



Vision planning and management of Sydney Harbour sites.

Harbour Trust Annual Report 2014-2015



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Australian Government
Sydney Harbour Federation Trust

For more information about this report and all Sydney Harbour Federation Trust publications, contact:

Media & Communications Executive
Sydney Harbour Federation Trust
PO Box 607
Mosman NSW 2088

Telephone: 02 8969 2100
Email: info@harbourtrust.gov.au

For information about the Sydney Harbour Federation Trust, or to view this report online, visit the website at www.harbourtrust.gov.au

Cover Shot: *Fallout*, 2014 Sculpture by the Sea major prize winner, Headland Park, Mosman. Credit: Zakarij Kaczmarek.

Inside front cover: Water treatment. Credit: Sarah Nguyen.

Inside back cover: Water treatment. Credit: Sarah Nguyen.



Letter from the Chair to the Minister

30 September 2015

The Hon. Greg Hunt, MP
Minister for the Environment
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 2015. The report complies with the provisions of section 70 of the *Sydney Harbour Federation Trust Act 2001* and section 46 of the *Public, Governance, Performance and Accountability Act 2013*.

Yours sincerely,

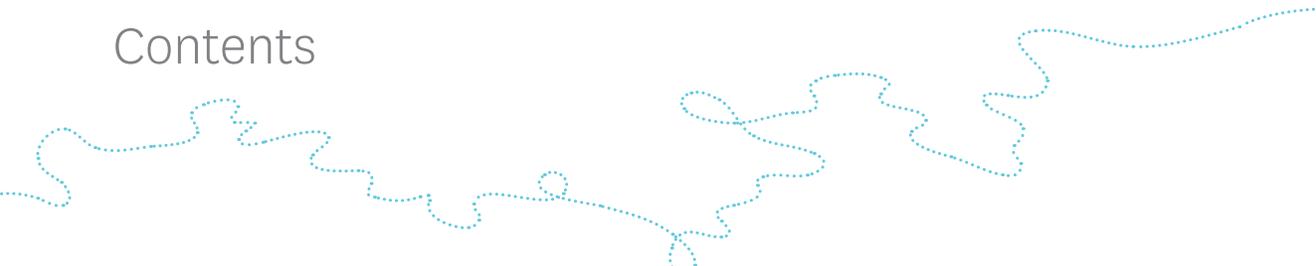


Kevin McCann, AM
Chair



Crooked Characters of Cockatoo Island tour, Guardhouse lawn,
Convict Precinct, Cockatoo Island. Credit: Geoff Magee.

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Chair's Foreword

It is an honour to have once again been appointed as the Chair of the Sydney Harbour Federation Trust.

As Chair of the interim Harbour Trust (1998-2001) and then Chair of the Harbour Trust (2001-10), I had the privilege of being closely involved in a once-in-a-lifetime opportunity: the creation of an organisation charged with restoring and returning former Defence and government sites around Sydney Harbour to the people of Australia.

I am committed, along with my fellow Trustees and the Harbour Trust Management, to consultation with our community and its leaders, on proposals involving our sites. Such proposals will enable the Harbour Trust to continue to remediate its sites, and provide access and better facilities on them. Our ongoing partnership with the community will be crucial in the fulfilment of our aim to provide leading urban park experiences and create a lasting legacy for the people of Australia. I look forward to working closely with my fellow Board Members as we set about this task.

While much was accomplished in our first decade, four achievements stand out for me:

- the remediation of our three Headland Park sites (Chowder Bay, Georges Heights and Middle Head) and their transformation into thriving urban parklands that foster community, education, recreation and commercial interests which are complimentary.
- the remediation of Sydney Harbour's Cockatoo Island, which was opened to the public in 2007, inscribed onto the UNESCO World Heritage List in July 2010 and has now become a popular destination for the community.
- the creation of one of Sydney's great harbourside walks from Chowder Bay to Balmoral Beach,

which provided a "missing link" in the harbour walk from Manly to Taronga Zoo.

- the provision of cafés and restaurants which have attracted visitors and their families to our sites with their Sydney Harbour views.

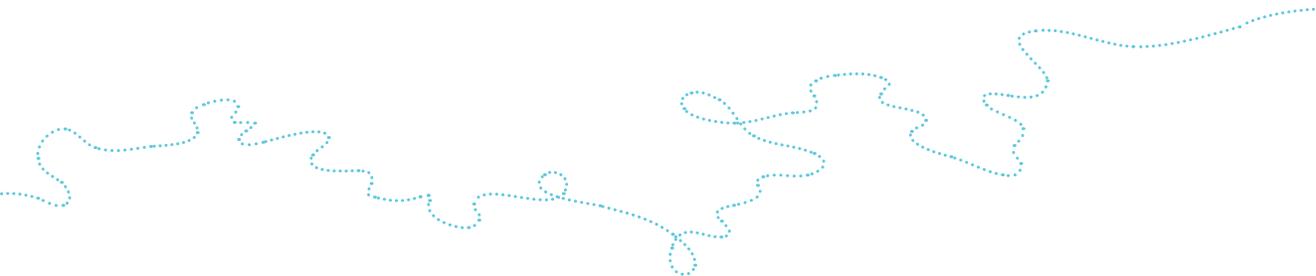
I was proud to have been associated with the Harbour Trust's work in restoring these magnificent harbour lands for the enjoyment of all Australians.

In my time away from the organisation, I have maintained a close interest in the Harbour Trust's work in promoting activities on its sites. Large-scale events such as the Biennale of Sydney, the Outpost street art project, the Underbelly Arts Festival and the Wanderlust Yoga Festival have attracted thousands of people to Cockatoo Island and raised the organisation's public profile.

In the past year, the Harbour Trust's major remediation project has been the decontamination and remediation of the former Platypus site in Neutral Bay. Extensive below-ground remediation works have been undertaken at the site since 2010 and have almost been completed, which is a major achievement. The project involved extensive community consultation from its beginnings, which ensured it secured the close involvement and support of the local community.

In a challenging commercial property environment, the Harbour Trust's leasing division performed strongly. The organisation now has a diverse range of tenants whose activities have enlivened our sites and made them more interesting and attractive for visitors. The food outlets have enjoyed particularly strong support from site visitors. All of the revenue raised from these commercial activities has been reinvested into maintaining and improving our urban parklands.

In conclusion, I would like to thank the previous Chair, Anthea Tinney, and all outgoing Board members for their work. I would also like to acknowledge



the support and encouragement of The Hon. Greg Hunt, MP, Minister for the Environment, and both Parliamentary Secretaries for the Environment during this reporting period, Senator The Hon. Simon Birmingham and The Hon. Bob Baldwin, MP.

Finally, I would like to thank the Harbour Trust staff, who continue to perform to a very high standard, as well as the dedicated Harbour Trust volunteers and those members of the community, both individually and collectively, who continue to support and take a keen interest in the Harbour Trust's work.

Kevin McCann, AM

Right Walking along the new Headland Park walkway, 16 August 2014. Credit: Zakarij Kaczmarek Bottom Right Yogis Kate Kendall and Keenan Crisp, Convict Precinct, Cockatoo Island. Credit: Zakarij Kaczmarek. Bottom Left Chowder Bay. Credit: Mauricio Caicedo.



Executive Director's Summary

The Sydney Harbour Federation Trust has now been a self-funding agency for six years. It is satisfying to report that we once again posted a small operating surplus.

During the year reported, we developed and finalised our 2015-19 Corporate Plan, which will underpin our work over the next four years. The plan identifies our key priorities in responding to the challenge of balancing sustainable, economic, environmental and heritage outcomes while focusing on improving the visitor experience and undertaking important remediation, conservation and refurbishment works.

As a fully self-funding government agency, the Harbour Trust receives no recurrent operational or capital works funding from the Commonwealth. Our long-term financial sustainability is based on our capacity to generate sustainable revenue from the commercial activities on our sites. The income raised from these activities is then reinvested in our urban parklands to preserve and maintain their natural and built heritage. Through the implementation of our Corporate Plan, we will continue our focus on increasing our public profile and visitation.

In 2014-15, the Harbour Trust can once again be proud of some significant achievements.

Cockatoo Island remained a popular destination. Non-event visitation increased by 47% from the previous reporting period, which demonstrates the island's enduring appeal. Many people also visited Cockatoo Island to enjoy events such as the Wanderlust Yoga Festival and the Harbour Trust's own special summer and April school holiday programs. The island continued to be a popular location for corporate venue hire events and guided education visits increased by 36% on the previous year.

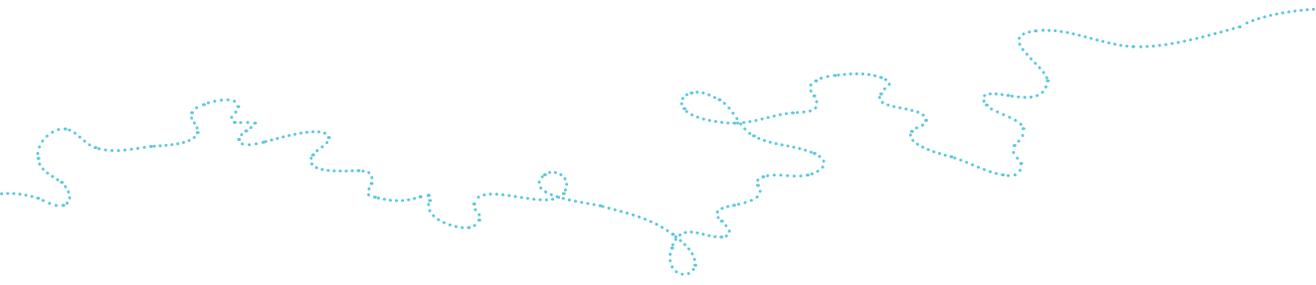
The new *Shipyards Stories* exhibition presenting the story of the Cockatoo Island's dockyard and shipbuilding history opened in September 2014. As a result of the positive public response, we have now made it a permanent exhibition. A new visitor

centre and conference centre were opened, the campground underwent a major upgrade and the newly-renovated Garden Apartment and Fire Station Studio were added to our accommodation portfolio.

In 2014-15, we continued to focus on improving the visitor experience at North Head Sanctuary, Manly. A new visitor centre and the Defence of Sydney artillery display were officially opened to the public by The Hon. Bob Baldwin, MP, Parliamentary Secretary to the Minister for the Environment in May 2015. In December 2014, new wayfinding signage was installed which has helped to make the site more accessible and user-friendly.

Significant initiatives were also undertaken at Headland Park in Mosman. In August 2014, the then Parliamentary Secretary to the Minister for the Environment, Senator The Hon. Simon Birmingham officially opened a new walking track linking Rawson Park to the Georges Head Lookout. We commemorated the 200th anniversary of the establishment of Bungaree's Farm by partnering with the Mosman Art Gallery to present the *Bungaree's Farm* exhibition in the Camouflage Fuel Tank at Georges Heights and renaming the walking track from Chowder Bay to Georges Head Lookout as the "Bungaree Walkway". A new World War I Hospital Interpretation Trail was installed at Georges Heights, which tells the story of the former 21st Australian Auxiliary Hospital (1916-21). Georges Heights also became the new home for two winners of the Macquarie Group Sculpture Prize at Sculpture by the Sea, Bondi, which were generously donated by The Macquarie Group to the Harbour Trust. Stephen King's *Fallout* and Peter Lundberg's *Ring fit* in extremely well with the parkland setting and have immensely enhanced the on-site visitor experience.

Our Business Development division continued to perform strongly, with all four business units reporting increased year-on-year earnings in 2014-15. Important new tenants were welcomed at Headland Park and North Head Sanctuary and we continued to work closely with the preferred applicant proposal for marine facilities at Cockatoo Island. Major upgrades to two heritage-listed former Commanding Officers residences at 1 and 3 St Barbaras Avenue, North



Head Sanctuary were completed and the leasing opportunities for these properties received excellent media coverage.

Important remediation, conservation and refurbishment works were undertaken in 2014-15. At the former HMAS *Platypus* site at Neutral Bay, the major remediation works were completed in September 2014 and the partial wharf demolition works were finished by December 2014. A new walking track was opened at Woolwich Dock and Parklands, linking Kelly's Bush with Clarkes Point Reserve. We also completed a comprehensive program of building repairs and internal and external painting in the former Headquarters Training Command precinct at Georges Heights.

It is always pleasing to receive awards for our work. In November 2014, the Harbour Trust received a Commendation Award for Delivering a Leading Foreshore Park at the Australian Awards for Excellence in Public Sector Management presented by the Institute of Public Administration Australia. This award acknowledged our achievement in transforming historic former defence lands on Sydney Harbour with significant environmental and heritage values into financially sustainable public parklands.

In May 2015, the Harbour Trust was awarded the Research and Investigation Award at the National Trust NSW Heritage Festival Awards. The award was presented for the Excavation, Conservation, Reconstruction and Interpretation of the Cockatoo Island Solitary Confinement Cells and Cookhouse, which was praised by the judges as "as an invaluable educational tool not only about the life of convicts on Cockatoo but about the project itself which was meticulously executed". Our Cockatoo Island Camping team were also acknowledged during 2014-15, again winning the Best Tourism Display at NSW Caravan & Camping Holiday Super Show.

Successful grant funding is another important endorsement of our work. The *Shipyards Stories* exhibition on Cockatoo Island was supported through funding from the Australian Government's Your Community Heritage Program and the World War I Hospital interpretation trail at Georges

Heights was funded by a grant from the Australian Government's Anzac Centenary Local Grants Program. Both the restoration of the Cockatoo Island convict solitary confinement cells and the Defence of Sydney artillery display at North Head Sanctuary were funded in partnership with the Department of the Environment. A grant from the NSW Government's *Sharing Sydney Harbour Access Program* (SSHAP) enabled the Harbour Trust to construct the new walkway at Woolwich Dock and Parklands. On the organisation's behalf, I would like to extend our heartfelt thanks for this invaluable support.

Volunteers continue to play a crucial role in our work, as they have done right from the start. In 2014-15, they provided over 28,000 hours of enthusiastic and dedicated work, helping with our events and projects. Our North Head Sanctuary heritage restoration volunteers undertook a major restoration project, collaborating with the Royal Australian Artillery Historical Company (RAAHC) to restore artillery equipment for the Defence of Sydney artillery display. On behalf of the Harbour Trust, I would like to express our sincere gratitude to all of our volunteers.

The contribution of the Harbour Trust's Board during the reporting period was particularly important. In what was, at times, a challenging year for them, I would like to express my thanks to the Board members, both individually and collectively, for their commitment and support.

Finally, as always, I would also like to acknowledge our staff. At the Harbour Trust, we always have to adapt and evolve. Our work doesn't stay constant. Once again, our staff met the challenges of our ever-changing workplace with hard work, dedication, creativity and good humour and to them I am immensely grateful.



Geoff Bailey
Executive Director

The Sydney Harbour Federation Trust

Vision

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

Objectives

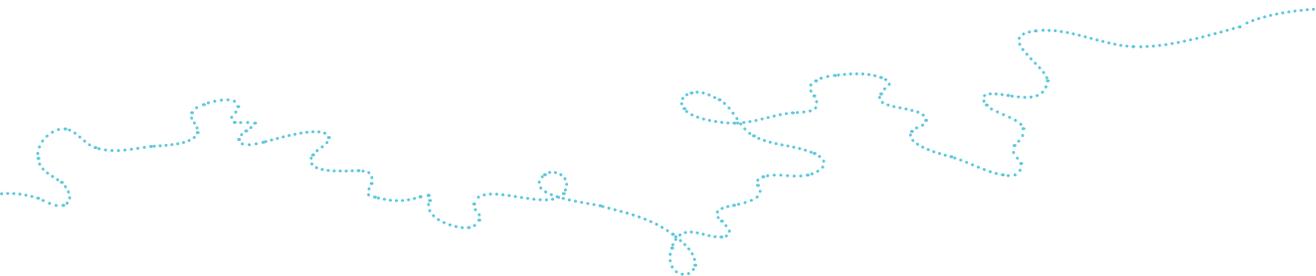
The objectives of the Sydney Harbour Federation Trust are:

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

Functions

The functions of the Sydney Harbour Federation Trust are:

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



The sites



Legislation and Minister

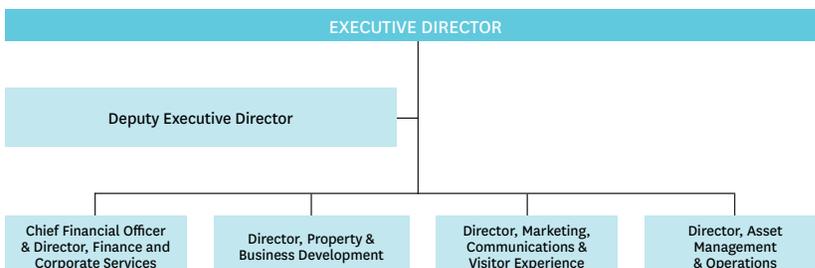
The Harbour Trust was established under section 5 of the *Sydney Harbour Federation Trust Act 2001* which commenced on 20 September 2001.

In the year reported, the Parliamentary Secretary to the Minister for the Environment, The Hon. Bob Baldwin, MP, was responsible for the Harbour Trust.

Organisational structure

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

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



The Sydney Harbour Federation Trust

Harbour Trust Board

The Harbour Trust Board meets regularly to discuss issues relating to all the sites, including planning, maintenance of buildings and structures, and the opening of sites to the public.

There are eight board members including the Chair, two members recommended by the NSW Government, one member representing the interests of indigenous people and one elected member from a council area containing a Harbour Trust site.

Board members

Chair



Mr Kevin McCann, AM

Mr McCann was reappointed as the Non-Executive Chair and Director of the Sydney Harbour Federation Trust on 9 June 2015. He is Chairman of Macquarie Group Limited, Macquarie Bank Limited and Citadel Group

Limited and is a member of the Male Champions of Change, a Fellow of the Senate of the University of Sydney, Co-Vice Chair of the New Colombo Plan Reference Group, a Director of the US Studies Centre and Chair of the National Library of Australia Foundation. Mr McCann is a former Chairman of Origin Energy Limited, Healthscope Limited and ING Management Limited.

From 1998-2001, Mr McCann was Chair of the Interim Sydney Harbour Federation Trust, then from 2001-2010, Chair of the Sydney Harbour Federation Trust.

He practiced in corporate and commercial law as a partner of Allens Arthur Robinson for 35 years and was chairman of the firm for 10 years.

He has a Bachelor of Arts and Law (Honours) from Sydney University and a Master of Law from Harvard University. Mr McCann was made a Member of the Order of Australia (AM) for services to the Law, Business and the Community in 2005.

Members



Clr Jean Hay, AM

Councillor Jean Hay acted as Chair from 6 March 2015 until the appointment of Mr McCann to the position of Chair in June.

