

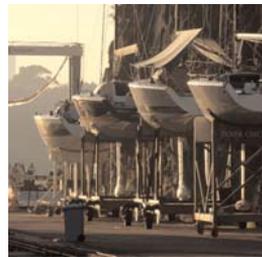


Australian Government
Sydney Harbour Federation Trust

Sydney Harbour Federation Trust

05/06

ANNUAL REPORT



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21 September 2006

Senator the Honourable Ian Campbell
Minister for the Environment and Heritage
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 2006. 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 horizontal line extending to the right.

Kevin McCann AM
Chair

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The Sydney Harbour Federation Trust is now at the half way point of its life, an opportune time to reflect on progress to date and the challenges ahead. The Trust was formally established in 2001 and given 10 years to complete the task of rehabilitating a number of historic lands around Sydney Harbour either once occupied by the military or used for other purposes.

Two observations may be made about the Trust's work to date. First, the city of Sydney has been enriched by the maritime, artistic and scientific activity taking place on headland and foreshore sites managed by the Trust. Second, these historically significant lands are host to activities that do not occur often in the one location – passive recreational opportunities, cultural pursuits and the conduct of business and study.

Nowhere is this better exemplified than at the Chowder Bay and Georges Heights precincts in Mosman where the implementation of the Trust's Comprehensive Plan is largely completed. The sites are open to the public, they are designed for ease of access, seamlessly introduce visitors to wonderful harbour views and walks, and many of their buildings and facilities have been leased to businesses, artists, and educational bodies. Add a range of cultural activities to this mix of uses and the precincts are well on the way to becoming vibrant communities connected to the life of city.

In Mosman, up to 4000 people a week use the walking track through the site in the warmer months and the figure is over 2000 during winter. Surveys conducted by the Trust show that 40 per cent of visitors to the site are regulars and are predominantly locals. Of course, the site also attracts overseas and interstate visitors.

A challenge for the Trust will be to increase the number of visitors to sites from outside their local catchments and to widen the demographic mix of tour participants. This is important because the sites properly belong to the people of Australia and a broad sense of ownership promotes social capital. In light of this, the Trust is exploring innovative ways to more effectively showcase the unique elements of its sites. In other words, to devise ways to meld the amenity of parkland with the benefits of cultural activity and the opportunities presented by businesses leasing buildings and facilities. A more integrated experience of the sites will pay dividends in return visitation and a distinctive reputation in the community.

Cockatoo Island is likely to prove a pivotal site in the Trust's vision to make its lands accessible to all. The island's geographical position in the harbour, straddling the oft quoted divide between the east and the west of the city, makes it an ideal setting for recreational and cultural activity for the community as a whole. While it has hosted a major festival and tours have operated on the island for five years, the island is still very much a work in progress. It has undergone substantial repair, decontamination, conservation and rehabilitation. The process to attract businesses to the island is underway and is a priority, as is establishing ancillary services such as land bases for the transfer of goods and regular passenger ferries. In the next year or two, Cockatoo Island should be as accessible as Woolwich Dock, Chowder Bay and Georges Heights.

Other sites are similarly being transformed. The former Marine Biological Station now boasts a pocket-sized park while HMAS *Platypus*, only recently transferred to the Trust, is at the planning and public consultation stage. Archaeological work continues at Macquarie Lightstation and Snapper Island now has a safe wharf and pontoon. Subsequent to the end of the reporting period, the Trust and the Commonwealth successfully negotiated an agreement with NSW to transfer the School of Artillery site to the Trust. This would enable the Trust to implement its plans for the rehabilitation of the site and the creation of an ecological sanctuary.

The Prime Minister, the Hon John Howard, the Minister responsible for the Trust, Senator the Hon Ian Campbell and his Parliamentary Secretary, the Hon Greg Hunt MP have demonstrated great support for the work of the Trust and I thank them on behalf of Trust members and staff.

Kevin McCann AM

Executive Director's Summary

The leasing of Harbour Trust buildings and facilities continued throughout the year with a call for expressions of interest for Cockatoo Island and the finalisation of the leasing process for a number of precincts including Chowder Bay, Lower Georges Heights, Gunshot Alley (Georges Head), Master Gunner's Cottage (Lower Georges Heights), Woolwich Dock and the former Marine Biological Station at Watsons Bay.

The Cockatoo Island call attracted 96 expressions of interest from a diverse range of interested applicants including representatives of the maritime and hospitality sectors. The island will be leased in three stages from late 2006 to 2008. During this time, a comprehensive interpretation strategy for the island will be implemented to coincide with greater public access. A program of events is also in the planning stage and will augment regular tours of the island.

A lease was signed with a consortium of four Sydney universities to operate a marine research body in a number of buildings at Chowder Bay. Called the Sydney Harbour Institute of Marine Sciences, the body is the anchor tenant for an evolving maritime village at Chowder Bay. Other tenants are a dive operator, a beachside kiosk, a wooden boat repairer and an executive training institute. Negotiations continue with other potential lessees of barracks and mess buildings, and the remaining available spaces in the Submarine Miners' Depot, one bay of which will house an interpretive display.

The artists' colony at Lower Georges Heights is now fully operational and a success. The tenants have collaborated with the Harbour Trust on the organisation of open days and musical events. With the completion of the Balmoral to Middle Head Road walking track, the Lower Georges Heights precinct has become a hub for local recreational users and visitors. The harbour views, studios, picnic areas and the amenity of this precinct, along with the operation of the tearoom in the former Gunners' Barracks at Georges Head, various businesses in the terraces comprising Gunshot Alley at Georges Head and an inbound travel agent in the Master Gunner's cottage have realised the potential of Harbour Trust sites to incorporate public spaces and commerce to the benefit of both.

At Woolwich Dock, the leasing process attracted 10 tenders. The lease of the dock and most of the site was awarded to a partnership of Murlan, a property management business, Noakes Boat and Shipyards, and the operators of Hamilton Island resort on the Great Barrier Reef. The precinct remains open to the public with accessibility improved by a walkway around the dock and planning is underway for a lookout at the western end of the dock.

The former Marine Biological Station was leased to a prominent businessman who will restore the house, landscape the gardens and regularly open the property to the public. Part of the grounds of the house has been transformed into a small park connecting suburban streets with Camp Cove beach.

The Harbour Trust's leasing policy is given direction by the Comprehensive Plan for all sites and specific management plans for sites and precincts. The Comprehensive Plan will be amended to take account of the transfer to the Harbour Trust of HMAS *Platypus*. The Trust approved the management plan for the Mosman Drill Hall precinct and draft management plans for Cockatoo Island and the former School of Artillery at North Head, both of which were exhibited during the year. Preparation of management plans for Georges Heights, Middle Head and Macquarie Lightstation is underway.

The auction of seven properties at Markham Close, Mosman, completed the sale of land permitted under the *Sydney Harbour Federation Trust Act 2001*. In total, 19 properties have been sold and the revenue will be used to improve and maintain the quality of all sites.

The program of works and remediation continued throughout the year. The rehabilitation of a number of sites or precincts is close to completion while others remain works in progress. With responsibility for over 400 buildings, maintenance to prevent further deterioration is an ongoing task. During the year, this included roof and window repairs, the replacement of fences, reinstatement of paving, and improving drainage. At the same time, buildings were decontaminated, refurbished and made ready for tenant fit-outs. Civil works such as road upgrades and realignments, new car parks, the upgrade or provision of electricity and sewerage systems occurred in parallel with the program of works.

There were a number of major projects undertaken including the conservation of the powerhouse at Cockatoo Island and the restoration and refurbishment of the former World War I hospital buildings at Georges Heights. Other major projects increased the accessibility of sites. The dockside walking track at Woolwich Dock and Parklands enables visitors to gain an appreciation of the scale of the dock and the lookout at Georges Head, nearing completion, will afford visitors splendid views of fortifications and the harbour. The upgrade of the wharf and pontoon at Snapper Island was an important step in readying the site for future works.

Scoping studies, geotechnical investigations, electrical system design work, traffic and landscape assessments were commissioned in the preliminary stages of many projects. Remediation strategies and environmental assessments were also important components of projects and involved the removal of hazardous materials. A detailed Remediation Action Plan was commenced for HMAS *Platypus*, following its transfer to the Harbour Trust.

Bush regeneration continued on all sites with volunteer groups complementing the work of contractors. Bushfire management and feral animal control also continued on all sites in partnership with local councils and state government agencies. The management at Middle Head and North Head of *Phytophthora cinnamomi*, the water mould that causes root rot in susceptible plants, occurred in collaboration with members of the Sydney Harbour Dieback Working Group.

The Harbour Trust's public program of tours, open days, exhibitions and special events promoted the history and heritage of sites. Increasing in importance is the comprehensive interpretation of sites as they become more accessible. During the year, an interpretation strategy was prepared for Headland Park in Mosman and a visitors' centre at North Head. Work began on a strategy for Cockatoo Island. Approximately 3,700 students visited Cockatoo Island for curriculum-aligned programs presented by the Harbour Trust's team of experienced teacher guides.

Tour guides, teacher guides and volunteers are an integral part of the Harbour Trust's capacity to deliver public programs. Their enthusiastic involvement in the work of the organisation will increase as the number of tours of sites increases and a regular calendar of events is implemented. Staff, too, are having to adapt to a changing work environment. Their commitment to fulfilling the outcomes of the Comprehensive Plan remains high as does their day to day professionalism.

Members of the Trust provided strategic advice and wise counsel on the many challenges facing the organisation.

Geoff Bailey



1. The Harbour 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

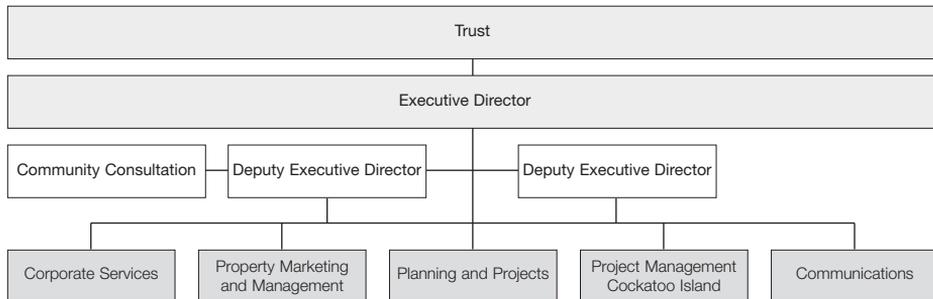
The Harbour Trust was established by section 5 of the *Sydney Harbour Federation Trust Act 2001* which commenced on 20 September 2001.

The Minister for the Environment and Heritage, Senator the Hon Ian Campbell, is the responsible minister.

Organisational Structure

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

During the year the Harbour Trust re-located its offices from the former Submarine Miners' Depot and Army Maritime School at Chowder Bay, to Georges Heights, Mosman, Sydney.



Members



Mr Kevin McCann AM, Chair

Mr McCann is a non-executive director and a lawyer. He was a partner of Allens Arthur Robinson for 35 years and Chairman of the firm for 10 years up to his retirement in 2004. He practised in corporate and commercial law. Mr McCann holds a Master of Laws, Bachelor of Laws and a Bachelor of Arts. As a director of a number of Australian public listed companies, he is experienced in finance and commercial matters. Mr McCann was Chair of the Interim Sydney Harbour Federation Trust for 2½ years.



Mr Robert Conroy

Mr Conroy is a non-executive director, nominated by the NSW Government. Mr Conroy is Director Central Branch, Parks and Wildlife Division, NSW Department of Environment and Conservation. He holds a Master of Management, Bachelor of Arts and a Diploma in Environmental Studies. Through his 30 years with national parks Mr Conroy has been committed to the protection and improved management of Australia's environment.



