

Sydney Harbour Federation Trust

Annual Report 10-11



harbourtrust



Australian Government
Sydney Harbour Federation Trust

Sydney Harbour Federation Trust
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Cover image: Jakob De Zwart, Debit Mastercard's Priceless Music Series event, Cockatoo Island, May 2011

Inside cover: View of harbour and Watsons Bay from Middle Head

Inside back cover: Jakob De Zwart, Birds of Tokyo, Debit Mastercard's Priceless Music Series event, Cockatoo Island, May 2011




23 September 2011

Senator the Hon Don Farrell
Parliamentary Secretary for Sustainability and Urban Water
Parliament House
CANBERRA ACT 2600

Dear Parliamentary Secretary

I present the report on the operations of the Sydney Harbour Federation Trust for the year ended 30 June 2011. The report complies with the provisions of section 70 of the *Sydney Harbour Federation Trust Act 2001* and section 9 of the *Commonwealth Authorities and Companies Act 1997*.

Yours sincerely



Anthea Tinney
Acting Chair



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Acting Chair's Foreword

04

New members of the Trust were appointed by the Government in May 2011. On their behalf, I acknowledge the significant contribution of outgoing members and the opportunity we have to build on their achievements and those of the Trust over the past 12 years. Those achievements are well summarised in *Shaping the Harbour*, the Trust's corporate history 2001-2011. The legacy of outgoing members is the restoration of magnificent harbour foreshore lands for the enjoyment of all Australians.

In 2007, the Government extended the life of the Trust from ten to thirty years, a decision that has substantially changed the organisation's operating outlook. Leasing and licensing activity as means to fund ongoing capital expenditure and operating costs have taken on added significance, particularly after the allocation of Commonwealth funding to the Trust ceased in financial year 2010.

The overarching challenge facing the Trust was much considered by the outgoing Board, namely, to effect a transition from the remediation and conservation of former defence and other lands to their promotion and marketing as places that enrich the public and cultural life of the city.

To this end, the Trust has resourced a strong marketing team to develop and implement strategies that position the organisation and its sites in the cultural and events arena, and attract business opportunities, partnerships and sponsorships.

The aim is to create a strong brand encompassing all sites, one that celebrates their differences and what they have in common, as well as their potential for leisure, learning, business and the active enjoyment of the city's cultural diversity.

Headland Park in Mosman and Woolwich Dock and Parklands are two sites that exemplify the Trust's successful blend of urban parkland and compatible business activity. Cockatoo Island and to a lesser extent, North Head Sanctuary, exemplify the possibilities of major events in places with high heritage values, business activity and short-term accommodation and camping. Macquarie Lightstation is one of Sydney's historic landmarks while, nearby, the former Marine Biological Station is leased as a private residence and its gardens converted into a small landscaped park at Camp Cove Beach. The former submarine base at Neutral Bay, HMAS *Platypus*, is well on the way to being remediated. Snapper Island currently remains closed to the public pending consideration of its future use.

The Trust's objective for each of these lands is to consolidate the already strong community and stakeholder ownership of them, increase visitation, and attract additional partnerships and tenancies. More broadly, the task is to ensure that the Trust becomes recognised for its leadership in devising innovative uses of harbour public lands. This goes to the heart of the reason the Trust was established – to maximise public access and rehabilitate the natural values of these great national assets.

For the new Board, the years ahead promise much. We look forward to a close and productive working relationship with the Trust's management team and staff, and a continuing close association with community interests.

Anthea Tinney



Executive Director's Summary

As a self funding agency, the past year has been one of consolidation for the Trust. The marketing of sites to increase visitor numbers is increasingly a major focus of the Trust's management.

In July 2010, Cockatoo Island's convict remnants were added to the World Heritage list, part of a serial nomination of 11 convict sites around Australia. The listing underscored the efforts of the Trust to investigate, record and exhibit telling evidence of Cockatoo Island's penal history.

Of particular interest, the Trust completed the conservation of the stonework of a number of the island's convict structures. A grant of \$200,000 from the National Historic Sites Program is assisting with repairs to Biloela, the former superintendent's residence on the island. Work continued during the year to excavate and stabilise convict solitary cells under the barracks, and to prepare them for public exhibition. The Trust's team of heritage conservation volunteers restored a ship's launch and two cranes.

The Trust's portfolio of tenancies performed strongly during the year. Chowder Bay was fully leased and vacancy rates at Georges Heights were low. The refurbishment of the former Australian School of Pacific Administration at Middle Head is nearing completion and early signs of market interest are encouraging. The Trust's residential portfolio of 47 houses remained substantially leased and short-term holiday accommodation at Cockatoo Island and Headland Park was well subscribed. The island's camp ground attracted over 20,000 campers and New Year's Eve camping sold out.

As a self funding agency, the Trust's business activities are central to its operations. The identification of new business opportunities and diverse revenue streams will impact materially on the Trust's capacity to fund capital projects, provide ongoing site maintenance, underwrite public and cultural programs, and meet staff operating costs.

In support of the increasing accent on business development, the Trust reviewed its marketing strategy to familiarise a broader cross section of the community with the sites. Partnerships with popular reality television programs and a high profile international sporting event signalled Cockatoo Island's versatility as a major venue.

The development and pre-production of a flagship cultural event on the island, to be staged in November-December 2011, will complement the high profile of the Biennale of Sydney's presence and headline an ongoing calendar of events and activities including educational initiatives. At the same time, branding, signage and information packages will augment public relations strategies for events on Cockatoo Island and other sites.

As a consequence the Trust is securing a greater fertilisation between its cultural calendar and business opportunities and partnerships. The 17th Biennale of Sydney attracted approximately 156,000 visitors to Cockatoo Island in 2010. The scale of the event, its profile and popularity are indicative of the potential of Trust sites more effectively to realise the integration of visitation and uses that are long-term. In this respect, the Sydney Harbour Conservancy seeks funding from donors for projects related to the Trust's natural and built environment, historical collections and public and cultural activities.

The imminent completion of works to conserve and refurbish the former Australian School of Pacific Administration at Middle Head, the refurbishment of former Navy cottages at Lower Georges Heights for short-term accommodation and works at Chowder Bay to refurbish the former Sergeants' Quarters for the Sydney Institute of Marine Science have consolidated the identity of Headland Park. Documentation was prepared for the design of the formal entry to the park at Suakin Drive.

At North Head Sanctuary, landscaping infrastructure works have been commenced to improve the amenity and the connections between the sanctuary and the surrounding areas. In this regard, the Australian Wildlife Conservancy and other stakeholders conducted research into the ecology of North Head's native fauna.

The departure of the defence presence at the North Fort complex facilitated services upgrade works and refurbishment of the former café, the latter followed by a tender process to find an operator. During the year, a number of health practitioners took up tenancies, strengthening the Trust's commitment to establish at North Head a place of respite, contemplation and the protection of natural values.



Photo: Landscaped grounds and refurbished buildings of former Australian School of Pacific Administration, Middle Head

The success of Cockatoo Island's camp ground and short-term residential accommodation in the refurbished Federation duplexes on the plateau prompted an expansion of accommodation options. The Trust refurbished the former launch driver and coxswain's residence into three fully furnished suites, each with views of the city and the harbour bridge. Refurbishment of the former Administration Building was completed and fitted out as office accommodation and conference facilities. The Trust's marketing and business development team occupies part of the building.

Hazardous and stored material respectively was cleared from the Bolt Wharf and the coal bunker behind the Powerhouse. A program of maintenance included safety works on cliff faces, rock faces and stone walls.

At both Cockatoo Island and North Head Sanctuary, the installation of photovoltaic arrays and rain water and storm water harvesting systems demonstrate the practical benefits of environmental measures to save energy and water. These initiatives are indicative of the Trust's commitment to the principles of ecologically sustainable development. They were partially funded by grants from the Australian Government's Green Precincts Fund.

At the former HMAS *Platypus* naval base, the first stage of the remediation process was completed. This entailed the removal of above ground contaminated material and the demolition of a number of superfluous buildings. Pre validation drilling has been completed to better define the extent of in-ground contaminants. The second stage of the remediation process is scheduled to commence in late 2011.

At Woolwich Dock and Parklands, landscaping of the former car park on the ridge overlooking the dock is scheduled to commence in late 2011. This will be the last major project at the site. At Macquarie Lightstation, work to remediate soil around the lighthouse and residences was undertaken. Stones associated with the former compound wall designed by convict architect Francis Greenway were secured and recorded.

The amendment of Trust management plans to satisfy the requirements of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act) consolidated the planning process. In addition, the Trust undertook 29 environmental assessments to ensure that proposed works complied with the EPBC Act, commenced work to produce a single Headland Park Management Plan from seven separate precinct plans and amended the North Head Sanctuary Management Plan to specify proposed outcomes in more detail.

The protection of heritage values comes within the purview of the EPBC Act. The Trust incorporated a Heritage Register in its asset management system, allowing it to record and track changes to heritage items.

The terms of outgoing members of the Trust expired in September 2010. In last year's annual report, I acknowledged the commitment and enthusiasm of outgoing Trust members, and the experience they brought to the organisation's direction and operations over ten years. In May this year, the Government announced a number of new members. I would like publicly to welcome them and look forward to working with them as the Trust enters a new phase of its short history. Ms Anthea Tinney, a former senior public servant, is the Trust's acting Chair.

Although the Trust operated without a Board for some nine months, the organisation continued to deliver the outcomes determined by the outgoing members under the guidance of the Comprehensive Plan and within its legislative framework.

The Trust's volunteer team expanded during the year after incorporating 40 of the volunteers of the former Royal Australian Artillery National Museum at North Fort. The Trust's volunteers, rangers, tour guides and teacher guides are indispensable to its capacity to implement public programs; they fulfil their responsibilities with enthusiasm and good cheer.

Staff once again met the challenges of an ever changing workplace environment. The Trust is a small organisation that places considerable demands on its people. Their experience, skills and creativity continue to serve the aims of the Comprehensive Plan and deliver the outcomes of site management plans.

Geoff Bailey



1 The Sydney Harbour Federation Trust

Vision

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

Objectives

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

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

Functions

The functions of the Sydney Harbour Federation Trust are to:

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

Photo: Members of the volunteer industrial restoration team (left to right): John Ellis, Tony Arends, Mike MacBride, Darryl Cummins, Peter Scutts, Tony Iacono



The Sites



Legislation and Minister

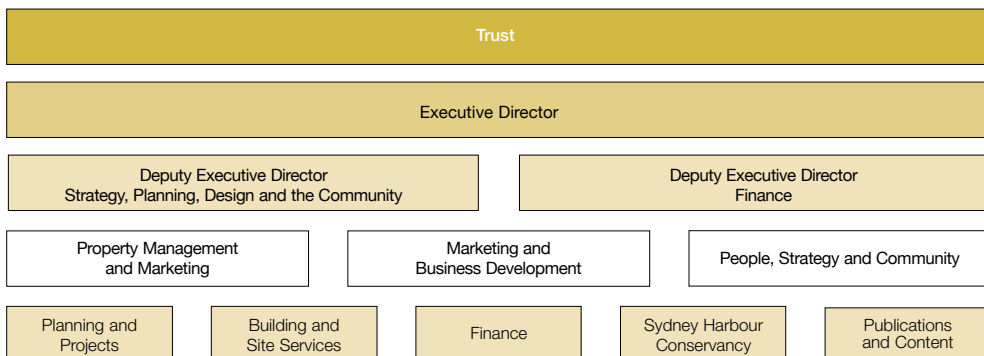
The Trust was established by section 5 of the *Sydney Harbour Federation Trust Act 2001* which commenced on 20 September 2001.

The Parliamentary Secretary for Sustainability and Urban Water, Senator the Hon Don Farrell, is responsible for the Trust.

Organisational Structure

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

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



Outgoing Members (terms expired 26 September 2010)

Mr Kevin McCann AM, Chair



Mr McCann was a non-executive director of the Harbour Trust. He is a non executive director of leading Australian listed companies. He is Chairman of Origin Energy Limited, lead independent director of Macquarie Group Limited and is a director of Macquarie Bank Limited and Blue Scope Steel Limited. He is a member of the Council of the National Library of Australia and fellow of the Senate of the University of Sydney. He practised in corporate and commercial law as a partner of Allens Arthur Robinson for 35 years and was chairman of the firm for 10 years. Mr McCann holds a Masters of Law, Bachelor of Laws and a Bachelor of Arts. He is experienced in finance and commercial matters.

Mr Robert Conroy



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

Ms Diana Talty



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

Clr Susan Hoopmann



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

Mr Peter Lowry OAM



Mr Lowry was a non executive director and is a non-practising Solicitor and is chairman of a number of companies involved in urban planning, residential housing and heritage conservation. His companies are also involved in the hospitality industry. He is a board member of the National Trust, the Planning Research Centre of the University of Sydney, the Planning Institute of Australia and the Ensemble Theatre. He was a Reserve Army Officer. Mr Lowry was Chair of the Trust's Audit and Risk Management and Tenant Selection Committees.



Dr John Moriarty AM



Dr Moriarty was a non-executive director. Dr Moriarty holds a Bachelor of Arts and was granted a Churchill Fellowship for overseas study on the history and culture of indigenous peoples. He is chairman and co-owner of Balarinji, the

country's leading indigenous art and design studio. Dr Moriarty has been in executive positions in the Departments of Aboriginal Affairs for Commonwealth and state governments, and has held board positions relating to indigenous issues. He was a member of the recent National Indigenous Council, an advisory body to the Commonwealth Government

Brigadier Kevin O'Brien CSC (ret)



Brigadier O'Brien was a non-executive director who served at two of the Trust sites during his 30 years with the Australian Army. Brigadier O'Brien holds a Bachelor of Arts and a Diploma of Arts, Military Studies. He has studied

the military and defence history of Australia, and assisted in the restoration of heritage defence sites. He has advised on, and edited a book about, the defence of Sydney Harbour during World War II. Brigadier O'Brien was a Member of the Interim Sydney Harbour Federation Trust for 2½ years. He was also the Chair of the Trust's Defence History Steering Committee; a member of the Trust's Audit and Risk Management Committee, and the Members' representative on the Trust's Tender Review Committee.

The Honourable Barry O'Keefe, AM QC



The Hon Barry O'Keefe was a non executive director. He is a lawyer and until recently was a Judge of the Supreme Court of NSW. He was a member of Mosman Council from 1968 until 1991, Mayor for ten of those years and President of the

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

Mr O'Keefe resigned from the Trust on 3 August 2010.

Incoming Members (terms commenced 24 May 2011)

Ms Anthea Tinney, Acting Chair



Ms Tinney is a non-executive director of the Trust. She is currently the Chair of the Australian National Commission for UNESCO, a member of the Australian Government's Independent Communications Committee and a member of a number of public sector audit committees. She was previously the Chair of Land and Water Australia and the inaugural independent Chair of the Steel Stewardship Forum. She was a deputy secretary in the federal environment portfolio and, prior to retiring from the Australian Public Service in 2008, was appointed as the Interim CEO of the National Film and Sound Archive. Ms Tinney's public service career included a period as the head of the Cabinet Office in the Department of Prime Minister and Cabinet and some years in the Treasury. She has served on several boards and has wide experience in public policy advising and government administration. Ms Tinney has a Bachelor of Economics degree and was awarded a Public Service Medal in 1995 for services to the Australian Cabinet system.

Mr Rohan Jeffs



Mr Jeffs is a non-executive director of the Trust. He is a lawyer with over 30 years experience in major listed Australian companies in the areas of corporate law as well as in senior corporate roles responsible for governance, risk and compliance, human relations, procurement, industrial relations, superannuation, government and corporate relations. He is a long standing director of the Retail Employees Superannuation Trust (REST), and is Chairman of key REST Board Committees including Audit, Risk and Compliance, Strategy Review and Human Relations. He is an Adjunct Professor of Law at the University of Queensland. He holds a Masters of Law, Bachelor of Law and a Bachelor of Arts. He has extensive experience in commercial and regulatory matters.

The Hon Leo McLeay



Mr McLeay is a non-executive director. He is Chair of the Catholic Cemeteries Board which manages a number of Heritage Cemeteries in Sydney. He is a former Director of the Mary MacKillop Foundation and is an advisor to Jobsupport Inc. Mr McLeay was a Member of the House of Representatives from 1979 until 2004. His parliamentary career included four years as Speaker of the House of Representatives. He also held the office of Deputy Speaker and Chief Government and Opposition Whip. He chaired a number of Parliamentary committees.