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

as Mayor of Manly from 1999 to 2004 and 2008 to 2012. At the September 2012 Council elections, she was re-elected as Mayor for a further four year term. She has served on all major Council Committees and numerous other Committees. In June 1998, Clr Hay was awarded Membership of the Order of Australia (AM) for service to the community through local government, community action and sporting groups, and fundraising for welfare and health education programmes. In 2001, she was awarded a Centenary Medal. Clr Hay has also been presented with numerous other awards including the 2010 NSW Ministers' Awards for Women in Local Government (Metropolitan Elected Representative). Clr Hay has played a major role in the realisation of Bear Cottage, the only children's hospice in the State. Her contribution to this project has resulted in Clr Hay being bestowed as Benefactor of the Children's Hospital Westmead.



Ms Paula Braxton-Smith

Ms Braxton-Smith is a Project Manager engaged in external research at the Australian Centre of Excellence for Local Government at UTS - University of Technology Sydney. She leads project teams to design

and complete qualitative and quantitative social research and analysis across projects relating to local government, sense of place, social infrastructure, service provision, community development and program evaluation. She is experienced in community consultation and stakeholder engagement in the area of sustainable planning, having been engaged by a variety of clients across government and private sectors. Ms Braxton-Smith is a non-executive director of the Harbour Trust, and as a resident of Mosman, is a regular user of Harbour Trust sites in that council area and beyond. She has extensive prior experience in government as a policy adviser in the portfolio areas of Agriculture and Food; Industry and Trade; and Mineral Resources Development. Ms Braxton-Smith holds a Bachelor of Agricultural Science degree with honours in Animal Sciences.



Ms Josephine Cashman

Ms Cashman was appointed as a non-executive member of the Board on 9 June 2015. A Worimi woman from New South Wales, she is a lawyer, business woman and social entrepreneur with over 17 years experience living in and

working to create rapid business, social and economic change in urban, regional and remote Aboriginal and Torres Strait Islander communities around Australia. She is an innovator who focuses on real outcomes based on her practical understanding of the diverse needs of Indigenous communities using her business,

negotiation and engagement skills. Ms Cashman is passionate about realising the dreams of her Elders by encouraging Aboriginal youth to become Australia's future leaders.

As a lawyer with a Graduate Diploma in legal practice and a Bachelor of Laws and Communications (Journalism) from UTS, she has worked for more than nine years in the Australian Courts. In her professional capacities, Ms Cashman has worked in voluntary and consultancy roles for the private and public sectors and non-profit organisations.

Her company, Riverview Global Partners, identifies and nurtures the key relationships that create and drive economic opportunities to Aboriginal and Torres Strait Islander communities. She believes this process will ultimately benefit the wider business community and create a better nation for all Australians. Ms Cashman is a member of the Prime Minister's Indigenous Advisory Council.



Mr Rohan Jeffs

Mr Jeffs is a non-executive director of the Harbour Trust. He is a lawyer with over 35 years experience in major listed Australian companies in the areas of corporate and commercial law as well as in senior corporate

roles responsible for governance, risk and compliance; human relations; procurement; industrial relations; superannuation; government and corporate relations. He is a Director of the Retail Employees Superannuation Trust (REST), and a member of the Strategy Review Committee and Investment Committee and Chair of the Human Resources and Remuneration Committee of REST. Mr Jeffs is an Adjunct Professor of Law at the University of Queensland and he holds a Masters of Law, Bachelor of Law and a Bachelor of Arts from the University of Sydney. He has extensive experience in commercial, legal, governance and regulatory matters.

The Sydney Harbour Federation Trust



The Hon Leo McLeay

Mr McLeay is Chair of the Catholic Cemeteries Board which manages a number of Heritage Cemeteries in Sydney and he is a former Director of the Mary MacKillop Foundation.

Mr McLeay was a Member of the House of Representatives from 1979 until 2004. His parliamentary career included four years as Speaker of the House of Representatives. He also held the office of Deputy Speaker and Chief Government and Opposition Whip. He chaired a number of Parliamentary Committees.

At the time of reporting there are two Board member positions vacant.

Outgoing Members



Ms Anthea Tinney, Chair

Ms Tinney held the position of Chair of the Sydney Harbour Trust until 5 March 2015, when her appointment expired. She is a member of the board of CRC CARE and Chair or independent member of a number of public

sector audit committees. Previously, Ms Tinney held a number of positions including Chair of the Australian National Commission for UNESCO, Chair of Land and Water Australia, the inaugural independent Chair of the Steel Stewardship Forum and a member of the Australian Government's Independent Communications Committee. Ms Tinney was a deputy secretary in the federal environment portfolio and, prior to retiring from the Australian Public Service in 2008, she was appointed as the Interim CEO of the National Film and Sound Archive. During her public service career, she spent five years as the head of the Cabinet Office in the Department of Prime Minister and Cabinet and some years in the Treasury. Ms Tinney has wide experience in public policy advising and government administration. She holds a Bachelor of Economics degree and was awarded a Public Service Medal in 1995 for services to the Australian Cabinet system.



Dr Elsie Heiss

Dr Heiss was a member of the Board until her appointment expired on 11 February 2015. She was born into the Wiradjuri Nation and spent most of her early days in Cowra and Griffith, NSW. Dr Heiss has represented NSW on the

National Aboriginal and Torres Strait Islander Catholic Council since 1999 and is a former Chairperson. She joined the Aboriginal Catholic Ministry in 1989 and worked in Erskineville and La Perouse. In 1998, Dr Heiss was the Aboriginal representative at the Synod of Oceania in Rome. She was part of the welcome party for Pope Benedict XVI's visit to Sydney for World Youth Day in 2008 and she attended the canonisation of St Mary MacKillop in Rome in 2010. In 2003, Dr Heiss received the NAIDOC community award for her work within the church and for her contribution to health programs in the indigenous community. In 2009, Dr Heiss was the NAIDOC Elder of the Year and she received an Honorary Doctorate of Arts from the University of Notre Dame in 2010. Dr Heiss retired from the Aboriginal Catholic Ministry at the end of 2012 but is continuing to do voluntary work with them.



Mr Peter Lowry, OAM

Mr Lowry was a member of the Board until his appointment expired on 16 June 2015. He was a non-executive director and had been a director since the Harbour Trust's inception in 2000. Mr

Lowry was Chair of the Tenant Selection Committee and was Chair of the Audit and Finance Committee until 26 September 2010. He is a company director and lawyer and is a director of the Ensemble Theatre, was a Board member of the Sydney Harbour Foreshore Authority until September 2014 and the Planning Research Centre of Sydney University. Mr Lowry is also a Board Member of NIDA (National Institute of Dramatic Arts) and the Chair of Transport Heritage NSW. He was a Reserve Army Officer.



Ms Sandra Hook

Ms Hook was a member of the Board until her appointment expired on 16 June 2015. An experienced non-executive director with extensive strategic, marketing and digital expertise gained over a 25-year professional

career as a CEO and group executive, she is an investor and board advisor to digital businesses focused on disruptive technologies, and advises companies on strategy, commercialisation and navigating digital disruption. Ms Hook has previously managed businesses or divisions for Foxtel, Federal Publishing Company, Murdoch Magazines, and Fairfax and most recently, as the CEO, Ms Hook oversaw NewsLifeMedia's (News Ltd) rapid transition from a traditional print operation to a successful multi-platform and digital business. Ms Hook is the Chair of WYZA Limited and serves on the boards of the Sydney Fish Market and the Royal Botanic Gardens & Domain Trust and was a board member Horticulture Australia Ltd for nine years.

Outcomes and output structure

Within the Environment portfolio, the Harbour Trust is responsible for the enhanced appreciation and understanding of the natural and cultural values of Sydney Harbour for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Harbour Trust lands.

Sydney Harbour Federation Trust Business Program

The Harbour Trust's programs aim to transform Harbour Trust sites into precincts and parklands that enrich the cultural and historical values of the city, while conserving the environmental integrity and unique heritage of the sites. Our major performance indicators are:

- increased awareness, appreciation and enjoyment of sites.
- restoration and maintenance of sites.
- financial sustainability of ongoing management and operations, including leasing and hiring to bring compatible activity to the sites.

1. Planning, Land Restoration and Maintenance

Performance indicators

- Conservation of the World, National and Commonwealth Heritage Values of Harbour Trust lands.
- Conservation and adaptation of buildings in accordance with the Harbour Trust's Heritage Strategy and Comprehensive Plan.
- Reinstatement and maintenance of bushland and landscaped areas.
- Upgrading, repair and maintenance of infrastructure and equipment.
- Harbour Trust lands and facilities meet workplace and public safety standards.
- Repairs and maintenance of all sites to minimise further deterioration.
- Harbour Trust facilities are increasingly available for public access and business and community use.

Solitary confinement cells, Convict Precinct, Cockatoo Island.
Credit: Grant Turner.



2014-15 snapshot

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

Activities included building and grounds maintenance, bushfire hazard reduction, bush regeneration, building repairs, and construction of new paths at North Head Sanctuary, Headland Park and Woolwich. A full list of the Harbour Trust's maintenance, heritage conservation and environmental management projects in 2014–15 is included in Appendix 3.

Planning approval was granted to a range of works and activities undertaken by the Harbour Trust and tenants, including the establishment of new visitor centres, construction of a new walking track and various building modifications.

Sites

Headland Park, Mosman

Headland Park comprises Middle Head, Georges Heights and Chowder Bay and features former training facilities, fortifications, depots, barracks and housing surrounded by remnant Sydney Harbour bushland. Most of the buildings are now leased for a range of purposes including education, dining, offices, function centre, childcare, residential accommodation, creative arts, health and fitness, and retail.

Building 7D (Mines Workshop), Chowder Bay

The Sydney Institute of Marine Science (SIMS) commenced internal adaptation of the historic Mines Workshop at Chowder Bay to create an innovative marine interpretation centre. The centre is expected to be opened to the public in late 2015 and will showcase the underwater environment of Sydney Harbour using interactive technology.

Chowder Bay Wharf Upgrade

The Harbour Trust completed structural repairs and maintenance works to the historic Timber Wharf and Finger Wharf (jetty) at Chowder Bay. The works included the replacement of some timber wharf piles and decking and were essential to ensure that the Timber Wharf remained a functional structure.

Painting and Building Repairs

During the reporting period, the Harbour Trust completed a comprehensive program of building repairs and internal and external painting in the Headquarters Training Command Precinct.

1008 Dominion Crescent

The Harbour Trust undertook internal and external alterations to one of the existing 1950s Riley-Newsum kit homes opposite Georges Heights Oval. The works included reconfiguring the interior of the building; installing a new bathroom, laundry and kitchen; upgrading all services; and landscaping. The house is now leased to a new tenant.

The Club House at Middle Head

Burnt Orange, the current tenant of the Club House, undertook minor works so that the lower level of the building can be used for evening functions.

Chowder Bay Boatshed

SIMS undertook minor fit-out works to Chowder Bay's heritage boatshed to adapt the building for marine research. The works included the archival recording and dismantling of the later (or contemporary) cradle; removing the existing cradle and winch; installing a smaller cradle and winch; and installing cool rooms, freezer rooms, desks and services to the interior of the building. These works are reversible with minimum impact to the existing fabric.

Building 11, Georges Heights

The new tenant of Building 11 completed alterations to the building prior to commencing operation as a fitness studio and physiotherapy practice.

Gardeners' Cottage

Minor internal and external alterations were undertaken on the former Gardeners' Cottage at Lower Georges Heights by the existing tenant (an artist).

Cockatoo Island

Cockatoo Island is the largest island in Sydney Harbour and has been modified and used as a penal settlement and maritime industrial site. Originally only 12.9 hectares, the island has been greatly altered from its natural state. It has World, National and Commonwealth heritage listings and contains remnants of an imperial convict prison, two dry docks, wharves, slipways, maritime buildings, residences, a powerhouse, cranes, water towers and tunnels. Approved uses on Cockatoo Island include holiday accommodation and a campground, café, marine research, offices, marine centre and retail.

Visitor Centre

The Harbour Trust undertook modifications to the existing campground office (Building 164) to create a combined visitor centre and campground office. The works included new flooring and windows, covering the bi-fold aluminium glass entry doors with a steel framed awning, and the installation of new telecommunications infrastructure. The visitor centre now includes a reception, merchandise area, campground office and general storage and luggage space for use by visitors to Cockatoo Island.

Administration Building

During the reporting period, the Harbour Trust completed refurbishment of Building 30 (Cockatoo Island's former Administration Building). The works included modifying the layout of the ground floor to create three new separate leasable conference spaces, a small kitchenette and communal pre-conference areas, which are available to hire.

Heritage Cranes

During the year reported, the Harbour Trust commenced a maintenance and reconstruction program on Cockatoo Island's external heritage cranes. Working closely with the organisation's team of Heritage Restoration Volunteers, works began on the Icelandic Crane (number 227) and the Steam Powered Travelling Portal Jib Crane (number 002). Corporate volunteers from Suncorp also assisted the Harbour Trust's volunteers in the first stages of the reconstruction of the Stiff Leg Crane (number 007). The works included painting, structural repairs and the installation of new fittings such as ladders, windows and doors.

North Head Sanctuary, Manly

North Head Sanctuary is one of Sydney's great landmarks, home to a delicate ecosystem. The former School of Artillery occupies the highest part of North Head and comprises the Barracks complex and the North Fort complex. The Barracks complex contains a collection of art deco buildings with a parade ground, service areas, sheds and a large area of remnant bushland.

The Harbour Trust's land at North Head Sanctuary includes 28 houses that were originally used to

accommodate officers of the former School of Artillery. The majority of the houses are leased to medium-term residential tenants and one has been converted to a café (Bella Vista Café at the entrance to North Fort). Many of the other buildings at North Head Sanctuary are leased for a variety of purposes including education for adults and children; health, fitness and well-being; childcare; artists; a function centre; and a plant nursery.

In the year reported, the Harbour Trust conserved and adapted many of the buildings at the former School of Artillery. While these buildings are structurally sound, they are vulnerable to deterioration due to their exposure to the marine environment.

New Visitor Centre, North Fort

The Harbour Trust undertook major conservation and adaptation works to existing buildings at North Fort to create a new Visitor Centre, the Defence of Sydney historic artillery display and a new library and archives for the Royal Australian Artillery Historical Company (RAAHC). To establish the new visitor centre, the Harbour Trust removed false ceilings and rotting flooring; installed a new outdoor deck, kitchenette, storage cupboards and reception desk; installed new roofing, rainwater goods and chemical damp course; installed new interpretive displays highlighting the site's history; and landscaped the area outside the building.

Left Former Submarine Miners' Depot, Chowder Bay.
Right View across Chowder Bay. Credit: Mauricio Caicedo.



Houses on St Barbaras Avenue

Two houses at 1 and 3 St Barbaras Avenue underwent major conservation and adaptation. Works included the installation of new kitchens and bathrooms; restoration and polishing the silky oak hardwood detailing and Tasmanian oak flooring; restoring and re-enamelling the original cast-iron baths; and landscaping. The houses will be leased to new tenants.

The Cutler Club

Minor refurbishment of Building 5 was undertaken by the new tenant (an international sports and education college), which will open for business early in 2015-16.

Café, North Fort

The operator of the Bella Vista Café completed internal and external adaptive works to improve the café's operation. The works included construction of a new bar area, modification of the kitchen to meet operational requirements, and installation of a new outdoor cool room, storage shed and business identification signage. The café has also established a garden of herbs for use in food preparation.

Landscaping

Landscape restoration works for the former School of Artillery continued through this reporting period. Local provenance plant species were propagated on site and planted at the entry precinct, oval, core buildings and other locations. Volunteers have assisted the Harbour Trust by undertaking regular clearing in the Third Quarantine Cemetery.

Camouflage Road

Corporate volunteers from the Commonwealth Bank and Booking.com assisted the restoration volunteers to re-paint the Camouflage Road at North Fort.

Woolwich Dock and Parklands

Woolwich Dock and Parklands, located on the Hunters Hill peninsula, has a rich maritime history. In 1898, Morts Dock and Engineering Company constructed a new sandstone dry dock (1898-1901) that was used for repairing ships during both World Wars. Today, the site's dry dock links to parklands, walkways, workshops and a function centre.

New Walking Track

Following receipt of a grant from the NSW Government's *Sharing Sydney Harbour Access Program* (SSHAP), the Harbour Trust constructed 600 metres of new off-road walking tracks linking Kelly's Bush with Clarkes Point Reserve, via the Horse Paddock. The works also involved significant regeneration of the surrounding bushland.

HMAS Platypus, Neutral Bay

Remediation Project

The former HMAS *Platypus* naval base is a waterfront industrial site in one of Sydney's quiet bays, a reminder of the harbour's maritime heritage. Sitting amid Neutral Bay's waterfront residential properties and foreshore parks, the former gasworks facility and Royal Australian Navy (RAN) base contains a range of buildings adapted from the gasworks operations and built for the war effort, which were utilised by Defence from 1942. In 1967, the existing concrete wharf was built for the RAN's Oberon Class submarine fleet. The Navy closed HMAS *Platypus* in 1998.

The Harbour Trust took over management of the site in 2005 and began planning for major remediation works. In 2014-15, the remediation works at Platypus included the excavation and treatment of around 20,000 tonnes of gasworks-contaminated soils. The Harbour Trust contracted specialist remediation company Thiess Services Pty Ltd to undertake these works. Thiess Services completed their remediation contract works in September 2014. Asbestos removal from building windows and partial wharf demolition were completed in March 2015. The placement of clean capping soils and landscaping is likely to be completed by the end of 2015, after which the Site Auditor is expected to sign-off the remediation works. The proposed landscaping design for the northern remediation area was placed on public exhibition on 18 June 2015.



Macquarie Lightstation

Macquarie Lightstation is Australia's first and longest-operating navigational light. Built in 1818, the original lighthouse was designed by convict Francis Greenway and constructed of sandstone quarried on site.

Following construction of a new lighthouse (designed by James Barnet) in 1883, the original Greenway lighthouse was demolished. No major works were carried out during the year reported.

Former Marine Biological Station

The former Marine Biological Station comprises a residence and grounds on the foreshore of Camp Cove, Watsons Bay. Most of the grounds have been transformed into a public foreshore park providing access to Camp Cove beach. No major works were carried out during the year reported.

Snapper Island

Yet to be formally handed over by the Department of Finance and Deregulation to the Harbour Trust, Snapper Island is Sydney Harbour's smallest island, part of a grouping with Cockatoo and Spectacle Islands. The island was a rarely-visited rocky outcrop until World War I when it was leased to Cockatoo Island Dockyard for storage. It comprises simple buildings, slipways, boat storage and jetties. No major works were carried out during the year reported.

Bushland Management

Ecological restoration works continued during the year at Headland Park, North Head Sanctuary and pockets of remnant bushland and revegetated areas at Woolwich Dock, Cockatoo Island and Macquarie Lightstation. The works included extensive control of weeds over an area of 45 ha; maintenance of over 10 km of bush tracks, roads and access trails; manual and mechanical bushfire hazard reduction around built assets; and reinstatement of previously cleared areas using local provenance seedlings. The amount of maintenance work required by bushland contractors continued to increase due to the expansion in newly vegetated areas on Harbour Trust sites.