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.



Cnr Susan Hoopmann

Cnr Hoopmann is a non-executive director. Cnr Hoopmann is Mayor of Hunters Hill, a company director and holds positions on numerous community committees and organisations, concerning wide-ranging issues from schools and education to charities and the environment. Cnr Hoopmann is also a member of the Harbour Trust's Audit and Risk Management Committee.



Mr Peter Lowry OAM

Mr Lowry is a non-executive director, a law graduate, Fellow of the Australian Property Institute and member of the Planning Institute of Australia, with experience in urban research, planning and residential development, particularly in the restoration of heritage projects. He is a Board Member of the National Trust and of the Planning Research Centre of the University of Sydney. Mr Lowry is Chair of the Harbour 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 is a member of the 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 Harbour 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 Harbour Trust's Defence History Steering Committee, a member of the Harbour 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 has been President of the National Trust (NSW) since 1991 and was a Member of the Interim Sydney Harbour Federation Trust for 2½ years before his appointment as a Trustee.

Outcome and Output Structure

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

Environment and Heritage Portfolio Outcome 1

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

Harbour 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 Harbour Trust's Comprehensive Plan are prepared for Harbour Trust lands following community consultation.

Public Information

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

Site Conservation

Harbour 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 Harbour Trust's Comprehensive Plan approved by the Minister.*
 - *Management plans are prepared and drafts exhibited.*
 - *Background studies or policies for significant heritage and transport matters affecting Harbour Trust lands are prepared.*
 - *The Community Advisory Committee and the broader community provide input into the planning process.*
-

Comprehensive Plan

The process to amend the Harbour Trust's Comprehensive Plan for its sites was publicly notified following the Government's transfer of HMAS *Platypus*. This is a requirement under section 29 of the Trust's Act. The process requires public consultation with various stakeholders, invitations for public submissions on the draft plan and the appointment of additional members to the Community Advisory Committee to represent community interests in the new site. Reference material is being collected and background reports prepared. The amended Comprehensive Plan will contain a description of HMAS *Platypus* including the local planning context, an overview of its cultural and environmental significance and a description of outcomes. The draft plan amendment is expected to be on public exhibition within the next 12 months.

Management Plans

The draft Management Plan for Cockatoo Island was publicly exhibited in October 2005. The exhibition coincided with the call for expressions of interest for buildings and services on the island. The final plan will incorporate the recommendations of the most recent Conservation Management Plans for Cockatoo Island. The draft Management Plan for the Former School of Artillery, North Head was publicly exhibited in early 2006. Both plans build on broad proposals outlined in the Harbour Trust's Comprehensive Plan and describe specific outcomes for the sites.

The Management Plan for Mosman Drill Hall was approved by the Trust in May 2006. A number of additional studies were undertaken on noise and traffic in response to issues raised during the exhibition of the draft plan. The plan provides for new hard-surfaced, multi-purpose outdoor courts, one indoor court suitable for netball and basketball, and protection of the heritage values of the Drill Hall. Negotiations to lease the site to Mosman Council will begin soon. The Council will develop and manage the precinct and re-locate existing netball courts at Rawson Park to the drill hall precinct, allowing the integration of the park into Headland Park through landscaping, revegetation and walking tracks.

During the year, work commenced on draft management plans for three precincts: Georges Heights (including the former No. 1 Commando Company Headquarters); Middle Head; and Macquarie Lightstation at Vaucluse. Draft plans for the three precincts will be exhibited in 2006 following consultation and the preparation of background studies.

Heritage Strategy

The Harbour Trust prepared a heritage strategy in accordance with heritage amendments to the *Environment Protection and Biodiversity Conservation Act 1999*. The strategy complements the Comprehensive Plan and integrates heritage conservation with the overall planning and management framework. It also serves as a guide to reporting on the protection and conservation of Commonwealth heritage values of the sites. The strategy was approved by the Minister for the Environment and Heritage in May 2006.

Sale of Markham Close

The *Sydney Harbour Federation Trust Act 2001* permits the sale of 19 properties at Markham Close, Mosman, and the revenue from their sale to be used to improve and maintain the quality of all sites. Twelve properties were sold in the previous two reporting periods. The sale of the remaining seven properties occurred in 2006. This followed an amendment to the Act in line with the approved management plan. The amendment facilitated a land swap of two houses and the rear of three other lots to be added to Headland Park in exchange for the adjacent disused Scout Hall site which was subdivided for residential purposes. An historian prepared a research report on the history of the Scout Hall site prior to the demolition of the building and sale.

Removal of buildings at former No. 1 Commandos Company Headquarters

In 2006, in accordance with the Comprehensive Plan, the former 1 Commando Company Headquarters buildings at Georges Heights were demolished. This will enable a ribbon of parkland to extend from Rawson Park to Georges Heights oval and generally open the Middle Head ridgeline.

Background Studies

A range of studies commissioned by the Harbour Trust during the year to inform the planning process is listed at Appendix 3.

Community Consultation

The Harbour Trust continues to consult communities and liaise with key stakeholders on the planning and rehabilitation of the sites. Consultation activities ranged from formal committee meetings to workshops, open days, presentations, discussions and the exhibition of plans.

The Harbour Trust's Community Advisory Committee (CAC) provided advice in support of the planning process. Site subcommittees met seven times during the year to provide feedback on and input into the development of site management plans.

CAC membership was widened following the transfer of HMAS *Platypus* to the Harbour Trust. During the year, a series of Planning Workshops were conducted on site and included tours and facilitated discussions of issues and ideas for future uses.

A Planning Day was held for Macquarie Lightstation. It incorporated a tour, a display of proposed outcomes for the site and provided opportunity for stakeholders to provide input into the management plan process.

The draft Management Plans for North Head and Cockatoo Island were placed on public exhibition at local libraries, council offices, the Harbour Trust's offices in Mosman and on the website. Submissions from the community were considered in the preparation of final plans.

Several works projects were placed on exhibition during the year including the Camber wharf reinstatement at Cockatoo Island, the new jetty and pontoon at Woolwich and the Suakin Drive Road alignment in Mosman.

The Harbour 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 the sites.

The CAC newsletter was produced in February 2006 and April 2006 to provide members with information about current Harbour 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 Harbour Trust lands, activities and values.*
 - *Community awareness of the Harbour Trust and its activities increase through the promotion of tours, events and open days.*
 - *The Harbour Trust receives positive media coverage for all significant public events and planning activities and the media maintains an interest in the Harbour Trust.*
 - *Education, interpretive and public programs are developed and implemented to promote Harbour Trust lands and their significance.*
 - *Partnership programs with institutions, neighbours and others are developed to promote Harbour Trust lands and their significance.*
 - *Schools education program is planned and implemented.*
-

Communication Program

The Harbour Trust's activities to increase public awareness of sites, to promote public access and to hold events contributed to a comprehensive communication program. The increasing accessibility of sites focussed attention on interpretation and the ongoing development of a calendar of events.

An interpretation strategy was prepared for Headland Park, the former defence lands in Mosman. The strategy outlined the basic principles and guidelines by which interpretation will be undertaken in the park. Destinations around the park will focus on interpreting an aspect of the natural and cultural history of the area. An interpretation exhibition is being prepared for the gatehouse building of the former School of Artillery at North Head. Preliminary work began on an interpretation strategy for Cockatoo Island.

These strategies will provide the foundation of the public's experience of sites, complementing their natural beauty, extant military and industrial fabric and the activities of tenants leasing buildings and facilities.

Events, Ceremonies and Open Days

A ceremony to mark the transfer of HMAS *Platypus*, Neutral Bay, to the Harbour Trust took place in July 2005. The site was opened to the public and a community consultation session conducted. In August, the Member for Warringah, Tony Abbott, launched *Sitelines*, a book of essays on the harbour published by the Harbour Trust. In November, Mr Abbott opened the first stage (Lower Georges Heights) of Headland Park at Mosman. Tours, exhibitions and displays were a feature of the day which highlighted the precinct's artists' colony. The Minister for the Environment and Heritage, Senator Campbell and Parliamentary Secretary Greg Hunt participated in the launch of the Sydney Harbour Institute of Marine Sciences at Chowder Bay, a partnership of four tertiary institutions. The institute is the anchor tenant at the Chowder Bay site. Mr Hunt also participated in

the official opening of the Marine Biological Park at Watsons Bay in November. The park is part of the grounds of the former Marine Biological Station built by Russian scientist Nikolai Miklouho-Maclay in 1881.

In 2006, the Harbour Trust organised a ceremony to launch the Tearoom Gunners' Barracks at Georges Head. In March, the member for North Sydney, Joe Hockey, officially launched the Woolwich Dock Maritime Precinct and welcomed Murlan Noakes, the successful tenderer, which is operating a boat repair and maintenance business on site. The Harbour Trust facilitated the inaugural Anzac Day ceremony on the parade ground at Georges Heights. The ceremony for many years had been held at Chowder Bay. In June, the Harbour Trust participated in Fete de la Musique, an annual international event that celebrates live music. Musicians and bands performed at Chowder Bay, Lower Georges Heights, Georges Heights and along the Balmoral – Chowder Bay walking track.

A new display on the military history of Chowder Bay and the future of the site was installed in the Sergeant Major's cottage. New interpretive panels were produced for display inside Macquarie Lightstation. A five metre model of HMAS *Voyager*, on loan, was installed in the education room at Cockatoo Island. The ship was built on Cockatoo Island.

During the year, open days were organised as part of the preparation of management plans.

Public Programs

Guided tours of Cockatoo Island, Chowder Bay – Georges Heights and the military lands at North Head continued throughout the year. Volunteers are responsible for all tours with the exception of Cockatoo Island. Volunteers continued to underpin bush regeneration programs at Middle Head and North Head. Additional volunteers were recruited to assist the oral history program. The Harbour Trust provided training and refresher courses for guides and volunteers throughout the year.

Temporary and permanent signage, and various interpretive panels, were produced for most sites to explain works projects and contribute to public accessibility.

Harbour Trust communications staff made a total of 26 presentations to community groups on the work of the organisation and its public programs.

Partnerships

The Harbour Trust took part in the activities of Parks Week (9–16 October 2005), Sydney Harbour Week (2–9 March 2006), the National Trust Heritage Festival (1–16 April 2006) and Seniors Week (2–9 April 2006). The Harbour Trust sponsored the National Engineering Heritage Conference in September 2005 including an excursion to Cockatoo Island and provided advertising and space for an art exhibition and sale arranged by tenants at Lower Georges Heights.

Following the commissioning of a report from Sculpture by the Sea Incorporated, the Harbour Trust entered negotiations to establish a sculpture 'park' at Headland Park, Mosman. The progressive installment of sculptures is expected to begin in late 2006.

The Harbour Trust is a member of the Sydney Urban Parks Education and Research (SUPER) Group, established in 1998 to provide a strategic integrated approach to urban park research in Sydney.

School Excursion Program and School Holiday Program

The Cockatoo Island school excursion program continued to grow, with approximately 3,700 students visiting the island for curriculum-aligned programs presented by the Harbour Trust's team of experienced teacher guides. Cockatoo Island's convict heritage is proving to be a major attraction for primary schools and the story of the island's transformation has made it a popular choice for secondary history and geography teachers.

In April 2006, the Trust once again hosted a NSW Geography Teachers Association Conference on Cockatoo Island, giving over 50 secondary school teachers the opportunity to learn about the site's educational significance.

