



Harbour
Trust

ANNUAL REPORT
2021-2022

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Australian Government
Sydney Harbour Federation Trust

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LETTER FROM CHAIR TO MINISTER

16 September 2022

The Hon. Tanya Plibersek MP
Minister for the Environment and Water
Parliament House
Canberra ACT 2600

Dear Minister,

As representative of the accountable authority, I am pleased to present the annual report on the activities of the Sydney Harbour Federation Trust for the reporting period ending 30 June 2022 in accordance with section 46(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). This annual report was approved at the Meeting of the Members of the Trust on 16 September 2022.

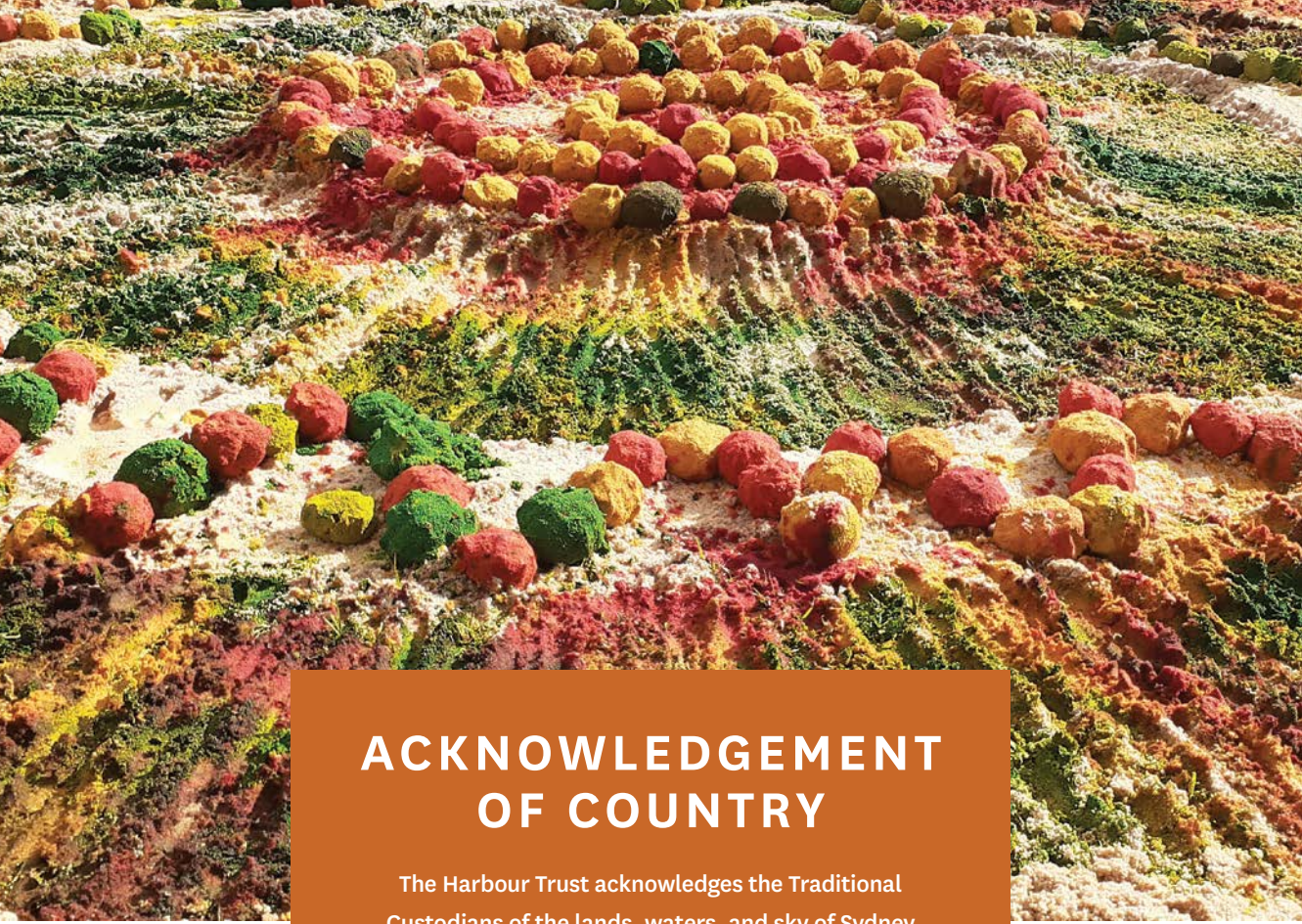
The report has also been prepared in accordance with: the requirements of section 70 of the *Sydney Harbour Federation Trust Act 2001*; matters required by the *Public Governance, Performance and Accountability Rule 2014*; and in accordance with the Resource Management Guide No. 136 Annual reports for corporate Commonwealth entities.

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

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

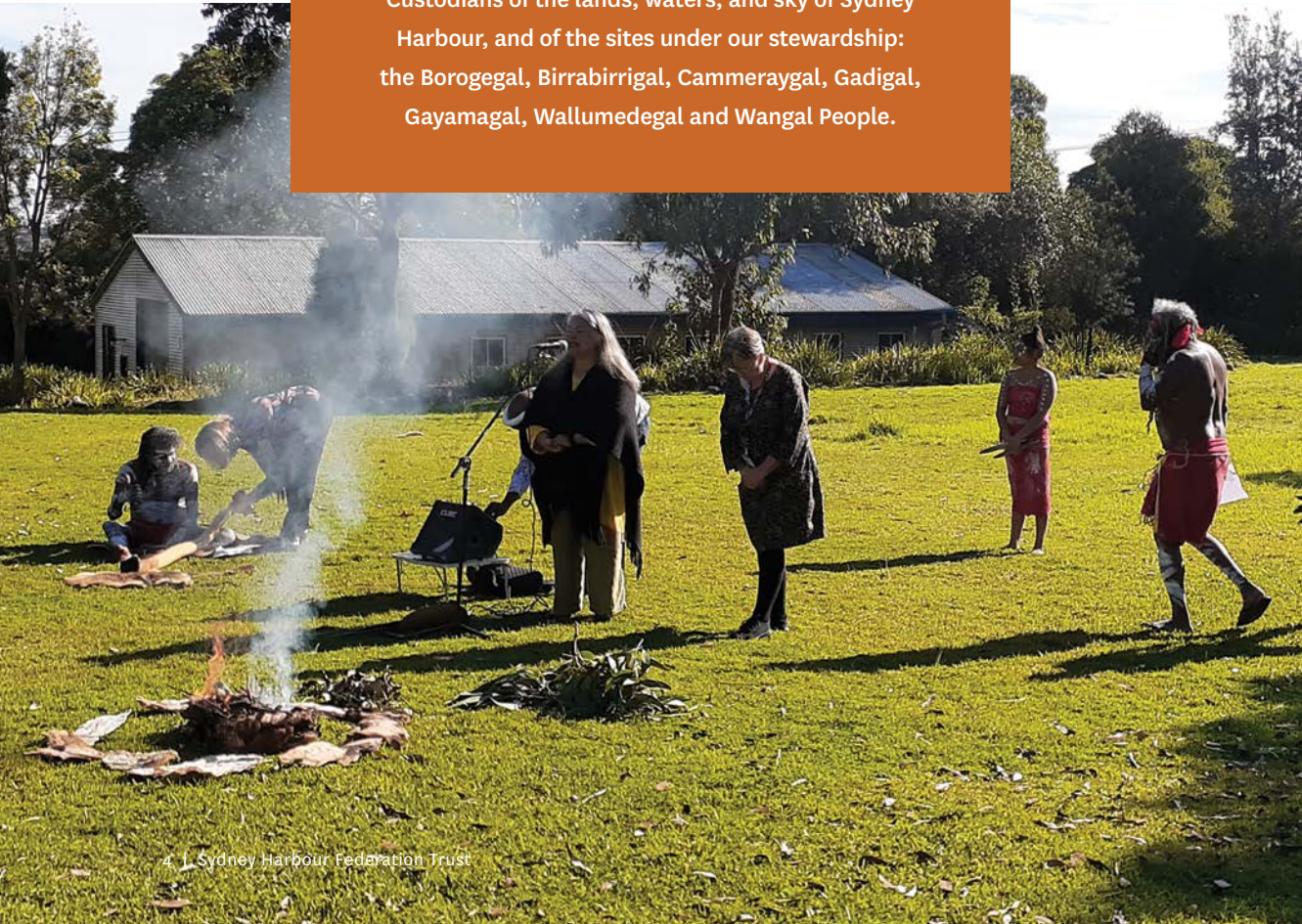
Yours sincerely,

Joseph Carrozzi AM
Chair



ACKNOWLEDGEMENT OF COUNTRY

The Harbour Trust acknowledges the Traditional Custodians of the lands, waters, and sky of Sydney Harbour, and of the sites under our stewardship: the Borogegal, Birrabirrigal, Cammeraygal, Gadigal, Gayamagal, Wallumedegal and Wangal People.



