

Sydney Harbour Federation Trust

Annual Report 07/08



Australian Government
Sydney Harbour Federation Trust



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Sydney Harbour Federation Trust
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22 September 2008

The Honourable Peter Garrett AM MP
Minister for the Environment, Heritage and the Arts
Parliament House
CANBERRA ACT 2600

Dear Minister

I present the report on the operations of the Sydney Harbour Federation Trust for the year ended 30 June 2008. The report complies with the provisions of section 70 of the *Sydney Harbour Federation Trust Act 2001* and section 9 of the *Commonwealth Authorities and Companies Act 1997*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin McCann', with a long horizontal flourish extending to the right.

Kevin McCann AM Chair

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Chair's Foreword

The year in review has been a productive one for the Trust. At most sites, there has been progress to implement the outcomes of the Comprehensive Plan. The extension of the life of the Trust will have a major impact on the organisation's ability to plan for and execute its development plans.

The Trust's application for additional funding to take account of the effect of inflation is yet to be decided. In the meantime, we have adopted an interim strategy in relation to our capital works program and are hopeful an adjustment to funding will be announced as part of the 2009 budget. Some projects have been delayed and the Trust has made significant savings in operating costs. The delay in the rehabilitation of some buildings and facilities will impact directly on the Trust's capacity to generate revenue through leasing. Should the Trust not receive funding, some works identified in the Comprehensive Plan will not be completed.

As the program of decontamination, conservation, refurbishment and rehabilitation of sites is completed, the emphasis of the Trust's activities shift to the quality of the visitor experience. While expectations of the sites will vary, the Trust has the challenge of framing public programs that do justice to their individual characteristics and their relationship to each other. We are also committed to ensuring that everyone in the Australian community has the opportunity to visit and enjoy the lands held for their benefit.

In the case of the former School of Artillery at North Head, the proposed North Head Sanctuary will protect the flora and fauna of this iconic headland and enable visitors to experience bushland and seclusion within the boundaries of Australia's largest city. At the same time, the military significance of the headland will be preserved in the adaptive re-use of its buildings and the conservation of its fortifications.

Headland Park in Mosman is a string of former defence bases that have been transformed into tranquil precincts catering to research, business and an artists' colony. The military heritage of the area dates from the 1870s and is being interpreted by

signage, landscaping and the installation of lowkey exhibitions in historic buildings. The association of indigenous people with the Sydney Harbour Federation Trust, particularly the site of Bungaree's farm, has been the subject of interpretation and will be reviewed in the coming year.

Telling the story of the industrial and military heritage of Woolwich Dock will underscore current maritime commercial activity and the operation of the proposed restaurant and function centre will add another layer of public accessibility to this beautiful urban park.

Cockatoo Island combines prospective world heritage-listed convict sites, industrial infrastructure, a camp ground, events and partnerships with cultural bodies. This harbour landmark requires a far greater investment of resources than does any other Trust site. Whereas most Trust sites have a local catchment from which to draw the bulk of their visitors, we are developing plans to make Cockatoo Island one of the city's major harbour attractions for the community and visitors alike.

The Trust's aim is to provide a uniform standard of visitor experience at its diverse sites. In other words, to realise the vision of the Comprehensive Plan: *to provide a lasting legacy for the people of Australia by helping to create one of the finest foreshore parks in the world and provide places that will greatly enrich the cultural life of the city and the nation.*

On behalf of Trust members and staff, I welcome our new Minister, the Hon Peter Garrett AM, Minister for the Environment, Heritage and the Arts. Trust members have displayed their customary diligence throughout the year. The Trust's staff under executive director Geoff Bailey has worked tirelessly to make our sites publicly accessible. The volunteers' contribution to public programs has enabled the Trust to do far more than otherwise would have been possible.

Kevin McCann AM



Executive Director's Summary

During the year, the life of the Trust was extended from 2011 to 2033. Among the reasons for the Government's decision for the extension were the Trust's experience in rehabilitating historic sites and community support. The extension will enable the Trust to secure the future of its sites around Sydney Harbour and plan for long-term public accessibility, conservation work and adaptive re-use of buildings and facilities. On a practical level, the extension will allow the Trust to rehabilitate HMAS *Platypus* at Neutral Bay, a site transferred to the organisation in 2005. More broadly, the Trust will be in a position to manage the environmental and heritage assets of other sites should governments decide to transfer them in the foreseeable future.

The Trust's program of public works on its sites is well past the halfway point and will trend down in the years ahead. As reported last year, six of the Trust's eight sites are open to the public. Each continues to develop its own character as tenants, services and amenities are added and visitation increases. Headland Park, Mosman, leads the way with a further tranche of buildings leased at Georges Heights, proposals called for the former golf clubhouse on Middle Head Road and design and tender documentation completed for the former Australian School of Pacific Administration. Landscaping works on the site of the former Commandos Headquarters links some of the features of the Middle Head ridgeline, namely, Rawson Park, Georges Heights oval and the Georges Heights precinct. Chowder Bay thrives as a diverse community with the appeal of harbour, beach and bushland.

At North Head, the Gatehouse visitor centre was augmented by the opening of a walking track through the site. These facilities afford visitors with a history of the headland and the means to enjoy its natural beauty. While yet to attract large numbers of visitors, the site is closer to becoming the remarkable urban park envisaged in the Trust's Comprehensive Plan. The operational plan for the management of a sanctuary on North Head was placed on public exhibition before being approved in November 2007. During the year, conservation, refurbishment and rehabilitation of buildings and services continued, the area around the new car park adjacent to Blue Fish Road was revegetated and bushfire risk management and feral animal management were ongoing projects.

The opening of a camp ground on Cockatoo Island was a major milestone in the transition from major project activity on the site to a greater emphasis on habitation and visitor uses. The camp ground attracted a high level of media coverage, a good measure of its likely success in the forthcoming camping season. The completion of both the cliff top walkway and the Cockatoo Island audio tour provide visitors with physical access to one of the island's great vantage points and an informative summary of the many layers of the island's history.

The Trust's sponsorship of Cockatoo Island as a major venue partner of the 2008 Biennale of Sydney promises to be a very successful partnership. At the end of the reporting period, approximately 15,000 people had visited the island during the first two weeks of the exhibition, most taking advantage of the free ferry service provided by the Trust and the Balnaves Foundation. The Biennale of Sydney runs for 12 weeks until early September 2008.



Project activity on Cockatoo Island included ongoing conservation and refurbishment of building stock and the upgrade of services in the entry precinct. The Cockatoo Island Management Plan was approved by the Trust in November 2007.

At Woolwich Dock, the management plan for the site was amended to enable changes to the proposed waterfront restaurant and function centre including the addition of a Trust visitor centre and an overflow parking area. Construction of the restaurant/function centre is underway. Major project work commenced on the realignment of the entry road to the dock including a new car park on Council land at Morts Reserve. A small park and lookout was built above the head of the dock and construction commenced on a new wharf and floating pontoon on the eastern apron.

The long-term leasing of buildings and facilities continued throughout the year. New lessees in Headland Park have joined established businesses to create vibrant commercial precincts. Woolwich Dock continues as a maritime repair business and should increase its profile and visitation with the operation of a restaurant and function centre. At the former School of Artillery, North Head, a number of short-term licencees will be joined by the site's first community tenants, a native plant nursery and a respite care provider. The Trust's housing stock of 53 residences was fully leased. Over 80 short-term licencees were signed for activities ranging from weddings, concerts and art exhibitions to television programs and feature films. Leasing is one of the linchpins of revitalising Trust sites along with public accessibility. It also makes a significant and growing contribution to the Trust's operational budget.

Public and education programs continued throughout the year both to promote sites' accessibility and the relevance of their natural and cultural heritage to the history of Sydney and Australia. Art in the Open at Headland Park attracted upwards of 5000 people, proof of the park's profile and popularity in the local community and beyond. Plans to create exhibition spaces to tell the stories of the Submarine Miners' Depot at Chowder Bay and the World War I auxiliary hospital at Georges Heights are underway. The schools' excursion program at Cockatoo Island is well subscribed with approximately 5000 students from 63 schools undertaking curriculum-related excursions during the year. A schools' program at North Head Sanctuary is underway and expected to grow strongly. Events and partnerships ranged from NAIDOC celebrations to the Biennale of Sydney.

The Trust's team of volunteers, tour guides, teacher guides and oral history interviewers performed at a high level throughout the year, proving once again what an invaluable contribution it makes to public programs and the standing of the organisation. Trust staff has also met the challenge of an ever-evolving organisation. If the Trust is to build on its achievements, the continuing high calibre of its staff is vital.

Following the federal election in November 2007, the Hon Peter Garratt AM became the Minister for the Environment, Heritage and the Arts.

I thank the Trustees for their support and advice throughout the year. Their commitment to the work of the Trust has been unflagging and a source of great encouragement.

Geoff Bailey

1 The Sydney Harbour Federation Trust

Vision

To provide a lasting legacy for the people of Australia by helping to create the finest foreshore park in the world and provide places that will greatly enrich the cultural life of the city and the nation.

Objectives

The objects of the Sydney Harbour Federation Trust as set out in the legislation are to:

- ensure that management of Trust land contributes to enhancing the amenity of the Sydney Harbour region;
- protect, conserve and interpret the environmental and heritage values of Trust land;
- maximise public access to Trust land;
- establish and manage suitable Trust land as a park on behalf of the Commonwealth as the national government;
- co-operate with other Commonwealth bodies that have a connection with any harbour land in managing that land; and
- co-operate with New South Wales, affected councils and the community in furthering the above objects.

Functions

The functions of the Sydney Harbour Federation Trust are to:

- hold Trust land for and on behalf of the Commonwealth;
- undertake community consultation on the management and conservation of Trust land;
- develop draft plans in respect of Trust land and any other harbour land in furthering the objects, and performing other functions, of the Trust;
- rehabilitate, remediate, develop, enhance and manage Trust land, by itself or in co-operation with other institutions or persons, in accordance with the plans;
- make recommendations to the Minister on:
 - (a) plans; and
 - (b) the proposed transfer of any Trust land;
- promote appreciation of Trust land, in particular its environmental and heritage values;
- provide services and funding to other Commonwealth bodies in furthering the objects, and performing other functions, of the Trust; and
- anything incidental to or conducive to the performance of its other functions.



The Sites



Legislation and Minister

The Trust was established by section 5 of the *Sydney Harbour Federation Trust Act 2001* which commenced on 20 September 2001.

The Minister for the Environment, Heritage and the Arts, the Hon Peter Garrett AM, is the responsible minister.

Organisational Structure

The Trust is comprised of eight members appointed by the Minister. The affairs of the Trust are managed, subject to the directions of, and in accordance with, the policies of the Trust, by the Executive Director, Mr Geoff Bailey.

During the year the Trust operated from its offices at Georges Heights, Mosman, Sydney.

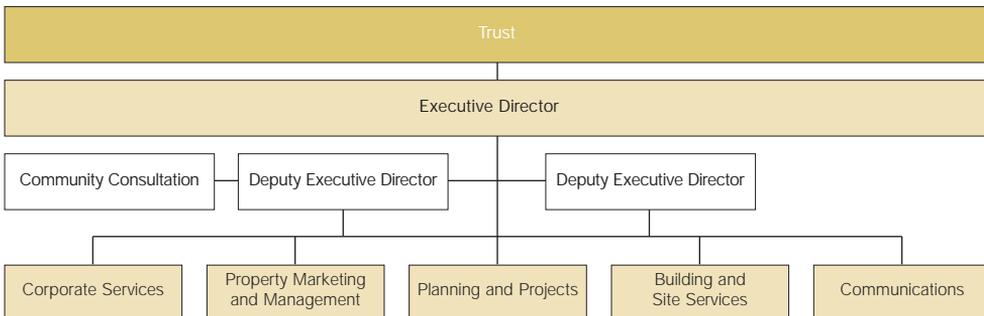


Photo: Macquarie Lightstation

Members

Photo: HMAS Platypus

Mr Kevin McCann AM, Chair



Mr McCann is a non-executive director of the Trust. He is also a non-executive director of a number of leading Australian listed companies. He is Chairman of Healthscope Limited and Origin Energy Limited, lead independent director of Macquarie Bank Limited and is a director of BlueScope Steel Limited. He is a member of the Council of the National Library of Australia. He practised in corporate and commercial law as a partner of Allens Arthur Robinson for 35 years and Chairman of the firm for 10 years. Mr McCann holds a Master of Laws, Bachelor of Laws and a Bachelor of Arts. He is experienced in finance and commercial matters.

Mr Robert Conroy



Mr Conroy is a non-executive director, nominated by the NSW Government. Mr Conroy is Executive Director, Park Management Division, NSW Department of Environment and Climate Change. He holds a Master of Management, Bachelor of Arts and a Diploma in Environmental Studies. Mr Conroy is a Director of the Blue Mountains World Heritage Institute and of the Australasian Fire Authorities Council, and is a member of the NSW Bush Fire Coordinating Committee. Mr Conroy has more than 30 years experience in managing protected areas.

Ms Diana Talty



Ms Talty is a non-executive director, nominated by the NSW Government. Ms Talty has wide ranging experience in urban and waterfront development through her employment in the Office of the Federal Minister for Urban and Regional Development in 1970's, the NSW Department of Planning, the Darling Harbour Authority and now in the role of Executive Director, Major Projects for the Sydney Harbour Foreshore Authority. Ms Talty holds a Bachelor of Arts. In 2002 she was awarded the NSW Government Public Service Medal in recognition of her contribution to the Darling Harbour project.

