

Harbour
Trust

ANNUAL REPORT
2020 - 2021

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Australian Government

Sydney Harbour Federation Trust

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

Harbour Trust
PO Box 607
Mosman NSW 2088

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

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visit the website at harbourtrust.gov.au

LETTER FROM CHAIR TO MINISTER

16 September 2021

The Hon. Sussan Ley MP
Minister for the Environment
Parliament House
Canberra ACT 2600

Dear Minister,

As representative of the accountable authority, I am pleased to present the annual report on the activities of the Sydney Harbour Federation Trust for the reporting period ending 30 June 2021 in accordance with section 46(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This annual report was approved at Meeting of the Members of the Trust on 16 September 2021.

The report has also been prepared in accordance with the requirements of section 70 of the *Sydney Harbour Federation Trust Act 2001*; and in accordance with the Resource Management Guide No. 136: Annual reports for corporate Commonwealth entities, updated by the Department of Finance in July 2021.

In accordance with section 10 of the PGPA Rule 2014 (Fraud Rule) and the Commonwealth Fraud Control Policy (Fraud Policy), the Harbour Trust has prepared fraud risk assessments and fraud control plans and has taken all reasonable measures to minimise the incidence of fraud and to investigate and recover the proceeds of fraud against the Harbour Trust.

In submitting this annual report, I would also like to acknowledge the continued hard work of the Harbour Trust's staff in delivering against our purpose and objectives.

Yours sincerely,



Joseph Carrozzi AM
Chair

ACKNOWLEDGEMENT OF COUNTRY

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

Today, the Homelands of the Boroegal, Birrabirragal, Cammeraygal, Gadigal, Gayamagal, Wallumedegal and Wangal Peoples host Harbour Trust sites.

THESE SITES INCLUDE:

COCKATOO ISLAND / WAREAMAH

Connecting to the waterways and Homelands of the Wallumedegal, Wangal, Cammeraygal and Gadigal Peoples

HEADLAND PARK

Homeland of the Boroegal People

NORTH HEAD SANCTUARY

Homeland of the Gayamagal People

SUB BASE PLATYPUS

Homeland of the Cammeraygal People

WOOLWICH DOCK AND PARKLANDS

Homeland of the Wallumedegal People

MACQUARIE LIGHTSTATION

Homeland of the Birrabirragal People

MARINE BIOLOGICAL STATION

Homeland of the Birrabirragal People

Image: Gamay Dancers on Cockatoo Island. Credit: Tamati Smith

CONTENTS

CHAIR'S FOREWORD	6
EXECUTIVE DIRECTOR'S SUMMARY	8
HARBOUR TRUST OVERVIEW	10
Our Purpose.....	10
Vision	10
Mission.....	10
Values	10
Legislation and Minister	11
Organisational structure	11
Members of the Trust.....	12
Sites	16
HARBOUR TRUST REFORM PROGRAM	18
RECONCILIATION	19
RAP implementation: 2020–21 highlights	20
STEWARD OUR PARKLANDS	21
Program of works.....	22
Project governance	24
Bushland and parkland management	24
Planning.....	25
Consultation	26
Environmental performance	27
WELCOME EVERYONE	32
Visitors and engagement	33
Tours and education	33
Advertising and market research	34
Media and publicity	34
Programming	35
Projects, events and partnerships	36
Rangers.....	36
BUILD PARTNERSHIPS	37
Volunteers.....	38
Local partnerships	39
A ROBUST BUSINESS	40
Commercial leasing	41
Residential leasing	41
Accommodation	42
Licensing and venue hire	42
Corporate governance	43
Tenant Assistance Sub-Committee	44
Portfolio Audit Committee	44
Fraud control	46
Indemnities and insurances	46
Procurement	46
Tendering and contracting	46
Government policy orders	46
STRENGTHEN OUR CAPABILITIES	47
Human resources	48
Equity, diversity and inclusion	48
Executive remuneration	48
Disability Action Plan	49
Public Interest Disclosure.....	49
Access and safety	49
Notifiable incidents	49
Judicial decisions and reviews by outside bodies	50
Ministerial directions	50
Business operations	50
ANNUAL PERFORMANCE STATEMENTS	51
REGULATOR PERFORMANCE FRAMEWORK	74
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021.....	78
APPENDICES	110
Appendix 1: Freedom of information	110
Appendix 2: Advisory and reference groups.....	111
Appendix 3: Maintenance, heritage conservation & environmental management projects	112
Appendix 4: Sydney Harbour Foundation Management Ltd organisational structure	114
Appendix 5: Executive remuneration.....	115
COMPLIANCE INDEX	117
INDEX	122

CHAIR'S FOREWORD

2020–21 represented another year of great significance for the Harbour Trust, one characterised by resilience, adaptability and growth as we continue to grapple with the impacts of COVID-19 on our business, our staff, our volunteers, our tenants and our community.

As a publicly focussed organisation and as a custodian of such iconic lands and buildings around the Harbour, the emergence of COVID-19 has fundamentally changed the way our community interacts with us and the sites. Our staff have had to transform the way they work, and rapidly deal with new processes and operating rhythms, and our volunteers have patiently and supportively adapted to the evolving environment.

As expected, our tenants faced a challenging year, with many sectors dramatically impacted by lockdowns, travel restrictions and consumer sentiment. We continue to work with those most impacted to provide assistance where we are able. However, as an entity that relies upon external revenues to fund the cost of operations, the year was difficult for our own operations. Income from tenants, holiday accommodation, events, tours and programming was materially down and the resulting loss was equally material. That said, even with the challenging financial and operating environment, through the year we continued to ensure that our parklands remained safe and open, places of recovery and sanctuary so necessary for our community at this time.

In the midst of this, the organisation has continued to implement the recommendations of the Independent Review of the Harbour Trust, whose findings were published in June 2020. I am pleased to say we have made great progress to this end, with an immediate mobilisation of a reform team and governance infrastructure to deliver the 21 recommendations over a two-year program, and some very visible, tangible outcomes delivered.

These outcomes include new legislation being drafted in concert with community guidance, ultimately receiving bi-partisan support and enacted by Parliament. With the support of the Hon. Sussan Ley, MP, Minister for the Environment, we also received financial support for priority projects and backlog maintenance in line with Independent Review recommendations, and developed and consulted on draft concepts for the future of Cockatoo Island and North Head Sanctuary.

My colleagues, the Members of the Trust, are delighted that the Australian Government and the NSW Government continue their strong support to realise the potential for Cockatoo Island and North Head Sanctuary, and recognises the importance of moving the Harbour Trust to a more sustainable financial position. The Harbour Trust is looking forward to working with both Governments on these areas in 2021–22.

Capital and restoration work continued across our sites in 2020–21. Most notably, with the support of the community, the Torpedo Factory Renewal works at Sub Base Platypus commenced the detailed design stage with the engagement of architects, landscape architects and environmental consultants. For 10 Terminal and Parklands, we continue to work closely with our stakeholder groups to progress a Draft Concept of the Middle Head area, anchored in an aligned vision to bring to life the rich First Nations and military histories of the area. At the same time works began to remediate hazardous materials within the brick buildings at 10 Terminal.

The Harbour Trust has taken tangible steps in our journey to reconciliation as we continue to implement our second Innovate Reconciliation Action Plan (RAP). The level of engagement with our Aboriginal and Torres Strait Island Advisory Group, and with the broader First Nations community, has been higher than ever before, particularly in response to future thinking around Cockatoo Island, North Head Sanctuary, Sub Base Platypus and 10 Terminal. We will continue to build on this work as we move into the second year of our current Innovate RAP.

Throughout this year we continued to work closely with our community advisory committees; the General Community Advisory Committee, Aboriginal and Torres Strait Islander Advisory Group and Sub Base Platypus Advisory Committee. I continue to be exceedingly grateful for their contribution over the year.

Sincere thanks to my fellow Members of the Trust who continue to work with dedication and passion. This year we said farewell to four of our Members, being Garth Callender, Josephine Cashman, Jean Hay AM and Jessica Keen. Each has served faithfully for many years and whose knowledge and experience will be sorely missed. In particular I would like to extend my sincerest thanks to Deputy Chair Jean Hay AM, who has been actively involved with the Harbour Trust since its inception, for her role in chairing the Tenant Selection Committee and Garth Callender for his participation in the Portfolio Audit Committee.

Looking forward, we welcome two new Members, Bradley Manera and Carolyn McNally, both bringing a depth of new experience and perspective to the Board.

As always, I'd like to thank the dedicated staff at the Harbour Trust who continue to work with great commitment, skills and optimism, and to the many volunteers who commit their time to the Harbour Trust and the wider community.



A handwritten signature in black ink, appearing to read "Joseph".

Joseph Carrozzi AM
Chair

EXECUTIVE DIRECTOR'S SUMMARY

As incoming Executive Director of the Harbour Trust, I am pleased to present the 2020–21 Annual Report.

In the Chair's foreword, Joseph touches on many of the key themes impacting our performance over the year, and many of the successes we have enjoyed in spite of the challenges presented by COVID-19.

Having assumed the role of Executive Director after the end of the reporting year, I must acknowledge that credit for the achievements outlined in this report lies with the dedicated staff, volunteers and the community who have shown incredible resilience and compassion through a challenging year. In particular I'd like to acknowledge Mary Darwell and Linda Ward who both successfully nurtured the organisation and set it up for success, paving the way for a strong transition for me.

My great thanks to the staff at the Harbour Trust for their dedication in another year of significant challenge and change. Whilst I have only worked with you all for a short time, I am already very confident in the strength and potential of the organisation and looking forward to what we can achieve together. My thanks to the Chair, Joseph Carrozzi and Members of the Trust for your support and guidance already given as I lead the organisation into the future.

As always, our magnificent volunteers continue to contribute in many ways to the Harbour Trust, even through the challenges of COVID-19. An amazing 16,792 hours were donated to support our work. While COVID-19 restrictions required several temporary suspensions of the program, I am looking forward to higher vaccinations in Sydney enabling the volunteer program to return in full in 2021–22.

The coming year signifies another year of transformation and reflection as the Harbour Trust welcomes new Members to the Trust, implements the remaining recommendations of the Review, delivers the substantial capital program, transforms the way we engage with our community, moves towards implementing dual naming of Cockatoo Island, and commemorates the 20th anniversary of the Harbour Trust.



A handwritten signature in blue ink that reads "JRC".

Janet Carding
Executive Director



HARBOUR TRUST OVERVIEW

Our Purpose

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

Vision

To create and share extraordinary places on Sydney Harbour and amplify their stories.

Mission

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

Values

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

OBJECTIVES

Our objectives, as set out in the *Sydney Harbour Federation Trust Act 2001*, are:

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

FUNCTIONS

- To hold Trust land for and on behalf of the Commonwealth;
- To undertake community consultation on the management and conservation of Trust land;
- To do the things referred to in section 38A of the *Sydney Harbour Federation Trust Act 2001* (SHFT Act) before plans take effect for an area of Trust land;
- To develop draft plans in respect of Trust land and any other Harbour land in furthering the objects, and performing other functions, of the Trust;
- To rehabilitate, remediate, develop, enhance and manage Trust land, by itself and 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 Trust land;
- To promote appreciation of 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 Trust;
- Anything incidental to or conducive to the performance of its other functions.

Legislation and Minister

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

The Minister for the Environment is responsible for the Harbour Trust. During the reporting period this role was held by the Hon. Sussan Ley MP.

Organisational structure

The affairs of the Harbour Trust are managed by an executive team under the leadership of the Executive Director. Between 1 July 2020 and 26 February 2021, Mary Darwell held the position of Executive Director. For the period of 9 March to 30 June 2021, Linda Ward held the position of Interim Executive Director. In 2020–21, the organisation continued to operate from its head offices at Georges Heights at Headland Park in Mosman, Sydney.

The Harbour Trust is the sole member of Sydney Harbour Foundation Management Ltd (previously known as the Sydney Harbour Conservancy Ltd) (ACN 141 006 975). See Appendix 4.



Members of the Trust

The Harbour Trust is governed by the Members of the Trust, all of whom are non-executive directors appointed by the Minister. The Members of the Trust meet regularly to guide the process of planning and implementing projects on Harbour Trust lands. The Members of the Trust consists of the Chair and seven other members. In accordance with the SHFT Act, two members are recommendations of the NSW Government, one member represents the interest of Indigenous Peoples, and one member is an elected member from an affected council. The amended legislation that commenced in late June 2021 altered the qualification requirements which will affect the appointment of Members of the Trust in future reporting periods.



**Joseph Carrozza AM
(Chair)**

NSW Recommended
Member

Joseph is a lawyer and financial advisor with more than 25 years' senior leadership experience in the professional services sector. He was formerly a Managing Partner of PwC, Sydney for 15 years and has advised numerous private sector businesses and governments on infrastructure, tax and policy matters.

A Member of the Trust since 2016, Joseph also plays an active role in the wider community. He is the Chair of the Centenary Institute for Medical Research in Sydney and the Deputy Chair of the NSW Institute of Sport. He is Chair of ASX listed HealthCo Healthcare & Wellness REIT and serves on the Boards of Football Federation Australia and Western Sydney University.

Appointed April 2016; and appointed as Chair July 2018.



**Jean Hay AM
(Deputy Chair)**

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

Following three terms as Mayor of Manly (1999–2004, 2008–2012 and 2012–2016), Jean was appointed Chair of the Implementation Advisory Group for the Northern Beaches Council, and served in that role until August 2017.

Jean is a recipient of the Centenary Medal and the NSW Ministers' Awards for Women in Local Government (Metropolitan Elected Representative). For her service to the community, including through local government and community groups, Jean was named a Member of the Order of Australia. Jean played a major role in the realisation of Bear Cottage, the only children's hospice in the State. Her contribution to this project resulted in her being bestowed as Benefactor of the Children's Hospital at Westmead.

Appointed June 2013; appointed as Deputy Chair August 2014 and April 2017; reappointed July 2020 to 30 June 2021.



Garth Callender

Writer, speaker and leader, Garth has lived and managed some of the most extreme crises across the globe. He has experienced first-hand how the impact of emerging risks can be minimised by well-prepared teams, effective decision-making, and strong leadership.

From his 25-year military career Garth has gone on to excel in high-profile public and private sector roles. He specialises in enterprise risk advisory and crisis management, working with boards and executive teams across Australia, preparing leaders to effectively manage risk and protect their organisations.

Garth holds a Master of Business Administration, is a Graduate of the Australian Institute of Company Directors and is a leader in the veteran community. He remains an active part-time member of the Australian Army at the rank of Lieutenant Colonel, where he is Commanding Officer of the University of NSW Regiment. He remains a sought-after management consultant, non-executive director and board chair.

Appointed April 2017; reappointed July 2020 to 30 June 2021.



Josephine Cashman

Representing the interests of Indigenous Peoples

Josephine is a Warrimay entrepreneur from NSW. She is the founder, Executive Director and Managing Director of Big River Consulting Pty Ltd, Big River Impact Investments Pty Ltd and the Big River Impact Foundation Ltd. Josephine is a lawyer, businesswoman, orator and media commentator with more than two decades of experience working on rapid business and socioeconomic growth for Australia's Indigenous communities.

Josephine was an inaugural member of the Prime Minister's Indigenous Advisory Council and served as the Chair of its Safe Communities Committee until 2017. In recognition of her notable expertise, Josephine was selected as a Friend of the Commonwealth Treasury. Josephine worked for a decade as a lawyer in Australian courts, and has undertaken consultancy and voluntary roles for a variety of private, public and non-profit organisations. Additionally, Josephine was an invited speaker at a special session of the United Nations Human Rights Council addressing violence against Indigenous women and girls.

Appointed June 2015; and reappointed July 2018 to 30 June 2021.



Sandra Hook

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

Since 2000, Sandra has also served as a non-executive director on listed, public and private companies and government bodies. Sandra is currently non-executive director of MedAdvisor Ltd, IVE Group Ltd, the Sydney Fish Market, Redhill Education and Fight Food Waste CRC. She is a Director of Sydney Harbour Foundation Management Ltd.

Appointed December 2011; and reappointed December 2012, June 2013, April 2016 and April 2019.



Jessica Keen

Representing an affected council

With over 20 years' experience in the tourism industry, Jessica holds a Bachelor of Arts in Tourism Management from the University of Technology, Sydney as well as a Diploma in Social Studies from Oxford University.

Jessica's career includes roles in private and public sector tourism organisations, both here and abroad, including Tourism Australia. During her time at the Australian Tourist Commission/Tourism Australia, Jessica worked in Business Tourism, Marketing Development and Project Development. In addition, Jessica volunteers for local community and sporting organisations.

Most recently, Jessica has been working as National Industry Development and Capability Manager with the Australian Tourism Export Council. Jessica was elected to North Sydney Council in 2017.

Appointed July 2018 to 30 June 2021.



Tim James

Tim is a strategic advisory leader who has held leadership roles in industry, government and professional services. A lawyer with qualifications in business, law and finance (including an MBA), he currently serves as Executive General Manager at the Menzies Research Centre. Tim was earlier the CEO of the national pharmaceutical industry body Medicines Australia and held leadership roles at Pfizer and Johnson & Johnson.

Tim's experience in government encompasses more than three years as a Minister's Chief of Staff in NSW and six years in the Howard Government, including in the Prime Minister's Office. In a community context, Tim is a Director of Mosman Rowers, Life Education NSW and Life Education Australia. He previously served as the President of the Headland Preservation Group. Tim also helped found the Friends of Sydney Harbour in 2013.

Appointed April 2019.



Michael Rose AM

NSW Recommended Member

Michael is the Chair of the Committee for Sydney, an urban policy think tank that advocates better policy outcomes for Sydney. He is also Chairman of Greater Sydney Parklands, a NSW Government body responsible for Sydney's iconic parklands.

Michael has served on the boards of a number of corporate, government, arts and not-for-profit organisations. He is Chairman of NRT Group and also sits on the board of the Westmead Institute for Medical Research. He served three terms as Chair of Sydney Living Museums before stepping down in December 2018. He has a senior advisory role at University of New South Wales and is a Fellow of the Australian Institute of Company Directors.

Appointed September 2019.

Images opposite, from top to bottom:

Column one: Snapper Island; Cockatoo Island. Credit: Ashley Mackevicius; Sub Base Platypus. Credit: Ben Guthrie; Marine Biological Station. Credit: Ashley Mackevicius;

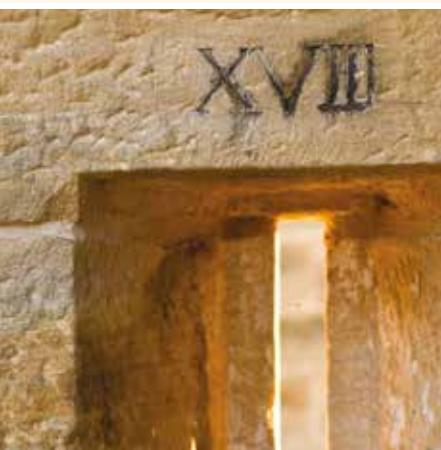
Column two: Headland Park; North Head Third Quarantine Cemetery; Macquarie Lightstation;

Column three: Woolwich Dock Goat Paddock. Credit: Geoff Magee; Chowder Bay.



NUMBER OF VISITS

1,796,666



NUMBER OF TENACIES

177



\$14.3m

ANNUAL REVENUE



145ha
ICONIC LAND ON
SYDNEY HARBOUR

402,409
UNIQUE VISITS
TO OUR WEBSITES



10
SITES IN TOTAL

IN MEMORY
THE UNKNOWN
KEEPER
THE FORGOTTEN
Lighthousers
—
MECHANICS
THE ENGINEER
AND HIS WIFE

THE HARBOUR TRUST TODAY

Statistics taken from July 2020 – June 2021



77%
ADAPTIVE REUSE
OF BUILT ASSETS*

*Of built assets with potential for adaptive reuse.

16,792
VOLUNTEER HOURS



Sites

The Harbour Trust protects and manages a network of sites on Sydney Harbour.





HARBOUR TRUST REFORM PROGRAM

In 2019–20, the Harbour Trust was the subject of an Independent Review (the Review) of its legislative, financial and governance arrangements, the first since the agency commenced in 2001. The Review was announced, along with the Terms of Reference, by the Minister for the Environment, the Hon. Sussan Ley MP, on 30 October 2019.

The Review was led by two independent reviewers: the former Secretary of Planning for NSW, Ms Carolyn McNally, and former Executive Director of Infrastructure NSW, Ms Erin Flaherty. The independent reviewers worked closely with the Harbour Trust, the community and relevant experts and stakeholders to identify and address the challenges, constraints and opportunities faced by the Harbour Trust. The consultation undertaken for the Review included several public forums and a consultation paper, with a total of 177 public written submissions received.

On 18 June 2020, the Hon. Sussan Ley MP released the Final Report on the Independent Review, detailing a series of 21 recommendations regarding the future of the Harbour Trust and its operations. A key recommendation made was for the Harbour Trust to become an ongoing entity, through the amendment of the Harbour Trust's governing legislation.

In response, the Harbour Trust has re-allocated internal staffing resources to progress the implementation of the Review's recommendations as a program of reform. In addition, a Steering Committee — comprising of the Harbour Trust Executive Director and a sub-committee of the Trust Members — has been established to provide strategic advice and guidance.

Throughout 2020–21, substantial progress has been made in progressing the implementation of the Review's recommendations. The Harbour Trust has worked closely with the Department of Agriculture, Water and the Environment to support the development of amendments to the Harbour Trust's legislation, with an Exposure

Draft subject to public consultation in late 2020. Updated to reflect community views received through the consultation process, the amendments were introduced to Parliament in March 2021, with the *Sydney Harbour Federation Trust Amendment Act 2021* receiving Royal Assent on 23 June 2021.

Another significant item advanced in 2020–21 has been the development of Draft Concepts for North Head Sanctuary and Cockatoo Island. Responding to the Review's call for the development of long-term visions for both sites, the Draft Concepts represent the first stage of working towards masterplans for each site. Building on earlier consultations, the documents outline potential future initiatives at each site. The Draft Concepts were placed on public exhibition throughout May and early June 2021, to gather the community's perspectives on the future visions presented.

The Review highlighted the need for a closer relationship between the Commonwealth, the Harbour Trust and the NSW Government. Discussions between all parties to identify strengthened collaboration opportunities were held throughout 2020–21. More broadly, the Review identified the need for strengthening the involvement of the community in the work of the Harbour Trust. In response, the Harbour Trust has developed a Draft Stakeholder Engagement Strategy and Governance Framework which aims to provide a clear explanation of the subjects consulted on, the sets of stakeholders engaged, and how the feedback received through consultation is incorporated. The Draft Stakeholder Engagement Strategy and Governance Framework was placed on public exhibition between November and December 2020, with its refinement and implementation expected to occur in 2021–22.



RECONCILIATION

As stewards of iconic Sydney Harbour land, and the location of first continuous contact between Indigenous and non-indigenous Australians, the Harbour Trust has a significant responsibility and opportunity to assist in the national process of reconciliation. The Harbour Trust's vision for reconciliation is for all Australians to recognise and celebrate the centrality of Aboriginal and Torres Strait Islander peoples, cultures, histories and continuing connections.

Having implemented our first *Innovate Reconciliation Action Plan* (RAP) in the two years to 2020, we are now at the half-way point in our second *Innovate RAP* (2020-2022). Harbour Trust staff, volunteers, community and Members of the Trust have taken further tangible steps in our journey to reconciliation.