Popular school holiday programs were held for children between the ages of 5-12 on several Harbour Trust sites, including the former School of Artillery, North Head (*North Head Adventures*, July 2005), Macquarie Lighthouse (*Lighthouse Fun Days*, January 2006) and for the first time, Cockatoo Island (*Cockatoo Island Capers*, January 2006).

These interactive, hands-on programs showcased the sites' natural, built and military heritage, brought to life by professional actors and the Harbour Trust's team of teacher guides and volunteers.

Publications and Signage

Three issues of the Harbour Trust's Update newsletter and three issues of the What's On brochure were produced and distributed to the mailing list, libraries, schools, tourist outlets and other food and entertainment venues. Marketing brochures were produced and distributed in support of the calls for expressions of interest process. Site brochures were reprinted and new brochures produced on HMAS *Platypus* and the Balmoral to Taronga walking track, the latter a collaborative publication with other bodies.

A range of signage was produced throughout the year for all sites including temporary signage advising of civil and other works, internal and external interpretive signage and panels, and directional and wayfinding signage.

Media Relations and Advertising

The Harbour Trust continued to receive positive media coverage of its activities and maintains a good working relationship with both metropolitan and suburban media.

The Harbour 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

The Harbour Trust website received 119,030 visits during the year.

Site Conservation

Performance Indicators

- *Rehabilitation of land, buildings, infrastructure and equipment is consistent with conservation, environmental, heritage and cultural values and relevant standards.*
 - *Harbour Trust lands and facilities meet workplace and public safety standards.*
 - *Further deterioration of Harbour 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 Harbour Trust's Comprehensive Plan.*
 - *Harbour Trust facilities are increasingly available for public access and business and community use.*
-

Maintenance and Heritage Conservation

The Harbour Trust continued its ongoing maintenance program to prevent further deterioration of the sites and as part of the implementation of the Comprehensive Plan. Providing safe public access was a major focus of maintenance and heritage conservation as new areas were opened to the public. Ongoing work included security, upkeep of grounds and maintenance of fire safety systems.

A list of maintenance and heritage conservation projects undertaken by the Harbour Trust in 2005-06 is provided in Appendix 4.

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 currently vacant and the buildings generally structurally sound although there is some deterioration of the building fabric. Ongoing repairs to the sewerage system were carried out during the year and a scoping study has commenced for the upgrade of all services across the site.

During the year, a walking track was constructed on the western side of the site, from the gun store southwards to the third Quarantine Station Cemetery. The track passes through heath and scrub, and affords magnificent views of the harbour, headlands and foreshore suburbs. The Gatehouse building was stripped out and refurbishment works documented and tendered. The preliminary design and survey for the Blue Fish car park was completed and a traffic consultant engaged to assess it. Repairs were made to the site's outdated high voltage switchgear and cabling and the electrical design for a new sub-station finalised for tender.

Middle Head, Georges Heights and Chowder Bay

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

The conservation, refurbishment and fit-out of former World War I hospital buildings at Georges Heights preceded the Harbour Trust re-locating its offices from Chowder Bay. Extensive works to the Gunners' Barracks and surrounds were undertaken prior to leasing and included the reinstatement of sandstone paving in the courtyard, a new palisade fence at the main entrance, remodelling of the entry road, improved drainage and construction of a new stairway linking the barracks with the Gunshot Alley car park. Construction of a lookout at Georges Head was largely completed and the parade ground at Georges Heights was turfed and two gun emplacements, discovered during the works, were conserved.

The refurbishment of Gunshot Alley buildings included new bathrooms and kitchens, carpet, airconditioning and painting. New tenants undertook fit-out works. A tender is soon to be awarded for stage 2 refurbishment and fit-out of buildings at Headquarters Training Command. Expressions of interest were called for civil contractors to tender for the construction of car parks in the precinct. The design for a new electrical sub-station at Headquarters Training Command was finalised and a design prepared for a high voltage electrical system. The realignment of Suakin Drive has been tendered and documentation prepared for the upgrade of services. The buildings at the former 1 Commando Company Headquarters and two houses and the scout hall at Markham Close were demolished.

At Lower Georges Heights, landscaping and road and car park surfacing were the final components of stage 1 of Headland Park. Bush regeneration continued along with grounds maintenance. A public amenities block was built.

At Chowder Bay, tender documentation for the Clifton Gardens boardwalk was completed. The boardwalk will provide alternative access to Chowder Bay, especially at high tide. Documentation commenced for the repair of Chowder Bay wharf. The installation of emergency lighting and water meters, and the upgrade of electrical boards were undertaken in preparation for lessees occupying buildings. Tenant fit-out works were also undertaken by lessees in accordance with Harbour Trust guidelines. A heritage architect was engaged to design a safety fence for the cable pit.

Ongoing investigation into the condition of services occurred at Middle Head.

Woolwich Dock

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

The temporary bridge over the dock was removed following the completion of the dockside walkway. Structural consultants were engaged to design and document Mort's jetty and pontoon at the eastern waterfront edge of the site. Landscape consultants were engaged to document the realignment of the site entry road and new car park prior to submission of a development application to Hunters Hill Council. Documentation for the upgrade of electrical services, water supply and fire hydrant system commenced. Geotechnical investigations were carried out and tender documentation prepared for the lookout in parkland above the western end of the dock.

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 program of repair works on Cockatoo Island continued during the year. Conservation of the powerhouse included pumping out and cleaning the basement, repair and replacement of steel and joinery windows and repair of sliding timber doors. Future work will include replacing the asbestos cement sheeting on the roof with tiles. Spotlighting was installed for the powerhouse chimney.

The roof of the former submarine weapons workshop was repaired, and hazardous materials and redundant services and fixtures were removed from the former pay and production offices, prior to refurbishment. Joinery repairs to the Mould Loft are underway and a conservation architect engaged to oversee structural and internal modifications required for Building Code of Australia compliance. Tenders have closed for the re-roofing 15 buildings on the island including the removal of asbestos roofing and the installation of galvanised metal and tiles.

Engineers were engaged to undertake structural design work for the reinstatement of the Camber Wharf and repair of the adjacent roll on/roll off ramp on the southern side of the island. A design has been completed for the northern apron park and associated amenities and geotechnical investigations are underway on the northern cliff face. Tenders were called for the preliminary design of the proposed reed bed sewerage treatment and water harvesting system on the northern apron.

Tender documentation was prepared for the restoration of the island's Edwardian duplexes and noxious weeds removed from the housing precinct on the plateau. The design of a small marina of 15 berths was put out to tender. Two gun carriages were constructed on the island from recycled wharf timber. The gun carriages will be located at the Georges Head gun emplacements.

Snapper Island

Snapper Island is Sydney Harbour's smallest island and comprises simple buildings, slipways, boat storage and jetties. During the year, the island's wharf and pontoon were upgraded and termite treatment undertaken for the whole site.

Macquarie Lightstation

Macquarie Lightstation is prominently situated on the harbour's southern headland and is still used as a navigational aid. Archaeological investigations continued around the lighthouse and the Greenway wall. Preliminary costings were obtained for the reconstruction of the wall.

Former Marine Biological Station

The former Marine Biological Station is a residential house at 31 Pacific Street in Watsons Bay. During the year, a new foreshore park was created from the lower part of the grounds. The park connects suburban streets with Camp Cove beach, contains a number of interpretive elements and is separated from the residence and a neighbouring house by fencing.

Environmental Management

Remediation

The Harbour Trust undertook a range of projects to manage and remediate contamination on its sites.

On Cockatoo Island, a hazardous materials survey of the powerhouse and associated buildings was undertaken and a management plan prepared. Remediation action plans were prepared for the northern apron and plateau precinct. A review of sediment quality around the island was conducted by the University of Sydney and a scope of work prepared for further assessments. A water management study was undertaken, identifying options and volumes for wastewater treatment, rainwater harvesting and re-use of water for non-potable requirements including irrigation. More generally, environmental monitoring of surface and groundwater, and the decontamination of buildings continued throughout the year, and a register and management plan for retained hazardous materials was developed.

An environmental assessment and remediation plan was prepared for the Georges Heights precinct in preparation for landscaping and the leasing of buildings. A supplementary assessment identified the requirement of minor remediation work in the vicinity of the proposed childcare centre. Prior to the demolition of the scout hall at Markham Close, contaminated fill and rubbish were removed. A hazardous materials audit was undertaken at the site of 1 Commando Company prior to the demolition of buildings. Minor remediation has been identified for the Mosman Drill Hall precinct. Both the Lower Georges Heights and Chowder Bay precincts are expected to receive final auditor sign-offs in 2006.

At Woolwich Dock and Parklands, following earlier environmental assessments, a remediation plan was prepared for the Horse Paddock, lookout and park areas. At North Head, a hazardous materials register and management plan was prepared for former School of Artillery buildings and residences. An independent contaminated land auditor is being appointed to review environmental assessment and remediation undertaken at North Head to date. The Harbour Trust reviewed remediation plans for Snapper Island prepared by the Department of Finance and Administration. At HMAS *Platypus*, a detailed remediation action plan is expected to be ready for implementation by the end of 2006. An independent contaminated land auditor has been engaged to review the process.

Bushland Management

Bush regeneration at Middle Head, Georges Heights and Chowder Bay continued with both contractor and volunteer programs working across a three hectare area. Contract regenerators weeded and revegetated degraded slopes adjacent to the Gunners' Barracks tearoom, Gunshot Alley car park and along the walking track at Lower Georges Heights. The volunteer Headland Park Bushcare Group continued to meet fortnightly to carry out bush regeneration behind houses on Commonwealth Avenue, Georges Heights. The programs removed weeds, revegetated disturbed areas, stabilised edges, cleared drains and cut back overgrown vegetation adjacent to built assets to reduce the bushfire hazard.

At North Head, the volunteer Bushcare Group expanded from one to two monthly weeding sessions working across a one hectare area. The group focussed on Artillery Drive and Bluefish Road. Contractors continued to focus on weeds, particularly Pampas Grass, Giant Paspallum, African Love Grass, Lantana and exotic ferns.

A community planting was held in conjunction with National Tree Day, 31 July 2005. Some 26 local residents planted 650 local provenance native plants along the new pathway linking Georges Heights oval and Rawson Park. The plants will provide screening between the Markham Close residential properties and the proposed park on the former Commandos site.

Ten corporate volunteers from BT and Westpac in partnership with the Harbourkeepers Program planted 300 local provenance native seedlings to restore slopes east of the walking track at Lower Georges Heights.

The Harbour Trust continued its program to manage the spread of *Phytophthora cinnamomi* (Pc), the water mould that causes root-rot of susceptible plants and is a contributing factor in tree dieback at Middle Head. Ongoing activities included a volunteer dieback monitoring program, Pc mapping and soil testing, staff induction and training, controls for contractors and risk assessment and monitoring. On North Head, Pc testing commenced along the alignment of the new walking track.

The Harbour Trust continued its involvement in the Sydney Harbour Dieback Working Group, a regional group dedicated to managing Pc and dieback in lower north shore public bushland. The group developed draft regional guidelines for dieback management and held a forum in July 2005 to discuss issues and initiatives undertaken since its formation in 2003.

Bushfire Management

The Harbour Trust participated in the Manly-Mosman-North Sydney District Bushfire Management Committee, convened by the NSW Fire Brigades under the *Rural Fires Act (1997)*.

At North Head, a bushfire management plan was prepared by NSW National Parks with input from the Harbour Trust. The plan provides a framework for bushfire hazard reduction and ecological burns over all land tenures to protect life, property and natural and cultural heritage values. The bushfire management plan for Middle Head, Georges Heights and Chowder Bay, prepared in 2003, is being reviewed to take account of changed land use. A controlled burn plan is being prepared for an area containing a population of *senescent Acacia terminalis ssp terminalis*, an endangered plant on Middle Head.