Bushfire Risk Management

Fuel reduction and slashing of fire breaks and trails adjacent to buildings and structures at North Head Sanctuary and Headland Park continued throughout 2014–15.

A program of prescribed burns scheduled to be carried out in conjunction with NSW National Parks and Wildlife Service (NPWS) at North Fort Road, North Head, and Chowder Bay Road, Mosman were postponed due to adverse weather and fuel moisture. Completion of the burns will assist in the management of fire risk on Harbour Trust lands.

The Harbour Trust worked with neighbouring landholders through the Manly-Mosman-North Sydney District Bushfire Management Committee and the North Head Stakeholder Group to manage bushfire risk. An updated Bushfire Risk Management Plan for 2015–2020 was prepared for the District by NSW Fire & Rescue in coordination with the Harbour Trust, NPWS, councils and other land managers.

Native and Pest Fauna Management

To support and protect the endangered bandicoot and penguin populations at North Head Sanctuary, the Harbour Trust is represented on the North Head Bandicoot and Penguin Population Recovery Teams. Over the year reported, the teams worked closely with the NSW Office of Environment & Heritage (OEH), NPWS and other stakeholders. The Australian Wildlife Conservancy, with assistance from the University of Sydney, undertook research into the ecology of native fauna on North Head Sanctuary.

The Harbour Trust continued to work with neighbouring landholders and the OEH to manage feral animals on its sites. Calicivirus was released at North Head Sanctuary and Headland Park in March 2015 which led to an over 30% reduction in rabbit numbers. Continuing its involvement in the Northern Sydney Regional Fox Control Program, the NPWS carried out regular poison baiting at North Head Sanctuary and Headland Park on behalf of the Harbour Trust. In collaboration with Hunter's Hill Council, foxes were also controlled at the Horse Paddock, Woolwich. A spate of fox attacks on penguins, bandicoots and other fauna occurred at North Head in June 2015. The NPWS coordinated a program of additional baiting, trapping and shooting at North Head Sanctuary to control the foxes.

Landscape maintenance

The Harbour Trust continued a regular program of ongoing landscape reinstatement and maintenance works throughout all of its sites in 2014–15. The works generally consist of regular mowing and edging of lawns, and pruning, weeding, mulching and infill planting of garden beds.

Pedestrian traffic sight line clearance works were carried out on Harbour Trust roads and footpaths. Eroded sections of the Harbour Trust's network of walking tracks were also repaired at North Head Sanctuary, Woolwich Dock and Parklands, Chowder Bay and Georges Heights. Extensive tree works were carried out on Harbour Trust sites including maintenance pruning and removal of hazardous dead wood, fallen branches and formative tree pruning. Some of these works were required following a major storm in April 2015.

Habitat Reinstatement

Over 21,000 trees, shrubs, grasses and groundcovers were planted on Harbour Trust sites during the year. More than 90% of these plants were propagated from local provenance native species, and over 2,000 ornamental natives and exotics were planted within cultural landscapes. Approximately 6,000 plants were established at the new Woolwich walking track and surrounds. At North Head Sanctuary, extensive landscaping was undertaken at Nos 1 and 3 St Barbaras Avenue, the ANZAC Memorial Lawn, the

new Visitor Centre at North Fort and the former North Head Oval. The North Head Sanctuary Foundation propagated and planted over 3,000 native plants around the sanctuary. Over 300 plants were planted by the Cockatoo Island gardening volunteers around the island's accommodation buildings and the Middle Head gardening volunteers planted over 600 plants around the former ASOPA buildings. Weeds were removed from around the former Quarry at Macquarie Lightstation and over 600 new plants were established.

Parking Management

During the year reported, the Harbour Trust undertook surveys of car parking demand at both Headland Park and North Head Sanctuary. As a result of these surveys, a number of short-stay parking spaces were introduced adjacent to Middle Head Oval, Gunshot Alley and at North Fort to improve turnover in high-demand locations. In collaboration with Hunter's Hill Council, pay and display parking was introduced to car parks at Clarkes Point Reserve and the Horse Paddock (Margaret Street), Woolwich.

Top Right Senator The Hon. Simon Birmingham opening the new Headland Park walkway, 16 August 2014. Credit: Zakarij Kacmarek.
Bottom Right Tour group outside Macquarie Lighthouse. Credit: Ian Evans.
Bottom Left Heritage Restoration Volunteers, Cockatoo Island. Credit: Zakarij Kacmarek.



Harbour Trust plans and environmental assessments

Performance indicators

- Plans conform with best practice, are publicly exhibited, have broad community support and reflect input from the consultative process.
- Management Plans are consistent with the Harbour Trust's Comprehensive Plan which was approved by the Minister.
- Management Plans conform with the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act).
- Background studies or policies for significant heritage, environmental and transport matters affecting Harbour Trust lands are prepared.
- Environmental Assessments are in line with the *Sydney Harbour Federation Trust Act 2001*, Harbour Trust Plans, and the EPBC Act.
- The Community Advisory Committee and the broader community have input into the planning process.

Management plans

Following public consultation, the Harbour Trust Board approved an amendment to the existing Management Plan for the Middle Head Precinct in September 2014. The Plan Amendment provides for the demolition of three two-storey timber barracks on the northern side of Middle Head Road and their replacement with public parkland; reduced and re-shaped parking areas to improve the parkland; a restriction on building heights at the 10 Terminal brick building complex on the southern side of Middle Head Road to not exceed that of the tallest existing building; and adjustment of the permissible new building envelope at 10 Terminal within the alignment of existing buildings at the front and rear of the complex.

Environmental assessments

The Harbour Trust prepares environmental assessments of actions proposed on Harbour Trust lands, ensuring proposals further the objects of the *Sydney Harbour Federation Trust Act 2001*, are consistent with Harbour Trust Plans, and in accordance with the *Environment Protection and Biodiversity*

Conservation Act 1999. In the past year, the Harbour Trust completed environmental assessments for 17 proposed actions, including:

- Alterations and additions to existing buildings for an aged-care facility at Middle Head.
- Upgrade to the existing lighting at Middle Head Oval by Mosman Council.
- Fit-out of Building 79, Cockatoo Island to facilitate boat building.
- Internal modifications to the existing café in Building 164, Cockatoo Island.
- Refurbishment of existing houses at Headland Park and North Head Sanctuary by the Harbour Trust.
- Minor upgrade works by existing tenants to improve facilities in various buildings at Headland Park and North Head Sanctuary.

Community consultation

The Harbour Trust continued to consult with communities and liaise with key stakeholders on planning and rehabilitating its sites. This ranged from formal Community Advisory Committee meetings to workshops, open days, presentations, discussions, exhibiting plans and newsletters.

Community Advisory Committees met six times throughout the year, four times to specifically discuss HMAS *Platypus* Remediation Project issues and twice to discuss various Harbour Trust projects across all the sites. In addition, the community was invited to make comment on the following development applications during the reporting year:

- Aged care facility at Middle Head.
- Boat dry storage, berthing and maintenance facility at Cockatoo Island.
- Landscaping and new structures at the former HMAS *Platypus* site.

The Harbour Trust held and its representatives attended many formal and informal meetings with key stakeholder groups, government agency staff, councils, local members, community organisations and individuals to discuss issues on planning and rehabilitating its sites.

A full list of the Harbour Trust's Community Advisory Committee members is included in Appendix 2.



Environmental performance

Ecologically sustainable development is a key policy of the Harbour Trust

Performance indicators

- Adherence to the core principles of Ecologically Sustainable Development.
- Development and implementation of a sustainability policy.
- Development and implementation of an environmental management system.
- No increase (staff average) in energy, fuel and water consumption, waste generation and greenhouse gas emissions.

Ecologically sustainable development

Ecologically sustainable development is fundamental to the Harbour Trust's planning, rehabilitation and use of its sites, public information activities and events. It is an objective of the Harbour Trust's Comprehensive Plan and all our site management plans.

These principles inform our approach to biodiversity conservation, bushland conservation, management of native and introduced animals, water quality and catchment protection, transport management and air quality, bushfire management, and indigenous and cultural heritage.

In line with this, our site conservation and environmental projects aim to remediate environmental degradation and the impacts of past practice, and establish a sound basis for sustainable development and adaptive re-use.

This section of the Annual Report examines the environmental performance of the Harbour Trust's direct operations, measuring the Harbour Trust office's energy and water consumption, and the generation of waste and carbon dioxide. Information is also provided about the Harbour Trust's initiatives at Cockatoo Island and North Head Sanctuary to produce electricity from renewable sources.

Reduction of carbon footprint

In 2014–15, Harbour Trust initiatives to reduce its carbon footprint included:

- Encouraging staff to reduce air conditioning use.
- Purchasing Greenfleet carbon dioxide offsets.
- Including environmental sustainability measures in Induction Programs for new staff.
- Recycling kitchen waste, greenwaste and soft plastics.
- Using SPIRE, a paperless document management system.

Global reporting initiative indicators

The report below follows the Global Reporting Initiative's (GRI's) Sustainability Reporting Guidelines.

The guidelines provide environmental performance indicators, which have been used to measure the Harbour Trust's performance on inputs (for example, energy and water) and outputs (for example, emissions and waste).

2014–15 was the eighth year the Harbour Trust reviewed its office environmental performance using the Global Reporting Initiative indicators.

The table below illustrates the targets for 2014-15 which the Harbour Trust set for measuring these indicators:

Global Reporting Initiative Indicators	Trust Targets 2014-15
Energy consumption (GRI Indicator EN3)	No increase in energy consumption
Fuel consumption (GRI Indicator EN3)	No increase in fuel consumption
Water consumption (GRI Indicator EN8)	No increase in water consumption
Waste generation (GRI Indicator EN22)	No increase in waste generated
Greenhouse gases (GRI Indicator EN16)	No increase in gross emissions

The following sections detail the Harbour Trust's environmental performance against each of these targets.

Energy consumption – EN3

2014-15 Energy Consumption Target: No increase in energy consumption

Result: An 10% increase in energy consumption

Total energy consumption

Year	Total consumption (MJ)
2013–14	507,719
2014–15	564,745
% Change	+10%

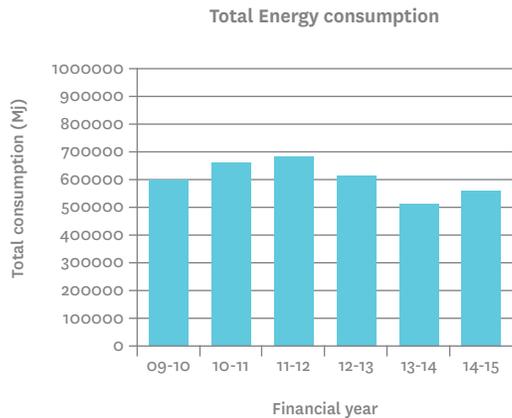
The target for this financial year was for no increase in energy consumption. However, the Harbour Trust's energy consumption increased by 10%. This was likely to have been caused by variations in weather and faults in the air-conditioning system.

Despite this small increase in consumption, 2014-15 still recorded the second lowest level of energy consumption since the Harbour Trust began reporting.

Staff members continued to make a conscious effort to turn off the automatic air-conditioning system when not required. The air-conditioning system was serviced regularly, the timing of the system was set to appropriate times, and temperature control altered to improve efficiency. The Harbour Trust continued to encourage staff members to reduce office energy consumption with other small actions. The organisation includes environmental sustainability issues in Induction Programs for new staff members.



A comparison of total energy consumption over the past six reporting periods is below:



Top Right Building 3, Former ASOPA Precinct, Middle Head. Credit: Mauricio Caicedo. Bottom Left Cockatoo Island gardening volunteers. Credit: Zakarij Kaczmarek. Bottom Right Third Quarantine Cemetery, North Head Sanctuary. Credit: Ian Evans.





1. Planning, Land Restoration and Maintenance

Government energy efficiency guidelines

The Harbour Trust's energy use in 2014–15 was well within the Australian Government's Energy Efficiency in Government Operations (EEGO) guidelines.

Electricity consumption per staff member/m2

	EEGO Policy Target	2013–14	2014–15
Central services (MJ/m2/annum)	400	178	198
Office light and power (MJ/person/annum)	7,500	3,846	4,278



Fuel consumption – EN3

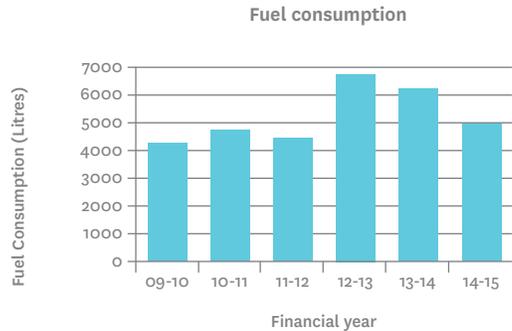
2014-15 Fuel Consumption Target: No increase in fuel consumption

Result: A 27% reduction in fuel consumption.

The Harbour Trust vehicle fleet comprises of two cars (unleaded); one ute (LPG/unleaded); one tipper truck (diesel) and two boats (unleaded).

The Harbour Trust’s fuel usage for boats and vehicles during 2014-15 was 4,973 litres, 27% less than the previous year.

The introduction of smaller, more fuel-efficient cars last year contributed to the improved performance of the fleet. The Harbour Trust will encourage car- and boat-pooling amongst staff to continue this downward trend in fuel usage.



Total vehicle fuel consumption (cars and boats)

Fuel Consumption	2013-14 (Litres)	2014-15 (Litres)	% Change
Vehicles			
Unleaded	3009	2008	
LPG	299	69	
Diesel	271	539	
Total Vehicles	3579	2620	- 37 %
Total Boats (unleaded)	2746	2352	- 37 %
Total Fuel	6325	4969	- 27 %

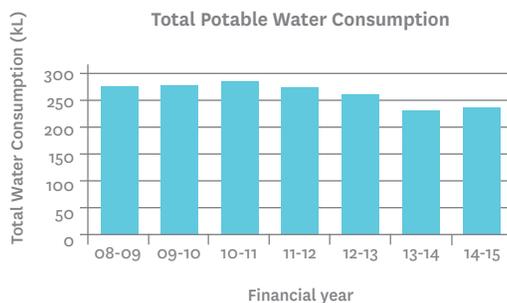
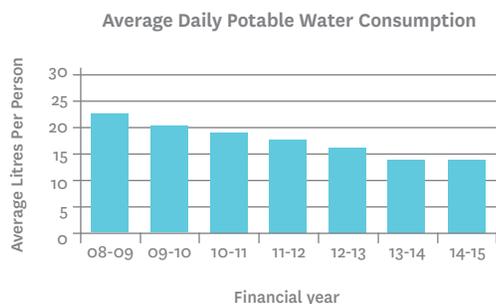
Water Consumption – EN8

2014-15 water consumption target: No increase in water consumption

Result: A 1.7% increase in water consumption.

Despite a slight increase in total potable water consumption during the year reported, the Harbour Trust's use of potable water remains low at 239kL (compared to 235 kL last year). The Harbour Trust collects rainwater in two 5000L tanks and only uses Sydney Water mains as a back-up.

The table below shows the average daily use of potable water per person in the Harbour Trust office. The daily average is based on 255 working days per year, taking weekends and public holidays into account.



Water consumption

	2013-14 (Litres)	2014-15 (Litres)
Total office consumption	235,000	239,000
Daily office consumption (average)	922	937
Daily average per person	14	14

Waste Generation – EN22

2014-15 waste generation targets: No increase in waste generated

Result: No increase in waste generated

The Harbour Trust measures its waste production by the number of bins that are collected by its waste collection contractor. As the bins are shared with tenants, it does not reflect the amount of waste the Harbour Trust generates exclusively. Nevertheless, there has not been an increase of overall bin collections so waste generation has remained consistent.

In 2014-15, the Harbour Trust continued to encourage staff to separate waste and recycle whenever possible. Both paper and co-mingled waste were sent to recycling facilities. The Harbour Trust also started recycling plastics as part of the REDcycle Program. These plastics are recycled at REDcycle collection bins and then shipped to the Australian-based

manufacturer Replas to be reprocessed into new products (such as outdoor furniture for schools). It is expected that this will reduce the Harbour Trust's general waste.

The Harbour Trust continued its ink recycling program by returning ink cartridges to the manufacturer for disposal, and also continued to recycle old mobile phones, batteries and accessories.

The worm farms purchased for the Harbour Trust office in 2011-12 helped reduce the amount of organic waste going to landfill. Harbour Trust volunteers continued to use worm juice generated by food wastes at Headland Park to fertilise garden beds on Cockatoo Island.

Waste generation

	2013-14	2014-15
Total general waste (tonnes)	4.9	4.9
Total paper and cardboard (tonnes)	4.1	4.1
Total co-mingle (tonnes)	1.8	1.8
Waste to landfill	45%	45%
Waste recycled	55%	55%

Left Australian Bronze Sculpture, North Head Sanctuary. Credit: Mauricio Caicedo.
Right Parliamentary Secretary Bob Baldwin, Dr Elsie Heiss and Geoff Bailey, Bungaree Walkway Opening, Georges Heights, January 2015. Credit: Ian Evans.



Greenhouse Gases – EN16

2014–15 greenhouse gas emissions target: No increase in gross emissions of CO₂

Result: A 7% increase in gross emissions of CO₂.

The increase in the Harbour Trust's amount of CO₂ (greenhouse gases) gross emissions is mainly due to an increase in electricity consumption.

In June 2015, the Harbour Trust purchased Greenfleet to offset emissions of 20 tonnes of CO₂ (Greenfleet plants native trees in Australia to reduce carbon footprint). This year, the Harbour Trust received a certificate from Greenfleet recognising five years of purchasing offset emissions.

Once offsets are taken into account, the Harbour Trust's total net CO₂ emissions increased by just 12.35 tonnes compared to 2013-14.

The table below summarises the total gross amount of greenhouse gases generated:

Energy generated from renewable sources

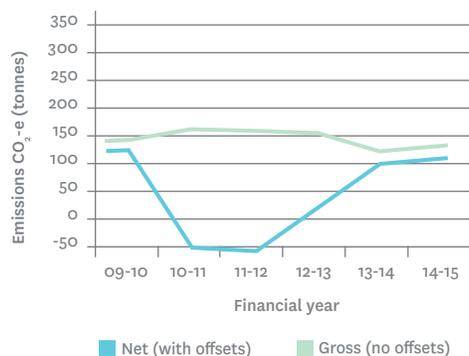
The Harbour Trust has installed photovoltaic (PV) arrays on north-facing roofs of various buildings at Cockatoo Island and North Head Sanctuary. Largely funded through a grant from the Australian Government's Green Precincts Fund, the arrays are used to generate power for use on the sites with any excess transferred back into the electricity grid. At the time of its installation, the array on the roof of Cockatoo Island's Turbine Shop was the largest of its type in NSW.

In the reporting period, the Harbour Trust's arrays at Cockatoo Island and North Head Sanctuary together generated approximately 125,000 kWh (kilowatt hours) of electricity. This equates to approximately 132 tonnes of CO₂-equivalents that would otherwise have been generated by power stations which is just 33 tonnes less than the Harbour Trust's generation of net CO₂ emissions.