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Opposite page: Gai-mariagal Day 2022, Headland Park. The creation of a traditional sand painting led by Aboriginal artist and educator Walangari Karntawarra (top); Acknowledgement of Country led by Susan Molyneux-Coombes, Walangari Karntawarra and Diramu Aboriginal Dance and Didgeridoo (bottom).

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'Hello Harbour Trust' signage, Convict Precinct, Cockatoo Island / Wareamah.



CHAIR'S FOREWORD

In 2021-22 the Harbour Trust has seen some remarkable highlights and, like many organisations across Australia and beyond, it continues to respond to the evolving waves of COVID-19 and economic uncertainties. As a testament to the importance of our sites, and despite restrictions imposed in response to COVID-19, visits reached a record high of 1.96 million.

Critical support was provided to our tenants through \$1.6 million in rent waivers and the provision of long-term payment plans where required. We continue to thank the Australian Government for their support through the pandemic.

2021-22 was also a year of transition and transformation for the Harbour Trust. As the financial year began, legislative changes established the Harbour Trust as a permanent, ongoing entity. This shift in status fundamentally alters our strategic direction, necessitating a shift in operational focus from that of a temporary entity originally envisaged as primarily a planning and rehabilitation agency, to one entrusted with the ongoing responsibility of custodianship.

We have now successfully implemented the majority of the recommendations of the 2020 Independent Review of the Harbour Trust, with the remaining items either due for completion in the first quarter of 2022-23 or transitioning to business as usual. The Harbour Trust has made significant inroads in identifying the organisational design, skills and capabilities needed across our operations to move towards long-term sustainability.

Through effective planning and management, we progressed a broad range of capital projects across our sites, including Sub Base Platypus and 10 Terminal, furthering our commitment to maintain and restore bushland and heritage buildings and make these places open, safe, and accessible to all. One of the many external factors we had to manage (and continue to manage) is the impact of a tightening economic environment and increasing inflation on our capital programs.

There were also governance and leadership changes during the year. We welcomed four new members to the Harbour Trust, Steven Issa, Alison Page, Pru Goward and Chantelle Fornari, whilst at the same time farewelling Tim James and Sandra Hook. I would sincerely like to thank my fellow Members of the Trust for your support, guidance, and commitment to the Harbour Trust.

We also welcomed a new Executive Director, Janet Carding, who joined the Harbour Trust in August 2021. Janet has enjoyed a distinguished career in the galleries and museums sector, serving cultural organisations across three continents, including London's Science Museum, the Australian Museum, the Royal Ontario Museum, and the Tasmanian Museum and Art Gallery. My thanks to Linda Ward for her important work as our interim Executive Director last year.

Following the May 2022 election, we welcomed a new Australian Government and a new Minister, the Hon. Tanya Plibersek MP. Our departmental portfolio has changed to the Department of Climate Change, Energy, the Environment and Water. We look forward to continuing to work with the Minister and Department to deliver our shared priorities and purpose.

In terms of good governance, I would like to thank the Department's Portfolio Audit Committee for your support through performance reporting, financial reporting, and general audit expertise. In terms of supporting our ambition for a closer and more effective working relationship with the community I would thank our Community Advisory Committee and Aboriginal and Torres Strait Islander Advisory Group for their time, expertise, and guidance through the year.

On behalf of the Members, with great emphasis I want to thank our people, the Executive Director, Janet Carding, the Executive Team and all the staff and volunteers at the Harbour Trust for their hard work, optimism and flexibility.

2022-23 represents a further year of transition and transformation, I look forward to working with you all as we settle into our long-term role as the stewards these iconic lands — and all Australians — deserve and expects.



A handwritten signature in black ink, appearing to read 'Joe Carrozzi'.

Joseph Carrozzi AM
Chair

EXECUTIVE DIRECTOR'S SUMMARY

Despite the ongoing impact of the COVID-19 pandemic, this year substantial progress has been made on a range of projects and initiatives that collectively are transforming our relationships with the community and our partners; our precious sites; and how we operate as an organisation.

The Harbour Trust is steward of a public resource owned by all Australians and has a responsibility to engage widely and act transparently. We engage in order to hear from the diversity of stakeholders on whose behalf we work, and because we understand that participation and collaboration generates great ideas and benefits all involved. In 2021-22 we have developed a new strategic approach to stakeholder engagement in consultation with members of our community, and in the coming year this will be implemented following Trust approval.

Strengthening our relationships with First Nations communities is a vital foundation to our engagement and this year saw an important series of workshops with First Nations people that led to a collection of Guiding Principles we are embedding in all our work across the Harbour Trust. My thanks to all those who participated in the workshops, and helped the Harbour Trust in its commitment to being a universal place of welcome through building deep long-term trusting relationships, exchanging of knowledges and providing greater opportunity to be on Country.

From funding received by the Harbour Trust from the Commonwealth Government, a number of initiatives are now underway. At Sub Base Platypus, detailed planning and design has continued, and construction work has now begun to transform the former Torpedo factory, preserving key parts of the structure, creating new green spaces, and telling the rich stories of this site's significance.

Across all the sites, surveys have been underway that will inform a comprehensive Strategic Asset Management Plan so that preservation, maintenance and management of all the Harbour Trust lands and buildings can be more strategic. In parallel, the second year of our backlog program has been completed, addressing key maintenance issues that were already known.

While remediation, adaptation and re-use have been underway at the Harbour Trust for 20 years, there are three significant areas for which long-term plans to guide our work are required, Cockatoo Island / Wareamah, North Head Sanctuary, and the former 10 Terminal at Middle Head. During 2021-22 consultation was completed on the initial conceptual plans for Cockatoo Island / Wareamah, and North Head Sanctuary, and briefs developed from the resulting information for consultancy teams to build on this foundation and create master plans for each site. This master planning will be a central part of our work in 2022-23 and guide us in the redevelopment of these sites in the years ahead.

At Middle Head works to preserve the physical structure of the heritage buildings was largely completed, including new roofs and eaves, while conceptual development of the Middle Head site paused to enable more engagement around First Nations perspectives. The design work has now recommenced with the aim to complete a long-term master plan for this site in 2022-23.

Looking within the Harbour Trust, the shift to a permanent footing has meant that we need to review the way we work, and all our systems and processes. An ICT Strategy has been developed to guide the investment needed in new digital infrastructure, with a new human resources information system, and a fit-for-purpose asset management system, the first software changes to be implemented in 2021-22. We have also considered how we work together as a team, and through a series of staff workshops have begun to map out the organisational culture we want, and the steps to create it, which are now underway. My thanks to all Harbour Trust staff, past and present, for a successful year, despite many challenges.

Alongside the hardworking staff of the Harbour Trust, our many volunteers are crucial in amplifying our efforts, working with the community and delivering across our sites. This was not an easy year, as COVID-19 meant we spent many months apart, but I'm pleased that by the end of 2021-22 we had arrangements in place so that all volunteers were able to engage once more, and we are the stronger for their input. My thanks to them for their patience, and support during a difficult time.

I would also like to thank the many organisations who we have worked with collaboratively over the last year, including elected representatives and staff of Local, State and Commonwealth Governments, and the many businesses and not-for-profits with whom we've engaged.

A particular thank you to the Chair and Members of the Trust, for all their hard work and advice as they guided and supported me during my first year as the Harbour Trust's Executive Director.

In November 2021, the Harbour Trust celebrated its 20th anniversary, and it provided a wonderful opportunity to understand just how much has been achieved, and to thank all those who have been part of our journey so far, in particular our volunteers, advisors in the community, and many partners. Through the planning, management, and delivery we have undertaken in 2021-22, and the relationships we have fostered, my hope is that we have laid a firm foundation for the next twenty years and beyond.



A handwritten signature in black ink that reads "JRCarding".