Clr Susan Hoopmann



Clr Hoopmann is a non-executive director. Clr Hoopmann is Popularly Elected Mayor of Hunters Hill, a company director and chairs numerous boards, committees and organisations with wide-ranging responsibilities such as traffic, conservation, planning and education. Clr Hoopmann chairs the seven Councils Insurance Pools (Metropool), is Vice Chair of the Northern Sydney Region of Councils (NSROC) and is involved with various Local Government committees and charities. Clr Hoopmann is also a member of the Trust's Audit and Risk Management Committee.

Mr Peter Lowry OAM



Mr Lowry is a non-executive director, a law graduate and is chairman of a number of companies involved in urban planning and residential development, particularly in the restoration of heritage projects. His companies are also involved in the hospitality industry. He is a board member of the National Trust, the Planning Research Centre of the University of Sydney and is a Member of the Planning Institute of Australia. He was a Reserve Army officer. Mr Lowry is Chair of the Trust's Audit and Risk Management Committee.

Dr John Moriarty AM



Dr Moriarty is a non-executive director. Dr Moriarty holds a Bachelor of Arts and was granted a Churchill Fellowship for overseas study on the history and culture of indigenous peoples. He is chairman and co-owner of Balarinji, the country's leading indigenous art and design studio. Dr Moriarty has been in executive positions in the Departments of Aboriginal Affairs for Commonwealth and state governments, and continues to hold board positions relating to indigenous issues. He was a member of the former National Indigenous Council, an advisory body to the Commonwealth Government.

Brigadier Kevin O'Brien CSC (ret)



Brigadier O'Brien is a non-executive director who served at two of the Trust sites during his 30 years with the Australian Army. Brigadier O'Brien holds a Bachelor of Arts and a Diploma of Arts, Military Studies. He has studied the military and defence history of Australia and assisted in the restoration of heritage defence sites. He has advised on, and edited a book about, the defence of Sydney Harbour during World War II. Brigadier O'Brien was a Member of the Interim Sydney Harbour Federation Trust for 2½ years. He is also the Chair of the Trust's Defence History Steering Committee, a member of the Trust's Audit and Risk Management Committee and the Members' representative on the Tender Review Committee

The Honourable Barry O'Keefe, AM QC



The Hon Barry O'Keefe is a non executive director. He is a lawyer and until recently was a Judge of the Supreme Court of NSW. He was a member of Mosman Council from 1968 until 1991, Mayor for ten of those years and President of the Local Government Association from 1986 until 1988. In 1993 he was appointed as Chief Judge of the Commercial Division and an Additional Judge of Appeal of the Supreme Court. In 1994 he was appointed Commissioner of the Independent Commission Against Corruption for the maximum statutory term of five years, returning to judicial duties thereafter. Mr O'Keefe was President of the National Trust (NSW) for 15 years (1991-2006) and has extensive experience in heritage and environmental matters. He was a Member of the Interim Sydney Harbour Federation Trust for 2½ years before his appointment as a Trustee in 2001.

Outcome and Output Structure

The Trust has established a sub outcome under the Environment, Water, Heritage and the Arts Portfolio Outcome 1.

Environment, Water, Heritage and the Arts Portfolio Outcome 1

The environment, especially those aspects that are matters of national significance, is protected and conserved.

Trust Sub Outcome

Trust lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians.

The following outputs will facilitate achievement of the required outcomes:

Trust Plans

Management plans consistent with the Trust's Comprehensive Plan are prepared for Trust lands following community consultation.

Public Information

The public is informed of the environmental and heritage significance of the Trust lands and access to them.

Site Conservation

Trust lands are progressively rehabilitated, conserved and made publicly accessible.

2 Achievements and Initiatives

Trust Plans

Performance Indicators

- Plans conform with best practice, have broad community support and reflect input from the consultative process.
 - Management plans are consistent with the Trust's Comprehensive Plan approved by the Minister.
 - Background studies or policies for significant heritage, environmental and transport matters affecting Trust lands are prepared.
 - Management plans are prepared and drafts exhibited.
 - The Community Advisory Committee and the broader community provide input into the planning process.
-

Comprehensive Plan

The draft amendment to the Trust's Comprehensive Plan to include HMAS *Platypus* was publicly exhibited in early 2007. The exhibition of the draft attracted over 200 submissions. Following a review of submissions, the draft was revised. Amendments to the draft included increasing the amount of open space, additional greening of the site and reducing the number of buildings to be retained. Additional detail was also provided about the operational management of the site and its capacity to meet relevant Council standards. The revised draft plan was re-exhibited in August 2007. A total of 145 submissions were received with increased support for the revised draft plan.

In June 2008 the draft plan was referred to the Minister for the Environment, Heritage and the Arts for approval. The Minister will consult with the NSW State Government as required by the Trust Act, prior to making a final decision on the draft plan.

Management Plans

The Management Plan for Macquarie Lightstation, Vaucluse, was approved by the Trust in December 2007. The plan proposes the conservation and interpretation of the site's heritage values and its connection with the sequence of adjoining open spaces along the cliff edge.

The amended Management Plan for Woolwich Dock and Parklands was approved by the Trust in July 2007. The amendment to the plan provides for the integration of the proposed café/restaurant with the Trust visitor centre within a two-storey development. The plan also provides for overflow car parking at the top of the dock.

The Management Plan for Cockatoo Island was approved by the Trust in November 2007 which followed the listing of the Island on the National Heritage List in July 2007. In January 2008, the Minister for the Environment, Heritage and the Arts announced that Cockatoo Island had been included on a list of 11 outstanding convict sites across the country which had been nominated to the World Heritage List. The submission was presented to UNESCO (Paris) in February 2008. The World Heritage Centre will consider the nomination in 2009 along with a site inspection of the island.

The planning team has begun work on amending all of the current management plans to satisfy the new requirements of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act). The Cockatoo Island Management Plan will be the first plan to be amended with the aim of it becoming the model for subsequent plans prepared during 2008 and beyond. The amended plans will be publicly exhibited prior to being forwarded to the Australian Heritage Council for consideration.

Background Studies

A range of studies were commissioned by the Trust during the year to inform the planning process. These studies included the preparation of conservation management plans for HMAS *Platypus* and the 3rd Quarantine Station cemetery at North Head, archaeological investigations for Clarks Point Reserve at Woolwich and transport and traffic advice for Chowder Bay, Mosman.



Community Consultation

The Trust continued to consult communities and liaise with key stakeholders on the planning and rehabilitation of its sites. Consultation activities ranged from formal committee meetings to workshops, open days, presentations, discussions and the exhibition of plans. The Community Advisory Committee (CAC) provided advice in support of the planning process. Site subcommittees met five times during the year to provide feedback on and input into the development of site management plans. A whole-of-CAC meeting was held to discuss the future role and running of the committee. The day included a tour of Georges Heights and Chowder Bay tenants.

An open day was held for Georges Heights. The day incorporated a site tour with an outline of proposed outcomes and opportunities to provide input into the management plan for the area.

The draft Operational Plan for the North Head Sanctuary was placed on public exhibition at local libraries, council offices, the Trust's offices in Mosman and on the website. Submissions from the community were considered in the preparation of the final plan.

The Trust held and attended numerous formal and informal meetings with key stakeholder groups, government agency staff, councils, local members, community organisations and individuals to discuss issues concerning the planning for, and the rehabilitation of, its sites.

The CAC newsletter was produced in August 2007, November 2007 and March 2008 to provide members with information about current Trust activities and initiatives, and to encourage feedback and communication between the members and the Trust.

Current membership of the Community Advisory Committee is provided in Appendix 2

Public Information

Performance Indicators

- Sound communication methods are used to promote Trust lands, activities and values.
- Community awareness of the Trust and its activities increase through the promotion of tours, events and open days.
- The Trust receives positive media coverage for all significant public events and planning activities and the media maintains an interest in the Trust.
- Education, interpretive and public programs are developed and implemented to promote Trust lands and their significance.
- Partnership programs with institutions, neighbours and others are developed to promote Trust lands and their significance.
- Schools education program is planned and implemented.

Communication Program

The Trust implemented a communications program to increase awareness of sites and to promote their accessibility. Much of the program was a continuation of activities already underway, particularly at Headland Park, North Head and Cockatoo Island. These sites are open to the public and attracting growing numbers of visitors. The location, history and the level of conservation and rehabilitation undertaken by the Trust at these sites accounts for their prominence.

A panel of exhibition designers was selected to assist the Trust in interpretation projects. Design briefs were prepared for the interpretation of the Submarine Miners' Depot at Chowder Bay and the 21st Australian Auxiliary Hospital at Georges Heights, and a designer was selected to develop concepts. A booklet on the hospital and the history of war wounded during World War I was drafted by Geoff Barnes, a former documentary filmmaker, in the capacity of a Trust volunteer.



A preliminary design brief was prepared for one of the air raid shelters on Cockatoo Island. Designs were prepared for a proposed information wall in the Muster Station area of Cockatoo Island. The wall will be incorporated into the camp ground locker facility and comprises a short history of the island and graphics.

An audio tour was produced for Cockatoo Island. The tour consists of 26 stops which tell the story of Cockatoo Island's convict and shipbuilding past. An accompanying map is also in production. The audio tour will be made available to the public in July 2008.

Interpretation panels for Macquarie Lightstation were updated and reprinted. Panels on the history of the former Marine Biological Station were produced for use at open days. Research for a booklet on the life of Bungaree, an Aborigine associated with Governor Macquarie's farm for Aborigines on Middle Head, commenced.

Events, Ceremonies and Open Days

Cockatoo Island became a major venue partner for the 2008 Biennale of Sydney (18 June – 7 September). The Biennale is Australia's major visual arts festival. Over 30 international and Australian artists are exhibiting works in buildings and facilities across the island which also hosted the Artists' and Supporters' Party. The Trust's sponsorship of the Biennale is part of a strategy to promote Cockatoo Island as a Sydney Harbour landmark both for cultural events and general visitation. A free ferry service to the island is being provided by the Trust and the Balnaves Foundation during the exhibition period to augment the limited service of Sydney Ferries.

The third annual Headland Park open day, Art in the Open, attracted an estimated 4,000 - 5,000 people. The day included talks by artists and collectors, demonstrations, exhibitions, children's activities, music, food and drink. The attendance was a good indication of the public's awareness of the Trust's work to rehabilitate former defence lands in Mosman. Two smaller events also underlined the development of the site. The federal member for Warringah, the Hon Tony Abbott, officially opened a childcare centre in the former 1913 Barracks building at Georges Head in July and the Georges Head lookout in October. The lookout is a splendid vantage point from which to view the harbour.

In late October, the Trust contributed a plaque as part of a ceremony in the Goat Paddock at Woolwich Dock to commemorate the work of Foreshore 2000, the alliance of community groups formed to advocate for the protection of former defence sites around the harbour. The Trust marked NAIDOC Week at North Head with a photographic exhibition of indigenous involvement in the defence forces, tours of the former School of Artillery site and a performance by Freshwater, an Aboriginal group.

An Anzac day dawn service was held on the former parade ground at Georges Heights. Open days were held at Macquarie Lightstation following restoration works by the Australian Maritime Safety Authority and, for the first time in a number of years, the former Marine Biological Station at Watsons Bay. An open day was held in conjunction with the public exhibition of the management plan for Georges Heights.

Public Programs, Publications and Signage

The Trust's public programs encompass open days, events, tours, school excursions, displays, interpretive activities and the operation of information centres.

During the year, approximately 100 volunteers were either recruited or trained. The Trust maintains a volunteer force of some 120 people. Volunteers staff the Muster Station at Cockatoo Island and the North Head Visitor Centre seven days a week, constitute the workforce for bush regeneration programs at Headland Park (Middle Head) and North Head and conduct interviews for the oral history program. During the year, volunteers made 80 presentations to community groups (totalling approximately 4,200 people) on the Trust's sites and plans for their future uses.

The volunteer industrial conservation team completed the restoration of a gantry crane now housed in its original location in the convict workshop on Cockatoo Island. The team also restored the eighteenth century cannon located in the entry precinct of the island. Its current project is the restoration of a launch associated with the aircraft carrier HMAS *Sydney*.

Two rounds of people counting exercises were conducted at North Head, Headland Park (Middle Head) and Woolwich to gather baseline data on visitation to the sites.

A number of the Trust's site specific promotional publications were revised and reprinted. An all-site promotional brochure was produced for distribution through NSW Tourism outlets in Sydney. Self-guided tour brochures of Cockatoo Island and North Head were reprinted and a flyer on the Cockatoo Island camp ground was produced. *The Story of Cockatoo Island* sold steadily throughout the year. Three editions of the Trust's Update newsletter were produced.

Entry signage, visitor centre banner signage and walking track directional signage were installed at North Head Sanctuary. Interim signage was produced for events and projects throughout the year.

Partnerships

The Trust participated in Sydney Harbour Week (1-9 March 2008) and the National Trust Festival (5-20 April 2008). A Chowder Bay open day during harbour week showcased the activities of the Sydney Institute of Marine Science and other tenants. Tours of Macquarie Lightstation and the former Marine Biological Station were part of the program for these two promotional events.

Cockatoo Island hosted the Environmental Education Network Conference for 300 delegates in November 2007. This was the first full conference held on the island and made use of the convict and shipbuilding precincts. Participants included teachers, environmental advocates and educators from government, business and the community. The Interpretation Australia Association National Conference held a workshop and dinner on Cockatoo Island. The workshop considered the interpretive challenges of Cockatoo Island.