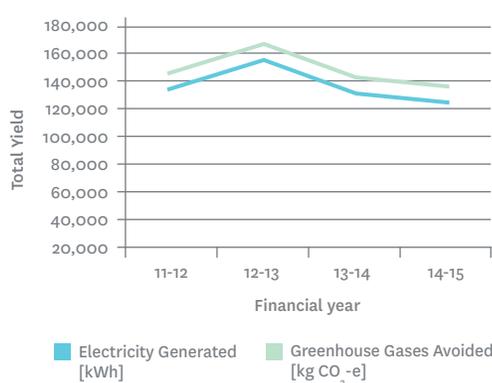
Carbon footprint

Fuel/Process	2013-2014		2014-15	
	Usage	CO ₂ -e (tonnes)	Usage	CO ₂ -e (tonnes)
Electricity	141,033 kWh	150.62	156,874 kWh	167.65
Petrol/gasoline - cars	3.0 kL	7.8	2 kL	5.2
Petrol/gasoline - boats	2.7 kL	7.02	2.4 kL	6.24
LPG - transport	0.3 kL	0.54	0.07 kL	0.13
Diesel - transport	0.27 kL	0.81	0.54 kL	1.62
Waste to landfill	4.9 T	4.41	4.9 T	4.41
Total gross emissions		171.2		185.24
Less Greenfleet Offsets		-20.10		-20
Total net emissions		151.1		165.24

CO₂ Emissions



Annual Yields from Photovoltaic Arrays





Ring, 2015 Sculpture by the Sea major prize winner, Headland Park, Mosman. Credit: Zakarj Kaczmarek.

2. Public Awareness, Appreciation and Enjoyment

Performance indicators

- Community awareness of the Harbour Trust and its activities, and visitors to Harbour Trust lands, increased through the promotion of tours, events and open days consistent with the Harbour Trust's Comprehensive Plan and Portfolio Budget Statement Outcomes.
- Marketing and business development initiatives increase visitation and generate revenue.
- 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, and to increase visitation.
- Partnership programs with institutions, neighbours and others are developed to promote Harbour Trust lands and their significance.

New Year's Eve fireworks over the harbour, Cockatoo Island, New Year's Eve 2014.
Credit: Ian Evans.





2014–15 snapshot

The Harbour Trust continued its dedicated approach to improving, activating and promoting its sites for the benefit and enjoyment of the general public. Visitor experience became a major focus across the year, including interpretation and public programs, in order to enrich visitors' understanding of the site-specific history and to improve visitor amenities.

Marketing communications was focused on digital channels and media coverage that raised the Harbour Trust's profile and supported the main revenue-generating segments of the business – Accommodation, Venue Hire and Property Leasing. Positive results were achieved across digital channels and high-profile partnerships were sourced and developed in order to maintain a cost-efficient approach to promoting both the Harbour Trust brand and individual sites. Community and cultural partnerships were established and nurtured so as to activate sites, increase site visitation and deliver an engaging visitor experience. Non-event visitation to Cockatoo Island increased by 47% from the previous reporting period, demonstrating the site's appeal as a destination in Sydney for locals and tourists alike.

Marketing and Communications

The marketing approach in 2014-15 continued to drive positive results for the revenue-generating segments of the Harbour Trust. Leasing, Accommodation, Venue Hire and Education campaigns were prepared seasonally and covered a range of channels including media, signage, online advertising, offline advertising, brochure distribution and promotional partnerships.

Media

The Harbour Trust secured some excellent media coverage of its sites and activities during 2014-15. The first-time, residential leasing opportunity for two heritage-listed houses at Nos. 1 & 3 St Barbaras Ave, North Head Sanctuary in March 2015 was covered by:

- Channel Seven News.
- *The Sydney Morning Herald*.
- ABC Radio 702 Sydney.
- *The Manly Daily*.

At Headland Park, Channel Nine News did a feature story on the new Tunnels and Gunners Tour, ABC TV's *Gardening Australia* broadcast a location feature in August 2014 and National Indigenous TV (NITV) News covered the Georges Heights NAIDOC Week ceremony and the dedication of the Bungaree Walkway. The February and April 2015 Macquarie Lightstation tour days were featured in *mX Sydney*, *The Sydney Morning Herald*, *Time Out Sydney* and *Broadsheet Sydney* and on ABC Radio 702 Sydney. Suburban newspapers continued to regularly cover the Harbour Trust's activities.

Cockatoo Island continued to receive positive media coverage. Channel Nine's *Weekend Today* and Channel Seven's *Sunrise* both did live weather crosses from Cockatoo Island. The opening of the solitary confinement cells resulted in an exclusive Channel Seven News story on 29 August 2014, the *Shipyard Stories* exhibition was covered by ABC TV's 7.30 Report and *The Sydney Morning Herald* and both Channel Nine News and Channel Seven News broadcast feature news stories on the island's shipbuilding and dockyard history. The ANMEF Commemoration, Wanderlust Festival, the Australian National Maritime Museum (ANMM) Family Fun Day and the Harbour Trust's own January 2015 summer holiday and April 2015 school holiday activities all generated significant media coverage.

During the reporting period, Cockatoo Island continued to be profiled as a tourist destination. Working in partnership with an experienced travel PR professional, the Harbour Trust generated a significant increase in travel and tourism-related media coverage across all channels. Channel Nine's popular *Getaway* program broadcast a Cockatoo Island feature story on 11 April 2015 which reached a national audience of 1,020,000. Strong print and online coverage included feature articles in *The Daily Telegraph (Best Weekend)*, *The Sun Herald*, *The Weekend Australian*, *National Geographic Traveller*, *Australian Geographic OUTDOOR*, *Vogue Turkey*, *The New Zealand Herald*, *News.com.au*, *Yahoo 7! Total Traveller* and *Traveller.com.au*. Media visits to Cockatoo Island were also regularly organised in conjunction with Destination NSW and Tourism Australia.

Website, e-news and social media

There were 89,072 visits to the Harbour Trust's corporate website www.harbourtrust.gov.au, an increase of 2% on 2013-14 figures.

The Cockatoo Island website, www.cockatooisland.gov.au received 444,652 visitors, an increase of 12% on the previous year.

The regular Harbour Trust and Cockatoo Island e-newsletters, highlighting key events, programs and Harbour Trust news, saw an increase of 18% in subscribers during the year reported.

In 2014-15, the Cockatoo Island Facebook page continued to experience strong growth and now has over 37,000 Facebook fans, an increase of 16% on the previous year. Engagement was driven through regular posts, targeted Facebook advertising and the use of strong photography. The Facebook page was also used to cross-promote other Cockatoo Island activities such as accommodation, venue hire, leasing, tours, education and history.

Visitor Experience

Education Programs

The Harbour Trust education programs on Cockatoo Island are now supported by a new suite of marketing materials to help boost student numbers in the 2014-15 reporting period. Two new promotional videos were produced for the School Programs and Vacation Care Programs. All photography was updated and used for targeted advertising opportunities in print and online publications. The education booking processes were also streamlined and improved.

Cockatoo Island Visitor Centre and wayfinding signage

A new visitor centre was opened on Cockatoo Island in December 2014. The centre was relocated to an area of the island that is more easily accessible to visitors and can better streamline visitor servicing during peak arrival periods.

The entry signage on Cockatoo Island has also been updated to improve visitor wayfinding on arrival. All signage now directs visitors through to the new visitor centre. New promotional signage has been installed on Parramatta Wharf to assist the Harbour Trust in promoting the island's amenities and activities.

North Head Sanctuary Visitor Centre and wayfinding signage

A new visitor centre at North Head Sanctuary, Manly was officially opened to the public by The Hon. Bob Baldwin, MP, Parliamentary Secretary to the Minister for the Environment in May 2015. The centre is located in the North Fort area of the site, closer to the area's major attractions and amenities. It is also an impressive example of the Harbour Trust's adaptive re-use of heritage structures as the building housing the centre was originally built in 1935 as part of the North Fort defence workshop complex. The new centre features historical interpretation of the site, including geological, indigenous and defence history.

In December 2014, 57 new wayfinding signs were installed at North Head Sanctuary, which will improve the on-site visitor experience by making the site more accessible and user-friendly. The sign types range from pedestrian signs, which include maps of the headland and precincts, to tenant directories and vehicle signs.

Left North Head Sanctuary Visitor Centre. Credit: Ian Evans.
Right New wayfinding signage, North Head Sanctuary.



North Head Sanctuary visitor brochure and map

During the period reported, a new North Head Sanctuary visitor brochure and map was produced. The map was designed after extensive consultation with the North Head Visitor Services volunteers, North Head stakeholders and Manly community representatives. It highlights the key points of interest for the whole North Head area, including the journey from Manly and a clearly designated walking loop and bike track. The new visitor brochures are available from the Hello Manly Visitor Centre at Manly Wharf, the North Head Sanctuary Visitor Centre and at major site signage points.

Historical Interpretation

Shipyards Stories exhibition, Cockatoo Island

Shipyards Stories is an exhibition about the life and times of the Cockatoo Island Dockyard from its convict-era beginnings in the 1850s through to its closure in 1991. It tells the stories of the dockyard through photographs, artworks, anecdotes and memorabilia and is a tribute to the island's hard-working men and women and the large and thriving shipyard they once worked in.

As part of the exhibition's preparation, the Harbour Trust invited former dockyard workers to contribute their photos, memorabilia and stories about working on the island. Much of this material was donated at two 'scan-a-thon' sessions on Cockatoo Island in January 2014. Dozens of former-workers also assisted the exhibition's curators in telling the stories of what was once Australia's most significant shipbuilding dockyard.

The exhibition opened in September 2014. As a result of the positive responses from both ex-dockyard workers and casual visitors to Cockatoo Island, the Harbour Trust has now made it a permanent exhibition. *Shipyards Stories* was supported through funding from the Australian Government's Your Community Heritage Program.





2. Public Awareness, Appreciation and Enjoyment

Bungaree's Walkway, Headland Park

To commemorate the 200th anniversary of the establishment of Bungaree's Farm by Governor Lachlan Macquarie in 1815, the Harbour Trust dedicated a walking path at its Headland Park site to the historical indigenous leader in January 2015.

Bungaree's Walkway is the track that stretches up from Chowder Bay to Georges Heights and may once have been the road used to get up to Bungaree's Farm from the harbour. The naming of the walkway also represents the Harbour Trust's ongoing commitment to interpreting the indigenous heritage and history on its sites.

World War I Hospital Interpretation Trail, Headland Park

A new historical interpretation trail comprising 10 signs, a timeline and map was installed around the former 21st Australian Auxiliary Hospital buildings at Georges Heights, Mosman, in April 2015. The new World War I Hospital Interpretation Trail tells the story of the Hospital on the Hill, its buildings, their uses and the lives of the people who worked in them from 1916-21. The Harbour Trust also expanded the display in its existing Hospital on the Hill public exhibition room by adding historical photographs and interpretation panels. Both of these projects were funded by a grant from the Australian Government's Anzac Centenary Local Grants Program.

Defence of Sydney artillery display, North Head Sanctuary, Manly

The new Defence of Sydney artillery display at North Head Sanctuary, Manly was officially opened by The Hon. Bob Baldwin, MP, Parliamentary Secretary to the Minister for the Environment in May 2015. A joint project between the Harbour Trust and the Royal Australian Artillery Historical Company (RAHHC), the artillery display charts the evolution of the guns used in Sydney Harbour's defences between 1788 and 1945 and is now open to the public as part of the Harbour Trust's weekly North Fort tours. All of the guns in the display were restored by the Harbour Trust's North Head Sanctuary heritage restoration volunteer team and RAAHC volunteers. The artillery display is also the first completed project involving the recently re-established Defence Heritage Board Sub-Committee and was funded in partnership with the Department of the Environment.

Woolwich Walkway, Woolwich Dock and Parklands

In June 2015, the Harbour Trust completed a new walking track at Woolwich which connects Kelly's Bush to the Woolwich Dock and Parklands precinct. The project also included significant bushland regeneration and the installation of new interpretation and directional signs, which was funded by the NSW Government under the *Sharing Sydney Harbour Access Program* (SSHAP).

Programming

Each year, the Harbour Trust supports a diverse range of events which provide cultural experiences to enrich the experience of visitors to its precincts. These events help shape the distinctive character of these harbourside locations.

The Harbour Trust continued its commitment to cultural organisations, community groups, commercial enterprises and numerous events across our sites during the year including:

- presenting a session of the 2014 World Parks Congress on Cockatoo Island.
- a partnership with the Department of Veterans Affairs in hosting the Australian Naval & Military Expeditionary Force (ANMEF) commemorations on Cockatoo Island in August 2014 attended by the Prime Minister, The Hon. Tony Abbott, MP.
- co-hosting the Australian National Maritime Museum Family Fun Day on Cockatoo Island on 29 March 2015.
- the annual HarbourSculpture free outdoor exhibition in Woolwich.
- Urban Islands on Cockatoo Island.
- the open days at the Macquarie Lightstation and former Marine Biological Station.
- historical tours of Cockatoo Island.
- School Holiday and Vacation Programs on Cockatoo Island.
- special summer and April school holiday programming (comedy, music, family-friendly tours, historic demonstrations) on Cockatoo Island.
- NIDA's school holiday program on Cockatoo Island.

The organisation continued its support for indigenous cultural activities through its partnerships with the Mosman Art Gallery to present the *Bungaree's Farm* exhibition at the Camouflage Fuel Tank T5 at Georges Heights in January-February 2015 and with Performance

Space to host the *Nura Nula* indigenous artist residency program on Cockatoo Island in May 2015.

Education

During the year reported, guided education visits to Cockatoo Island saw an increase of 36% on the previous period. Increased marketing activity, including the creation of a new Cockatoo Island education brochure, resulted in greater outreach to schools and the consequent increase in the number of students participating in the Cockatoo Island education program. All education programs have been updated to align with the current NSW curriculum, while simultaneously emphasising the distinctive qualities of Cockatoo Island as a site to learn, create and play.

Cockatoo Island Guided Tours

Guided tours on Cockatoo Island led by education guides totalled 1,058 participants during the year reported. Education guides presented both general and seniors' tours to 58 organisations and community groups, a significant increase in the number of bookings on the previous year.

Volunteers

Our volunteers contributed over 28,000 hours to the Harbour Trust during 2014-15. During the year reported, the organisation welcomed 40 new volunteers to the program.

The Harbour Trust also had three corporate teams comprising 50 volunteers who volunteered their time on two projects. At Cockatoo Island, Suncorp corporate volunteers assisted with the restoration of a heritage crane. At North Head Sanctuary, Commonwealth Bank and Booking.com corporate volunteers assisted with the repainting of the heritage camouflage road at North Fort.

Volunteers continued to staff the visitor centres at Cockatoo Island and North Head Sanctuary and assist with events. Volunteers continue to represent the Volunteer team on the Harbour Trust's Work Health and Safety Committee and help Harbour Trust staff with administration tasks.

Guided tours and presentations

Guided tours led by volunteers ran at North Head Sanctuary (North Fort) and Headland Park while regular tour days were held at Macquarie Lightstation.

The Harbour Trust also launched group tours of Macquarie Lightstation during the year reported.

Volunteer speakers presented talks about the Harbour Trust and its sites to 34 community groups, comprising an audience of almost 2,000 people.

Volunteer restoration teams and gardeners

The Cockatoo Island heritage restoration volunteer team continued to work on restoration projects including the Stiff Leg Crane and the Icelandic Travelling Electric Crane. The North Head Sanctuary heritage restoration volunteer team restored and prepared artillery equipment for the Defence of Sydney exhibition, which is now included in the weekly North Fort tour. The Cockatoo Island and Headland Park garden teams continue to maintain the gardens at both sites.

Volunteer training

Aside from regular duties, volunteer information sessions and social outings remained an important part of the Harbour Trust volunteer experience. Refresher tours were offered to all volunteers as well as orientation training for all Visitor Services volunteers at both new Visitor Centre locations.

New volunteer roles

During 2014-15, several new volunteer roles commenced including dedicated research roles in the Marketing and Grants areas as well as a Volunteer Photographer. A Visitor Services volunteer panel was established which utilises the knowledge and experience of a group of volunteers who can assist with interpretation, signage and other Harbour Trust projects.

Rangers

With their high public visibility, the organisation's nine rangers are Harbour Trust ambassadors, providing information and assistance to visitors at its sites. They are also responsible for the safety and security of all Harbour Trust buildings, parklands, tracks and roadways. They implement the *Sydney Harbour Federation Trust Act 2001* and regulations to ensure all visitors to our sites comply with legislation and parking provisions.

Rangers assist with events and site presentations, provide first aid, attend to emergencies when called, and assist people with disabilities or the elderly around the sites.

3. Financial Sustainability

Performance indicators

- Business development initiatives generate revenue.
 - Leasing and licensing of buildings and facilities are consistent with the Harbour Trust's Comprehensive and Management Plans.
 - Commercial and residential leasing, licensing, venue hire, food & beverage and accommodation revenue is consistent with Portfolio Budget Statement Outcomes.
-

Former Guardhouse and Officers' Quarters, Cockatoo Island.
Credit: Zakarij Kaczmarek.





2014-15 snapshot

As a fully self-funding government agency, the long-term financial sustainability of the Harbour Trust is based on its capacity to generate revenue, which includes the leasing and licensing of its buildings and lands.

Within the Business Development division, all four business units (Commercial Leasing, Residential Leasing, Licensing & Venue Hire and Accommodation) reported increased year-on-year earnings in 2014-15.

The Harbour Trust continued to identify and prioritise opportunities to add additional building stock to its leasing portfolio through the restoration and adaptive reuse of under-utilised buildings. However, undertaking larger-scale restoration works, such as the HMAS *Platypus* site at Neutral Bay and potential key assets at North Head Sanctuary, would require additional funding beyond the Harbour Trust's current capability.

Encouraging visitation and increasing public awareness of Harbour Trust sites is a key component of the Business Development strategy. Licensing & Venue Hire activity brought over 35,000 people to Harbour Trust sites in 2014-15 and the visitor experience at Cockatoo Island was enhanced by major upgrades to the campground, conference centre and visitor centre.



Commercial Leasing

The Harbour Trust's commercial leasing portfolio provides the largest business unit contribution to the organisation's revenue. Vacancy rates have remained well below market benchmarks, which contributed to an increase in commercial rental income of 5% on the previous year.

The Harbour Trust issued two expressions of interest during the 2014-15 financial year. The first was for Building 5 at North Head Sanctuary (the Cutler Club), which resulted in a lease to The College of Sports and Fitness. The second was for Building 1 at Chowder Bay, which remained open into the next reporting period.

Headland Park

The Harbour Trust welcomed a number of new commercial tenants in Headland Park. The organisation was also able to accommodate several existing tenants who wanted to relocate within the Headland Park precinct. This demonstrated both the attractiveness of the site and the positive nature of the relationship between tenants and the Harbour Trust.