Janet Carding
Executive Director

HARBOUR TRUST OVERVIEW

Purpose

Objectives, Functions and Outcomes

The Harbour Trust is responsible for the management of sites of nationally and internationally significant cultural, natural, industrial and heritage value located around Sydney Harbour. These places reveal our nation's rich stories and their ongoing connection to First Nations history, provide examples of Australia's first defence fortifications, as well as the nation's colonial and industrial past. Many carry Commonwealth, National, and World Heritage listings. They also provide critical links between the marine harbour habitat and the remnant bushland of Sydney.

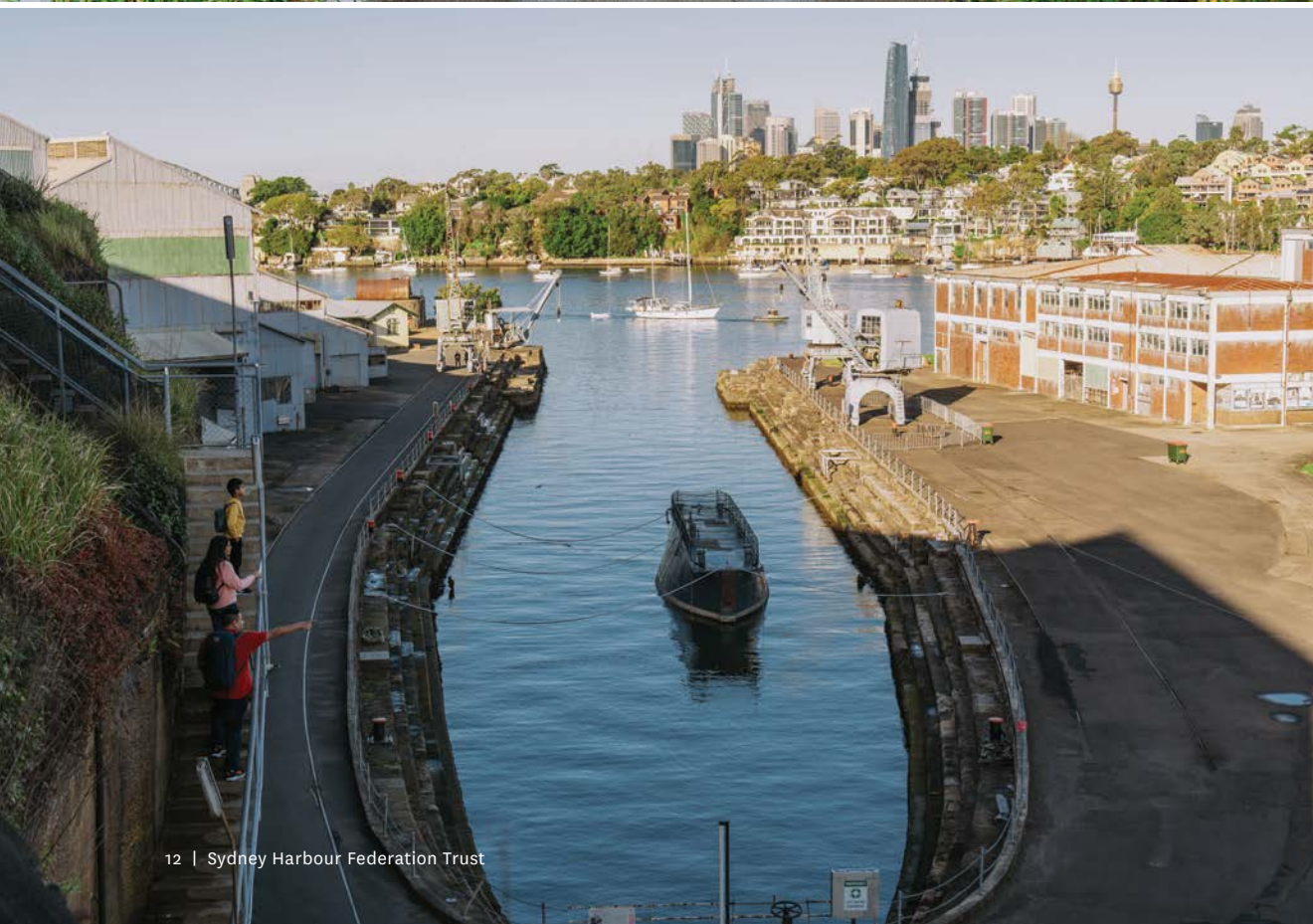
OBJECTIVES

The *Sydney Harbour Federation Trust Act 2001* specifies a series of objectives:

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

FUNCTIONS

- To hold Trust land for and on behalf of the Commonwealth;
- To undertake community consultation on the management and conservation of Trust land;
- To do the things referred to in section 38A of the *Sydney Harbour Federation Trust Act 2001* (SHFT Act) before plans take effect for an area of Trust land;
- To develop draft plans in respect of Trust land and any other Harbour land in furthering the objects, and performing other functions, of the Trust;
- To rehabilitate, remediate, develop, enhance and manage Trust land, by itself and in co-operation with other institutions or persons, in accordance with the plans;
- To make recommendations to the Minister on plans and the proposed transfer of any Trust land;
- To promote appreciation of Trust land, in particular its environmental and heritage values;
- To provide services and funding to other Commonwealth bodies in furthering the objects, and performing other functions, of the Trust;
- Anything incidental to or conducive to the performance of its other functions.



With the recent amendments to our legislation, these objectives and functions are no longer time-limited but ongoing in perpetuity.

Our target outcome is enhanced appreciation and understanding of the natural and cultural values of Sydney and the nation for all visitors, through the remediation, conservation and adaptive re-use of, access to, and sharing stories of the Harbour Trust lands.

To achieve this outcome the Harbour Trust actively researches and makes accessible knowledge of our multi-layered history and stories, including their importance to First Nations Communities. Through remediation and use, both the sites and their buildings are enlivened through the creation of communities which encourage a sense of place and belonging.

The Harbour Trust also develops relationships and collaborations with community organisations, partners, funders, and supporters. Fostering such long-term relationships requires the Harbour Trust to be responsive, transparent and consistent in its discussions with stakeholders. These relationships and collaborations are important, as the Harbour Trust must currently raise all the revenue required to sustain its activities in operating the network of sites.

Operational Mission

In order to better link our high-level objectives and outcomes to the tangible work we need to do every day, in 2021-22 the Harbour Trust developed an Operational Mission, with significant input from staff. Its eight key tenets are:

1. Be trusted to manage these iconic sites, and to be relied upon and do what we say.
2. Be authentic and knowledgeable about our sites’ cultural, natural and heritage values.
3. Enliven our sites by their remediation, use of the buildings, and by building a community around them.
4. Share stories to enhance, amplify and make accessible the values of our sites and encourage a sense of place and belonging.
5. Partner and collaborate to deliver mutually beneficial outcomes with community, that foster long-term relationships.
6. Raise revenue through our sites, and with our partners, funders, and supporters to sustain our activities.
7. Strive to be an employer of choice, with enabling systems and processes.
8. For First Nations, be a universal place of welcome supported by deep long-term trusting relationships, exchange of knowledge, and enabling greater opportunity to be on Country.

Legislation and Minister

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

Following the 21 May 2022 federal election, the newly appointed Prime Minister the Hon. Mr Anthony Albanese, announced the formation of a new Department of Climate Change, Energy and the Environment and Water. Merging two existing departments – the Department of Industry, Science, Energy and Resources and the Department of Agriculture, Water and Environment (the Harbour Trust’s current Department), effective from 1 July 2022. The Hon. Tanya Plibersek MP was appointed Minister for the Environment and Water and assumed office 1 June 2022.