The Trust managed the triennial market research project for the Sydney Parks Group. This is an association of urban park managers collaborating to promote a strategic integrated approach to urban park research in Sydney. In addition to the Trust, members are Centennial Park and Moore Park Trust, Parramatta Park Trust, Sydney Olympic Park Authority, Botanic Gardens Trust, National Parks and Wildlife Service, Department of Planning (NSW) and University of Technology, Sydney.

The National Art School conducted Drawing Week (18-22 February) activities for 350 students on Cockatoo Island. The school and its students have had an association with the Trust for a number of years. The National Institute of Dramatic Art conducted filmmaking courses at both Cockatoo Island and Headland Park (Middle Head).

Outreach activities included a presentation to NSW Tourism on the Trust's sites and activities, the provision of editorial for tourism publications and the distribution of Trust brochures in tourism outlets. A familiarisation tour of Headland Park (Middle Head) for concierges was arranged in conjunction with the Sydney Transit Authority. The Trust is a member of the Sydney National Heritage Network, managers of heritage places. The network has the objective of promoting heritage sites in a collaborative way.



The official start of the 2007 Oxfam trailwalker event, a team challenge to raise money for the organisation's programs to overcome poverty, began at Chowder Bay.

One of the seven sculptures installed at Headland Park (Middle Head) under an agreement with Sculpture by the Sea was sold.

School Excursion Program and Kids' Program

The school excursion program at Cockatoo Island attracted almost 5,000 participants. The Trust's team of teacher guides conducted 75 curriculum-aligned programs, catering to 63 schools. Approximately 20 per cent of schools were from beyond the Sydney metropolitan area.

Primary school excursions offer a unique chance for students to discover the island's convict heritage and its association with British colonisation. Cockatoo Island is popular with secondary students of both history and geography who study the site to analyse the environmental changes over time and the history of human impact.

Throughout the year, the Trust worked in partnership with Sculpture by the Sea to conduct sculpture workshops at Headland Park (Middle Head) for school students. The workshops were designed to encourage students to appreciate the sculptures on site and to create their own artwork.

A new school excursion program for senior geography students was introduced at the former School of Artillery in February 2008, following a successful trial period during November 2007. The program is designed for the Stage 6 Biophysical Interactions topic of the Geography syllabus. It incorporates fieldwork experimentation and observations of weather, plants, animals and soils.

The kids' discovery room at the North Head Gatehouse Visitor Centre attracted children of all ages to explore books, posters, maps, specimens and other material on the natural heritage of North Head. Following the re-opening of Macquarie Lighthouse, a new self-guided kids' discovery trail was introduced for the open day held in May 2008. This will now be a regular feature of the open day events.

Birthday Party activities were launched at Headland Park (Middle Head) in October 2007 and Macquarie Lighthouse in May 2008. Across the two sites, 31 parties were held, attracting 650 participants. The parties allow children to explore the underground military fortifications at Lower Georges Heights, and climb to the top of Macquarie Lighthouse to imagine the life of a Lighthouse Keeper.

Media Relations and Advertising

The Trust received positive media coverage of its activities particularly the opening of the Cockatoo Island camp ground and the launch of the island as a major venue partner of the Biennale of Sydney. It maintains a good working relationship with both metropolitan and suburban media.

The Trust placed non-campaign advertising in metropolitan and suburban newspapers to promote events, the exhibition of management plans and open days, and to advertise guided tours.

Website

In 2007-08, there were 192,430 visits to the Trust's corporate website (results based on 'new user sessions'). An additional website was launched in October 2007 to provide visitor information on Cockatoo Island. There were 25,506 visits to the Cockatoo Island website in its first year of operation. The new website meets the Australian Government's online accessibility standards.



Site Conservation

Performance Indicators

- Rehabilitation of land, buildings, infrastructure and equipment is consistent with conservation, environmental, heritage and cultural values and relevant standards.
 - Trust lands and facilities meet workplace and public safety standards.
 - Further deterioration of Trust assets is minimised.
 - Undertake maintenance works at all sites.
 - Prepare and implement repair, maintenance and public safety work programs.
 - Remove and/or dispose of structures in line with the Trust's Comprehensive Plan.
 - Trust facilities are increasingly available for public access and business and community use.
-

Maintenance and Heritage Conservation

The Trust continued its ongoing conservation, rehabilitation and maintenance program on most sites as part of the implementation of the Comprehensive Plan. Providing safe public access continued to be an ongoing focus of the program. Recurrent work included security, bush regeneration, upkeep of grounds, and maintenance of fire safety systems.

A list of maintenance, heritage conservation and environmental management projects undertaken by the Trust in 2007-08 is provided in Appendix 3.

Former School of Artillery, North Head

The former School of Artillery, North Head, contains a collection of buildings surrounding the parade ground, sporting facilities and a large area of remnant bushland. The site is mainly vacant and while many of the buildings are generally structurally sound, deterioration of the building fabric is broadly evident.

The conservation and refurbishment of the former medical and printing buildings was commenced. Sewer rehabilitation works were carried out during the year. A stormwater assessment was carried out. Structural assessments were undertaken of all brick buildings to determine the extent of brick tie repairs. Refurbishment works were completed on the former Roden Cutler building, Sergeants' Mess, Officers' Mess and annex accommodation in preparation for tenant occupancy.

Structural repairs were completed on the former gym, gun shed, and an assessment undertaken on work requirements for the former main Barracks Building. A section of the walking track in the wetlands area was raised to enable year round access. Tenders were called and works completed on the construction and associated landscaping of the Blue Fish Road car park. The upgrade of the high voltage power supply to the North Head peninsula including the former School of Artillery was completed.

Middle Head, Georges Heights and Chowder Bay

The Middle Head, Georges Heights and Chowder Bay precincts (Headland Park) feature former training facilities, fortifications, depots, barracks and housing surrounded by remnant Sydney Harbour bushland.

The site services upgrade within the former Training Command precinct, Georges Heights, was largely completed with the installation of tenant metering, communications, and the renewal and upgrade of the fire hydrant system. The removal of most overhead power lines has improved the visual appeal of the precinct. Investigations have commenced on an all-of-site rainwater harvesting system.

Refurbishment of former World War I hospital buildings at Georges Heights was completed along with landscaping of adjacent areas. A number of barracks buildings in the former Training Command precinct were refurbished and works commenced on remaining buildings. The realignment of Suakin Drive and the construction of the adjacent car park was completed. Finishing touches were made to the conversion of the 1913 Barracks building into a childcare centre.



At Georges Head, the lookout was completed and opened.

At Chowder Bay, the fitout of a level of the Submarine Miners' Depot preceded the opening of Ripples Restaurant. The former Other Ranks' Quarters building was refurbished for an outdoor education provider. The cable pit pump was prepared for leasing by the dive operator in the Submarine Miners' Depot. The design for the refurbishment of the former Sergeants' Mess and barracks building as a function centre was completed and tenders for the building work called. A review was conducted of additional external lighting requirements in the precinct and sound attenuation panelling was installed in level B of the Submarine Miners' Depot.

Tenders were called for the conservation and refurbishment works to the former Golf Clubhouse. The design and tender documentation for the former Australian School of Pacific Administration (ASOPA) buildings and associated car park, Middle Head, were prepared.

At the site of the former Commandos Headquarters precinct, the building of earth mounds and other landscaping was completed and planting commenced. Initial design options are being investigated for the associated landscaping at Dominion Crescent and Rawson Park.

Woolwich Dock

Woolwich Dock contains parkland, sheds, hardstand, workshops and the former dry dock. The Trust uses the site as an embarkation point for journeys to and from Cockatoo Island by staff, contractors and consultants.

During the year tenders were called and work commenced on the realignment of the entry road to the site. The project included the construction of a new car park at Morts Reserve. Work was temporarily delayed following the discovery of archaeological remains on the site of the former foundry. A lookout was built in the parkland above the dock cutting.

Construction commenced on the new wharf and docking facilities on the eastern apron. The main tenant on the site is building a function centre in this area and work is well underway. Tenders have been called for the landscape design and remediation of the Horse Paddock. This work will incorporate seawall repairs.

Tenders have been called for the landscape design of the eastern waterfront.

Cockatoo Island

Cockatoo Island is the largest island in Sydney Harbour and greatly modified through its uses as penal settlement and maritime industrial site. The island contains remnants of an imperial convict prison, two dry docks, wharves, slipways, maritime buildings, residences, a powerhouse, cranes, water towers and tunnels.

The conservation and refurbishment of the island's building stock continued throughout the year. Buildings such as the Mould Loft and Edwardian duplexes on the island's plateau and the weatherboard pay and administration offices on the southern apron were refurbished and have been used for exhibitions, accommodation and back of house activities for the Biennale of Sydney and a film. The lofting templates on the first floor of the Mould Loft were recorded photogrammetrically. Some fifteen buildings were re-roofed during the year.

The construction of the camp ground on the northern apron was a major project and included the provision of showers, toilets and kitchen. Public toilets were also completed on the northern apron near the entry precinct. The areas around the camp ground were also extensively landscaped with mounds, plantings and boardwalks. The former island fire station was refurbished and converted into a camp ground office and accommodation for the camp ground manager.

The cliff top walk was completed and extends along the eastern cliff face. The project included geotechnical work to stabilise the cliff face and construction of a cantilevered section of the walkway. The walkway opens up the residential precinct of the island. Documentation for the conservation works to 'Biloela' and other houses commenced. Areas of the plateau were remediated.

Civil works were substantially completed on the eastern apron. Work included the interpretation of former building footprints, landscaping, and rectifying safety hazards. The island's entry precinct was upgraded with sewer, water, stormwater, data and electrical services. The precinct was resurfaced.

Project planning and contract documentation were prepared for a number of buildings on the island including for the provision of a new sewerage treatment plant. Ongoing service repairs included sewer pipe relining, pit rehabilitation and valve replacement. Repairs were made to the remaining sandstone seawalls on the north eastern edge of the island.

The nomination for World Heritage listing of the convict precinct as part of a serial listing of 11 convict sites around Australia was submitted. Tenders were called for archaeological investigations into the former convict remains.

Snapper Island

Snapper Island is Sydney Harbour's smallest island and comprises simple buildings, slipways, boat storage and jetties. No major works were carried out during the year.

Macquarie Lightstation

Macquarie Lightstation is prominently situated on the harbour's southern headland and is still used as a navigational aid. Internal and external conservation works were carried out by the Australian Maritime Safety Authority (AMSA).

The management plan will oversee the interpretation of the site's heritage and improve both public access and the site's visual qualities.

Former Marine Biological Station

The former Marine Biological Station is a residential house at 31 Pacific Street in Watsons Bay. The station includes a foreshore park connecting suburban streets with Camp Cove beach. No major works were carried out during the year.

HMAS *Platypus*

The HMAS *Platypus* site contains buildings and workshops adapted and used by the Royal Australian Navy since 1942. The wharf was built to accommodate the berthing of submarines when the site was officially commissioned in 1967 as the base for the navy's submarine fleet. No major works were carried out during the year.

Environmental Management

Remediation

The Harbour Trust continued projects to manage and remediate contamination on its sites.

On Cockatoo Island, remediation projects on the northern apron commenced in 2007. Areas of the plateau were also remediated. The upgrade of the sewerage system has been an ongoing project and substantial progress was made during the year. Decontamination of buildings was undertaken as part of projects to conserve and refurbish the building stock on the island. Decontamination of the Powerhouse and Submarine Workshops was carried out to enable public access for the Biennale of Sydney.

At Woolwich, remediation works were carried out in the dock area and planning undertaken for the remediation of the lower Horse Paddock and sea wall.

The remediation of the Georges Heights precinct was completed and preceded landscaping works and site occupation. Contaminated land audits formed part of the remediation strategy for the precinct.

At North Head, work required to decontaminate the underground plotting room was scoped and hazardous materials surveys and management plans prepared for various buildings on site, prior to refurbishment and leasing.

Review of remediation requirements at HMAS *Platypus* continued in preparation for the formal transfer of this site and the allocation of project funding.

Bushland Management

Bushland management continued at Headland Park (Middle Head) during the year. Work continued at North Head until the end of March 2008. Works included extensive control of noxious and other bushland weeds, bush track maintenance, bushfire hazard reduction and revegetation of cleared areas using local provenance seedlings. Birds Australia continued bi-monthly monitoring of bushland at North Head, concluding three years of valuable data collection. Regular bandicoot surveying by NSW National Parks and Wildlife Service (NPWS) continued across North Head with the bi-annual whole-of-headland census showing a relatively stable population size.

The volunteer Bushcare program continued fortnightly at Artillery Drive, North Head and Commonwealth Avenue, Georges Heights. The Trust worked with TAFE and local Councils to provide free training and education to volunteers in topics such as plant identification, weed management and Aboriginal heritage awareness. The program included a popular Banksia Scrub botanical walk at North Head in September 2007.

Revegetation

Over 36,000 native trees, shrubs and groundcovers were planted on Trust sites during the year. Over 9,000 plants were planted around the new Suakin Drive car park and over 2,000 at the new Crane Crescent car park (Mosman). In June 2008, an area of one hectare was revegetated with 10,000 plants at the former Commandos site at Georges Heights and 1250 plants were planted to extend the Markham Close revegetation area to the edge of Georges Heights oval. More than 4,000 plants were planted at the new Gunners Road car park at North Head Sanctuary and over 7,000 planted at the new Woolwich Dock car park and Goat Paddock. Infill planting was also carried out at Georges Heights, Chowder Bay and the former Marine Biological Station park. A community planting day was held at Woolwich Dock Goat Paddock on National Tree Day, 29th July 2007. Three volunteers planted over 100 native tubestock in bare areas of the site.