During the year reported, a major maintenance project to paint Georges Heights' buildings was completed. This important work is critical to the ongoing management of the heritage buildings and the Harbour Trust would like to thank all tenants for their patience and cooperation in facilitating this work.

In May 2015, The Hon. Bob Baldwin, MP, Parliamentary Secretary to the Minister for the Environment revoked his approval for the proposed aged care and dementia day care facility at Middle Head. As at 30 June 2015, the proposal was subject to ongoing legal proceedings.

Cockatoo Island

Cockatoo Island is home to a number of commercial businesses including marine, architectural, retail and food and beverage providers. During the year reported, the proposal for a marina and dry stack operation in the Sutherland Dock precinct was placed on public exhibition. The proposal will be presented to the Harbour Trust Board for determination early in the 2015-16 financial year.

North Head Sanctuary, Manly

North Head Sanctuary welcomed a number of new tenants during the year reported with existing tenants such as the Headland Montessori Day Care and Farmhouse Montessori School continuing to experience growth in their business activities. During the year reported, several key buildings were either leased or licensed for short-term TV and film productions.

Residential Leasing

Residential leasing revenue increased by 11% on the previous year. The 2014-15 residential maintenance and refurbishment program included major upgrades to two heritage-listed former Commanding Officers residences at 1 and 3 St Barbaras Avenue, North Head Sanctuary. The leasing opportunity for these refurbished properties received significant media coverage for the Harbour Trust.

Licensing and Venue Hire

Short-term commercial licensing and venue hire is an important way of promoting Harbour Trust sites to a broad audience, including regional, interstate and overseas markets. In 2014-15, these events brought over 35,000 visitors to Harbour Trust sites.

The number of licensed events increased from 161 to 197. Some of these events also contributed to accommodation income as an increasing number of event visitors chose to stay overnight to supplement their Cockatoo Island experience.

During the year reported, the Harbour Trust opened a new conference centre in Building 30 on Cockatoo Island. The facility consists of three separate conference rooms which were all named after boats that were constructed on Cockatoo Island. The Success Room caters for 40 people; the Huon Room for 18 people; and the Clarence Room for 12 people.

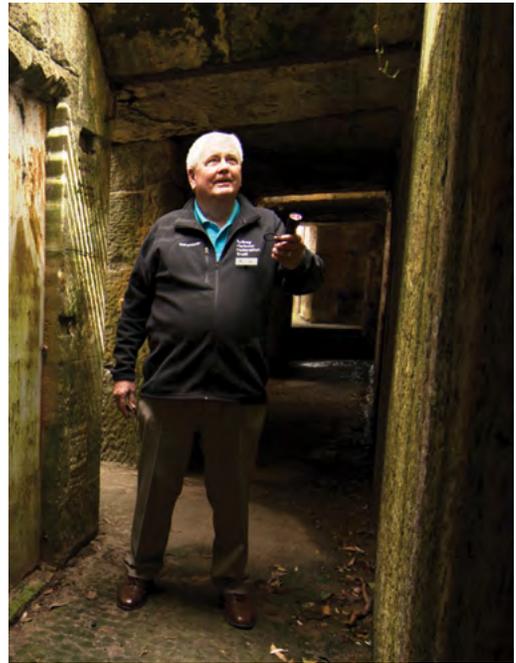
North Head Sanctuary continued to be a popular location for film and TV production while Cockatoo Island hosted several memorable, large-scale events including the annual Hillsong Church retreat and the Wanderlust Festival (a three-day yoga retreat) in February 2015.

Accommodation

The Harbour Trust's accommodation business comprises the Cockatoo Island Campsite and the Heritage Houses and Harbour View Apartments. Between August and December 2014, the campground underwent a major upgrade. This included new landscaping, a new Visitor Centre and major upgrades to existing facilities. Despite the interruption, accommodation revenue increased by 8% on the previous year.

The renovation of two heritage houses located on the upper island was completed early in the financial year, along with the Fire Station Studio located above the new Visitor Centre.

Top Left No 3 St Barbaras Ave (with No. 1 in the background), North Head Sanctuary. Credit: Zakarij Kaczmarek.
Bottom Left Garden Apartment Lounge and Dining areas. Credit: Geoff Magee. **Top Right** Harbour Trust tour guide Jack Baseley, Georges Head tunnels, Georges Heights. Credit: Stephen Fabling.
Bottom Right Garden Apartment Balcony. Credit: Geoff Magee.



4. Operations

Cockatoo Island heritage restoration volunteer
Brian Jubb. Credit: Zakarij Kaczmarek





4. Operations

Corporate governance

The Executive Director manages the Harbour Trust's affairs subject to the Harbour Trust's directions and in line with the Harbour Trust's policies.

Trustees' meetings

There were four meetings of the Harbour Trust in the 2014-15 financial year. Members attended as follows:

Name	Meetings attended
Ms A Tinney, Chair	4 out of possible 4
Ms P Braxton-Smith	4 out of possible 4
Clr J Hay, AM	4 out of possible 4
Dr E Heiss	3 out of possible 3
Ms S Hook	4 out of possible 4
Mr R Jeffs	4 out of possible 4
Mr P Lowry OAM	3 out of possible 4
The Hon L McLeay	4 out of possible 4

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee oversees:

- effective identification and management of risks.
- reliable financial and management reporting.
- compliance with applicable laws and regulations.
- maintenance of an effective and efficient audit service.
- effective fraud prevention and control measures.

There were four meetings of the Audit, Risk and Compliance Committee during the 2014-15 financial year with members attending as follows:

Name	Meetings attended
Mr R Jeffs, Chair	4 out of possible 4
Mr R Butterworth	4 out of possible 4
Mr P Hinchey	4 out of possible 4
Ms A Tinney	3 out of possible 3

Community Advisory Committee

See Appendix 2 for a list of the Community Advisory Committee members for each of the Harbour Trust's sites.

Fraud control

The Harbour Trust has adopted the Commonwealth Fraud Control Guidelines as the model for its Fraud Control Policy. A detailed Fraud Risk Assessment was used to inform the Harbour Trust's Fraud Control Plan which in turn drives control mechanisms, including fraud awareness training and internal and external audits of key functions. The Harbour Trust's Audit, Risk and Compliance Committee oversees fraud risk management.

Indemnities and insurance

The Harbour Trust took out Directors' and Officers' liability insurance with our insurers, Comcover, for the 2014-15 period.

The Harbour Trust did not provide any indemnities to directors or officers for liabilities or claims against them in 2014-15.

Procurement

The Harbour Trust's guidelines and financial instructions for purchasing goods and services are consistent with the Commonwealth Procurement Rules. Internal audits are conducted against those criteria.

The Tender Review Committee considers tenders estimated to be in excess of \$250,000. It reviewed two tenders during the 2014-15 financial year.

The two tenders related to the refurbishment of Buildings 29, 30, 164 at Cockatoo Island and the Chowder Bay Wharf upgrade.

Tendering and contracting

The unique heritage nature of the sites, buildings and equipment demand a wide variety of highly specialised skills that are not always readily available in our existing staff. We engage specialist consultants for these roles.

The Harbour Trust engaged 41 consultants with a total value of \$500,199 (including GST) to provide specialist advice on:

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

Financial Summary

The Harbour Trust posted an operating surplus of \$132,000 for the 2014-15 financial year. The organisation's total comprehensive income was \$30.154 million, of which its own source revenue comprised \$17.794 million. The total comprehensive income result was higher than planned due to the revaluation increase of \$30.022 million to the fair value of the Harbour Trust's non-financial assets. The organisation's total revenue increased from the previous financial year, mainly due to improved income across its core income-generating activities such as accommodation, commercial leasing and residential leasing. One-off revenue items such as the transfer to the Harbour Trust of the newly-constructed Margaret Street car park in Woolwich from Hunters Hill Council has also increased revenue for 2014-15. The improved income streams and one-off revenue items offset a fall in interest income from falling yields and lower cash reserves with the HMAS *Platypus* Remediation Project nearing completion.

The growth in revenue enabled the Harbour Trust to allocate additional funds to continue its extensive

condition-based maintenance program. The additional allocation of funds enabled the organisation to complete major maintenance works at Headland Park, Cockatoo Island and North Head Sanctuary, and bring forward a number of maintenance projects from the 2015-16 programed works.

The Harbour Trust continued to allocate funds from its cash reserves to capital renewal projects in 2014-15. Funds were allocated to key heritage asset upgrades including income-generating asset works where improved yields were evidenced. During the reporting period, the Harbour Trust also continued to upgrade its sites infrastructure and services assets, as well as improve public amenities through the planning and installation of new walking tracks, public landscaping and marina structure upgrade works.

In summary, the Harbour Trust has maintained its robust financial position.

Key Financial Performance

The following operational areas performed above expectations:

- 5% commercial leasing income growth
- 11% growth in residential leasing income
- 8% growth in accommodation income and parking revenue
- Completion of the major remediation works at HMAS *Platypus* within budget
- Continued upgrade of site infrastructure through the use of cash reserves held in the Harbour Trust's asset renewal reserve.

Prime Minister The Hon. Tony Abbott, MP, with Australian Defence Force cadets, AMNEF commemorations, Cockatoo Island, August 2014.
Credit: Zakarjij Kaczmarek.



4. Operations

Human Resources

Employees

Employees of the Harbour Trust are engaged under section 48 of the *Sydney Harbour Federation Trust Act 2007* with the terms and conditions of employment according to the Harbour Trust's Enterprise Agreement 2012. The current number of employees stands at 77, comprising 62 full-time, 6 part-time and 9 casual employees.

Learning and Development

The Harbour Trust encourages the growth of skills and knowledge of their employees to meet the needs of the organisation now and into the future.

The Learning and Development Plan for 2014-15 revolved around training employees in:

1. Work Health and Safety (WHS) qualifications and working safely
2. Marketing and Event Management training
3. Office software training
4. Maintaining employees' qualifications required for the role
5. Maintaining employees' industry knowledge
6. Updates on new or changed legislation.

Public Interest Disclosures

The Sydney Harbour Federation Trust reported to the Commonwealth Ombudsman in June 2015 that it had received no public interest disclosures. This is a requirement of the *Public Interest Disclosure Act 2013*.

Access and safety

Risk assessment

Risk management is an integral part of all Harbour Trust projects and events. During the reporting period, the Harbour Trust provided risk management training to key staff. Utilising an enhanced risk framework, operational risk registers have now been introduced to improve the monitoring of the dynamic nature and profile of the Harbour Trust's roles and functions. The Trust's Internal Audit service provider reviewed the risk management structure during the year.

As part of the risk management strategy, an internal audit tool was developed whereby major tenders and randomly selected smaller value procurements are assessed against Commonwealth Procurement Rules.

Workplace Health and Safety (WHS)

The Harbour Trust and all workers recognise their obligations under the *Work Health and Safety Act 2011*, its related regulations and codes of practice. The Harbour Trust's Workplace Health and Safety Committee is a key part of this system by discussing, consulting and monitoring workplace health and safety within the Harbour Trust.

WHS statistics

Table: WHS statistics 2012-13 and 2013-14 for employees, volunteers and contractors.

Hazards, Incidents, Injuries	2013-14	2014-15
Number of incidents and accidents reported	14	8
Number of lost time injuries	0	0

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual
Executive Director	1	0	1	0	0	1	0
Deputy Director	1	0	1	0	0	1	0
Senior Executive	3	2	5	0	2	3	0
EL2	6	4	9	1	4	6	0
EL1	6	5	11	0	2	9	0
L6	2	6	7	1	2	6	0
L5	6	3	8	1	2	7	0
L4	5	4	8	1	1	8	0
L3	7	4	9	2	0	11	0
L1-2	3	7	1	0	0	10	9
Trainees	0	2	2	0	0	2	0
Total	40	37	62	6	13	64	9

Equity and diversity

The Harbour Trust is committed to the principles of equity and diversity ensuring our workforce is representative of the broader Australian community. The Harbour Trust has put in place a Disability Action Plan and an Indigenous Employment Strategy to help achieve this objective.

Disability Action Plan

The Harbour Trust Disability Action Plan outlines how the needs and preferences of people with a disability are considered when planning, delivering, promoting and evaluating its services. The organisation also has a responsibility to ensure that people face no barriers to employment. It will provide reasonable adjustments to its workplaces to enable staff with a disability to be fully productive.

As at 30 June 2015:

- the proportion of employees with disability relative to the whole workforce is 4%.
- the organisation has not undertaken targeted recruitment of employees with disability relative to all new recruits.

Indigenous Employment Strategy

The Indigenous Employment Strategy focuses on providing opportunities to increase the representation of Aboriginal and Torres Strait Islander people working at the Harbour Trust. As part of this strategy, the Harbour Trust introduced the Reconciliation Action Plan (RAP). The RAP guides the Harbour Trust in:

- protecting and promoting the indigenous heritage on its sites
- liaising with the Aboriginal community to assist with its objectives
- fostering the active participation of Aboriginal people in activities across its sites
- welcoming Aboriginals and Torres Strait Islanders as employees.

Achievements

As at the 30 June 2015, the Harbour Trust had a goal of achieving 2 full-time indigenous positions on its staff. Currently, the organisation has one indigenous employee.

As part of its RAP, the organisation:

- held NAIDOC week celebrations in 2014 at Georges Heights, which comprised a NAIDOC Week Flag Raising Ceremony and a cultural awareness session for Harbour Trust staff and volunteers
- hosted the *Bungaree's Farm* exhibition in partnership with Mosman Council at the Camouflage Fuel Tank T5 at Georges Heights in January-February 2015
- dedicated the walking track between Chowder Bay and Georges Heights to the historic indigenous leader Bungaree in January 2015 by renaming it the Bungaree Walkway
- supported Bangarra Dance Theatre with the filming of their work *SPEAR*
- assisted Performance Space to conduct *Nura Nula*, a week-long residency program for indigenous artists on Cockatoo Island in May 2015.

Judicial decisions and reviews by outside bodies

A decision made by the Harbour Trust on 16 September 2014 to approve a Development Application from Middle Head Healthcare Pty Ltd to create an aged and dementia care facility in disused buildings on Trust lands at Middle Head, Mosman was subject to an appeal under the *Administrative Decisions (Judicial Review) Act 1977* lodged by the Headland Preservation Group Incorporated on 24 March 2015. Case NSD284/2015 is due to be heard in the Federal Court on 30 November 2015.

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

Ministerial directions

There were no ministerial directions given to the Harbour Trust during the reporting period. For the purposes of the *Public Governance, Performance and Accountability Act 2013 s19*, the Harbour Trust provided a Compliance Report to the Minister and the Finance Minister for the reporting period.

5. Independent Audit Report

To the Minister for the Environment

I have audited the accompanying financial statements of Sydney Harbour Federation Trust for the year ended 30 June 2015, which comprise:

- Statement by Members, Executive Director and Chief Financial Officer;
- Consolidated Statement of Comprehensive Income;
- Consolidated Statement of Financial Position;
- Consolidated Statement of Changes in Equity;
- Consolidated Cash Flow Statement;
- Consolidated Schedule of Commitments;
- Consolidated Schedule of Contingencies; and
- Notes to and forming part of the Financial Statements comprising a Summary of Significant Accounting Policies and other explanatory information.

The consolidated entity comprises the Sydney Harbour Federation Trust and the entities it controlled at the year's end or from time to time during the year.

Accountable Authority's Responsibility for the Financial Statements

The Board of the Sydney Harbour Federation Trust is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under that Act. The Board is also

responsible for such internal control as is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I have conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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



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

Independence

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

Opinion

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

- (a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Sydney Harbour Federation Trust and its consolidated entities as at 30 June 2015 and their financial performance and cash flows for the year then ended.

Australian National Audit Office



Rahul Tejani
Senior Director
Delegate of the Auditor-General
Canberra
16 September 2015

6. Financial Statements

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

In our opinion, the attached financial statements for the year ended 30 June 2015 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*, and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that the Sydney Harbour Federation Trust will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the members.

Signed,



Jean Hay
Acting Chairperson
16 September 2015



Geoff Bailey
Executive Director
16 September 2015



Susan Culverston
Chief Financial Officer
16 September 2015

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
NET COST OF SERVICES			
Expenses			
Employee benefits	3A	6,796	6,433
Suppliers	3B	8,669	7,287
Depreciation and amortisation	3C	2,158	2,115
Write-down and impairment of assets	3D	39	366
Total expenses		<u>17,662</u>	<u>16,201</u>
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	2,823	2,679
Fees and fines	4B	355	227
Interest	4C	1,540	2,044
Rental income	4D	12,097	11,482
Other revenue	4E	979	274
Total own-source revenue		<u>17,794</u>	<u>16,706</u>
Gains			
Sale of assets	4F	-	13
Total gains		<u>-</u>	<u>13</u>
Total own-source income		<u>17,794</u>	<u>16,719</u>
Net (contribution by) services		<u>(132)</u>	<u>(518)</u>
Surplus		<u>132</u>	<u>518</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income			
Items not subject to subsequent reclassification to net cost of services			
Change in asset revaluation reserve		30,022	-
Total other comprehensive income		<u>30,022</u>	<u>-</u>
Total comprehensive income		<u>30,154</u>	<u>518</u>

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

6. Financial Statements

Consolidated Statement of Financial Position

as at 30 June 2015

		2015	2014
	Notes	\$'000	\$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	6A	3,282	2,410
Investments	6B	38,629	47,973
Trade and other receivables	6C	1,079	1,178
Total financial assets		<u>42,990</u>	<u>51,561</u>
Non-Financial Assets			
Land and buildings	7A	274,705	250,686
Infrastructure, plant and equipment	7B	29,103	13,749
Heritage and collections	7C	25,447	32,423
Intangibles	7D	243	137
Inventories	7F	110	135
Other non-financial assets	7G	179	265
Total non-financial assets		<u>329,787</u>	<u>297,395</u>
Total Assets		<u>372,777</u>	<u>348,956</u>
LIABILITIES			
Payables			
Suppliers	8A	133	1,178
Other payables	8B	4,836	4,136
Total payables		<u>4,969</u>	<u>5,314</u>
Provisions			
Employee provisions	9A	1,378	1,266
Other provisions	9B	3,885	9,985
Total provisions		<u>5,263</u>	<u>11,251</u>
Total Liabilities		<u>10,232</u>	<u>16,565</u>
Net Assets		<u>362,545</u>	<u>332,391</u>
EQUITY			
Contributed equity		257,735	257,735
Reserves	9C	98,409	66,347
Retained surplus		6,401	8,309
Total Equity		<u>362,545</u>	<u>332,391</u>

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

Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

	Retained Surplus		Asset Renewal Reserve		Asset Revaluation Reserve		Contributed Equity		Total Equity	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Opening balance										
Balance carried forward from previous year	8,309	9,789	6,198	4,200	60,149	60,149	257,735	257,735	332,391	331,873
Adjusted opening balance	8,309	9,789	6,198	4,200	60,149	60,149	257,735	257,735	332,391	331,873
Asset Renewal Reserve										
Transfer to/(from) Retained Surplus	(2,040)	(1,998)	2,040	1,998	-	-	-	-	-	-
Total asset renewal reserve	(2,040)	(1,998)	2,040	1,998	-	-	-	-	-	-
Comprehensive income										
Other comprehensive income	-	-	-	-	30,022	-	-	-	30,022	-
Surplus for the year	132	518	-	-	-	-	-	-	132	518
Total comprehensive income	132	518	-	-	30,022	-	-	-	30,154	518
Closing balance as at 30 June	6,401	8,309	8,238	6,198	90,171	60,149	257,735	257,735	362,545	332,391