During the reporting period, hazard reduction activities across all sites included 12 pile burns and slashing of fire breaks. Strategic fire management zones have been maintained around stone walls, buildings and other cultural assets including, on North Head, the historic third Quarantine Station Cemetery. The area around high voltage power lines was also cleared of vegetation to reduce the risk of accidental fire in the endangered Eastern Suburbs Banksia Scrub plant community.

Feral Animal Management

The Harbour Trust continued its involvement in the North Head Rabbit Control Program with NSW National Parks and other landholders with quarterly monitoring and shooting. This followed a successful Pindone baiting program in 2004-2005. In November 2005, a baiting program was undertaken at Middle Head, Georges Heights and Chowder Bay in cooperation of other landholders in the Mosman local government area. On both sites, the rabbit population has been reduced by up to 90 per cent. With NSW National Parks and local councils, the Harbour Trust participated in the Northern Sydney Regional Fox Control Program.

Ecologically Sustainable Development

The principles of ecologically sustainable development (ESD) constitute a key policy objective of the Harbour Trust, underpinning site rehabilitation, planning and public information activities. The Comprehensive Plan contains a commitment to ESD, and management plans are formulated taking into account ESD outcomes. All Harbour Trust activities are considered fundamental to the achievement of ESD.

During the year, the preparation of management plans for sites and precincts within sites safeguarded the heritage and environmental values of lands in accord with the requirements of the *Environment Protection and Biodiversity Conservation (EPBC) Act 1999* and the Harbour Trust's ESD policy. Conservation management plans, remediation plans and other project planning allow for specific ESD objectives to be achieved on a planned basis. Public programs and community consultation continued to emphasise the importance of the environmental and heritage values of the sites. Planning outcomes provide for maximum public access and the adaptive re-use of Harbour Trust lands in ways that protect and conserve the natural environment and promote ecological sustainability.

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.

Specific examples of projects carried out in the reporting period include:

- On-going bush regeneration at Georges Heights, Middle Head and North Head;
- Improvements to stormwater management and use at Georges Heights and Georges Head;
- Construction of walking tracks to provide access to bushland areas at North Head;
- Development of a water management and recycling scheme at Cockatoo Island utilising rainwater harvesting and treatment of site waste waters for on-site use in order to drought proof the island and minimise use of water resources;
- Incorporating rainwater harvesting and use at the Harbour Trust's offices at Georges Heights;
- Remediation of site contamination at a residential site at Markham Close, planning and commencement of remediation at Georges Heights, planning for remediation to be carried out with landscaping projects at Cockatoo Island and Woolwich, and development of appropriate remediation strategies to be applied at HMAS *Platypus*;
- Recycling of materials from the demolition of 1 Commando Company Headquarters.

The long-term leasing of buildings and facilities will contribute to the economic sustainability of Harbour Trust lands, promote public access and interaction, and ensure inter-generational equity.

Public Access

Public access to Harbour Trust sites continued to play a key role in raising their profile and determining planning and project priorities. The implementation of the Comprehensive Plan is gradually transforming sites largely off limits to the public into places of work and leisure.

The Harbour Trust recorded each week the number of users of the Balmoral to Chowder Bay walking track and undertook a survey of visitors attending the Fete de la Musique event at Headland Park. Visitor surveys will be used more extensively to gather community feedback.

Interim Use

Harbour 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 5.

Leasing and Licensing

The past year has seen significant progress in terms of bringing new activities and people to Harbour Trust sites and buildings. Adaptive re-use takes the form of leasing agreements which are entered into as part of or following a competitive public process. Short term licenses of up to six months are also granted at certain sites.

At Chowder Bay, the Sydney Harbour Institute of Marine Sciences (SHIMS) commenced its lease of three buildings in November 2005 for the purposes of temperate zone and harbour related marine research. SHIMS is a partnership between the University of NSW, University of Technology Sydney, Macquarie University and Sydney University. It will be developing public as well as research driven programs at Chowder Bay accompanied by education and interpretation facilities. Additional leases were signed at Chowder Bay for a diving operator, a café operator and an executive training institute, and further leases are planned for a restaurant, function centre and accommodation. The lease of the boat shed was extended. When combined with additional Trust interpretation facilities these uses should create an attractive maritime village at Chowder Bay.

Georges Head contains three important examples of adaptive re-use. The Tearoom Gunners' Barracks has been operating successfully since October 2005 as a function centre and restaurant, with weddings being particularly popular at this venue. Gunshot Alley was fully leased in early 2006 to four office and retail tenants. The 1913 former Barracks Building has been leased to a childcare operator for the provision of a long day care centre scheduled to open in early 2007.

Lower Georges Heights in Mosman consists of ten buildings that together form an artists' colony and is fully leased. Nine of the tenants are active artists, art educators or art restorers, whilst the former All Ranks Club is occupied by a classical music trio as a rehearsal and performance space. The Harbour Trust provides a subsidy for these tenants in accordance with its Community Leasing Policy, and art open days and cultural events supported or organised by the Trust form an important part of the community development activities taking place in this precinct. The Master Gunner's Cottage has been leased to an inbound tour operator.

The former Marine Biological Station at Watsons Bay is now being restored as a residence prior to occupation by the successful tenderer. Lease obligations include the requirement for the property to be open to the public for six days per annum.

Woolwich Dock was leased in early 2006 to the Murlan Noakes consortium after a public tender for the purposes of shipbuilding and repair, maritime education and training and public function and restaurant space. The tenants fully support the concept of ongoing public access to the dock and surrounding areas, whilst the Harbour Trust will complement the tenant's activities with additional interpretive facilities as well as logistical support facilities for Cockatoo Island.

Expressions of Interest and Request for Proposals were sought during the year for Cockatoo Island. A wide range of activities was proposed for the island including ship repair and maintenance, marinas, food and beverage outlets, event spaces, tourism, accommodation, artist studios and administration. The Trust will be leasing the island in three stages from late 2006 to 2008 in accordance with its Cockatoo Island Leasing Plan.

Licensing activities included such varied uses as weddings, product launches, filming, sports, coach building, candle making and art education. The Trust was particularly pleased to welcome back for a second series the production crew of ABC's award winning children's drama, Blue Water High, which is predominantly filmed at the former School of Artillery at North Head.

3. Operational Aspects

Corporate Governance

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

Members' Meetings

There were eight meetings of the Harbour Trust in the 2005-2006 financial year, two of which were open to the public. Under the Harbour Trust's enabling legislation the Harbour Trust must meet at least four times a year and at least two of the meetings have to be open to the public. Members attended as follows:

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

Audit and Risk Management Committee

The functions of the Audit and Risk Management Committee include:

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

The members of the Audit and Risk Management Committee during the 2005-2006 financial year were:

Mr P Lowry

Trust member and Chair of the committee.

Clr Susan Hoopmann

Trust member.

Brigadier Kevin O'Brien (ret.)

Trust member.

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

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

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

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

There were no significant issues arising from the audits.

Aboriginal Issues Committee

The Committee did not meet during the reporting period.

Community Advisory Committee

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

The names of the members are provided in Appendix 2.

Tender Review Committee

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

Defence History Steering Committee

The committee met four times during the reporting period.

North Head Scientific Committee

The committee met once during the reporting period.

Fraud Control

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

Indemnities and Insurance Premiums for Officers

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

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

Financial Performance

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

Revenue was also generated from sale of houses at Markham Close, the rental of Trust properties, licences for the hire of Harbour Trust sites and facilities, tour fees, and a grant from the Natural Heritage Fund for environmental works.

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

Financial Outcomes

Operating Outcome

During the financial year 2005-2006, income including revenue from the Government, was \$14.4m and operating expenses were \$11.7m resulting in an operating surplus of \$2.7m.

Income

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

Equity

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

Assets

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

Total Liabilities

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

Cashflow Statement

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

Purchasing

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

Consultants and Competitive Tendering and Contracting

The Harbour Trust engaged 91 consultancies at a cost of \$1.8m to provide specialist advice on planning, business matters, community consultation, conservation, design, environmental, finance and risk management, communications and other technical aspects relating to the sites. The nature of the sites, buildings and equipment mean that it is not possible to employ staff with the wide variety of specialist skills that are required.

Staffing

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

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

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

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

Staff Training

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

- First Aid;
- Fire Safety – Evacuation Procedures;
- Corporate Governance;
- Contract Administration;
- Heritage Conservation;
- Information Technology Training;
- Insurance and Risk Management.

Access and Safety

Risk Assessment and Management

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

Occupational Health and Safety

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

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

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

Providing Access to People With Disabilities

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

Judicial Decisions and Reviews by Outside Bodies

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

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

Effects of Ministerial Directions

The Sydney Harbour Federation Trust Act 2001 requires that the annual report must include “the text of all directions, and reasons for directions, given by the Minister to the Harbour Trust under section 9 during the period to which the report relates.”

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



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To the Minister for the Environment and Heritage

Scope

The financial statements and Directors' responsibilities

The financial statements comprise:

- Statement by Directors, Chief Executive and Director Corporate Services;
- Income Statement, Balance Sheet and Cash Flow Statement;
- Statement of Changes in Equity;
- Schedules of Commitments and Contingencies; and
- Notes to and forming part of the Financial Statements

of the Sydney Harbour Federation Trust for the year ended 30 June 2006.

The Directors of the Sydney Harbour Federation Trust are responsible for preparing the financial statements that give a true and fair view of the financial position and performance of the Sydney Harbour Federation Trust and that comply with Finance Minister's Orders made under the Commonwealth Authorities and Companies Act 1997, Accounting Standards and mandatory financial reporting requirements in Australia. The Directors are also responsible for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial statements.

Audit approach

We have conducted an independent audit of the financial statements to express an opinion on them to you. Our audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing and Assurance Standards, to provide reasonable assurance as to whether the financial statements are free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal control, and the availability of persuasive, rather than conclusive, evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

While the effectiveness of management's internal controls over financial reporting was considered when determining the nature and extent of audit procedures, the audit was not designed to provide assurance on internal controls.

We have performed procedures to assess whether, in all material respects, the financial statements present fairly, in accordance with Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Sydney Harbour Federation Trust's financial position, and of its financial performance and cash flows.

The audit opinion is formed on the basis of these procedures, which included:

- examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial statements; and
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Commissioners.

Independence

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

Audit 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
- (b) give a true and fair view of the Sydney Harbour Federation Trust's financial position as at 30 June 2006 and of its performance and cash flows for the year then ended, in accordance with:
 - (i) the matters required by the Finance Minister's Orders; and
 - (ii) applicable Accounting Standards and other mandatory financial reporting requirements in Australia.