Bushfire Risk Management

In the 2007-08 fire season, fuel reduction and slashing of fire breaks and trails were carried out adjacent to buildings and structures at the North Head and Headland Park (Middle Head). A program of fuel reduction and selective clearance of woody vegetation continued within the Third Quarantine Cemetery as part of the management plan for the site. The draft North Head Bushfire Management Strategy was put on public exhibition by NPWS on behalf of North Head stakeholders to guide future ecological burns and hazard reduction activities. The Trust continued working with neighbouring landholders through the statutory Manly-Mosman-North Sydney District Bushfire Management Committee. Committee members are in the process of updating the District Bush Fire Risk Management Plan to provide a coordinated approach across land tenures.

Feral Animal Management

The Trust continued to work with Local Government and NPWS to provide a co-ordinated approach to management of feral animals at North Head and Headland Park (Middle Head). A Pindone poison baiting program was carried out to reduce the rabbit population with follow-up shooting and monitoring. The Trust continued its involvement in the Northern Sydney Regional Fox Control Program. Feral cats and chickens were also targeted at North Head.

Public Access

Public access to Trust sites increased significantly in the reporting period, notably with the opening of Cockatoo Island. The State Transit Authority's 244 bus service was extended to Chowder Bay during the year. Planning and project activity continued to reflect the importance of public access in the implementation of the Comprehensive Plan.



Interim Use

Trust properties continued to be used for interim uses including events, functions, filming, boat building and storage. A full list of interim uses is provided in Appendix 4.

Leasing and Licensing

Appetite for businesses and community users to lease or licence harbourside property from the Trust remained healthy during most of the year, although towards the end of the period a slowdown in leasing demand from the private sector was noticeable.

The Trust's buildings for lease in Headland Park (Middle Head) were popular with local businesses seeking to relocate closer to home for lifestyle and convenience reasons. Georges Heights was a remarkable success in this regard with over 20 new tenants taking up occupation during the year. New tenants for Georges Heights Stages 1-3 include Amba Communications, Mosman Dance Academy and Mosman Barracks Serviced Offices. Demand for the final stage of leasing at Georges Heights in November 2008 is expected to be strong.

Chowder Bay is now operating as a successful and increasingly integrated community, as evidenced by the formation of the Chowder Bay Chamber of Commerce during the year. The Sydney Institute of Marine Science (SIMS) goes from strength to strength with increased funding permitting a range of new marine research initiatives, whilst other tenants including Ripples restaurant, the Bacino kiosks, Plunge Diving and Leading Initiatives continue to trade well. Land's Edge became the latest arrival at the Chowder Bay precinct, providing outdoor training and accommodation to school groups. Construction of the Sergeants' Mess Function Centre at Chowder Bay will commence shortly and is expected to be operational in July 2009.

Sally's Place long day care centre at Georges Head has quickly established itself as one of the best run childcare centres in Sydney, and already has a long waiting list. The Tea Room Gunners Barracks continues to offer high quality restaurant and function services to locals and visitors alike. The Trust is now licencing Georges Head lookout for weddings and other ceremonies. The arts precinct at Lower Georges Heights is now starting to function more effectively as a community, with a range of art exhibitions taking place during the year, principally within the Landship. The addition of the Barn Café has no doubt furthered the social cohesion of the precinct.

A Request for Proposal process was undertaken for the former golf clubhouse on Middle Head Road in the first half of 2008, and applications are being assessed. The former Australian School of Pacific Administration site will undergo a similar process in late 2008 or early 2009.

The waterfront café and function centre at Woolwich Dock is now under way, and these together with the new wharf and car park should help this site to achieve its full potential. In the meantime Murlan Noakes continues to operate a successful ship maintenance facility.

At the Former School of Artillery, North Head, the Trust is pursuing a number of leasing options arising from the Request for Proposals process conducted in 2007. The first of these to be implemented will be a native plant nursery to be run by the North Head Sanctuary Foundation under a community lease. This nursery will provide important flora support services to the North Head Sanctuary. The Trust was also pleased to welcome a second community tenant to North Head during the year - the Schizophrenia Fellowship will be providing respite accommodation for carers of schizophrenia sufferers in two former defence houses. The Australian Institute of Police Management continues to occupy a number of buildings on a short term licence pending resolution of planning issues at their main site.

With the opening of the Cockatoo Island camp ground in March 2008, Cockatoo Island is due to receive a significant boost in visitation and public exposure. This unique facility was well received in the media and several hundred campers have already taken the opportunity to stay overnight. Camper feedback has been enthusiastic, with camping packages (including tent hire, airbeds, chairs, mattresses and a lantern) proving popular. The additional exposure of the island from camp ground visitation should assist future leasing activity. Blue Earth Kayaks commenced a kayak hire operation on the island in April 2008.

The Muster Station Café has been trading on the island since July 2007 and has been well received by visitors, especially campers at breakfast time. Two houses on the island's plateau are currently being prepared for short term holiday letting and a second café or restaurant should open on the island next year.

Licensing activity has been strong during the year with the Trust entering into a record number of over 80 short term licences attracting over 6,500 people to Trust sites. Notable activities during the year included over 30 weddings, a "My Space" concert on Cockatoo Island for 1,200 people, art exhibitions, product launches, filming, sports, coach building, candle making and art education. Southern Star Productions completed the filming of the third series of the ABC children's drama Blue Water High at North Head during the year. Various buildings on Cockatoo Island were used as sets for the latest film in the X Men series, Wolverine.

The Trust's residential portfolio of 53 houses remains fully leased in a strong Sydney residential leasing market. These houses will be used increasingly to support uses that achieve the Trust's management plan outcomes for each site.

Environmental Performance

Performance Indicators

- Adherence to the core principles of Ecologically Sustainable Development.
 - Development and implementation of a sustainability policy.
 - Development and implementation of an environmental management system.
 - Purchase at least 20 per cent greenpower.
 - Subscribe to Greenfleet.
 - No increase in water consumption.
 - Increase recycling by 10 per cent.
 - Reduce greenhouse gas emissions by 30 per cent.
-

The principles of Ecologically Sustainable Development (ESD) constitute a key policy objective of the Trust, underpinning site rehabilitation, planning and public information activities and events. The Comprehensive Plan contains a commitment to ESD, and management plans are formulated taking into account ESD outcomes. All Trust objectives and policies are considered fundamental to the achievement of ESD including biodiversity conservation, bushland conservation, management of native and introduced animals, waste quality and catchment protection, transport management and air quality, bushfire management, Aboriginal and cultural heritage.

Site conservation and environmental projects are carried out to remediate environmental degradation and impacts of past practices to establish a sound basis for sustainable development and adaptive re-use.



The Trust is also committed to environmentally sustainable design principles and requires these to be incorporated into all building restoration projects. All opportunities to save energy and water must be considered along with using building materials from sustainable sources that can be recycled at the end of their useful life, as well as using recycled materials where suitable, contextual and available.

For the first time the Trust has conducted a review of office environmental performance to determine its operational impact on the environment and report on its carbon footprint. This was done by using the following Global Reporting Initiative Indicators as a guide:

- Energy Consumption (GRI Indicator EN3);
- Fuel Consumption (GRI Indicator EN3);
- Waste Generation (GRI Indicator EN22);
- Water Consumption (GRI Indicator EN8); and
- Greenhouse Gases (GRI indicator EN16).

Although this first review only covers 'office' impacts, the overall aim for the forthcoming year is to implement an Environmental Management System (EMS) to improve environmental impacts, streamline and improve monitoring and data collection, which will then allow the Trust to broaden the range of environmental and sustainability indicators over all sites and activities for the next annual report.

The following represents baseline data for the 2007-08 reporting year.

Energy (Electricity) – EN3

Total Consumption:	913,525MJ
Target:	Reduce energy consumption by 20 per cent
Target:	Purchase at least 20 per cent Greenpower

During the 2007-08 reporting year, the Trust's office was not separately metered. As such, these results have been calculated on a per meter square basis for all buildings that were included on the meter.

The average amount of electricity consumed per meter square was 639.14MJ/m²/yr. The total electricity consumption for the Trust is estimated at 913,525 MJ/annum.

The Australian Government "Energy Efficiency in Government Operations (EEGO) Policy" sets the strategy for Australian Government agencies to achieve the target of 7,500 Megajoules (MJ)/person/annum for office light and power, and 400MJ/m²/annum for office central services by 2011.

Table 1 shows the Trust performance based on energy consumption averaged over 12 months for "Office Light and Power" and "Central Services" compared with the EEGO targets.

Table 1
Electricity Performance

	EEGO Policy Target	Trust Performance
Central Services (MJ/m ² /annum)	400	319
Office light and Power (MJ/person/annum)	7,500	8956

Table 1 illustrates that the Trust is currently on target for central services, however, it is over the EEGO target for office light and power. Total electricity consumption needs to be reduced by around 20 per cent in order to meet the target of 7,500MJ/person/annum.

Energy (Fuel) – EN 3

Total Unleaded:	3265 Ltrs
Total LPG:	2822 Ltrs
Target:	No Increase in Fuel Consumption
Target:	Subscribe to Greenfleet

The Trust fleet throughout the year consisted of two Toyota Prius' (Hybrid electric/unleaded); one Falcon Wagon (LPG) and two Toyota Hilux Utes (LPG and Unleaded). The Prius is the highest ranked car in the Government's "Green Vehicle Guide".

Photo: Biennale on Cockatoo Island
Artist: Vernon Ah Kee

Table 3 shows the total amount of fuel purchased for each vehicle. Fuel purchases for the Green Prius are made by staff members as required and records of quantities are not kept. Therefore the amount of fuel purchased for the Green Prius has been calculated by reviewing the distance travelled (kms) and average fuel consumption of the car (around 5.9L/100kms).

Table 3

Fuel Consumption

Vehicle	Unleaded (Ltrs)	LPG (Ltrs)
Green Prius	738.98	-
Silver Prius	695.00	-
Falcon Wagon	-	2409.71
Hilux Ute 1	913.99	224.87
Hilux Ute 2	916.63	187.66
	3265	2822

Water Consumption – EN 8

Total Consumption:	307.37kL
Average per meter square:	0.22kL/m ² /year
Target:	No Increase in water consumption

Water meters have been installed on most buildings within Training Command and Chowder Bay including the Trust's office. Readings of the Trust's office meter have only been taken since April 2008 so an average for the year was calculated. The results show that the office is using 0.84kL/day on average, which over the course of a year would be equivalent to 307.37kL or 0.22kL/m²/year. This is a very low consumption rate, largely due to two 5,000L rainwater water tanks installed to the building incorporating an automatic "Rainbank" controller and pump. The system automatically depends on the rainwater tanks via a pump for toilet flushing, however, if the tanks become empty the Sydney Water mains can be used as back-up.

Waste Production – EN22

Total General Waste:	6.9 Tonnes
Total Paper and Cardboard:	9.2 Tonnes
Total Co-mingle (Bottles/Cans):	1.6 Tonnes
Percentage Waste to landfill:	39 per cent
Percentage Waste recycled:	61 per cent
Target:	Reduce Waste by 10 per cent
Target:	Increase recycling by 10 per cent

Table 3 gives an overview of the annual amount of waste produced per type of waste and the equivalent 'kilograms per person per year'. The estimate was based on the number of bins collected over the year which is likely to be an overestimation as bins are generally not full when collected. Implementation of a waste management and monitoring procedure will more accurately measure waste production over the forthcoming reporting period.

Table 3

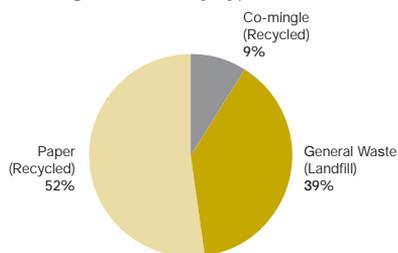
Total Waste Production

Type of Waste	Total Tonnes	Kilograms per person per year
General Waste	6.9	135
Paper and cardboard	9.2	181
Co-Mingle (Bottles and Cans)	1.6	31

Figure 1 shows the percentage of waste by type and destination. Both paper and co-mingle waste are sent to recycling facilities. As such 61 per cent of all waste is recycled.

Figure 1

Percentage of Waste by Type



Greenhouse Gas Emissions – EN16

Total Greenhouse Gas Emissions: 290.81 Tonnes CO₂-e

Target: Reduce Greenhouse Gas emissions by 30 per cent

The Trust has recently joined the Greenhouse Challenge Plus Program administered by the Department of Environment, Water, Heritage and the Arts. Table 4 summarises the total amount of greenhouse gases for the Trust's office by source and total amount. Total emissions were 290.81T CO₂-e, the majority of which comes from electricity (93 per cent). The aim of the Trust over the forthcoming year is to reduce Greenhouse Gas Emissions from office operations by 30 per cent, by improving our energy efficiency and reducing our waste production.

Table 4

Carbon Footprint

Fuel/process	Consumption (Units)	CO ₂ -e (Tonnes)
Electricity	253757 kWh	271.01
Petrol/Gasoline	3.26 kL	8.5
LPG - transport	2.82 kL	5.10
Waste to landfill	6.9 T	6.2
TOTAL GROSS EMISSIONS		290.81

Next Steps 2008-09

- Develop a "Sustainability Policy" - to provide overarching direction and to ensure sustainability objectives are addressed in all Trust activities
- Undertake sustainability training sessions - for staff outlining the results of the assessment, review the draft Sustainability Policy and educate staff on ways to improve environmental performance
- Develop an Environmental Management System (EMS) - to identify, manage and reduce the Trust's impact on the environment and generate data on environmental performance and progress
- Take part in the Greenhouse Challenge Plus - to record our commitment to reducing greenhouse gas emissions
- Broaden reporting - to other sites and activities for 2008-09 Annual Report

3 Operational Aspects

Corporate Governance

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

Members' Meetings

There were seven meetings of the Trust in the 2007-2008 financial year, two of which were open to the public. Under the Trust's enabling legislation the Trust must meet at least four times a year and at least two of the meetings have to be open to the public. Members attended as follows:

Member	Number of meetings attended
Mr K McCann, Chair	7
Mr R Conroy (NSW Government appointee)	2
Ms D Talty (NSW Government appointee)	3
Clr S Hoopmann	7
Mr P Lowry	7
Dr J Moriarty	6
Brigadier K O'Brien	7
The Hon B O'Keefe	5

NSW Government appointees were not nominated until late in the year.