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

6. Financial Statements

Consolidated Cash Flow Statement

for the year ended 30 June 2015

	Notes	2015 \$'000	2014 \$'000
OPERATING ACTIVITIES			
Cash received			
Sales of goods and rendering of services		3,087	2,612
Rent income		13,140	12,676
Interest		105	136
Other revenue		1,310	274
Total cash received		17,642	15,698
Cash used			
Employee benefits		(6,749)	(6,427)
Suppliers		(9,604)	(8,497)
Net GST paid		(1,010)	(962)
Total cash used		(17,363)	(15,886)
Net cash from/(used by) operating activities	10	279	(188)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of assets		-	13
Investments		90,217	100,932
Total cash received		90,217	100,945
Cash used			
Investments		(79,438)	(93,011)
Purchase of property, plant and equipment		(10,186)	(12,577)
Total cash used		(89,624)	(105,588)
Net cash from/(used by) investing activities		593	(4,643)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Total cash received		-	-
Net cash from financing activities		-	-
Net increase (decrease) in cash held		872	(4,831)
Cash and cash equivalents at the beginning of the reporting period		2,410	7,241
Cash and cash equivalents at the end of the reporting period	6A	3,282	2,410

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

Consolidated Schedule of Commitments

as at 30 June 2015

	2015 \$'000	2014 \$'000
BY TYPE		
Commitments receivable		
Lease rental income ⁴	<u>(32,798)</u>	<u>(36,634)</u>
Total commitments receivable	<u>(32,798)</u>	<u>(36,634)</u>
Commitments payable		
Net GST Payable on commitments	<u>2,472</u>	<u>2,162</u>
Total net GST commitments payable	<u>2,472</u>	<u>2,162</u>
Capital commitments		
Project commitments ¹	<u>5,235</u>	<u>11,124</u>
Total capital commitments	<u>5,235</u>	<u>11,124</u>
Other commitments		
Operating leases ²	-	-
Other commitments ³	<u>325</u>	<u>1,927</u>
Total other commitments	<u>325</u>	<u>1,927</u>
Net commitments by type	<u>(24,766)</u>	<u>(21,421)</u>
BY MATURITY		
Other commitments receivable		
Within one year	<u>(7,259)</u>	<u>(7,655)</u>
Between one to five years	<u>(13,533)</u>	<u>(15,027)</u>
More than five years	<u>(12,006)</u>	<u>(13,952)</u>
Total other commitments receivable⁴	<u>(32,798)</u>	<u>(36,634)</u>
Commitments payable		
Net GST commitments		
Within one year	<u>150</u>	<u>(472)</u>
Between one to five years	<u>1,230</u>	<u>1,366</u>
More than five years	<u>1,092</u>	<u>1,268</u>
Total net GST commitments	<u>2,472</u>	<u>2,162</u>
Capital commitments		
Within one year	<u>5,235</u>	<u>11,124</u>
Total capital commitments	<u>5,235</u>	<u>11,124</u>
Operating lease commitments		
Within one year	<u>-</u>	<u>-</u>
Total operating lease commitments	<u>-</u>	<u>-</u>
Other commitments		
Within one year	<u>325</u>	<u>1,927</u>
Total other commitments	<u>325</u>	<u>1,927</u>
Net Commitments by Maturity	<u>(24,766)</u>	<u>(21,421)</u>

NB: Commitments are GST inclusive where relevant.

Notes:

1. Project commitments comprise contracts for rehabilitation and conservation works at Trust sites.
2. Operating leases are motor vehicle leases. No contingent rentals exist.
3. Other commitments are amounts payable under supply contracts.
4. Commitments receivable consists of tenant lease payments due from the leasing of Trust buildings, plus GST receivable.

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

6. Financial Statements

Consolidated Schedule of Contingencies

as at 30 June 2015

There were no contingent assets or liabilities required to be disclosed as at 30 June 2015 (2014 - Nil).

Content of the Notes to the Financial Statements

- Note 1:** Summary of Significant Accounting Policies
- Note 2:** Events After the Reporting Period
- Note 3:** Expenses
- Note 4:** Own-Source Income
- Note 5:** Fair Value Measurements
- Note 6:** Financial Assets
- Note 7:** Non-Financial Assets
- Note 8:** Payables
- Note 9:** Provisions
- Note 10:** Cash Flow Reconciliation
- Note 11:** Senior Management Personnel Remuneration
- Note 12:** Financial Instruments
- Note 13:** Reporting of Outcomes
- Note 14:** Budgetary Reports & Explanations of Major Variances
- Note 15:** Sydney Harbour Conservancy

Note 1: Summary of Significant Accounting Policies

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

The Trust is an Australian Government accountable authority. The Trust is structured to meet one outcome:

Outcome 1: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

The continued existence of the Trust in its present form and with its present programs is dependent on Government policy.

1.2 Basis of Preparation of the Financial Statements

The financial statements are required by section 42 of the *Public Governance, Performance and Accountability Act 2013* and are General Purpose Financial Statements.

The financial statements have been prepared in accordance with:

- a) Finance Reporting Rule 2015 (FRR) for reporting periods ending on or after 1 July 2014; and
- b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an Accounting Standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position, when and only when, it is probable that future economic benefits will flow to the Trust or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an Accounting Standard.

Liabilities and assets that are unrecognised are reported in the schedule of commitments or the schedule of contingencies.

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

Consolidation and associated company

The financial statements show information for the economic entity only; this reflects the consolidated results for the parent entity, the Sydney Harbour Federation Trust, and its controlled entities, Sydney Harbour Conservancy Limited and Sydney Harbour Conservancy. The results of the parent entity do not

differ materially from the economic entity and have therefore not been separately disclosed. The Sydney Harbour Conservancy is a Trust for which the Sydney Harbour Conservancy Limited (company limited by guarantee) is Trustee (refer to Note 15 for further details).

The accounting policies of the Sydney Harbour Conservancy Limited and Sydney Harbour Conservancy are consistent with those of the Trust and its assets, liabilities and results have been consolidated with the parent entity accounts in accordance with the Accounting Standards. All internal transactions and balances have been eliminated on consolidation.

1.3 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Trust has made the following judgements that have the most significant impact on the amounts recorded in the financial statements:

- The fair value of land has been taken to be the market value of similar properties as determined by an independent valuer. Buildings have been valued using depreciated replacement cost and therefore the valuer has provided an estimate with respect to the replacement cost.
- A provision for decontamination works at HMAS *Platypus* has been reflected in the Trust's balance sheet. The value of the provision in the Statement of Financial Position is based on funds provided by the Department of Defence to complete the works. At the time of these statements the major remediation contract for stage two works has been completed and the final 'make good' works are to be completed within the next three months.

The Harbour Trust is currently undertaking the remaining project works, namely the wharf works and make good landscaping works at *Platypus*. These works are expected to be completed by October 2015.

- The provision held for doubtful debts is based on overdue receivables greater than 90 days where an arrears agreement has not been finalised or where it has been assessed that the debt is unlikely to be recovered.

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

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date as stated in the standard. No new accounting standards, amendments to standards and interpretations issued by the Australian Accounting Standards Board that are applicable in the current period have had a material financial impact on the Trust.

6. Financial Statements

AASB 1055 Budgetary Reporting - The new standard requires that where budgeted financial statements reflecting controlled items are presented to Parliament, the original budgeted financial statements or information must be disclosed, restated if necessary, to align with the presentation and classification adopted for the primary financial statements. Explanations of major variances between actual and budgeted amounts are also required to be disclosed.

Future Australian Accounting Standard Requirements

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

1.5 Revenue

Revenue from the sale of goods is recognised when:

- The risks and rewards of ownership have been transferred to the buyer;
- The authority retains no managerial involvement nor effective control over the goods;
- The revenue and transaction costs incurred can be reliably measured; and
- It is probable that the economic benefits associated with the transaction will flow to the Trust.

Revenue from rendering of services is recognised by reference to the stage of completion of contracts at the reporting date. The revenue is recognised when:

- The amount of revenue, stage of completion and transaction costs incurred can be reliably measured; and
- The probable economic benefits associated with the transaction will flow to the Trust.

The stage of completion of contracts at the reporting date is determined by reference to the proportion that costs incurred to date bear to the estimated total costs of the transaction.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at the end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental Income

Rental revenue for operating leases is recognised on a straight line basis over the term of the lease, except when an alternative basis is more representative of the pattern of service rendered through the provision of the leased premises. Lease incentives offered under operating leases are amortised on a straight line basis in the profit or loss over the life of the lease.

1.6 Gains

Sale of Assets

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

1.7 Employee Benefits

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

Liabilities for 'short-term employee benefits' (as defined in *AASB 119 Employee Benefits*) and termination benefits due within twelve months of the reporting period are measured at their nominal amounts.

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

Other long-term employee benefits are measured as net total of the present value of the defined benefit obligation at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

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

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

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

Separation and Redundancy

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

Superannuation

Certain employees of the Trust are members of the Commonwealth Superannuation Scheme (CSS), the Public Sector Superannuation Scheme (PSS) or the PSS Accumulation Plan (PSSap).

The CSS and PSS are defined benefit schemes for the Australian Government. The PSSap is a defined contribution scheme.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance and Deregulation's administered schedules and notes.

The Trust makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government.

Employer superannuation contributions for employees who are not members of the CSS or PSS are expensed in the financial statements. There is no residual liability in respect of these contributions. The Trust accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions for the final fortnight of the year.

1.8 Leases

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

The Trust has no finance leases, and operating lease payments are expensed on a straight line basis which is representative of the pattern of benefits derived from the leased assets.

1.9 Cash

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of three months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.10 Fair Value Measurement

The Trust deems transfers between levels of the fair value hierarchy to have occurred at the end of the reporting period.

1.11 Financial Assets

The Trust classifies its financial assets in the following categories:

- 'held-to-maturity investments'; and
- 'loans and receivables'.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets are recognised and derecognised upon 'trade date'.

Effective interest method

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

Income from investments is recognised on an effective interest rate basis.

Held-to-maturity investments

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

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. The Trust has no loans. Receivables are included in current assets. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

Impairment of financial assets

Financial assets are assessed for impairment at each reporting period.

Financial assets held at amortised cost -

If there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

1.12 Financial Liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. Financial liabilities are recognised and derecognised upon trade date.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

1.13 Contingent Liabilities and Contingent Assets

Contingent Liabilities and Contingent Assets are not recognised in the Statement of Financial Position but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent Assets are disclosed when settlement is probable but not virtually certain and Contingent Liabilities are disclosed when settlement is greater than remote.

6. Financial Statements

1.14 Acquisition of Assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor authority's accounts immediately prior to the restructuring.

1.15 Property, Plant and Equipment

Asset Recognition Threshold

Purchases of infrastructure, plant and equipment are recognised initially at cost in the Statement of Financial Position, except for purchases costing less than \$2,000, which are expensed in the year of acquisition other than where they form part of a group of similar items which are significant in total.

Fair Value & Revaluations

Fair value for each class of asset equals the total of the most recent revalued amounts and capital expenditure at cost subsequent to the last valuation.

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

Asset Class	Fair value measured at
Land	Market appraisal
Buildings exc. Leasehold improvements	Depreciated replacement cost
Leasehold improvements	Depreciated replacement cost
Infrastructure, plant and equipment	Depreciated replacement cost
Heritage and cultural assets	Market appraisal

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depends upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reverses a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reverse a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation

Depreciable infrastructure, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to the Trust using, in all cases, the straight-line method of depreciation.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2015	2014
Buildings on freehold land	10 to 125 years	10 to 125 years
Infrastructure	10 to 50 years	10 to 50 years
Plant and equipment	3 to 20 years	3 to 20 years

All heritage and cultural assets have indefinite useful lives and are not depreciated. 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 3C.

Impairment

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Heritage and Cultural Assets

The Trust owns and manages buildings, monuments and structures that have significant heritage and cultural value (with an aggregated fair value of \$25.447m (2014: \$32.423m)). The Trust has classified them as heritage and cultural assets as they were primarily used for purposes that relate to their cultural significance. The Trust has adopted appropriate

curatorial and preservation policies for these heritage assets and the items are deemed to have indefinite useful lives and hence are not depreciated. The Trust's curatorial and preservation policies are publicly available within the Trust's Management Plans at <http://www.harbourtrust.gov.au/planning-projects/strategic-plans>.

Asset Renewal Reserve

The Trust established an asset renewal reserve in 2012-13 to set aside funds for the future asset renewal of its significant asset base. The Trust transferred \$2.040 million from its accumulated results to a general equity reserve account called "Asset Renewal Reserve" (see Statement of Changes in Equity in 2014/15). The asset renewal reserve will be supplemented at the end of each financial year by an amount equivalent to the minimum 100% of the annual depreciation expense, subject to a review of the asset renewal plans. The reserve funds will be drawn down to fund future major capital renewal works to Trust assets.

AASB 13 Fair Value Measurement

Fair value is a market-based measurement, not an entity specific measurement. For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (ie. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. (See Note 5A & 5B).

AASB 13 applies when another accounting standard requires or permits fair value measurements or disclosures about fair value measurements. The standard requires entities to classify these measurements into a 'fair value hierarchy' based on the nature of the inputs:

Level 1 - quoted prices in active markets for identical assets and liabilities that the entity can access at the measurement date.

Level 2 - inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 - unobservable inputs for the asset or liability.

1.16 Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Trust's software is 3 to 5 years (2013-14: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2015.

1.17 Inventories

Inventories held for sale are valued at the lower of cost and net realisable value and consist of externally produced clothing, merchandise and publications.

Inventories acquired at no cost or nominal consideration are initially measured at current replacement cost at the date of acquisition.

1.18 Taxation

The Trust is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST:

- except where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- except for receivables and payables.

Note 2: Events After the Reporting Period

There are no other events that have occurred after the reporting period that would have an effect on the Trust's 2014-15 financial statements other than those that are already reflected in the financial statements.

6. Financial Statements

Note 3: Expenses

	2015	2014
	\$'000	\$'000
Note 3A: Employee benefits		
Wages and salaries	5,945	5,591
Superannuation	624	574
Leave and other entitlements	192	176
Separation and redundancies	27	83
Other employee costs	8	9
Total employee benefits	<u>6,796</u>	<u>6,433</u>
Note 3B: Suppliers		
Goods and services supplied or rendered		
Corporate Overheads	1,013	946
Marketing, Programming & Events	714	622
Management of Environment	1,194	1,123
Site Maintenance & Planning	3,574	2,703
Security	682	645
Accommodation Management	521	580
Property Management	647	448
Total goods and services supplied or rendered	<u>8,345</u>	<u>7,067</u>
Goods supplied in connection with		
Related entities	-	-
External parties	433	383
Total goods and services	<u>433</u>	<u>383</u>
Services rendered in connection with		
Related entities	360	386
External parties	7,552	6,298
Total services rendered	<u>7,912</u>	<u>6,684</u>
Total goods and services supplied or rendered	<u>8,345</u>	<u>7,067</u>
Other supplier expenses		
Operating lease rentals - external parties	32	38
Workers compensation premiums	292	182
Total other supplier expenses	<u>324</u>	<u>220</u>
Total supplier expenses	<u>8,669</u>	<u>7,287</u>

The Trust has provided resources free of charge to the Sydney Harbour Conservancy Ltd amounting to \$6,492 (2014: \$6,535), and to the Sydney Harbour Conservancy Fund amounting to \$3,200 (2014: \$3,110) during the year ending 30 June 2015.

Note 3: Expenses

	2015 \$'000	2014 \$'000
Note 3C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	695	671
Buildings	<u>1,344</u>	<u>1,299</u>
Total depreciation	<u>2,039</u>	<u>1,970</u>
Amortisation:		
Intangibles:		
Computer Software	29	28
Lease Incentives	<u>90</u>	<u>117</u>
Total amortisation	<u>119</u>	<u>145</u>
Total depreciation and amortisation	<u>2,158</u>	<u>2,115</u>
Note 3D: Write-down and impairment of assets		
Asset write-downs from:		
Impairment on financial assets	39	7
Impairment on non-financial assets	<u>-</u>	<u>359</u>
Total write-down and impairment of assets	<u>39</u>	<u>366</u>

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

Note 4: Own-Source Income

	2015 \$'000	2014 \$'000
Own-Source Revenue		
Note 4A: Sale of goods and rendering of services		
Provision of goods - external parties	36	110
Rendering of services - external parties	<u>2,787</u>	<u>2,569</u>
Total sale of goods and rendering of services	<u>2,823</u>	<u>2,679</u>
Note 4B: Fees and fines		
Infringements	<u>355</u>	<u>227</u>
Total fees and fines	<u>355</u>	<u>227</u>
Note 4C: Interest		
Deposits	<u>1,540</u>	<u>2,044</u>
Total interest	<u>1,540</u>	<u>2,044</u>
Note 4D: Rental income		
Property rentals and short-term hire	<u>12,097</u>	<u>11,482</u>
Total rental income	<u>12,097</u>	<u>11,482</u>
Note 4E: Other revenue		
Fees, Sponsorship & Infrastructure contribution	717	129
Grants - Department of Veterans Affairs & NSW Department of Planning & Environment	<u>262</u>	<u>145</u>
Total other revenue	<u>979</u>	<u>274</u>
Note 4F: Sale of assets		
Infrastructure, plant and equipment:		
Proceeds from sale	<u>-</u>	<u>13</u>
Net gain from sale of assets	<u>-</u>	<u>13</u>

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Note 5: Fair Value Measurements

The following tables provide an analysis of assets and liabilities that are measured at fair value.

The different levels of the fair value hierarchy are defined below.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Note 5A: Fair Value Measurements, Valuation Techniques and Inputs Used

Level 2 and 3 fair value measurements - valuation technique and the inputs used for assets and liabilities in 2015

	Fair Value Measurements		Category (Level 1, 2 or 3)	Valuation technique(s) ¹	Inputs used ²	Range ^{2/3}
	2015	2014				
	\$'000	\$'000				
Non-financial assets						
Land	196,708	179,324	Level 2	Market approach	Direct comparison of similar open space land sales. Land size. Advised outstanding costs of remediation.	
Buildings	77,997		Level 2	Cost approach	Building design, structure and materials used, current construction costs, assets useful life, visual inspection to estimate of written down value of asset used.	Building components range from \$6,279 to \$5,483,875
		71,362	Level 3	Cost approach		
Infrastructure, plant and equipment	29,103		Level 2	Cost approach	Market replacement cost less estimate of written down value of asset used.	\$2,000 per item to \$7,931,436 for a hardstand
		13,749	Level 3	Cost approach		
Heritage and collections	25,447		Level 2	Cost approach	Building design, structure and materials used, replacement market value, assets useful life, site improvements, visual inspection to estimate of written down value of asset used.	\$3,025 per item to \$2,523,058 for an office building
		32,423	Level 3	Cost approach		
Total non-financial assets	329,255	296,858				

There has been transfers between Level 2 and 3 fair value measurements during the 2014-15 year.