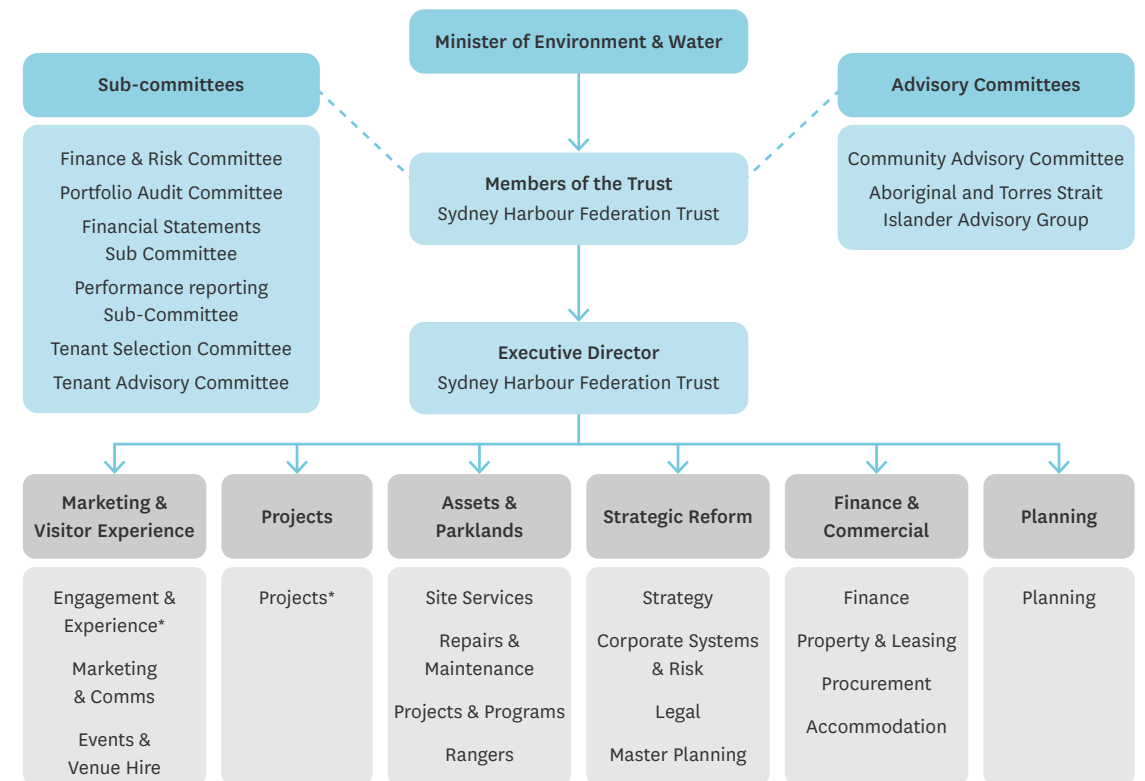
During this reporting period, the preceding Minister for the Environment the Hon. Sussan Ley MP was responsible for the Harbour Trust from 1 July 2021 – 31 May 2022, and the Hon. Tanya Plibersek MP, Minister for the Environment and Water from 1 June 2022 – 30 June 2022.

Organisational structure

The affairs of the Harbour Trust are led by Janet Carding the Executive Director, with an executive team that heads up six divisions. In 2021–22, the organisation continued to operate from its head offices at Georges Heights at Headland Park in Mosman, Sydney.

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

Harbour Trust Organisational Structure 2021-22



*shared leadership of volunteers.

Members of the Trust

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



**Joseph Carrozzi AM
(Chair)**

NSW Recommended
Member

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

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

Appointed April 2016; and appointed as Chair July 2018, reappointed July 2021.



Michael Rose AM

NSW Recommended
Member

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

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

Appointed September 2019.



Chantelle Fornari

Initially from a sales and marketing professional background, Chantelle has dedicated herself over the past decade to delivering outcomes for communities through her roles in local government and on various boards and committees including the not-for-profit sector. Chantelle has broad experience in strategic planning, community engagement and stakeholder management.

Chantelle was elected as a Councillor on Ku-ring-gai Council in 2012. During her five-year term as Councillor, Chantelle served on a number of boards and committees representing the community and held the position of Deputy Mayor for a term.

In 2019, Chantelle was appointed to sit on the National board of StreetWork and served as Chair of the local board for the Hornsby – Ku-ring-gai region until 2021.

Appointed April 2022.



Pru Goward

Former NSW Planning Minister Pru Goward is the cat with nine lives; an economist by training and a broadcaster by practice, she was a senior reporter with the ABC for 19 years and was the first woman to be ABC Television's national political correspondent and later, the inaugural presenter of RN Daybreak, now a national breakfast institution. She was awarded a special Walkley, Australia's highest journalist honour, for her television profile of an organised crime figure. She went on to be a senior executive in the Department of Prime Minister and Cabinet, and later the Commonwealth Government's Spokesperson for the Sydney 2000 Games.

Following the Games, she was the first woman to head the Australian Property Institute before being appointed as Australia's Sex Discrimination Commissioner for six years, where she developed and championed the national economic and social case for a paid maternity leave, which eventually received bi-partisan support and is now a national entitlement. She also established the first national survey of sexual harassment in Australian workplaces, which continues to this day.

Pru Goward entered the NSW Parliament in 2007 and served as minister for child protection, social housing, mental health, medical research, assistant minister for health and planning. As Planning Minister, she established the Greater Sydney Commission. Her ministries were marked by data driven, evidence-based reform, a cause she has continued to champion since retiring from the Parliament, as Professor of Social Interventions and Policy at Western Sydney University. Pru also sits on a number of boards and committees such as the Southern NSW Local Health District, the Cardio Vascular Research Network and the advisory board of Good Housing. Her consultancy work is focussed on diversity, gender and public policy more broadly. She has been commissioned by both the NSW and Commonwealth agencies to conduct reviews.

Pru has been honoured with a Centenary Medal and an Honorary Doctorate from Charles Sturt University. She has authored *A Business of Her Own* and, with her husband, a biography of former prime minister, John Howard. She is a regular commentator with the Australian Financial Review.

Appointed April 2022.



Alison Page

Representing the interests of Indigenous Peoples

Alison Page is a Walbanga and Wadi Wadi woman (from La Perouse, Sydney) and is an award-winning Designer and Film Producer whose career spanning 23 years links Indigenous stories and traditional knowledge with contemporary design. She appeared for eight years as a regular panellist on the ABC TV show, The New Inventors, in 2015, was inducted into the Design Institute of Australia's Hall of Fame and is the winner of the 2022 Interior Design Excellence Awards Gold Medal.

She was one of the original members of Merrima Architecture, Australia's first Indigenous architecture group, which was part of the NSW Government Architects Office, who she continues to work with to integrate 'Country' into large scale developments in NSW, such as Barangaroo where she is the First Nations Advisor.

Alison's most recent work is a collaboration with cinematographer Nik Lachajczak in creating Zakpage, a creative agency producing films and public art that tell place-based stories. In 2021, Alison co-authored a book with Paul Memmott about Indigenous architecture and design, published by Thames and Hudson Australia called Design, Building on Country as part of their First Knowledges series. She is a Board member of the National Australia Day Council, Councillor with the Australian National Maritime Museum, Board Member at the Art Gallery of South Australia and Chair of the Aboriginal research group, Ninti Pty Ltd. Alison sits on the Federal Government's Creative Economy Taskforce.

Appointed April 2022.



Steven Issa

Representing local government perspective and experience

Steven is a driven executive with experience in a variety of public and private sector contexts. He has built a comprehensive understanding and proven delivery of governments, digital strategy, transformation, human centred design and customer experience, technology, and data driven insight achieved through a range of roles. Steven is a Chief Digital Officer in a Federal Government Agency in Digital Health. He was a former Director of Service NSW as it transformed how citizens interact with Government. Steven has also had roles as a Lecturer at the University of Sydney, and was a Management Consultant.

Steven has also actively contributed to his broader community having served as a Councillor for the City Parramatta from 2012 to 2021. He has held the positions of Lord Mayor, Deputy Lord Mayor, and Chair of their Smart City Committee. He has held board positions on the Western Sydney Region of Councils (WSROC) as the Senior Vice President. Together with his wife Jasmine, Steven also helped found and runs a registered charity (Project Generosity).

Appointed November 2021



Brad Manera

Brad Manera is the senior historian and curator at the Anzac Memorial in Hyde Park. He has worked in museums for over 40 years.

His career began at the Western Australian Museum. In 1991, he was among the first curators recruited to develop the National Museum of Australia. From the National Museum, he moved to the Australian War Memorial to build the post-1945 conflicts gallery. The opportunity to add the Hyde Park Barracks Museum to the World Heritage List brought him to Sydney and, since 2011, he has provided the historical content for the Anzac Memorial for the centenary of the Great War.

A keen public historian, he has featured in many documentaries and leads tours to historic sites. His latest book, In That Rich Earth (2020), interprets 100 international battlefields on which men and women from NSW have served.

Appointed July 2021.