Audit and Risk Management Committee

The functions of the Audit and Risk Management Committee include:

- Assisting the Trust to comply with its statutory obligations;
- Providing a forum for communications between the Trust, the Executive Director, senior managers and internal and external auditors; and to oversee:
 - Effective identification and management of risks;
 - Reliable financial and management reporting;
 - Compliance with applicable laws and regulations;
 - Maintenance of an effective and efficient audit service;
 - Effective fraud prevention and control measures.

The members of the Audit and Risk Management Committee during the 2007-2008 financial year were:

Mr P Lowry

Trust member and Chair of the committee.

Clr Susan Hoopmann

Trust member.

Brigadier Kevin O'Brien (ret.)

Trust member.

There were four Audit and Risk Management Committee meetings held during the 2007-2008 financial year with members attending as follows:

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

Walter Turnbull conducted two internal audits during the reporting period:

- Contract management;
- General financial system controls.



Finance Committee

In 2007-08, the Trust established a Finance Committee. The purpose of the committee is to provide a detailed review of proposed budgets for the Trust and address any specific financial issues raised by the Trust. The committee recommends amendments to the proposed budget and its acceptance.

The members of the Finance Committee during the 2007-08 financial year were:

Mr K McCann

Trust Chairman and Chair of the Committee.

The Hon B O’Keefe

Trust member.

There was one Finance Committee meeting held during the 2007-2008 financial year with members attending as follows:

Member	Number of meetings attended
Mr P Lowry on behalf of Mr K McCann	1
The Hon B O’Keefe	1

Aboriginal Issues Committee

The Committee did not meet during the reporting period.

Community Advisory Committee

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

Tender Review Committee

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

Defence History Steering Committee

The committee met twice during the reporting period.

North Head Scientific Committee

The committee met once during the reporting period.

Fraud Control

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

Indemnities and Insurance Premiums for Officers

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

The Trust did not provide any indemnities to directors or officers in respect of liabilities or claims against them during 2007-2008.

Financial Performance

The Trust received total Government appropriation of \$22.566m, comprising \$0.566m in departmental appropriation and \$22m in capital equity injection.

Revenue was also generated from the rental of Trust properties, licences for the hire of Trust sites and facilities, and tour fees.

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

Financial Outcomes

Operating Outcome

During the financial year 2007-2008, income including revenue from Government was \$10.594m and operating expenses were \$12.907m resulting in an operating deficit of \$2.313m.



Income

Total income of \$10.594m was \$1.596m above previous year's income, primarily due to increased rental incomes.

Equity

The Trust's total equity increased by \$19.687m to \$221.528m.

Assets

The value of the Trust's assets increased by \$19.285m to \$266.937m primarily due to building works undertaken during the year.

Total Liabilities

The Trust total liabilities for trade creditors and prepayments decreased by \$0.362m from the previous year to \$4.665m.

Cashflow Statement

Overall, there was a decrease in the Trust's cash balance of \$11.337m to \$39.847m as at 30 June 2008.

Purchasing

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

Consultants and Competitive Tendering and Contracting

The Trust engaged 102 consultants at a cost of \$2.86m to provide specialist advice on planning, business matters, community consultation, archaeology, conservation, design, environmental, finance and risk management, historical research and interpretation, communications and other technical aspects relating to the sites. The nature of the sites, buildings and equipment mean that it is not possible to employ staff with the wide variety of specialist skills that are required.

Staffing

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

Staff are engaged on terms and conditions contained in Trust Determination No.1 of 2006 that are similar to those in public sector certified agreements. The Trust's staffing level for the year was 54 comprising 43 full-time, 11 part-time, with a total of 14 staff leaving during the reporting period:

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual
Executive Director	1	0	1	0	0	1	0
Senior Executive	4	2	6	0	3	3	0
Executive Level 2	6	6	8	4	2	10	0
Executive Level 1	5	3	7	1	3	5	0
Level 6	1	3	3	1	3	1	0
Level 5	3	4	7	0	2	5	0
Level 4	4	4	6	2	0	8	0
Level 3	5	1	5	1	0	6	0
Level 1-2	0	2	0	2	0	2	0
Total	29	25	43	11	13	41	0

Staff Training

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

- Working with Contracts;
- Fraud and Ethics Awareness;
- First Aid and Emergency Services for Volunteers;
- Risk Assessment;
- Negotiation and Conflict Resolution;
- First Aid Awareness.

Access and Safety

Risk Assessment and Management

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

Occupational Health and Safety

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

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

There were no recorded OH&S incidents in the reporting period. There was one compensable injury. The Trust reviews all incidents to identify and implement relevant preventative action.

Providing Access to People With Disabilities

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

Photo: Biennale on Cockatoo Island

Judicial Decisions and Reviews by Outside Bodies

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

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

Effects of Ministerial Directions

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

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

Independent Audit Report



Australian National Audit Office
 PO Box A456
 Sydney South NSW 1235
 130 Elizabeth Street
 SYDNEY NSW
 Phone (02) 9367 7100
 Fax (02) 9367 7102

To the Minister for Environment, Heritage and the Arts

Scope

We have audited the accompanying financial statements of the Sydney Harbour Federation Trust (the Trust) for the year ended 30 June 2008, which comprise: a Statement by the Directors, Chief Executive and Director Corporate Services; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedules of Commitments and Contingencies; and a Summary of Significant Accounting Policies.

The Responsibility of the Trust for the Financial Statements

The members of the Trust are responsible for the preparation and fair presentation of the financial statements in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, and Australian Accounting Standards including Australian Accounting Interpretations. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on our audit. Our audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate Australian Auditing Standards. The Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Trust's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Trust, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independence

In conducting the audit, we have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the financial statements of the Sydney Harbour Federation Trust:

- (a) have been prepared in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, and Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Sydney Harbour Federation Trust's financial position as at 30 June 2008 and of its financial performance and its cash flows for the year then ended. then ended.

Australian National Audit Office



P Hinchey
Senior Director
Delegate of the Auditor-General

Sydney 1 September 2008

Financial Statements

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Statement by Directors, Chief Executive and Director Corporate Services

In our opinion, the attached financial statements for the year ended 30 June 2008 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Sydney Harbour Federation Trust (the 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 directors.

Signed



Kevin McCann
Chairperson
1 September 2008

Signed



Peter Lowry
Director
1 September 2008

Signed



Geoff Bailey
Executive Director
1 September 2008

Signed



Catherine Sullivan
Director Corporate Services
1 September 2008

Income Statement

for the year ended 30 June 2008

	Notes	2008 \$'000	2007 \$'000
INCOME			
Revenue			
Revenue from Government	3A	566	1,619
Sale of goods and rendering of services	3B	149	206
Interest	3C	2,750	2,932
Rental income	3D	5,483	3,241
Other revenue	3E	1,652	1,000
<i>Total revenue</i>		<u>10,600</u>	<u>8,998</u>
Gains			
Sale of assets	3F	(6)	-
<i>Total gains</i>		<u>(6)</u>	<u>-</u>
Total Income		<u>10,594</u>	<u>8,998</u>
EXPENSES			
Employee benefits	4A	5,100	4,555
Suppliers	4B	7,078	6,938
Depreciation and amortisation	4C	729	268
Write-down and impairment of assets	4D	-	16
Total Expenses		<u>12,907</u>	<u>11,777</u>
Surplus (Deficit) attributable to the Australian Government		<u>(2,313)</u>	<u>(2,779)</u>

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

Balance Sheet

as at 30 June 2008

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	Notes	2008 \$'000	2007 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	37,847	49,184
Trade and other receivables	5B	3,318	1,654
<i>Total financial assets</i>		<u>41,165</u>	<u>50,838</u>
Non-Financial Assets			
Land and buildings	6A	128,949	112,226
Infrastructure, plant and equipment	6B	2,670	1,156
Heritage and collections	6C	53,671	43,186
Intangibles	6E	111	15
Inventories	6F	34	56
Other non-financial assets	6G	337	175
<i>Total non-financial assets</i>		<u>185,772</u>	<u>156,814</u>
Total Assets		<u>226,937</u>	<u>207,652</u>
LIABILITIES			
Payables			
Suppliers	7A	1,394	2,156
Other payables	7B	3,271	2,871
<i>Total payables</i>		<u>4,665</u>	<u>5,027</u>
Provisions			
Employee provisions	8	744	784
<i>Total provisions</i>		<u>744</u>	<u>784</u>
Total Liabilities		<u>5,409</u>	<u>5,811</u>
Net Assets		<u>221,528</u>	<u>201,841</u>
EQUITY			
Parent Entity Interest			
Contributed equity		208,820	186,820
Reserves		6,868	6,868
Retained surplus		5,840	8,153
<i>Total Parent Entity Interest</i>		<u>221,528</u>	<u>201,841</u>
Total Equity		<u>221,528</u>	<u>201,841</u>
Current Assets		41,165	50,841
Non-Current Assets		185,772	156,811
Current Liabilities		3,427	3,736
Non-Current Liabilities		1,982	2,075

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

Statement of Changes in Equity

for the year ended 30 June 2008

	Accumulated Results		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Opening Balance								
Balance carried forward from previous period	8,153	10,932	6,868	-	186,820	109,485	201,841	120,417
Income and expenses								
Surplus (Deficit) for the period	(2,313)	(2,779)	-	-	-	-	(2,313)	(2,779)
Total income and expenses	(2,313)	(2,779)	-	-	-	-	(2,313)	(2,779)
Asset revaluations	-	-	-	6,868	-	-	-	6,868
Contributions by Owners								
Appropriation (equity injection)	-	-	-	-	22,000	21,000	22,000	21,000
Other (assets transferred in):								
Land and buildings	-	-	-	-	-	49,664	-	49,664
Heritage and collections	-	-	-	-	-	6,671	-	6,671
Sub-total transactions with owners	-	-	-	6,868	22,000	77,335	22,000	84,203
Closing balance at 30 June	5,840	8,153	6,868	6,868	208,820	186,820	221,528	201,841

Cash Flow Statement

for the year ended 30 June 2008

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	Notes	2008 \$'000	2007 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		37	14,318
Appropriations		566	1,619
Rents		6,048	3,277
Interest		2,758	2,824
GST received from ATO		3,194	1,705
Other		-	1,100
<i>Total cash received</i>		<u>12,603</u>	<u>24,843</u>
Cash used			
Employees		(5,163)	(4,978)
Suppliers		(11,462)	(8,070)
<i>Total cash used</i>		<u>(16,625)</u>	<u>(13,048)</u>
Net cash from/(used by) operating activities	9	<u>(4,022)</u>	<u>11,795</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment		(29,315)	(18,024)
<i>Total cash used</i>		<u>(29,315)</u>	<u>(18,024)</u>
Net cash used by investing activities		<u>(29,315)</u>	<u>(18,024)</u>
FINANCING ACTIVITIES			
Cash received			
Appropriations - contributed equity		22,000	21,000
<i>Total cash received</i>		<u>22,000</u>	<u>21,000</u>
Net cash flows from financing activities		<u>22,000</u>	<u>21,000</u>
<i>Net increase or (decrease) in cash held</i>		<u>(11,337)</u>	<u>14,771</u>
Cash and cash equivalents at the beginning of the reporting period		<u>49,184</u>	<u>34,413</u>
Cash and cash equivalents at the end of the reporting period	5A	<u>37,847</u>	<u>49,184</u>

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

Schedule of Commitments as at 30 June 2008

Notes	2008 \$'000	2007 \$'000
BY TYPE		
Project commitments ¹	8,827	14,733
Total capital commitments	8,827	14,733
Other commitments		
Operating leases ²	55	36
Other commitments ³	3,337	3,463
Total other commitments	3,392	3,499
Commitments receivable⁴	(10,752)	(6,644)
Net commitments by type	1,467	11,588
BY MATURITY		
Other commitments receivable		
One year or less	(3,708)	(6,644)
From one to five years	(6,212)	-
Over five years	(832)	-
Total other commitments receivable⁴	(10,752)	(6,644)
Commitments payable		
Capital commitments		
One year or less	8,827	14,733
Total capital commitments	8,827	14,733
Operating lease commitments		
One year or less	33	32
From one to five years	22	4
Total operating lease commitments	55	36
Other Commitments		
One year or less	3,337	3,133
From one to five years	-	330
Total other commitments	3,337	3,463
Net Commitments by Maturity	1,467	11,588

NB: Commitments are GST inclusive where relevant.

Notes:

¹ Project commitments comprise contracts for rehabilitation and conservation works at Trust sites.

² Operating leases are motor vehicle leases. No contingent rentals exist.

³ Other commitments are amounts payable under supply contracts.

⁴ Commitments receivable consists of tenant lease payments due from the leasing of Trust buildings, plus GST receivable.

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

Schedule of Contingencies as at 30 June 2008

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There were no contingencies required to be disclosed for the year ended 30 June 2008 (2006/07 - Nil).