1. No change in valuation technique occurred during the period.
2. Significant unobservable inputs only.
3. Due to the range no weighted average has been calculated.

Note 5B: Reconciliation for Recurring Level 3 Fair Value Measurements

Recurring Level 3 fair value measurements - reconciliation for assets

	Non-financial assets							
	Buildings		Infrastructure. Plant & Equipment		Heritage & Collections		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
As at 1 July	71,362	71,784	13,749	14,123	32,423	31,770	117,534	117,677
Total gains/(losses) recognised in net cost of services ¹	(1,344)	(1,299)	(695)	(1,031)	-	-	(2,039)	(2,330)
Purchases	1,869	877	1,659	657	212	653	3,740	2,187
Transfers out of Level 3 ²	(71,887)	-	(14,713)	-	(32,635)	-	(119,235)	-
Total as at 30 June	-	71,362	-	13,749	-	32,423	-	117,534
Changes in unrealised gains/ (losses) recognised in net cost of services for assets held at the end of the reporting period	-	-	-	-	-	-	-	-

1. These gains/(losses) are presented in the Statement of Comprehensive Income under depreciation & amortisation and write down and impairment of assets.

2. These non-financial assets were transferred from Level 3 to Level 2 due to the revaluation of the Trust's assets conducted by Jones Lang LaSalle at year end 30 June 2015.

The Trust's policy for determining when transfers between levels are deemed to have occurred can be found in Note 1.

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Note 6: Financial Assets

	2015 \$'000	2014 \$'000
Note 6A: Cash and cash equivalents		
Cash at bank	3,280	2,408
Cash on hand	2	2
Total cash	<u>3,282</u>	<u>2,410</u>
Note 6B: Investments		
Term Deposits	<u>38,629</u>	<u>47,973</u>
Total Investments	<u>38,629</u>	<u>47,973</u>

Cash at bank and investments include funding quarantined for the decontamination of HMAS *Platypus* (\$3.885 million), reserves from the sale of Markham Close properties held for future capital renewal projects (\$23.000 million), as well as the Trust's ongoing capital works and capital renewal.

	2015 \$'000	2014 \$'000
Note 6C: Trade and other receivables		
Goods and Services		
Goods and services related entities	-	-
Goods and services external parties	<u>619</u>	<u>827</u>
Total receivables for goods and services	<u>619</u>	<u>827</u>
Other receivables		
GST receivable from the Australian Taxation Office	-	143
Interest receivable	5	6
Other receivables	<u>564</u>	<u>272</u>
Total other receivables	<u>569</u>	<u>421</u>
Total trade and other receivables (gross)	<u>1,188</u>	<u>1,248</u>
Less impairment allowance account:		
Goods and services	-	-
Fees and fines	<u>(109)</u>	<u>(70)</u>
Total trade and other receivables (net)	<u>1,079</u>	<u>1,178</u>

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

	2015 \$'000	2014 \$'000
Trade and other receivables (gross) are aged as follows:		
Not overdue	569	421
Overdue by:		
Less than 30 days	315	527
31 to 60 days	25	8
61 to 90 days	45	10
More than 90 days	<u>234</u>	<u>282</u>
Total trade and other receivables (gross)	<u>1,188</u>	<u>1,248</u>

	2015 \$'000	2014 \$'000
The impairment allowance account is aged as follows:		
Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(109)	(70)
Total Impairment allowance account	<u>(109)</u>	<u>(70)</u>

Receivables for Goods & Services

Credit terms are net 30 days (2014: 30 days), except for sales of property which are due on settlement.

Reconciliation of the Impairment allowance account:

Movements in relation to 2015

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	(70)	(70)
Increase recognised in net surplus	-	(39)	(39)
Closing balance	<u>-</u>	<u>(109)</u>	<u>(109)</u>

Movements in relation to 2014

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	(247)	(51)	(298)
Increase recognised in net surplus	247	(19)	228
Closing balance	<u>-</u>	<u>(70)</u>	<u>(70)</u>

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Note 7: Non-Financial Assets

	2015 \$'000	2014 \$'000
Note 7A: Land and buildings		
Freehold land		
- at fair value	<u>196,708</u>	<u>179,324</u>
Total freehold land	<u>196,708</u>	<u>179,324</u>
Buildings on freehold land:		
- at fair value	<u>77,997</u>	<u>76,390</u>
- accumulated depreciation	<u>-</u>	<u>(5,028)</u>
Total buildings on freehold land	<u>77,997</u>	<u>71,362</u>
Total land and buildings	<u>274,705</u>	<u>250,686</u>

The Trust has completed the majority of decontamination works to its current sites. The cost of the remaining decontamination and remediation works has been taken into account in arriving at the fair values.

No land or buildings are expected to be sold or disposed of within the next 12 months.

Note 7B: Infrastructure, plant and equipment

Infrastructure, plant and equipment:		
- at cost	<u>31,635</u>	<u>17,082</u>
- accumulated depreciation	<u>(2,532)</u>	<u>(3,333)</u>
Total infrastructure, plant and equipment	<u>29,103</u>	<u>13,749</u>

No indicators of impairment were found for infrastructure, plant and equipment.

No infrastructure, plant and equipment is expected to be sold or disposed of within the next 12 months.

Note 7C: Heritage and collections

Heritage assets:		
- at fair value	<u>25,447</u>	<u>32,423</u>
Total heritage assets	<u>25,447</u>	<u>32,423</u>

No heritage assets or collections are expected to be sold or disposed of within the next 12 months.

Valuations were conducted by an independent valuer (Jones Lang LaSalle) in 2015.

All revaluations were conducted in accordance with the revaluation policy stated at Note 1.

Revaluation increments of \$17,679,903 for buildings on freehold land, \$16,710,437 for land, \$1,355,247 for infrastructure, and revaluation decrement of \$5,723,245 for heritage were credited to the asset revaluation reserve by asset class and included in the other comprehensive income section of the Consolidated Statement of Comprehensive Income.

	2015 \$'000	2014 \$'000
Note 7D: Intangible assets		
Computer software at cost:		
Externally developed – in use	533	398
Total computer software	<u>533</u>	<u>398</u>
Accumulated amortisation	(290)	(261)
Total intangibles	<u>243</u>	<u>137</u>

No intangibles are expected to be sold or disposed of within the next 12 months.
No indicators of impairment were found for intangible assets.

Note 7E: Analysis of infrastructure, plant, equipment and intangibles

TABLE A - Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2014-15)

	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 2014							
Gross book value	179,324	76,390	255,714	17,082	32,423	398	305,617
Accumulated depreciation/ amortisation	-	(5,028)	(5,028)	(3,333)	-	(261)	(8,622)
Total as at 1 July 2014	<u>179,324</u>	<u>71,362</u>	<u>250,686</u>	<u>13,749</u>	<u>32,423</u>	<u>137</u>	<u>296,995</u>
Additions:							
by purchase	674	1,869	2,543	1,659	212	135	4,549
Revaluations and impairments recognised in other comprehensive income	16,710	17,680	34,390	1,355	(5,723)	-	30,022
Reclassification	-	(11,570)	(11,570)	13,035	(1,465)	-	-
Depreciation/ amortisation expense	-	(1,344)	(1,344)	(695)	-	(29)	(2,068)
Disposals/write-down	-	-	-	-	-	-	-
Total as at 30 June 2015	<u>196,708</u>	<u>77,997</u>	<u>274,705</u>	<u>29,103</u>	<u>25,447</u>	<u>243</u>	<u>329,498</u>
Total as at 30 June 2015 represented by:							
Gross book value	196,708	77,997	274,705	31,635	25,447	533	332,320
Accumulated depreciation/ amortisation	-	-	-	(2,532)	-	(290)	(2,822)
	<u>196,708</u>	<u>77,997</u>	<u>274,705</u>	<u>29,103</u>	<u>25,447</u>	<u>243</u>	<u>329,498</u>

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Note 7: Non-Financial Assets, continued

Note 7E: Analysis of infrastructure, plant, equipment and intangibles

TABLE A - Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2013 - 2014)

	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 2013							
Gross book value	178,707	75,513	254,220	16,825	31,770	338	303,153
Accumulated depreciation/ amortisation	-	(3,729)	(3,729)	(2,702)	-	(233)	(6,664)
Total as at 1 July 2013	178,707	71,784	250,491	14,123	31,770	105	296,489
Additions:							
by purchase	617	877	1,494	657	653	60	2,864
Revaluations and impairments recognised in other comprehensive income			-				-
Reclassification	-	-	-	-	-	-	-
Depreciation/ amortisation expense	-	(1,299)	(1,299)	(671)	-	(28)	(1,998)
Disposals/write-down	-	-	-	(359)	-	-	(359)
Total as at 30 June 2014	179,324	71,362	250,686	13,749	32,423	137	296,995
Total as at 30 June 2014 represented by:							
Gross book value	179,324	76,390	255,714	17,082	32,423	398	305,617
Accumulated depreciation/ amortisation	-	(5,028)	(5,028)	(3,333)	-	(261)	(8,622)
	179,324	71,362	250,686	13,749	32,423	137	296,995

	2015 \$'000	2014 \$'000
Note 7F: Inventories		
Finished goods at cost	110	135
Total inventories	110	135

During the 2015 year \$33,815 of inventory held for distribution was recognised as an expense (2014: \$15,973).

Note 7G: Other non-financial assets

Lease incentives	164	249
Prepayments	15	16
Total other non-financial assets	179	265
Other non-financial assets expected to be settled:		
No more than 12 months	68	104
More than 12 months	111	161
Total other non-financial assets	179	265

Note 8: Payables

	2015 \$'000	2014 \$'000
Note 8A: Suppliers		
Trade creditors	19	1,163
Contract retentions	<u>114</u>	<u>15</u>
Total supplier payables	<u><u>133</u></u>	<u><u>1,178</u></u>

Supplier payables expected to be settled within 12 months:

External parties	114	1,090
Related entities	<u>19</u>	<u>88</u>
Total supplier payables	<u><u>133</u></u>	<u><u>1,178</u></u>

Settlement is usually made within 30 days.

Note 8B: Other Payables

Salaries and wages	251	236
Accrued expenses/suppliers	636	168
Bonds and security deposits	1,030	858
Unearned Revenue	<u>2,919</u>	<u>2,874</u>
Total Other Payables	<u><u>4,836</u></u>	<u><u>4,136</u></u>

Other payables expected to be settled:

No more than 12 months	2,881	1,991
More than 12 months	<u>1,955</u>	<u>2,145</u>
Total Other Payables	<u><u>4,836</u></u>	<u><u>4,136</u></u>

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Note 9: Provisions

	2015 \$'000	2014 \$'000
Note 9A: Employee provisions		
Leave	1,378	1,266
Total employee provisions	<u>1,378</u>	<u>1,266</u>

Employee provisions are expected to be settled in:

No more than 12 months	1,036	972
More than 12 months	342	294
Total employee provisions	<u>1,378</u>	<u>1,266</u>

Note 9B: Other provisions

Provision for remediation - Platypus	3,885	9,985
Total other provisions	<u>3,885</u>	<u>9,985</u>

Other provisions are expected to be settled in:

No more than 12 months	3,885	9,985
More than 12 months	-	-
Total other provisions	<u>3,885</u>	<u>9,985</u>

Movements in relation to 2015

	Provision for remediation \$'000	Total \$'000
As at 1 July 2014	9,985	9,985
Amounts used	(6,100)	(6,100)
Total as at 30 June 2015	<u>3,885</u>	<u>3,885</u>

In accordance with the Memorandum of Understanding between the Trust and the Department of Defence signed on 5 June 2009, the Trust is entitled to claim specific decontamination costs incurred by the Trust in relation to HMAS *Platypus* from the Department of Defence.

	2015 \$'000	2014 \$'000
Note 9C: Reserves		
Asset Renewal Reserve	8,238	6,198
Asset Revaluation Reserve	90,171	60,149
Total reserves	<u>98,409</u>	<u>66,347</u>

Movements in relation to 2015

	Asset Renewal Reserve \$'000	Asset Revaluation Reserve \$'000	Total \$'000
As at 1 July 2014	6,198	60,149	66,347
Transfer from retained surplus (see note 1.15)	2,040	-	2,040
Revaluation increment	-	30,022	30,022
Total as at 30 June 2015	<u>8,238</u>	<u>90,171</u>	<u>98,409</u>

Note 10: Cash Flow Reconciliation

	2015	2014
	\$'000	\$'000
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	3,282	2,410
Statement of Financial Position	<u>3,282</u>	<u>2,410</u>
Difference	<u>-</u>	<u>-</u>
Reconciliation of net contribution by services to net cash from/(used by) operating activities:		
Net contribution by services	132	518
Adjustments for non-cash items		
Depreciation and amortisation	2,158	2,115
Net write down of non-financial assets	-	359
Gain on disposal of assets	-	(13)
Investment activity	(1,436)	(1,919)
Changes in assets/liabilities		
(Increase) / decrease in trade & other receivables	99	(234)
(Increase) / decrease in inventories	25	(17)
(Increase) / decrease in prepayments	1	(1)
Increase / (decrease) in employee provisions & payables	127	41
Increase / (decrease) in suppliers	(1,044)	(1,224)
Increase / (decrease) in security deposits	172	328
Increase / (decrease) in prepayments received	<u>45</u>	<u>(141)</u>
Net cash from / (used by) operating activities	<u>279</u>	<u>(188)</u>

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Note 11: Senior Management Personnel Remuneration

	2015 \$'000	2014 \$'000
Note 11: Remuneration Paid to Senior Executives		
Short-term employee benefits:		
Salary	<u>1,553,768</u>	<u>1,353,117</u>
Total short-term employee benefits	<u>1,553,768</u>	<u>1,353,117</u>
Post-employment benefits:		
Superannuation	<u>187,713</u>	<u>167,591</u>
Total post-employment benefits	<u>187,713</u>	<u>167,591</u>
Other long-term benefits:		
Annual leave accrued	<u>114,895</u>	<u>99,736</u>
Long-service leave	<u>50,114</u>	<u>41,874</u>
Total other long-term benefits	<u>165,009</u>	<u>141,610</u>
Total senior executive remuneration expenses	<u>1,906,490</u>	<u>1,662,318</u>

Notes:

1. The total number of senior management personnel that are included in the above table is 17 individuals (2014: 14 individuals). The total number includes both board member and senior management remuneration.

Adjustments to 2014 year comparatives were made to reflect changes in senior management personnel remuneration reporting requirements. All expenses attributable to permanent and acting senior management personnel are disclosed in the tables above, with no inclusion threshold applied to disclosures as was the case in previous years.

Note 12: Financial Instruments

	2015 \$'000	2014 \$'000
12A Categories of financial instruments		
Financial Assets		
Held-to-maturity investments		
Investments	38,629	47,973
Total held-to-maturity	38,629	47,973
Loans and receivables		
Cash at bank	3,280	2,408
Cash on hand	2	2
Receivables for goods and services	619	827
Interest receivable	5	6
Other receivables	564	415
Total loans and receivables	4,470	3,658
Total financial assets	43,099	51,631
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	19	1,163
Contract retentions	114	15
Salaries and wages	251	236
Accrued expenses/suppliers	636	168
Bonds and security deposits	1,030	858
Total financial liabilities measured at amortised cost	2,050	2,440
12B Net income and expense from financial assets		
Held-to-maturity investments		
Interest revenue (see note 4C)	1,436	1,919
Net gain held-to-maturity investments	1,436	1,919
Loans and receivables		
Interest revenue (see note 4C)	104	125
Net gain loans and receivables	104	125
Net gain from financial assets	1,540	2,044
12C Net income and expense from financial liabilities		
There was no net income or expense from financial liabilities for the year ended 30 June 2015 (2014 - Nil).		
12D Fee income and expense		
There was no fee income or expense arising from financial instruments for the year ended 30 June 2015 (2014 - Nil).		

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Note 12: Financial Instruments, continued

12E Fair value of financial instruments

	Carrying amount	Fair value	Carrying amount	Fair value
	2015	2015	2014	2014
	\$'000	\$'000	\$'000	\$'000
FINANCIAL ASSETS				
Cash at bank	3,280	3,280	2,408	2,408
Cash on hand	2	2	2	2
Investments	38,629	38,629	47,973	47,973
Receivables for goods and services	619	619	827	827
Interest receivable	5	5	6	6
Other receivables	564	564	415	415
Total	43,099	43,099	51,631	51,631
FINANCIAL LIABILITIES				
Trade creditors	19	19	1,163	1,163
Contract retentions	114	114	15	15
Salaries and wages	251	251	236	236
Accrued expenses/suppliers	636	636	168	168
Bonds and security deposits	1,030	1,030	858	858
Total	2,050	2,050	2,440	2,440

12F: Credit risk

The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2015: \$1,188,000 and 2014: \$1,248,000). The Trust has assessed the risk of the default on payment and has allocated \$109,000 in 2015 (2014: \$70,000) to an impairment allowance account.

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

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

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

	Not Past Due Nor Impaired		Past due or impaired	
	2015	2014	2015	2014
	\$'000	\$'000	\$'000	\$'000
Cash at bank	3,280	2,408	-	-
Cash on hand	2	2	-	-
Investments	38,629	47,973	-	-
Receivables for goods and services	-	-	619	827
Interest receivable	5	6	-	-
Other receivables	564	415	-	-
Total	42,480	50,804	619	827

Ageing of financial assets that are past due but not impaired for 2015

	0 to 30 days	31 to 60 days	61 to 90 days	90 + days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	315	25	45	234	619
Total	315	25	45	234	619

Ageing of financial assets that are past due but not impaired for 2014

	0 to 30 days	31 to 60 days	61 to 90 days	90 + days	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables for goods and services	527	8	10	282	827
Total	527	8	10	282	827

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Note 12: Financial Instruments

12G: Liquidity risk

The Trust's financial liabilities are payables and accruals.

The exposure to liquidity risk is based on the notion that the Trust will encounter difficulty in meeting its obligations associated with financial liabilities. This is highly unlikely due to internal policies and procedures put in place to ensure there are appropriate resources to meet its financial obligations.

The following tables illustrate the maturities for non-derivative financial liabilities:

	On demand	Within 1 year	1 to 5 years	> 5 years	Total
30 June 2015	2015	2015	2015	2015	2015
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	19	-	-	19
Contract retentions	-	114	-	-	114
Salaries and wages	-	251	-	-	251
Accrued expenses/suppliers	-	636	-	-	636
Bonds and security deposits	-	1,030	-	-	1,030
Total	-	2,050	-	-	2,050

	On demand	Within 1 year	1 to 5 years	> 5 years	Total
30 June 2014	2014	2014	2014	2014	2014
	\$'000	\$'000	\$'000	\$'000	\$'000
Trade creditors	-	1,163	-	-	1,163
Contract retentions	-	15	-	-	15
Salaries and wages	-	236	-	-	236
Accrued expenses/suppliers	-	168	-	-	168
Bonds and security deposits	-	858	-	-	858
Total	-	2,440	-	-	2,440

The Trust manages its budget to ensure it has adequate funds to meet payments as they fall due.