Carolyn McNally

Carolyn has more than 20 years' experience as a senior executive in the Commonwealth and New South Wales governments, as a leader in infrastructure, environment, transport, planning, regional development, health, and human services. Carolyn was Secretary of the NSW Department of Planning and Environment for five years, with responsibility for nine of the NSW government's key portfolios: planning, environment, resources, housing, energy, water, local government, arts and heritage. Carolyn has led the development and implementation of major policies and programs, including the establishment of Infrastructure Australia and the Commonwealth's Nation Building program, as well as the NSW government's first long-term transport master plan. She has a strong track record in working with key stakeholder groups in both the community and business sectors to achieve win — win outcomes.

Carolyn led the recent review of the Sydney Harbour Federation Trust, has been appointed by the Commonwealth Government as Commissioner overseeing a public inquiry into Norfolk Island Regional Council, and is a non-executive director of Future Food Systems Cooperative Research Centre and has sat on the Boards of Infrastructure Partnerships Australia, Infrastructure NSW and the Greater Sydney Commission.

Appointed July 2021.



Sandra Hook

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

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

Appointed December 2011; and reappointed December 2012, June 2013, April 2016 and April 2019. Cessation of term April 2022.

HARBOUR TRUST OVERVIEW



Tim James

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

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

Appointed April 2019. Resigned April 2022.



Tanya Denning-Orman

Tanya Denning-Orman, a proud Birri and Guugu Yimidjirr woman from Central and North Queensland, has led NITV since it joined SBS in 2012, and more recently became SBS's first Director of Indigenous Content.

Tanya manages NITV as a channel dedicated to Indigenous voices, overseeing its diverse and innovative multiplatform content. She also plays an instrumental role in the development and delivery of First Nations storytelling across the SBS network. With more than 20 years' experience working in media, Tanya has previously held positions as a journalist and producer for ABC and SBS, and a number of different roles at NITV since its inception in 2007.

As a champion for strong Indigenous media, she also holds a number of industry Board positions including with Media Diversity Australia, First Nations Media Australia, and the World Indigenous Television Broadcast Network.

Appointed November 2021. Resigned 1 February 2022.



NUMBER OF VISITS

1.96M



NUMBER OF TENANCIES

170



\$14.9M (a) (b)
ANNUAL REVENUE

(a) Own-source revenue.

(b) Impacted by COVID-19 and \$1.6M rent relief.



145ha

ICONIC LAND ON SYDNEY HARBOUR

317,357 (e)

UNIQUE VISITS TO OUR WEBSITES

(e) impacted by COVID-19.



9

SITES IN TOTAL



THE HARBOUR TRUST TODAY

Statistics taken from July 2021 – June 2022



77% (c)

ADAPTIVE REUSE OF BUILT ASSETS

(c) of built assets with potential for adaptive reuse.

8,760 (d)

VOLUNTEER HOURS

(d) impacted by COVID-19.



Opposite, from top to bottom:
Column one: Marine Biological Station; Sub Base Platypus; Macquarie Lightstation; Chowder Bay.
Column two: Chowder Bay; Headland Park; Flannel Flower at North Head Sanctuary; Memorial Walk at North Head Sanctuary.
Column three: Camping at Cockatoo Island / Wareamah; Woolwich Dock.

Sites

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



- Harbour Trust Sites
- Yet to be formally transferred from the Department of Finance
- Headland Park comprising of Middle Head, Georges Heights and Chowder Bay

HARBOUR TRUST REFORM PROGRAM

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

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

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

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

During 2021-22 substantial progress was made against implementing the remaining review recommendations, including advancement of master planning for North Head Sanctuary and Cockatoo Island / Wareamah; further iterations and community consultation for the Stakeholder Engagement Strategy; completion of the second year of the \$37.6M Commonwealth funded Backlog Capital Works Program and repairs and maintenance works; progress towards developing the Strategic Asset Management Plan; completion of a draft Leasing Policy following the legislative changes ready for consultation; and further progress of the organisational design, skills and capabilities strategy needed for the long-term sustainability of the Harbour Trust. With remaining review items due for completion in the first quarter of 2022-23 or transitioning to business as usual, the Reform Steering Committee had its final meeting in 2021-22.



The creation of a traditional sand painting led by Aboriginal artist and educator Walangari Karntawarra, Gai-mariagal Day 2022, Headland Park.

RECONCILIATION

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

Since 2018 the Harbour Trust has implemented a Reconciliation Action Plan (RAP). Performance against our RAP initiatives has been incorporated within our Corporate Planning process and reported to the Members of the Trust quarterly in an effort to integrate our approach and achieve reconciliation within our business.

Our 2020-2022 *Innovate RAP* built on the foundation that has been established through our previous RAP, implementing reconciliation by focusing on cultural awareness, procurement, land management and partnerships.

Looking back, the Harbour Trust has achieved a number of encouraging outcomes through the initiatives set out in the 2020-2022 RAP, amidst the COVID-19 pandemic, staff working remotely and unprecedented work pressures.

We have seen the contribution of Harbour Trust staff, volunteers, community and Members of the Trust to integrate reconciliation into the everyday in an effort to create the culturally rich and proud organisation we aspire to be. The Harbour Trust recognises and commits to continue the journey to achieve reconciliation, through diversity in workforce and stakeholders and in our approach to the conservation, remediation and adaptive reuse of places in our care.

RAP implementation: 2021–22 highlights

- Dual naming of Cockatoo Island / Wareamah approved by the Geographic Names Board and published in the NSW Gazette on the 30 July 2021.
- Established the Harbour Trust First Nations Guiding Principles, a set of principles developed with First Nations stakeholders to support engagement at all levels of our activities.
- Harbour Trust hosted a Family Day at Headland Park as part of the Gai-mariagal Festival for National Reconciliation Week.
- Development and implemented a cultural awareness eLearning module made mandatory for all staff.
- Exceeded our targets for engaging First Nations owned enterprises.
- Development and implemented our First Nations Procurement strategy.
- Expanded our recruitment drive for a senior First Nations staff member, with a focus on enhancing First Nations contributions to place-making, storytelling and visitor experience across our sites.
- Implemented and embedded Acknowledgement of Country and Welcome to Country protocols.
- The RAP Working Group (RAPWG) group met seven times over 2021-22.

Current page: Green Hand Band, Gai-mariagal Day 2022 at Georges Heights, Headland Park.
Opposite page: View towards North Head Sanctuary from Georges Heights, Headland Park.



STEWARD OUR PARKLANDS



Program of works

The Harbour Trust is responsible for protecting, conserving and interpreting the environmental and heritage values of the land in its care, guided by the principles of Ecologically Sustainable Development (ESD), and in accordance with our legislation and plans.

During the reporting period the Harbour Trust commenced a significant program to address a backlog in repairs and maintenance across all Harbour Trust sites. This new program includes the delivery of 45 smaller projects, as well as repairs to marine assets, updates to fire protection measures, conservation works and repairs to residential properties.

The Harbour Trust also commissioned a full asset condition audit to help identify priority works and including development of a Strategic Asset Management Plan for all sites. The backlog repair program is in addition to general maintenance, landscaping and building repairs, which takes place throughout the year on all sites, such as:

- General maintenance of building services and fire systems
- Pest management
- Site security
- Remediation of fire safety measure defects identified in annual fire safety inspections
- Repairs to residential and commercial buildings to address damage incurred during major weather events

A detailed list of maintenance, heritage conservation and environmental management projects undertaken at the Harbour Trust's sites over 2021–22 is provided in Appendix 3. An overview of capital works across relevant sites is set out below:

Cockatoo Island / Wareamah

- Refurbishment of the dockyard-era caisson located in the convict-built Fitzroy Dock
- External conservation works to the Clerk of Petty Sessions Cottage (c.1848), which revealed previously hidden convict stone flagging
- Upgrade to accommodation including installation of additional lighting and repairs of the timber boardwalk in the campground, and construction of a new awning to one of the heritage houses
- Major repairs to the Camber Wharf including repairs to the barge ramp and finger wharves, and replacement of the timber boardwalks
- Repair of lintels and stonework and repairs and painting of windows and doors, in convict-built Buildings 4 and 5

Headland Park

- Preservation works to Buildings 1 and 3 at 10 Terminal, including structural repairs; replacing and repointing damaged bricks; commissioning of new roof tiles including colour-matching to the originals; repairs and restoration of external joinery including windows and doors; and incorporating measures to achieve Building Code of Australia compliance
- Refurbishment of two residential properties in Imperial Avenue
- Resurfacing of Chowder Bay Road near its intersection with Middle Head Road
- Replacement of approximately 20,000 heavily corroded screws in the roofs of commercial buildings at Georges Heights
- Repairs to the seawall at Chowder Bay