We have continued to learn much from the generous advice and guidance of the Harbour Trust Aboriginal and Torres Strait Islander Advisory Group. We have also re-committed ourselves to embedding the cultures and knowledge of Aboriginal and Torres Strait Islander peoples in our work, through ensuring the diversity of our workforce and in our approach to the conservation, remediation and adaptive reuse of places in our care.

RAP implementation: 2020–21 highlights

- The Aboriginal and Torres Strait Islander Advisory Group met three times and attended two out-of-session meetings to provide advice on key programs, place management and engagement.
- The Terms of Reference for the RAP Working Group (RAPWG) were established and this group met five times over 2020–21.
- Engaged First Nations communities in consultation activities for Cockatoo Island and North Head Sanctuary Draft Concepts as well as the 10 Terminal and Parklands, and Torpedo Factory Renewal (Sub Base Platypus Stage 2) projects. Designing with Country principles are incorporated into our capital works projects.
- Progressed dual-naming of Cockatoo Island / Wareamah to the public consultation phase with the Geographical Names Board.
- Continual development of partnerships to support First Nations peoples, including a new multi-year partnership with Babana Aboriginal Mens Group Redfern.
- Implemented an Anti-discrimination Policy in consultation with First Nations staff and external advisors. Completed review of internal HR policies to remove recruitment barriers to First Nations participation and standardised inclusion of encouragement for First Nations candidates to apply as well as advertising all roles with Indigenous Employment Australia.
- While development of the First Nations procurement strategy is underway with the recent appointment of a Procurement Officer, we have been able to achieve progress where the Torpedo Factory Renewal and 10 Terminal and Parklands procurement processes were amended to include further opportunities for First Nations owned suppliers and First Nations personnel. Major procurements now include a First Nations supplier test as a part of the assessment and for 2020–21, First Nations procurement represented 2.8% of all procurement, exceeding our 1.5% target.
- The Harbour Trust pivoted its National Reconciliation Week program during COVID-19 restrictions to create a digital offering (27 May to 3 June). The RAPWG participated in live and virtual events, including DigiTalks and documentaries. Staff participation was encouraged including virtual yarning sessions. Reconciliation Australia presented at an all-staff meeting on May 26.

STEWARD OUR PARKLANDS



Program of works

The Harbour Trust is responsible for protecting, conserving and interpreting the environmental and heritage values of the land in its care. The approach to the management of these sites is guided by the principles of Ecologically Sustainable Development (ESD). In line with this, the Harbour Trust makes plans in consultation with the community and implements these plans through a program of works. Across our sites, we carried out works including:

- General building, services and fire systems maintenance
- Pest management
- Site security
- Remediation of fire safety measure defects identified in Annual Fire Safety inspections
- Upgrade of external glazing to residential properties to comply with the Building Code of Australia

A detailed list of maintenance, heritage conservation and environmental management projects undertaken at the Harbour Trust's sites over 2020–21 is provided in Appendix 3. An overview of capital works is provided below:

Cockatoo Island / Wareamah

Works undertaken on Cockatoo Island included:

- Further conservation works to the historic Powerhouse including reinstating steel windows. Removed redundant and intrusive services.
- Repair and replacement of existing fire hydrants.
- Upgrade of the tunnel to the Powerhouse and Dog Leg tunnel.
- Commenced repairs to the Camber Wharf and Jetty.
- Conservation works on several historic cranes, undertaken by the Harbour Trust Restoration Volunteers (ongoing project).

Headland Park

Works undertaken at Headland Park included:

- Remediation of hazardous materials in the brick buildings at 10 Terminal.
- Refurbishment of three residential properties and painting of two others.
- Roof repairs to two buildings at Chowder Bay and floor/structural remediation to one other.
- Repairs to the underground water pipe and fire fighting networks.
- Installation of bus shelter on Middle Head Road (near corner of Chowder Bay Road).

North Head Sanctuary

Works undertaken at North Head Sanctuary included:

- Repairs to the underground water pipe and fire fighting networks across the site.
- Upgrades to street and safety lighting along North Fort Road.
- Demolition and disposal of three redundant demountable buildings.
- Remediation of walking tracks and fencing that had been damaged by bushfire.
- Deployment of refuge tunnels, water stations, nest boxes and bungalows for long-nosed bandicoots to provide habitat after bushfire.
- Conservation and reconstruction of historic military equipment by heritage restoration volunteers.
- Maintenance, heritage conservation and environmental management projects.

Woolwich Dock and Parklands

Works undertaken at Woolwich Dock and Parklands included:

- Commenced safety repairs to the Woolwich barge ramp.
- Upgrades to building services to support Transport for NSW in its upgrade of the existing jetty to facilitate its use as a temporary public ferry wharf.

Macquarie Lightstation

No capital works undertaken.

Former Marine Biological Station

No capital works undertaken.

Snapper Island

No works undertaken by the Harbour Trust.

Sub Base Platypus

In 2020–21, the Harbour Trust engaged architects, landscape architects and environmental consultants to commence the detailed design of the Torpedo Factory Renewal Project.

Other works undertaken included:

- Coring to establish the location and condition of bedrock beneath the Torpedo Factory — to inform the renewal project.
- Installation of traffic calming measures on Platypus Lane to improve safety for pedestrians and vehicles.

Project governance

To ensure effective management of major capital works projects, a Project Control Group (PCG) is in place which formalises and oversees resources, methodology and key decisions of major works programs. A core function of the PCG is monitoring and controlling risk, scope, and budget while ensuring active community engagement, and best practice consultation. The PCG continues to oversee capital works at 10 Terminal, Middle Head and Torpedo Factory Renewal works.

Bushland and parkland management

Bushland ecological restoration works continued throughout 2020–21 at Headland Park, North Head Sanctuary and within pockets of remnant bushland and revegetated areas at Cockatoo Island, Macquarie Lightstation and Woolwich Dock and Parklands. These works included: extensive control of weeds over an area of 80 hectares; maintenance of over 10 km of bush tracks and access trails; manual and mechanical bushfire hazard reduction around built assets; and replanting using local provenance plant species where required.

Bushfire mitigation works were carried out at North Head Sanctuary and Headland Park to reduce the risk of unplanned fire impacting on life, property and natural and cultural heritage assets. This included manual and mechanical removal of fuels within Asset Protection Zones around buildings, structures and bush trails. On 4 September 2020, NSW Fire & Rescue successfully completed a planned hazard reduction and ecological burn for the Harbour Trust at North Head Sanctuary.

On 17 October 2020, a 9-hectare hazard reduction burn carried out by NSW Fire & Rescue and NSW National Parks and Wildlife Service (NPWS) in the adjacent Sydney Harbour National Park broke containment lines and burnt 57 hectares of bushland across both Harbour Trust and NPWS land at North Head. The fire heavily impacted flora and fauna on the eastern half of the headland and large sections of the Harbour Trust's boardwalk

track network was damaged. The boardwalks are being repaired and will be reopened to public access when works have been completed.

The Harbour Trust, the Australian Wildlife Conservancy (AWC) and NPWS carried out extensive post-fire fauna recovery work in the burnt area including the rescue of injured wildlife (with assistance from Taronga Zoo Wildlife Clinic and WIRES); artificial fauna refuge tunnels, nest boxes, watering and feeding stations and predator detection cameras were also installed to assist the fauna recovery.

Following the bushfire, the Harbour Trust's bush regeneration contractor carried out post-fire vegetation management including making safe fallen trees, soil stabilisation, and weed control. The Harbour Trust and NPWS also implemented measures to control feral animals across the headland to assist in regeneration efforts.

Throughout the reporting period, the Harbour Trust also continued to liaise with neighbouring land managers through the North Head Stakeholder Group and the District Bushfire Management Committees for the Northern Beaches and North Sydney/Mosman/Willoughby areas, to further manage bushfire risk at Harbour Trust sites.

On 4 June 2021, the Harbour Trust and NPWS escorted a group of bushfire specialists through burnt areas of North Head as part of the Nature Conservation Council's Annual Bushfire Conference.

In June 2021, in conjunction with bike trail repairs and associated drainage improvements, a frog habitat enhancement project was completed near the Gunner Road carpark. AWC will use the area as part of their monitoring and research of amphibians on North Head and as an educational tool for school groups. The North Head Sanctuary Foundation (NHSF) Nursery supplied suitable native plants for the wetland.

In the reporting period, the Harbour Trust conducted further botanical surveys of 6.5 hectares of Eastern Suburbs Banksia Scrub west of North Fort Road of an area that was

burnt in May 2018. The surveys, which had also been carried out in October 2019 and November 2020, were funded by a grant from NSW Department of Planning, Industry & Environment's Saving Our Species program. The grant also contributed to the establishment of 1200 metres of rabbit proof fencing that was installed after the May 2018 burn, to protect regenerating seedlings from rabbit predation. Due to the size of area burnt in the October 2020 fire, the rabbit fencing was removed to provide additional habitat for long-nosed bandicoots and other fauna whose habitat had been impacted.

The Harbour Trust received a further grant funding of \$16,000 under the same program for bush regeneration works and a botanical survey of the endangered wattle species, *Acacia terminalis* 'Eastern Sydney' (previously named *Acacia terminalis* ssp *terminalis*) that occurs at North Head Sanctuary and Headland Park.

The Harbour Trust continued its contract with AWC to provide scientific services at North Head Sanctuary, including fauna monitoring and management of the locally endangered population of long-nosed bandicoots, and managing the reintroduction of locally extinct species, the eastern pygmy possum, bush rat, and brown antechinus. Since the October 2020 fire, AWC has focused on monitoring of the post-fire recovery of fauna on the headland with recent surveys showing that populations of these species have survived despite the impacts of the fire.

The Harbour Trust continued to work closely with the NHSF who contributed over 3,000 hours propagating, weeding and planting more than 2,290 native plants across North Head Sanctuary. NHSF activities in the reporting period were reduced due to COVID-19 restrictions.

The Harbour Trust continues to collaborate with neighbouring landholders at North Head Sanctuary and Headland Park including NPWS, to manage endangered native species, populations and communities, feral animals and weeds. Fox and rabbit control was carried out at North Head Sanctuary throughout the year.

The Harbour Trust's program of ongoing landscape maintenance works continued across all its sites

in 2020–21. These works included mowing and edging of lawns, arborist works, weeding, bush track repairs, mulching and planting of garden beds. Measures to deter silver gull roosting were maintained and cliff vegetation management works were carried out at Sub Base Platypus and Cockatoo Island.

Approximately 3,500 native trees, shrubs, grasses and groundcovers were planted by Harbour Trust contractors during the year. Projects included additional plantings at North Fort, Cockatoo Island, Georges Heights, Woolwich Dock and Parklands, and Macquarie Lightstation.

Harbour Trust volunteer gardeners continued planting and maintaining garden beds around Biloela House and the accommodation buildings at Cockatoo Island, and at ASOPA, Middle Head, however activities were reduced due to COVID-19 restrictions.

Planning

The Harbour Trust's Comprehensive Plan and site-specific Management Plans set out the vision and planned outcomes for Harbour Trust lands. Management Plans are reviewed on an ongoing basis to ensure they address current site conditions and legislative requirements.

In late 2020, the Harbour Trust concurrently exhibited a draft amendment to the Sub Base Platypus Management Plan and a related planning application for the proposed renewal of the Torpedo Factory; the proposal was also referred to the Commonwealth Minister for the Environment for consideration under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act), with the determination being that the proposal was 'not a controlled action'. In May 2021, following the consideration of submissions, the amendment to the Management Plan and planning application were approved with strict controls to ensure the protection of local amenity.

Actions proposed on Harbour Trust land are assessed to ensure compliance with approved Plans, to identify potential environmental impacts, and to put conditions in place to avoid or mitigate those impacts.

In 2020-21, the Harbour Trust completed environmental assessments for 23 proposed actions.

The Harbour Trust engaged specialist consultants to provide advice on a range of planning matters. In 2020-21, specialist heritage, design and environmental consultants provided advice to inform the detailed design of the Torpedo Factory Renewal Project; and to assist in the development of the Project Direction for 10 Terminal and Middle Head. Advice was also obtained to ascertain the condition of the seabed in three parts of Sydney Harbour that are leased by the Harbour Trust from Transport for NSW, and to commence the update of bushfire management plans for North Head Sanctuary and Headland Park.

Consultation

Over the 2020–21 financial year the Harbour Trust increased its focus on community engagement inviting the community to provide feedback on a number of projects as well as supporting consultation activities managed by the Department of Agriculture, Water and the Environment.

In 2020-21, the Harbour Trust held formal consultations on the following matters:

- A draft amendment to the Management Plan for Sub Base Platypus, and a Planning Application for the Torpedo Factory Renewal Project, were jointly exhibited from 12 November to 11 December 2020.
- An exposure draft for the *Sydney Harbour Federation Trust Amendment Bill 2020* was exhibited from 2 October to 13 November 2020.
- An exposure draft for the *Sydney Harbour Federation Trust Regulations 2021* was exhibited from 22 June to 19 July 2021.

In addition, the following non-statutory exhibitions took place:

- North Head Sanctuary community aspirations and future vision took place between 12 October 2020 and 30 November 2020.
- A draft Stakeholder Engagement Strategy & Governance Framework was available for

public feedback from 5 November to 3 December 2020.

- A Project Direction for 10 Terminal at Middle Head was open for public comment between 12 November and 11 December 2020.
- A discussion paper and draft (non-statutory) Conservation Management Plan for Snapper Island was exhibited between 18 November 2020 and 12 February 2021.
- The Harbour Trust invited feedback on a draft concept vision for Cockatoo Island between 4 May and 11 June 2021.
- A draft concept for North Head Sanctuary was open for public comment between 1 May and 11 June 2021.

Feedback on the statutory and non-statutory exhibitions was invited through a variety of avenues including drop-in sessions held on site, formal meetings with stakeholders, internet-based surveys, promoting the exhibitions on social media, and inviting feedback through emails and letters.

The breadth of consultation for the Cockatoo Island Draft Concept Vision and North Head Sanctuary Draft Concept included participation through a webinar information session, digital workshops, pop-up displays, walkshops, workshops, surveys and submissions. A specialist First Nations engagement agency was engaged to support the conversation with our First Nations communities.

The Harbour Trust continued to seek feedback from its advisory committees: General Community Advisory Committee; Sub Base Platypus Community Advisory Committee; and the Aboriginal and Torres Strait Islander Advisory Group. Meetings were offered via a digital platform to allow safe engagement to continue based on changing COVID-19 restrictions. The Harbour Trust adopted a hybrid digital / in-person approach to meetings to further encourage participant attendance.

Harbour Trust staff regularly met with community groups and individuals to discuss areas of interest. The organisation worked closely with State and Federal Government agencies as well as local councils, with staff across the Harbour Trust participating in working groups, networks and committees.

In late 2020, the Harbour Trust established the North Head Bushfire Recovery Advisory Group (BRAG) with NPWS and other stakeholders and experts to assist in the recovery effort after the October 2020 bushfire at North Head. Members of the group share knowledge and expertise about North Head, ecology, land management and bushfire, and provide advice and expertise to support and coordinate the recovery of flora and fauna of the headland. Members of the BRAG met twice during the reporting period.

In late 2020, the Harbour Trust established a group of interested stakeholders to seek input into the 10 Terminal and Parklands Renewal Project Direction. Discussions sought input on the Project Direction for 10 Terminal and the key heritage values of place that will guide the Vision and Concept Plan for the Middle Head Precinct. Members of the stakeholder group met four times during the reporting period.

Environmental performance

Under Section 516A of the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) Commonwealth organisations have a statutory requirement to report on their environmental performance and how they accord with and advance the principles of Ecologically Sustainable Development (ESD). This includes measuring the environmental impacts of our activities and the various mitigation measures which we have implemented.

Ecologically Sustainable Development

Ecologically Sustainable Development (ESD) is at the heart of the Harbour Trust's management of the lands in its care, and in the conduct of its operational functions. The Harbour Trust protects environmental values in accordance with the *Sydney Harbour Federation Trust Act 2001* and the Comprehensive Plan. In 2020–21 a key initiative of the Harbour Trust was the completion of formal planning processes to facilitate a major project at Sub Base Platypus involving the creation of new parkland, and the adaptive reuse of the Torpedo Factory, in accordance with ESD principles.

Head office — environmental performance

The guidelines published by the Global Reporting Initiative (GRI) form the basis of the Harbour Trust's assessment of its environmental performance and goalsetting, measured by the consumption of energy, fuel and water, as well as the generation of greenhouse gases and waste.

In the last financial year, the number of staff working in the office was reduced due to COVID-19 restrictions, and the data for 2020–21 needs to be understood in that context. It is likely that this has accounted for much of the reduction in the Harbour Trust's consumption of energy and fuel. At this stage it appears that the coming reporting period 2021–22 will continue to be affected by COVID-19 restrictions, an uncertainty which affects our ability to set targets.

HARBOUR TRUST HEAD OFFICE — ENVIRONMENTAL PERFORMANCE

GRI Indicators	Targets for 2020–21	Results achieved for 2020–21	Targets for 2021–22
Energy consumption within the organisation (GRI 302)	5% reduction	7.1% reduction	Not exceeding the long-term average
Fuel consumption (GRI 302)	No increase	33% reduction	Not exceeding the long-term average
Greenhouse gases (GRI 305)	No increase	2.6% increase	No increase
Water consumption (GRI 303)	No increase	30% increase	Not exceeding the long-term average
Waste generation (GRI 306)	No increase	No increase	No increase

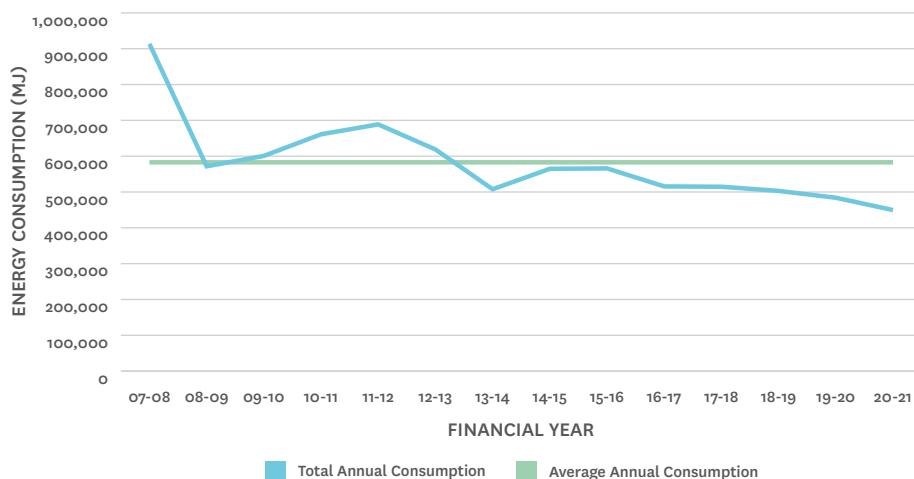
Resource consumption

Energy consumption

The Harbour Trust head office achieved a 7.1% reduction in energy consumption for 2020–21. This decrease is most likely attributed to the reduced number of staff working on site. For 2021–22 the Harbour Trust will aim for energy consumption to not exceed the long-term average achieved over preceding reporting periods (2007–21).

ENERGY CONSUMPTION				
	Long-term Average (2007–21)	2019–20	2020–21	% Change
Total Consumption (MJ)	582,838	483,940	449,622	-7.1%

Office energy consumption



Energy Efficiency in Government Operations (EEGO) Policy

The Harbour Trust has achieved the Australian Government's EEGO targets for 2020–21.

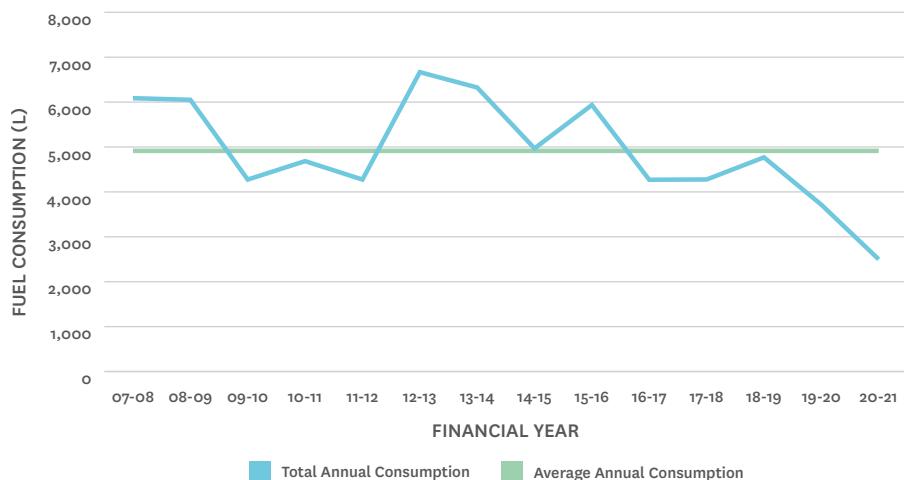
ELECTRICITY CONSUMPTION		
	EEGO Policy Target	2020–21
Central services (MJ/m ² /annum)	400	157
Office light and power (MJ/person/annum)	7,500	4,996

Fuel consumption

Fuel consumption in 2020–21 was reduced by 33%, which is owed largely to the lower number of staff working in the office. The Harbour Trust's goal for 2021–22 is to not exceed its long-term average for fuel consumption.

VEHICLE FUEL CONSUMPTION (LITRES)			
	2019–20	2020–21	% Change
VEHICLES	Unleaded	2,030	1,139
	Diesel	572	458
	Subtotal	2,602	1,597
BOATS	Unleaded	1,112	901
	Subtotal	1,112	901
TOTAL FUEL	3,714	2,498	-33%

Fuel consumption

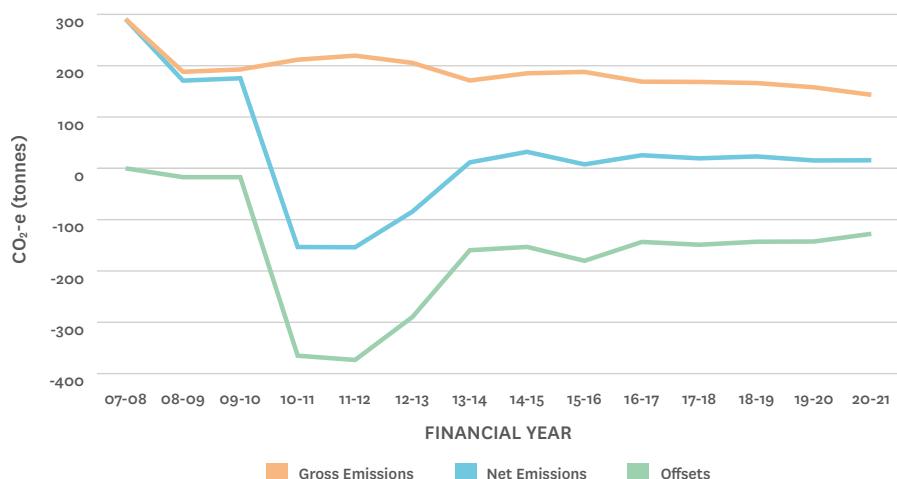


Greenhouse gas emissions

In 2020–21, the Harbour Trust's gross emissions fell by 9.2%. However, our net emissions marginally increased, due to the reduced performance of the photovoltaic arrays at Cockatoo Island and North Head Sanctuary. The Harbour Trust will investigate opportunities to improve our solar energy generation.