Clr Genia McCaffery



Clr McCaffery is a non-executive director. She was elected as full time Mayor of North Sydney by popular vote in 1995 and was re-elected in 1999, 2004 and 2008. As Mayor, Clr McCaffery is committed to managing development within North Sydney, responsible financial management of Council, protecting the environment, and maintaining strong community involvement in local government. She has represented local government on a range of Boards and Committees including Resource NSW, Sydney Harbour Councils Group, NSW State of Environment Report Advisory Council (2003) representing Local Government, and chaired the Local Government Advisory Committee on Waste Policy for NSW Department of Environment and Conservation. From 2004-2010, Clr McCaffery was the elected President of the Local Government Association (NSW) where she was involved in negotiating change in several critical areas including planning, natural resources management and infrastructure investment. She is the Immediate Past President of the association. Clr McCaffery was elected President of the Australian Local Government Association (ALGA) in November 2010. She is currently working on a range of issues including financial recognition of local government. Clr McCaffery is also on the Board of the NSW Environment Protection Authority.



Dr Elsie Heiss



Dr Elsie Heiss is a non-executive director. She was born into the Wiradjuri Nation and spent most of her early days in Cowra and Griffith, NSW. Dr Heiss has represented NSW on the National Aboriginal and Torres Strait

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

The chair and two nominees of the New South Wales Government have yet to be appointed.

Outcome and Output Structure

The Trust is responsible for the following outcome for the Sustainability, Environment, Water, Population and Communities portfolio: Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour.

The following program contributes to the outcome.

Sydney Harbour Federation Trust Business

The objective of the program is the transformation of Trust sites into precincts and parklands that will enrich the cultural and historical values of the city, whilst conserving the environmental integrity and unique heritage of the sites. The major performance indicators are: increased awareness, appreciation and enjoyment of sites; restoration and maintenance of sites; and financial sustainability of ongoing management and operations including leasing and hiring to bring compatible activities to the sites.

The program is divided into three areas for reporting purposes:

- Land Restoration and Maintenance
- Public Awareness and Planning
- Financial Sustainability

2 Achievements and Initiatives

Land Restoration and Maintenance

Performance Indicators

- Rehabilitation of land, buildings, infrastructure and equipment is consistent with conservation, environmental, heritage and cultural values and relevant standards, and the Trust's Comprehensive Plan.
- Rehabilitation of land, buildings, infrastructure and equipment is consistent with Portfolio Budget Statement outcomes.
- Trust lands and facilities meet workplace and public safety standards.
- Undertake repair and maintenance works at all sites and minimise further deterioration.
- Trust facilities are increasingly available for public access and business and community use.

Summary

The Trust continued its ongoing conservation, rehabilitation and maintenance program on most sites as part of the implementation of the Comprehensive Plan. Providing safe public access continued to be an ongoing focus of the program.

Recurrent work included building and grounds maintenance, bush regeneration, maintenance of fire protection systems and the management of site security through a contract security presence and Trust rangers.

A list of maintenance, heritage conservation and environmental management projects undertaken by the Trust in 2010-2011 is provided in Appendix 3.

North Head Sanctuary

North Head is one of Sydney's great landmarks, a tied island with a relatively intact ecosystem.

The former School of Artillery occupies the highest part of North Head and comprises two areas used as one functional unit, the Barracks complex and the North Fort complex. The former contains a collection of art deco buildings surrounding a parade ground, service areas, sheds and a large area of remnant bushland. The latter contained the facilities of the Royal Australian Artillery National Museum until its closure during the year when the Department of Defence vacated the site. The site has two groupings of houses let as medium term tenancies. While many of the buildings of the former School of Artillery are structurally sound following repairs and refurbishment, their exposure to the marine environment makes them vulnerable to deterioration.

Internal and external refurbishment works were undertaken on the café at North Fort. It now has a large deck and terrace that capture the harbour view. The Trust has undertaken a tender process to find a café operator. Various services upgrade works were undertaken within the North Fort precinct.

Conservation works were undertaken on the Third Quarantine Cemetery. A number of historic graves were restored. The works were funded by a grant from the National Heritage List Sites Promotional Program.

External refurbishment of six houses was completed including the upgrade of their stormwater lines. Renewal (undergrounding) of a portion of low voltage electrical infrastructure including individual metering to tenancies within the site was completed. Other services works currently underway include the separation of the fire hydrant system from the existing domestic water service.

The Environment Protection and Biodiversity Conservation Act (EPBC) accredited management plan for the former School of Artillery was completed. The North Fort complex has been included in the plan to guide the future planning and upgrading of the whole site's building, infrastructure, access network and landscaping works.

Photo: Third Quarantine Cemetery, North Head

The photo-voltaic component of the Greens Precinct Fund grant was completed and is providing power to the grid, off-setting a portion of the site's power usage. It is generating in excess of 60 megawatt/ hours a year. The water harvesting component was also completed, providing a large underground tank, a water treatment plant and 1.5 km of reticulation pipework. The site's building amenities are being connected to the system. The stormwater harvesting system has been expanded to include a 1.5 km irrigation ring-main to supply the whole of the cultural landscapes on the site.

Landscape renewal works planned for the whole of the former School of Artillery have commenced and are well underway.

Local provenance plant species have been propagated at an on-site nursery and are being planted at the entry precinct, oval, core buildings and other locations.

Middle Head, Georges Heights and Chowder Bay

Middle Head divides Middle Harbour and Sydney Harbour and is one of the major 'green' headlands that give the harbour its bushland character.

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

At Georges Heights, the site of the former Training Command precinct, tender documents were prepared for the design of the site's main entry, Suakin Drive. The project will include a significant entry sign, landscaping, footpath and other paths connecting with adjacent Council lands. Two houses in the precinct were refurbished internally and externally.

On Middle Head Road, four former Navy cottages were refurbished, two for short-term accommodation and two for office accommodation. Landscaping works were undertaken in the area between the Navy cottages and the rear of a

number of Cobbittee Street houses, providing a new park. A track through the area connects with the Middle Head Road – Balmoral oval track alongside HMAS *Penguin* and the pedestrian path along Middle Head Road. Landscaping improvements were also undertaken around the five brick veneer houses on the southern side of Middle Head Road.

At Lower Georges Heights, a fabricated gun pedestal for the 1877 emplacement was craned into place, followed by the installation of a 6 inch naval gun.

The conservation and refurbishment of the buildings, services infrastructure and landscaping of the former Australian School of Pacific Administration at Middle Head was largely completed. Documentation for the upgrade of the Middle Head car park was finalised and the design of the Middle Head café was commenced.

At Chowder Bay, ongoing external building maintenance was undertaken on a number of former historic Submarine Miners' Depot buildings including joinery repairs and painting.

Woolwich Dock

Woolwich Dock and Parklands is a fine example of some of the patterns that have shaped the harbour. The industrial character of the site, dating from the 1880s, influenced the growth of residential communities in the area and retail centres to service them. The exceptional dry dock was opened in 1901 and used for the repair and fitting-out of large ships.

The site contains parkland, sheds, hardstand, workshops and the former dry dock. The new wharf and pontoon, constructed by the Trust, serves as an embarkation point for Cockatoo Island by staff, contractors and consultants.

The major project at the site was the preparation of documentation for the decontamination and landscaping of the former ridge top car park (LARC park). Work is scheduled to commence in late 2011. This is the last of the major works outcomes for the site.

Cockatoo Island

Cockatoo Island is the largest island in Sydney Harbour and modified through its uses as penal settlement and maritime industrial site. Originally only 12.9 hectares, the island has been greatly altered from its natural state. It contains remnants of an imperial convict prison, two dry docks, wharves, slipways, maritime buildings, residences, a powerhouse, cranes, water towers and tunnels.

In July 2010, the World Heritage listing of Cockatoo Island's convict remnants, part of a serial listing of 11 convict sites around Australia, added significance to the Trust's program of conservation.

The conservation and refurbishment of the island's building stock continued during the year. Stone conservation works on the historically significant Convict Guardhouse, Mess Hall and Biloela, the superintendent's residence, were completed. The works included mortar re-pointing, re-facing of weathered stone, stabilisation of metal fixtures and reconstruction of stone flagged floors. A grant from the National Historic Sites Program will assist with additional restoration works in late 2011.

Throughout the year, work continued on the stabilisation of convict solitary cells under the convict barracks and is nearing completion. The project included excavation and reconstruction work to provide eventual public access and allow for the installation of interpretive material. The solitary cells are part of the Convict Trail on the island. Elements of the trail were upgraded including the stabilisation of terraces, new pathways around Biloela and signage.

Two historic cranes were restored by the island's team of volunteer industrial restorers. The 1891 Mort's Dock steam crane alongside the Fitzroy Dock has been restored to full functioning order. The Parliamentary Secretary for Sustainability and Urban Water, Senator Don Farrell, visited Cockatoo Island to 'launch' the restored crane. A grant from the Department of Sustainability, Environment, Water, Population and Communities assisted the restoration of the Iceland crane, also alongside Fitzroy Dock. Lead-based paint was removed from two additional cranes as part of their remediation.

An array of photo-voltaic panels was installed on the roof of the Turbine Shop as part of a Green Precincts Fund grant. Presently, the array is generating more electricity than is required by the island's needs in the industrial precinct, the surplus being returned to the grid. It is generating in excess of 100 megawatt/hours a year. With the installation of rainwater tanks, the water harvesting component of the grant has been completed. The stormwater harvesting system is largely completed. The installation of infrastructure to reticulate water around the island to provide its non-potable water needs is nearing completion and connections to building amenities is currently underway.

Refurbishment of the former launch driver and coxswain's residence into short-term rental accommodation was completed. The accommodation comprises three fully furnished suites. External and internal refurbishment of the Administration Building has converted the building into conference facilities and office accommodation for the use of the Trust.

The Bolt Wharf on the eastern apron was cleared of stored material and will be available for open air events in the near future. On the southern apron, a works depot was established to provide the island with a centralised works and storage area. The coal bunker, west of the powerhouse, was cleared of hazardous material. Safety works were undertaken on cliff faces and dry stack stone walls and rock faces were stabilised. In licenced areas and event spaces, safety and trip hazard repairs were undertaken.

Snapper Island

Snapper Island is Sydney Harbour's smallest island, part of a grouping with Cockatoo and Spectacle Islands. The island was a rarely visited rocky outcrop until World War I when it was leased to Cockatoo Island Dockyard for storage. It comprises simple buildings, slipways, boat storage and jetties. Ongoing building repairs were undertaken to ensure the buildings were water tight and bird-proof. The island is yet to be formally handed over to the Trust.



Macquarie Lightstation

Macquarie Lightstation is Australia's first and longest operating navigational light. Built in 1818, the original lighthouse was designed by convict Francis Greenway and constructed of sandstone quarried on site. In 1883, a new lighthouse was built.

Remediation of the soil around the lighthouse, the Head Keeper's and Assistant Keeper's Quarters was undertaken. The work included securing remnant stones of the former Greenway wall and recording archaeological evidence found during excavation.

Former Marine Biological Station

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

HMAS *Platypus*

The former HMAS *Platypus* naval base is a waterfront industrial site in one of Sydney's quiet bays, a reminder of the harbour's maritime heritage. Sitting amid Neutral Bay's waterfront residential properties and foreshore parks, the site contains buildings and workshops adapted and used by the Royal Australian Navy since 1942. The wharf was built to accommodate the berthing of submarines when the site was officially commissioned in 1967 as the base for the Navy's submarine fleet.

The first stage of remediation works was completed including the removal of hazardous materials from buildings and structures. A number of superfluous buildings were demolished preparatory to the commencement of stage two below ground remediation works (see Remediation heading below). The site management plan for the stage one works was exhibited in June and July 2010 and the site management plan for stage two works was exhibited in March and April 2011. The site management plan for wharf repair works was exhibited in November and December 2010.

Remediation

The Trust continued projects to manage and remediate contamination on its sites. On Cockatoo Island, the northern apron remediation validation report is close to sign-off by the auditor.

At the former HMAS *Platypus* site, the first stage of a two stage remediation process has been completed. During the first stage, above ground contaminated materials were removed, leaving the site ready for the major below ground remediation works to commence. Planning for the major remediation works is well underway with site works scheduled to commence in late 2011.

Soil remediation around Macquarie Lighthouse, the Head Keeper's and Assistant Keeper's Quarters was completed.

Landscape Maintenance

The Trust carried out regular landscape restoration and maintenance works on all sites during the year. The works included mowing and edging of lawns, pruning, weeding and mulching, and infill planting of garden beds. Pedestrian traffic sight line clearance works were undertaken on Trust roads and footpaths. Eroded sections of walking tracks at North Head, Woolwich Dock, Chowder Bay and Georges Heights were repaired. Arborists removed hazardous dead wood in public areas including in the aftermath of storms and undertook formative tree pruning.

Revegetation

More than 18,300 trees, shrubs, grasses and groundcovers were planted on Trust sites during the year. Almost 70 per cent were propagated from local provenance native species. Some 5,800 ornamental natives and exotics were planted within cultural landscapes. The Cockatoo Island gardening volunteers planted several hundred plants on the island and the North Head Sanctuary Foundation propagated 3,250 native plants of which approximately 75 per cent were planted in former lawn areas of the site.

Bushland Management

Ecological restoration works continued during the year at Headland Park, North Head Sanctuary, and the cliff faces of Woolwich Dock and Cockatoo Island. The works included extensive control of weeds over an area of 30 hectares, maintenance of over 10 kilometres of bush tracks, roads and access trails, manual and mechanical bushfire hazard reduction around built assets, and revegetation of cleared areas using local provenance seedlings. Maintenance work by bushland contractors continued to grow with the increase in newly revegetated areas.

Bushfire Risk Management

In 2010-2011, fuel reduction and slashing of fire breaks and trails continued adjacent to buildings and structures at North Head Sanctuary and Headland Park. A program of fuel reduction and selective clearance of woody vegetation continued within the Third Quarantine Cemetery and North Fort. The Trust worked with neighbouring landholders through the Manly-Mosman-North Sydney District Bushfire Management Committee and the North Head Stakeholder Group. The District Bush Fire Risk Management Plan was updated to provide a co-ordinated approach across land tenures. The Trust has three proposals to carry out small area burns at North Head Sanctuary and one at Headland Park to promote the conservation of biodiversity through natural regeneration and to reduce the risk of wild fire to life, property and natural and cultural heritage assets. Fire and Rescue NSW were unable to carry out any burns in the reporting period due to high levels of fuel moisture in bushland and adverse weather conditions.

Native and Pest Fauna Management

The Trust is represented on the North Head Bandicoot and Penguin Population Recovery Teams to support the protection of these populations and works closely with the NSW Office of Environment and Heritage and other stakeholders. The Trust has engaged the Australian Wildlife Conservancy (AWC), with assistance from the University of New South Wales and Earthwatch, to conduct research into the ecology of native fauna on North Head. Revegetation of areas in the former School of Artillery at North Head are part of the bandicoot research by the AWC with the aim of improving habitat.

The Trust worked with neighbouring landholders and the Office of Environment and Heritage to manage feral animals on its sites. This included a rabbit haemorrhagic disease virus release in March 2011 and the shooting of more than 200 rabbits. The Trust continued its involvement in the Northern Sydney Regional Fox Control Program with regular poison baiting at North Head Sanctuary and Headland Park. Fox control is also being carried out in the Horse Paddock at Woolwich Dock, in partnership with Hunters Hill Council.



Environmental Performance

Performance Indicators

- Adherence to the core principles of Ecologically Sustainable Development.
 - Development and implementation of a sustainability policy.
 - Development and implementation of an environmental management system.
 - Purchase at least 20 per cent greenpower.
 - Subscribe to Greenfleet.
 - No increase (staff average) in energy, fuel and water consumption, waste generation and greenhouse gas emissions.
-

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

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

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

Sustainability Strategy

The Trust has prepared a sustainability strategy and has commenced its implementation. A progressive analysis of baseline performance at all sites is underway along with the development of action plans: policy development; project identification; target setting; auditing; reporting; and communications. The Trust's focus during the year has been the reduction of greenhouse gas emissions and water savings.