North Head Sanctuary

- Conservation and structural works including remedial concrete repairs of the historic Command Post, Observation Post and Searchlight Engine Rooms
- Refurbishment of three residential properties on Artillery Drive and North Head Scenic Drive
- Repair of the former paint store's doors (Building 207)
- Refurbishment of selected windows on Building 1
- Repair of silted-up discharge points for mains stormwater lines to improve drainage from residential properties on North Head Scenic Drive

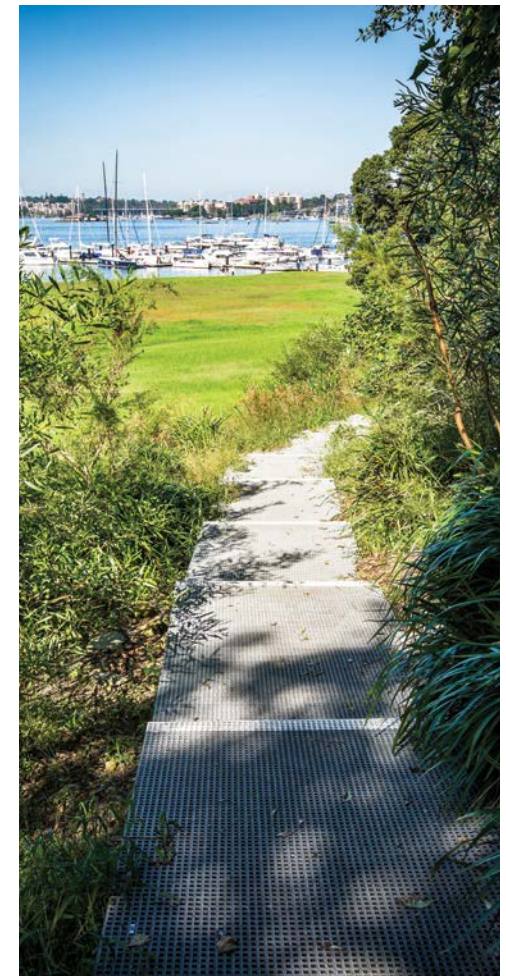
Sub Base Platypus

The Torpedo Factory Renewal Project commenced during the reporting period, with site establishment works including the installation of a perimeter scaffold, erosion and sediment control measures and a floating bund. Works also commenced on demolishing part of the lower floor of the Torpedo Factory, including the northern nib of the building, and stripping out the Services Room and Ballroom.

Other works at Sub Base Platypus included the temporary relocation of historic periscope racks to Cockatoo Island / Wareamah, to facilitate the Torpedo Factory Renewal Project. The periscope racks will be restored by Harbour Trust volunteers before being reinstated at Sub Base Platypus as part of the site's interpretation.

Woolwich Dock and Parklands

- Completion of major repairs to the roll-on/roll-off ramp at the Horse Paddock, and the installation of fender piles in the Parramatta River to guide vessels using the ramp
- Refurbishment to the jetty and pontoon including replacement of timbers and installation of handrails to improve safety



Horse Paddock, Woolwich.

Project governance

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

Bushland and parkland management

Bushland ecological restoration works continued throughout 2021–22 at Headland Park, North Head Sanctuary and within pockets of remnant bushland and revegetated areas at Cockatoo Island / Wareamah, Macquarie Lightstation and Woolwich Dock and Parklands. These works included: control of weeds over an area of 80 hectares; maintenance of over 10 km of bush tracks and access trails; manual and mechanical bushfire hazard reduction around built assets; and replanting using local provenance plant species where required.

Bushfire mitigation works were carried out at North Head Sanctuary and Headland Park to reduce the risk of unplanned fire impacting on life, property and natural and cultural heritage assets. This included manual and mechanical removal of vegetation fuels within Asset Protection Zones around buildings, structures and bush trails. Areas that were burnt in the September and October 2020 fires at North Head Sanctuary are regenerating well, with no loss of species recorded. Boardwalks and trails that were damaged by the fires were repaired and opened to the public in early 2022.

The Harbour Trust, the Australian Wildlife Conservancy (AWC) and NSW National Parks and Wildlife Service (NPWS) continued post-fire monitoring of flora and fauna in the burnt areas.

A Harbour Trust contract botanist completed a post-fire survey of 6.5 hectares of Eastern Suburbs Banksia Scrub (ESBS) that had been burnt in May 2018. The survey evaluated fenced and unfenced areas and the impact of rabbit predation on regenerating flora before and after the planned burn.

In 2022, the Harbour Trust joined a NSW Environmental Trust program to monitor and regenerate ESBS across NSW. In 2021 this plant community, which is found at North Head, was re-classified under the *Environment Protection and Biodiversity Conservation Act 1999* (EPBC Act) from an 'Endangered' to a 'Critically Endangered' Ecological Community.

The Harbour Trust received a fifth year of grant funding of \$16,000 under the NSW Department of Planning & Environment 'Saving our Species' program for bush regeneration works and a botanical survey of the endangered wattle species, *Acacia terminalis* 'Eastern Sydney', that occurs at North Head Sanctuary and Headland Park.

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

The Harbour Trust continued to work closely with the North Head Sanctuary Foundation (NHSF) which contributed approximately 3,000 volunteer hours propagating over 2,600 plants, and weeding and planting more than 800 native plants across North Head Sanctuary. Volunteers also contributed 267 hours in community outreach and citizen science projects. NHSF activities in the reporting period were reduced due to COVID-19 restrictions.

The Harbour Trust continues to collaborate

with neighbouring landholders at North Head Sanctuary and Headland Park including NPWS to manage endangered native species, populations and communities, feral animals and weeds.

The Harbour Trust's program of ongoing landscape maintenance works continued across all its sites in 2021–22, despite months of heavy rainfall and saturated grounds. These works included mowing and edging of lawns, arborist works, weeding, bush track repairs, mulching and planting of garden beds. At Cockatoo Island / Wareamah and Sub Base Platypus, measures to deter Silver Gull roosting were maintained. Routine cliff weed management works were carried out at Sub Base Platypus and Cockatoo Island / Wareamah.

Extensive repairs and associated drainage works were carried out on bushland trails and walking tracks at North Head and Headland Park following heavy rain throughout the reporting period.

Over 5,000 native trees, shrubs, grasses and groundcovers were planted by Harbour Trust contractors during the year across various sites.

Harbour Trust volunteer gardeners continued planting and maintaining garden beds around Biloela House and the accommodation buildings at Cockatoo Island / Wareamah, and at the former Australian School of Pacific Administration (ASOPA), Middle Head, however gardening activities were reduced due to COVID-19 restrictions.

Planning

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

Actions proposed on Harbour Trust land are assessed to ensure compliance with approved Plans, to identify potential environmental impacts, and to put conditions in place to avoid or mitigate those impacts. In 2021–22, the Harbour Trust completed environmental assessments for 10 proposed actions.

Consultation

Between 22 June and 19 July 2021, the Harbour Trust formally consulted the community on the exposure draft of the *Sydney Harbour Federation Trust Regulations 2021*. Community feedback was invited through direct notifications, newspaper advertisements and notices on the Harbour Trust website and e-newsletters. At the end of the exhibition period, the Harbour Trust received eight submissions, all of which were broadly supportive of the draft Regulations.

Following receipt of feedback and consideration by Parliament, the *Sydney Harbour Federation Trust Regulations 2021* commenced on 14 September 2021, replacing the 2001 Regulations which were due to sunset on 1 October 2021.

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

- The Harbour invited members of the First Nations Community to attend two workshops held on 2 November 2021 and 9 November 2021. These workshops, facilitated by Wesley Enoch, helped the Harbour Trust identify a set of guiding First Nations cultural principles that could be embedded and used across the organisation.
- Throughout the reporting period, the Harbour Trust continued to seek feedback from its advisory committees: General Community Advisory Committee; Sub Base Platypus Community Advisory Committee; and the Aboriginal and Torres Strait Islander Advisory Group. The Harbour Trust adopted a hybrid digital / in-person approach to meetings to further encourage participant attendance.
- Harbour Trust staff regularly met with community groups and individuals to discuss areas of interest. Additionally, the organisation worked closely with State and Federal Government agencies as well as local councils, with staff across the Harbour Trust participating in working groups, networks and committees.