CARBON FOOTPRINT (TONNES OF CO ₂ -e)			
	2019–20	2020–21	% Change
Total gross emissions	157.9	143.3	-9.2
Less offset (Renewable Energy/Photovoltaic)	-142.6	-127.6	-10.1
Total net emissions	15.3	15.7	2.6

Greenhouse gas emissions



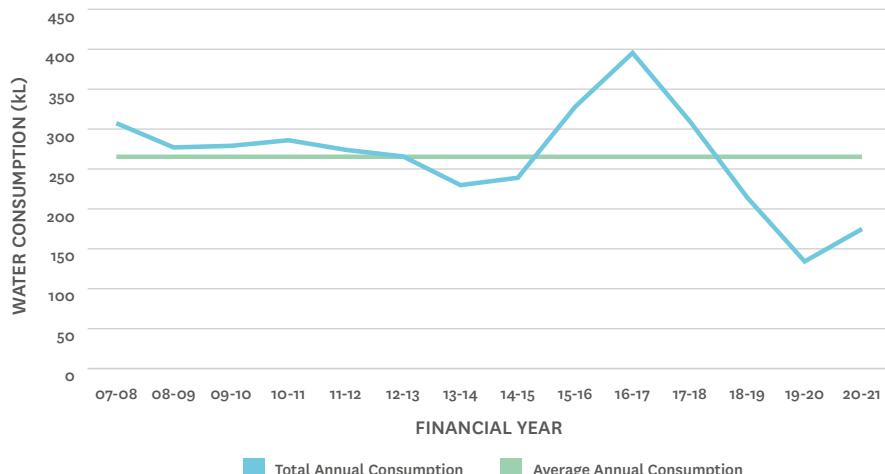
Water consumption

In 2020–21 there was an increase in the Harbour Trust’s water consumption. Whereas COVID-19 restrictions led to a decrease in the Harbour Trust’s consumption of energy over the same period, it appears to have had a different effect for water consumption, which we attribute to enhanced cleaning measures. Notwithstanding that, overall water consumption continued to be below the long-term average for 2007–21.

Staff numbers have been adjusted for the table below to reflect an estimate of the reduced number of staff working in the office due to COVID-19 restrictions. Our target for 2021–22 is to not exceed the 2007–21 average.

POTABLE WATER CONSUMPTION (LITRES)				
	Long-term Average (2007–21)	2019–20	2020–21	% Change
Total office consumption	265,298	134,202	174,850 ⁸	30%
Daily consumption (Average)	1,061	534.67	694	30%
Daily average per person	19	13	20	57%

Water consumption



Waste generation

Waste generated by the Harbour Trust’s head office is approximately 3.6 tonnes. This amount is based on the volume of bins (which are shared with adjoining tenancies) collected by the Harbour Trust’s waste contractor. Our target is to have no increase in our waste generation for 2021–22.

In the 2020–21 financial year, the Harbour Trust used 7.2 reams of paper per staff member, which is within our goal set in 2019–20. Our target for 2021–22 is to ensure paper usage is kept to under seven reams per full-time equivalent staff member.



WELCOME EVERYONE

Our sites are often considered a premier tourist destination, however this year our parklands played an important role to local communities providing needed public green space, a place for respite, connection to nature and exercise during periods of COVID-19 restrictions. This popularity is reflected in the strong visitor numbers with the four principal sites attracting more than 1.7 million visitors over a period that saw no international tourism and greatly reduced domestic visitors.

Visitors and engagement

The Harbour Trust parklands are important Sydney places with a rich and layered history. The Harbour Trust continued to share and amplify the important history and stories of our sites, taking renewed focus on a digital and contactless approach to programming supported by guide-led tours when COVID-19 restrictions allowed.

The digital offering included the launch of the Harbour Trust's *Digital Harbour*, an online portal providing access to stories of people connected to Harbour Trust sites, children's educational and art activities and immersive experiences on Google Arts and Culture. The program also included "In Conversations" which saw the digitisation of Harbour Trust oral histories, presented in a video format. The Harbour Trust produced a series of videos — filmed in-house — telling new stories of Harbour Trust sites. DigiTalks continued to be offered with live audiences added to the digital offering where possible.

The Harbour Trust launched an interactive story-telling tool to allow visitors to learn the unique stories of sites through a text message conversation accessed via QR code. Through an AI-bot programmed conversation, the tool provided interesting historical information, visitor information and Harbour Trust and site updates.

The system was launched in October 2020 at North Head Sanctuary and subsequently rolled out to Cockatoo Island, Headland Park and Sub Base Platypus resulting in 21,405 interactions (messages) and 8,144 conversations with 4,745 individuals.

The Harbour Trust continued to communicate to audiences taking a digital-first approach engaging an audience of 66,454 through social media channels and distributing 56 newsletters to a database of 33,482 subscribers.

Tours and education

The COVID-19 restrictions had a significant impact on the Harbour Trust's programming, tours and educational programs with programs suspended for long periods throughout the year, and reduced capacity across all activities.

A review of all tours was conducted during this time, with some renamed and rebranded, to present a professional consistent package of tours. Naming and branding considered the target audience for each tour, and search engine optimisation considerations to allow improved organic search results in lieu of marketing spend.

When able to be offered in a COVID-safe environment, the tours program continued to prove to be popular with strong attendance levels. The tour program relaunched in February 2021 and included a new historical Sub Base Platypus tour at North Sydney and Defence of Sydney Tour at North Head Sanctuary, which included access into the newly restored Plotting Room.

Furthermore, a virtual excursion of Cockatoo Island, harnessing SITU360's VR education technology, was created, providing a curriculum connected tour of Cockatoo Island's Convict era (1839–1869) for students from Kindergarten to Year Four to access this UNESCO listed site, in a virtual environment accessible from their home or classroom across Australia.

Public tours at Cockatoo Island, Headland Park and North Head Sanctuary were attended by 7,434 people in 2020–21. Our education programs on Cockatoo Island and North Head Sanctuary were attended by 6,258 students from 35 schools, with the virtual excursion utilised by 13 schools.

Advertising and market research

The Harbour Trust's 2020–21 advertising campaign to encourage visitation was placed on hold, with all visitor-facing advertising paused for the majority of 2020. The Harbour Trust continued to advertise community consultation through the support of digital and print advertising campaigns. Advertising to promote our visitor destinations, accommodation, tours and digital offering was undertaken in early 2021 when programming recommenced.

Under section 311A of the *Commonwealth Electoral Act 1918*, the Harbour Trust is required to report on payments made for the services of advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising agencies.

External services

ORGANISATION	PURPOSE	EXPENDITURE*
Facebook Ireland Limited	Advertising of visitor products and community participation / feedback opportunities.	\$39,581.04
Google Asia Pacific Pte Ltd	Advertising of visitor products and community participation / feedback opportunities.	\$22,486.76
Hello Lamp Post	Provision of visitor information / seeking visitor research information	\$47,225.00
Universal McCann	Advertising of re-launched accommodation, tours and leasing opportunities	\$57,566.53

*Excluding GST.

Media and publicity

The Harbour Trust's media profile remained strong over the course of the year, with continued coverage across TV, radio, print and digital channels.

Significant coverage was achieved for the launch of the Cockatoo Island Draft Concept which saw more than 300 articles covering the concept reaching an audience of 10.3 million. Targeted coverage was achieved for the North Head Sanctuary Draft Concept which saw an audience reach of 1.6 million. Strong media coverage was also achieved for renewal works at Sub Base Platypus and the bushfire recovery efforts at North Head Sanctuary.

Programming

In 2020–21, the Harbour Trust successfully migrated its programming to digitally focused content; this was accessed through the Harbour Trust website to engage audiences while general programming was paused, due to COVID-19 restrictions. The program was focused around three streams: DigiTales — a series of articles featuring historical figures synonymous with Harbour Trust heritage places; Kids' Corner — a series of children's craft activities and projects that highlight historical information; and DigiTalks — a series of online talks and virtual tours allowing attendees to gain rich insights into our destinations.

The DigiTalks program was created in house with support from Harbour Trust volunteers. This new way of sharing stories with our community allowed us to connect as well as participate in important events such as NAIDOC Week and Reconciliation Week.

Details of the DigiTalks conducted are listed below;

DIGITALKS	DATE	REGISTRANTS
HMAS Onslow's Voyage to Australia	15/07/2020	120
Extraordinary Places on Sydney Harbour	26/08/2020	176
Convicts and Cabbage Tree Hats	30/9/2020	143
A Brief History of Sydney Ferries	21/10/2020	123
What the Colonists Never Knew (NAIDOC Week)	11/11/2020	232
Hell of the Pacific	17/2/2021	116
Australia's Memorial Walk	24/3/2021	26
The Vernon and the Sobraon	14/4/2021	39 – virtual, 19 – in-person
Dreamtime Story of Buriburi (Reconciliation Week)	27/5/2021	95 – virtual, 21 – in-person

In early March 2020, the Harbour Trust welcomed back a long-standing cultural partner, the *22nd Biennale of Sydney: NIRIN*. COVID-19 restrictions resulted in the temporary closure of the exhibition and subsequent re-opening from June to September 2020. Supporting this event was *Mary's on the Edge*, a pop-up restaurant that ran for the duration of the exhibition.

A number of significant scheduled events and programs were cancelled due to COVID-19 restrictions.

Projects, events and partnerships

Initiatives, including projects, events and partnerships, for 2020–21 are listed below:

Cockatoo Island / Wareamah

- *The 22nd Biennale of Sydney: NIRIN* (From Jun 2020 – Sep 2020) — Biennale of Sydney
- *Mary's on the Edge* (From Jun 2020 – Sep 2020) Pop-up bistro — Mary's Group
- *Cockatoo Island Orienteering Course* (Jun 2020 – ongoing) — Orienteering NSW
- *Aboriginal Employment Day* (Nov 2020) — Babana Aboriginal Men's Group Redfern
- Defence Exercise (Nov 2020) — Department of Defence

North Head Sanctuary

- Filming for TV series (Jun 2020 – Jan 2021) — Endemol Shine Australia
- *EcoXplore Tours* (Feb 2021 – Jun 2021) — EcoXplore
- *Defence of Sydney Commemorative Event* (May 2021)

Headland Park

- *Headland Park Orienteering Course* (Jun 2020 – ongoing) — Orienteering NSW
- *Headland Park Organic Food Markets* (Jun 2020 – ongoing) — Choulartons Australia
- *BTC Triathlon Series* (Nov 2020) — Balmoral Triathlon Club (BTC)
- *ANZAC Day* (Apr 2021) — Mosman RSL

Sub Base Platypus

- *Launch of Sub Base Platypus Tour* (Nov 2020 – Mar 2021)
- *Sydney Flying Squadron Repairs and Display* (Oct 2020 – Dec 2020)
- *Aboriginal Employment Day* (Mar 2021) — Babana Aboriginal Men's Group Redfern
- *Remarkable Exhibition* (Apr 2021 – May 2021) — Australian National Maritime Museum
- *Aboriginal Mental Health Day* (Jun 2021) — Babana Aboriginal Men's Group Redfern

Rangers

In 2020–21, the role of Harbour Trust rangers was vital as bushfire risks, hazardous air quality and COVID-19 required significant management. Rangers provided on the ground support to ensure social distancing requirements were adhered to on parklands and across onsite food and beverage businesses, as well as managing crowds accessing public transport from Cockatoo Island.

Throughout the year, the team of nine rangers continued to support visitors, manage visitor security and safety, respond to emergencies and incidents, ensure compliance with our regulations and provide visitors with access to information.

BUILD PARTNERSHIPS





The Harbour Trust continued to liaise with other government stakeholders, working closely with the State Government on future planning for North Head Sanctuary and Cockatoo Island, with local government representatives engaged directly in the Cockatoo Island Draft Concept Vision and North Head Draft Concept consultations. The organisation increased its connectivity with other State and Federal Government departments with staff across the organisation participating in working groups, networks and committees.

Volunteers

As a result of COVID-19 restrictions the Volunteer Program was suspended until late 2020. Whilst many of the roles were impacted, new opportunities for volunteer involvement were created, particularly in the areas of community engagement and programming.

Volunteer teams returned gradually with the behind-the-scenes roles of gardening, restoration, and administration recommencing in September 2020. The public facing roles of Visitor Services, community speakers, and tour guides returned in January 2021. Operating procedures for all volunteer teams were modified to ensure compliance with COVID-19 guidelines which meant some teams and volunteer-run public programs returned at a reduced capacity.

The Harbour Trust engages volunteers across 18 different role types including both public facing and behind-the-scenes activities. The Harbour Trust's 210 volunteers contributed over 12,500 hours in 2020–21. In addition, over 4,000 hours were contributed by the North Head Sanctuary Foundation (NHSF) and over 200 hours by the Community Advisory Committee.

The Harbour Trust welcomed 11 new volunteers in 2020–21, including the newly created Finance Assistant and DigiTales Coordinator roles. Volunteers continue to contribute beyond their regular roles, including sitting on both the Community Advisory Committee and the Work Health and Safety Committee, as well as providing input to the Draft Concepts for Cockatoo Island and North Head Sanctuary.

The North Head Sanctuary heritage restoration team completed the restoration of the Plotting Room and a diorama of North Fort which are now included in the weekly Defence of Sydney tour. A new guided tour and a community talk focusing on Australia's Memorial Walk were also created in 2020–21.

The restoration teams continue to work on maintenance and conservation projects including the restoration of Gun Emplacement No. 2 at North Fort and the restoration of Crane No. 1 at Cockatoo Island.

This year, the Harbour Trust acknowledged the contributions of 61 volunteers who celebrated their 5, 10, or 15 years of service.

Local partnerships

Important partnerships continued in 2020–21 with key organisations working with the Harbour Trust to deliver shared ambitions.

Bondi to Manly Walk

Launched in November 2018, the *Bondi to Manly Walk* is an 80 km multi-day walk and major tourist attractor linking two of Australia's most famous beaches. The walk passes through four Harbour Trust sites: Macquarie Lightstation, Vaucluse; Sub Base Platypus, North Sydney; Headland Park, Mosman; and North Head Sanctuary, Manly. The walk is developed and marketed by the Bondi to Manly Walk Supporters — a partnership of the six councils along the walk and seven NSW state agencies (Place Management NSW, NSW National Parks and Wildlife Services, Transport for NSW, Port Authority of NSW, the Royal Botanic Gardens, Sydney Opera House and Taronga Zoo) as well as the Harbour Trust.

Over the course of the reporting period, the Harbour Trust was proactively involved in the project and part of the steering committee.

Cockatoo Island / Wareamah

The long-standing partnership with the Biennale of Sydney continued with the art exhibition taking over much of Cockatoo Island from March 2020. Whilst the exhibition had to be temporarily suspended due to COVID-19 restrictions, an extension of the partnership agreement was executed post the period of COVID-19 restrictions until September 2020.

In addition, the partnership with the Sydney Opera House to support the Dance Rites Indigenous dance competition was suspended until 2022 due to COVID-19 restrictions.



A ROBUST BUSINESS



The Harbour Trust's leasing portfolio continues to perform strongly across commercial and residential leasing in the context of COVID-19. Occupancy has remained strong across both the commercial and residential portfolios and the Harbour Trust is pleased to have been able to provide over \$2 million in rent relief to tenants meeting agreed criteria. The commercial portfolio performed well with less than five per cent vacancy over the year for properties previously leased. The residential portfolio has proven to be in high demand with full occupancy of those properties available for leasing across the financial year.

In addition to the initial rent relief program occurring from March 2020 to September 2020, the Harbour Trust provided further relief to tenants still materially impacted by restrictions beyond this initial period. In most instances additional relief was by way of rent deferral. As noted in the 2019–20 Annual Report, the Harbour Trust was able to access a portion of the Markham Close funds to provide support following approval from the Australian Government. This has supported the health of the tenancy base throughout the COVID-19 period, while also protecting long term revenue sources for the Harbour Trust.

Short-term accommodation on Cockatoo Island is an important income source for the Harbour Trust and continues to be heavily impacted by the pandemic. This necessitated the suspension of the Harbour Trust's accommodation offering at various times during the period.

Commercial leasing

The Harbour Trust's commercial leasing portfolio continues to be highly competitive and has held up well during the COVID-19 period, thanks in no small part to the support that was able to be provided to tenants. Completing the leasing program at Sub Base Platypus remains the key focus of the Harbour Trust's commercial leasing efforts. Two new tenants commenced at Sub Base Platypus during the year with strong interest evident from 104 enquiries and 76 inspections over the period.

There continues to remain a diversity in the type of businesses tenanted across all sites.

Residential leasing

The Harbour Trust manages 55 residential homes, located in North Sydney, Mosman, Manly and Vaucluse. Two houses were provided for community housing during the period in acknowledgment of the hardships brought on by COVID-19. One of these houses will return to the leasing pool in 2021–22, whilst the other will remain dedicated for community use on a subsidised rent basis.

In addition to these two residences, the Harbour Trust continues to provide a number of houses under longer term subsidised leasing arrangements for community and social housing purposes.

The Harbour Trust has undertaken renovation works on four of the houses in the portfolio during the period to ensure the stock is maintained to an acceptable standard and revenue from these assets is protected.



Image: Harbour view apartment, Cockatoo Island. Credit: Geoff Magee.

Accommodation

The short-stay accommodation at Cockatoo Island targets domestic, international, corporate and school group visitors. There are a range of accommodation options, including a campground (BYO and deluxe camping), as well as heritage houses and apartments.

COVID-19 restrictions continued to impact visitation to the island, however the lifting of restrictions in the second half of the period saw a strong return amongst school groups in particular. Investments in accommodation infrastructure were limited given the challenging financial and operating environment. The Mould Loft was made available for conferences and events during the period and has seen pleasing levels of interest. As recommended by the Independent Review, the Harbour Trust will undertake strategic review of the accommodation business during 2021–22.

In 2020–21, the Harbour Trust continued to work with schools and supported organised educational activity from specialist providers including Urban Challenge, Lands Edge and Outdoor Education Australia.

Licensing and venue hire

Licensing and venue hire was heavily impacted by COVID-19 restrictions. Despite this the Harbour Trust secured a high-profile filming project in 2020–21 with Endemol Shine, which was filmed at North Head Sanctuary.

The Harbour Trust allows activities including weddings, exhibitions and filming and photography to be conducted on Harbour Trust sites. Over the reporting year 88 low-impact permits were issued, an increase from the previous reporting period.

Corporate governance

Meetings of the Members of the Trust

In 2020–21, the Members of the Trust met eight times. Jean Hay AM and Garth Callender were reappointed in July 2020.

Period as the accountable authority or member within the reporting period				
Name	Position held Executive / Non-Executive	Date of commencement	Date of cessation	Number of meetings of accountable authority attended
Joseph Carrozzi AM	Chair, Non-Executive	July 2018	-	8 of the possible 8
Jean Hay AM	Deputy Chair, Non-Executive	July 2020	June 2021	7 of the possible 8
Garth Callender	Non-Executive	July 2020	June 2021	8 of the possible 8
Josephine Cashman	Non-Executive	July 2018	June 2021	2 of the possible 8
Sandra Hook	Non-Executive	April 2019	-	7 of the possible 8
Jessica Keen	Non-Executive	July 2018	June 2021	8 of the possible 8
Tim James	Non-Executive	April 2019	-	8 of the possible 8
Michael Rose AM	Non-Executive	September 2019	-	8 of the possible 8

See pages 12–14 for qualifications and further information on the Members of the Trust.

Tenant Assistance Sub-Committee

In April 2020 the Tenant Assistance Sub-Committee was established to respond to the impact of the COVID-19 restrictions on the business operations of Harbour Trust tenants. The sub-committee met four times during the reporting period.

Portfolio Audit Committee

The Portfolio Audit Committee was established by the accountable authorities of the Department of Agriculture, Water and the Environment, the Director of National Parks and the Harbour Trust. This committee provides independent advice to the Members of the Harbour Trust (as the accountable authority) on the Harbour Trust's risk, finance, control and compliance frameworks and its external accountability responsibilities. A copy of the committee's charter is available on the Department of Agriculture, Water and the Environment's website at www.awe.gov.au/about/reporting/portfolio-audit-committee-charter. There are two sub-committees of the Portfolio Audit Committee; the Financial Statements Sub-Committee and the Performance Reporting Sub-Committee.

The Portfolio Audit Committee met four times in 2020–21. Information about the committee members, their qualifications, knowledge, skills or experience, their attendance during 2020–21 and their remuneration is included following. In addition to Harbour Trust management, Garth Callender attended the committee meetings representing the Members of the Trust.

Portfolio Audit Committee membership

In the reporting period members of the Committee were:

MEMBER	QUALIFICATIONS, KNOWLEDGE, SKILLS OR EXPERIENCE	NUMBER OF PAC/AUDIT COMMITTEE MEETINGS ATTENDED	TOTAL ANNUAL REMUNERATION (GST INCL.)
Mr Geoff Knuckey PAC Independent member and Chair	Geoff's career has included 32 years with Ernst & Young specialising in the areas of financial statements auditing and reporting, internal audit, corporate governance, and risk management. In 2009 Geoff commenced his current full-time role as a professional director comprising Board non-executive director roles and Audit and Risk Committee positions in the private and public sectors.	4	*
Mrs Jenny Morison PAC Independent Member Financial Statements Sub-Committee Chair	Jenny Morison FCA, B.Ec (Sydney Uni) has 38 years of broad experience in the accounting profession, commerce and government. She was a National Board Member of the Chartered Accountants of Australia and New Zealand for four years, CFO of a public company and has held senior positions in the major international accounting firms. Jenny founded Morison Consulting Pty Limited in 1996, specialising in government financial reforms, governance and consulting. She was awarded a Centenary medal in 2000 for services to women and accounting. Jenny brings a wealth of experience having held roles as an independent member and chair of Commonwealth audit and risk committees and financial statement sub-committees for large and small government entities for the last 17 years.	4	*

MEMBER	QUALIFICATIONS, KNOWLEDGE, SKILLS OR EXPERIENCE	NUMBER OF PAC/AUDIT COMMITTEE MEETINGS ATTENDED	TOTAL ANNUAL REMUNERATION (GST INCL.)
Mr Michael Roche PAC Independent Member Performance Reporting Sub-Committee Chair	<p>Michael is an independent management consultant. He has a wide range of experience at senior levels in the Australian Government in both central and operational departments. His background includes corporate and financial management, program management and policy development.</p> <p>Since leaving the public sector he has consulted widely on strategic management issues, and has been a member of private sector boards and public sector advisory boards. He has been a member of, and chaired, both private sector and public sector audit committees. His qualifications include BA (Accounting), FCPA and MACS (senior).</p>	4	*
Dr David Bryant PAC Independent Member	<p>David has 35 years of experience in delivering IT/ Business alignment and project management consultancy services across the Australian Public Service. He currently lectures on accounting information systems at the Australian National University.</p> <p>Dr Bryant's expertise in ICT/Business management has enabled him to provide valuable advice and assurance to a range of government departments through consultancy and audit committee services. Dr Bryant has experience in delivering audit committee services to the Department of Human Services, IP Australia, Department of Education and the Department of Industry, Innovation, Science and Resources.</p>	4	*

**Remuneration for members of the Portfolio Audit Committee is paid by the Department of Agriculture, Water and the Environment. Information about remuneration is reported in the department's annual report.*

Fraud control

Fraud control within the Harbour Trust is overseen by the Members of the Trust, as well as the Portfolio Audit Committee. The basis of the Harbour Trust's fraud policies and procedures is the Commonwealth Fraud Control Framework.

During the reporting period, Harbour Trust commissioned an external Fraud and Corruption and Control Risk Assessment and staff undertook compulsory annual fraud awareness training. The Harbour Trust's Fraud Control Policy is scheduled for review during 2021–22.