Energy Savings

The Trust is becoming, where possible, a clean energy producer. During the year the Trust installed three photovoltaic arrays (solar farms) – two at North Head Sanctuary and one at Cockatoo Island. Collectively, these arrays are saving in excess of 175 tonnes of carbon dioxide per annum and producing more than 160 MWh per annum. Each of the arrays is feeding net to the grid which means that excess electricity produced is fed back into the system and its value credited to the Trust.

On-site monitors at North Head Sanctuary and Cockatoo Island display information on the features of the photovoltaic arrays for the benefit of visitors and school groups.

In addition to the generation of renewable energy, both sites have substantially reduced their energy consumption through the installation and retrofit of energy efficient equipment and fittings in a number of buildings and precincts. Electricity meters at the



two sites and Georges Heights have been GPS surveyed, enabling 'smart' monitoring to evaluate usage and savings, streamline maintenance and maximise system longevity.

Water Savings

Rainwater and stormwater harvesting systems installed at North Head Sanctuary and Cockatoo Island, when fully operational, will provide 100 per cent of each site's non-potable water for toilets and irrigation. The rainwater systems collectively will store at least 2 million litres of recycled water.

On Cockatoo Island the rainwater system will save in excess of 2 megalitres of potable water a year while the stormwater system will save in excess of 8 megalitres of potable water a year and meet the total landscape irrigation requirements of the northern and eastern aprons, and the plateau.

The stormwater system at North Head Sanctuary provides recycled water to the toilets of six buildings, meets landscape irrigation requirements for newly revegetated areas that improve the foraging habitat for the endangered Long-nosed Bandicoot population and irrigates other 'cultural' landscapes via a 1.5 km ring-main.

At Headland Park, a stormwater harvesting system has been installed at the former Australian School of Pacific Administration (Middle Head). The storage of water in a World War II fuel tank at Georges Heights is under investigation.

The Trust is responding to the impact of stormwater at a number of sites through the better management of drainage infrastructure and the construction of nutrient stripping wetlands, gross pollutant traps and detention basins.

Smart water meters have been installed to enable real-time monitoring of water use to detect leaks and to limit potable water wastage.

Office Environmental Performance

During the 2010-2011 reporting period the Trust:

- Renewed its membership to the Green Building Council of Australia
- Purchased Greenfleet offsets for fleet vehicles
- Continued to undertake metering and monitoring of the office's environmental performance
- *Note: the Greenhouse Challenge Plus Program, of which the Trust was a participant, has now ceased*

2010-2011 was the fourth year in which the Trust conducted a review of its office environmental performance to determine its impact of the environment, using the following Global Reporting Initiative Indicators as a guide:

- Energy Consumption (GRI Indicator EN3)
- Fuel Consumption (GRI Indicator EN3)
- Water Consumption (GRI Indicator EN8)
- Waste Consumption (GRI Indicator EN22)
- Greenhouse Gases (GRI Indicator EN16)

The results of each of the above environmental performance indicators is discussed in further detail below.

Energy Consumption – EN3

2010-2011 Energy Consumption Targets:

- Investigate installing solar cells/solar hot water for the Trust office

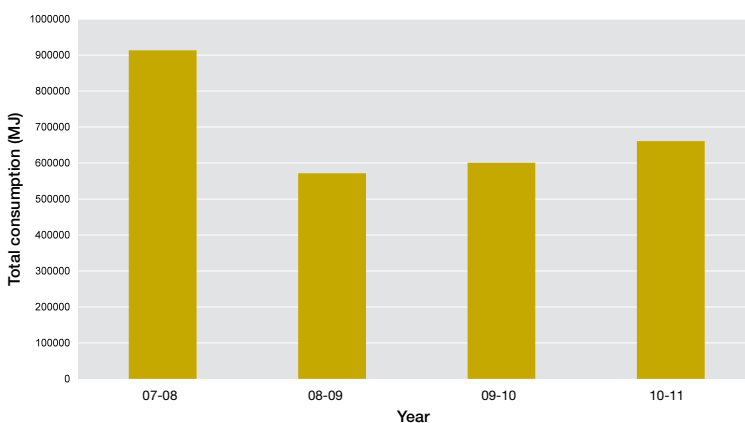
The Trust's energy usage has increased by 10.1 per cent for the 2010-2011 reporting period, as demonstrated in the table below. The increase in energy consumption can be attributed to the increase in the number of staff members from 54 in 2009-2010 to 59 during this reporting period.

Total energy consumption

	09-10	10-11
Total Consumption	600, 725 MJ	661,131 MJ

A comparison between total energy consumption over the last four reporting periods is shown in the graph below. The Trust has dramatically decreased its energy consumption since 2007-2008. However, during the next financial year, staff members will be encouraged to reduce office energy consumption by undertaking small actions each day, such as turning off lights when they leave meeting rooms, turning off shared computing resources overnight, making the decision to turn off the automatic air-conditioning system when it is not required and using small desk fans for cooling in summer as an alternative.

Energy Consumption



The Australian Government "Energy Efficiency in Government Operations (EEGO) Policy" sets the strategy for Australian Government Agencies to achieve the target of 7,500 Megajoules (MJ)/person/annum for office light and power, and 400MJ/m² for office central services by 2011. The table below shows the Trust's performance for the past two years compared with the EEGO targets. During the 2010-2011 the Trust was able to maintain its position well within the established targets.



Electricity consumption per staff member/m²

	EEGO Policy Target	Trust 09-10	Trust 10-11
Central Services (MJ/m ² /annum)	400	210	231
Office light and Power (MJ/person/annum)	7,500	5562	6122

Additional to meeting its 2010-2011 Energy Consumption targets, the Trust purchased 100 per cent Greenpower for the Trust Office and 20 per cent Greenpower for all other Trust managed buildings in June 2011. By purchasing Greenpower, the Trust has been able to reduce its overall greenhouse emissions, as demonstrated in the last table of this section of the annual report.

Solar panels were purchased for Cockatoo Island and North Head during the reporting period. However, the benefits of these solar panels cannot be included in this report, as the energy produced does not assist in powering the Trust's office at Mosman. The purchase of solar panels for the Trust office at Mosman will be investigated during 2011-2012.

Fuel Consumption – EN3

2010-2011 Fuel Consumption Targets:

- No increase in fuel consumption

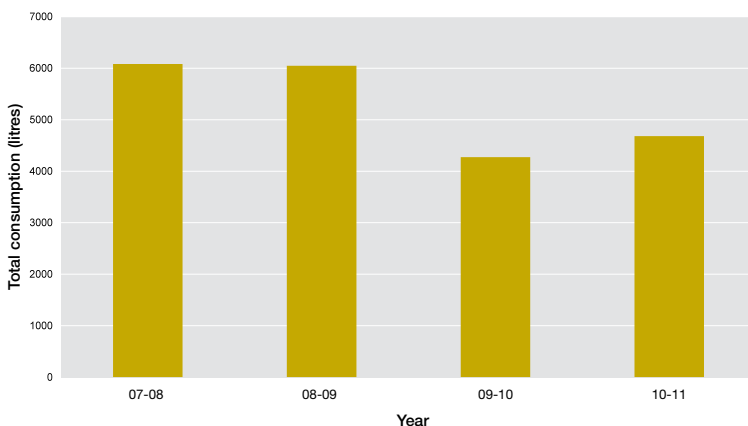
The Trust fleet throughout the year consisted of one Ford Flacon Wagon (LPG); one Mitsubishi tip-truck (diesel) for use on Cockatoo Island, one Toyota Hilux ute (LPG and unleaded), one Toyota Prius' (Hybrid electric/unleaded), which was returned at the end of its lease period in April 2011. A Toyota Camry was hired to replace the Prius for the remainder of the financial year and the fuel consumption for this vehicle (unleaded) is included in the fuel totals below. Fuel use during the 2010-2011 reporting period was lower for unleaded petrol but higher for LPG and diesel. The higher level of diesel use can be attributed to the level of works on Cockatoo Island and the need for an increased level of use of the tip-truck. The Trust also purchased Greenfleet offsets to the value of 17.2 tonnes of CO₂, further reducing its carbon footprint.

	09-10	10-11
Total Unleaded	1461 Ltrs	1305 Ltrs
Total LPG	1831 Ltrs	1977 Ltrs
Total Diesel	983 Ltrs	1403 Ltrs
Total Fuel	4275 Ltrs	4685 Ltrs

A comparison between total fuel consumption over the last four reporting periods is shown in the graph below. The Trust has dramatically decreased its fuel consumption since 2007-2008. However, measures to reduce the level of fuel consumption will be encouraged, for example, through co-ordinated car-pooling to site locations and meetings. The impact of having different fleet vehicles (the Ford Falcon will be replaced during the next reporting period) will also be monitored.



Fuel Consumption



Water Consumption – EN8

2010-2011 Water Consumption Targets:

- No increase in water consumption

	09-10	10-11
Total Consumption	279kL	286kL
Average person per day	20.26L	19.01L

Water usage at the Trust remained low for the 2010-2011 reporting period at 286kL. While this figure represents an increase from the 2009-2010 water consumption reading, the higher level of water usage can be attributed to the increase in the number of staff members during this reporting period. The graph below shows that the amount of water consumed as an average per person per day has continued to decrease since the 2007-2008 reporting period.

Water Usage

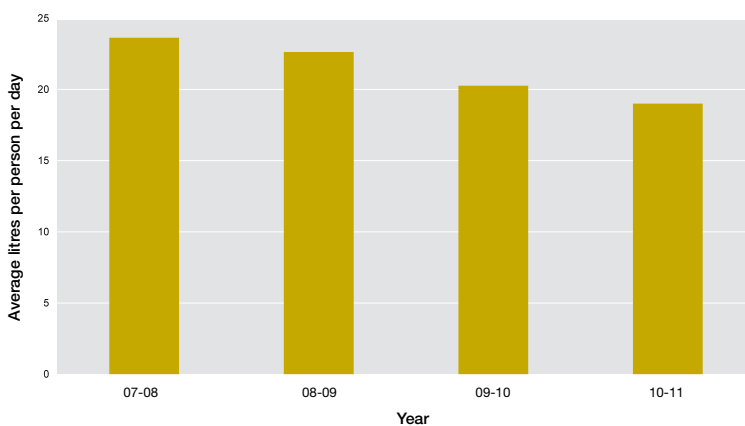


Photo: Steam crane launch, Cockatoo Island, May 2011, (left to right) Rohan Jeffs (member), Elsie Heiss (member), Senator Don Farrell (Parliamentary Secretary), Hon Leo McLeay (member)

Waste Generation – EN22

2010-2011 Waste Generation Targets:

- No increase in waste

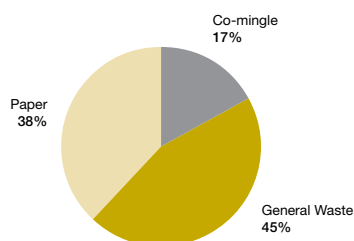
The amount of waste produced at the Trust is calculated by estimating the number of total bins collected per week, irrespective of how full they are. Therefore the information presented is an approximation only.

	09-10	10-11
Total general waste	4.9 tonnes	4.9 tonnes
Total paper and cardboard	4.1 tonnes	4.1 tonnes
Total co-mingle (Bottles/cans)	1.8 tonnes	1.8 tonnes
Percentage waste to landfill	45 per cent	45 per cent
Percentage waste recycled	55 per cent	55 per cent

The chart below shows the percentage of waste by type and destination. Both paper and co-mingle waste are sent to recycling facilities. As such 55 per cent of all waste is recycled.

Worm farms will be purchased for the Trust office in 2011-2012 to help reduce the amount of general waste going to landfill. The results of this purchase will be monitored during 2011-2012. In addition, a more accurate way of recording waste generation data will be implemented.

Percentage of Waste by Type



Greenhouse Gases – EN16

2010-2011 Greenhouse gas emissions:

- No increase in gross emissions

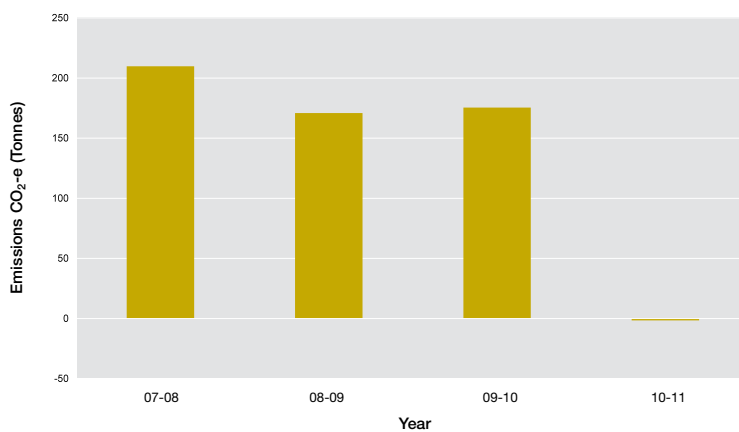
The table below summarises the total amount of greenhouse gases for the Trust office by source and amount. Total net emissions were 211.72T CO₂-e. The majority of gross emissions come from electricity. The combination of the purchases of 100 per cent green energy for the Trust's offices and carbon offsets for the Trust's car fleet have resulted in a net total emissions figure of -1.62 tonnes of CO₂-e.

	09-10	10-11
Total Greenhouse Gas Emissions: Tonnes CO ₂ -e	175.46	-1.62

Carbon Footprint

Fuel/process	09-10	CO ₂ -e (Tonnes)	10-11	CO ₂ -e (Tonnes)
Electricity	166,868 kWh	178.22	183,648 kWh	196.14
Petrol/gasoline	1.46 kL	3.80	1.31 kL	3.26
LPG-transport	1.83 kL	3.29	1.98 kL	3.36
Diesel – transport	0.98	2.94	1.40 kL	3.79
Waste to landfill	4.9 kL	4.41	4.9 kL	4.41
Total gross emissions	-	192.66	-	211.72
Offsets	Greenfleet	-17.2 tonnes	Greenfleet	-17.2
			Green energy	-196.14
Total net emissions		175.46		-1.62

Total net emissions



Targets for 2011-2012

- No increase in overall gross emissions
- 10 per cent reduction in waste generated
- No increase in fuel consumption
- No increase in water consumption
- 10 per cent reduction in energy consumption; by further encouraging sustainable behaviour and investigate installing solar cells/solar hot water for the Trust office





Public Awareness and Planning

Public Awareness

Performance Indicators

- Community awareness of the Trust and its activities, and visitors to Trust lands, increase through the promotion of tours, events and open days consistent with the Trust's Comprehensive Plan and Portfolio Budget Statement outcomes.
- Marketing and business development initiatives increase visitation and generate revenue.
- The Trust receives positive media coverage for all significant public events and planning activities and the media maintains an interest in the Trust.
- Education, interpretive and public programs are developed and implemented to promote Trust lands and their significance, and to increase visitation.
- Partnership programs with institutions, neighbours and others are developed to promote Trust lands and their significance.

Public Awareness, Marketing and Business Development

The Trust's public programs and business development initiatives encompass commercial and cultural partnerships, events, tours, school excursions, displays, interpretive activities, open days and the operation of visitor information centres. The accessibility of Trust lands challenges the Trust's public and commercial programs to be relevant and engaging. As a self-funding organisation, the Trust seeks a balance between the provision of cultural, interpretive and educational programs, and activities that contribute to operating costs.

During the year, the Trust developed the first phase of an organisational marketing strategy. It undertook a review of the Trust's programming and education output to establish new content opportunities to drive visitation and engagement. The development of a brand and public relations strategy for Cockatoo Island including the planning and pre-production of a flagship event and partnership program was a key focus of activity. A full Cockatoo Island wayfinding and signage audit was also completed. The Trust's marketing capabilities were increased to develop brand expertise, partnership and revenue opportunities.

Events, Exhibitions and Partnerships

Cockatoo Island was a major venue partner of the 17th Biennale of Sydney (12 May-1 August 2010). The Biennale is Australia's major contemporary arts festival. Some 56 international and Australian artists exhibited works in buildings and spaces across the island which also hosted the Artists' and Supporters' Party. Approximately 156,000 people visited the Biennale on Cockatoo Island, an 80 per cent increase on the number of visitors to the 2008 event.