- In 2020, the Harbour Trust established the North Head Bushfire Recovery Advisory Group (BRAG) with NPWS and other stakeholders and experts to assist in the recovery effort after the October 2020 bushfire at North Head. The third and final meeting of the BRAG took place in October 2021. The BRAG resulted in the development of a joint NPWS/Harbour Trust recovery plan for North Head which is now being implemented.

Environmental performance

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

Ecologically Sustainable Development

ESD is a key focus of the Harbour Trust. The protection, conservation and interpretation of environmental values are included as objectives in the *Sydney Harbour Federation Trust Act 2007* and Harbour Trust Comprehensive Plan. The annual report provides many examples of how the Harbour Trust has achieved this over the year. The Torpedo Factory renewal project commenced in 2021-22 and when completed will be a notable example through its delivery of new landscaped

parkland, with rainwater collection and solar photovoltaic panels on the adapted remnant portion of the building.

Head office — environmental performance

The Harbour Trust assesses its environmental performance and establishes its goalsetting based on the guidelines published by the Global Reporting Initiative (GRI). This involves measuring our head office’s consumption of energy, fuel and water; as well as our generation of waste and greenhouse gas emissions.

As with the two preceding financial years there were fewer staff working in the Harbour Trust office in 2021-22 due to changed working arrangements in response to COVID-19. This factor will have substantially contributed to the decreased consumption of water, energy, and fuel. Indeed, each of these categories recorded their lowest level of consumption by the Harbour Trust in 15 years of records. Despite the resulting reduction in gross greenhouse gas emissions there was however an increase in net emissions. This was due to diminished production of renewable energy by the Harbour Trust’s photovoltaic panels, which can be attributed to the declining efficiency of the panels as well as overcast conditions associated with the La Niña.

Note regarding charts: Financial Years are referred to by the year end – e.g. 2021-22 is referred to as ‘22’.

HARBOUR TRUST HEAD OFFICE — ENVIRONMENTAL PERFORMANCE			
GRI Indicators	Targets for 2021-22	Results achieved for 2021-22	Targets for 2022-23
Water consumption (GRI 303)	Not exceeding the long-term average	30% Reduction	Not exceeding the long-term average
Energy consumption within the organisation (GRI 302)	Not exceeding the long-term average	6.2% Reduction	Not exceeding the long-term average
Fuel consumption (GRI 302)	Not exceeding the long-term average	32% Reduction	Not exceeding the long-term average
Waste generation (GRI 306)	No increase	No increase	No increase
Greenhouse gases (GRI 305)	No increase	29% increase in net emissions	No increase in net emissions

Resource consumption

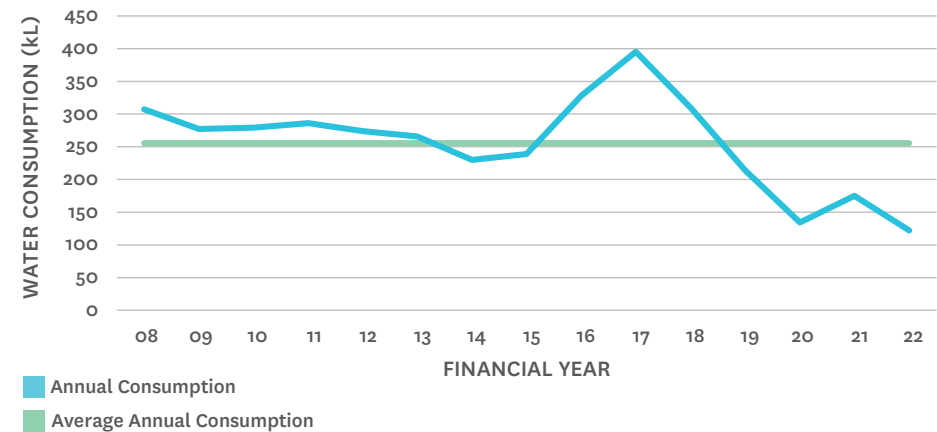
Water consumption

The Harbour Trust’s head office consumed less potable water in 2021-22 than the previous year, recording its lowest level in 15 years of records. The Harbour Trust achieved its target for 2021-22 of not exceeding the long term average, which continues to be our target for 2022-23.

Staff numbers have been adjusted for the table below to reflect the lower number of staff working in the office due to COVID-19 restrictions. The high level of rainfall this year will have kept our rainwater tanks replenished, helping to further reduce the use of potable water.

WATER CONSUMPTION (POTABLE)				
	Annual average (2007-2022)	2020-2021	2021-2022	% Change
Total Office Consumption (L)	255760	174850	122230	-30%
Average Daily Consumption (L)	1023	694	491	-29%
Daily Average per Person (L)	19	20	13	-34%

Water consumption



Bungaree’s Walkway at Georges Heights, Headland Park.

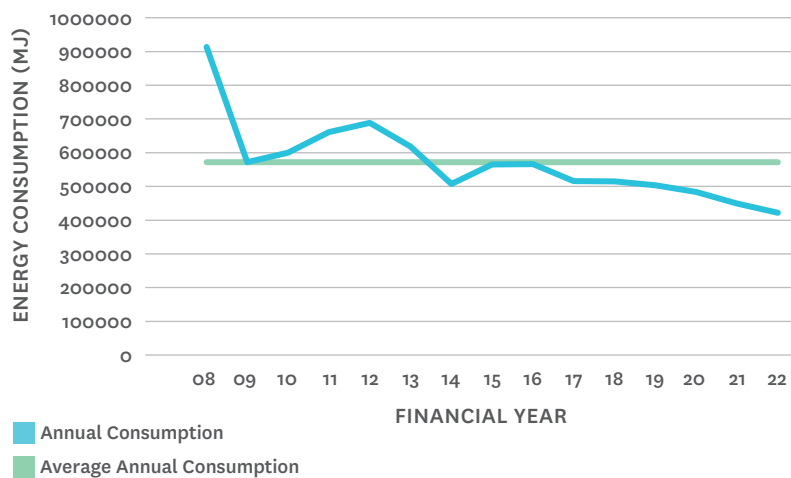


Energy consumption

Energy consumption in 2021-22 was 6.2% lower than the previous year, achieving the lowest level of consumption recorded in 15 years of records. This was in keeping with the Harbour Trust’s target of not exceeding the long-term average, which will remain our target for 2022-23.

ENERGY CONSUMPTION				
	Long-term Average (2007-22)	2020-21	2021-22	% Change
Total Consumption (MJ)	572,112	449,622	421,960	-6.2%

Office energy consumption



Energy Efficiency in Government Operations (EEGO) Policy

The Energy Efficiency in Government Operations (EEGO) Policy was published in 2007 and applies to all Commonwealth agencies covered by the *Public Governance, Performance and Accountability Act 2013*. In 2021-22 the Harbour Trust achieved the Australian Government’s EEGO targets.

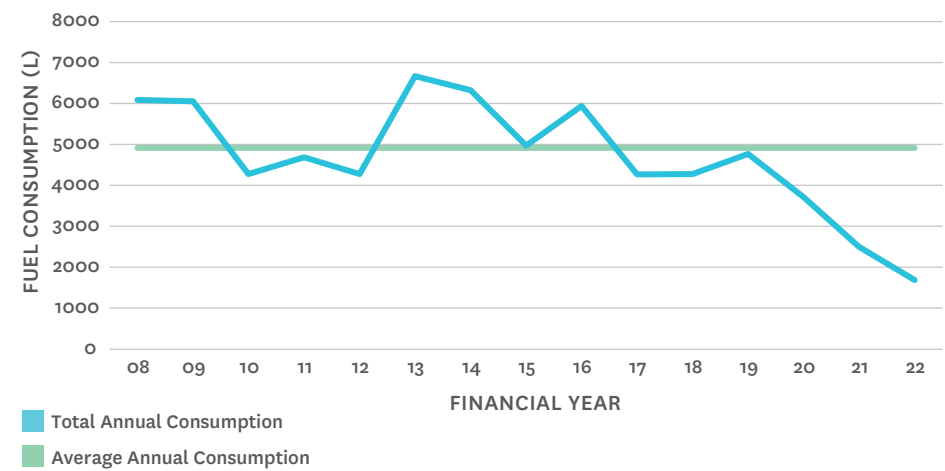
ENERGY CONSUMPTION		
	EEGO Policy Target	2021-22
Central services (MJ/m ² /annum)	400	148
Office light and power (MJ/person/annum)	7,500	4,688

Fuel consumption

In 2021-22, the Harbour Trust’s fuel consumption was reduced by 32%, and was the lowest recorded in 15 years, achieving our target, which we will aim for again in 2022-23.