Indemnities and insurances

In 2020–21, the Harbour Trust had the following key insurance policies with Comcover:

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

In addition, the Harbour Trust held workers compensation insurance with Comcare. The Harbour Trust did not provide any indemnities to directors or officers for liabilities or claims against them during the reporting period.

Procurement

The Harbour Trust's procurement guidelines, procedures and templates are consistent with the Commonwealth Procurement Rules. The Harbour Trust's Procurement Policy was updated during the period and a dedicated procurement specialist appointed.

Tendering and contracting

In 2020–21, the Harbour Trust ran 11 tenders for which contracts valued at \$3,642,891 were awarded during the period. The 2020–21 portion of those contracts totalled \$2,231,078. Tenders encompassed:

- Strategic consulting and concept planning services
- Hazardous material removal
- Lead design services for major capital works
- Development advisory services
- Maritime refurbishment projects

The Harbour Trust also engaged consultants with a total value of \$2,755,748.41 (excluding GST) to provide specialist advice relating to sites, capital projects and master planning in areas including acoustics, archaeology, bushfire management, conservation and heritage, engineering services, environmental services, fire and safety, graphic design, IT, legal fees and disbursements, marketing and public relations, planning and other technical aspects.

Government policy orders

A Government Policy Order (GPO) is an order made by the Minister for Finance under the *Public Governance, Performance and Accountability Act 2013*, that specifies a policy of the Australian Government that is to apply to one or more corporate Commonwealth entities.

The Harbour Trust is subject to one GPO, being the *Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017*. The Harbour Trust charges for regulatory activities such as Liquor Permits and Planning Applications (previously referred to as Development Applications) that occur on its land. A Cost Recovery Implementation Statement (CRIS) is published on the Harbour Trust's website, which reports financial and non-financial performance information for these activities and contains financial forecasts for the current year and three forward years.

STRENGTHEN OUR CAPABILITIES



Human resources

The Harbour Trust had a head count of 66, comprising of 46 full-time staff, 11 part-time staff and nine casual employees, all based in Sydney. Harbour Trust employees are engaged under section 48 of the SHFT Act, with terms of employment prescribed by the *Sydney Harbour Federation Trust Enterprise Agreement 2016–2019* (extended to 2022).

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual	Total Headcount
Executive Director	0	1	1	0	0	1	0	1
Senior Executive	4	2	5	1	5	1	0	6
EL2	6	4	9	1	5	5	0	10
EL1	7	6	10	3	9	4	0	13
L6	5	5	7	3	9	1	0	10
L5	2	4	5	1	5	1	0	6
L4	1	1	1	1	2	0	0	2
L3	5	2	7	0	7	0	0	7
L1 - 2	4	7	1	1	0	2	9	11
Trainees	0	0	0	0	0	0	0	0
Total	34	32	46	11	42	15	9	66

Note: Headcounts do not include three labour-hire staff.

Equity, diversity and inclusion

For current and future employees, the Harbour Trust commits to, and demonstrates equity, diversity and inclusiveness. Harbour Trust policies and procedures reflect this approach through its Disability Action Plan and Reconciliation Action Plan.

Executive remuneration

The categories of personnel covered by the disclosures include key management personnel and senior executives within the meaning of Public Governance Performance and Accountability Rule 2014.

Remuneration policies, practices and governance arrangements

The key management personnel (KMP) include the Members of the Trust and the Executive Director. Pursuant to Section 43 of the SHFT Act, the Trust sets the conditions of employment for the Executive Director, but must first seek advice from the Australian Government Remuneration Tribunal in respect of remuneration and allowances.

Remuneration for the senior executive is set with regard to public sector benchmarks, the nature of the work, specific skills and individual contribution to business outcomes.

Tables showing the remuneration for KMP and senior executives in the reporting year are set out in Appendix 5.

Disability Action Plan

The Harbour Trust Disability Action Plan identifies where and how the Harbour Trust can continue to adopt practices to eliminate barriers for those with a disability for both current and future employees. People with a disability accounted for three percent of our workforce in 2020-21.

Public Interest Disclosure

In accordance with the *Public Interest Disclosure Act 2013* (PID Act) the Harbour Trust reported to the Commonwealth Ombudsman that it had received one public interest disclosure during the 2020-21 reporting period.

Access and safety

Risk management

The Harbour Trust provided a comprehensive response to the COVID-19 pandemic to support staff, volunteers, contractors and tenants. Monthly updates were provided to the Executive with quarterly updates reported to the Members of the Trust and Portfolio Audit Committee at each meeting in 2020-21.

The Harbour Trust adopts a risk-based approach to identify and manage its corporate and operational risks through adoption of best practice in undertaking ongoing reviews and updates of its risk register, making risk-based decisions in line with its responsibilities under relevant laws and regulations.

Work Health and Safety

The Harbour Trust has made significant progress in the review, update and embedding of the safety management system to align to *ISO Occupational health and safety management systems – Requirements with guidance for use (AS/NZS ISO 45001:2018)*. This combined with the completion of site risk assessments for Macquarie Lightstation, North Head, Sub Base Platypus and Cockatoo Island and proactive risk reduction strategies has led to a decrease in frequency of incidents across our sites.

Our response to COVID-19 has been effective with efficient and timely advice provided to our workforce to adapt to changes in health orders.

In 2021-22 our focus will remain on further refreshing and embedding the Safety Management System. This includes training, internal auditing of the Safety Management System and completion of the site risk assessments for Middle Head and Woolwich Docks and Parklands.

WHS statistics

HAZARDS, INCIDENTS, INJURIES	2019–20	2020–21
Number of incidents and accidents reported	99	77
Number of lost time injuries	7	1

Notifiable incidents

Comcare was notified of two incidents during the reporting period. There were no Comcare prosecutions or investigations during the year.

Judicial decisions and reviews by outside bodies

The Australian Government initiated an Independent Review of the Harbour Trust and its legislative, financial and governance arrangements to ensure that arrangements are fit for the future in 2019. The final report of the review was released by the Minister for the Environment on 18 June 2020. The Harbour Trust continued to implement its responses to the Review's recommendations throughout 2020–21.

There were no judicial decisions or decisions of other administration appeal tribunals that had a significant impact on the operation of the Harbour Trust in 2020–21.

Furthermore, there were no reports on the operations of the Harbour Trust by the Auditor-General or reports by a parliamentary committee other than the annual Australian National Audit Office audit on the Financial Statements.

Ministerial directions

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

Business operations

Over the course of the reporting period, the Harbour Trust continued to mature its operations both in response to the Independent Review but also the ongoing COVID-19 pandemic. On 31 July 2020, the Harbour Trust issued a Statement of Intent detailing how it planned to respond to the Independent Review recommendations. This response include the establishment of the reform program with dedicated resources and plans, commencing a rapid evolution of the way we deliver best practice concept development and engage with the community to deliver capital projects (still in progress) as well as implementing changes to governance and procurement approaches appropriate to the scale of the significant new funding obtained (for example in the design and delivery of the R&M backlog program).

Implementing some reforms necessitated the amendment of the Harbour Trust's governing legislation via the *Sydney Harbour Federation Trust Amendment Act 2021*, which commenced on 23 June 2021. This amendment act placed the operations of the Harbour Trust on a permanent basis by repealing references to it as "a transitional body" and related sections dealing with repeal of the SHFT Act. It also implemented some reforms which necessitated amendment to the SHFT Act concerning the appointment of Members as well as the approval processes (including financial thresholds) for entering into substantial contracts or granting long-term leases (of no more than 35 years) and licences over Harbour Trust lands.

The Harbour Trust was and is focused on learning how to respectfully move towards reconciliation and better engagement with broader First Nations communities, as well as developing closer relationships with Commonwealth, State and Local Governments. Also over the reporting year, the Harbour Trust continued to be heavily impacted by COVID-19 restrictions. The Harbour Trust continued to refine its processes and improve its support for staff to work remotely.

ANNUAL PERFORMANCE STATEMENTS



Statement by Members

We, the Members of the Sydney Harbour Federation Trust – as the accountable authority of the Sydney Harbour Federation Trust (Harbour Trust) – are responsible for the preparation of the Harbour Trust's Annual Performance Statements (Performance Statements).

The results and analysis presented in the Performance Statements relate to the performance of the Harbour Trust against the performance measures outlined in the Sydney Harbour Federation Trust Corporate Plan 2020-2024.

In our opinion, the information presented in the Performance Statements:

- accurately presents the Harbour Trust's performance in the year ending 30 June 2021 against the performance criteria detailed in the 2020-2024 Corporate Plan.
- meets the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), specifically sections:
 - 37 (Records about performance of Commonwealth entities);
 - 38 (Measuring and assessing performance of Commonwealth entities);
 - 39 (Annual performance statements for Commonwealth entities).
- meets the requirements of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), specifically sections 16EA (Performance measures for Commonwealth entities) and 16F (Annual performance statements for Commonwealth entities).

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

Signed,



Joseph Carrozzi AM
Chair

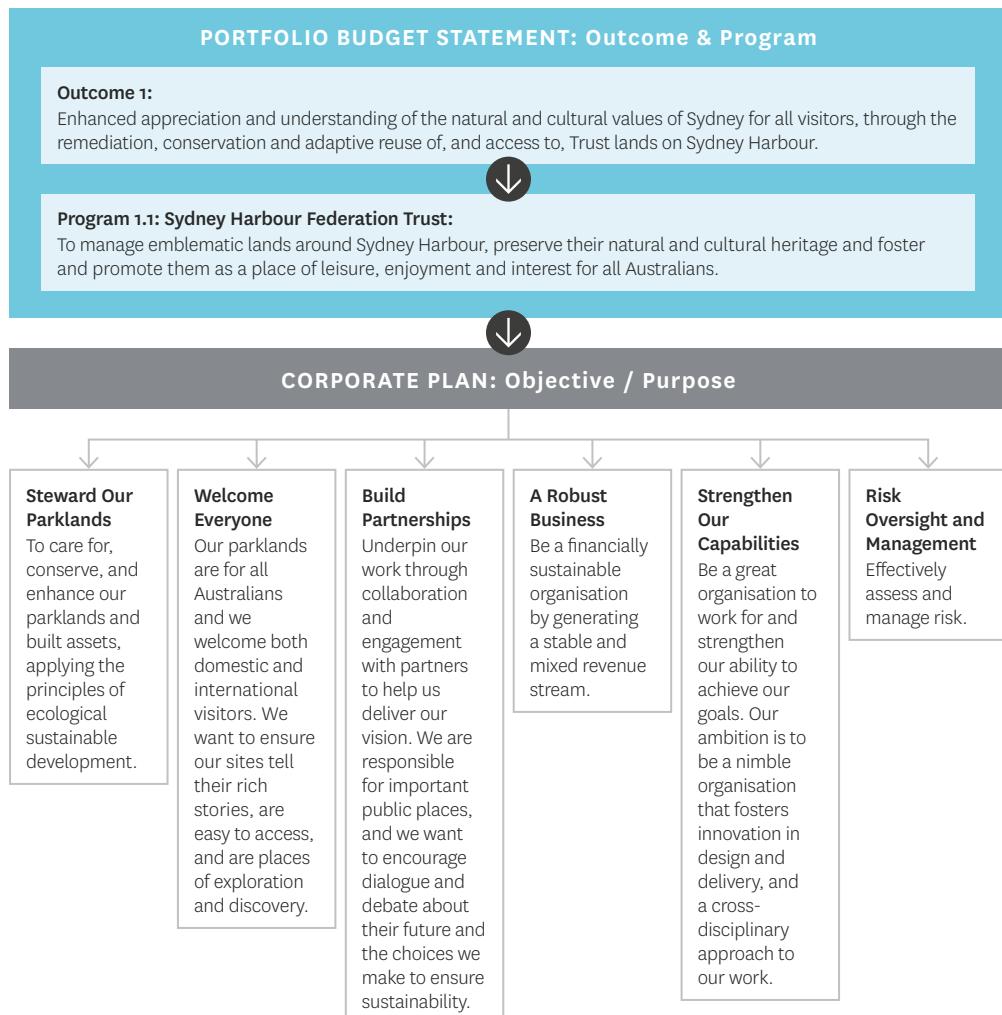
16 September 2021

Entity purpose

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 (Outcome 1, 2020–21 Portfolio Budget Statements — Agriculture, Water and Environment Portfolio, p. 380).

To achieve this purpose, the Harbour Trust identified six key results areas with performance criterion in its Corporate Plan for 2020–2024 to ensure that the organisation is on target to meet its strategic goals.

Alignment between the Harbour Trust's 2020–21 PBS and Corporate Plan



Performance criterion: Steward Our Parklands

To care for, conserve, and enhance our parklands and built assets, applying the principles of ecological sustainable development.

Criterion source

- Program 1.1, 2020–21 Portfolio Budget Statements – Agriculture, Water and Environment, p. 382.
- *Sydney Harbour Federation Trust Corporate Plan 2020–2024* – Steward Our Parklands – p. 12.

Results against performance criterion

The Harbour Trust's 2020–2024 Corporate Plan set the following strategic goals for this criterion:

STRATEGIC GOALS

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

In 2020–21, the Harbour Trust set the following priority actions and performance measures in relation to this criterion:

2020–21 PRIORITY ACTIONS	OUTCOME
<ol style="list-style-type: none"> 1. Progress plans for the restoration of 10 Terminal (and associated environmental and landscaping works) at Middle Head and the second stage of Sub Base Platypus, focusing on the Torpedo Factory. Through these works we will ensure the preservation and adaptive reuse of historic military structures, environmental restoration and ensure the layered history of these sites is told. Our goal is to create vibrant places for our community, as well as to contribute to the commercial sustainability of the Harbour Trust. 	<p>Partially Achieved</p> <p>Sub Base Platypus project “On Target” and progressing through design phases. To gain a suitably qualified shortlist of Head Works Contractors, an Expression of interest (EOI) procurement activity has been progressed to create the short list, now in its closing stages. Once final design is complete, a limited tender procurement will proceed to engage a suitable Head Works Contractor to deliver the project through 2021–22.</p> <p>10 Terminal project is currently “Behind target” requiring additional consultation with both First Nations stakeholders and the broader community to integrate rich First Nations and Military histories into the Middle Head area. Initial hazardous materials remediation works are complete to the brick buildings. Early scoping of brick buildings fabric preservation is being scoped for delivery in Q2 of 2021–22 whilst consultations are progressed.</p>
<ol style="list-style-type: none"> 2. Implement further reform to our prioritisation and delivery of site services through our Strategic Asset Management Plan (SAMP). 	<p>Not Achieved</p> <p>SAMP evolution has been incorporated into Repairs & Maintenance program. Asset auditing has been rescheduled to commence Q2 2021–22.</p>
<ol style="list-style-type: none"> 3. Implement the minor capital works program on time and on budget. The program will focus on safety and essential repairs, funded by the Ministerial approved release of funds on the Harbour Trust’s balance sheet. <p>(Independent Review action)</p>	<p>Achieved</p> <p>Minor capital works program has been rescheduled and being delivered to plan. Future looking planned projects are being brought forward to scoping and or tender for delivery to commence in 2021–22.</p>

2020–21 PRIORITY ACTIONS	OUTCOME
<p>4. Work with the Department of Agriculture, Water and the Environment to secure the additional short and longer term rehabilitation funding recommended by the Independent Review report. <i>(Independent Review action)</i></p>	<p>Achieved</p> <p>Short term rehabilitation funding was achieved with an appropriation of \$41 million agreed, a significant portion of which was received in this financial year. Progress continues to secure longer term rehabilitation funding, with significant investigation and analysis completed. Draft Concepts have been prepared, with community consultation running through May and June 2021.</p>

Key performance measures

PERFORMANCE MEASURE	2019–20 ACTUAL	2020–21 TARGET	2020–21 ACTUAL
% of our land open to the public	90%	90%	90%
<i>Source Data – Precinct spatial maps</i>			
% of our built assets in active use	77%	77%	77%
<i>Source Data – Asset register</i>			
Visitor satisfaction with the public domain	81%	>90%	84%
<i>Source Data – Visitor Survey Cockatoo Island / Wareamah, North Head Sanctuary, Headland Park and Sub Base Platypus.</i>			

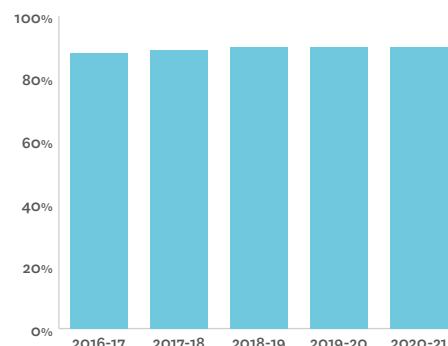
Analysis of performance

The Harbour Trust achieved two of the four 2020–21 Priority Actions (with another partially achieved) set for this performance criterion. In addition, two of the three Key Performance Measure targets were met.

The second stage (Torpedo Factory Renewal) of the Sub Base Platypus activation project has progressed with first phase of procurement activity to determine a short-list of potential Head Works contractors via an AusTender Expression of Interest process complete and will next proceed to a second phase limited tender process. The 10 Terminal project delivery timeline was challenged by the need for additional consultation as part of meeting the strategic goals for conservation and interpretation of heritage assets as well as partnership with First Nations Custodians to care for the land.

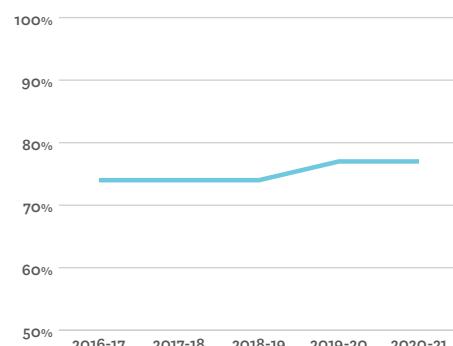
The approach for further evolving the Strategic Asset Management Plan was altered to incorporate it into a go-to-market exercise for Repairs and Maintenance; this tender process was delayed due to resourcing and planning issues with tender release expected immediately after the close of this reporting period. The Harbour Trust has been able to continue minor capital works as funds were made accessible.

The development of Draft Concepts and wide consultation was carried out for the Harbour Trust's two sites with the most significant remediation needs and activation potential, Cockatoo Island and North Head Sanctuary. The Harbour Trust has been able to maintain its land open and assets in active use throughout the period by carrying out the necessary capital works and maintenance while planning for further remediation and activation projects.

Land open to the public

Forced reductions to activation of our sites and periods where access to sites was limited due to COVID-19 restrictions partly accounts for the visitor satisfaction results for the period. The Harbour Trust continued to implement and refine its measures to ensure visitor and staff safety and adherence to government regulation; the restrictions imposed were also expected to impact in the satisfaction measures.

The satisfaction results are also in part due to changes in survey approach, where the regular twice-yearly on-the-ground surveys were replaced with a wholly on-line or digital approach (also due to COVID-19), including the introduction of the text-message based survey system set up at each of the Harbour Trust's four main sites. Survey results for the 10 Terminal project consultation were also included in this period for the first time. Improvements and changes to the question sets, channels and surveyed groups profiles is generally anticipated to disturb the long-term trends of these results, however the Harbour Trust expects these changes will improve the accuracy of these measures in the longer term.

Built assets in active use**Visitor satisfaction with the public domain**

Performance criterion: Welcome Everyone

Our parklands are for all Australians and we welcome both domestic and international visitors. We want to ensure our sites tell their rich stories, are easy to access, and are places of exploration and discovery.

Criterion source

- Program 1.1, 2020–21 Portfolio Budget Statements – Agriculture, Water and Environment Portfolio, p. 383.
- *Sydney Harbour Federation Trust Corporate Plan 2020–2024* – Welcome Everyone – p. 14.

Results against performance criterion

The Harbour Trust's 2020–2024 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

1. Make our places ones of discovery and delight that draw visitors.
2. Make our parks more widely known.
3. Strengthen ties with those with a deep connection to our sites, including partner with First Nations Peoples, military families and veterans, and the industrial workforce of Cockatoo Island / Wareamah.
4. Make visiting our places a great experience.

In 2020–21, the Harbour Trust set the following priority actions and performance measures in relation to this criterion:

2020–21 PRIORITY ACTIONS	OUTCOME
<p>1. Respond to the challenges of COVID-19 by implementing strategies to enable digital experiences and education programs.</p>	<p>Achieved</p> <p>Convict Times Virtual Excursion launched in July 2020. New virtual school resources created against current in-person education program. Nine Digital Talks held. Ten DigiTales written by volunteers released. Online Kids Corner created for school holidays including activity sheets, experiments and projects.</p>
<p>2. Implement our Reconciliation Action Plan (RAP) priorities including: development of guiding principles for First Nations engagement across our sites; progress dual-naming at Cockatoo Island with its First Nations name, Wareamah; and develop and implement a First Nations procurement strategy.</p>	<p>Partially Achieved</p> <p>Guiding Principles for First Nations Engagement are in development with a draft developed for internal/external consultation. Dual naming for Cockatoo Island is currently with the NSW Geographic Names Board and in the public consultation period. The codification and formalisation of the procurement strategy will occur in 2021 following the appointment of a dedicated Procurement Officer in June.</p>
<p>3. Ensure our sites are safe and welcoming for all and contribute to community well-being by implementing protocols and strategies to reduce the risk of COVID-19, as recommended by the Australian Government.</p>	<p>Achieved</p> <p>The Harbour Trust has maintained a high level of compliance in the management of COVID-19 throughout the year with adaptability, innovation and creativity to meet the requirements of Government advice and Health Orders, supporting remote working and on-boarding new starters via video conferencing.</p>



Georges Heights, Gun Placement, Headland Park, Mosman

2020–21 PRIORITY ACTIONS	OUTCOME
4. Recognise the contribution of the community to the work of the Harbour Trust as it marks its 20 year anniversary since establishment.	<p>Achieved</p> <p>Celebrations commenced in March to commemorate the date the Harbour Trust legislation was first presented to Parliament, and will culminate in September 2021 to commemorate the proclamation of the Harbour Trust Act.</p> <p>Rediscovery Days were held across 20-29 March with a selection of behind-the-scenes tours, tenant events and supporting marketing activity.</p>

Key performance measures

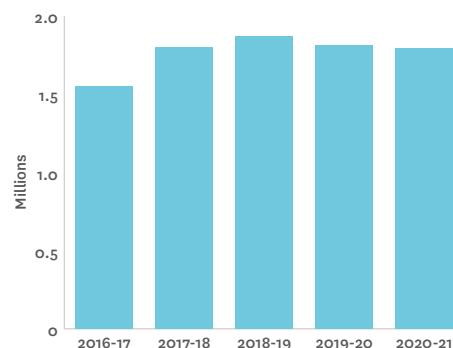
PERFORMANCE MEASURE	2019–20 ACTUAL	2020–21 TARGET	2020–21 ACTUAL
Number of Visits	1,814,299	1,850,000	1,796,666
<i>Source Data – Visitor numbers data for Cockatoo Island / Wareamah, North Head, Headland Park and Sub Base Platypus.</i>			
Visitor Satisfaction	89%	>85%	85%
<i>Source Data – Visitor Survey Cockatoo Island / Wareamah, North Head Sanctuary, Headland Park and Sub Base Platypus.</i>			

Analysis of performance

The Harbour Trust achieved three of the four 2020–21 Priority Actions set for this criterion. One of the Key Performance Measure targets was met, with the other not met due to COVID-19 restrictions.

As noted previously, unprecedented events impacted the Harbour Trust performance in visitation and visitor satisfaction. However, the Harbour Trust successfully planned and implemented alternative channels for making our sites more widely known and maintaining the public's engagement with our lands and stories via on-line and remote experiences.