An art installation by T V Moore, *Escape Carnival*, first exhibited on Cockatoo Island during the 2008 Biennale, was loaned to the Trust by the Anita and Luca Belgiorno-Nettis Foundation and installed in the dogleg tunnel.

Unknown Territories- Between a Rock and a Hard Place was a free exhibition on Cockatoo Island in September/October which presented the work of eight established and emerging Sydney artists who participated in the Cockatoo Island Artists in Residence Program. The exhibition featured contemporary works from Richard Goodwin, Mari Velonaki, Mikala Dwyer, Daniel Boyd, Keg de Souza, boat-people.org, Justene Williams and Margaret Roberts. The works included video art, multi media and interactive installations, robotics, sculpture, painting and photography. The curator was Annie Laerkesen.

As part of Seniors Week, the Trust hosted on Cockatoo Island the satirical exhibition *The Lost Tools of Henry Hoke*. The curator and writer, Mark Thomson, presented a talk as part of the exhibition.

For the third year, the island's camp ground was fully booked by Sydneysiders and others to watch Sydney's spectacular New Year's Eve fireworks from one of the best vantage points on the harbour. Some 2,000 campers occupied 475 campsites to herald in the new year. Planning has begun for New Year's Eve 2011.

Two exhibitions, *A Different Time: The Expedition Photographs of Herbert Basedow 1903-1928* and *Lidcombe Design on Cockatoo Island* opened in June. The former is a travelling exhibition of the National Museum of Australia and is the first time the Trust has partnered with the museum. The exhibition was the Trust's contribution to NAIDOC Week 2011. The Lidcombe TAFE design exhibition showcases design solutions for adaptive re-use concepts for buildings on Cockatoo Island.

Cockatoo Island hosted Debit Mastercard's Priceless Music Series event in May. The event featured the rock band Birds of Tokyo and attracted a capacity crowd of 2000.

An exhibition based on *The Story of Bungaree*, a book published by the Trust on a prominent Aborigine in the early years of Sydney, was held at Georges Heights to celebrate NAIDOC Week 2010.

An Anzac day dawn service was held on the former parade ground at Georges Heights. Two open days were held at Macquarie Lightstation. An open day was held at the former Marine Biological Station, Watsons Bay.

The Trust concluded an agreement with the organisers of the Underbelly Festival to hold the event on Cockatoo Island in July 2011. A performance work on the island by Ken Unsworth is scheduled for late 2011 following his successful

installation, *A Ringing Glass (Rilke)*, in 2009. Preparations are well advanced for a major five week street art festival on Cockatoo Island in November – December 2011. The festival, called Outpost Project, is planned as a flagship Trust event.

Interpretation and Publications

The Trust's curator continued research on the convict history of Cockatoo Island. A synopsis to guide the interpretation of the convict history of the island is well underway. The island's inclusion on the World Heritage List was appropriately signposted and the convict trail improved with additional interpretive signage. The Trust is represented on the Australian Convict Sites Steering Committee.

Commemorative signage was installed at Lower Georges Heights to acknowledge the contribution to the history of the site of Lieutenant Colonel William Read, the administrator of the 21st Australian Auxiliary Hospital in the World War I period.

The Story of Cockatoo Island, an illustrated history of the island, was revised and reprinted. Pre-production is well advanced for a high quality book of reproductions of the paintings and drawings of Bill Nix, a former Cockatoo Island worker in the 1960s. An essay on the history of Cockatoo Island was submitted to the Dictionary of Sydney. Research was carried out for a proposed publication on a pictorial history of the 21st Australian Auxiliary Hospital at Georges Heights.

Shaping the Harbour, a history of the Trust's first ten years, was published.

The Trust's e-newsletter was distributed 12 times during the year. In addition, two event notices were electronically distributed to the e-newsletter database and six notifications were distributed to specific categories of the database.

A number of site brochures were updated and reprinted. Interim signage was produced for events and projects throughout the year.

Volunteers

The Trust's public programs are supported by a team of 205 volunteers, an increase of approximately 35 per cent over the year. The increase is largely attributable to 40 volunteers from the former Royal Australian Artillery National Museum joining the team, following the Trust's decision to assume responsibility for the management of North Fort including its museum, tours and military restoration program.

There were also increases in the number of volunteers involved in visitor services, gardening and industrial heritage restoration.

Volunteers continue to staff visitor centres at Cockatoo Island and North Head Sanctuary, maintain gardens and natural landscapes at both sites and undertake monthly tours of North Head and Headland Park. Bimonthly tours of Macquarie Lighthouse were suspended for a time during an extensive capital works project on the site.

During the year, volunteer speakers made 82 presentations to community organisations about the Trust and its sites. Some 3,670 people were informed of the Trust's progress conserving the natural and cultural values of its lands around Sydney Harbour.

On Cockatoo Island, the volunteer industrial restoration team completed the refurbishment of a steam crane located since 1891 beside Fitzroy Dock. The project took two years and approximately 4,608 hours to restore the crane to working order. Also completed was the refurbishment of *Sydney*, a naval launch. The volunteer team commenced work on an electric crane, AFD 17, located on the southern side of Fitzroy Dock. Slipway number 7 on the southern apron was brought up to working order. The team now has three workshops on the island, one each for metal, wood and marine works.

The volunteer gardening team continued to plant and maintain the gardens of the island's residences and undertook the planting of native gardens around the camp ground. Volunteers supported Trust events on the island including New Year's Eve camping and the Henry Hoke exhibition, a part of Seniors Week. The island's accommodation staff will be assisted by volunteers later in the year as part of the Trust's expansion of volunteer roles.

On North Head, volunteers restored the natural landscape and gravestones of the Third Quarantine Cemetery, the latter activity under the supervision of stonemasons.

A survey conducted of Harbour Trust volunteers in late 2010 revealed a very high satisfaction rating with the volunteer program and its management. Twenty five per cent of volunteers have been with the Trust for 5-10 years, almost 40 per cent between two and 9 years.

Rangers

The Trust employs seven rangers to monitor Cockatoo Island, Headland Park, North Head Sanctuary and Woolwich Dock and Parklands. They assist the public with a range of issues such as parking, security, unsupervised dogs, emergencies and crowd control. More broadly, rangers are ambassadors of the Trust in their routine interactions with visitors to the sites and with tenants of buildings and facilities.



Tours

The Trust operated regular guided tours on four sites during the year. The table below records the numbers of participants.

Cockatoo Island (weekly)	Headland Park (monthly)	North Head Sanctuary (monthly)	Macquarie Lightstation (bimonthly)
Guided Tours: 888	Guided Tours: 363	Guided Tours: 287	Guided Tours: 299
Audio Tours: 3,565 (available daily)			

School Excursion and Children's Program

Cockatoo Island attracted 109 education visits from primary, secondary and tertiary institutions in the Sydney metropolitan area and beyond. Some 5,000 students and teachers explored the island's diverse themes to increase their understanding of a range of subjects including history, geography, visual arts and design and technology.

In response to growing interest in the island from visual arts teachers and students following the island's participation in the 2008 Biennale of Sydney, new visual arts programs were developed and implemented on the island. The Trust worked with the Biennale to introduce education programs for primary and secondary students visiting the 2010 Biennale of Sydney on the island.

A new self-guided activity for children was launched on Cockatoo Island in September 2010. *Convict Clues* helps children engage with the island's convict stories by completing a range of activities in key convict sites across the island. Over 5,000 copies of the activity booklet were distributed during the year.

At North Head Sanctuary, 146 geography students and teachers participated in the biophysical interactions program. Some 1000 copies of the self-guided activity trail, *The North Head Nature Hunt*, were distributed to children and their families, with the Kids Discovery Room continuing to be a popular destination for visitors to the sanctuary.

Guided and self-guided vacation care programs were delivered at Cockatoo Island and North Head. Approximately 1,489 children and carers participated in the programs.

A general public school holiday program was delivered on Cockatoo Island for the first time in September/October 2010. Some 738 children and their parents/carers participated in the program which involved the creation of various machines from recycled materials, a response to the heritage machines on the island.

The Trust commenced a review of the education and children's programs. The purpose of the review is to assess current services within the competitive educational sector and to identify future directions and areas of growth.

School Excursion and Childrens' Program (1 July 2010 – 30 June 2011)

School Excursions	No. Programs Run	Students	Adults	No. Participants
Cockatoo Island (Guided)	61	3150	304	3454
Cockatoo Island (Self-guided)	31	1259	58	1062
Cockatoo Island Biennale Program (Guided)	6	169	13	182
Cockatoo Island Biennale (Self-guided)	11	292	17	309
North Head Sanctuary Guided	5	91	55	146
	114	4961	447	5153
Vacation Care Program	No. Programs Run	Children	Adults	No. Participants
Cockatoo Island (Guided activity)	18	744	117	861
Cockatoo Island Convict Clues (Self-guided activity)	16	448	80	528
North Head Nature Hunt (Self guided)	4	80	20	100
			Total No. Participants	1489
Birthday Party Program	No. Programs Run	Children	Adults	No. Participants
Headland Park	23	339	26	365
Cockatoo Island	2	45	19	64
			Total No. Participants	429
Guided Programs for General Public	No. Programs Run	Children	Adults	No. Participants
North Head Open Day: Living Lab	1	100	20	120
Cockatoo Island School Holiday Machines Program	1	600	138	738
			Total No. Participants	858
Guided Programs for General Public				Estimated No. Participants
Cockatoo Island: Convict Rules				5,000
North Head: Nature Hunt				1,000
			Total No. Participants	6,000

Media and Advertising

The Trust received positive media coverage of its activities throughout the reporting period. Coverage continued of the camp ground and holiday houses on Cockatoo Island, notably following the renovation of additional former residences as holiday apartments with harbour and city views. The announcement of Cockatoo Island as a World Heritage listed site, part of a serial listing of 11 convict sites around Australia, attracted coverage as did the 17th Biennale of Sydney, New Year's Eve camping and the temporary island bar. Suburban newspapers regularly covered the Trust's activities or

that of tenants and stakeholders, for example, concerning the closure and re-location of North Fort (*Manly Daily*) and the opening of former naval cottages at Middle Head as holiday cottages (*Mosman Daily*).

The Trust placed non-campaign advertising in metropolitan, suburban and regional newspapers to promote events, the exhibition of plans, open days and accommodation. More broadly, Trust sites were used by companies, magazines and television production companies for product launches, commercials and filming. Cockatoo Island was the location of the TV reality program *MasterChef*.

Photo: Marine Biological Station, Watsons Bay

Through partnership with Fremantle Media, the island was featured in seven Network 10 prime time episodes, with contestants and hosts mentioning the site. The episodes reached an average week night audience of 1.5 million. Cockatoo Island as the show location also received editorial and advertising support across Network 10 and other national print, radio and online outlets.

The Mastercard Birds of Tokyo event generated a partner-funded above the line advertising spend to the value of \$1.4 million. Cockatoo Island was featured in the Mastercard TV, radio, digital and outdoor campaign.

The launch of the Cockatoo Island bar received strong coverage in food and wine columns, street press and social media via a targetted public relations campaign featuring island camping and an opening event. The *Daily Telegraph* and *Time Out*

magazine called the bar one of the top summer places in Sydney.

Website

In 2010-2011 there were 108,370 visits to the Trust's corporate website www.harbourtrust.gov.au. This is an increase of 74 per cent over visits for 2009-2010, the increase attributable to bookings for Trust accommodation, including Cockatoo Island, moving to the corporate website during the year.

In 2010-2011 there were 235,261 visits to the Cockatoo Island website www.cockatooisland.gov.au. This is a 45 per cent increase on the previous year's visits. Spikes in visits were most prominent during the Biennale of Sydney and New Year's Eve.



Photo: Volunteer Janet Carter (right)

Trust Plans, Environmental Assessments and Heritage Strategy Implementation

Performance Indicators

- Plans conform with best practice, are publicly exhibited, have broad community support and reflect input from the consultative process.
 - Management Plans are consistent with the Trust's Comprehensive Plan which was approved by the Minister.
 - New or revised Management Plans also meet the requirements of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act).
 - Background studies or policies for significant heritage, environmental and transport matters affecting Trust lands are prepared.
 - Environmental Assessments are undertaken in accordance with the Act, Trust Plans, and the EPBC Act.
 - Heritage aspects of Management Plans are implemented and heritage items are conserved, maintained and interpreted through the Trust's public programs, publications and websites.
 - The Community Advisory Committee and the broader community provide input into the planning process.
-

Management Plans

The planning team commenced amending all of the current management plans to satisfy the requirements of the *Environmental Protection and Biodiversity Conservation Act 1999* (EPBC Act).

The Management Plan for Cockatoo Island was published on the Federal Register of Legislative Instruments on 2 September 2010. The plan was the Trust's first to be prepared in accordance with the requirements of the EPBC Act relating to a Commonwealth Heritage Listed and National Heritage Listed place. The Minister determined the plan is consistent with the EPBC Act and the Commonwealth and National Heritage management principles for the site.

The Trust exhibited an amended version of the Management Plan for the former School of Artillery, North Head from 28 July to 24 August 2010. The amendment was entitled the 'Management Plan for North Head Sanctuary' and included more detailed outcomes for both the former School of Artillery and North Fort complex. The Trust received 26 submissions on the draft plan during the exhibition period, approximately two thirds of these strongly supported retaining a museum that relates to the defence of Sydney Harbour at North Head Sanctuary, which the Trust has agreed to do.

On 23 June 2011, the Trust received advice from the delegate of the Minister for Sustainability, Environment, Water, Population and Communities that the Australian Heritage Council had reviewed the plan, and found it was not inconsistent with Commonwealth management principles applying to the land. The plan will be published in the Government Gazette and the Federal Register of Legislative Instruments in late 2011.

Work has commenced on consolidating and updating seven current management plans for Headland Park into a single document. The draft plan will reflect the work undertaken to date by the Trust at Headland Park and focus on ways to improve connectivity between the precincts and better integrate the park with adjoining lands. It is anticipated that a draft plan will be placed on public exhibition in early 2012.

Environmental Assessments

The Trust is responsible for undertaking environmental assessments of actions proposed on Trust lands, to determine whether the proposals are consistent with plans and to satisfy the requirements of the EPBC Act.

During the reporting period, the Trust determined assessments for 29 proposed actions. This included approving over \$10 million worth of new and refurbished teaching and research facilities at Chowder Bay for the Sydney Institute of Marine Science. The proposed works include the refurbishment of Building 19 to provide administration and support facilities, a new system to pump seawater from Chowder Bay to Building 11, upgrade of the historic "Burma Rail" inclinator, and new seminar spaces in Buildings 21 and 23. All works are scheduled to be completed by the end of 2011.

In addition, in November 2010, the Trust approved the operation of the innovative Island Bar at Cockatoo Island. Accommodated in four shipping containers on the eastern apron, the bar attracted many first time visitors to the island over the summer and was promoted in the media as a "must do" for Sydneysiders and tourists alike. New applications to enable the bar to continue and to diversify its operations will be assessed by the Trust in mid to late 2011.

Heritage Strategy Implementation

The Trust is responsible for conserving the Commonwealth heritage values of its lands. The principles, objectives and policies concerning the conservation of heritage values are contained in the Comprehensive Plan and management plans for specific sites or precincts within sites. Management plans contain, where appropriate, policies from conservation management plans for conservation of heritage items and values.

In 2010-2011, the Trust established a system to record all its assets. The system incorporates the Heritage Register required by the EPBC Act and records changes to and maintenance of heritage items. The Trust's Heritage Strategy, prepared in 2005, was revised during the reporting period and the draft will be forwarded to the Minister after review by the Trust's Board in late 2011.

On Cockatoo Island, World Heritage listing of its convict remnants, as part of a serial listing of 11 Australian convict sites, underlined the site's heritage significance. Sandstone conservation commenced on the convict-built Guardhouse, Mess Hall and Biloela House (the superintendent's residence). The discovery of storage areas and cells under the original Mess area, later converted to a prison ward, resulted in excavation and landscaping to reveal and interpret the extent of the cells and rock cut cisterns.

In the convict courtyard, the Trust removed the verandah roofing and the 1950s building extension in the northern corner, returning this evocative space to its original appearance. Interpretive signage on the island's convict walking trail was installed on the elevated walkway between the Turbine Shop and the cliff top adjacent to convict-excavated granary silos.