In addition, the Trust has policies in place to ensure timely payments are made when due and has no past experience of default.

The Trust had no derivative financial liabilities in either the current or prior year.

12H: Market risk

Market risk is defined as "the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices" and includes interest rate risk, currency risk and 'other price risk'. The Trust is not exposed to 'currency risk' or 'other price risk'.

The Trust holds basic financial instruments that are exposed to interest rate risk.

The Trust's exposure to the risk of changes in market interest relates primarily to bank accounts with floating interest rates.

The table below demonstrates the interest rate sensitivity analysis of the Trust at the reporting date, holding all other variables constant. A 150 basis point change is deemed to be reasonably possible and is used when reporting interest rate risk.

At reporting date, if interest rates decreased/(increased) by 1.5%, with all other variables held constant, operating results and equity would have been:

Risk variable	Change in risk variable	%	Effect on		Effect on	
			Profit and loss	Equity	Profit and loss	Equity
			2015	2015	2014	2014
			\$'000	\$'000	\$'000	\$'000
Interest rate risk	Interest	+1.5	49	49	36	36
Interest rate risk	Interest	-1.5	(49)	(49)	(36)	(36)

Note 13: Reporting of Outcomes

Note 13A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2015 \$'000	2014 \$'000	2015 \$'000	2014 \$'000
Expenses	17,662	16,201	17,662	16,201
Income from non-government sector				
Activities subject to cost recovery	15,275	14,388	15,275	14,388
Total costs recovered	15,275	14,388	15,275	14,388
Other own-source income				
Interest	1,540	2,044	1,540	2,044
Other	979	287	979	287
Total own-source income	2,519	2,331	2,519	2,331
Net (contribution) of outcome delivery	(132)	(518)	(132)	(518)

The Trust has one outcome:

Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

The net costs shown include intra-government costs that are eliminated in calculating the actual Budget Outcome.

Outcome 1 is describe in Note 1.1.

Note 14: Budgetary Reports & Explanations of Major Variances

The following tables provide a comparison between the 2014–15 Portfolio Budget Statements (PBS) budget and the final financial outcome in the 2014–15 financial statements. The Budget is not audited and does not reflect additional budget estimates provided in the 2014–15 Portfolio Additional Estimates Statements (PAES) or the revised budget provided as part of the 2015–16 Portfolio Budget Statements (PBS). However, major changes in budget have been explained as part of the variance analysis where relevant.

The actuals are prepared in accordance with Australian Accounting Standards.

Variances are considered to be 'major' where:

- the variance between budget and actual is greater than +/-10% of the budget for the line item; or
- the variance between budget and actual is greater than +/-2% of the relevant budget base; and
- the line item is of a material nature to the totalling base items; and
- the explanation of the variance will provide value to the financial statement users.

6. Financial Statements

Note 14: Budgetary Reports & Explanations of Major Variances, continued

Note 14A: Departmental Budgetary Reports

Consolidated Statement of Comprehensive Income

for the year ended 30 June 2015

	Notes	Actual	Budget Estimate	
		2015 \$'000	Original ¹ 2015 \$'000	Variance ² 2015 \$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3A	6,796	6,938	(142)
Suppliers	3B	8,669	7,480	1,189
Depreciation and amortisation	3C	2,158	2,245	(87)
Write-down and impairment of assets	3D	39	25	14
Total expenses		17,662	16,688	974
LESS:				
OWN-SOURCE INCOME				
Own-source revenue				
Sale of goods and rendering of services	4A	2,823	121	2,702
Fees and fines	4B	355	-	355
Interest	4C	1,540	1,495	45
Rental income	4D	12,097	12,152	(55)
Other revenue	4E	979	2,958	(1,979)
Total own-source revenue		17,794	16,726	1,068
Gains				
Sale of assets	4F	-	-	-
Total gains		-	-	-
Total own-source income		17,794	16,726	1,068
Net (contribution by) services		(132)	(38)	(94)
Surplus		132	38	94
OTHER COMPREHENSIVE INCOME				
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Change in asset revaluation surplus		30,022	-	30,022
Total other comprehensive income		30,022	-	30,022
Total comprehensive income		30,154	38	30,116

1. The Trust's original budgeted financial statement that was first presented to parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further in Note 14B.

Consolidated Statement of Financial Position

as at 30 June 2015

	Notes	Actual	Budget Estimate	
		2015	Original ¹	Variance ²
		\$'000	2015	2015
ASSETS				
Financial Assets				
Cash and cash equivalents	6A	3,282	2,907	375
Investments	6B	38,629	35,865	2,764
Trade and other receivables	6C	1,079	615	464
Total financial assets		<u>42,990</u>	<u>39,387</u>	<u>3,603</u>
Non-Financial Assets				
Land and buildings	7A	274,705	240,446	34,259
Infrastructure, plant and equipment	7B	29,103	26,796	2,307
Heritage and collections	7C	25,447	30,644	(5,197)
Intangibles	7D	243	728	(485)
Inventories	7F	110	58	52
Other non-financial assets	7G	179	15	164
Total non-financial assets		<u>329,787</u>	<u>298,687</u>	<u>31,100</u>
Total Assets		<u>372,777</u>	<u>338,074</u>	<u>34,703</u>
LIABILITIES				
Payables				
Suppliers	8A	133	225	(92)
Other payables	8B	4,836	3,416	1,420
Total payables		<u>4,969</u>	<u>3,641</u>	<u>1,328</u>
Provisions				
Employee provisions	9A	1,378	1,543	(165)
Other provisions	9B	3,885	-	3,885
Total provisions		<u>5,263</u>	<u>1,543</u>	<u>3,720</u>
Total Liabilities		<u>10,232</u>	<u>5,184</u>	<u>5,048</u>
Net Assets		<u>362,545</u>	<u>332,890</u>	<u>29,655</u>
EQUITY				
Contributed equity		257,735	257,735	-
Reserves	9C	98,409	64,350	34,059
Retained surplus		6,401	10,805	(4,404)
Total Equity		<u>362,545</u>	<u>332,890</u>	<u>29,655</u>

1. The Trust's original budgeted financial statement that was first presented to parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further in Note 14B.

Note 14: Budgetary Reports & Explanations of Major Variances, continued

Note 14A: Departmental Budgetary Reports

Consolidated Statement of Changes in Equity

for the year ended 30 June 2015

	Retained Surplus			Asset Renewal Reserve			Asset Revaluation Reserve			Contributed Equity			Total Equity		
	Actual	Budget Estimate	Actual	Budget Estimate	Actual	Budget Estimate	Actual	Budget Estimate	Actual	Budget Estimate	Actual	Budget Estimate	Original ¹	Budget Estimate	Variance ²
	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000	2015 \$'000
Opening balance	8,309	10,767	(2,458)	6,198	4,200	1,998	60,149	60,150	(1)	257,735	257,735	332,391	332,852	(461)	
Balance carried forward from previous year															
Adjusted opening balance	8,309	10,767	(2,458)	6,198	4,200	1,998	60,149	60,150	(1)	257,735	257,735	332,391	332,852	(461)	
Asset Renewal Reserve															
Transfer to/from Retained Surplus	(2,040)	-	(2,040)	2,040	-	2,040	-	-	-	-	-	-	-	-	-
Total asset renewal reserve	(2,040)	-	(2,040)	2,040	-	2,040	-	-	-	-	-	-	-	-	-
Comprehensive income															
Other comprehensive income	-	-	-	-	-	-	30,022	-	30,022	-	-	-	30,022	-	30,022
Surplus for the year	132	38	94	-	-	-	-	-	-	-	-	132	38	94	
Total comprehensive income	132	38	94	-	-	-	30,022	-	30,022	-	-	30,154	38	30,116	
Closing balance as at 30 June	6,401	10,805	(4,404)	8,238	4,200	4,038	90,171	60,150	30,021	257,735	257,735	362,545	332,890	29,655	

1. The Trust's original budgeted financial statement that was first presented to parliament in respect of the reporting period.

2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further in Note 14B.

Note 14: Budgetary Reports & Explanations of Major Variances, continued

Note 14A: Departmental Budgetary Reports

Consolidated Cash Flow Statement

for the year ended 30 June 2015

	Notes	Actual	Budget Estimate	
		2015	Original ¹	Variance ²
		\$'000	2015	2015
				\$'000
OPERATING ACTIVITIES				
Cash received				
Sales of goods and rendering of services		3,087	3,043	44
Rent income		13,140	12,168	972
Interest		105	270	(165)
Other revenue		1,310		1,310
Total cash received		17,642	15,481	2,161
Cash used				
Employee benefits		(6,749)	(6,875)	126
Suppliers		(9,604)	(7,890)	(1,714)
Net GST paid		(1,010)	40	(1,050)
Total cash used		(17,363)	(14,725)	(2,638)
Net cash from/(used by) operating activities	10	279	756	(477)
INVESTING ACTIVITIES				
Cash received				
Proceeds from sale of assets		-	-	-
Investments		90,217	41,835	48,382
Total cash received		90,217	41,835	48,382
Cash used				
Investments		(79,438)	(41,000)	(38,438)
Purchase of property, plant and equipment		(10,186)	(1,970)	(8,216)
Total cash used		(89,624)	(42,970)	(46,654)
Net cash from/(used by) investing activities		593	(1,135)	1,728
FINANCING ACTIVITIES				
Cash received				
Contributed equity		-	-	-
Total cash received		-	-	-
Net cash from financing activities		-	-	-
Net increase (decrease) in cash held		872	(379)	1,251
Cash and cash equivalents at the beginning of the reporting period		2,410	3,286	(876)
Cash and cash equivalents at the end of the reporting period	6A	3,282	2,907	375

1. The Trust's original budgeted financial statement that was first presented to parliament in respect of the reporting period.
2. Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided further in Note 14B.

6. Financial Statements

Note 14: Budgetary Reports & Explanations of Major Variances, continued

Note 14B: Departmental Major Budget Variances for 2014-15

Explanations of major variances	Affected line items (and statement)
1. Increased supplier expenditure budget approved by Board in February 2015 to continue SHFT's program to reduce deferred condition based maintenance and repairs. Supplier expenses also impacted by increased costs as a result of storm damage and lease management planning and legal costs. These increased costs were not anticipated as part of the Budget process.	Supplier costs, Comprehensive Income Statement Supplier costs, Cash Flow Statement
2. Reallocation of revenue between account code categories. Accommodation and Parking Revenue held against Other Revenue in Budget rather than held against Rendering of Services.	Other Revenue, Comprehensive Income & Cash Flow Statements Sales of Goods and Rendering of Services, Comprehensive Income and Cash Flow Statements
3. Additional one-off revenue items received, such as: Grants, storm insurance claim and wharf upgrade contribution. These amounts were not anticipated as part of the Budget process.	Other Revenue, Comprehensive Income & Cash Flow Statements
4. Higher receivables are due to a number of tenants entering into rental arrears agreements due to financial pressures.	Receivables, Financial Position Statement
5. Revaluation of fixed assets by independent valuation firm. Valuation impact on each fixed asset class is provided in Note 7E, Asset Movement Table. These amounts were not anticipated as part of the Budget process.	Other Comprehensive Income, Comprehensive Income Statement Land, buildings, heritage items and Infrastructure non-financial assets, Finance Position Statement Revaluation Reserves, Financial Position and Equity Statements
6. Additional funds quarantined for HMAS <i>Platypus</i> Remediation Project held at end of financial year due to a number of technical issues impacting on the progress of remediation works.	Cash & Investments, Financial Position Statement Investment Inflows & Outflows Cash Flow Statement Purchase property, plant & equipment, Financial Position & Cash Flow Statements
7. Higher investment activities throughout the year due to increased funds held as a result of explanation 6 above as well as funds being rotated through shorter fixed term deposits.	Investment Inflows & Outflows, Cash Flow Statement

Note 15: Sydney Harbour Conservancy

As disclosed at Note 1 "Consolidation and associated company", The Sydney Harbour Conservancy (the "Conservancy"), a Trust for which the Sydney Harbour Conservancy Ltd is Trustee, was established on 10th December 2009 and is controlled by the Sydney Harbour Federation Trust.

The objectives of the Conservancy are to:

- Preserve the natural environmental value of the Trust sites including activities such as weed and feral animal control, waste minimisation, revegetation of native flora, protection of native biodiversity, the conservation of habitat, soil stabilisation and erosion control;
- Encourage and promote enjoyment of recreation and activity within natural surrounds of Trust sites;
- Recognise and appreciate the natural and historical significance of Trust sites; and
- Provide information, education and research about the natural environment.

The financial position of the Conservancy is as follows:

	2015	2014
	\$	\$
Opening balance at 1 July	1,107	1,218
Revenue: Donations	<u>150</u>	<u>9</u>
	1,257	1,227
Less expenses: Suppliers	<u>120</u>	<u>120</u>
Closing balance at 30 June	1,137	1,107
Represented by:		
Cash at bank	<u>1,137</u>	<u>1,107</u>
	1,137	1,107

Appendix 1

Freedom of information

The *Freedom of Information Act 1982* gives everyone access to documents Commonwealth agencies hold, subject to certain exemptions.

Document categories

- Administration matters including personnel and recruitment, accounts, purchasing and registers
- Planning, architecture and environmental matters including reports and studies commissioned by the Harbour Trust, research, drawings and concept proposals
- Minutes of meetings of the Harbour Trust and meetings of the Community Advisory Committees
- Reference materials including press clippings, survey and research materials, documents relating to conferences and seminars
- Legal matters including legal documents, opinions, advice and representations

Information Publication Scheme

In accordance with the *Freedom of Information Act 1982* the Harbour Trust publishes information to the public as part of the Information Publication Scheme (IPS). This replaced the previous requirement to publish a Section 8 statement in an annual report. An agency plan showing the information the Harbour Trust has published under IPS requirements is available on the Harbour Trust's website.

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

Requests

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

Requests should be sent to:

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

Reporting

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

Appendix 2

Community Advisory Committee members

Cockatoo and Snapper Islands

Mayor Rochelle Porteous (ex-officio)
Mayor Angelo Tsirekas (ex-officio)
Mr Joe Glascott
Mr Tony Hardy
Mr James Morton
Mr Terry Ryan

Middle Head

Prime Minister The Hon. Tony Abbott MP (ex-officio)
Mayor Peter Abelson (ex-officio)
Commander Paul Gall (ex-officio)
Ms Kate Eccles
Mr Ian Henderson
Mr Stewart Reed

North Head

Premier Mike Baird MP (ex-officio, retired April 2015)
Mayor Jean Hay AM (ex-officio)
Mr Ian Freeman
Mr Walt Graham
Ms Judy Reizes
Mr Douglas Sewell
Brigadier (Retired) Vincent Williams

Woolwich

Mayor Richard Quinn (ex-officio)
Mr Philip Jenkyn OAM
Mr Austin Driscoll
Ms Peta Lewis

Woollahra

Mayor Toni Zeltzer (ex-officio)
Dr Robin Derricourt
Mr Peter Poland OAM

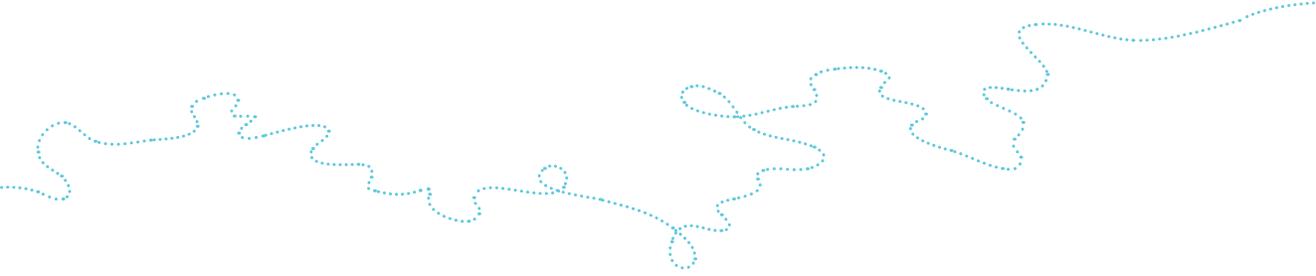
HMAS Platypus

The Hon Joe Hockey MP (ex-officio)
The Hon Jillian Skinner MP (ex-officio)
Mayor Jilly Gibson (ex-officio)
Ms Carole Baker
Mr Brian Evesson
Mr Paul Forward
Mr Oliver Irving (retired April 2015)
Mr Denny Linker
Dr Zena O'Connor
Ms Adrienne Sallay
Mr Neil Schafer
Captain Chris Skinner
Mr Ken Williams
Ms Belinda York (retired June 2015)

Appendix 3

Maintenance, heritage conservation and environmental management projects

<i>All sites</i>	<ul style="list-style-type: none">Grounds maintenanceGeneral building maintenanceServices maintenanceFire systems maintenancePest managementSite security
<i>Headland Park (Chowder Bay, Georges Heights, Middle Head)</i>	<ul style="list-style-type: none">Ongoing external building maintenance on the historic WWI Hospital and WRAAC BuildingStructural repairs to Timber WharfContract bush regenerationFeral animal control programBushfire hazard reductionOngoing maintenance to the housesMinor internal fit-outs by tenantsExternal and internal painting of tenanted buildings
<i>Cockatoo Island</i>	<ul style="list-style-type: none">Modification of existing buildings to create new visitor centre and conference facilitiesPublic safety worksReconstruction of historic machinery by volunteersOngoing replacement and upgrading of services including electricity, water, fire services and telephone
<i>North Head Sanctuary</i>	<ul style="list-style-type: none">Landscaping works to the main precinct including the parade ground and entryConstruction of new walking tracks and maintenance of existing walking tracksMaintenance to the housesReconstruction of historic military equipment by the volunteersPropagation and planting of local species by the NHSFAlterations to existing buildings at North Fort to create new visitor centre, Defence of Sydney exhibition, library and archivesContract bush regenerationFeral animal control program
<i>Woolwich Dock</i>	<ul style="list-style-type: none">Construction of new walking trackContract bush regenerationFeral animal control program



Platypus

Remediation works continued on site
Partial wharf demolition was completed
Removal of asbestos from building windows

Macquarie Lightstation

Contract bush regeneration and maintenance
No major works were carried out during the year

*Former Marine
Biological Station*

No major works were carried out during the year

Snapper Island

No major works were carried out during the year

Compliance Index

Compliance

The table below shows this report's compliance with the Commonwealth Authorities (Annual Reporting) Orders 2011, issued by the Minister for Finance and Deregulation in September 2011.

It also meets the Requirement for Annual Report for Department, Executive Agencies and FMA Act Bodies, approved by the Joint Committee of Public Accounts and Audit under subsections 63(2) and 70(2) of the *Public Service Act 1999*, June 2008.

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