
 – Campground 22, 49, 90
 Capital works 27
 – Convict workshop conservation work 27, 28
 – Headland Park walking track 28
 – Historic crane restoration work 28
 – Horse Paddock life rings and safety ladder 29
 – North Fort restoration work 29
 – Pedestrian access to Camp Cove beach 29
 – Sub Base Platypus Renewal Project 27
 – Third Quarantine Cemetery grave markers 29
 Commonwealth Procurement Rules 51
 Communications 32, 39, 59
 Community Advisory Committees 9, 45, 60, 89
 Community consultation 10, 32
 Complaints policy and procedures 66, 68
 Compliance index 92
 Consultants 31, 51
 Contracting 51
 Corporate governance 50, 92
 Corporate Plan 56-58, 60, 62-64
 Cultural partnerships 40, 45-47

D

Department of the Environment 51
 Development applications 65-66
 Disability Action Plan 53-54

E

Ecologically sustainable development 32-33
 Education 14, 31, 33, 39, 42
 Employees 37, 53, 55, 64
 Energy consumption 33-34
 Energy Efficiency in Government Operations (EEGO) Policy 34
 Engagement 9, 32, 40, 45, 64, 66-68
Environment Protection and Biodiversity Conservation Act 1999 33
 Environmental assessments 31, 32, 68
 Environmental performance 33
 Equity and diversity 53
 Executive Director 8, 11, 13-14, 46, 54, 70

F

Financial management 14
 Financial performance 75
 Financial statements 70, 75
 Former School of Artillery 20
 Fraud control 51
 Freedom of information 88
 Fuel consumption 33-35
 Functions 10, 28, 51, 55, 92

G

Georges Heights 11, 19-20, 28, 90
 Grants 30
 Greenhouse gas emissions target 33-37
 Guided tours 9, 42, 46

H

Headland Park, Mosman 19-21, 25, 27-28, 30-31, 42, 45, 47, 51, 89-90
 Heritage partnerships 61
 Human resources 53

I

Indemnities and insurance 51, 92
 Indigenous Employment Strategy 53-54
 Interpretation 39, 45, 57-59

J

Judicial decisions and reviews by outside bodies 55

K

Key performance indicators 56, 57, 59, 61, 63-64

INDEX

L

Landscape management 31
Learning and Development Plan 54
Leasing 11, 40, 49, 58, 62–64
Legislation 11, 43, 92
Licencing 39, 50, 54, 67–68

M

Macquarie Lightstation, Vaucluse 14, 22, 29–31, 42, 46, 89, 91
Management plans 6, 27, 31, 57–58, 67
Map of sites 19
Marine Biological Station, Watsons Bay 4, 19, 23, 29, 40, 42, 89, 91
Marketing 7, 11, 39, 51, 59, 62
Middle Head 19, 20, 28, 90
Minister for the Environment 3, 7
Ministerial directions 55

N

NSW National Parks and Wildlife Service (NPWS) 30–31, 40, 51, 67
NSW Office of Environment and Heritage (OEH) 30
North Fort 20, 28–30, 45, 47
North Head Sanctuary 4, 28, 35, 39, 41–43, 46–47, 61
North Head Sanctuary Foundation 31, 47, 90

O

Objectives 10, 31, 47, 57, 58, 60, 62, 90
Operations 3, 33–34, 55, 72
Organisational structure 11, 13

P

Photovoltaic (PV) arrays 35–36
Sub Base Platypus, Neutral Bay 4, 6, 8, 9, 18, 20–21, 27, 32, 39, 42, 43, 45, 47, 49, 51, 57, 59, 62, 89, 91
– Remediation project 6, 27
– Community Advisory Committee 32, 60, 89
– Engagement 45
– Renewal Project 6, 9, 27, 32, 51
Portfolio Audit Committee 51
Procurement 25, 51
Public, Governance, Performance and Accountability Act 2013 3, 51, 56, 70
Public interest disclosure 55
Public Interest Disclosure Act 2013 55
Public programs 39
Purpose 40, 55–56, 64, 92

R

Rangers 43
Reconciliation Action Plan 8, 25, 57
Regulator Performance Framework 65–69
Renewable energy 36
Risk management 55, 67
Royal Australian Artillery Historical Company (RAAHC) 47

S

Snapper Island 18, 23, 29, 57, 91
Staff learning and development 54
Staff 6, 7, 34, 45–46, 51, 54, 64
Sydney Harbour Conservancy 75
Sydney Harbour Federation Trust Act 2001 3, 11

T

Tenants 9, 20, 37, 49, 62, 90
Tendering 51
Third Quarantine Cemetery, North Head Sanctuary 20, 29, 42, 59, 90

V

Venue hire 39, 50, 63
Vision 7, 8, 10, 25, 27, 60, 62
Visitor experience 11, 39, 46, 58, 60
Volunteers 7, 9, 28–29, 31, 45–47, 60, 90

W

Walking tracks 90
Waste generation 33, 37
Water consumption 33, 36, 37
Work Health and Safety Act 2011 55
Workplace health and safety 55
Workplace Health and Safety Committee 55
Woolwich Dock and Parklands 4, 18, 23, 29