Two dockyard era buildings were conserved and adapted - the Administration Building and the launch driver and coxswain's residence.

The Trust's team of heritage conservation volunteers continued its work of restoration (see Volunteers, page 30).

The World Heritage and National Heritage status of the island is recorded on an Australian Government plaque at the entrance to the Muster Station and additional information on the island's status has been placed on the Trust's website.

At North Head Sanctuary, the Third Quarantine Station Cemetery was opened for public inspection following the creation of a pathway, repairs by stonemasons of some graves, marble cleaning and removal of vegetation by volunteers. The cemetery is on the National Heritage List.



At North Fort, following the departure of the Royal Australian Artillery National Museum, the Trust plans to develop a museum and trail on the defence of Sydney including the harbour's many fortifications. A team of artillery conservation volunteers are restoring a World War II searchlight, a blitz wagon and a number of historic small arms.

At Lower Georges Heights, a 6 inch naval gun was installed at the north-eastern battery on a newly fabricated pedestal. Four of the remaining five 1950s Swedish prefabricated cottages were conserved and adapted for residential short stay and office use. These are rare examples of largely intact housing from the post World War II period. These cottages were imported flat-packed from Sweden in the early 1950s to help alleviate Australia's post-war housing shortage.

The naming of Read Place recalled the distinguished medical officer who set up the Mena camp hospital in Egypt for Gallipoli wounded and in 1918 was appointed to run the 21st Australian Auxiliary Hospital at Georges Heights.

At Middle Head, the complex of World War II barrack buildings, later adapted for the use of the Australian School of Pacific Administration, was extensively conserved and will be leased to compatible businesses and individuals.

Archaeological investigations undertaken during the remediation of soils at Macquarie Lightstation have revealed the footings of the Greenway lighthouse and one of its pavilions that marked the four corners of the original compound.

Work on decontamination of the HMAS *Platypus* site has revealed part of the original sandstone seawall in good condition. The heritage listed Retort House, initially intended to be dismantled and re-erected after completion of the decontamination works, will now remain in-situ due to its siting on bedrock and not, as assumed, on contaminated soil. Later additions and modifications have been stripped away to reveal its prefabricated structure.

Grants and Donations

In 2010-2011, the Trust was awarded a number of grants that contributed to the completion of several projects.

The Trust received \$200,000 to undertake repairs to Biloela House on Cockatoo Island under the National Historic Sites Program (administered by the Department of Sustainability, Environment, Water, Population and Communities). The funds will be used to repair the stone flagged verandah and terrace, repair external windows and doors, undertake drainage and waterproofing works and remove the unsympathetic verandah infill. Works will commence in late 2011.

The Trust received \$75,000 towards the construction of a new 750 metre long path through bushland at Georges Heights under the Sharing Sydney Harbour Access Program (administered by the NSW Department of Planning). The path will be part of a new walk to commemorate colonial era illustrator George Raper. Works will commence in late 2011.

The Trust received \$6,830 to undertake restoration works to the Iceland Crane at Cockatoo Island under the National Heritage Sites Promotional Program (administered by the Department of Sustainability, Environment, Water, Population and Communities). The grant was used to purchase Oregon timber to repair the degraded cab of the crane. Repair works commenced in April 2011 and were largely carried out by Trust volunteers.



The Trust received \$7,200 to undertake conservation works to the Third Quarantine Station Cemetery at North Head Sanctuary under the National Heritage Sites Promotional Program. The grant was used to engage stone masons who were assisted by Trust volunteers to repair some of the most degraded graves in the cemetery. Works were carried out in April and May 2011.

In 2010, the Sydney Harbour Conservancy was established and has GDR (Gift Deductibility Recipient) (charitable) status. The conservancy is eligible to receive donations from the public or grants from philanthropic organisations.

The Australian Wildlife Conservancy (AWC), the environmental organisation engaged by the Trust to provide scientific input and land management advice for North Head Sanctuary, received two grants. The first grant, \$13,653, from the Australian Government's Caring for Our Country Coastcare Community Grants Program assisted the AWC in its nursery and education activities. A Community Action Grant of \$16,070 from the government's Caring for Our Country program is assisting the AWC to re-establish the habitat of the Long-nosed Bandicoot on North Head.

Background Studies

During the year, the Trust undertook a detailed assessment of the availability and use of car parking across Headland Park including Georges Heights, Chowder Bay and Middle Head. The study included counts of available parking spaces and surveys of visitors and tenants to ascertain their views on the availability and cost of parking.

Key recommendations of the study included modification of the arrangements for timed parking at Middle Head, introduction of additional short stay spaces at Georges Heights and increased promotion of sustainable transport across Headland Park.

Community Consultation

The Trust continued to consult communities and liaise with key stakeholders on the planning and rehabilitation of its sites. Consultation activities ranged from formal committee meetings to workshops, open days, presentations, discussions and the exhibition of plans. The Community Advisory Committee (CAC) provided advice in support of the planning process. The whole CAC met twice during the year to provide feedback on and input into a range of issues, once specifically to discuss the North Head Sanctuary (EPBC) Management Plan. The CAC for the former HMAS *Platypus* site met six times. In addition there were two community meetings held on site to discuss the technology options available for the major remediation works.

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

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

Financial Sustainability

Leasing, Licensing and Accommodation

Performance Indicators

- Leasing and licensing of buildings and facilities are consistent with the Trust's Comprehensive Plan and Portfolio Budget Statement outcomes.
- Leasing, licensing, camp ground and residential accommodation revenue increase consistent with Portfolio Budget Statement outcomes.

Leasing

Ongoing uncertainty besets the Sydney property market with above average vacancy rates being particularly experienced in North Sydney. In a market where commercial tenants have the advantage of wide choice and heavily incentivised lease terms, the Trust's heritage portfolio has performed well. While the Trust has had to be responsive to the market, tenants continue to recognise the high quality of the Trust's refurbished properties and the appeal of their natural settings.

Vacancy rates at Georges Heights remain low and, although there has been an increase in tenancy turnover as a natural result of leases expiring following initial leasing in 2008, the key tenants continue to exercise options to renew their leases. The Trust also continues to benefit from a strong level of referrals from its existing Mosman tenants, and initial market response to the former ASOPA refurbishment project, soon due for completion, is encouraging. A café, with an outlook over Middle Head oval will provide a new visitor amenity to park users and sporting groups in 2012.

Chowder Bay remained fully leased throughout 2010-2011, with the Sergeants' Mess function centre proving a popular wedding and conference venue in its second year of trading. Works to the Sydney Institute of Marine Science's new laboratories, research and education facilities at Chowder Bay are nearing completion. The newly refurbished former

Sergeants' Quarters will open in September 2011 providing world-class teaching and student accommodation facilities with a public visitor interface.

2010 saw the opening of the Deckhouse café and function space at Woolwich Dock which has quickly become a popular destination for locals as well as hosting a number of high profile corporate functions in its first year. The Trust retains part of the new pavilion building as a proposed public meeting and interpretation space.

The Trust's expanding cultural and events program is anticipated to increase leasing enquiries on Cockatoo Island in 2011-12, particularly in the creative and artistic fields. Demand is anticipated for flexible studio and office spaces, with an architect taking up office space on the island in June 2011.

At North Head Sanctuary, the Trust is targeting tenants related to mental and physical health and well-being, environmental education and research, and visitor and community services complementary to the site's natural values. A cluster of health practitioners including a chiropractor, massage therapist and exercise physiologist has been established. Refurbishment works to the North Fort café have been completed with the Trust seeking a new operator for this key visitor amenity. The Trust has identified an opportunity for a childcare centre at the heart of North Head Sanctuary and refurbishment of an existing building by a childcare operator is anticipated in late 2011. The relocation of the Royal Australian Artillery National Museum presents the Trust with an opportunity to improve public access and enjoyment of the North Fort precinct through a range of visitor amenities and the progressive adaptive re-use of buildings in 2011-12.

The Trust's residential portfolio of 47 houses has continued to perform well during the year and remains fully leased. Renovation works are undertaken when vacancies permit. The residential portfolio now includes properties leased under the Trust's community leasing policy to the Manly Women's Shelter and the Schizophrenia Fellowship, the latter for respite care.

Licensing

Short-term commercial licensing is an important way of promoting access to Trust sites to a broad audience including regional, interstate and overseas markets. The total number of licensed events remained steady. The success over summer of the Island Bar at Cockatoo Island boosted visitation, attracting people who otherwise may not consider the island a destination.

The use of sites for the production of popular television programs showcased both Cockatoo Island and North Head Sanctuary. Seven episodes of Network 10/ Fremantle Media's *MasterChef* program were filmed at Cockatoo Island in November 2010 and *The Biggest Loser* reality television program returned to North Head for a third season. Audiences for both shows are often in excess of 1 million viewers per episode. The Trust worked closely with the producers to ensure that the sites were appropriately and sensitively featured. Other corporate clients hosted during the year included the Australian Tourism Exchange, Australian Interactive Media Industry Awards and Ford Ranger Car Launch. Returning to Headland Park for the second year was the Oxfam Trailwalker as well as a new charity run called the Sydney Trailwalker.

Accommodation

Cockatoo Island camping, now in its third year of operation, continued to grow well and attracted over 20,000 campers. New luxury tents including beds, linen and toiletries were launched in October 2010 and have proved popular from the outset. New Year's Eve 2010 saw the campground host its third annual "Camping and Fireworks" event which was again sold out with over 2,000 people staying overnight.

The Trust's heritage house holiday letting portfolio grew from two to eight products during the year with the addition of four units on Cockatoo Island and two in Mosman. Building 23 on Cockatoo Island was opened in October 2010 consisting of two two-bedroom units and one one-bedroom unit, all with spectacular views across Sydney Harbour. The Fire Station Studio on Cockatoo Island was also added to the portfolio. Two former naval cottages on Middle Head Road in Mosman were also restored and brought onto the market. They have met with strong media and customer acclaim.

Interim Leasing of Trust Sites

2010-2011 (to date)	Use										Total Licences	Total People per site
	Team			Use								
	Filming	Photography	Building	Theatre	Meeting	Wedding	Ceremony	Event	Exhibition	Storage		
Woolwich Dock	1	0	0	0	0	0	4	0	0	0	5	325
Headland Park	3	0	4	1	0	0	51	2	4	0	65	7,341
Cockatoo Island	6	6	9	0	13	1	2	18	0	0	55	21,238
North Head	2	0	3	0	1	0	0	2	0	1	9	1,485
Macquarie Lighthouse	0	0	0	0	0	0	1	0	0	0	1	80
Platypus	0	0	0	0	0	0	0	0	0	0	0	0
Total Licences	12	6	16	1	14	1	58	22	4	1	135	
Total People per Event Type	491	140	1,837	200	659	255	4,787	20,645	1,450	5		30,469

3 Operational Aspects

Corporate Governance

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

Members' Meetings

There were two meetings of the outgoing Trust in the 2010-2011 financial year. The terms of members expired on 26 September 2010. Members attended as follows:

Member	Number of meetings attended
Mr K McCann, Chair	2
Mr R Conroy	2
Ms D Talty	2
Clr S Hoopmann	2
Mr P Lowry	1
Dr J Moriarty	2
Brigadier K O'Brien	1
The Hon B O'Keefe (resigned 3 August 2010)	1

The incoming Trust was appointed by the Parliamentary Secretary on 24 May 2011. The members are:

Ms Anthea Tinney (Acting Chair)

Mr Rohan Jeffs

The Hon Leo McLeay

Clr Eugenia McCaffery

Dr Elsie Heiss

The chair and two representatives of the New South Wales Government have yet to be appointed. The new Board did not meet in the reporting period.

Under the Trust's enabling legislation the Trust must meet at least four times a year and at least two of the meetings have to be open to the public.

Audit and Risk Management Committee

The functions of the Audit and Risk Management Committee include:

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

The members of the Audit and Risk Management Committee during the 2010-2011 financial year were:

Mr P Lowry

Trust member and Chair of the committee until September 2010.

Clr Susan Hoopmann

Trust member until September 2010.

Brigadier Kevin O'Brien (ret.)

Trust member until September 2010.

There was one Audit and Risk Management Committee meeting held during the 2010-2011 financial year with members attending as follows:

Member	Number of meetings attended
Mr P Lowry, (Chair)	1
Clr Sue Hoopmann	1
Brigadier K O'Brien (ret)	1

As a result of a selective tender process, Protiviti was appointed for three years as the Trust's internal auditor.

An internal audit review of the payroll and contractor payment process was undertaken by Protiviti in the reporting period.

Community Advisory Committee

The Community Advisory Committee met eight times during the reporting period, including six meetings of the former HMAS *Platypus* Community Advisory Committee. The names of the members are provided in Appendix 2.

Tender Review Committee

The Trust nominated Brigadier Kevin O'Brien as the members' representative on the committee until the Board's cessation in September 2010. The committee, which considers tenders estimated to be in excess of \$80,000, reviewed six tenders during the reporting period.

Fraud Control

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

Indemnities and Insurance Premiums for Officers

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

The Trust did not provide any indemnities to directors or officers in respect of liabilities or claims against them during 2010-2011.



Photo: Corporate event,
Cockatoo Island,
February 2011

Financial Performance

The 2010-2011 budget was developed against the backdrop of a recovering economy. Revenue estimates were therefore more optimistic than the previous year when there was greater financial uncertainty. The financial results for 2010-2011 are positive with an operating profit of \$3.88m. Operating surpluses are maintained in forward years although there is a downward trend in profitability as interest income reduces and forecast expenditure increases. The Trust's forward year forecasts demonstrate a sound financial basis for the Trust in the short to medium term and provide some confidence in the Trust's capacity to be fully self-sufficient.

Financial Outcomes

Operating Outcome

During the financial year 2010-2011, total operating income was \$16.357m and operating expenses were \$12.477m resulting in an operating surplus of \$3.88m.

Income

Total income of \$16.357m was \$2.748m above the previous year's income. Income was generated from the rental of Trust properties, licences for the hire of Trust sites and facilities, accommodation, merchandising, tour fees and interest income.

Equity

The Trust's total equity increased marginally by \$3.88m to \$330.6m.

Assets

The value of Trust's total assets is \$372.5m of which \$82.1m are financial assets and \$290.3m non financial assets. Non financial assets increased by \$11m primarily due to building works undertaken during the year.

Total Liabilities

The Trust's total liabilities decreased by \$4.7m from the previous year primarily as a result of remediation works undertaken at HMAS *Platypus*.





Purchasing

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

Consultants and Competitive Tendering and Contracting

The Trust engaged 71 consultants with a total value of \$1,851,344 to provide specialist advice on planning, business matters, community consultation, archaeology, conservation, design, environmental, finance and risk management, historical research and interpretation, communications and other technical aspects relating to the sites. The nature of the sites, buildings and equipment means that it is not possible to employ staff with the wide variety of specialist skills that are required.

Staffing

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

Staff are engaged on terms and conditions contained in Trust's Enterprise Agreement of 2009 that are similar to those in public sector certified agreements. The Trust's staffing level for the year was 55 comprising 49 full-time, 6 part-time, with a total of 10 staff leaving during the reporting period:

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual
Executive Director	1	0	1	0	0	1	0
Senior Executive	6	3	9	0	7	2	0
Executive Level 2	7	4	8	3	3	8	0
Executive Level 1	3	5	8	0	2	6	0
Level 6	2	3	4	1	3	2	0
Level 5	3	5	7	1	2	6	0
Level 4	5	2	6	1	1	6	0
Level 3	3	3	6	0	0	6	0
Level 1-2	0	0	0	0	0	0	0
Total	30	25	49	6	18	37	0

Staff Training

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

- First Aid Awareness;
- Defibrillator and CPR;
- Occupational Health and Safety Awareness;
- AS4000;
- Effective Writing and Communications;
- Office software training.

Access and Safety

Risk Assessment and Management

The Trust has developed an overall risk management framework. This was reviewed in February 2010 with the appointment of the Trust's new internal auditor Protiviti which assisted in the development of a three year internal audit program, now in place. A Compliance Framework was developed in late 2010 and is being deployed. Risk assessment is an integral part of all new projects and events that the Trust undertakes.

Occupational Health and Safety

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

- Staff undertook health training (good hygiene practices, particularly related to reducing the impact of epidemics such as N1H1 influenza);
- Staff, volunteers and consultants undertook first aid training, where required;
- Regular site safety inspections were carried out;
- Risk assessments were conducted for all events.