Australian National Audit Office



P Hinchey
Senior Director
Delegate of the Auditor-General

Sydney
18 September 2006



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In our opinion, the attached financial statements for the year ended 30 June 2006 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 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

18 September 2006

Signed



Peter Lowry

Director

18 September 2006

Signed



Geoff Bailey

Executive Director

18 September 2006

Signed



Robyn Ephgrave

Director Corporate Services

18 September 2006

Income Statement

for the year ended 30 June 2006

| | Notes | 2006 \$'000 | 2005 \$'000 |
|---------------------------------|-------|----------------|----------------|
| INCOME | | | |
| Revenue | | | |
| Revenues from Government | 4A | 3,151 | 5,137 |
| Goods and services | 4B | 209 | 115 |
| Interest | 4C | 1,469 | 1,065 |
| Rents | 4D | 2,420 | 1,677 |
| Other | 4E | 1,286 | 1,466 |
| Total Revenue | | 8,535 | 9,460 |
| Gains | | | |
| Net gains from sale of property | 4F | 5,919 | 2,062 |
| Total Gains | | 5,919 | 2,062 |
| TOTAL INCOME | | 14,454 | 11,522 |
| EXPENSES | | | |
| Employees | 5A | 4,149 | 3,877 |
| Suppliers | 5B | 7,296 | 6,806 |
| Depreciation | 5C | 264 | 393 |
| Total expenses | | 11,709 | 11,076 |
| OPERATING RESULT | | 2,745 | 446 |

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

Balance Sheet

as at 30 June 2006

| | Notes | 2006 \$'000 | 2005 \$'000 |
|-------------------------------------|-------|----------------|----------------|
| ASSETS | | | |
| Financial assets | | | |
| Cash and cash equivalents | 6A | 34,413 | 23,947 |
| Receivables | 6B | 15,068 | 1,170 |
| Total Financial assets | | 49,481 | 25,117 |
| Non - financial assets | | | |
| Land and buildings | 7A,D | 50,831 | 49,580 |
| Infrastructure, plant & equipment | 7B,D | 1,237 | 986 |
| Heritage and collections | 7C,D | 22,849 | 14,092 |
| Intangibles | 7D,E | 18 | - |
| Inventories | 7F | 38 | 7,947 |
| Other non-financial assets | 7G | 189 | 17 |
| Total Non - Financial assets | | 75,162 | 72,622 |
| Total Assets | | 124,643 | 97,739 |
| LIABILITIES | | | |
| Payables | | | |
| Suppliers | 8A | 1,247 | 276 |
| Other payables | 8B | 2,194 | 48 |
| Total payables | | 3,441 | 324 |
| Provisions | | | |
| Employees | 9A | 785 | 818 |
| Total provisions | | 785 | 818 |
| Total liabilities | | 4,226 | 1,142 |
| NET ASSETS | | 120,417 | 96,597 |
| EQUITY | | | |
| Contributed equity | | 109,485 | 88,985 |
| Retained surpluses | | 10,932 | 7,612 |
| Total equity | | 120,417 | 96,597 |
| Current assets | | 49,486 | 33,081 |
| Non-current assets | | 75,157 | 64,658 |
| Current liabilities | | 3,889 | 878 |
| Non-current liabilities | | 337 | 264 |

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

Cash Flow Statement

for the year ended 30 June 2006

| | Notes | 2006 \$'000 | 2005 \$'000 |
|--|-------|-----------------|----------------|
| OPERATING ACTIVITIES | | | |
| Cash received | | | |
| Cash received | | | |
| Goods and Services | | 5,644 | 19,075 |
| Appropriations | | 3,151 | 5,137 |
| Interest | | 1,469 | 998 |
| GST received from ATO | | 1,082 | 1,920 |
| Other | | 1,110 | 1,492 |
| Total cash received | | 12,456 | 28,622 |
| Cash used | | | |
| Employees | | (4,426) | (3,703) |
| Suppliers | | (7,901) | (9,353) |
| Total cash used | | (12,327) | (13,056) |
| Net cash from operating activities | 10 | 129 | 15,566 |
| INVESTING ACTIVITIES | | | |
| Cash used | | | |
| Purchase of property, plant and equipment | | (10,163) | (17,117) |
| Total cash used | | (10,163) | (17,117) |
| Net cash used by investing activities | | (10,163) | (17,117) |
| FINANCING ACTIVITIES | | | |
| Cash received | | | |
| Appropriations - Contributed equity | | 20,500 | 16,500 |
| Total cash received | | 20,500 | 16,500 |
| Net cash from financing activities | | 20,500 | 16,500 |
| Net increase in cash held | | 10,466 | 14,949 |
| Cash at the beginning of the reporting period | | 23,947 | 8,998 |
| Cash at the end of the reporting period | 6A | 34,413 | 23,947 |

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

Statement of Changes in Equity

for the year ended 30 June 2006

| | Accumulated Results | | Contributed Equity | | Total Equity | |
|---|---------------------|----------------|--------------------|----------------|----------------|----------------|
| | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 |
| Opening Balance | 7,612 | 7,166 | 88,985 | 67,420 | 96,597 | 74,586 |
| Income and Expense | | | | | | |
| Reclassification of assets | 575 | - | - | - | 575 | - |
| Subtotal income and expenses recognised directly in equity | 575 | - | - | - | 575 | - |
| Operating Result | 2,745 | 446 | - | - | 2,745 | 446 |
| Total income and expenses | 3,320 | 446 | - | - | 3,320 | 446 |
| Contributions by owner: | | | | | | |
| Appropriation (equity injection) | - | - | 20,500 | 16,500 | 20,500 | 16,500 |
| Other (assets transferred in): | | | | | | |
| Land and buildings | - | - | | 4,977 | - | 4,977 |
| Heritage & collections | - | - | - | 88 | - | 88 |
| Sub-total Transactions with Owners | - | - | 20,500 | 21,565 | 20,500 | 21,565 |
| Closing balance at 30 June | 10,932 | 7,612 | 109,485 | 88,985 | 120,417 | 96,597 |

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

Schedule of Commitments

as at 30 June 2006

| | 2006 \$'000 | 2005 \$'000 |
|---|----------------|----------------|
| BY TYPE | | |
| Capital commitments | | |
| Buildings ¹ | 572 | 3,148 |
| Total capital commitments | 572 | 3,148 |
| Other Commitments | | |
| Operating leases ² | 54 | 8 |
| Project commitments ³ | 581 | 468 |
| Other commitments ⁴ | 2,533 | 1,156 |
| Total other commitments | 3,168 | 1,632 |
| Commitments receivable⁵ | (5,708) | (435) |
| Net commitments by Type | (1,968) | 4,345 |
| BY MATURITY | | |
| Capital Commitments | | |
| One year or less | 572 | 3,148 |
| Total Capital Commitments | 572 | 3,148 |
| Operating Lease Commitments | | |
| One year or less | 34 | 8 |
| From one to five years | 20 | - |
| Total Operating Lease Commitments | 54 | 8 |
| Other Commitments | | |
| One year or less | 2,708 | 1,624 |
| From one to five years | 406 | - |
| Total Other Commitments | 3,114 | 1,624 |
| Commitments receivable⁵ | (5,708) | (435) |
| Net commitments by Maturity | (1,968) | 4,345 |

NB: Commitments are GST inclusive where relevant.

¹ Outstanding contractual payments for remediation of buildings.

² Operating leases included are effectively non-cancellable and comprise:

Nature of lease

General description of leasing arrangement

motor vehicles

- no contingent rentals exist
- there are no renewal or purchase options available to the Trust.

³ Project commitments comprise contracts for rehabilitation and conservation works at Trust sites.

⁴ Other commitments are amounts payable under supply contracts.

⁵ Commitments receivable consists of tenant lease payments due from the leasing of Trust buildings, plus GST receivable.

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

Schedule of Contingencies

as at 30 June 2006

There were no contingencies required to be disclosed for the year ended 30 June 2006.

Details of contingent liabilities not disclosed because they cannot be quantified or are considered remote, are shown in Note 11: Contingent Liability.

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

Notes to and Forming Part of the Financial Statements

for the year ended 30 June 2006

| Note | Description |
|-------------|--|
| Note 1: | Summary of Significant Accounting Policies |
| Note 2: | The impact of the transition to AEIFRS from previous AGAAP |
| Note 3: | Events after the Balance Sheet Date |
| Note 4: | Income |
| Note 5: | Operating Expenses |
| Note 6: | Financial Assets |
| Note 7: | Non-financial Assets |
| Note 8: | Payables |
| Note 9: | Provisions |
| Note 10: | Cash Flow Reconciliation |
| Note 11: | Contingent Liabilities and Assets |
| Note 12: | Director Remuneration |
| Note 13: | Executive Remuneration |
| Note 14: | Remuneration of Auditors |
| Note 15: | Average Staffing Levels |
| Note 16: | Financial Instruments |
| Note 17: | Appropriations |
| Note 18: | Reporting of Outcomes |

Note 1: Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

The financial statements 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 Sydney Harbour Federation Trust (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 statements have been prepared in accordance with:

- Finance Minister's Orders (or FMOs, being the *Commonwealth Authorities and Companies Orders (Financial Statements for reporting periods ending on or after 1 July 2005)*);
- Australian Accounting Standards issued by the Australian Accounting Standards Board that apply for the reporting period; and
- Interpretations issued by the AASB and UIG that apply for the reporting period.

This is the first financial report to be prepared under Australian Equivalents to International Financial Reporting Standards (AEIFRS). The impacts of adopting AEIFRS are disclosed in Note 2.

The Income Statement, Balance Sheet and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with the historical cost convention, except for certain assets and liabilities, which as noted, are at fair value. Except where stated, no allowance is made for the effect of changing prices on the result or the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless disclosure of the full amount is specifically required.

Unless alternative treatment is specifically required by an accounting standard, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow 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. Liabilities and assets that are unrecognised are reported in the Schedule of Commitments and the Schedule of Contingencies (other than unquantifiable or remote contingencies, which are reported at Note 11).

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 or 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

The financial report complies with Australian Accounting Standards, which include Australian Equivalents to International Financial Reporting Standards (AEIFRS). The AASB has issued amendments to existing standards, which are not effective at the reporting date. The Trust intends to adopt all standards upon their application date. As at the reporting date, there is no expected effect from application of these standards.

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 entity.

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 entity.

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 allowance 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.

Revenues from Government

Amounts appropriated for 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 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 Commonwealth agency or authority under a restructuring of administrative arrangements are adjusted at their book value directly against contributed equity.

1.6 Employee Benefits

As required by the Finance Minister's Orders, the Trust has early adopted AASB 119 Employee Benefits as issued in December 2004. 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 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 as 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 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) or the Public Sector Superannuation Scheme (PSS). The CSS and PSS are defined benefit schemes for the Commonwealth.

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.

The Trust makes employer contributions to the Australian Government at rates determined by an actuary to be sufficient to meet the 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 liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.7 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.

1.8 Cash

Cash means notes and coins held and any deposits held at call with a bank or financial institution. Cash is recognised at its nominal amount.

1.9 Financial Risk Management

The Trust's activities expose it to normal commercial financial risk. As a result of the nature of the Trust's business and internal and Australian Government policies dealing with the management of financial risk, the Trust's exposure to market, credit, liquidity and cash flow and fair value interest rate risk is considered to be low.

1.10 Impairment of Financial Assets

As prescribed in the Finance Minister's Orders, the Trust has applied the option available under AASB 1 of adopting AASB 132 and 139 from 1 July 2005 rather than 1 July 2004.

The Trust's financial assets consist of cash and cash equivalents, and receivables, and are held at their fair value. Financial assets are assessed for impairment at each balance date. No indications of impairment were found to exist.

Comparative Year

The above policies are consistent with the comparative year. For receivables, amounts were recognised and carried at original invoice amount less a provision for doubtful debts based on an estimate made when collection of the full amount was no longer probable.

1.11 Trade Creditors

Trade creditors and accruals are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. 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 Assets are not recognised in the Balance Sheet but are discussed 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. Remote contingencies are part of this disclosure. Where settlement becomes probable, a liability or asset is recognised. A liability or asset is recognised when its existence is confirmed by a future event, settlement becomes probable (virtually certain for assets) or reliable measurement becomes possible.

1.13 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.

Trust land sites that vest in the Trust are contributions by owners and are initially recognised at their fair value at the date of vesting, except for sites in Schedule 2 to the *Sydney Harbour Federation Trust Act 2001*, which were classed as inventory and recognised at the costs they were carried at in the transferor entity's accounts immediately prior to vesting.