Number of visits



Visitor satisfaction



Where on-site access, tours and events were appropriate and safe, these programmes were continued in compliance with the required protocols for COVID-19 infection control.

Maintaining the Harbour Trust's focus on providing great experiences of discovery and delight was reflected in the adjusted target for visitor satisfaction being met.

Programming, large scale events and accessibility to the Harbour Trust's places were drastically disrupted during a number of COVID-19 restriction periods in the reporting year. Visits were depressed at other times due to reductions in overseas, interstate and regional visitors thorough the entire reporting period, thus visitor numbers fell slightly short of target.

The Harbour Trust is now half-way through its second two-year Reconciliation Action Plan, with progress on the dual naming of Cockatoo Island / Wareamah through to public consultation via the Geographical Names Board and principles for First Nations engagement drafted. A First Nations Procurement Strategy has been developed and will be implemented in 2021–22, continuing to build the partnership between the Harbour Trust and First Nations Peoples.

During the 20th anniversary of its establishment, the Harbour Trust recognised the community members and groups instrumental to its formation and the ongoing efforts of volunteers to continue the Harbour Trust's work, furthering its goal to strengthen ties with connected stakeholders.

Performance criterion: Build Partnerships

Underpin our work through collaboration and engagement with partners to help us deliver our vision. We are responsible for important public places, and we want to encourage dialogue and debate about their future and the choices we make to ensure sustainability.

Criterion source

- Program 1.1, 2020–21 Portfolio Budget Statements – Agriculture, Water and Environment Portfolio, p. 383.
- *Sydney Harbour Federation Trust Corporate Plan 2020–2024* – Build Partnerships – p. 16.

Results against performance criterion

The Harbour Trust's 2020–2024 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

1. Work openly with the community and other stakeholders as we plan our work and implement our vision.
2. Extend and build philanthropic and commercial partnerships.
3. Support tenants to help deliver our vision.
4. Support and grow our volunteer activities in the fields of natural and built environment, cultural heritage, visitor experience, and administrative support.

In 2020–21, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2020–21 PRIORITY ACTIONS	OUTCOME
<ol style="list-style-type: none"> 1. Provide additional support to the Biennale of Sydney to enable a new 12-week exhibition on Cockatoo Island / Wareamah, given the requirement to close the previously planned exhibition early due to COVID-19 restrictions implemented in March 2020. 	Achieved The exhibition closed on 7th September after an extended twelve-week exhibition on Cockatoo Island post COVID-19 restrictions. The exhibition and island were run in a COVID-safe manner with full support from NSW Department of Premier and Cabinet, Transport for NSW and Create NSW.
<ol style="list-style-type: none"> 2. Continue to strengthen our relationships with the community and implement reform to improve our work with our Community Advisory Committees, Aboriginal and Torres Strait Islander Advisory Group, and the broader community. <i>(Independent Review action)</i> 	Partially Achieved 8 General & Sub Base Platypus CAC, 3 First Nations Advisory Group, and 4 10 Terminal Stakeholder meetings have been held. Separate workshops with these stakeholder groups for feedback on the Cockatoo Island (5) and North Head Sanctuary (3) Draft Concepts were held. A Draft Stakeholder Engagement Strategy and Governance Framework was developed and placed on public exhibition between November and December 2020. Refinement and implementation of the strategy and framework is expected to occur in 2021–22.
<ol style="list-style-type: none"> 3. Formalise a partnership with the Metropolitan Local Aboriginal Land Council as a priority initiative of our Reconciliation Action Plan. 	Not Achieved A letter was sent to Metro Land Council on 28 September 2020. A meeting with the Harbour Trust Chair and Executive Director was held in February 2021.

2020–21 PRIORITY ACTIONS

4. Strengthen mechanisms and processes for engaging with both the New South Wales Government and Local Councils, including working with the Department of Agriculture, Water and the Environment to develop an MOU with the NSW Government and resolve long term arrangements for North Head Sanctuary.

(Independent Review action)

OUTCOME

Achieved

Meetings with State and Federal Government continue, considering both the Deed of Agreement at North Head Sanctuary and a range of opportunities to work together more effectively. Separately the Harbour Trust established the North Head Bushfire Recovery Advisory Group and held its first meeting in December 2020 with stakeholders.

Key performance measures

PERFORMANCE MEASURE	2019–20 ACTUAL	2020–21 TARGET	2020–21 ACTUAL
Number of volunteer hours	22,004	16,685	16,792
<i>Source Data – Volunteer Manager records</i>			
Number of significant, multi-year cultural, environmental and heritage partners	10	10	10
<i>Source Data – Marketing, Communications and Visitor Experience Records, Property Commercial Leasing</i>			
Value of philanthropic and sponsorship contributions	\$2.5k	\$0	\$1.0k
<i>Source Data – Financial records</i>			



Analysis of performance

The Harbour Trust achieved two of the four 2020–21 Priority Actions set for this criterion, with one further action partially achieved. All of the three Key Performance Measure targets were met or exceeded for the year.

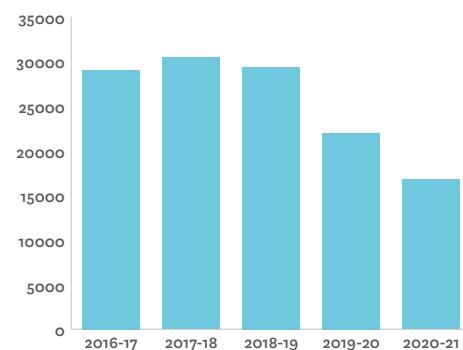
The Biennale of Sydney was successfully and safely opened, operating on a delayed schedule as a result of COVID-19 restrictions.

The Independent Review recommended an improved engagement approach with external stakeholders. Existing arrangements will continue until a revised stakeholder strategy is finalised and implemented by the new Executive Director. Relationships with Metropolitan Land Council have continued to develop positively however the Harbour Trust did not formalise the relationship with an agreement during the period. The working relationship with NSW Government has continued to develop positively with working groups meeting regularly to progress an extension for the Deed at North Head Sanctuary as well agreement around other areas for co-operation. The Harbour Trust responded to the challenges created by the out-of-control burn operation in October 2020 by establishing the North Head Bushfire Recovery Advisory Group.

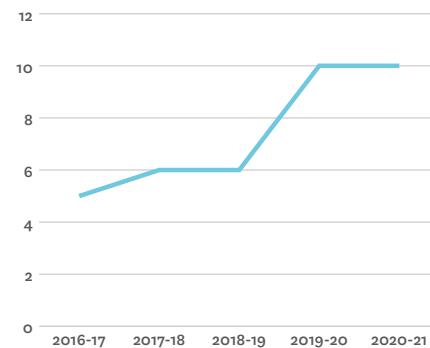
Volunteers complete a diverse variety of functions across the organisation, such as acting as tour guides, gardening, manning our visitor centres, and performing restoration activities. The target for this reporting year was revised from previous years to allow for COVID-19 restrictions, and there were periods where, due to government regulations and Harbour Trust COVID-19 measures to ensure the health and safety of our volunteers, staff and visitors, all public programs were closed. Despite the restrictions, the revised target was met.

Having reviewed its partnerships during 2019–20, in this reporting year the Harbour Trust has been able to sustain the existing partnerships throughout, validating their consideration as long-term, multi-year partnerships in furtherance of the Harbour Trust's objectives. The Harbour Trust is yet to finalise the scope and shape of its philanthropic strategy and as such no specific financial targets were set for this reporting period. No significant amounts have been received over the prior reporting periods.

Volunteer hours



Significant partners



Performance criterion: A Robust Business

Be a financially sustainable organisation by generating a stable and mixed revenue stream.

Criterion source

- Sydney Harbour Federation Trust Corporate Plan 2020-2024 – A Robust Business – p. 18.

Results against performance criterion

The Harbour Trust's 2020-2024 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

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

In 2020–21, the Harbour Trust set the following priority actions and performance measures in relation to this criterion:

2020–21 PRIORITY ACTIONS	OUTCOME
<p>1. Establish and start implementing a reform program to respond to the findings of the Independent Review of the Harbour Trust. This will include working with the Department of Agriculture, Water and the Environment on legislative reform, revitalising our stakeholder engagement process, refocusing our organisation and developing plans for Cockatoo Island / Wareamah and North Head Sanctuary. This is an ambitious program of works, and the approach taken by the Harbour Trust is set out in a Statement of Intent, with quarterly reporting on implementation. <i>(Independent Review action)</i>.</p>	<p>Achieved</p> <p>A Reform Program team and governance have been created and resourced. The Reform Program is being guided by a mixed sub-committee of the Members of the Trust, and dedicated Reform roles have been created through to 30 June 2022. Workstreams have been developed and leads assigned, with weekly and monthly reporting in place. Progress is being shared regularly across the organisation, Trust Members, community and with the Department. As at 30 June a substantial proportion of the recommendations have been either completed or substantially progressed, including the commencement of amended legislation.</p>
<p>2. Implement our principles of COVID-19 rental support to provide assistance to eligible tenants.</p>	<p>Achieved</p> <p>\$2m in commercial and residential rent relief was provided to 69 commercial and 11 residential tenants across the Harbour Trust's portfolio for the first quarter to 27 September 2020. Further rent relief provided on a case-by-case basis to tenants still materially impacted by COVID-19 restrictions.</p>
<p>3. Provide additional support to social service providers at Harbour Trust sites to support the community through the COVID-19 pandemic.</p>	<p>Achieved</p> <p>The Harbour Trust has provided additional support to social service providers, on top of the initial period. The Harbour Trust and the provider are seeking to enter into a discounted lease to extend the support upon expiry of the existing arrangement.</p>
<p>3. Prioritising necessary repairs and maintenance works across our sites within the available budget.</p>	<p>Achieved</p> <p>Maintenance & Repair work was prioritised to align to business priorities, and delivered within budget across all sites.</p>

Key performance measures

PERFORMANCE MEASURE	2019–20 ACTUAL	2020–21 TARGET*	2020–21 ACTUAL
Leasing Revenue	\$10.5m	\$6m	\$10.7m
<i>Source Data – Financial records.</i>			
Venue Hire Revenue	\$0.97m	\$0.4m	\$0.5m
<i>Source Data – Financial records.</i>			
Visitor Accommodation Revenue	\$1.3m	\$0.13m	\$1.2m
<i>Source Data – Financial records.</i>			
<i>*Note: All targets were revised to reflect the impact of COVID-19 restrictions.</i>			



Analysis of performance

The Harbour Trust achieved all four of the 2020–21 Priority Actions set for this criterion. All three of the Key Performance Measure targets were exceeded. The targets were set during the initial months of the COVID-19 pandemic, with the expected impacts on revenue and visitation difficult to accurately predict at that time. The swift action, and financial support arrangements agreed with the Commonwealth also ensured that tenants recovered more rapidly when restrictions were lifted.

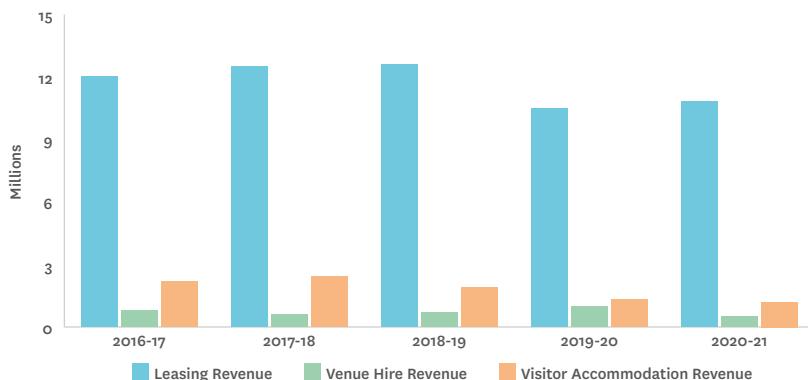
The Harbour Trust has made significant progress in implementing its response to the Independent Review, completing or progressing actions prioritised for 2020–21. The commencement of the legislative amendments that establish the Harbour Trust as an on-going steward of the places in its portfolio has provided strong impetus to action the remaining activities arising from the Review.

In creating the 2020–2024 Corporate Plan, the Harbour Trust took the opportunity to include a response to the challenges to revenue, visitation and sustainability posed by COVID-19 restrictions. This included actions to support tenants via targeted rent relief and maintain occupancy as well as assisting social services providers.

While international travel and tourism have been severely curtailed, there were prolonged periods of relatively normal operating conditions while COVID-19 case numbers in NSW were minimal. The Harbour Trust exceeded its revenue targets for venue hire and accommodation by taking opportunities during these times from the wider push for local tourism, while use of natural environments and open spaces was encouraged and considered safe.

Vital capital works and maintenance have continued to keep the Harbour Trust's sites accessible to the public as much as possible, while simultaneously planning for larger scale efforts to both clear the backlog of less critical repairs as well as release the potential of the remaining sites and buildings yet to be activated.

Property revenue



Performance criterion: Strengthen Our Capabilities

Be a great organisation to work for and strengthen our ability to achieve our goals. Our ambition is to be a nimble organisation that fosters innovation in design and delivery, and a cross-disciplinary approach to our work.

Criterion source

- Sydney Harbour Federation Trust Corporate Plan 2020-2024 – Strengthen Our Capabilities – p. 20.

Results against performance criterion

The Harbour Trust's 2020-2024 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

1. Attract and retain an outstanding, diverse workforce and invest in its development.
2. Shape our organisation to achieve its goals.
3. Grow our Information and Communications Technology capacity to improve our capabilities to better target our investment and ensure best practice, proactive asset management.
4. Ensure the culture of our organisation is focused on visitor and client service, as well as delivering quality and best value outcomes.

In 2019–20, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2020–21 PRIORITY ACTIONS	OUTCOME
<p>1. Shape our organisational structure to meet the priorities outlined by the Independent Review. <i>(Independent Review action)</i></p>	<p>Not Achieved</p> <p>A range of organisational structure options have been developed in response to the Review recommendation, with a range of costs and benefits ascribed. However during the year it was inappropriate to make or proceed with any recommendations given the significant changes to Board and Executive Director. Business critical vacant roles continued to be filled. A new permanent Executive Director has been appointed, commencing end August 2021.</p>
<p>2. Embed best practice project management and procurement processes across the business.</p>	<p>Partially Achieved</p> <p>Capital projects are all now under a new project governance framework. Monthly project reporting occurs at a portfolio level to the Project Control Group. The new Senior Procurement Officer commenced in the last quarter of 2020–21, with work beginning to standardise and update the procurement template suite. The new Procurement Policy has been rolled-out across the business. The integrity of large procurements is now bolstered with the use of external probity advisors.</p>

2020–21 PRIORITY ACTIONS	OUTCOME
3. Implement and roll out a comprehensive learning plan, covering topics such as cultural awareness, conflict resolution, as well as candid and open conversations.	Achieved A comprehensive WHS training plan and matrix has been developed and implemented. The Executive receives monthly and quarterly reporting updates for all training undertaken across the Harbour Trust. All new staff have key learning modules to complete as part of their induction process.
4. Review corporate policies and procedures to ensure best practice, starting with our human resources policies and performance management framework.	Achieved In the last quarter of 2020–21 the embedding of the updated HR procedures has occurred with a large body of work undertaken to review and update the performance management system, plant and a variety of other procedures.
5. Improve our internal processes across the business, through a combination of process reform and upgraded software capability.	Achieved A range of process reform and software upgrade initiatives are underway. Successful transition of payroll activities to the cloud was achieved. A range of finance system improvements are underway, along with testing of a new asset management software solution. A new stakeholder management system has been deployed.

Key performance measures

PERFORMANCE MEASURE	2019–20 ACTUAL	2020–21 TARGET	2020–21 ACTUAL
Average Employment Engagement Score*	64%	n/a	n/a
<i>Source Data – Annual Organisational Culture survey Note: *Due to budgetary constraints brought about by COVID-19, the Annual Organisational Culture Survey was not performed in 2020–21.</i>			
% of employees with effective Personal Development Plans linked to Corporate Plan	98%	100%	98%
<i>Source Data – Human Resources Professional Development records</i>			

Analysis of performance

The Harbour Trust achieved three of the five Priority Actions set for this criterion, with one further action partially achieved. One of the two Key Performance Measure targets was not met for the year, with the other temporarily not measured due to budgetary constraints.

The Independent Review recommended the Harbour Trust undertake a restructure of the organisation to improve the balance between the focus across our main objectives and to improve operational efficiency. The process to develop a new structure was started but has been delayed due to significant senior leadership changes. It is expected to be finalised in 2021–22.

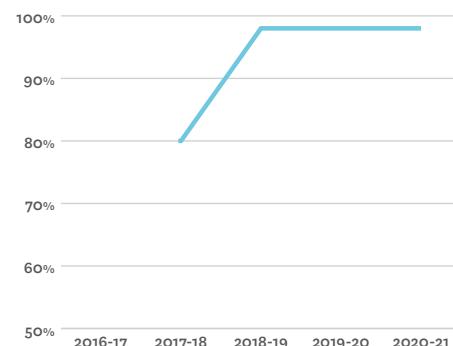
Best practice implementation for project management has progressed, using the ‘Stage-Gate’ project methodology and governance framework with an external audit on internal Project Governance in-progress with recommendations expected in the first quarter of 2021–22. Project reporting is now being conducted monthly at a portfolio level to the Project Control Group. Improvements to Procurement around probity and policy compliance are underway with a new policy in place and procurement officer recruited.

A learning plan was established across the organisation and a review of HR policies completed including individual performance management, with almost full compliance with the Corporate Plan-aligned Personal Development Plan target. This measure was established in 2017–18. Although the Organisational Culture survey was not conducted in this reporting year due to COVID-19 related budget constraints, a People at Work survey was carried out with an 86.7% response rate and a strategic plan is in development to address the findings.

Additionally, the People & Culture Manager and Office Manager have worked to improve the induction experience for new staff members and integrate the larger than average numbers of new staff into the Harbour Trust. This measure was also established in 2017–18 however surveying did not commence until the following period and there are therefore limited results from prior periods.

While the functional coverage expected from the implementation of a rostering and time-sheeting system could not be fully realised, an upgrade and transition of the key payroll system to a newer, software-as-a-service platform was implemented. Planning was undertaken for upgrades to the Asset Management system, as well as a new Human Resources system with self-service facilities for leave management and payroll functions expected in the upcoming reporting year.

Employees with PDPs



Performance criterion: Risk and Oversight Management

The effective assessment and management of risk underpins the Harbour Trust's governance framework. It is critical to the control environment for which the Trust (as the accountable authority) has responsibility under the *Public Governance, Performance and Accountability Act 2013*.

The Harbour Trust utilises the relevant parts of the Commonwealth Risk Management Policy in setting the risk framework to identify, assess and manage its risks. The risk management framework is also informed by the principles and guidelines articulated in the *Australian Risk Management Standard (AS/NZS ISO 31000:2009)*.

The risk management framework includes policies, procedures, guidelines and operational tools to support informed decision making for the management of risks.

The Harbour Trust has an organisation-wide Risk Register which is reviewed at least on a quarterly basis or as new risks arise or when review is otherwise required. The organisational risk register is provided quarterly to the Portfolio Audit Committee and is reported to the Board.

Criterion source

- Sydney Harbour Federation Trust Corporate Plan 2020-2024 – Risk Oversight and Management – p. 22.

Results against performance criterion

The Harbour Trust's 2020-2024 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

1. Continue a strong focus on risk management and oversight to ensure that staff and Members of the Trust comply with all relevant legislations.
2. Support the development of a risk aware culture through investment in systems and capability.



In 2020–21, the Harbour Trust set the following priority actions and performance measures with relation to this criterion:

2020–21 PRIORITY ACTIONS	OUTCOME
1. Implement the Harbour Trust Work Health and Safety Plan to support a strong safety culture through education and training, continuous improvement of documents and executive reports.	Achieved The WHS Team has successfully completed the objectives of year 1 of our 3-year plan. The ongoing education, training and support provided to employees is having a positive effect with an increase in compliance with WHS requirements.
2. Continue to embed reform to ensure best practice work health and safety standards for the management of minor capital works, events and site services activities.	Achieved The WHS Team remains actively engaged with Events, management of minor capital works and site services activities. Internal WHS Audits have been undertaken in the minor projects and Site Services area. The ongoing review, update and embedding of the WHS system continues.
3. Ensure Harbour Trust staff and volunteers are safe and supported throughout our response to COVID-19.	Achieved The WHS Team proactively engages with the Volunteer Team to ensure revised procedures and processes are workable within the volunteer environment whilst also meeting the Health orders.
4. Respond to key risks identified in the completed audits and report to the Trust Members and Portfolio Audit Committee on actions taken.	Partially Achieved The Harbour Trust reports to the Portfolio Audit Committee on the status of action against audit recommendations quarterly. Due to a number of vacant positions, only 7 of the 17 recommendations were actioned within agreed time frames. 14 of 17 recommendations were actioned by the end of the reporting period. The remaining items will be actioned in the first quarter of 2021–22.

Key performance measures

PERFORMANCE MEASURE	2019–20 ACTUAL	2020–21 TARGET	2020–21 ACTUAL
% of Accepted Audit Recommendations (through the PAC Internal Audit Program) actioned within Agreed Timeframes	66%	90%	41%
<i>Source Data – PAC Audit Actions Outstanding Report</i>			
Employee Engagement Survey Responses to two key safety culture questions:*			
(1) (Q75 from 2019 Survey) We have a pro-active safety culture that identifies and manages risks, and is responsive to my concerns;	86%	n/a	n/a
(2) (Q76 from 2019 Survey) I am encouraged to raise safety concerns, and these are listened to and acted on.	86%	n/a	n/a
<i>Source Data – Annual Organisational Culture Survey</i>			
<i>Note: * the Annual Organisational Culture Survey was not performed in 2020–21.</i>			

Analysis of performance

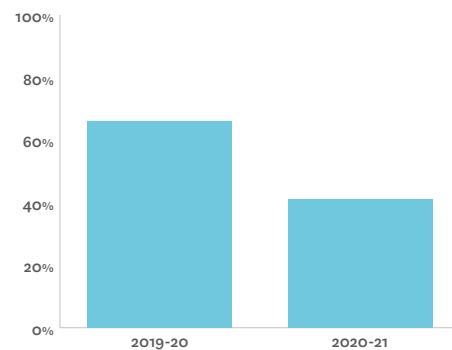
The Harbour Trust achieved three of the four 2020–21 Priority Actions set for this criterion. One of the two Key Performance Measure targets was not met for the year, with the other not measured. This performance criterion was introduced in the 2019–2023 Corporate Plan.

The expansion of the WH&S team in the prior year has shown rewards in completion of all three of the priority actions for WH&S, including the first year of a three-year WH&S plan, implementing reforms to embed best practice as well as addressing the safety and support needs arising from COVID-19.

A number of vacant positions delayed closing out all the audit items within the agreed timeframes, however the Harbour Trust was still able to action the majority of actions within the full-year reporting period. Recruiting for new Legal Officer and Risk Manager is continuing. Filling these positions will improve the Harbour Trust's capacity to respond to audit recommendations in future and complete the outstanding actions from this period.

As the Annual Organisational Culture Survey was not carried out due to budget constraints arising from COVID-19, the included questions relating to safety culture could not be asked. This was anticipated during the preparation of the 2020–2024 Corporate Plan and thus no targets were set in that Plan. This measure was added in the 2018–19 period and therefore there are limited historical results available. An equivalent annual survey will resume in the next full-year reporting period and targets set for future years in the 2021–2025 Corporate Plan.