There were 28 recorded OH&S incidents in the reporting period, two of which were compensable

injuries. In addition, St John Ambulance reported no incidents for the New Year's Eve camping event on Cockatoo Island. The Trust reviews all incidents to identify and implement relevant preventative action.

Providing Access to People With Disabilities

The Trust is implementing the National Disability Strategy in its day-to-day operations and as part of the Comprehensive Plan for its sites. It is an important consideration in designing roads, paths, car parks and providing access. For example, the refurbishment of old buildings where possible includes ramps and tactile indicators for wheelchair and disabled access, subject to heritage constraints. Disabled toilets including braille signage are provided in most refurbished buildings. Car parks have disabled parking spaces. Access consultants are sometimes used for complex access issues.

Judicial Decisions and Reviews by Outside Bodies

There were no judicial decisions or decisions of other administrative appeals tribunals that have had a significant impact on the operations of the Trust. One matter currently is being considered by the Federal Court.

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

Effects of Ministerial Directions

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

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



Independent Audit Report



Australian National Audit Office
GPO Box 707
CANBERRA ACT 2601
19 National Circuit
BARTON ACT 2600

Phone (02) 6203 7300
Fax (02) 6203 7777

To the Minister for Sustainability, Environment, Water, Population and Communities

Report on the Financial Statements

I have audited the accompanying financial statements of Sydney Harbour Federation Trust for the year ended 30 June 2011, which comprise: a Statement by Directors, Chief Executive and Director Finance; the Statement of Comprehensive Income; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; Schedule of Contingencies; Schedule of Asset Additions; and Notes comprising a Summary of Significant Accounting Policies and other explanatory information.

The Members' Responsibility for the Financial Statements

The Members of the Sydney Harbour Federation Trust are responsible for the preparation of the financial statements that give a true and fair view in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards, and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation of the financial statements that give a true and fair view 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 Authority's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Members, as well as evaluating the overall presentation of the financial statements.

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

Independence

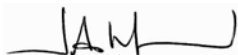
In conducting my audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

Opinion

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

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Sydney Harbour Federation Trust's financial position as at 30 June 2011 and of its financial performance and cash flows for the year then ended.

Australian National Audit Office



Jocelyn Ashford
Executive Director
Delegate of the Auditor-General

Canberra
23 September 2011

Financial Statements

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Statement by Directors, Executive Director and Deputy Executive Director (CFO)

In our opinion, the attached financial statements for the year ended 30 June 2011 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

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

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

Signed



Anthea Tinney
Acting Chairperson
23 September 2011

Signed



Geoff Bailey
Executive Director
23 September 2011

Signed



Catherine Sullivan
Deputy Executive Director (CFO)
23 September 2011

Statement of Comprehensive Income

for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
EXPENSES			
Employee benefits	3A	5,224	4,674
Suppliers expenses	3B	5,510	5,363
Depreciation and amortisation	3C	1,723	1,474
Write-down and impairment of assets	3D	20	-
Total expenses		12,477	11,511
LESS:			
OWN-SOURCE INCOME			
Own-source revenue			
Sale of goods and rendering of services	4A	1,764	1,101
Fees and fines	4B	193	64
Interest	4C	4,473	3,809
Rental income	4D	9,206	8,269
Other revenue	4E	721	366
Total own-source revenue		16,357	13,609
Gains			
Sale of assets	4E	-	-
Total Gains		-	-
Total own-source income		16,357	13,609
Net (contribution by) services		(3,880)	(2,098)
Revenue from Government	4F	-	25
Surplus		3,880	2,123
OTHER COMPREHENSIVE INCOME			
Changes in asset revaluation reserves		-	53,421
Total other comprehensive income		3,880	55,544
Total comprehensive income		3,880	55,544

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

Balance Sheet

as at 30 June 2011

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	Notes	2011 \$'000	2010 \$'000
ASSETS			
Financial Assets			
Cash and cash equivalents	5A	9,625	16,850
Investments	5B	71,835	66,407
Trade and other receivables	5C	714	10,560
Total financial assets		82,174	93,817
Non-Financial Assets			
Land and buildings	6A	239,975	238,389
Infrastructure, plant and equipment	6B	11,417	5,370
Heritage and collections	6C	38,593	35,377
Intangibles	6E	124	96
Inventories	6F	51	38
Other non-financial assets	6G	175	248
Total non-financial assets		290,335	279,518
Total Assets		372,509	373,335
LIABILITIES			
Payables			
Suppliers	7A	1,948	2,913
Other payables	7B	3,989	3,921
Total payables		5,937	6,834
Provisions			
Employee provisions	8A	1,061	969
Other provisions	8B	34,948	38,850
Total provisions		36,009	39,819
Total Liabilities		41,946	46,653
Net Assets		330,563	326,682
EQUITY			
Contributed equity		257,735	257,735
Reserves		60,149	60,149
Retained surplus		12,679	8,798
Total Equity		330,563	326,682
Current Assets		82,225	93,860
Non-Current Assets		290,284	279,475
Current Liabilities		13,592	18,145
Non-Current Liabilities		28,354	28,508

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

Statement of Changes in Equity

for the year ended 30 June 2011

	Accumulated Results		Asset Revaluation Reserves		Contributed Equity/Capital		Total Equity	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Opening Balance								
Balance carried forward from previous period	8,798	6,675	60,149	6,728	257,735	261,235	326,682	274,638
Adjustment for rounding errors prior year	1	-	-	-	-	-	1	-
Adjusted Opening Balance	8,799	6,675	60,149	6,728	257,735	261,235	326,683	274,638
Comprehensive income								
Other comprehensive income	-	-	-	53,421	-	-	-	53,421
Surplus (Deficit) for the period	3,880	2,123	-	-	-	-	3,880	2,123
Total comprehensive income	3,880	2,123	-	53,421	-	-	3,880	55,544
Contributions by Owners								
Equity injection	-	-	-	-	-	16,500	-	16,500
Transfers	-	-	-	-	-	(20,000)	-	(20,000)
Other (assets transferred in):								
Land and buildings	-	-	-	-	-	-	-	-
Heritage and collections	-	-	-	-	-	-	-	-
Sub-total transactions with owners	-	-	-	-	-	(3,500)	-	(3,500)
Closing balance at 30 June	12,679	8,798	60,149	60,149	257,735	257,735	330,563	326,682

Cash Flow Statement

for the year ended 30 June 2011

	Notes	2011 \$'000	2010 \$'000
OPERATING ACTIVITIES			
Cash received			
Goods and services		2,103	1,130
Revenue from Government		-	25
Rents		10,819	8,961
Interest		647	404
Other		727	2,421
Total cash received		14,296	12,941
Cash used			
Employees		(5,112)	(4,568)
Suppliers		(6,466)	(5,116)
GST paid to the ATO		(1,731)	(2,009)
Total cash used		(13,309)	(11,693)
Net cash from operating activities	9	987	1,248
INVESTING ACTIVITIES			
Cash received			
Investments		93,396	94,276
Total cash received		93,396	94,276
Cash used			
Investments		(95,000)	(120,103)
Purchase of property, plant and equipment		(16,608)	(19,722)
Total cash used		(111,608)	(139,825)
Net cash used by investing activities		(18,212)	(45,549)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		10,000	26,500
Total cash received		10,000	26,500
Net cash from financing activities		10,000	26,500
Net increase (decrease) in cash held		(7,225)	(17,801)
Cash and cash equivalents at the beginning of the reporting period		16,850	34,651
Cash and cash equivalents at the end of the reporting period	5A	9,625	16,850

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

Schedule of Commitments

as at 30 June 2011

	2011	2010
	\$'000	\$'000
BY TYPE		
Commitments receivable		
Lease rental income ⁴	(37,819)	(38,091)
Total commitments receivable	(37,819)	(38,091)
Commitments payable		
Net GST Payable on commitments	2,881	2,651
Total net GST commitments payable	2,881	2,651
Capital commitments		
Project commitments ¹	4,953	8,324
Total capital commitments	4,953	8,324
Other commitments		
Operating leases ²	2	10
Other commitments ³	1,159	543
Total other commitments	1,161	553
Net commitments by type	(28,824)	(26,563)
BY MATURITY		
Other commitments receivable		
One year or less	(5,838)	(5,108)
From one to five years	(12,088)	(11,244)
Over five years	(19,893)	(21,739)
Total other commitments receivable⁴	(37,819)	(38,091)
Commitments payable		
Net GST commitments		
One year or less	(26)	(347)
From one to five years	1,099	1,022
Over five years	1,808	1,976
Total net GST commitments	2,881	2,651
Capital commitments		
One year or less	4,953	8,324
Total capital commitments	4,953	8,324
Operating lease commitments		
One year or less	2	10
From one to five years	-	-
Total operating lease commitments	2	10
Other commitments		
One year or less	1,159	543
Total other commitments	1,159	543
Net Commitments by Maturity	(28,824)	(26,563)

NB: Commitments are GST inclusive where relevant.

Notes:

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

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

³ Other commitments are amounts payable under supply contracts.

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

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

Schedule of Contingencies as at 30 June 2011

There were no contingencies required to be disclosed for the year ended 30 June 2011 (2009/10 - Nil).

Schedule of Asset Additions for the year ended 30 June 2011

The following non-financial non-current assets were added in 2010-2011

	Land & Buildings \$'000	Plant & Equipment \$'000	Heritage & Cultural \$'000	Intangibles \$'000	Total \$'000
By purchase - Government funding	3,212	3,567	5,635	72	12,486
Total additions	3,212	3,567	5,635	72	12,486

The following non-financial non-current assets were added in 2009-2010

	Land & Buildings \$'000	Plant & Equipment \$'000	Heritage & Cultural \$'000	Intangibles \$'000	Total \$'000
By purchase - Government funding	9,996	2,283	5,557	91	17,927
Total additions	9,996	2,283	5,557	91	17,927

Contents of the Notes to the Financial Statements

Note	Description
Note 1:	Summary of Significant Accounting Policies
Note 2:	Events After the Reporting Period
Note 3:	Expenses
Note 4:	Income
Note 5:	Financial Assets
Note 6:	Non-Financial Assets
Note 7:	Payables
Note 8:	Provisions
Note 9:	Cash Flow Reconciliation
Note 10:	Members Remuneration
Note 11:	Remuneration of Senior Executives
Note 12:	Remuneration of Auditors
Note 13:	Financial Instruments
Note 14:	Reporting of Outcomes
Note 15:	Sydney Harbour Conservancy

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

Note 1: Summary of Significant Accounting Policies

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

The Trust is an Australian Government controlled entity.

The Trust is structured to meet one outcome:

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

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

1.2 Basis of Preparation of the Financial Statements

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

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (or FMOs) for reporting periods ending on or after 1 July 2010; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

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

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

Unless an alternative treatment is specifically required by an Accounting Standard or the FMOs, assets and liabilities are recognised in the Balance Sheet when and only when it is probable that future economic benefits will flow to the Trust 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 executor contracts are not recognised unless required by an Accounting Standard.

Liabilities and assets that are unrecognised are reported in the Schedule of Commitments or the Schedule of Contingencies.

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

Consolidation and associated company

The financial statements show information for the economic entity only; this reflects the consolidated results for the parent entity, the Sydney Harbour Federation Trust, and its wholly-owned controlled entity, Sydney Harbour Conservancy. The results of the parent entity do not differ materially from the economic entity and have therefore not been separately disclosed. The Sydney Harbour Conservancy is a Trust for which the Sydney Harbour Conservancy Limited (company limited by guarantee) is Trustee.

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

1.3 Significant Accounting Judgements and Estimates

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

- The fair value of land has been taken to be the market value of similar properties as determined by an independent valuer. Buildings have been valued using depreciable replacement cost and therefore the valuer has provided an estimate with respect to the replacement cost.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

- A provision for decontamination works at HMAS *Platypus* has been reflected in the Trust's balance sheet. The value of the provision in the balance sheet is based on funds provided by the Department of Defence to complete the works. As at the time of these statements the major remediation stage of these works had not been tendered. A clearer value of these works will be available in 2011-12 once the tender outcome is known. Also due to the nature of below ground remediation works the full value of the works will not be known until a considerable part of the works has been completed.
- The provision held for doubtful debts is based on overdue receivables greater than 90 days where an arrears agreement has not been finalised or where it has been assessed that the debt is unlikely to be recovered.

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

1.4 New Accounting Standards

Adoption of new Australian Accounting Standard requirements

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

Future Australian Accounting Standard requirements

New standards, amendments to standards, and interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of adopting these pronouncements, when effective, will have no material financial impact on future reporting periods, with the exception of AASB 1053 Application of tiers of Australian Accounting Standards. At reporting date, no decision had been made by the Department of Finance on whether and when to adopt.

1.5 Revenue

Revenue from the sale of goods is recognised when:

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

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

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

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

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

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

Revenue from Government

Funding received or receivable from agencies (appropriated to the agency as a CAC Act body payment item for payment to the Trust) is recognised as Revenue from Government unless it is in the nature of an equity injection or a loan.

1.6 Gains

Sale of Assets

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

1.7 Transactions with the Government as Owner

Equity injections

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

1.8 Employee Benefits

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

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

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

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

Leave

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

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

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

Separation and Redundancy

Provision is made for separation and redundancy benefit payments. The Trust recognises a provision for termination when it has developed a detailed

formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

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

The CSS and PSS are defined benefit schemes for the Australian Government.

The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported by the Department of Finance and Deregulation as an administered item.

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

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

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

1.9 Leases

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

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

1.10 Cash

Cash and cash equivalents include cash on hand and demand deposits in bank accounts with an

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

1.11 Financial Assets

The Trust classifies its financial assets in the following categories:

- 'held to maturity investments';
- 'loans and receivables'; and
- 'available for sale financial assets'.

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

Effective interest method

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

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

Held-to-maturity investments

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

Loans and receivables

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

Available-for-Sale Financial Assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in reserves (equity) with the exception of impairment losses. Interest is calculated using the effective interest method and foreign exchange gains and losses on monetary assets are recognised directly in profit or loss. Where the asset is disposed of or is determined to be impaired, part (or all) of the cumulative gain or loss previously recognised in the reserve is included in surplus and deficit for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, these instruments are valued at cost.

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.

Available for sale financial assets -

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

1.12 Financial Liabilities

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

Other financial liabilities

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

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

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

1.13 Contingent Liabilities and Contingent Assets

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

1.14 Acquisition of Assets

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

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

1.15 Infrastructure, Plant and Equipment**Asset Recognition Threshold**

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

Fair Value & Revaluations

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

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

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

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

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:

	2011	2010
Buildings on freehold land	10 to 125 years	10 to 100 years
Infrastructure	10 to 50 years	3 to 100 years
Plant & Equipment	3 to 20 years	3 to 20 years

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

Certain buildings held by the Trust have been classified as Heritage assets. As there is no foreseeable limit to the period over which these assets will be held or used they are not depreciated. The aggregate amount of depreciation allocated for each class of asset during the reporting period is disclosed in Note 3C.

Impairment

All assets were assessed for impairment at 30 June 2011. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Heritage and Cultural Assets

The Trust owns and manages buildings, monuments and structures that have significant heritage and cultural value (with an aggregated fair value of \$38.593m (2010: \$35.377m)). The Trust has classified them as heritage and cultural assets as they were primarily used for purposes that relate to their cultural significance. The Trust has adopted appropriate curatorial and preservation policies for these heritage assets and the items are deemed to have indefinite useful lives and hence are not depreciated. The Trust's curatorial and preservation policies are publicly available within the Trust's Management Plans at <http://www.harbourtrust.gov.au/about-us/planning/management-plans/index.html>.

1.16 Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Trust's software is 3 to 5 years (2009-10: 7 to 10 years).

All software assets were assessed for indications of impairment as at 30 June 2011.