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.

1.14 Property, Plant and Equipment (PP&E)

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.

Revaluations

Basis

Land, buildings, plant and equipment are carried at fair value, being revalued with sufficient frequency such that the carrying amount of each asset is not materially different, at reporting date, from its fair value. Valuations undertaken in a year are as at 30 June.

Fair values for each class of asset are determined as shown below:

| Asset class | Fair value measured at: |
|-----------------------------------|------------------------------|
| Land | Market selling price |
| Buildings | Depreciated replacement cost |
| Infrastructure, Plant & equipment | Depreciated replacement cost |
| Heritage and cultural assets | Market selling price |

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 profit and loss. Revaluation decrements for a class of assets are recognised directly through profit and loss 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:

| | 2006 | 2005 |
|---------------------|-----------------|-----------------|
| Buildings* | 10 to 100 years | 10 to 100 years |
| Infrastructure | 3 to 100 years | 3 to 100 years |
| Plant and equipment | 3 to 20 years | 3 to 20 years |

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 5C.

1.15 Intangibles

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

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 (2004-05: 7 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2006.

1.16 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value, and consist of externally produced merchandise and publications. Inventories held for distribution are measured at the lower of cost and current replacement cost. This consists of various brochures and publications.

1.17 Taxation / Competitive Neutrality

The Trust is exempt from all forms of taxation except fringe benefits tax 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.

| | <u>2005</u> <u>\$'000</u> | <u>2004</u> <u>\$'000</u> |
|--|------------------------------|------------------------------|
| Note 2: The impact of the transition to AEIFRS from previous AGAAP | | |
| Reconciliation of total equity as presented under previous AGAAP to that under AEIFRS | | |
| Total equity under previous AGAAP | 96,597 | 74,586 |
| Adjustments to retained earnings: | | |
| There are no adjustments required for The Trust as a result of AEIFRS | - | - |
| Total equity translated to AEIFRS | <u>96,597</u> | <u>74,586</u> |
| Reconciliation of operating result as presented under previous AGAAP to that under AEIFRS | | |
| Prior year operating result as previously reported | 446 | |
| Adjustments: | | |
| NIL | - | |
| Prior year operating result translated to AEIFRS | <u>446</u> | |

The cash flow statement presented under previous AGAAP is equivalent to that prepared under AEIFRS.

Note 3: Events after the Balance Sheet Date

Section 21 of the *Sydney Harbour Federation Trust Act 2001* provides for the Minister for the Environment and Heritage 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 Vacluse, Snapper Island and HMAS Platypus vest in the Trust.

At the time of this report, vesting of these lands had not occurred.

There are no other events that have occurred after the balance date that would have an effect on the Trust's 2005-2006 financial statements other than those that are already reflected in the financial statements.

Notes to and Forming Part of the Financial Statements

| | 2006 \$'000 | 2005 \$'000 |
|--|----------------|----------------|
| Note 4: Income | | |
| <u>Revenues</u> | | |
| <u>Note 4A - Revenues from Government</u> | | |
| Appropriations for outputs | 3,151 | 5,137 |
| Total revenues from government | 3,151 | 5,137 |
| <u>Note 4B - Goods and Services</u> | | |
| Events | 165 | 101 |
| Other | 44 | 14 |
| Total sales of goods and services | 209 | 115 |
| Provision of goods to: | | |
| Related entities | - | - |
| External entities | 11 | 14 |
| | 11 | 14 |
| Rendering of services to: | | |
| Related entities | - | - |
| External entities | 198 | 101 |
| | 198 | 101 |
| <p>In accordance with the <i>Sydney Harbour Federation Trust Act 2001</i>, certain land sites in Schedule 2 to the Act were sold in 2006. The costs of the sites include their value at vesting and remediation and services costs (Note 1.13). The Trust may be required to return \$23.0 million from the sales proceeds to the Official Public Account, but as at 30 June 2006 no arrangements had been made to enable this to occur.</p> | | |
| <u>Note 4C - Interest</u> | | |
| Deposits | 1,469 | 1,065 |
| <u>Note 4D - Rents</u> | | |
| Property rentals and short-term hire | 2,420 | 1,677 |
| Total rents | 2,420 | 1,677 |
| <u>Note 4E - Other</u> | | |
| Grant from related entity | 1,000 | 1,000 |
| Other revenue from related entity | 286 | 466 |
| Total other revenue | 1,286 | 1,466 |
| <u>Gains</u> | | |
| <u>Note 4F - Net Gains from sale of property</u> | | |
| Proceeds from disposal | 13,850 | 6,600 |
| Net book value of property held for sale | (7,931) | (4,538) |
| Net gain from disposal of property | 5,919 | 2,062 |

| | 2006 \$'000 | 2005 \$'000 |
|---|----------------|----------------|
| Note 5: Operating Expenses | | |
| <u>Note 5A - Employee Expenses</u> | | |
| Wages and salaries | 3,384 | 3,146 |
| Superannuation | 422 | 383 |
| Leave and other entitlements | 203 | 348 |
| Separation and redundancies | 140 | - |
| Total employee expenses | 4,149 | 3,877 |
| <u>Note 5B - Suppliers</u> | | |
| Goods from external entities | 276 | 449 |
| Services from related entities | 698 | 731 |
| Services from external entities | 6,211 | 5,544 |
| Operating lease rentals | 49 | 39 |
| Workers compensation premiums | 62 | 43 |
| Total supplier expenses | 7,296 | 6,806 |
| <u>Note 5C - Depreciation & Amortisation</u> | | |
| Depreciation | | |
| Depreciation of property, plant and equipment | 225 | 393 |
| Total depreciation | 225 | 393 |
| Amortisation | | |
| Amortisation of lease incentives | 39 | - |
| Total amortisation | 39 | - |
| The aggregate amounts of depreciation & amortisation expensed during the reporting period for each class of asset are as follows: | | |
| Buildings | 110 | 334 |
| Plant and equipment | 115 | 59 |
| Lease incentives | 39 | - |
| Total depreciation & amortisation | 264 | 393 |

Notes to and Forming Part of the Financial Statements

| | 2006 \$'000 | 2005 \$'000 |
|--|----------------|----------------|
| Note 6: Financial Assets | | |
| <u>Note 6A - Cash and cash equivalents</u> | | |
| Cash at bank | 34,409 | 23,945 |
| Cash on hand | 4 | 2 |
| Total cash | 34,413 | 23,947 |
| <u>Note 6B - Receivables</u> | | |
| Goods and services | 930 | 571 |
| Interest receivable | 153 | 110 |
| GST receivable | 133 | 481 |
| Property sales | 13,850 | - |
| Other receivables | 2 | 8 |
| Total receivables | 15,068 | 1,170 |
| All receivables are current. | | |
| Receivables (gross) are aged as follows: | | |
| Not overdue | 14,506 | 1,111 |
| Overdue by: | | |
| Less than 30 days | - | 5 |
| More than 90 days | 562 | 54 |
| | 562 | 59 |
| Total receivables | 15,068 | 1,170 |

Receivables for Goods & Services

Credit terms are net 30 days (2005: 30 days) except for sales of property which are due on settlement.

| | 2006 \$'000 | 2005 \$'000 |
|--|----------------|----------------|
| Note 7: Non-Financial Assets | | |
| <u>Note 7A - Land and Buildings</u> | | |
| Freehold land | | |
| - at cost | 18,951 | 6,326 |
| - at fair value (2003) | 26,326 | 26,326 |
| Total freehold land | 45,277 | 32,652 |
| Buildings | | |
| - at cost | 1,655 | 5,735 |
| - Accumulated depreciation | (116) | (6) |
| | 1,539 | 5,729 |
| - work in progress - at cost | 1,451 | 9,241 |
| - at fair value (2003) | 2,622 | 2,622 |
| - Accumulated depreciation | (58) | (664) |
| | 2,564 | 1,958 |
| Total buildings | 5,554 | 16,928 |
| Total Land & Buildings | 50,831 | 49,580 |
| <u>Note 7B - Infrastructure, Plant and Equipment</u> | | |
| Plant and equipment | | |
| - work in progress - at cost | - | - |
| - at cost | 1,551 | 1,162 |
| - Accumulated depreciation | (314) | (176) |
| | 1,237 | 986 |
| Total Infrastructure, Plant and Equipment | 1,237 | 986 |
| <u>Note 7C - Heritage and Collections</u> | | |
| Heritage assets | | |
| - at fair value (2003) | 22,849 | 14,092 |
| Total heritage assets | 22,849 | 14,092 |

Section 21 of the *Sydney Harbour Federation Trust Act 2001* (the Act) provides for the Minister for Defence to specify that certain former defence land sites vest in the Trust. The sites are specified in Schedules 1 and 2 to the Act and are at Middle Head, Georges Heights, Woolwich and Cockatoo Island. The sites vested in the Trust on 1st April 2003.

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.

Valuations were conducted by an independent valuer (Colliers International Consultancy and Valuation Pty Ltd) in 2003. The values were reviewed in 2006 to ensure that they did not differ materially from up to date fair values.

Note 7D - Analysis of Property, Plant, Equipment and Intangibles

TABLE A - Reconciliation of the opening and closing balances of property, plant, equipment and intangibles

| Item | Land \$'000 | Buildings on Freehold Land \$'000 | Total Land & Buildings \$'000 | Infrastructure Plant & Equipment \$'000 | Heritage & Collections \$'000 | Intangibles \$'000 | TOTAL \$'000 |
|-------------------------------|----------------|--|--|--|-------------------------------------|-----------------------|-----------------|
| As at 1 July 2005 | | | | | | | |
| Gross book value | 32,652 | 17,598 | 50,250 | 1,162 | 14,091 | - | 65,503 |
| Accumulated depreciation | - | (670) | (670) | (176) | - | - | (846) |
| Net book value | 32,652 | 16,928 | 49,580 | 986 | 14,091 | - | 64,657 |
| Additions | | | | | | | |
| By purchase | 5,440 | 4,080 | 9,520 | 477 | - | 18 | 10,015 |
| Disposals | - | - | - | (7) | - | - | (7) |
| Reclassification | 7,185 | (15,950) | (8,765) | (81) | 8,758 | - | (88) |
| Depreciation adjustment | - | 606 | 606 | (23) | - | - | 583 |
| Depreciation expense | - | (110) | (110) | (115) | - | - | (225) |
| As at 30 June 2006 | | | | | | | |
| Gross book value | 45,277 | 5,728 | 51,005 | 1,551 | 22,849 | 18 | 75,423 |
| Accumulated depreciation | - | (174) | (174) | (314) | - | - | (488) |
| Closing Net book value | 45,277 | 5,554 | 50,831 | 1,237 | 22,849 | 18 | 74,935 |

TABLE B – Assets at valuation

| Item | Land \$'000 | Buildings on Freehold Land \$'000 | Total Land & Buildings \$'000 | Heritage & Collections \$'000 | TOTAL \$'000 |
|---------------------------|----------------|---|-------------------------------------|-------------------------------------|-----------------|
| As at 30 June 2006 | | | | | |
| Gross book value | 26,326 | 2,622 | 28,948 | 22,849 | 51,797 |
| Accumulated depreciation | - | (58) | (58) | - | (58) |
| Net book value | 26,326 | 2,564 | 28,890 | 22,849 | 51,739 |
| As at 30 June 2005 | | | | | |
| Gross book value | 26,326 | 2,622 | 28,948 | 14,092 | 43,040 |
| Accumulated depreciation | - | (664) | (664) | - | (664) |
| Net book value | 26,326 | 1,958 | 28,284 | 14,092 | 42,376 |