Details of contingent liabilities not disclosed because they cannot be quantified or are considered remote, are shown in Note 10: Contingent Liabilities and Assets.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

Note	Description
Note 1:	Summary of Significant Accounting Policies
Note 2:	Events after the Balance Sheet Date
Note 3:	Income
Note 4:	Expenses
Note 5:	Financial Assets
Note 6:	Non-Financial Assets
Note 7:	Payables
Note 8:	Provisions
Note 9:	Cash flow reconciliation
Note 10:	Contingent Liabilities and Assets
Note 11:	Members Remuneration
Note 12:	Executive Remuneration
Note 13:	Remuneration of Auditors
Note 14:	Financial Instruments
Note 15:	Appropriations
Note 16:	Reporting of Outcomes

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Sydney Harbour Federation Trust (the "Trust")

The Financial Statements and notes are required by clause 1(b) of Schedule 1 to the *Commonwealth Authorities and Companies Act 1997* and are a General Purpose Financial Report.

The continued existence of the Trust in its present form and with its present programs is dependent on Government policy and on continuing appropriations by Parliament for the Trust's administration and programs.

The Financial Statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2007; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and UIG that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets 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 Report is 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 FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Trust and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an Accounting Standard.

Unless alternative treatment is specifically required by an accounting standard, revenues and expenses are recognised in the Income Statement when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

1.2 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, there are no significant impacts on the amounts recorded in the financial statements.

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 accounting period.

1.3 Statement of Compliance

Australian Accounting Standards require a statement of compliance with International Financial Reporting Standards (IFRSs) to be made where the financial report complies with these standards. Some Australian equivalents to IFRSs and other Australian Accounting Standards contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements. The Trust is a not for profit entity and has applied these requirements, so while this financial report complies with Australian Accounting Standards including Australian Equivalents to International Financial Reporting Standards (AEIFRSs) it cannot make this statement.

Adoption of new Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. The following new standards, amendments to standards or interpretations for the current financial year have no material financial impact on the Trust:

2007-5 Amendments to Australian Accounting Standard - Inventories Held for Distribution by Not-for Profit Entities [AASB 102]

2007-7 Amendments to Australian Accounting Standards

UIG Interpretation 10 AASB 2 – Interim Financial Reporting and Impairment

UIG Interpretation 11 AASB 2 – Group and Treasury Share Transactions and 2007-1 Amendments to Australian Accounting Standards arising from AASB Interpretation 11

UIG Interpretation 1003 – Australian Petroleum Resource Rent Tax

ERR Erratum – Proportionate Consolidation [AASB 101, AASB 107, AASB 121, AASB 127, Interpretation 13]

Financial instrument disclosure

AASB 7 *Financial Instruments: Disclosures* is effective for reporting periods beginning on or after 1 January 2007 (the 2007-08 financial year) and amends the disclosure requirements for financial instruments. In general AASB 7 requires greater disclosure than that previously required. Associated with the introduction of AASB 7 a number of accounting standards were amended to reference the new standard or remove the present disclosure requirements through 2005-10 Amendments to Australian Accounting Standards [AASB 132, AASB 101, AASB 114, AASB 117, AASB 133, AASB 139, AASB 1, AASB 4, AASB 1023 & AASB 1038]. These changes have no financial impact but will effect the disclosure presented in future financial reports.

Future Australian Accounting Standard requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements when effective will have no material financial impact on future reporting periods.

AASB 3 - *Business Combinations*

AASB 8 - *Operating Segments*

AASB 101 - *Presentation of Financial Statements (issued September 2007)*

AASB 123 - *Borrowing Costs*

AASB 127 - *Consolidated and Separate Financial Statements*

AASB 1004 - *Contributions*

AASB 1050 - *Administered Items*

AASB 1051 - *Land Under Roads*

AASB 1052 - *Disaggregated Disclosures*

AASB 2007-2 - *Amendments to Australian Accounting Standards arising from AASB interpretation 12 [AASB 1, AASB 117, AASB 118, AASB 120, AASB 121, AASB 127, AASB 131 & AASB 139]*

AASB 2007-3 - *Amendments to Australian Accounting Standards arising from AASB 8*

AASB 2007-6 - *Amendments to Australian Accounting Standards arising from AASB 123*

AASB 2007-8 - *Amendments to Australian Accounting Standards arising from AASB 101*

AASB 2007-9 - *Amendments to Australian Accounting Standards arising from the Review of AASB's 27, 29 & 31 [AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127 & AASB 137]*

AASB 2008-1 - *Amendments to Australian Accounting Standards - Shared-based payments: Vesting Conditions and Cancellations [AASB 2]*

AASB 2008-2 - *Amendments to Australian Accounting Standards - Puttable Financial Instruments and Obligations arising on Liquidation [AASB 7, AASB 101, AASB 132, AASB 139 & Interpretation 2]*

AASB 2008-3 - *Amendments to Australian Accounting Standards arising from AASB 3 & AASB 127 [AASB's 1,2,4,5,7, 101, 107, 112, 114, 116, 121, 128, 131, 132, 133, 134, 136, 137, 138 & 139 and Interpretations 9 & 107]*

AASB Interpretation 1 - *Changes in existing Decommissioning, Restoration and Similar Liabilities*

AASB Interpretation 4 - *Determining Whether an Arrangement Contains a Lease*

AASB Interpretation 12 *Service Concession Arrangements and 2007-2 Amendments to Australian Accounting Standards arising from AASB Interpretation 12*

AASB Interpretation 13 *Customer Loyalty Programmes*

AASB Interpretation 14 *AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction*

AASB Interpretation 129 – *Service Concession Arrangements Disclosures*

Other

The following standards and interpretations have been issued but are not applicable to the operations of the Trust.

AASB 1049 Financial Reporting of General Government Sectors by Governments

AASB 1049 specifies the reporting requirements for the General Government Sector. The FMOs do not refer to this standard as it contains guidance applicable to the consolidated financial statements of the Australian Government, rather than the financial report of individual Agencies or Authorities.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

1.4 Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The seller retains no managerial involvement nor 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 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 provision for bad and doubtful debts. Collectability of debts is reviewed at balance date. Provisions are made when collectability of the debt is no longer probable.

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

Revenues from Government

Amounts appropriated for Departmental outputs appropriations for the year (adjusted for any formal additions and reductions) are recognised as revenue.

Appropriations receivable are recognised at their nominal amounts.

1.5 Gains

Sale of Assets

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

1.6 Transactions with the Government as Owner

Equity injections

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

Restructuring of Administrative Arrangements

Net assets received from or relinquished to another Australian Government Agency or Authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

1.7 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for 'short-term employee benefits' (as defined in AASB 119) and termination benefits due within twelve months of balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Trust is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of employees' remuneration, including the Trust's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Trust recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Certain employees of the Trust are members of the Commonwealth Superannuation Scheme (CSS) and the Public Sector Superannuation Scheme (PSS).

The CSS and PSS are defined benefit schemes.

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 by the Department of Finance and Deregulation as an administered item.

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 of the superannuation entitlements of the Trust's employees.

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.

1.8 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 non-current 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.

1.9 Cash

Cash and cash equivalents includes notes and coins held and any 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.

1.10 Financial assets

The Trust classifies its financial assets in the following categories:

- '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

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

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

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the group has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

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'. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at each balance date.

The Trust's financial assets consist of cash and cash equivalents, and receivables, and are held at their fair value. Provisions are made where indications of impairment exist.

Comparative Year

The above policies are consistent with the comparative year. For receivables, amounts are recognised and carried at original invoice amount less a provision for doubtful debts based on an analysis of receivables at year end.

1.11 Financial Liabilities

Supplier and other payables

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).

1.12 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Balance Sheet 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.

1.13 Financial Guarantee Contracts

Financial guarantee contracts are accounted for in accordance with AASB139. They are not treated as a contingent liability, as they are regarded as financial instruments outside the scope of AASB137.

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. 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 revenues 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.

1.15 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, 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.

Revalued amounts for each class of asset are determined as shown below:

Asset class	Fair value measured at:
Land	Market selling price
Buildings exc. Leasehold improvements	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant & equipment	Depreciated replacement cost
Heritage and cultural assets	Market selling price

Following initial recognition at cost, property 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.

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 through operating result. Revaluation decrements for a class of assets are recognised directly through operating result 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.

Depreciation

Depreciable property 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:

	2008	2007
Buildings on freehold land	10 to 100 years	10 to 100 years
Infrastructure	3 to 100 years	3 to 100 years
Plant & Equipment	3 to 20 years	3 to 20 years

Impairment

All assets were assessed for impairment at 30 June 2008. 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.

Certain buildings held by the Trust have been classified as Heritage Assets. As there is no foreseeable limit to the period over which these assets will be held or used they are not depreciated. The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 4C.

1.16 Intangibles

The Trust's intangibles comprise software purchased externally for internal use. These assets are carried at cost less accumulated amortisation.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Trust's software is 7 to 10 years (2006-07: 7 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2008.

1.17 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.

1.18 Taxation

The Trust is exempt from all forms of taxation except fringe benefits tax (FBT) and the 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 Balance Sheet Date

Section 21 of the *Sydney Harbour Federation Trust Act 2001* provides for the Minister for the Environment, Heritage and the Arts to specify that other harbour land that is a Commonwealth place is to vest in the Trust. As at the reporting date the Minister was proposing that the Macquarie Lightstation at Vaucluse, Snapper Island and HMAS *Platypus* vest in the Trust.

At the time of this report, vesting of Snapper Island and HMAS *Platypus* had not occurred. The Macquarie Lightstation was vested in the Trust on 1 July 2008.

There are no other events that have occurred after the balance date that would have an effect on the Trust's 2007-08 financial statements other than those that are already reflected in the financial statements.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

	2008 \$'000	2007 \$'000
Note 3: Income		
<i>Revenue</i>		
Note 3A: Revenue from Government		
Appropriations: Departmental outputs	566	1,619
Total revenue from Government	<u>566</u>	<u>1,619</u>
Note 3B: Sale of goods and rendering of services		
Provision of goods - external parties	7	4
Rendering of services - external parties	142	202
Total sale of goods and rendering of services	<u>149</u>	<u>206</u>
Note 3C: Interest		
Deposits	2,750	2,932
Total interest	<u>2,750</u>	<u>2,932</u>
Note 3D: Rental income		
Property rentals and short-term hire	5,483	3,241
Total rental income	<u>5,483</u>	<u>3,241</u>
Note 3E: Other revenue		
Other revenue	24	-
Other revenue from Department of Defence	1,628	-
Grant from Natural Heritage Trust	-	1,000
Total other revenue	<u>1,652</u>	<u>1,000</u>
In accordance with the Memorandum of Understanding between the Trust and the Department of Defence, the Trust is entitled to claim decontamination costs incurred by the Trust from the Department of Defence.		
Gains		
Note 3F: Sale of assets		
Infrastructure, plant and equipment		
Proceeds from sale	10	-
Carrying value of assets sold	(16)	-
Net gain from sale of assets	<u>(6)</u>	<u>-</u>

	2008 \$'000	2007 \$'000
Note 4: Expenses		
Note 4A: Employee benefits		
Wages and salaries	4,265	3,717
Superannuation	463	451
Leave and other entitlements	113	346
Separation and redundancies	247	-
Other employee costs	12	41
Total employee benefits	5,100	4,555
Note 4B: Suppliers		
Provision of goods – related entities	12	-
Provision of goods – external parties	3,863	1,856
Rendering of services – related entities	430	666
Rendering of services – external parties	2,670	4,315
Operating lease rentals	52	47
Workers compensation premiums	51	54
Total supplier expenses	7,078	6,938
Note 4C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	149	132
Buildings	451	66
Total depreciation	600	198
Intangibles:		
Computer Software	6	6
Lease Incentives	123	64
Total amortisation	129	70
Total depreciation and amortisation	729	268
Note 4D: Write-down and impairment of assets		
Asset Write-Downs from		
impairment on financial assets	-	16
Total write-down and impairment of assets	-	16

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

	2008 \$'000	2007 \$'000
Note 5: Financial Assets		
Note 5A: Cash and cash equivalents		
Cash at bank		
Markham Close funds	23,000	23,000
Unspent capital injections	9,784	17,225
Cash available for operations	5,062	8,958
Cash on hand	1	1
Total cash	37,847	49,184
Note 5B: Trade and other receivables		
Goods and services	2,869	1,095
GST receivable from the Australian Taxation Office	222	296
Interest receivable	225	261
Other receivables	2	2
Total receivables	3,318	1,654
All receivables are current.		
Receivables (gross) are aged as follows:		
Not overdue	449	559
Overdue by:		
Less than 30 days	139	199
31 to 60 days	38	18
61 to 90 days	39	5
More than 90 days	2,653	873
Total trade and other receivables (gross)	3,318	1,654

Receivables for Goods & Services

Credit terms are net 30 days (2007: 30 days, except for sales of property which were due on settlement).