Audit recommendations actioned on time



A note on metrics

The base metrics and performance measures presented in this Corporate Plan are shown below. In many cases, factors positively influencing one performance measure may negatively influence another, and regular performance tracking will be undertaken throughout the Plan period to better understand this inter-relationship to improve our decision-making.

Land open to the public

The proportion of our sites (all Harbour Trust land as measured in square metres — excluding water rights around Cockatoo Island) that are accessible by the public. It includes both parkland and the footprints of those buildings open to the public for interpretation, visitor facilities, events or food & beverage operations. This metric is directly affected by capital invested in making land and buildings safe and accessible for public enjoyment.

Built assets (with the potential to be in active use) in active use

The proportion of built assets with the potential for adaptive reuse that is in active use. Examples of built assets that are not considered to have the potential for adaptive reuse include those classified as infrastructure (e.g. cranes, utility/ service housings, and wharves) as well as assets identified for potential removal. Examples of built assets that are considered to be in use or have the potential to be in active use include those leased by tenants and those available for public events and hire including the Turbine Shop on Cockatoo Island. This metric is dependent on capital investment by us or our partners in re-purposing buildings for appropriate new uses.

Visitor satisfaction with the public domain

An approval score given by visitors to the quality of the parkland, tracks and visitor amenities at Cockatoo Island, Headland Park and North Head Sanctuary, as measured in visitor surveys.

Number of visits

An estimate of the individual number of visits made by visitors to Headland Park, Cockatoo Island, North Head Sanctuary and Sub Base Platypus.

- Cockatoo Island visits are measured by pedestrian counters at the Parramatta, Camber and Marina Wharves.
- Headland Park visits are measured by car park use multiplied by the number of people per car (calculated from the average people per vehicle counted quarterly in fiscal year 2018), vehicle counters, pedestrian counters and estimated people and vehicle counts calculated from quarterly research in fiscal year 2018.
- North Head Sanctuary visits are measured by a combination of NPWS and Harbour Trust vehicle counters, pedestrian counters and estimated people and vehicle counts calculated from quarterly research in fiscal year 2018.
- Sub Base Platypus is measured by pedestrian counters at Kesterton Park and Kiara Close entrances.

Visitor satisfaction

An approval score derived from responses to questions about the overall visitor experience at Cockatoo Island, Headland Park and North Head Sanctuary, as measured in visitor surveys.

Volunteer hours

A count of the aggregate number of hours volunteered to the Harbour Trust and via the North Head Sanctuary Foundation.

Significant multi-year cultural, environmental and heritage partners

The number of partnerships that the Harbour Trust enters into on an ongoing, multi-year basis across our sites.

Philanthropic and sponsorship contributions

The value of monetary contributions made to the Harbour Trust, primarily comprising of donations and sponsorships.

Earned annual revenue

Our self-generated income comprising leasing, venue hire, accommodation, parking, tours and merchandise and bank interest. Project-specific grant funds from government are excluded.

- Leasing Revenue comprises rents received from residential and commercial leases (including contributory partners).
- Venue Hire Revenue comprises licence fees received from the use of land and buildings for events, conferences and filming activity.
- Visitor Accommodation Revenue comprises income from the Cockatoo Island campground and holiday houses.

The Leasing, Venue Hire and Visitor Accommodation revenue streams are closely interconnected. For example, investing in re-purposing unused assets will increase our revenue, but without new capital investment, increasing leasing stock may necessarily require reducing the number venues for hire; hosting a major public event may reduce the availability of venues for hire, but it may increase visitor accommodation revenue; increasing the number of contributory partners may reduce our leasing revenue.

Employee engagement score

An approval score derived from responses to questions about overall staff engagement with the Harbour Trust, as measured by an employee engagement survey conducted by an external company. Due to budget limitations in 2020–21, this survey was not conducted.

Employees with effective Personal Development Plans linked to Corporate Plan

A percentage measuring the proportion of staff that have a Personal Development Plan outlining their specific performance objectives for the given period, which are linked to the Harbour Trust's goals and objectives set in the Corporate Plan.

Accepted audit recommendations actioned within agreed timeframes

A measure of the proportion of audit recommendations (through the Portfolio Audit Committee audit program) — that have been accepted by the Harbour Trust — that have been actioned and addressed within the agreed timeline for implementation to occur.

Survey responses to two key safety culture questions

An approval score derived from responses to two key safety culture questions contained in the employee engagement survey conducted by an external company. The first question assesses employee perceptions on the effective operation of the Harbour Trust's safety culture, whereas the second question assesses employee perceptions of the response to concerns raised. Due to budget limitations in 2020–21, this survey was not conducted.

REGULATOR PERFORMANCE FRAMEWORK

The Harbour Trust regulates the following activities on its land, in accordance with the Regulatory Performance Framework:

- Issue of Planning Permits for works or activities
- Liquor Permits for the sale or supply of alcohol
- Service approval permits for Early Childhood Education Services



Reporting Against KPIs

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

Harbour Trust Metrics

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

Results at 30 June 2021

- Stakeholder meetings held during the 2020–21 reporting period:
 - 8 statutory General and Sub Base Platypus Community Advisory Committee meetings;
 - 5 Aboriginal and Torres Strait Islander Advisory Group meetings (including 2 out-of-session meetings);
 - 4 10 Terminal Stakeholder meetings;
 - 5 Cockatoo Island stakeholder meetings;
 - 3 North Head stakeholder meetings;
 - 2 North Head Bushfire Recovery Advisory Group meetings.
- The Harbour Trust’s *Formal Complaints Process* is published on the organisation’s website.

KPI 2 – Communication with regulated entities is clear, targeted and effective

Harbour Trust Metrics

- Demonstrated effective mechanisms for responding to stakeholder engagement/complaint.
- Estimated timeframes for complaint handling are published, including maximum time for acknowledgement and average time for decisions.
- Decisions are accompanied by a statement of reasons and advice about relevant review or appeal mechanisms, where appropriate.

Results at 30 June 2021

The Harbour Trust’s complaint handling data logs are maintained, which incorporate the number of complaints received and the response times.

- The *Formal Complaints Process* details the timeframes for handling complaints.
- Reasons for determinations on Permit Applications are available to applicants, where appropriate. An external review/appeal mechanism for decisions is in place.

KPI 3 – Actions undertaken by regulators are proportionate to the regulatory risk being managed

Harbour Trust Metrics

- Demonstrated engagement with regulated entities to inform them of the regulators' expectations. Risk management plans are provided by regulated entities.

Results at 30 June 2021

- Planning Permit Application Guidance Notes are available to all applicants on the Harbour Trust website. 23 Planning Permits were issued in 2020–21.
- Liquor Permit applicants are able to access guidance information and relevant requirements on the Harbour Trust's website. 32 liquor permits were issued during the year. 18 were for special events and 14 were for new tenants or tenant annual renewals.
- Applicants for Service Approval Permits for Early Childhood Education Services are provided with all relevant information about meeting and maintaining requirements. Five amended Service Approval Permits were issued during the year.
- Where requested, all tailored risk management plans have been received.

KPI 4 – Compliance and monitoring approaches are streamlined and co-ordinated

Harbour Trust Metrics

- Demonstrated effort to reduce the number and crossover of information requirements imposed on regulated entities.
- Demonstrated effort to share and receive information among regulators, where appropriate.
- Regular review and assessment of agreed monitoring and compliance strategies, including the use of earned autonomy approaches.

Results at 30 June 2021

- The Harbour Trust has regard for NSW Liquor Licensing Laws and abides by the Education and Care Services National Regulations which assists in reducing the number and crossover of information requirements.
- The Harbour Trust maintains ongoing relationships with the NSW Government agencies (such as the NSW National Parks & Wildlife Service, Liquor & Gaming NSW, and the NSW Food Authority), as well as neighbouring local councils.
- Monitoring and compliance strategies for regulatory activities are reviewed and assessed to ensure efficient processes are maintained. An earned autonomy approach is evident for monitoring and compliance, in particular with respect to liquor permits.

KPI 5 – Regulators are open and transparent in their dealings with regulated entities

Harbour Trust Metrics

- Responses to requests from regulated entities are provided within specified timeframes.
- Performance information is made publicly available, where appropriate.
- Advice and guidance is widely available to stakeholders, with feedback mechanisms in place to support and inform continuous improvement.

Results at 30 June 2021

- The Harbour Trust has documented and published the *Formal Complaints Process* with specified timeframes. During 2020–21, 18 complaints were received. All complaints were responded to within the required timeframe. Of these, two complaints were not resolved within the required timeframe. There were significantly fewer complaints in this reporting period than the last (65) after a review of the complaints process by the executive.
- The Harbour Trust publishes information and fact sheets on the Planning Permits and Liquor Permit application processes on the organisation’s website. Feedback mechanisms are in place via our Formal Complaints Process. There are planned, regular inspections for Early Childhood Education Services and of food and beverage premises.

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

Harbour Trust Metrics

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

Results at 30 June 2021

- The Harbour Trust carries out surveys as appropriate, subject to available channels, restrictions and budget constraints. Records of stakeholder meetings are maintained.
- Board meetings were held in public twice during 2020–21, in December 2020 and June 2021. Due to COVID-19 restrictions in place at the time, these meetings were conducted via videoconferencing platform.
- Summaries of the Notes from the Community Advisory Committee meetings held during the reporting period were published on the Harbour Trust’s website.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021



Content of the Notes to the Financial Statements

Independent Auditor's Report.....	80
Statement by Members, Executive Director and Chief Financial & Commercial Officer.....	82
Statement of Comprehensive Income	83
Statement of Financial Position.....	84
Statement of Changes in Equity	85
Cash Flow Statement	86
Overview	87
Note 1: Summary of Significant Accounting Policies.....	87
Note 2: Events After the Reporting Period.....	89
Financial Performance	90
Note 3: Expenses	90
Note 4: Own-Source Income.....	92
Financial Position	95
Note 5: Financial Assets.....	95
Note 6: Non-Financial Assets	96
Note 7: Payables	102
People and Relationships	103
Note 8A: Employee provisions	103
Note 8B: Key Management Personnel Remuneration.....	104
Other Information	105
Note 9: Financial Instruments.....	105
Note 10: Current/non-current distinction for assets and liabilities	107
Managing Uncertainties	107
Note 11: Contingencies	107
Note 12: Related Party Disclosures.....	108
Note 13: Sydney Harbour Foundation Management Ltd.....	108
Note 14: Sydney Harbour Conservancy.....	109

Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Minister for the Environment

Opinion

In my opinion, the financial statements of the Sydney Harbour Federation Trust and its consolidated entities (together the 'Consolidated Entity') for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Consolidated Entity as at 30 June 2021 and its financial performance and cash flows for the year then ended.

The financial statements of the Consolidated Entity, which I have audited, comprise the following as at 30 June 2021 and for the year then ended:

- Statement by Members, Executive Director and Chief Financial & Commercial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Consolidated Entity, the Board is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Consolidated Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Consolidated Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Consolidated Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Australian National Audit Office



Scott Sharp
Executive Director
Delegate of the Auditor-General
Canberra
16 September 2021

Sydney Harbour Federation Trust and its Consolidated Entities

**Statement by Members, Executive Director
and Chief Financial & Commercial Officer**

In our opinion, the attached financial statements for the year ended 30 June 2021 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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

Signed,



Joseph Carrozza AM
Chair

16 September 2021

Signed,

Signed,



Janet Carding
Executive Director

16 September 2021



Nick Lawry
Chief Financial & Commercial Officer

16 September 2021

Statement of Comprehensive Income

for the year ended 30 June 2021

		2021	2020	ORIGINAL BUDGET
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3A	7,388	7,521	7,724
Suppliers	3B	10,681	9,968	29,141
Depreciation and amortisation	3C	3,455	3,030	3,125
Finance costs	3D	4	4	4
Impairment loss on financial instruments	3E	235	373	-
Write-down and impairment of assets	3F	-	60	19
Total expenses		21,763	20,956	40,013
LESS:				
OWN-SOURCE INCOME				
Own-source revenue				
Revenue from contracts with customers	4A	2,335	2,398	998
Fees and fines	4B	179	208	20
Interest	4C	147	532	325
Rental income	4D	11,095	11,734	6,022
Other revenue	4E	555	964	17
Total own-source revenue		14,311	15,836	7,382
Gains				
Reversal of write-downs and impairment of assets	4F	455	-	-
Total gains		455	-	-
Total own-source income		14,766	15,836	7,382
Net (cost of) services		(6,997)	(5,120)	(32,631)
Revenue from Government	4G	20,584	-	20,584
Surplus/(Deficit) on continuing operations		13,587	(5,120)	(12,047)
OTHER COMPREHENSIVE INCOME				
Other comprehensive income				
Items not subject to subsequent reclassification to net cost of services				
Change in asset revaluation reserve		4,913	66,032	-
Total other comprehensive income		4,913	66,032	-
Total comprehensive income/(loss)		18,500	60,912	(12,047)

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

Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$'000	2020 \$'000	ORIGINAL BUDGET \$'000
ASSETS				
Financial Assets				
Cash and cash equivalents	5A	18,064	8,001	7,001
Investments	5B	50,020	22,094	21,191
Trade and other receivables	5C	1,294	710	1,113
Total financial assets		69,378	30,805	29,305
Non-Financial Assets				
Land and buildings	6A	329,837	321,721	320,438
Infrastructure, plant and equipment ¹	6B	41,868	45,500	43,800
Heritage and collections	6C	52,592	53,197	70,281
Intangibles	6D	346	436	565
Inventories	6G	54	89	-
Other non-financial assets	6H	136	195	20
Total non-financial assets		424,833	421,138	435,104
Total Assets		494,211	451,943	464,409
LIABILITIES				
Payables				
Suppliers	7A	800	661	2,243
Other payables	7B	5,059	4,939	4,200
Total payables		5,859	5,600	6,443
Interest bearing liabilities				
Leases	7C	329	355	316
Total interest bearing liabilities		329	355	316
Provisions				
Employee provisions	8A	1,358	1,460	1,532
Total provisions		1,358	1,460	1,532
Total Liabilities		7,546	7,415	8,291
Net Assets		486,665	444,528	456,118
EQUITY				
Contributed equity		303,072	279,435	303,072
Reserves		166,448	161,535	161,535
Retained surplus		17,145	3,558	(8,489)
Total Equity		486,665	444,528	456,118

1. Right-of-use assets are included in the following line item: Infrastructure, plant and equipment.

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

Statement of Changes in Equity

for the year ended 30 June 2021

	RETAINED SURPLUS			ASSET RENEWAL RESERVE			ASSET REVALUATION RESERVE			CONTRIBUTED EQUITY			TOTAL EQUITY		
	2021	2020 BUDGET	\$'000	2021	2020 BUDGET	\$'000	2021	2020 BUDGET	\$'000	2021	2020 BUDGET	\$'000	2021	2020 BUDGET	\$'000
Opening balance															
Balance carried forward from previous year	3,558	8,678	3,558	5,331	5,331	5,331	156,204	90,172	156,204	279,435	277,735	279,435	4,44,528	381,916	444,528
Asset Renewal Reserve															
Transfer to Retained Surplus															
Transfer (from) Retained Surplus															
Total asset renewal reserve															
Comprehensive income															
Other comprehensive income															
(Deficit)/Surplus for the year	13,587	(5,120)	(12,047)												
Total comprehensive income	13,587	(5,120)	(12,047)												
Transactions with owners															
Equity injection - Appropriations															
Total transactions with owners															
Closing balance as at 30 June	17,145	3,558	(8,489)	5,331	5,331	5,331	161,117	156,204	156,204	303,072	279,435	303,072	486,665	444,528	456,118

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

Accounting Policy

Equity injections

Funding received from the Department of Agriculture, Water and the Environment designated as equity injections for capital projects for a year are recognised directly in contributed equity in that year.

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

Cash Flow Statement

for the year ended 30 June 2021

	Notes	2021 \$'000	2020 \$'000	ORIGINAL BUDGET \$'000
OPERATING ACTIVITIES				
Cash received				
Receipts from Government		20,584	-	20,584
Sales of goods and rendering of services		2,532	3,119	998
Rent income		10,852	10,836	5,527
Interest		7	27	269
Other revenue		10	52	87
Net GST received		55	502	-
Total cash received		34,040	14,536	27,465
Cash used				
Employees benefits		(7,453)	(7,130)	(7,664)
Suppliers		(10,072)	(11,341)	(27,943)
Interest payments on lease liabilities		(4)	(4)	(4)
Total cash used		(17,529)	(18,475)	(35,611)
Net cash from/(used by) operating activities		16,511	(3,939)	(8,146)
INVESTING ACTIVITIES				
Cash received				
Investments		215	17,644	9,465
Total cash received		215	17,644	9,465
Cash used				
Investments		(28,000)	-	(8,562)
Purchase of property, plant and equipment		(2,284)	(10,624)	(17,370)
Total cash used		(30,284)	(10,624)	(25,932)
Net cash from/(used by) investing activities		(30,069)	7,020	(16,467)
FINANCING ACTIVITIES				
Cash received				
Contributed equity		23,637	1,700	23,637
Total cash received		23,637	1,700	23,637
Cash used				
Principal payments of lease liabilities		(16)	(16)	(24)
Total cash used		(16)	(16)	(24)
Net cash from financing activities		23,621	1,684	23,613
Net increase/(decrease) in cash held		10,063	4,765	(1,000)
Cash and cash equivalents at the beginning of the reporting period		8,001	3,236	8,001
Cash and cash equivalents at the end of the reporting period	5A	18,064	8,001	7,001

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

Overview

Note 1: Summary of Significant Accounting Policies

1.1 Objectives of Sydney Harbour Federation Trust (the “Harbour Trust”)

The Harbour Trust is an Australian Government Corporate Entity. It is a not-for-profit entity.

The Harbour 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, Harbour Trust lands on Sydney Harbour.

1.2 Impact of COVID-19

The impact of COVID-19 has been significant for the Harbour Trust. Generating the majority of own-source income from leasing and accommodation activities, both the restrictions put in place and the prevailing market conditions have meant that a substantial decline in commercial revenue from pre-COVID levels has been experienced across both 2019-20 and 2020-21. Through this period, the Harbour Trust has sought to aid its tenants through the provision of rental assistance, where eligible. This has meant the Trust has had to seek to reduce costs and access cash reserves invested in term deposits to ensure liquidity.

A decision of Government in 2019-20 allowed the Harbour Trust to access up to \$23.0m in cash reserves to provide operating liquidity, fund the Trust’s rent assistance program, and fund priority capital works identified by the Independent Review into the Harbour Trust.

1.3 Revenue from Government

Following a key finding of the Independent Review of the Harbour Trust, the Government provided \$40.6m in funding for the Harbour Trust in the 2021 budget (October 2020) to be delivered over four years from 2020-21. The funding was provided for backlog repairs and maintenance, restoration projects and strategic planning for Cockatoo Island and North Head and was split between operational (\$24.6m) and capital expenditure (\$16.0m).

Of the \$24.6m in funding for operating expenditure, \$20.6m was received in 2020/21 with smaller amounts to be made available in 2021-22, 2022-23 and 2023-24. The funding profile was based on projects identified and costed on a preliminary basis as part of the report to the Independent Review of the Harbour Trust. Since the delivery of the report to the review and the announcement of the funding the Harbour Trust has further developed and refined plans for expending the funding. The resulting planned expenditure profile differs from the funding profile upon which the budget funding is based. Most notably, the bulk of the operating expenditure is now expected to occur in 2021-22 and 2022-23.

Funding received from the Department of Agriculture, Water and the Environment that is appropriated to the Department on behalf of the Harbour Trust for payment to the Harbour Trust is recognised as Revenue from Government by the Harbour Trust in the period in which it is received unless the funding is in the nature of an equity injection or a loan. Where the funding profile and the expenditure profile are mismatched, this can cause material fluctuations to the reported operating surplus/(deficit).

In 2020-21, the Harbour Trust has recognised \$20.6m in Revenue from Government and expenditure of \$1.6m on projects related to the funding received. As a result, the Harbour Trust’s operating result has been positively impacted by \$19.0m. As the expenditure program ramps up across 2021-22 and 2022-23, the reported operating result will be negatively impacted in those years.

1.4 Extension to Harbour Trust Life

In response to a recommendation of the Independent Review of the Harbour Trust commissioned by the Government during 2019-20, Section 66 of the Sydney Harbour Federation Trust Act was repealed with effect from 24 June 2021, extending the life of the Harbour Trust in perpetuity.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.5 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- a. *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- b. *Australian Accounting Standards and Interpretations, Reduced Disclosure Requirements issued by the Australian Accounting Standards Board ("AASB") that apply for the reporting period.*

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

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

Unless an alternative treatment is specifically required by an Accounting Standard or the FRR, assets and liabilities are recognised in the Statement of Financial Position when and only when it is probable that future economic benefits will flow to the Harbour 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 Harbour Trust, and its controlled entities, Sydney Harbour Foundation Management Ltd and Sydney Harbour Conservancy ("Conservancy"). The results of the parent entity do not differ materially from the economic entity and have therefore not been separately disclosed. The Conservancy is a Trust for which Sydney Harbour Foundation Management Ltd (company limited by guarantee) is Trustee (refer to Note 13 & Note 14 for further details).

The accounting policies of the Sydney Harbour Foundation Management Ltd and Conservancy are consistent with those of the Harbour 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.

1.6 New 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.

All new standards that were issued prior to the sign-off date and are applicable to the current reporting period did not have a material effect on the Harbour Trust's financial statements.

1.7 Significant Accounting Judgements and Estimates

In the process of applying the accounting policies listed in this note, the Harbour 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 estimated by the Harbour Trust and reviewed by an independent valuer taking into consideration the restrictions on sale and use imposed by the *Sydney Harbour Federation Trust Act 2001*. Buildings have been valued using depreciated replacement cost and therefore the valuer has verified the Harbour Trust's estimate with respect to the replacement cost.
- The provision held for trade and other receivables 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.

1.8 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.9 Major Budget Variances

The Original Budget figures were reported in the 2020-21 Portfolio Budget Statements published in October 2020. The Harbour Trust considers a major variance between budget and actuals is greater than 10% and \$250,000 of the original estimate or it is considered important for the reader’s understanding.

EXPLANATIONS OF MAJOR VARIANCES	AFFECTED LINE ITEMS (AND STATEMENT)
<p>The Harbour Trust has received significant appropriation funding to support both capital and operational investment. Planning and delivery of these projects will occur over the course of the next 3 years.</p> <p>Variations stem from the budget’s scheduling of these project works before comprehensive planning and prioritisation activities could be carried out.</p>	<p>Statement of Comprehensive Income Suppliers Revenue from Government</p> <p>Statement of Financial Position Cash and cash equivalents Investments Heritage and collections Retained Surplus</p> <p>Cash Flow Statement Appropriations Suppliers Investments Purchase of property, plant and equipment</p>
<p>The impact of the COVID-19 pandemic has had a pronounced effect on the Harbour Trust’s operating result and cash flows. Reduced revenues, particularly within the Harbour Trust’s commercial leasing business, has resulted in less cash generated from operations combined with the need to apply stringent cost saving measures. To ensure liquidity during this period, term deposit investments have been converted into more readily available cash deposits.</p>	<p>Statement of Comprehensive Income Rental income</p> <p>Statement of Financial Position Cash and cash equivalents Investments Retained surplus</p> <p>Cash Flow Statement Rental income Investments</p>
<p>The Harbour Trust has altered its policy to adjust the value of assets on an annual basis. This change will moderate the effect of the previous valuation adjustments carried out every 5 years.</p>	<p>Statement of Comprehensive Income Change in asset valuation reserve</p> <p>Statement of Financial Position Land and buildings</p>

Note 2: Events After the Reporting Period

There are no events that have occurred after the reporting period that would have an effect on the Harbour Trust’s 2020-21 financial statements other than those that are already reflected in the financial statements.