1.17 Inventories

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

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

1.18 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.19 Comparative Information

Due to an accounting policy change there has been a restatement of the Statement of Comprehensive Income for the financial year ended 30 June 2011. An additional line item to separately account for the Trust's regulatory enforcement revenue (Fees & fines) has been incorporated into the Statement of Comprehensive Income and therefore a reclassification of prior year's comparatives has been undertaken to conform with the current year presentation. The following table provides details of the restated prior year's comparatives:

	As previously stated	Reclassification	As restated
Own-source income prior year comparative restatement	\$'000	\$'000	\$'000
Sales of goods and rendering of services	1,165	(64)	1,101
Fees and fines		64	64

Comparative year changes have also been made to Note 13 – Financial Instruments. Note 13A and 13B comparative figures have been changed as the Trust's term deposit investments have now been correctly classified under held to maturity. Note 13H Market Risk 2010 comparative figures have been changed from + or – \$6,000 to \$253,000 to correct a prior year error.

Note 2: Events After the Reporting Period

Section 21 of the *Sydney Harbour Federation Trust Act 2001* provides for the Minister for Sustainability, Environment, Water, Population and Communities to specify that other harbour land that is a Commonwealth place is to vest in the Trust. As at the reporting date the Minister was proposing that Snapper Island vest in the Trust.

At the time of this report, vesting of Snapper Island had not occurred.

There are no other events that have occurred after the reporting period that would have an effect on the Trust's 2010-11 financial statements other than those that are already reflected in the financial statements.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 3: Expenses		
Note 3A: Employee benefits		
Wages and salaries	4,445	3,955
Superannuation	470	433
Leave and other entitlements	209	202
Separation and redundancies	85	64
Other employee costs	15	20
Total employee benefits	5,224	4,674
Note 3B: Suppliers		
Goods and services		
Building and grounds maintenance	1,487	1,633
Security	789	592
Cleaning	595	454
Other	2,545	2,601
Total goods and services	5,416	5,280
Goods and services are made up of:		
Provision of goods – related entities	15	12
Provision of goods – external parties	1,517	1,526
Rendering of services – related entities	329	318
Rendering of services – external parties	3,555	3,424
Total goods and services	5,416	5,280
Other supplier expenses		
Operating lease rentals - external parties	47	32
Workers compensation premiums	47	51
Total other supplier expenses	94	83
Total supplier expenses	5,510	5,363
The Trust has provided resources free of charge to the Sydney Harbour Conservancy amounting to \$76,447 during the year ending 30 June 2011 (2010: \$25,755).		
Note 3C: Depreciation and amortisation		
Depreciation:		
Infrastructure, plant and equipment	417	254
Buildings	1,147	1,026
Total depreciation	1,564	1,280
Intangibles:		
Computer Software	44	67
Lease Incentives	115	127
Total amortisation	159	194
Total depreciation and amortisation	1,723	1,474
Note 3D: Write-down and impairment of assets		
Asset Write-Downs from impairment on financial assets	20	-
Total write-down and impairment of assets	20	-

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

	<u>2011</u> \$'000	<u>2010</u> \$'000
Note 4: Income		
<i>Own-Source Revenue</i>		
Note 4A: Sale of goods and rendering of services		
Provision of goods - external parties	19	23
Rendering of services - external parties	<u>1,745</u>	<u>1,078</u>
<i>Total sale of goods and rendering of services</i>	<u>1,764</u>	<u>1,101</u>
Note 4B: Fees and fines		
Infringements	<u>193</u>	<u>64</u>
<i>Total Fees and fines</i>	<u>193</u>	<u>64</u>
Note 4C: Interest		
Deposits	<u>4,473</u>	<u>3,809</u>
<i>Total interest</i>	<u>4,473</u>	<u>3,809</u>
Note 4D: Rental income		
Property rentals and short-term hire	<u>9,206</u>	<u>8,269</u>
<i>Total rental income</i>	<u>9,206</u>	<u>8,269</u>
Note 4E: Other revenue		
Other revenue	176	36
Grants - DSEWPAC	<u>545</u>	<u>330</u>
<i>Total other revenue</i>	<u>721</u>	<u>366</u>
<p>In accordance with the Memorandum of Understanding between the Trust and the Department of Defence signed on 1 July 2003, the Trust is entitled to claim specific decontamination costs incurred by the Trust in relation to Georges Heights, Middle Head, Chowder Bay and Woolwich Dock from the Department of Defence.</p>		
Gains		
Note 4E: Sale of assets		
Infrastructure, plant and equipment		
Proceeds from sale	1	-
Carrying value of assets sold	<u>(1)</u>	<u>-</u>
<i>Net gain from sale of assets</i>	<u>-</u>	<u>-</u>
<i>Revenue From Government</i>		
Note 4F: Revenue from Government		
Department of Sustainability, Environment, Water, Population & Communities CAC Act body payment item	<u>-</u>	<u>25</u>
<i>Total revenue from Government</i>	<u>-</u>	<u>25</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 5: Financial Assets		
Note 5A: Cash and cash equivalents		
Cash at bank	9,623	16,848
Cash on hand	2	2
Total cash	9,625	16,850
Note 5B: Investments		
Term Deposits	71,835	66,407
Total Investments	71,835	66,407

Cash at bank and investments include funding quarantined for the decontamination of HMAS *Platypus*, as well as the Trust's ongoing capital works and capital renewal.

Note 5C: Trade and other receivables**Goods and Services**

Goods and services related entities	170	5
Goods and services external parties	294	157
Total receivables for goods and services	464	162

Other receivables

GST receivable from the Australian Taxation Office	137	294
Interest receivable	68	67
Other receivables	65	10,037
Total other receivables	270	10,398
Total trade and other receivables (gross)	734	10,560

Less impairment allowance account:

Goods and services	(5)	-
Other	(15)	-
Total trade and other receivables (net)	714	10,560

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

Receivables are aged as follows:

Not overdue	270	10,398
Overdue by:		
Less than 30 days	350	56
31 to 60 days	93	10
61 to 90 days	4	-
More than 90 days	17	96
Total trade and other receivables (gross)	734	10,560

The impairment allowance account is aged as follows:

Not overdue	-	-
Overdue by:		
Less than 30 days	-	-
31 to 60 days	-	-
61 to 90 days	-	-
More than 90 days	(20)	-
Total Impairment allowance account	(20)	-

Receivables for Goods & Services

Credit terms are net 30 days (2010: 30 days), except for sales of property which are due on settlement.

Reconciliation of the Impairment allowance account:**Movements in relation to 2011**

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	-	-	-
Decrease recognised in net surplus	(5)	(15)	(20)
Closing balance	(5)	(15)	(20)

Movements in relation to 2010

	Goods and services \$'000	Other receivables \$'000	Total \$'000
Opening balance	(3)	(328)	(331)
Amounts written off	3	328	331
Closing balance	-	-	-

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 6: Non-Financial Assets		
Note 6A: Land and buildings		
Freehold land		
- at fair value	173,797	174,148
- work in progress	1,154	1,221
Total freehold land	174,951	175,369
Buildings on freehold land:		
- at fair value	66,171	62,856
- work in progress	-	164
- accumulated depreciation	(1,147)	-
Total buildings on freehold land	65,024	63,020
Total land and buildings	239,975	238,389
The Trust has completed the majority of decontamination works to its current sites. The cost of the remaining decontamination and remediation works has been taken into account in arriving at the fair values.		
No land or buildings are expected to be sold or disposed of within the next 12 months.		
Note 6B: Infrastructure, plant and equipment		
Infrastructure, plant and equipment:		
- at cost	8,637	4,788
- work in progress	4,241	1,631
- accumulated depreciation	(1,461)	(1,049)
Total infrastructure, plant and equipment	11,417	5,370
No indicators of impairment were found for infrastructure, plant and equipment.		
No infrastructure, plant and equipment is expected to be sold or disposed of within the next 12 months.		
Note 6C: Heritage and Collections		
Heritage assets:		
- at fair value	31,169	31,227
- work in progress	7,424	4,150
Total heritage assets	38,593	35,377

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

In line with FMO guidance note 37.75, the Trust has reclassified commercially leased heritage building assets from the Heritage classification to the Building classification. This accounting policy change has been reflected as a \$2.419m reclassification transfer from heritage to land & buildings. (See Note 6D).

The Trust has reclassified roads and fences from the Land classification to the Infrastructure, Plant & Equipment classification. This accounting policy change has been reflected as a \$2.898m reclassification transfer from land & buildings to infrastructure, plant & equipment.

Valuations were conducted by an independent valuer (Colliers International Consultancy and Valuation Pty Ltd) in 2010. Subsequent to this valuation the directors of the Trust deemed the valuation to be fair.

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

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

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2010-11)

Item	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Infrastructure Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	TOTAL \$'000
As at 1 July 2010							
Gross book value	175,369	63,020	238,389	6,419	35,377	214	280,399
Accumulated depreciation/amortisation	-	-	-	(1,049)	-	(118)	(1,167)
Net book value 1 July 2010	<u>175,369</u>	<u>63,020</u>	<u>238,389</u>	<u>5,370</u>	<u>35,377</u>	<u>96</u>	<u>279,232</u>
Additions:							
by purchase	2,480	732	3,212	3,567	5,635	72	12,486
Revaluations and impairments through equity	-	-	-	-	-	-	-
Reclassification	(2,898)	2,419	(479)	2,898	(2,419)	-	-
Depreciation/amortisation expense	-	(1,147)	(1,147)	(417)	-	(44)	(1,608)
Disposals:							
Other disposals	-	-	-	(1)	-	-	(1)
Net book value 30 June 2011	<u>174,951</u>	<u>65,024</u>	<u>239,975</u>	<u>11,417</u>	<u>38,593</u>	<u>124</u>	<u>290,109</u>
Net book value as of 30 June 2011 represented by:							
Gross book value	174,951	66,171	241,122	12,878	38,593	286	292,879
Accumulated depreciation/amortisation	-	(1,147)	(1,147)	(1,461)	-	(162)	(2,770)
	<u>174,951</u>	<u>65,024</u>	<u>239,975</u>	<u>11,417</u>	<u>38,593</u>	<u>124</u>	<u>290,109</u>

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

TABLE A – Reconciliation of the opening and closing balances of infrastructure, plant, equipment and intangibles (2009-2010)

Item	Land	Buildings on Freehold Land	Total Land & Buildings	Infrastructure Plant & Equipment	Heritage & Collections	Intangibles	TOTAL
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
As at 1 July 2009							
Gross book value	133,933	47,298	181,231	4,136	25,987	123	211,477
Accumulated depreciation/amortisation	-	(1,400)	(1,400)	(794)	-	(51)	(2,245)
Net book value 1 July 2009	<u>133,933</u>	<u>45,898</u>	<u>179,831</u>	<u>3,342</u>	<u>25,987</u>	<u>72</u>	<u>209,232</u>
Additions:							
by purchase	7,199	2,797	9,996	2,283	5,557	91	17,927
Revaluations and impairments through equity	34,233	13,665	47,898	-	5,523	-	53,421
Reclassification	4	1,686	1,690	-	(1,690)	-	-
Depreciation/amortisation expense	-	(1,026)	(1,026)	(255)	-	(67)	(1,348)
Disposals:							
Other disposals	-	-	-	-	-	-	-
Net book value 30 June 2010	<u>175,369</u>	<u>63,020</u>	<u>238,389</u>	<u>5,370</u>	<u>35,377</u>	<u>96</u>	<u>279,232</u>
Net book value as of 30 June 2010 represented by:							
Gross book value	175,369	63,020	238,389	6,419	35,377	214	280,399
Accumulated depreciation/amortisation	-	-	-	(1,049)	-	(118)	(1,167)
	<u>175,369</u>	<u>63,020</u>	<u>238,389</u>	<u>5,370</u>	<u>35,377</u>	<u>96</u>	<u>279,232</u>

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

	<u>2011</u> \$'000	<u>2010</u> \$'000
Note 6E: Intangible Assets		
Computer software at cost:		
Externally developed – in use	<u>286</u>	<u>214</u>
Total Computer Software	<u>286</u>	<u>214</u>
Accumulated amortisation	<u>(162)</u>	<u>(118)</u>
Total intangibles	<u>124</u>	<u>96</u>
No intangibles are expected to be sold or disposed of within the next 12 months.		
No indicators of impairment were found for intangible assets.		
Note 6F: Inventories		
Finished goods at cost	<u>51</u>	<u>38</u>
Total inventories held for sale	<u>51</u>	<u>38</u>
Inventories held for distribution	<u>-</u>	<u>-</u>
Total inventories	<u>51</u>	<u>38</u>
Note 6G: Other non-financial assets		
Lease Incentives	<u>175</u>	<u>243</u>
Prepayments	<u>-</u>	<u>5</u>
Total other non-financial assets	<u>175</u>	<u>248</u>
Other non-financial assets expected to be settled:		
No more than 12 months	<u>93</u>	<u>73</u>
More than 12 months	<u>82</u>	<u>175</u>
Total other non-financial assets	<u>175</u>	<u>248</u>

	2011 \$'000	2010 \$'000
Note 7: Payables		
Note 7A: Suppliers		
Trade creditors	1,302	2,294
Contract Retentions	646	619
Total supplier payables	1,948	2,913
Supplier payables expected to be settled within 12 months:		
External parties	1,943	2,677
Related entities	5	236
Total	1,948	2,913
Total supplier payables	1,948	2,913
Settlement is usually made within 30 days.		
Note 7B: Other Payables		
Salaries and wages	153	96
Accrued expenses	52	47
Bonds and Security deposits	363	257
Prepayments received	3,421	3,521
Total Other Payables	3,989	3,921
Other payables expected to be settled:		
No more than 12 months	920	672
More than 12 months	3,069	3,249
Total Other Payables	3,989	3,921
Note 8: Provisions		
Note 8A: Employee provisions		
Leave	1,061	969
Total employee provisions	1,061	969
Employee provisions are expected to be settled in:		
No more than 12 months	776	710
More than 12 months	285	259
Total employee provisions	1,061	969
Note 8B: Other provisions		
Provision for remediation - Platypus	34,768	38,850
Provision for advanced grant payment - Biloela	180	-
Total other provisions	34,948	38,850
Other provisions are expected to be settled in:		
No more than 12 months	9,948	13,850
More than 12 months	25,000	25,000
Total other provisions	34,948	38,850

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 9: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement		
Cash and cash equivalents as per:		
Cash Flow Statement	9,625	16,850
Balance Sheet	9,625	16,850
Difference	-	-
Reconciliation of net contribution of services to net cash from operating activities:		
Net contribution by services	(3,880)	(2,098)
Add revenue from Government	-	25
Adjustments for non-cash items		
Depreciation /amortisation	1,723	1,474
Investment activity	(3,824)	(3,381)
Changes in assets/liabilities		
(Increase) / decrease in receivables	(153)	921
(Increase) / decrease in inventories	(13)	(4)
(Increase) / decrease in prepayments	5	3
Increase / (decrease) in employee provisions	92	190
Increase / (decrease) in employee payables	57	(21)
Increase / (decrease) in supplier payables	(965)	186
Increase / (decrease) in other provisions	180	-
Increase / (decrease) in security deposits	106	(59)
Increase / (decrease) in prepayments received	(100)	(184)
Net cash from / (used by) operating activities	987	1,248

Note 10: Members Remuneration

	<u>2011</u>	<u>2010</u>
The number of members of the Trust included in these figures are shown below in the relevant remuneration bands:		
less than \$15,000	13	-
\$15,000 - \$29,999	-	6
\$30,000 - \$44,999	-	2
Total number of members of the Trust	<u>13</u>	<u>8</u>
Total remuneration received or due and receivable by members of the Trust	\$62,112	\$211,664

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

Mr H K McCann AM (Chair) (term expired 26 September 2010)
 Mr R Conroy (term expired 26 September 2010)
 Ms D Talty (term expired 26 September 2010)
 Clr S Hoopmann JP (term expired 26 September 2010)
 Mr P Lowry OAM (term expired 26 September 2010)
 Dr J Moriarty AM (term expired 26 September 2010)
 Brigadier K O'Brien CSC, (Retd) (term expired 26 September 2010)
 The Hon Barry O'Keefe AM QC (resigned 2 August 2010)

Mr J Conde (Chair) (appointed 24 May 2011, resigned 6 June 2011)
 Ms A M Tinney (Acting Chair) (appointed 24 May 2011, appointed Acting Chair 16 June 2011)
 Mr R K S Jeffs (appointed 24 May 2011)
 Clr E M McCaffery (appointed 24 May 2011)
 Ms E M Heiss (appointed 24 May 2011)
 The Hon Leo McLeay (appointed 24 May 2011)

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

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Note 11: Remuneration of Senior Executives

	<u>2011</u>	<u>2010</u>
Note 11A: Actual Remuneration Paid to Senior Executives		
The number of senior executives who received:		
less than \$150 000	1	1
\$150 000 to \$179 999	4	3
\$180 000 to \$209 999	-	2
\$210 000 to \$239 999	3	-
\$270 000 to \$299 999	-	1
\$300 000 to \$329 999	1	-
Total	<u>9</u>	<u>7</u>
Total expense recognised in relation to Senior Executive employment		
	<u>\$</u>	<u>\$</u>
Short-term employee benefits:		
Salary (including annual leave taken)	1,427,291	1,116,458
Changes in annual leave provisions	23,039	(26,558)
Performance bonus	34,398	33,500
Total short-term employee benefits	<u>1,484,728</u>	<u>1,123,400</u>
Post-employment benefits:		
Superannuation	<u>177,332</u>	<u>141,772</u>
Total post-employment benefits	<u>177,332</u>	<u>141,772</u>
Other long-term benefits:		
Long-service leave	<u>47,791</u>	<u>39,261</u>
Total other long-term benefits	<u>47,791</u>	<u>39,261</u>
Total	<u>1,709,851</u>	<u>1,304,433</u>

Notes:

- Note 11A was prepared on an accrual basis.
- Note 11A excludes acting arrangements and part-year service where remuneration expensed for a senior executive was less than \$150,000.