	2008 \$'000	2007 \$'000
Note 6: Non-Financial Assets		
Note 6A: Land and buildings		
Freehold land		
– at fair value	123,203	106,128
Total freehold land	<u>123,203</u>	<u>106,128</u>
Buildings on freehold land:		
– at fair value	6,197	6,098
– accumulated depreciation	(451)	-
Total buildings on freehold land	<u>5,746</u>	<u>6,098</u>
Total land and buildings	<u>128,949</u>	<u>112,226</u>
Valuations were conducted by an independent valuer (Colliers International Consultancy and Valuation Pty Ltd) in 2007. Subsequent to this valuation the directors of the Trust deemed the valuation to be fair.		
Most of the sites are contaminated to some extent and Cockatoo Island is severely contaminated. The estimated future costs of decontamination and remediation have been taken into account in arriving at the fair values.		
Note 6B: Infrastructure, plant and equipment		
Infrastructure, plant and equipment:		
- at cost	3,254	1,602
- accumulated depreciation	(584)	(446)
Total infrastructure, plant and equipment	<u>2,670</u>	<u>1,156</u>
Note 6C: Heritage and Collections		
Heritage assets:		
- at fair value	53,671	43,186
Total heritage assets	<u>53,671</u>	<u>43,186</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

Note 6D: Analysis of property, plant and equipment

TABLE A – Reconciliation of the opening and closing balances of property, plant, equipment and intangibles (2007-08)

Item	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	TOTAL \$'000
As at 1 July 2007							
Gross book value	106,128	6,098	112,226	1,602	43,186	21	157,035
Accumulated depreciation/amortisation	-	-	-	(446)	-	(6)	(452)
Net book value 1 July 2007	<u>106,128</u>	<u>6,098</u>	<u>112,226</u>	<u>1,156</u>	<u>43,186</u>	<u>15</u>	<u>156,583</u>
Additions:							
by purchase	17,075	99	17,174	1,680	10,485	102	29,441
assets transferred in	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Depreciation/amortisation expense	-	(451)	(451)	(138)	-	(6)	(595)
Disposals:							
Other disposals	-	-	-	(28)	-	-	(28)
Net book value 30 June 2008	<u>123,203</u>	<u>5,746</u>	<u>128,949</u>	<u>2,670</u>	<u>53,671</u>	<u>111</u>	<u>185,401</u>
Net book value as of 30 June 2008 represented by:							
Gross book value	123,203	6,197	129,400	3,254	53,671	123	186,448
Accumulated depreciation/amortisation	-	(451)	(451)	(584)	-	(12)	(1,047)
	<u>123,203</u>	<u>5,746</u>	<u>128,949</u>	<u>2,670</u>	<u>53,671</u>	<u>111</u>	<u>185,401</u>

Note 6D: Analysis of property, plant and equipment

TABLE A – Reconciliation of the opening and closing balances of property, plant, equipment and intangibles (2006-07)

Item	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	TOTAL \$'000
As at 1 July 2006							
Gross book value	45,277	5,728	51,005	1,551	22,849	18	75,423
Accumulated depreciation/amortisation	-	(174)	(174)	(314)	-	-	(488)
Net book value 1 July 2006	45,277	5,554	50,831	1,237	22,849	18	74,935
Additions:							
by purchase	8,851	9,744	18,595	51	-	3	18,649
assets transferred in	48,918	746	49,664	-	6,671	-	56,335
Revaluations	2,183	1,578	3,761	-	3,107	-	6,868
Reclassification	899	(11,458)	(10,559)	-	10,559	-	-
Depreciation/amortisation expense	-	(66)	(66)	(132)	-	(6)	(204)
Disposals:							
Other disposals	-	-	-	-	-	-	-
Net book value 30 June 2007	106,128	6,098	112,226	1,156	43,186	15	156,583
Net book value as of 30 June 2007 represented by:							
Gross book value	106,128	6,098	112,226	1,602	43,186	21	157,035
Accumulated depreciation/amortisation	-	-	-	(446)	-	(6)	(452)
	106,128	6,098	112,226	1,156	43,186	15	156,583

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

	2008 \$'000	2007 \$'000
Note 6E: Intangible Assets		
Computer software at cost:		
Externally developed – in use	123	21
Total Computer Software	123	21
Accumulated amortisation	(12)	(6)
Total intangibles	111	15
Note 6F: Inventories		
Finished goods at cost	34	41
Total inventories held for sale	34	41
Inventories held for distribution	-	15
Total inventories	34	56
Note 6G: Other non-financial assets		
Lease Incentives	337	172
Prepayments	-	3
Total other non-financial assets	337	175
All prepayments are current assets.		
Note 7: Payables		
Note 7A: Suppliers		
Trade creditors	1,120	1,801
Contract Retentions	274	355
Total supplier payables	1,394	2,156
All supplier payables are current. Settlement is usually made net 30 days.		
Note 7B: Other Payables		
Accrued expenses	1,220	817
Bonds and Security deposits	173	92
Prepayments received	1,878	1,962
Total Other Payables	3,271	2,871
Other payables are represented by:		
Current	1,501	1,005
Non-current	1,770	1,866
Total Other Payables	3,271	2,871

	2008 \$'000	2007 \$'000
Note 8: Provisions		
Note 8: Employee provisions		
Salaries and wages	42	29
Leave	702	755
Total employee provisions	744	784
Employee provisions are represented by:		
Current	532	575
Non-current	212	209
Total employee provisions	744	784

Note 9: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

Cash at year end per Cash Flow Statement	37,847	49,184
Balance Sheet items comprising above cash:	37,847	49,184
Financial Asset - Cash and cash equivalents		

Reconciliation of operating result to net cash from operating activities:

Operating result	(2,313)	(2,779)
Depreciation /amortisation	729	268
Loss on disposal of assets	6	-
(Increase) / decrease in receivables	(1,663)	13,468
(Increase) / decrease in inventories	22	(18)
(Increase) / decrease in prepayments	3	2
Increase / (decrease) in employee provisions	(40)	(1)
Increase / (decrease) in supplier payables	(762)	909
Increase / (decrease) in security deposits	81	-
Increase / (decrease) in prepayments received	(84)	(54)
Net cash from / (used by) operating activities	(4,022)	11,795

Note 10: Contingent Liabilities and Assets*Unquantifiable Contingencies*

At 30 June 2008, the Trust had a number of contracts in progress, the final costs of which are dependent on latent conditions and other variables. It is not possible to estimate the amounts of any eventual payments that may be required in relation to these contracts.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

	<u>2008</u> <u>Number</u>	<u>2007</u> <u>Number</u>
Note 11: Members' Remuneration		
The numbers of members of the Trust included in these figures are shown below in the relevant remuneration bands		
• \$15,000 - \$29,999	6	6
• \$30,000 - \$44,999	2	2
Total number of members of the Trust	<u>8</u>	<u>8</u>
	<u>\$</u>	<u>\$</u>
Total remuneration received or due and receivable by members of the Trust	<u>197,259</u>	<u>190,768</u>

The Members of the Trust are appointed on a part-time basis under section 12 of the *Sydney Harbour Federation Trust Act 2001*.

The Members during the year were:

- Mr H K McCann AM (Chair) (re-appointed 27 September 2007)
- Mr R Conroy (re-appointed 13 March 2008)
- Ms D Talty (re-appointed 13 March 2008)
- Clr S Hoopmann JP (re-appointed 27 September 2007)
- Mr P Lowry OAM (re-appointed 27 September 2007)
- Dr J Moriarty AM (re-appointed 27 September 2007)
- Brigadier K O'Brien CSC, (Retd) (re-appointed 27 September 2007)
- The Hon Barry O'Keefe AM QC (re-appointed 27 September 2007)

	<u>2008</u>	<u>2007</u>
Note 12: Remuneration of Senior Executives		
The number of senior executives who received or were due to receive total remuneration of \$130,000 or more:		
• \$130,000 to \$144,999	1	2
• \$145 000 to \$159 999	1	1
• \$175 000 to \$189 999	-	2
• \$190 000 to \$204 999	1	-
• \$205 000 to \$219 999	1	-
• \$265 000 to \$279 999	1	1
Total	<u>5</u>	<u>6</u>
	<u>\$</u>	<u>\$</u>
The aggregate amount of total remuneration of senior executives shown above.	<u>1,094,082</u>	<u>1,085,373</u>
The aggregate amount of separation and redundancy payments during the year to executives shown above.	<u>126,753</u>	-

	2008 \$'000	2007 \$'000
Note 13: Remuneration of Auditors		
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	44	43
	<u>44</u>	<u>43</u>

No other services were provided by the Auditor-General during the reporting period.

Note 14: Financial Instruments

14A Categories of financial instruments

Financial Assets

Loans and receivables financial assets

Cash at bank	37,846	49,183
Cash on hand	1	1
Receivables for goods and services	2,869	1,095
GST receivable from the Australian Taxation Office	222	296
Interest receivable	225	261
Other receivables	2	2
Carrying amount of financial assets	<u>41,165</u>	<u>50,838</u>

Financial Liabilities

Other Financial Liabilities

Trade creditors	1,120	1,801
Contract Retentions	274	355
Accrued Expenses	1,220	804
Bonds and security deposits	173	105
Prepayments received	1,878	1,962
Carrying amount of financial liabilities	<u>4,665</u>	<u>5,027</u>

14B Net income and expense from financial assets

Loans and receivables

Interest revenue (see note 3C)	2,750	2,932
Net gain/(loss) loans and receivables	<u>2,750</u>	<u>2,932</u>

14C Net income and expense from financial liabilities

There is no net income or expense from financial liabilities not at fair value through profit or loss in the year ending 30 June 2008.

14D Fee income and expense

There is no fee income or expense arising from financial instruments in the year ending 30 June 2008.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

14E Fair value of financial instruments

	Carrying amount 2008 \$'000	Fair value 2008 \$'000	Carrying amount 2007 \$'000	Fair value 2007 \$'000
Financial Assets				
Cash at bank	37,846	37,846	49,183	49,183
Cash on hand	1	1	1	1
Receivables for goods and services	2,869	2,869	1,095	1,095
GST receivable from the Australian Taxation Office	222	222	296	296
Interest receivable	225	225	261	261
Other receivables	2	2	2	2
Total	41,165	41,165	50,838	50,838
Financial Liabilities				
Trade creditors	1,120	1,120	1,801	1,801
Contract retentions	274	274	355	355
Accrued expenses	1,220	1,220	804	804
Bonds and security deposits	173	173	105	105
Prepayments received	1,878	1,878	1,962	1,962
Total	4,665	4,665	5,027	5,027

14F Credit risk

The Trust is exposed to minimal credit risk as the majority of loans and receivables are cash, appropriations made under law (which guarantees fixed amounts of funding that the entity can drawdown as required) or amounts owed by the Australian Taxation Office in the form of a GST refund. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2008: \$3,318,000 and 2007: \$1,654,000).

The Trust manages its credit risk by undertaking background and credit checks prior to allowing a debtor relationship. In addition, the Trust has policies and procedures that guide employees debt recovery techniques that are to be applied.

The Trust holds amounts on deposit and bank guarantees to mitigate against credit risk.

Credit risk of financial instruments not past due or individually determined as impaired:

	Not Past Due Nor Impaired 2008 \$'000	Not Past Due Nor Impaired 2007 \$'000	Past due or impaired 2008 \$'000	Past due or impaired 2007 \$'000
Cash at bank	37,846	49,183	-	-
Cash on hand	1	1	-	-
Receivables for goods and services	-	-	2,869	1,095
GST receivable from the Australian Taxation Office	222	296	-	-
Interest receivable	225	261	-	-
Other receivables	2	2	-	-
Total	38,296	49,743	2,869	1,095

Ageing of financial assets that are past due but not impaired for 2008

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	139	38	39	2,653	2,869
Total	139	38	39	2,653	2,869

Ageing of financial assets that are past due but not impaired for 2007

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	199	18	5	873	1,095
Total	199	18	5	873	1,095

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

14G Liquidity risk

The Trust's financial liabilities are payables and employee provisions such as annual and long service leave. The exposure to liquidity risk is based on the notion that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to appropriation funding and mechanisms available to the Trust, and internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrates the maturities for financial liabilities:

	On demand	within 1 year	1 to 5 years	> 5 years	Total
	2008	2008	2008	2008	2008
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2008					
Trade creditors	-	1,120	-	-	1,120
Contract retentions	-	274	-	-	274
Accrued expenses	-	1,220	-	-	1,220
Bonds and security deposits	-	173	-	-	173
Prepayments received	-	1,878	-	-	1,878
Employee provisions	-	532	212	-	744
Total	-	5,197	212	-	5,410
	On demand	within 1 year	1 to 5 years	> 5 years	Total
	2007	2007	2007	2007	2007
	\$'000	\$'000	\$'000	\$'000	\$'000
30 June 2007					
Trade creditors	-	1,801	-	-	1,801
Contract retentions	-	355	-	-	355
Accrued expenses	-	817	-	-	817
Bonds and security deposits	-	92	-	-	92
Prepayments received	-	1,962	-	-	1,962
Employee provisions	-	575	209	-	784
Total	-	5,602	209	-	5,811

The Trust is appropriated funding from the Australian Government. The Trust manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due. In addition, the Trust has policies in place to ensure timely payments are made when due and has no past experience of default.

14H Market risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk, currency risk and 'other price risk'. The Trust is not exposed to 'currency risk' or 'other price risk'. The Trust holds basic financial instruments that are exposed to interest rate risk. The Trust's exposure to the risk of changes in market interest relates primarily to short term investments with floating interest rates. The Trust's interest rate risk arises from the investment in short term cash with fixed and floating interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

At 30 June 2008, if interest rates decreased/(increased) by 1.0%, with all other variables held constant, operating result and equity would have been

30 June 2008	Carrying amount \$'000	Change in risk variable %	Effect on	
			Profit and loss 2008 \$'000	Equity 2008 \$'000
Financial Assets				
Australian cash deposits and short-term securities	17,847	-1.0	(178)	(178)
Australian cash deposits and short-term securities	17,847	+1.0	178	178
30 June 2007				
	Carrying amount \$'000	Change in risk variable %	Effect on Profit and loss 2007 \$'000	Equity 2007 \$'000
Financial Assets				
Australian cash deposits and short-term securities	49,184	-1.0	(492)	(492)
Australian cash deposits and short-term securities	49,184	+1.0	492	492

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

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Note 15: Appropriations**Appropriations**

Particulars	Departmental Outputs		Equity		Total	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance brought forward from previous year	-	-	-	-	-	-
Appropriation Act:						
Appropriation Acts (No.1 & 3) 2007-08	566	1,619	-	-	566	1,619
Appropriation Acts (No.2 & 4) 2007-08	-	-	22,000	21,000	22,000	21,000
Total appropriation available for payments	566	1,619	22,000	21,000	22,566	22,619
Cash payments made during the year (GST inclusive)	(566)	(1,619)	(22,000)	(21,000)	(22,566)	(22,619)
Balance carried forward to next year	-	-	-	-	-	-
Represented by						
Appropriations receivable	-	-	-	-	-	-

This table reports on appropriations made by the Parliament of the Consolidated Revenue Fund (CRF) for payment to the Trust. When received by the Trust, the payments made are legally the money of the Trust and do not represent any balance remaining in the CRF.