Financial Performance

Note 3: Expenses

	2021 \$'000	2020 \$'000
Note 3A: Employee benefits		
Wages and salaries	6,359	6,449
Superannuation	665	573
Defined contribution plans	108	109
Defined benefit plans	132	324
Leave and other entitlements	118	55
Separation and redundancies	6	11
Other employee costs	7,388	7,521
Total employee benefits		

Accounting Policy

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

	2021 \$'000	2020 \$'000
Note 3B: Suppliers		
Goods and services supplied or rendered		
Corporate overheads	2,106	1,169
Marketing, Programming and Events	885	1,240
Management of Environment	229	921
Site Maintenance and Planning	5,464	4,238
Security	985	883
Accommodation management	439	348
Property management	511	1,163
Total goods and services supplied or rendered	10,619	9,962
Goods supplied	340	495
Services rendered	10,279	9,467
Total goods and services supplied or rendered	10,619	9,962
Other supplier expenses		
Workers compensation premiums	62	6
Total other supplier expenses	62	6
Total supplier expenses	10,681	9,968

In 2020-21 Corporate Overheads includes additional expenditure for master planning for Cockatoo Island and North Head and other costs associated with delivering the recommendations of the Independent Review.

Whilst expenditure associated with major events, tours and marketing reduced during the year, additional maintenance expenditure was incurred with the commencement of projects subject to Government funding.

Some items were reclassified from Management of Environment to Site Maintenance & Planning in 2020-21.

During the year ended 30 June 2021, the Harbour Trust has provided resources free of charge to Sydney Harbour Foundation Management Limited amounting to \$7,763 (2020: \$6,718).

Accounting Policy

The Harbour Trust has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The Harbour Trust recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term which is representative of the pattern of benefits derived from the leased assets.

	2021 \$'000	2020 \$'000
Note 3C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	1,937	1,610
Buildings	1,422	1,355
Total depreciation	3,359	2,965
Amortisation:		
Intangibles:		
Purchased computer software	96	65
Total amortisation	96	65
Total depreciation and amortisation	3,455	3,030
Note 3D: Finance Costs		
Right-of-use asset	4	4
Total finance costs	4	4
Note 3E: Impairment loss on financial instruments		
Impairment on trade and other receivables	235	373
Total impairment on financial instruments	235	373
Note 3F: Write-down and impairment on other assets		
Movement in stock provision	-	6
Trade receivables written-off	-	54
Total impairment on other assets	-	60

The financial asset write-down is in relation to the impairment allowance associated with the Harbour Trust's trade debtors. It primarily relates to rent relief granted to tenants affected by COVID-19 and an assessment of further rent relief that may be provided to additional tenants subject to the Harbour Trust's rent relief assessment process.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

Note 4: Own-Source Income

	2021 \$'000	2020 \$'000
Own-Source Revenue		
Note 4A: Revenue from contracts with customers		
Sale of goods	9	28
Rendering of services	2,326	2,370
Total revenue from contracts with customers	2,335	2,398
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Service delivery	2,326	2,370
Sales of inventory	9	28
	2,335	2,398
Type of customer:		
Non-government entities	2,335	2,398
	2,335	2,398
Timing of transfer of goods and services:		
Point in time	2,335	2,398
	2,335	2,398
Note 4B: Fees and fines		
Penalty Infringement Notices	179	208
Total fees and fines	179	208
Note 4C: Interest		
Term Deposits	140	508
Operating bank accounts	7	24
Total interest	147	532
Note 4D: Rental income		
Property rentals and short-term hire	11,095	11,734
Total rental income	11,095	11,734
Operating Leases		
The Harbour Trust manages a portfolio of commercial tenancies and residential properties across its various sites. Rental income from operating leases is recognised on a straight-line basis over the lease term. AASB 16 does not change how a lessor accounts for leases.		
Maturity analysis of operating lease income receivables:		
Within 1 year	6,697	7,522
One to two years	4,575	5,123
Two to three years	3,816	3,357
Three to four years	3,083	2,816
Four to five years	1,818	2,308
More than 5 years	6,797	6,762
Total undiscounted lease payments receivable	26,786	27,888
Note 4E: Other revenue		
DA Fees, Liquor Licences, Donations	56	99
Grants — Department of Industry, Innovation and Science	-	140
Resources received free of charge — Volunteer Services	499	725
Total other revenue	555	964

Volunteer Services

The Harbour Trust engages volunteers who assist the Harbour Trust in delivering on its objectives.

Volunteers perform a variety of roles including visitor services, tour guides, public speaking, restoration and gardening services, oral history, events and other administrative roles to assist Harbour Trust staff.

Accounting Policy

On the initial recognition of volunteer services as an asset or an expense, the Harbour Trust recognises any related amounts in accordance with the relevant standard. The Harbour Trust recognises the excess of the fair value of the volunteer services over the recognised related amounts as income immediately in the income statement.

	2021 \$'000	2020 \$'000
Movement in stock provision	46	-
Reversal of impairment losses	409	-
Total reversals of previous asset write-downs and impairments	455	-

Note 4F: Reversal of write-downs and impairment

Movement in stock provision

Reversal of impairment losses

Total reversals of previous asset write-downs and impairments

	2021 \$'000	2020 \$'000
	20,584	-
Total revenue from Government	20,584	-

Note 4G: Revenue from Government

Funding from Department of Agriculture, Water and the Environment

Total revenue from Government

Accounting Policy

Funding received or receivable from non-corporate Commonwealth entities (appropriated to the non-corporate Commonwealth entity as a corporate Commonwealth entity payment item for payment to this entity) is recognised as Revenue from Government by the Harbour Trust unless the funding is in the nature of an equity injection or a loan.

Note 4H: Unsatisfied obligations

The liability for unsatisfied obligations is represented on the Statement of Financial Position as Other Payables and is disclosed in Note 7B as unearned revenue.

Accounting Policy

Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised when:

- the contract is approved and the parties are committed to perform their respective obligations;
- each party's rights are identifiable;
- payment terms are identifiable;
- the contract has commercial substance; and
- it is probable that the consideration under the contract is collectable.

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 Harbour 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

NOTE 4: OWN-SOURCE INCOME — CONTINUED

The transaction price is the total amount of consideration to which the Harbour Trust expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both. All unrealised performance obligations under revenue contracts with customers have an original expected duration of 1 year or less.

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

Fees & Fines

Fees & Fines include infringement penalties issued under the *Sydney Harbour Federation Trust Act 2001*.

Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017 - Section 6 Definition:

Approved regulatory charging activity means an activity provided by a corporate Commonwealth entity:

- a. that has Australian Government policy approval; and
- b. for which there is statutory authority to charge.

To satisfy the requirements of the Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017 - Section 7 (d) measure, assess and document financial and non-financial performance of the regulatory activity, the Harbour Trust has incurred expenses of \$2,427 (2020: \$22,204) pertaining to this approved regulatory charging activity.

Interest

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.

Grants

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

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

Resources received free of charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of those resources is recognised as an expense. Resources received free of charge are recorded as either revenue or gains depending on their nature.

Gains

Sale of Assets

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

Financial Position

Note 5: Financial Assets

	2021 \$'000	2020 \$'000
Note 5A: Cash and cash equivalents		
Cash at bank	18,063	8,000
Cash on hand	1	1
Total cash	18,064	8,001
 Note 5B: Investments		
Term Deposits	50,020	22,094
Total investments	50,020	22,094

Cash at bank and investments include reserves from the sale of the Markham Close properties and Government funding for capital, repair and maintenance and master planning projects. A decision of Government approved the use of the Markham Close funds to finance the Harbour Trust's COVID-19 related rent assistance program, priority capital works projects and to provide operating liquidity.

The \$50.020 million is in short term deposits readily convertible to cash.

Accounting Policy

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

	2021 \$'000	2020 \$'000
Note 5C: Trade and other receivables		
Goods and Services		
Goods and services	1,457	1,042
Total receivables for goods and services	1,457	1,042
 Other receivables		
Interest receivable	-	1
Other receivables	400	405
Total other receivables	400	406
 Total trade and other receivables (gross)	1,857	1,448
Less impairment allowance account	(563)	(738)
 Total trade and other receivables (net)	1,294	710

Accounting Policy

Loans and receivables

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance. The Harbour Trust has no loans. Interest is recognised by applying the effective interest rate.

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

Receivables for Goods & Services

Credit terms are net 30 days (2020: 30 days).

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

NOTE 5: FINANCIAL ASSETS — CONTINUED

Accounting Policy

Impairment of financial assets

Financial assets are assessed for impairment at each reporting period.

Financial assets held at amortised cost

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

Note 6: Non-Financial Assets

	2021 \$'000	2020 \$'000
Note 6A: Land and buildings		
Freehold land		
- at fair value	251,742	244,942
Total freehold land	251,742	244,942
Buildings on freehold land:		
- at fair value	78,095	76,779
- accumulated depreciation	-	-
Total buildings on freehold land	78,095	76,779
Total land and buildings	329,837	321,721

The Harbour 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.

	2021 \$'000	2020 \$'000
Note 6B: Infrastructure, plant and equipment		
Infrastructure, plant and equipment:		
- at fair value	47,130	49,809
- Right-of-use assets	-	380
- accumulated depreciation	(5,262)	(4,689)
Total infrastructure, plant and equipment	41,868	45,500

No indicators of impairment were found for infrastructure, plant and equipment ("IPE"). No IPE is expected to be sold or disposed of within the next 12 months.

	2021 \$'000	2020 \$'000
Note 6C: Heritage and collections		
Heritage assets:		
- at fair value	52,592	53,197
Total heritage assets	52,592	53,197

NOTE 6: NON-FINANCIAL ASSETS — CONTINUED

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 2020.

The Harbour Trust undertook an internal desktop revaluation for certain classes of assets at 30 June 2021. The internal valuation was reviewed by Jones Lang LaSalle for consistency with market indices and market developments. Revaluation increments of \$6,103,000 for land and \$1,417,000 for buildings on freehold land were credited to the asset revaluation reserve by asset class and included in the non-financial assets section of the Consolidated Statement of Financial Position. Revaluation decrements for infrastructure of \$1,953,000 and \$654,000 for heritage were debited to the asset revaluation reserve by asset class and included in the non-financial assets section of the Consolidated Statement of Financial Position.

Management undertook an internal desktop valuation in 2020-21 for plant & equipment which indicated that there were no material movements in depreciated replacement value of assets.

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

The Lightkeepers cottage lease ends on 17th February 2119 and for the Deputy Lightkeepers cottage lease on 5th November 2116.

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

Note 6D: Intangibles

Computer software at cost:

Purchased – in use

Total computer software

Accumulated amortisation

Total intangibles

2021 \$'000	2020 \$'000
982	976
982	976
(636)	(540)
346	436

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

NOTE 6: NON-FINANCIAL ASSETS — CONTINUED

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

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2020–21)

	Buildings on Land \$'000	Total Land & Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2020						
Gross book value	244,942	76,779	321,721	50,189	53,197	976
Accumulated depreciation/amortisation	–	–	(4,689)	–	(540)	(5,229)
Total as at 1 July 2020	244,942	76,779	321,721	45,500	53,197	420,854
Additions:						
Purchase	697	1,321	2,018	258	49	6
Revaluations and impairments recognised in other comprehensive income	6,103	1,417	7,520	(1,953)	(654)	4,913
Depreciation/amortisation expense	–	(1,422)	(1,422)	(1,902)	–	(3,420)
Depreciation on right-of-use asset	–	–	–	(35)	–	(35)
Disposals/write-down	–	–	–	–	–	–
Total as at 30 June 2021	251,742	78,095	329,837	41,868	52,592	424,643
Total as at 30 June 2021 represented by:						
Gross book value	251,742	78,095	329,837	47,130	52,592	982
Accumulated depreciation/amortisation	–	–	–	(5,262)	–	(636)
Carrying amount of right-of-use assets	251,742	78,095	329,837	41,868	52,592	346
	–	–	–	329	–	329

Accounting policy

Acquisition of Assets

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

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

Property, Plant and Equipment

Asset Recognition Threshold

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

Fair Value and Revaluations

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

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

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

Following initial recognition at cost, infrastructure, plant and equipment are carried at fair value less accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets do not differ materially from the assets' fair values as at the reporting date. The board resolved that a full independent valuation would be completed every 5 years due to the infrequent market sales of open space lands. In the period between full independent valuations, the Harbour Trust undertakes internal valuations that are reviewed by an independent valuer against market indices and prevailing market conditions.

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.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16 the Harbour Trust has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Commonwealth agency, GGS and Whole of Government financial statements.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

NOTE 6: NON-FINANCIAL ASSETS — CONTINUED

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:

	2021	2020
Buildings on freehold land	10 to 125 years	10 to 125 years
Infrastructure	5 to 50 years	5 to 50 years
Plant and equipment	3 to 20 years	3 to 20 years

The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 3C.

The depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets were assessed for impairment at 30 June 2021. 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 Collection Assets

The Harbour Trust owns and manages buildings, monuments and structures that have significant heritage and cultural value (with an aggregated fair value of \$52.592m (2020: \$53.197m)). The Harbour Trust has classified them as heritage and collection assets as they were primarily used for purposes that relate to their cultural significance. The Harbour 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 Harbour Trust's curatorial and preservation policies are publicly available within the Harbour Trust's Management Plans at www.harbourtrust.gov.au/en/corporate/planning.

Asset Renewal Reserve

The Harbour Trust established an asset renewal reserve in 2012-13 to set aside funds for the future asset renewal of its significant asset base. Prior to 2017-18, the asset renewal reserve was being supplemented at the end of each financial year by an amount equivalent to the minimum 100% of the annual depreciation expense, subject to a review of the asset renewal plans. In 2017-18 the reserve funds were drawn down to fund \$2.918 million of major capital renewal works. There has been no transfer from the Harbour Trust's accumulated results to a general equity reserve since 2017-18, due to the Board approved deficit results (before the impact of Government Funding). These deficits were approved by the Minister for Finance.

Intangibles

The Harbour 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 Harbour Trust's software is 3 to 7 years (2020: 3 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2021.

Note 6F: Fair Value Measurements, Valuation Techniques and Inputs Used

The following table provides an analysis of assets 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 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, either directly or indirectly.

Level 3: Unobservable inputs for the asset.

Fair value measurements	Measurements	Fair Value Level
	2021 \$'000	2020 \$'000
Non-financial assets		
Land	251,742	244,942
Buildings	78,095	76,779
Infrastructure, plant and equipment	41,868	45,500
Heritage and collections	52,592	53,197
Total non-financial assets	424,297	420,418
	2021 \$'000	2020 \$'000
Note 6G: Inventories		
Finished goods at cost	54	89
Total inventories	54	89

During the 2021 year no inventory held for distribution was recognised as an expense (2020: nil).

Accounting Policy

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

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

Note 6H: Other non-financial assets	2021 \$'000	2020 \$'000
Lease incentives	136	190
Prepayments	-	5
Total other non-financial assets	136	195
Other non-financial assets expected to be settled:		
No more than 12 months	47	59
More than 12 months	89	136
Total other non-financial assets	136	195

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

Note 7: Payables

	2021 \$'000	2020 \$'000
Note 7A: Suppliers		
Trade creditors	800	661
Total supplier payables	800	661
Supplier payables expected to be settled:		
No more than 12 months	800	661
More than 12 months	-	-
Total supplier payables	800	661

Settlement is usually made within 30 days.

	2021 \$'000	2020 \$'000
Note 7B: Other Payables		
Salaries and wages	139	112
Accrued expenses/suppliers	392	458
Bonds and security deposits	1,737	1,425
Unearned revenue	2,791	2,944
Total Other Payables	5,059	4,939

The Harbour Trust also holds 48 bank guarantees (2020: 47) as security for tenants on long term leases. The total value of those bank guarantees is \$2.666 million (2020: \$2.535 million).

	2021 \$'000	2020 \$'000
Other payables expected to be settled:		
No more than 12 months	3,473	3,065
More than 12 months	1,586	1,874
Total Other Payables	5,059	4,939

Accounting Policy

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

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).

	2021 \$'000	2020 \$'000
Interest Bearing Liabilities		
Note 7C: Leases		
Right-of-use asset	329	355
Total Leases	329	355

Total cash outflow for leases for the year ended 30 June 2021 was \$29,670 (2020: \$29,670).

	2021 \$'000	2020 \$'000
Maturity analysis - contractual undiscounted cash flows		
Within 1 year	30	29
Between 1 to 5 years	128	126
More than 5 years	178	211
Total Leases	336	366

Accounting Policy

For all new contracts entered into, the Harbour Trust considers whether the contract is, or contains a lease. A lease is defined as ‘a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration’.

Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the department’s incremental borrowing rate.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

People and Relationships

Note 8A: Employee provisions

	2021 \$'000	2020 \$'000
Leave	1,358	1,460
Total employee provisions	1,358	1,460

Accounting policy

Employee Benefits

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

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

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

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

Superannuation

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

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

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

The Harbour 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 Harbour 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.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

NOTE 8A: EMPLOYEE PROVISIONS — CONTINUED

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 Harbour 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 Harbour 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 Harbour Trust recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Note 8B: Key Management Personnel Remuneration

	2021	2020
	\$	\$
Short-term employee benefits:		
Base salary	483,529	420,774
Other benefits and allowances	35,713	55,165
Total short-term employee benefits	519,242	475,939
 Post-employment benefits:		
Superannuation	73,993	62,800
Total post-employment benefits	73,993	62,800
 Other long-term benefits:		
Annual leave accrued	19,127	19,127
Long-service leave	12,918	8,007
Total other long-term benefits	32,045	27,134
 Termination benefits:		
Termination benefits	113,451	-
Total termination benefits	113,451	-
 Total key management personnel remuneration	738,731	565,873

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

Pursuant to Section 43 of the *Sydney Harbour Federation Trust Act 2001*, the Harbour Trust sets the conditions of employment for the Executive Director, but first must seek advice from the Australian Government Remuneration Tribunal in respect of remuneration and allowances. The Executive Director's remuneration was approved by resolution of the Trust on 19 September 2019 consistent with advice from the Tribunal following the Tribunal's meeting on 20 June 2019. The package includes a performance component awarded at the discretion of the Harbour Trust. No performance component was paid or awarded in 2020-21. The performance component was waived in 2019-20 in response to the COVID-19 pandemic.

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

The total number of key management personnel that are included in the above table is 10 individuals (2020: 9 individuals) noting that two individuals have filled the Executive Director position during 2020-21.

Other Information

Note 9: Financial Instruments

	2021 \$'000	2020 \$'000
Note 9A: Categories of financial instruments		
Financial assets at amortised cost		
Investments	50,020	22,094
Cash at bank	18,063	8,000
Cash on hand	1	1
Receivables for goods and services	1,457	1,042
Interest receivable	-	1
Other receivables	400	405
Total financial assets at amortised cost	69,941	31,543
Financial Liabilities		
Financial liabilities measured at amortised cost		
Trade creditors	800	661
Salaries and wages	139	112
Accrued expenses/suppliers	392	458
Bonds and security deposits	1,737	1,425
Total financial liabilities measured at amortised cost	3,068	2,656

Accounting Policy

Financial assets

In accordance with AASB 9 *Financial Instruments*, the Harbour Trust classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss;
- financial assets at fair value through other comprehensive income; and
- financial assets measured at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

- the financial asset is held in order to collect the contractual cash flows; and
- the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Financial Assets at Fair Value Through Other Comprehensive Income (FVOCI)

Financial assets measured at fair value through other comprehensive income are held with the objective of both collecting contractual cash flows and selling the financial assets and the cash flows meet the SPPI test.

Any gains or losses as a result of fair value measurement or the recognition of an impairment loss allowance is recognised in other comprehensive income.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021
NOTES

NOTE 9: FINANCIAL INSTRUMENTS — CONTINUED

Financial Assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets are classified as financial assets at fair value through profit or loss where the financial assets either doesn't meet the criteria of financial assets held at amortised cost or at FVOCI (i.e. mandatorily held at FVTPL) or may be designated.

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

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the write-off directly reduces the gross carrying amount of the financial asset.

Financial liabilities

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

Financial Liabilities at Fair Value Through Profit or Loss

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

Financial Liabilities at Amortised Cost

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

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

	2021 \$'000	2020 \$'000
Note 9B: Net Gains or Losses on Financial Assets		
Financial assets at amortised cost		
Interest revenue (see note 4C)	147	532
Impairment allowance reduction (see note 5C)	174	-
Net gain on financial assets at amortised cost	321	532

Note 9C Net Gains or Losses on Financial Liabilities

There was no net income or expense from financial liabilities for the year ended 30 June 2021 (2020 - Nil).

Note 10: Current/non-current distinction for assets and liabilities

	2021 \$'000	2020 \$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	18,064	8,001
Investments	50,020	22,094
Trade and other receivables	1,294	710
Total no more than 12 months	69,378	30,805
More than 12 months		
Trade and other receivables	-	-
Land and buildings	329,837	321,721
Infrastructure, plant and equipment	41,868	45,500
Heritage and collections	52,592	53,197
Intangibles	346	436
Inventories	54	89
Other non-financial assets	136	195
Total more than 12 months	424,833	421,138
Total assets	494,211	451,943
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	800	661
Other payables	3,473	3,065
Leases	30	29
Employee provisions	-	-
Other provisions	-	-
Total no more than 12 months	4,303	3,755
More than 12 months		
Suppliers	-	-
Other payables	1,586	1,874
Leases	299	326
Employee provisions	1,358	1,460
Other provisions	-	-
Total more than 12 months	3,243	3,660
Total liabilities	7,546	7,415

Managing Uncertainties

Note 11: Contingencies

Schedule of Contingencies

There were no contingent assets or liabilities required to be disclosed as at 30 June 2021 (2020 - Nil).

Accounting Policy

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

Note 12: Related Party Disclosures

Related party relationships

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

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

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

- the Harbour Trust has a commercial tenancy agreement with an individual related to the Chair. The transaction occurred at arms length and was managed through the Tenant Selection Committee in accordance with the Harbour Trust Leasing Policy. The Chair declared the interest at the time of the application, and had no involvement in the Tenant Selection Committee process nor the decision.

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

Note 13: Sydney Harbour Foundation Management Ltd

As disclosed at Note 1 "Consolidation and associated company", the Sydney Harbour Foundation Management Ltd, a company limited by guarantee, is the Trustee for the Conservancy, and was established on 8 December 2009 and is controlled by the Harbour Trust. The Company was originally incorporated on 8 December 2009 as an Australian Government corporation limited by guarantee at that time for the specific purpose of serving as trustee for the Conservancy. The Company's constitution was amended on 26 June 2019 to clarify that the object of the Company is to benefit the Harbour Trust. The company changed its name from Sydney Harbour Conservancy Ltd to Sydney Harbour Foundation Management Ltd with effect from 15 July 2019.

The objective of the Company is to benefit the Sydney Harbour Federation Trust.