Note 11B: Salary Packages of Senior Executives

Average annualised remuneration packages for substantive Senior Executives employed:

	As at 30 June 2011				As at 30 June 2010		
Senior Executive no.	Salary (including annual leave) package	Total Remuneration package	Bonus Paid ²	Senior Executive no.	Salary (including annual leave) package	Total Remuneration package	Bonus Paid ²
	\$	\$	\$		\$	\$	\$
less than \$150,000	1	123,262	139,732	1	121,574	135,637	
\$150,000 - \$179,999	5	139,265	158,569	3	139,291	160,229	
\$180,000 - \$209,999				2	179,514	203,452	
\$210,000 - \$239,999	3	178,932	215,250				
\$240,000 - \$269,999	1	179,044	268,672	1	171,992	247,704	33,500
Total	10			Total	7		

¹ This table reports substantive senior executives who were employed by the Trust at the end of the reporting period. Fixed elements were based on the employment agreement of each individual. Each row represents an average annualised figure for the individuals in that remuneration package band. (i.e. the 'Total' column).

² This represents average actual bonuses paid during the reporting period in that remuneration package band. The 'Bonus paid' was excluded from the 'Total' calculation, (for the purpose of determining remuneration package bands). The 'Bonus paid' within a particular band may vary between financial years due to various factors such as individuals commencing with or leaving the Trust during the financial year.

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

	2011 \$'000	2010 \$'000
Note 12: Remuneration of Auditors		
Remuneration to the Auditor-General for auditing the financial statements for the reporting period.	<u>52</u>	<u>48</u>
	<u>52</u>	<u>48</u>
No other services were provided by the auditors of the financial statements.		
Note 13: Financial Instruments		
13A Categories of financial instruments		
Financial Assets		
Held to maturity		
Investments	<u>71,835</u>	<u>66,407</u>
Total	<u>71,835</u>	<u>66,407</u>
Loans and receivables		
Cash at bank	9,623	16,848
Cash on hand	2	2
Receivables for goods and services	464	162
Interest receivable	68	67
Other receivables	65	10,037
Total	<u>10,222</u>	<u>27,116</u>
Carrying amount of financial assets	<u>82,057</u>	<u>93,523</u>
Financial Liabilities		
At amortised cost		
Trade creditors	1,302	2,294
Contract Retentions	646	619
Salaries and wages	153	96
Accrued Expenses	52	47
Bonds and security deposits	363	257
Carrying amount of financial liabilities	<u>2,516</u>	<u>3,313</u>
13B Net income and expense from financial assets		
Held to maturity		
Interest revenue (see note 4C)	<u>3,824</u>	<u>3,381</u>
Net gain held to maturity	<u>3,824</u>	<u>3,381</u>
Loans and receivables		
Interest revenue (see note 4C)	<u>649</u>	<u>428</u>
Net gain loans and receivables	<u>649</u>	<u>428</u>
Net gain from financial assets	<u>4,473</u>	<u>3,809</u>

13C Net income and expense from financial liabilities

There was no net income or expense from financial liabilities for the year ended 30 June 2011 (2010 - Nil).

13D Fee income and expense

There was no fee income or expense arising from financial instruments for the year ended 30 June 2011 (2010 - Nil).

13E Fair value of financial instruments

	Carrying amount 2011 \$'000	Fair value 2011 \$'000	Carrying amount 2010 \$'000	Fair value 2010 \$'000
Financial Assets				
Cash at bank	9,623	9,623	16,848	16,848
Cash on hand	2	2	2	2
Investments	71,835	71,835	66,407	66,407
Receivables for goods and services	464	464	162	162
Interest receivable	68	68	67	67
Other receivables	65	65	10,037	10,037
Total	82,057	82,057	93,523	93,523
Financial Liabilities				
Trade creditors	1,302	1,302	2,294	2,294
Contract retentions	646	646	619	619
Salaries and wages	153	153	96	96
Accrued expenses	52	52	47	47
Bonds and security deposits	363	363	257	257
Total	2,516	2,516	3,313	3,313

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

13F Credit risk

The Trust is exposed to minimal credit risk as the majority of loans and receivables are cash or funding made under law (which guarantees fixed amounts of funding that the entity can drawdown as required). The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2011: \$734,000 and 2010: \$10,560,000). The Trust has assessed the risk of the default on payment and has allocated \$20,000 in 2011 (2010: \$0) to an impairment allowance account.

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

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

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

	Not Past Due Nor Impaired 2011 \$'000	Not Past Due Nor Impaired 2010 \$'000	Past due or impaired 2011 \$'000	Past due or impaired 2010 \$'000
Cash at bank	9,623	16,848	-	-
Cash on hand	2	2	-	-
Investments	71,835	66,407	-	-
Receivables for goods and services	-	-	464	162
Interest receivable	68	67	-	-
Other receivables	65	10,037	-	-
Total	81,593	93,361	464	162

Ageing of financial assets that are past due but not impaired for 2011

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	350	93	4	17	464
Total	350	93	4	17	464

Ageing of financial assets that are past due but not impaired for 2010

	0 to 30 days \$'000	31 to 60 days \$'000	61 to 90 days \$'000	90+ days \$'000	Total \$'000
Receivables for goods and services	56	10	-	96	162
Total	56	10	-	96	162

13G Liquidity risk

The Trust's financial liabilities are payables and accruals.

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

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

	On demand 2011 \$'000	within 1 year 2011 \$'000	1 to 5 years 2011 \$'000	> 5 years 2011 \$'000	Total 2011 \$'000
30 June 2011					
Trade creditors	-	1,302	-	-	1,302
Contract retentions	-	646	-	-	646
Salaries and wages	-	153	-	-	153
Accrued expenses	-	52	-	-	52
Bonds and security deposits	-	363	-	-	363
Total	-	2,516	-	-	2,516
	On demand 2010 \$'000	within 1 year 2010 \$'000	1 to 5 years 2010 \$'000	> 5 years 2010 \$'000	Total 2010 \$'000
30 June 2010					
Trade creditors	-	2,294	-	-	2,294
Contract retentions	-	619	-	-	619
Salaries and wages	-	96	-	-	96
Accrued expenses	-	47	-	-	47
Bonds and security deposits	-	257	-	-	257
Total	-	3,313	-	-	3,313

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

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

13H Market risk

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

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

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

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

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

Risk variable	Change in risk variable	Effect on		Effect on		
		Profit and loss	Equity	Profit and loss	Equity	
	%	2011	2011	2010	2010	
		\$'000	\$'000	\$'000	\$'000	
Interest rate risk	Interest	+1.5	144	144	253	253
Interest rate risk	Interest	-1.5	(144)	(144)	(253)	(253)

Note 14: Reporting of Outcomes

Note 14A: Net Cost of Outcome Delivery

	Outcome 1		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Expenses	12,477	11,511	12,477	11,511
Income from non-government sector				
Activities subject to cost recovery	11,163	9,434	11,163	9,434
Total costs recovered	11,163	9,434	11,163	9,434
Other own-source income				
Interest	4,473	3,809	4,473	3,809
Other	721	366	721	366
Total own-source income	5,194	4,175	5,194	4,175
Net (contribution) of outcome delivery	(3,880)	(2,098)	(3,880)	(2,098)

The Trust has one outcome:

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

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

Notes to and forming part of the Financial Statements

for the year ended 30 June 2011

Note 14B: Major classes of Expenses, Income, Assets and Liabilities by Outcomes

	Outcome 1		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Expenses:				
Employees	5,224	4,674	5,224	4,674
Suppliers	5,510	5,363	5,510	5,363
Depreciation and Amortisation	1,723	1,474	1,723	1,474
Write-down of Assets	20	0	20	0
Total	12,477	11,511	12,477	11,511
Income:				
Income from government	-	25	-	25
Sale of Goods and Services	1,764	1,101	1,764	1,101
Fees and fines	193	64	193	64
Interest	4,473	3,809	4,473	3,809
Rental income	9,206	8,269	9,206	8,269
Other	721	366	721	366
Total	16,357	13,634	16,357	13,634
Assets				
Cash and cash equivalents	9,625	16,850	9,625	16,850
Investments	71,835	66,407	71,835	66,407
Trade and other receivables	714	10,560	714	10,560
Land and Buildings	239,975	238,389	239,975	238,389
Infrastructure, plant and equipment	11,417	5,370	11,417	5,370
Heritage and collections	38,593	35,377	38,593	35,377
Intangibles	124	96	124	96
Inventories	51	38	51	38
Other non-financial assets	175	248	175	248
Total	372,509	373,335	372,509	373,335
Liabilities				
Suppliers	1,948	2,913	1,948	2,913
Other payables	3,989	3,921	3,989	3,921
Employee provisions	1,061	969	1,061	969
Other provisions	34,948	38,850	34,948	38,850
Total	41,946	46,653	41,946	46,653

Outcome 1 is describe in Note 1.1.

Note 15: Sydney Harbour Conservancy

The Sydney Harbour Conservancy (the "Conservancy"), a Trust for which the Sydney Harbour Conservancy Ltd is Trustee, was established on 10th December 2009 and is controlled by the Sydney Harbour Federation Trust.

The objectives of the Conservancy are to:

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

The financial position of the Conservancy (Gift Fund) is as follows:

	2011	2010
	\$	\$
Opening balance at 1 July	700	0
Revenue: Interest	0	0
Revenue: Donations	1000	750
	1700	750
Less expenses: Suppliers	182	52
Closing balance at 30 June	1518	698
Represented by:		
Cash at bank	1518	700
Receivables	0	0
	1518	700



HOK'S GIANT WIND UP

Please do not touch

Giant Windup Key

This large cast iron key was used by Henry to "power up" his famous clockwork farm vehicle. This vehicle was capable of prodigious speeds (at first) and won many local races at Hoke's Mill.

This particular key is believed to have been the only remaining part of the vehicle after a shocking explosion following the overtightening of the mainspring.

A certain large American carmaker bought the plans from Hoke and is almost certainly planning to unveil the fantastically efficient clockwork vehicle when fuel prices become crippling high.

Appendix 1

Freedom of Information

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

Categories of Documents

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

Requests

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

Requests should be sent to:

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

Email: foi@harbourtrust.gov.au

Reporting

The Trust received one application under the Act during the reporting period.

Reforms to FOI legislation

From 1 May 2011, agencies subject to the *Freedom of Information Act 1982* (FOI Act) are required to publish information to the public as part of the Information Publication Scheme (IPS). This requirement is in Part II of the FOI Act and has replaced the former requirement to publish a section 8 statement in an annual report. An agency plan showing what information is published in accordance with the IPS requirements will be accessible from the Trust's website.

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

Appendix 2

Community Advisory Committee Members

Cockatoo and Snapper Islands

Damian Cobleby-Finch
Peter Conroy
Joe Glascott
Tony Hardy
Ted Moore
James Morton
Terry Ryan
Gary Sawyer
Angelo Tsirekas

Middle Head

Tony Abbott MP
Anne Connon
Edward Elsom*
Don Goodsir*
Ian Henderson
Gavin Baker Cmdr RAN
Stewart Reed
Jillian Skinner MP

* Don Goodsir and Edward Elson
passed away during the year

North Head

Mike Baird MP
Ian Freeman
Walt Graham
Jennie Minifie
John Platt
Judy Reizes
Douglas Sewell

Woolwich

Peter Astridge
Austin Driscoll
Joe Hockey MP
Philip Jenkyn
Peta Lewis
Barry Smith

South Head

Allan Coker
Peter Debnam MLA
Keri Huxley
Will Jones
Dr Robin Derricourt
Peter Poland
Michael Rolfe

HMAS Platypus

Carole Baker
Brian Evesson
Paul Forward
Joe Hockey MP
Penny Holloway
Oliver Irving
Denny Linker
Genia McCaffery
Zena O'Connor
Stewart Reed
Neil Schafer
Chris Skinner
Ken Williams
Belinda York
Trent Zimmerman

Appendix 3

Maintenance, Heritage Conservation and Environmental Management Projects

All Sites	<ul style="list-style-type: none"> Grounds maintenance General building maintenance Services maintenance Fire systems maintenance Pest management
Former School of Artillery, North Head	<ul style="list-style-type: none"> Internal and external refurbishment of the North Fort café Installation of photovoltaic arrays and rainwater and stormwater harvesting systems under the Green Precincts Fund grant Full external refurbishment of six houses Renewal of low voltage electricity supply within the former School of Artillery site Finalisation of strategic Masterplan Ongoing replacement and upgrading of services including electricity, water, fire services, telephone and sewer Seed collection and propagation of local species Fire hazard reduction Contract and volunteer bush regeneration Feral animal control program Revegetation
Chowder Bay	<ul style="list-style-type: none"> Ongoing external building maintenance on a number of historic Submarine Miners' Depot buildings Bush regeneration Feral animal control program Bushfire hazard reduction
Lower Georges Heights	<ul style="list-style-type: none"> Internal and external refurbishment of four former Navy cottages Landscaping and bush regeneration to the rear of the Cobbittee Street houses Landscaping works to Middle Head Road houses Installation of the gun pedestal and restored artillery gun to the 1877 battery Contract bush regeneration Feral animal control program Bushfire hazard reduction
Georges Heights	<ul style="list-style-type: none"> Internal and external refurbishment of two houses Contract bush regeneration Feral animal control program Bushfire hazard reduction
Middle Head	<ul style="list-style-type: none"> Restoration of buildings and car park within the former ASOPA precinct. Works included new toilets, air conditioning, repainting, landscaping, paths, and planting
Woolwich Dock	<ul style="list-style-type: none"> Goat Paddock track repairs, weed control and revegetation Fox control

Appendix 3 Continued...

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Cockatoo Island	<p>Stone conservation works to the Convict Guardhouse, Mess Hall and Superintendent's residence</p> <p>Installation of photo-voltaic array and rainwater and stormwater harvesting under a Green Precincts Fund grant</p> <p>Refurbishment of Edwardian duplex, Building 23 along with adjacent landscaping and public paths</p> <p>Removal of lead paint to a number of cranes</p> <p>Internal refurbishment of Building 30 into conference and office accommodation</p> <p>Convict Trail for public access completed in the Plateau area</p> <p>Ongoing public safety works including stabilising of rock faces and walls</p> <p>Establishment of works depot</p> <p>Restoration of two historic cranes</p> <p>Removal of material from Eastern Apron Bolt wharf area</p> <p>World Heritage nomination approved</p> <p>Remediation of former coal store</p> <p>Ongoing replacement and upgrading of services including electricity, water, fire services, telephone and sewer</p> <p>Silver gull control and netting</p> <p>Volunteer gardening</p>
Snapper Island	Basic external repairs including water and bird proofing of buildings
Macquarie Lightstation	Soil remediation complete to Macquarie Lighthouse, the Headkeepers House, and Assistant Keepers House
Former Marine Biological Station	No major works were carried out during the year
Former HMAS <i>Platypus</i>	First stage of remediation works completed with the removal of hazardous materials to buildings and structures

Compliance Index

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

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

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