Note 16: Reporting of Outcomes

Note 16A: Departmental Revenues and Expenses by Output Groups and Outputs

	Output 1.1		Outcome 1		Output 1.3		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating expenses								
Employees	419	1,480	1,879	1,034	2,802	2,041	5,100	4,555
Suppliers	582	795	2,607	651	3,889	5,492	7,078	6,938
Depreciation	-	19	293	15	436	234	729	268
Write-down of assets	-	1	-	1	-	14	-	16
Total operating expense	1,001	2,295	4,779	1,701	7,127	7,781	12,907	11,777
Funded by:								
Revenues from Government	47	657	208	453	311	509	566	1,619
Goods and services	-	-	149	102	5,477	3,345	5,626	3,447
Interest	-	-	-	-	2,750	2,932	2,750	2,932
Other	-	-	-	-	1,652	1,000	1,652	1,000
Total operating revenue	47	657	357	555	10,190	7,786	10,594	8,998

Trust Lands on Sydney Harbour are conserved and enhanced for the benefit of present and future generations of Australians.

There are three Outputs identified for the Outcome:

Output 1.1: Management plans consistent with the Harbour Trust's Comprehensive Plan are prepared for Harbour Trust lands following community consultation

Output 1.2: The public is informed of the environmental and heritage significance of the Harbour Trust lands and has access to them

Output 1.3: Harbour Trust lands are progressively rehabilitated, conserved and made publicly accessible

The costs of administrative and operating overheads have been attributed to outputs in proportion to the relative costs of each output.

The net costs shown include intra-government costs that would be eliminated in calculating the actual Budget outcome.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2008

Note 16B: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000
Expenses				
Total expenses	12,907	11,777	12,907	11,777
	12,907	11,777	12,907	11,777
Costs recovered from provision of goods and services to the non government sector				
Total costs recovered	5,632	3,447	5,632	3,447
	5,632	3,447	5,632	3,447
Other external revenues				
Interest	2,750	2,932	2,750	2,932
Other - from related entities	1,652	1,000	1,652	1,000
Total other external revenues	4,402	3,932	4,402	3,932
	4,402	3,932	4,402	3,932
Net cost of outcome	2,873	4,398	2,873	4,398
	2,873	4,398	2,873	4,398

Appendix 1

Freedom of Information

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The *Freedom of Information Act 1982* gives everyone the right of access to documents held by Commonwealth Government agencies, subject to certain exemptions.

Categories of Documents

- Administration matters including personnel and recruitment, accounts, purchasing and registers.
- Planning, architecture and environmental matters including reports and studies commissioned by the Trust, research, drawings and concept proposals.
- Minutes of meetings of the 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.

Requests

Any person can lodge a request. A request for a document must be in writing, be accompanied by a \$30 application fee and provide such information concerning the document requested as is reasonably necessary to enable the agency to identify the document.

Requests should be sent to:

Freedom of Information Officer
Sydney Harbour Federation Trust
PO Box 607
MOSMAN NSW 2088

Reporting

The Trust received no requests under the Act during the reporting period.

Appendix 2

Community Advisory Committee Members

Cockatoo and Snapper Islands

Damian Coble-Finch
 Martin Connolly
 Peter Conroy
 Robert Curran (retired)
 Joe Glascott
 Tony Hardy
 Ted Moore
 James Morton
 Terry Ryan
 Gary Sawyer
 Garry Stewart (retired)
 Angelo Tsirekas

Middle Head

Tony Abbott MP
 Bryce Bridges
 Michael Hickey Cmdr RAN
 Edward Elsom
 Don Goodsir (retired)
 Sue Halmagyi
 Ian Henderson
 Stewart Reed
 George Shirling (retired)
 Jillian Skinner MP
 Denise Wilton

North Head

Mike Baird MP
 Nina Burrige (retired)
 Ian Freeman
 Cecily McGee (retired)
 Jennie Minifie
 Deborah Mosman (retired)
 John Platt
 Judy Reizes
 Douglas Sewell

Woolwich

Peter Astridge
 Joe Hockey MP
 Philip Jenkyn
 David Lonie (retired)
 Barry Smith
 Adam South

South Head

David Caldwell (retired)
 Allan Coker
 Peter Debnam MLA
 Dr Robin Derricourt
 Will Jones
 Keri Huxley
 Peter Poland
 Michael Rolfe

HMAS *Platypus*

Carole Baker
 Diana Davidson
 Brian Evesson
 Joe Hockey MP
 Penny Holloway
 Denny Linker
 Genia McCaffery
 Zena O'Connor
 Alick Osborne
 Merryn Pearse
 Chris Skinner
 Jillian Skinner MP
 Peter Smith
 Robert Tearne

Whole of Harbour

Anthony Iacona
 Jennifer McMonnies

Appendix 3

Maintenance, Heritage Conservation and Environmental Management Projects

All Sites

- Grounds maintenance
- General building maintenance
- Services maintenance
- Fire systems maintenance

Former School of Artillery, North Head

- Construction of Blue Fish Road car park
- Raising of section of walking track in wetland area
- Renewal of high voltage electricity supply
- Heritage restoration of Buildings 2, 3 & 4
- External structural repairs to the former gymnasium and gun shed
- Initial structural investigations into Accommodation Building 1 and Officers' Mess
- Fire hazard reduction
- Refurbishment works to the Officers' Mess, and other buildings for tenancy by the Police
- Contract and volunteer bush regeneration
- Feral animal control program

Chowder Bay

- Tenant fitout works at the Submarine Miners' Depot
- Restoration of cable pit for tenant use
- Refurbishment of Accommodation Building 1 for tenant occupation
- Bush regeneration
- Feral animal control program
- Bushfire hazard reduction

Lower Georges Heights

- Contract bush regeneration
- Restoration of significant artillery gun
- Ongoing establishment of sculptures as part of sculpture trail
- Feral animal control program
- Bushfire hazard reduction

Georges Heights

- Restoration of buildings 3, 4, 26 & 38 completed, including construction of new toilets, air conditioning, repainting, and landscaping
- Realignment of Suakin Drive and two car parks
- Ongoing decontamination of precinct
- Ongoing replacement and upgrading of services including electricity, water, fire services, telephone and sewer
- Landscaping of main pedestrian routes through the precinct
- Refurbishment of the former barracks into a childcare facility
- Contract and volunteer bush regeneration
- Completion of the Georges Head lookout
- Rainwater recycling investigations
- Commandos landscape earth mounds
- Feral animal control programs
- Bushfire hazard reduction

Woolwich Dock

- Completion of the upper area lookout
- Substantial completion of the road realignment, car park and wharf facility
- Ongoing decontamination of the Horse Paddock and the upper lookout area
- Goat Paddock track repairs, weed control and revegetation

Appendix 3 Continued...

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Cockatoo Island

- Completion of refurbishment of buildings 101, 102 & 103
- Replacement of roofs for most of the industrial buildings on the island, a total of 15 buildings
- Restoration of sections of the roof to the Turbine Shop buildings
- Completion of the northern apron park, camp ground, office, kitchen and amenities
- Provision of services to northern apron
- Repair of seawall
- Completion of cliff top walkway
- Decontamination of the northern apron area and the upper plateau
- Civil works to the eastern apron
- Stabilisation of rock faces
- Heritage restoration of Edwardian terraces , building 24
- Ongoing public safety works

Snapper Island

- No major works were carried out during the year.

Macquarie Lightstation

- No major works were carried out during the year.

Former Marine Biological Station

- Tenant works completed

Appendix 4

Short-term Licensing of Trust Sites

Site	Occupant	Date	Term	Use	Pax
ASOPA/10Terminal	Zerorisk	6/08/07	1 Day	Meeting	10
ASOPA/10Terminal	Oil Search	28/08/07	1 Day	Meeting	20
ASOPA/10Terminal	Oil Search	10/12/07	1 Day	Meeting	20
ASOPA/10Terminal	Department of Defence	6/03/08	1 Day	Training	50
ASOPA/10Terminal	Australian Federal Police	29/04/08	1 Day	Training	16
ASOPA/10Terminal	Film Design ~ Optus	30/05/08	4 Days	Filming	50
ASOPA/10Terminal	Keith Saunders Photography	23/07/08	1 Day	Photography	10
ASOPA/10Terminal	Dept of Environment & Conservation	1/07/2007-30/09/08	3 Months	Storage	
ASOPA/10Terminal	Hawkesford's Luxury Coaches	1/07/2007-31/01/08	6 Months	Vehicle Parking	
ASOPA/10Terminal	TJ & WL Wescon	1/07/2007-31/01/08	6 Months	Vehicle Parking	
ASOPA/10Terminal	Mosman Council	20/08-30/09/08	6 Weeks	Venue Hire/Storage	10
Chowder Bay	Pont3	16/03/07	1 Day	Corporate Sports	50
Cockatoo Island	ABC ~ Double the Fist	12/07/07	1 Day	Filming	35
Cockatoo Island	Imagespost	24/09/07	1 Day	Filming	15
Cockatoo Island	ABC ~ The Chaser	10/10/07	1 Day	Filming	10
Cockatoo Island	Niche Marketing	16/11/07	1 Day	Event	500
Cockatoo Island	Studio Bambini	13/12/07	1 Day	Photography	10
Cockatoo Island	Manzoni Accessories	8/01/08	1 Day	Photography	15
Cockatoo Island	Think Creative Sunland	21/02/08	1 Day	Event	120
Cockatoo Island	Lloyd & Sons Pty Ltd	29/03/08	1 Day	Event	120
Cockatoo Island	Sarah Matthewson	30/03/08	1 Day	Ceremony	10
Cockatoo Island	Hunters Hill Charity	11/04/08	1 Day	Event	350
Cockatoo Island	Pacific Magazines	12/06/08	1 Day	Photography	9
Cockatoo Island	Revolver / Intralot	01-06/06/08	5 Days	Filming	100
Cockatoo Island	Revolver	06-10/08/07	5 Days	Filming	30
Cockatoo Island	Lady Gowrie Childcentre	07-08/03/08	2 Days	Meeting	360
Cockatoo Island	Lloyd & Sons Pty Ltd	1/07/2007-31/06/08	1 Year	Café	
Cockatoo Island	Forest Events ~ Nokia	10-12/02/08	3 Days	Event	5
Cockatoo Island	My Space	16-18/01/08	1 Day	Concert	1200
Cockatoo Island	Joe ~ CI Boating	30/08-30/09/07	1 Month	Construction	3

Appendix 4 Continued...

Short-term Licensing of Trust Sites Continued

Site	Occupant	Date	Term	Use	Pax
Georges Head	Weddings and ceremonies (30)			Ceremonies	2538
Lower Georges Heights	Plush Films	11/08/07	1 Day	Filming	21
Lower Georges Heights	93 Crater Crescent	17/12/07	1 Day	Photography	6
Lower Georges Heights	Cameron Wedding	12/01/08	1 Day	Ceremony	120
Lower Georges Heights	The Barn, Wild Women on Top	14/03/08	1 Day	Meeting	40
Lower Georges Heights	Paul Fraser	13/04/08	1 Day	Ceremony	50
Lower Georges Heights	Space4Art	19/05-01/06/08	2 Weeks	Exhibition	200
Macquarie Lighthouse	Tomara Dobson Wedding	15/09/07	1 Day	Ceremony	80
Macquarie Lighthouse	Channel 9	19/11/07	1 Day	Filming	15
Macquarie Lighthouse	Channel 9	17/12/07	1 Day	Filming	15
Macquarie Lighthouse	Wombat	4/03/08	1 Day	Photography	10
Macquarie Lighthouse	The Barn, Macquarie Lighthouse Reopening	15/04/08	1 Day	Event	100
North Head	S. Jewell	18/06/07	1 Day	Community Sports	40
North Head	Embossed Communications	1/07/2007-31/06/08	1 Year	Candle Making	
North Head	Jim Frecklington	1/07/2007-31/06/08	1 Year	Coach Building	
North Head	CineGear Productions Pty Ltd	13-24/08/07	10 Days	Filming	50
North Head	Southern Star Productions	20/08/07-18/04/08	8 Months	Filming	
North Head	Channel 7	24-26/12/07	3 Days	Event	10
Woolwich Dock	Seeto	15/06/08	1 Day	Ceremony	65
Total				Approximate Numbers to Sites	6488

Compliance Index

The table below shows compliance with *Commonwealth Authorities and Companies (Report of Operations) Orders 2005*, issued by the Minister for Finance and Administration in June 2005.

The table has also been compiled with selected regard to Requirements for Annual Reports for Departments, Executive Agencies and FMA Act bodies, approved by the Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the *Public Service Act 1999*, June 2008.

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Sydney Harbour Federation Trust