TABLE C – Assets under construction

| Item | Land \$'000 | Buildings \$'000 | Infrastructure Plant & Equipment \$'000 | TOTAL \$'000 |
|------------------------------------|----------------|---------------------|---|-----------------|
| Gross Value at 30 June 2006 | - | 1,451 | - | 1,451 |
| Gross value at 30 June 2005 | - | 9,241 | - | 9,241 |

Notes to and Forming Part of the Financial Statements

| | 2006 \$'000 | 2005 \$'000 |
|---|----------------|----------------|
| <u>Note 7E - Intangible Assets</u> | | |
| Computer software purchased | 18 | - |
| | <u>18</u> | <u>-</u> |
| Accumulated amortisation | - | - |
| Total intangibles | <u>18</u> | <u>-</u> |
| <u>Note 7F - Inventories</u> | | |
| Finished goods (cost) | 34 | 8 |
| Land held for sale (cost) | - | 7,931 |
| Inventories held for sale | 34 | 7,939 |
| Inventories held for distribution | 4 | 8 |
| Total inventories | <u>38</u> | <u>7,947</u> |
| All inventories are current assets. | | |
| <u>Note 7G - Other non-financial assets</u> | | |
| Lease incentives | 184 | - |
| Prepayments | 5 | 17 |
| Total other non-financial current assets | <u>189</u> | <u>17</u> |
| All prepayments are current assets. | | |
| Note 8: Payables | | |
| <u>Note 8A - Suppliers</u> | | |
| Trade creditors | 1,247 | 276 |
| Total supplier payables | <u>1,247</u> | <u>276</u> |
| All supplier payables are current. | | |
| Settlement is usually made net 30 days. | | |
| <u>Note 8B - Other payables</u> | | |
| Accrued expenses | 104 | 25 |
| Bond monies | 74 | 23 |
| Prepayments received | 2,016 | - |
| Total other payables | <u>2,194</u> | <u>48</u> |
| Other payables are represented by: | | |
| Current | 383 | 48 |
| Non-current | 1,811 | - |
| Total other payables | <u>2,194</u> | <u>48</u> |

| | 2006 \$'000 | 2005 \$'000 |
|---|----------------|----------------|
| Note 9: Provisions | | |
| <u>Note 9A - Employee Provisions</u> | | |
| Salary and wages | 117 | 192 |
| Leave | 667 | 626 |
| Superannuation | 1 | - |
| Total employee provisions | <u>785</u> | <u>818</u> |
| Employee provisions are categorised as follows: | | |
| Current | 448 | 554 |
| Non - current | 337 | 264 |
| Total employee provisions | <u>785</u> | <u>818</u> |

Note 10: Cash Flow Reconciliation

Reconciliation of Cash per Balance Sheet to Cash Flow Statement

| | | |
|---|--------|--------|
| Cash at year end per Cash Flow Statement | 34,413 | 23,947 |
| Balance Sheet items comprising above cash: 'Financial Asset - Cash and cash equivalents' | 34,413 | 23,947 |

Reconciliation of operating result to net cash from operating activities:

| | | |
|--|------------|---------------|
| Operating surplus | 2,745 | 446 |
| Depreciation and amortisation | 264 | 393 |
| (Increase) / decrease in receivables | (13,898) | 10,538 |
| (Increase) / decrease in inventories | 7,922 | 4,298 |
| (Increase) / decrease in prepayments | 12 | (17) |
| Increase / (decrease) in employee provisions | (33) | 217 |
| Increase / (decrease) in supplier payables | 971 | (310) |
| Increase / (decrease) in other payables | 2,146 | 1 |
| Net Cash from operating activities | <u>129</u> | <u>15,566</u> |

Note 11: Contingent Liabilities and Assets

Unquantifiable Contingencies

At 30 June 2006 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

| | <u>2006</u> <u>Number</u> | <u>2005</u> <u>Number</u> |
|--|------------------------------|------------------------------|
| Note 12: 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 | 4 |
| • \$30,000 - \$44,999 | 2 | 2 |
| Total number of members of the Trust | 8 | 6 |
| | <u>\$</u> | <u>\$</u> |
| Total remuneration received or due and receivable by members of the Trust | 182,629 | 158,906 |

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 2004)
- Mr R Conroy (re-appointed 5 July 2005)
- Ms D Talty (appointed 5 July 2005)
- Clr S Hoopmann JP (re-appointed 27 September 2004)
- Mr P Lowry OAM (re-appointed 27 September 2004)
- Dr J Moriarty AM (re-appointed 27 September 2004)
- Brigadier K O'Brien CSC, (Retd) (re-appointed 27 September 2004)
- The Hon Barry O'Keefe AM QC (re-appointed 27 September 2004)

| | <u>2006</u> <u>Number</u> | <u>2005</u> <u>Number</u> |
|--|------------------------------|------------------------------|
| Note 13: Remuneration of Senior Executives | | |
| The number of senior executives who received or were due to receive total remuneration of \$130,000 or more: | | |
| • \$145,000 to \$159,999 | 2 | 1 |
| • \$160,000 to \$174,999 | - | 2 |
| • \$175,000 to \$189,999 | 2 | 1 |
| • \$190,000 to \$204,999 | - | 1 |
| • \$235,000 to \$249,999 | 1 | - |
| | <u>5</u> | <u>5</u> |
| | <u>\$</u> | <u>\$</u> |

| | | |
|--|----------------|----------------|
| The aggregate amount of total remuneration of senior executives shown above. | <u>895,336</u> | <u>873,845</u> |
|--|----------------|----------------|

The senior executives' remuneration includes all executives concerned with or taking part in the management of the Trust during 2005-06.

Note 14: Remuneration of Auditors

Remuneration to the Auditor-General for auditing the financial statements for the reporting period.

| | | |
|--|---------------|---------------|
| The fair value of services provided was; | <u>40,000</u> | <u>35,000</u> |
|--|---------------|---------------|

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

| | <u>Number</u> | <u>Number</u> |
|--|---------------|---------------|
| Note 15: Average Staffing Levels | | |
| The average staffing level for the Trust during the year was | <u>44.8</u> | <u>43.6</u> |

Notes to and Forming Part of the Financial Statements

Note 16: Financial Instruments

Note 16A - Interest Rate Risk

Financial Instrument

| Notes | Floating Interest Rate – maturing in one year or less | | Non-Interest Bearing | | Total | | Weighted Average Effective Interest Rate | |
|------------------------------|--|----------------|----------------------|----------------|----------------|----------------|---|-----------|
| | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | 2006 % | 2005 % |
| Financial Assets | | | | | | | | |
| Cash at bank | 34,409 | 23,945 | - | - | 34,409 | 23,945 | 5.2 | 4.4 |
| Cash on hand | - | - | 4 | 2 | 4 | 2 | - | - |
| Receivables | - | - | 15,068 | 1,170 | 15,068 | 1,170 | - | - |
| Total | 34,409 | 23,945 | 15,072 | 1,172 | 49,481 | 25,117 | | |
| Total Assets | | | | | 124,643 | 97,739 | | |
| Financial Instrument | | | | | | | | |
| | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | 2006 % | 2005 % |
| Financial Liabilities | | | | | | | | |
| Trade creditors | - | - | 1,247 | 197 | 1,247 | 197 | - | - |
| Other Payables | - | - | 178 | 436 | 178 | 436 | - | - |
| Total | - | - | 1,425 | 633 | 1,425 | 633 | | |
| Total Liabilities | | | | | 4,226 | 1,142 | | |

Note 16B - Net Fair values of Financial Assets and Liabilities

Financial assets

The net fair values of cash and non-interest bearing monetary financial assets approximate their carrying amounts.

Financial liabilities

The net fair values for trade creditors, accrued expenses and other payables being short-term in nature, approximate their carrying amounts.

Note 16C - Credit Risk Exposures

The Trust's maximum exposures to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the Balance Sheet.

The Trust has no significant exposures to any concentrations of credit risk.

All figures for credit risk referred to do not take into account the value of any collateral or other security.

Note 17: Appropriations

| Particulars | Departmental Outputs | | Equity | | Total | |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|
| | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 |
| Year ended 30 June | | | | | | |
| Balance carried forward from previous year | - | - | - | - | - | - |
| Appropriation Acts 1 and 3 | 3,151 | 5,137 | - | - | 3,151 | 5,137 |
| Appropriation Acts 2 and 4 | - | - | 20,500 | 16,500 | 20,500 | 16,500 |
| Available for payment of CRF | 3,151 | 5,137 | 20,500 | 16,500 | 23,651 | 21,637 |
| Payment made out of CRF | 3,151 | 5,137 | 20,500 | 16,500 | 23,651 | 21,637 |
| 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 18: Reporting by Outcomes

Note 18A - Outcomes of the Trust

The Trust is structured to meet one outcome:

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

Notes to and Forming Part of the Financial Statements

Note 18B - Departmental Revenues and Expenses by Output Groups and Outputs

| | Outcome 1 | | | | | | Total 2006 \$'000 |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-------------------------|
| | Output 1.1 | | Output 1.2 | | Output 1.3 | | |
| | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | 2006 \$'000 | 2005 \$'000 | |
| Operating expenses | | | | | | | |
| Employees | 1,348 | 1,260 | 942 | 880 | 1,859 | 1,737 | 3,877 |
| Suppliers | 836 | 780 | 685 | 639 | 5,775 | 5,387 | 6,806 |
| Depreciation | 19 | 29 | 15 | 22 | 230 | 342 | 393 |
| Total operating expense | 2,203 | 2,069 | 1,642 | 1,541 | 7,864 | 7,466 | 11,709 |
| Funded by: | | | | | | | |
| Revenues from Government | 1,278 | 2,084 | 881 | 1,436 | 992 | 1,617 | 5,137 |
| Goods and services | - | - | 253 | 114 | 8,295 | 3,740 | 3,854 |
| Interest | - | - | - | - | 1,469 | 1,065 | 1,065 |
| Other | - | - | - | - | 1,286 | 1,466 | 1,466 |
| Total operating income | 1,278 | 2,084 | 1,134 | 1,550 | 12,042 | 7,888 | 11,522 |

The Trust's outcomes and outputs are described at Note 18A.

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.

| | Outcome 1 | |
|--|------------------|---------------|
| | 2006 | 2005 |
| | <u>\$'000</u> | <u>\$'000</u> |
| <u>Note 18B - Net Cost of Outcome Delivery</u> | | |
| Expenses | 11,709 | 11,076 |
| Total expenses | 11,709 | 11,076 |
| <i>Costs recovered from provision of goods and services to the non-government sector</i> | 5,919 | 2,062 |
| Total costs recovered | 5,919 | 2,062 |
| <i>Other external income</i> | | |
| Interest | 1,469 | 1,065 |
| Goods and services | 2,629 | 1,792 |
| Other - from related entities | 1,286 | 1,466 |
| Total other external income | 5,384 | 4,323 |
| Net cost of outcome | 406 | 4,691 |

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 Harbour 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 Harbour Trust received one request under the Act during the reporting period.