The cash position of the Company is as follows:

	2021	2020
	\$	\$
OPERATING ACTIVITIES		
Cash received		
Donations	-	-
Grants	-	28,000
Total cash received	-	28,000
Cash used		
Suppliers	-	-
Total cash used	-	-
Net cash from operating activities	-	28,000
INVESTING ACTIVITIES		
Net cash from/(used by) investing activities	-	-
FINANCING ACTIVITIES		
Cash received		
Funds received for SHFT	-	-
Total cash received	-	-
Cash used		
Fund transferred to SHFT	-	(140,000)
Total cash used	-	(140,000)
Net cash from/(used by) financing activities	-	(140,000)
Net increase/(decrease) in cash held		
Cash and cash equivalents at the beginning of the reporting period	-	(112,000)
Cash and cash equivalents at the end of the reporting period	-	112,000

Note 14: Sydney Harbour Conservancy

As disclosed at Note 1 “Consolidation and associated company”, the Conservancy, a Trust for which the Sydney Harbour Foundation Management Ltd is Trustee, was established on 10 December 2009 and is controlled by the Harbour Trust.

The objectives of the Conservancy are to:

- Preserve the natural environmental value of the Harbour 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 Harbour Trust sites;
- Recognise and appreciate the natural and historical significance of Harbour Trust sites; and
- Provide information, education and research about the natural environment.

The cash position of the Conservancy is as follows:

	2021 \$	2020 \$
OPERATING ACTIVITIES		
Cash received		
Donations	-	-
Grants	-	-
Total cash received	-	-
Cash used		
Suppliers	(130)	(110)
Total cash used	(130)	(110)
Net cash from/(used by) operating activities	(130)	(110)
INVESTING ACTIVITIES		
Net cash from/(used by) investing activities	-	-
FINANCING ACTIVITIES		
Cash received		
Funds received for Trustee company	-	-
Total cash received	-	-
Cash used		
Funds transferred to Trustee company	-	-
Total cash used	-	-
Net cash from/(used by) financing activities	-	-
Net increase/(decrease) in cash held	(130)	(110)
Cash and cash equivalents at the beginning of the reporting period	6,857	6,967
Cash and cash equivalents at the end of the reporting period	6,727	6,857

APPENDICES

Appendix 1: Freedom of information

The *Freedom of Information Act 1982* provides the public with a general right of access to documents, subject to some exemptions, held by Australian Government agencies including the Harbour Trust. General information about our Freedom of Information (FOI) procedures including how to make an FOI request is available at:

www.harbourtrust.gov.au/en/freedom-of-information

or by contacting the FOI Officer at:

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

Information Publication Scheme

Under Part 2 of the *Freedom of Information Act 1982*, the Harbour Trust is required to publish information to the public as part of the Information Publication Scheme (IPS). An agency plan showing the information the Harbour Trust has published under IPS requirements is available on the Harbour Trust website under Freedom of Information:

www.harbourtrust.gov.au/en/freedom-of-information

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

Reporting

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

Appendix 2: Advisory and reference groups

Aboriginal and Torres Strait Islander

Advisory Group

Professor Dennis Foley

Susan Moylan-Coombs

Djon Mundine OAM

Roy Mundine OAM

Peter White

General Community Advisory Committee

Ex-Officio Members

The Hon. Anthony Albanese MP, Member for Grayndler

Commander Bernadette Alexander, RAN, HMAS Penguin

Cr Mark Bennett, Mayor of Hunter's Hill

Cr Carolyn Corrigan, Mayor of Mosman

Cr Jilly Gibson, Mayor of North Sydney

Cr Michael Regan, Mayor of Northern Beaches

Dave Sharma MP, Member for Wentworth

Zali Steggall MP, Member for Warringah

Cr Susan Wynne, Mayor of Woollahra

Trent Zimmerman MP, Member for North Sydney

General Members

Rita Chowdhury

Rob Crawford

Sarah Dinning

Kate Eccles

Kate Evers

Paul Forward

Colleen Godsell

Julie Goodsir

Geoffrey Lambert

Peter Lawrence / Rob Crawford

Beth Lawsen

Robyn Lewis

Jill L'Estrange

Malcolm Moir

Matthew Rafferty

Stuart Sprott

John Tropman

Sub Base Platypus Community

Advisory Committee

Ex-Officio Members

Cr Jilly Gibson, Mayor of North Sydney

Trent Zimmerman MP, Member for North Sydney

General Members

Victoria Black

Phil Burfurd

Tammy Dodd

Paul Forward

Matthew Lorrimer

Neil Schafer

Christopher Stapleton

Romi Savitz

Ken Williams

Appendix 3: Maintenance, heritage conservation and environmental management projects

The following projects were undertaken by the Harbour Trust in 2020-21:

-
- | | |
|-----------------------------------|---|
| Cockatoo Island / Wareamah | <ul style="list-style-type: none">• Further conservation works to the historic Powerhouse including reinstating steel windows. Removed redundant and intrusive services• Repair and replacement of existing fire hydrants• Repairs to the tunnel to the Powerhouse• Repairs to Dog Leg tunnel, structural reviews of Straight Tunnel to inform stabilisation works• Commenced repairs to Camber Wharf and Jetty• Remediation of the roof of Building 93 (former Weapons Workshop for O Class Submarines)• Upgrade of the lighting of Building 12 (Pattern Shop/Polishing Shop)• Installation and maintenance of netting to deter roosting by silver gulls• Conservation of historic machinery and planting of gardens by Harbour Trust volunteers |
| Headland Park | <ul style="list-style-type: none">• Removal of hazardous materials from the interiors of Buildings 1, 3, 7 and 8 at 10 Terminal• Renovation of residential properties at 2 and 7 Imperial Place, and 1101 Middle Head• New painting to residential properties at 1201 and 1202 Middle Head Road• Repairs to the roofs of Building 11 (Wharf Workshop) and 18 (Sergeant Major's Cottage) at Chowder Bay• Floor and structural remediation of Building 56 (Gunners Barracks) at Georges Head• Repairs to the underground water pipe and fire fighting networks following leaks at Middle Head• Installation of bus shelter on Middle Head Road (near corner of Chowder Bay Road)• Repairs to the timber entry foyer of Building 7• Installation of air conditioning to Building 18 at Chowder Bay• Replacement of damaged awning at Building 13, Lower Georges Heights (Orderly Room)• Fire safety audit• Contract bush regeneration• Feral animal control• Minor internal fit-outs/refurbishment of commercial suites by tenants• Mechanical and manual bushfire hazard reduction works• External and internal painting of tenanted buildings |
-

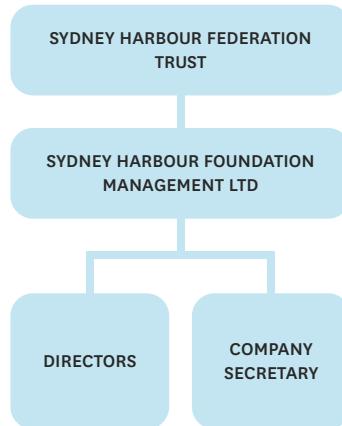
North Head Sanctuary	<ul style="list-style-type: none"> Upgrades to the underground water pipe network following detection of leaks Installation of new poles and meter board, and upgrades of existing poles along North Fort Road Demolition and disposal of three redundant demountable buildings Completed restoring the moveable heritage in the underground plotting room by Harbour Trust volunteers Undertook first stage of remedial concrete repairs to the historic Observation Post, Command Post and Searchlight Engine Room Conservation and reconstruction of historic military equipment by heritage restoration volunteers Urgent repairs to fences and walking tracks following a bushfire at North Head Deployment of refuge tunnels, water stations, nest boxes and bungalow for long-nosed bandicoots to provide habitat after bushfire Propagation and planting of local species by the North Head Sanctuary Foundation Mechanical and manual bushfire hazard reduction works Repairs to the residential property at 21 North Head Scenic Drive Rectification of leaks and installation of new downpipes to Building 6 Minor internal fit-outs by tenants Ongoing repairs to tenanted buildings, including paintwork, carpentry and plumbing Feral animal control
Woolwich Dock	<ul style="list-style-type: none"> Commencement of repairs to the roll on-roll off ramp adjacent to the Horse Paddock Upgrades to building services to support Transport for NSW in its upgrade of the existing jetty to facilitate its use as a temporary public ferry wharf Landscape maintenance and weed removal
Sub Base Platypus	<ul style="list-style-type: none"> Engaged architects, landscape architects and environmental consultants to commence the detailed design of the Torpedo Factory Renewal Project Coring to establish the location and condition of bedrock beneath the Torpedo Factory — to inform the renewal project Installation of traffic calming measures on Platypus Lane to improve safety for pedestrians and vehicles Internal fit-outs of commercial suites by tenants Upgrades to site services Weed removal and replanting
Macquarie Lightstation	<ul style="list-style-type: none"> No specific projects carried out Weed removal and replanting
Former Marine Biological Station	<ul style="list-style-type: none"> No specific projects carried out Weed removal and replanting
Snapper Island	<ul style="list-style-type: none"> While no works were carried out by the Harbour Trust during the year, the Department of Finance undertook some building remediation works

Appendix 4: Sydney Harbour Foundation Management Ltd organisational structure

Officeholders and Directors

Kevin McCann	Director
Sandra Hook	Director
Mary Darwell	Director
Jessica Keen	Director
Michael Brennan	Company Secretary

Organisational structure



Appendix 5: Executive remuneration

Information about remuneration for Executive Director and Members of the Trust as at 30 June 2021.

Name	Position Title	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS		OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	TOTAL REMUNERATION
		Base Salary (\$)	Bonuses (\$)	Other Benefits and Allowances (\$)	Superannuation Contributions (\$)	Long Service Leave (\$)	Annual Leave Accrual (\$)		
Mary Darwell	Executive Director	165,444	-	35,713	31,700	10,790	19,127	113,451	376,225
Linda Ward	Interim Executive Director	81,824	-	-	16,200	2,128	-	-	100,152
Joseph Carozzi	Chairman	52,504	-	-	4,987	-	-	-	57,491
Garth Callender	Board Member	26,251	-	-	2,494	-	-	-	28,745
Sandra Hook	Board Member	26,251	-	-	2,494	-	-	-	28,745
Josephine Cashman	Board Member	26,251	-	-	2,494	-	-	-	28,745
Jean Hay	Board Member	26,251	-	-	2,494	-	-	-	28,745
Jessica Keen	Board Member	26,251	-	-	6,142	-	-	-	32,393
Tim James	Board Member	26,251	-	-	2,494	-	-	-	28,745
Michael Rose	Board Member	26,251	-	-	2,494	-	-	-	28,745
Total		483,529	-	35,713	73,993	12,918	19,127	113,451	738,731

Note: Jessica Keen has a defined benefit superannuation scheme. This resulted in higher superannuation contributions for the year.

APPENDIX 5: EXECUTIVE REMUNERATION — CONTINUED

Information about remuneration for senior executives as at 30 June 2021.

Total remuneration bands	Number of senior executives	SHORT-TERM BENEFITS			POST- EMPLOYMENT BENEFITS		OTHER LONG-TERM BENEFITS		TERMINATION BENEFITS	TOTAL REMUNERATION
		Average base salary	Average bonuses	Average other benefits & allowances	Average superannuation contributions		Average long-service leave	Average other long-term benefits		
\$0-\$220,000	4	126,256	0	0	15,834	3,140	9,662	2,386	157,278	
\$220,001- \$245,000	1	190,122	0	0	18,061	4,735	14,569	0	227,486	
\$245,001- \$270,000	2	214,765	0	0	20,529	5,360	16,493	0	257,146	

COMPLIANCE INDEX

Legislative compliance

The Harbour Trust has complied with the legislated reporting requirements of the following instruments:

REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
Sydney Harbour Federation Trust Act 2001				
Section 70 Annual Report		The annual report prepared by the members and given to the Minister under section 46 of the <i>Public Governance, Performance and Accountability Act 2013</i> for a period must also include:	Mandatory	
(a)	Steward Our Parklands	a description of the condition of plan areas at the end of the period to which the report relates; and		22
(b)	Strengthen Our Capabilities	the text of all directions, and reasons for directions, given by the Minister to the Trust under section 9 during the period to which the report relates		50
Public Governance, Performance and Accountability Act 2013				
Section 46		Annual Report for Commonwealth Entities	Mandatory	
(1)	Letter of Transmittal	... the accountable authority of the entity must prepare and give an annual report to the entity's responsible Minister...		3
(3)	Compliance Index	The annual report must comply with any requirements prescribed by the rules.		117
Work Health and Safety Act 2011				
Schedule 2, Part 4	Strengthen Our Capabilities	Annual Reports		49
Environment Protection and Biodiversity Conservation Act 1999				
Section 516A		Annual Reports to deal with environmental matters	Mandatory	
(1)	Steward Our Parklands	The accountable authority of a Commonwealth entity (within the meaning of the <i>Public Governance, Performance and Accountability Act 2013</i>) must ensure that an annual report prepared under section 46 of that Act complies with subsection (6) of this section.		27
Freedom of Information Act				
Division 2		Information to be published	Mandatory	
8 (2)	Appendix 1: Freedom of Information	The agency must publish the following information: (a) the plan prepared under subsection (1); ... (h) contact details for an officer (or officers) who can be contacted about access to the agency's information or documents under this Act;		110

COMPLIANCE INDEX

REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
<i>Public Interest Disclosure Act 2013</i>				
Section 44		Giving notice of the allocation decision	Mandatory	
(1A)	Strengthen Our Capabilities	<p>The authorised officer must also inform:</p> <ul style="list-style-type: none"> (a) if the disclosure is allocated to an agency that is not the Ombudsman, the IGIS or an intelligence agency—the Ombudsman; or (b) if the disclosure is allocated to an intelligence agency—the IGIS; <p>of the matters of which the principal officer of the agency must be informed under subsection (1).</p>		49
Section 50A		Notification to Ombudsman or IGIS of decision not to investigate	Mandatory	
(1)	Strengthen Our Capabilities	<p>If:</p> <ul style="list-style-type: none"> (a) the principal officer of the agency has decided under section 48 or 49 not to investigate the disclosure under this Division, or not to investigate the disclosure further; and (b) the agency is not the Ombudsman, the IGIS or an intelligence agency; the principal officer must inform the Ombudsman of the decision, and of the reasons for the decision. 		49
Section 76		Annual Report	Mandatory	
(3)	Strengthen Our Capabilities	The principal officer of an agency must give the Ombudsman such information and assistance as the Ombudsman reasonably requires in relation to the preparation of a report under this section.		49
<i>Commonwealth Electoral Act 1918</i>				
Section 311A		Annual returns of income and expenditure of Commonwealth Departments	Mandatory	
(1)	Welcome Everyone	<p>... the principal officer ... must attach a statement to its annual report setting out particulars of all amounts paid by, or on behalf of, the Commonwealth Department during the financial year to:</p> <ul style="list-style-type: none"> (a) advertising agencies; (b) market research organisations; (c) polling organisations; (d) direct mail organisations; and (e) media advertising organisations; <p>and the persons or organisations to whom those amounts were paid.</p>		34

PGPA Rule Compliance

The Harbour Trust has complied with the reporting requirements of the Public Governance Performance and Accountability Rule 2014. This includes the requirement to provide the list of requirements and references to where found in this report (as set out in Schedule 2A and incorporated in this table):

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BB	Approval of annual report by the accountable authority			
17BB(c)(d)	Letter of Transmittal	include details of how and when approval of the annual report was given;	Mandatory	3
17BB(d)	Letter of Transmittal	state that the accountable authority of the entity is responsible for preparing and giving the annual report to the entity's responsible Minister in accordance with section 46 of the Act.	Mandatory	3
17BD	Plain English and clear design			
17BD(2)(c)	Contents	Table of contents		5
17BD(2)(d)	Index	Index [alphabetical]		122
17BD(2)(d)	Compliance Index	List of requirements		117
17BE	Contents of annual report			
17BE(a)	Harbour Trust Overview	Details of the legislation establishing the body	Mandatory	11
17BE(b)(i)	Harbour Trust Overview	A summary of the objects and functions of the entity as set out in legislation	Mandatory	10
17BE(b)(ii)	Harbour Trust Overview, Annual Performance Statement	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory	10, 51-73
17BE(c)	Harbour Trust Overview	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory	11
17BE(d)	Strengthen Our Capabilities	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory	50
17BE(e)	A Robust Business	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	46
17BE(f)	n/a	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	n/a
17BE(g)	Annual Performance Statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory	51-73

COMPLIANCE INDEX

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BE(h), 17BE(i)	n/a	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory	n/a
17BE(j)	Harbour Trust Overview	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory	12-14
17BE(k)	Harbour Trust Overview, Appendix 4	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory	11, 114
17BE(ka)	Strengthen Our Capabilities	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory	48
17BE(l)	Harbour Trust Overview	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory	16-17
17BE(m)	A Robust Business	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory	41-46
17BE(n), 17BE(o)	Financial Statements	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory	78-109
17BE(p)	Strengthen Our Capabilities	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory	50
17BE(q)	Strengthen Our Capabilities	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory	50
17BE(r)	Strengthen Our Capabilities	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory	50
17BE(s)	n/a	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report		n/a

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BE(t)	A Robust Business	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory	46
17BE(taa)	A Robust Business	The following information about the audit committee for the entity: (a) direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory	44-45
17BE(ta)	Strengthen Our Capabilities, Appendix 5	Information about executive remuneration	Mandatory	47, 115-116
17BE(u)	Compliance Index (this table)	the list of requirements as set out in Schedule 2A that references where those requirements are to be found in the annual report.	Mandatory	119-121

INDEX

Numbers

10 Terminal 6, 7, 20, 22, 24, 26, 27, 54, 55, 56, 60, 75, 112

A

Access and safety 49

Accommodation 42, 64, 73, 90

Advertising and market research 34

Annual Performance Statements 51

Auditor's Report 80

Australian Wildlife Conservancy 24

B

Biennale of Sydney 35, 36, 39, 60, 62

Board meetings 43

Board members 6, 7, 8, 12, 19, 43, 44, 46, 48, 49, 53, 63, 69, 115

Board members 52

Bushfire management 26, 46

C

Campground 42, 73

Capital works 20, 23, 24, 46, 54, 55, 65, 70, 95

Carbon footprint 30

Chair's foreword 6

Chowder Bay 14, 22, 37, 112

Cockatoo Island / Wareamah 4, 6, 7, 8, 14, 18, 20, 22, 24, 25, 26, 30, 33, 34, 36, 38, 39, 41, 42, 47, 49, 51, 55, 57, 58, 59, 60, 63, 72, 73, 75, 87, 90, 112

Commonwealth Electoral Act 1918 34, 118

Commonwealth Procurement Rules 46

Communications 61, 66

Community Advisory Committee 7, 26, 38, 75, 77, 111

Community consultation 10, 34, 55

Complaints process 77

Compliance index 117, 118, 120

Consultants 6, 23, 26, 46, 113

Contracting 46

Corporate governance 43

Corporate Plan 53, 54, 57, 60, 63, 65, 66, 67, 68, 69, 71, 72, 73

D

Department of Agriculture, Water and the Environment 18, 26, 44, 45, 55, 61, 63, 87

Development applications 46

Disability Action Plan 48, 49

Draft Concept 6, 26, 34, 38

E

Ecologically Sustainable Development 22, 27

Education 33, 57, 70, 108, 109

Employees 48, 49, 67, 70, 103, 104

Energy consumption 27, 28

Engagement 57

Environmental assessments 26

Environmental performance 27

Environment Protection and Biodiversity Conservation Act 1999 25, 117

Executive Director 8, 11, 13, 18, 48, 60, 62, 66, 82, 104, 115

F

Financial management 13, 45

Financial performance 46

Financial statements 44, 82, 89, 99, 103

First Nations 6, 7, 12, 20, 26, 50, 54, 55, 57, 59, 60

Former Marine Biological Station 23, 113

Fraud control 3, 46

Freedom of Information 110, 117

Fuel consumption 27, 29

Functions 10

G

Georges Heights 11, 25, 40, 112

Greenhouse gas emissions 30

H

Headland Park 2, 4, 11, 14, 22, 24, 25, 26, 33, 36, 38, 39, 55, 58, 72, 112

Human resources 48

I

Independent Review 6, 18, 42, 50, 54, 55, 60, 61, 62, 63, 65, 66, 68, 87

Interpretation 54, 55, 72

J

Judicial decisions and reviews by outside bodies 50

K

Key performance indicators 75, 76, 77

L

Landscape 6, 23, 25, 113

Leasing 34, 41, 63, 73, 87, 89

Legislation 6, 18, 50, 58, 63

Licensing 42, 76

M

- Macquarie Lightstation 4, 14, 23, 24, 25, 39, 74, 97, 113
- Management Plans 25, 100
- Map of sites 16
- Marketing 33, 46, 58
- Middle Head 6, 21, 22, 24, 25, 26, 27, 49, 54, 112
- Minister for the Environment 3, 6, 11, 18, 50, 80
- Ministerial directions 50

N

- North Fort 23, 24, 25, 38, 113
- North Head Sanctuary 4, 6, 7, 18, 20, 23, 24, 25, 26, 30, 33, 34, 36, 38, 39, 42, 55, 58, 60, 61, 62, 63, 72, 78, 87, 90, 113
- North Head Sanctuary Foundation (NHSF) 24, 25, 38, 72, 113
- NSW National Parks and Wildlife Service (NPWS) 24, 25, 27, 72

O

- Objectives 10
- Operations 6, 18, 44, 50, 72, 108
- Organisational structure 11, 114

P

- Partnerships 53, 60
- Photovoltaic arrays 30
- Portfolio Audit Committee 7, 44, 45, 46, 49, 69, 70, 73
- Procurement 20, 46, 57, 59, 66, 68
- Project Control Group 24, 66, 68
- Project Governance 68
- Public Governance, Performance and Accountability Act 2013 3, 46, 52, 69, 82, 88, 117
- Public Interest Disclosure 49
- Public Interest Disclosure Act 2013 49, 118
- Public programs 38, 62
- Purpose 10, 34, 53

R

- Rangers 36
- Reconciliation Action Plan (RAP) 7, 19, 20, 48, 57, 59, 60
- Reform Program 63
- Regulator Performance Framework 74
- Renewable energy 30
- Risk management 49, 76

S

- Snapper Island 14, 23, 26, 113
- Staff 6, 19, 20, 26, 27, 28, 29, 31, 38, 46, 48, 49, 50, 56, 62, 67, 68, 69, 70, 73, 93
- Strategic Asset Management Plan 54, 55
- Sub Base Platypus 4, 7, 9, 14, 20, 23, 25, 26, 27, 33, 34, 36, 39, 41, 49, 54, 55, 58, 60, 72, 75, 111, 113
- Sub Base Platypus Community Advisory Committee 26, 75
- Sub Base Platypus Torpedo Factory Renewal Project 6, 20, 23, 24, 25, 26, 27, 54, 55, 113
- Sydney Harbour Conservancy 11, 88, 108, 109
- Sydney Harbour Federation Trust Act 2001 3, 10, 11, 27, 87, 88, 104, 117
- Sydney Harbour Federation Trust Act 2001. 94
- Sydney Harbour Federation Trust Amendment Act 2021 18, 50
- Sydney Harbour Foundation Management 11, 13, 88, 90, 108, 109, 114

T

- Tenants 6, 41, 44, 49, 60, 63, 65, 72, 76, 87, 91, 102, 112, 113
- Tendering 46
- Torpedo Factory Renewal Project 6, 20, 23, 24, 25, 26, 27, 54, 55, 113
- Tours 33, 36

V

- Venue hire 42, 65, 73
- Vision 19, 25, 26, 53, 60, 63
- Visitor experience 60, 72
- Volunteers 22, 38, 62, 93

W

- Walking tracks 23, 113
- Waste generation 27, 31
- Water consumption 31
- Woolwich Dock and Parklands 4, 23, 24, 25
- Work Health and Safety Act 2011 117
- Work Health and Safety Committee 38
- Work Health and Safety (WHS) 38, 49, 67, 70