Cockatoo and Snapper Islands

Damian Cobley-Finch
Leta Webb
Angelo Tsirekas
Michael McMahon
Joe Glascott
Tony Hardy
Alan Mitchell
Gary Stewart
Bill Wallace
Martin Connolly
Robert Curran
Deirdre Stewart
James Morton

Middle Head

Tony Abbott MP
Bryce Bridges
Roger Dobson Cmdr RAN
Sue Halmagyi
Ian Henderson
Edward Elsom
Don Goodsir
Audrey Lenning
Stewart Reed
George Shirling
Jillian Skinner MP
Denise Wilton

North Head

David Barr MP
Nina Burrige
Ian Freeman
Cecily McGee
Jennie Minifie
Deborah Mosman
John Platt
Judy Reizes
David Rostron
Douglas Sewell

Woolwich

Peter Astridge
Joe Hockey MP
Colin Geeves
Philip Jenkyn
David Lonie
Alysoun Ryves
Barry Smith
Adam South
Gil Wahlquist

South Head

David Caldwell
Allan Coker
John Comino
Peter Debnam MLA
Dr Robin Derricourt
Will Jones
Peter Poland
Michael Rolfe

HMAS Platypus

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

Whole of Harbour

Anthony Iacona
Jennifer McMonnies

- Former School of Artillery Conservation Management Plan
- Archaeological Management Plan for third Quarantine Station Cemetery, North Head
- Cockatoo Island Conservation Management Plans for Convict Era Remains and Dockyard areas
- Archaeological Investigations (wall and footings of original Greenway lighthouse), Macquarie Lightstation
- Survey of 1816 Greenway Wall – Macquarie Lightstation
- Hydraulic Services Survey - Macquarie Lightstation
- Aboriginal Heritage Survey - Macquarie Lightstation
- Middle Head Conservation Management Plan (Commenced)
- Snapper Island Conservation Management Plan (Commenced)
- Cross St Noise Impact Assessment
- Former Mosman Scout Hall Historical Research Report
- Interpretation of 1871 Battery, Georges Head
- Georges Head Bus Turning and Suakin Drive Realignment Review
- Bluefish Car Park and Bus Access, North Head
- Archaeological Investigation of Gun Pits, Headquarters Training Command
- Archaeological Investigation of Gun Battery, Georges Head
- Aboriginal Archaeological Investigation, Chowder Bay
- Survey of Georges Heights Oval Area and Middle Head (ASOPA and 10 Terminal) for Evidence of Aboriginal Use
- Fuel Tanks Conservation Management Plan, Georges Heights
- Review of Traffic and Parking – Mosman Drill Hall precinct
- Mosman Roads Review

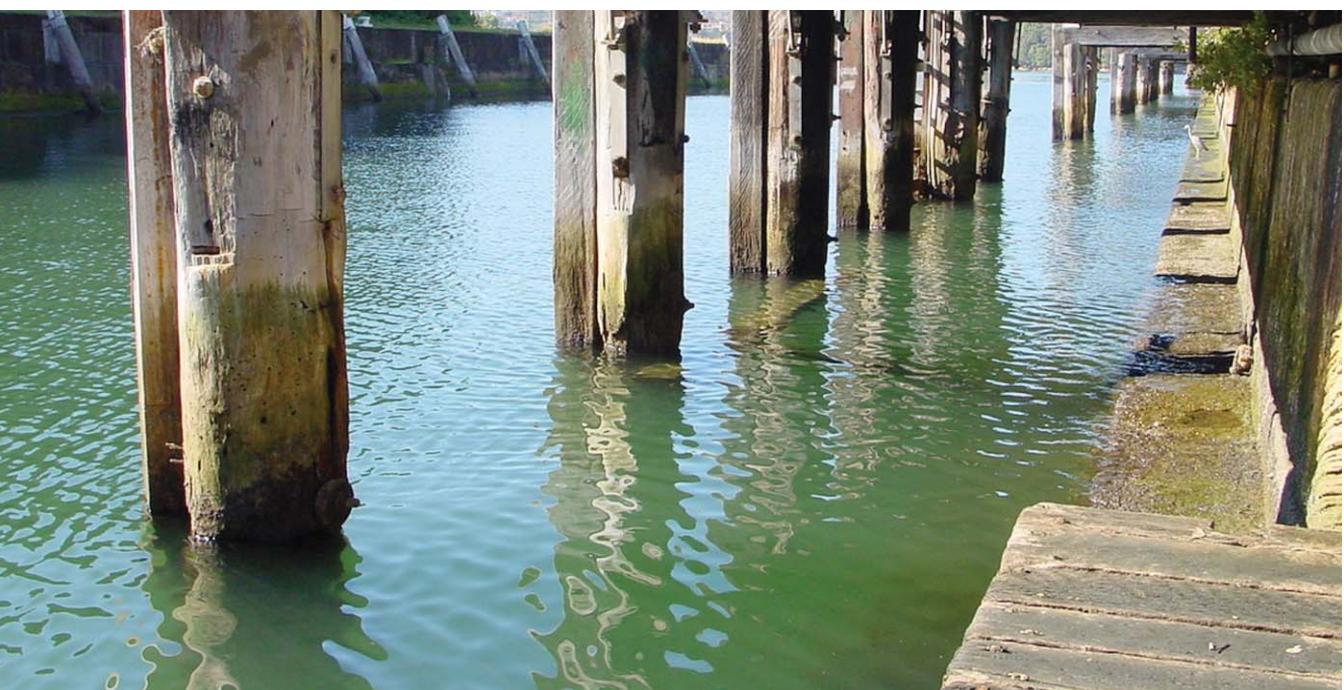
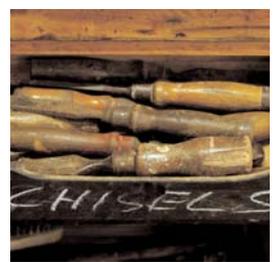
| | |
|------------------------------|--|
| All Sites | Grounds maintenance |
| | General building and services maintenance |
| | Fire systems maintenance |
| | Feral animal control program |
| <hr/> | |
| North Head | Construction of the new walking track |
| | Basic internal strip-out of the Gatehouse |
| | Upgrade of the sewerage system near the Gatehouse and St. Barbaras Ave residences |
| | Repair work to the site's high voltage cabling undertaken by Energy Australia |
| | Volunteer bush regeneration groups |
| | Fire hazard reduction |
| <hr/> | |
| Chowder Bay | Tenant fit-out works undertaken at Submarine Miners' Depot |
| | Fire hazard reduction |
| <hr/> | |
| Lower Georges Heights | New amenities block completed |
| | Volunteer bush regeneration |
| | Monitoring of tree injection for <i>Phytophthora cinnamomi</i> management program |
| | Fire hazard reduction |
| <hr/> | |
| Georges Heights | Refurbishment of Gunshot Alley and tenant fit-out works |
| | Parade Ground re-turfing and conservation of gun emplacements |
| | Demolition of buildings at former 1 Commando Company Headquarters |
| | Demolition of two Markham Close houses |
| | Removal of all internal hazardous materials to Buildings 3, 4, 5, 21, 22, 24, 26, 30, 32, 34 and 38 |
| | Tenant fit-out works to the Gunners' Barracks including courtyard stone flagging, road resurfacing, services upgrade, turfing of lower terrace and new garden planting |
| | Stonework to Georges Head lookout |
| | Planting program including revegetation of areas around Gunshot Alley car park and terrace and slopes adjacent to Gunners' Barracks |
| | Volunteer bush regeneration |
| | Tree removal and pruning |
| | Monitoring of tree injection for <i>Phytophthora cinnamomi</i> management program |
| | Fire hazard reduction |

| | |
|---|---|
| Woolwich Dock | Construction of the dockside walkway Removal of temporary bridge over the dock Removal of redundant fuel tanks and associated slabs |
| Cockatoo Island | Stripping-out of hazardous materials and redundant services and fixtures from Buildings 102 and 103 Refurbishment of Buildings 101, 102 and 103 Joinery repairs to Buildings 6 and 124 Steel and timber windows repaired and or replaced and reglazed in both the Powerhouse and the adjacent Rectifier Room Powerhouse basement pumped out and cleaned Geotechnical investigations undertaken on the northern cliff face Removal of noxious weeds to the plateau housing precinct Tree removal and pruning on plateau and adjacent slopes |
| Snapper Island | Upgrade of the Snapper Island wharf and pontoon Termite treatment undertaken on the whole site |
| Macquarie Lightstation | Archaeological investigations undertaken around the lighthouse and on the Greenway wall |
| Former Marine Biological Station | A new park created on part of grounds of former residence, connecting suburb with Camp Cove beach |

| Site | Occupant | Date | Term | Use |
|------------------------|--|---------------------|-------------|--------------------------------|
| Chowder Bay | Crackerjack | 8.3.06 | 1 day | Filming for TV program |
| Chowder Bay | Powell | 8.4.06 | 1 day | Wedding reception |
| Cockatoo Island | SOTA Events P/L | 8.9.05 | 4 days | Car launch |
| Cockatoo Island | Nine Network | 19.1.06 | 1 day | Filming TV program |
| Cockatoo Island | National Art School | 13.2.06 | 4 days | Drawing classes |
| Cockatoo Island | Lend Lease Design | 12.5.06 | 1 day | Staff break out day |
| Cockatoo Island | Hausmann Communications | 22.6.06 | 1 day | Launch video game |
| Cockatoo Island | Andrews | 5.11.06 | 1 day | Wedding ceremony and reception |
| Headland Park | Gunners' Barracks Tearooms | 1.11.05 | 6 months | Lawn for wedding ceremonies |
| Headland Park | Panossian & Hollis | 19.5.06 | 1 day | Wedding ceremony |
| Macquarie Lightstation | Independent Films | 14.2.06 | 1 day | Filming of advertisement |
| Macquarie Lightstation | Veitch | 21.4.06 | 1 day | Wedding ceremony |
| North Head | St Paul's College | 31.5.06 | 6 months | Gym hire |
| North Head | Jim Frecklington | 1.10.05 | 6 months | Coach building |
| North Head | Channel 7 | 25.12.06 | 2 days | Helicopter refuelling |
| North Head | Southern Star Productions | 12.12.05 | 6 months | TV series |
| North Head | Caravan Pictures | 21.2.06 | 1 day | Filming of advertisement |
| North Head | Asia Pacific Centre for Military Law | 6.4.06 | 2 days | Training course |
| North Head | Embossed Communications | 1.5.06 | 6 months | Candle making |
| North Head | Blueprint Operations | 9.5.06 | 1 day | Testing of police equipment |
| North Head | Plaza Films | 9.6.06 | 9 days | Filming of advertisement |
| 10 Terminal | Department of Defence | 22.11.05 | 1 day | 117 Infantry military training |
| 10 Terminal | Mosman Church of England Preparatory School | 10.12.05 1.03.06 | 6 months | Parking |
| 10 Terminal | NSW Department of Environment & Conservation | 1.9.05 1.3.06 | 6 months | Vehicle storage |
| 10 Terminal | Wescon | 1.3.06 | 6 months | Vehicle parking |
| 10 Terminal | Mosman Coaches & Tours Pty Ltd | 25.5.06 | 6 months | Vehicle parking |
| Headland Park | Julian Ashton Art School | 28.11.05 | 2 weeks | Art exhibition |
| Headland Park | Gunners Barracks' Tearoom | 1.11.05 | 6 months | Lower lawn: wedding ceremonies |
| Macquarie Lightstation | Waverly Amateur Radio Club | 20.8.05 | 1 day | CB radio meeting |
| Woolwich Dock | Murlan Noakes | 1.12.05 | 2 months | Boat crane storage |
| Woolwich Dock | Murlan Noakes | 1.12.05 | 2 months | Boat building/launch |
| Woolwich Dock | Murlan Noakes | 1.1.06 | 6 months | Goat paddock lawn for weddings |

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- Tender Review Committee **9,27**
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- walking tracks **3,4,5,11,15,16,17,20,21,22,23,69**
- website (Harbour Trust) **13,16**
- Woolwich Dock **3,4,5,15,18,20,24,70,71**





Australian Government
Sydney Harbour Federation Trust