FUEL CONSUMPTION (LITRES)				
		2020-21	2021-22	% Change
VEHICLES	Unleaded	1139	470	
	Diesel	458	253	
BOATS	Unleaded	901	966	
TOTAL FUEL		2,498	1,689	-32%

Fuel consumption



Waste generation

The Harbour Trust’s head office generated approximately 3.6 tonnes of general waste in 2021-22. The Harbour Trust estimates its waste generation using the volume of bins (which are shared with adjoining tenancies) collected by our waste contractor and taking into account the lower number of staff in the office. Our target of no increase was achieved, and this will continue to be the target for 2022-23.

The Harbour Trust used 2.5 reams of paper per staff member at the head office in 2021-22, in accordance with our target. For 2022-23, our goal is to not exceed this level of paper usage.

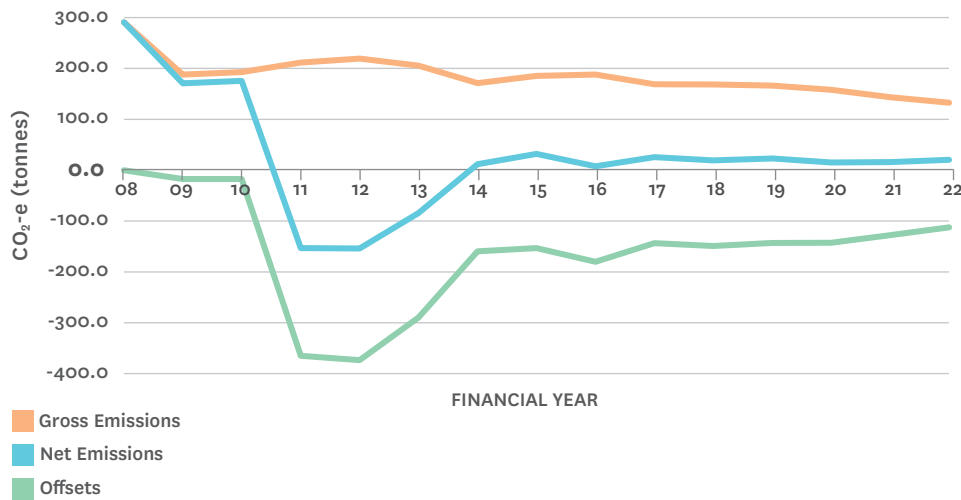
Greenhouse gas emissions

The Harbour Trust measures its head office’s gross greenhouse gas emissions by calculating the tonnes of carbon generated by its consumption of energy and fuel, and by waste going to landfill.

Despite gross emissions of carbon decreasing in 2021-22 by 10.6 tonnes there was however an increase in net emissions of 4.6 tonnes. As discussed earlier, this is attributed to the reduced effectiveness of the photovoltaic arrays at Cockatoo Island / Wareamah and North Head Sanctuary. The Harbour Trust will investigate opportunities for increasing the level of renewable energy it produces to offset its gross emissions.

GREENHOUSE GAS EMISSIONS (TONNES OF CO ² -E)			
	2020-21	2021-22	% Change
Total gross emissions	143.3	132.7	-7
Less offset (Renewable Energy/Photovoltaic)	-127.6	-112.4	-12
Total net emissions	15.7	20.3	+ 29.3

Greenhouse gas emissions



Performance management

Criterion source

- Program 1.1, 2021-22 Portfolio Budget Statements – Agriculture, Water and the Environment, p. 368.
- Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Steward Our Parklands – p. 12.

Results against performance criterion

The Harbour Trust’s 2021-2025 Corporate Plan set the following strategic goals to be achieved for this criterion:

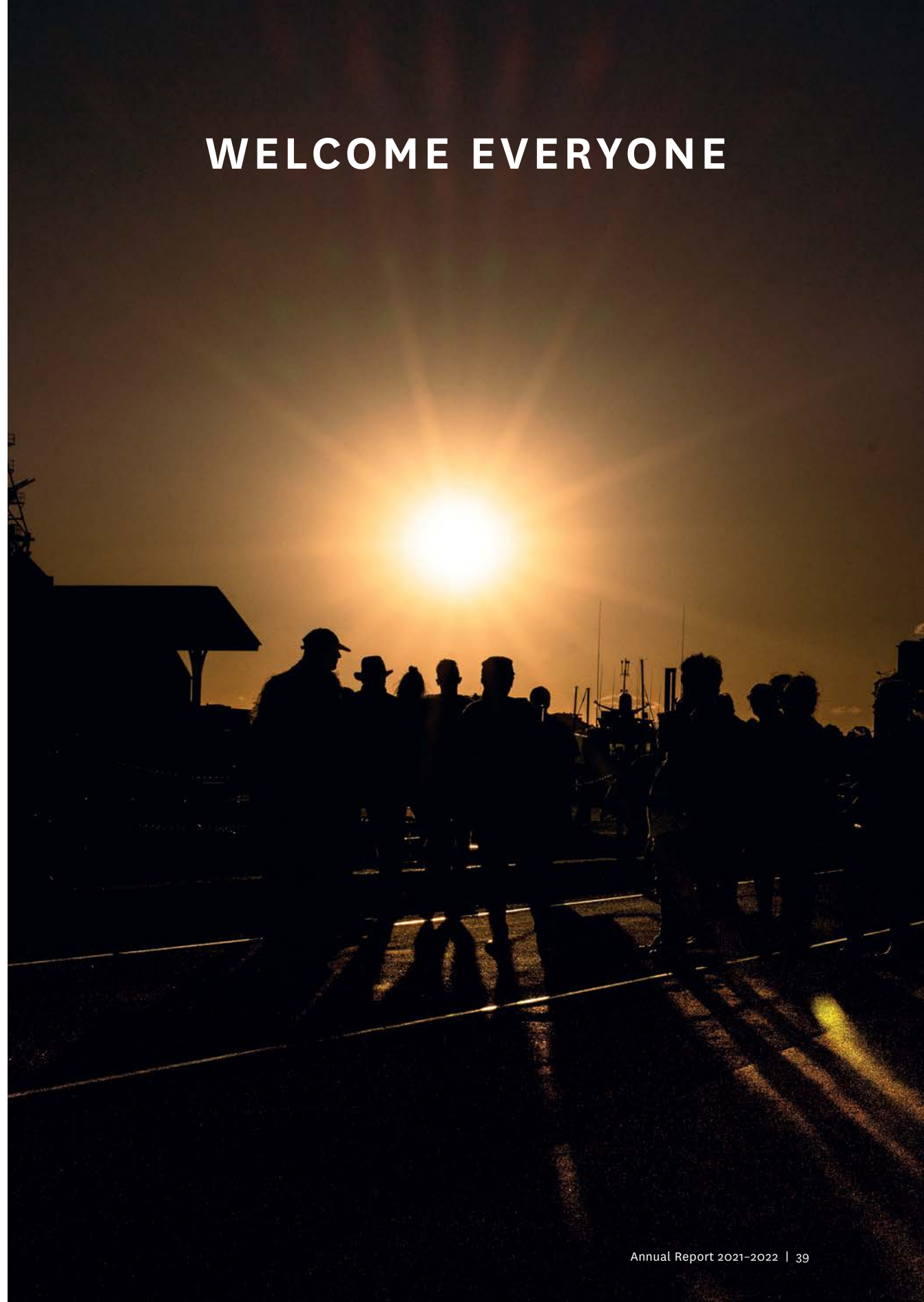
STRATEGIC GOALS	
1.	Be a leader in the conservation, interpretation and adaptive reuse of heritage assets, and progressively bring more spaces back to life.
2.	Partner with Indigenous custodians to care for the land.
3.	Rehabilitate and preserve our natural environment.

In 2021-22, the Harbour Trust set the following priority actions and management metrics in relation to this criterion:

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Director, Assets & Parklands	Achieved
1. Progress renewal works on the Torpedo Factory at Sub Base Platypus, including delivering new public spaces.	Project in Construction. Construction to be complete Q3 2022-23. Project Interpretation/landscaping is in design phase.
Director, Assets & Parklands	Partially achieved
2. Progress the development of a Middle Head Concept (including restoration of 10 Terminal buildings and associated public parklands).	Project delivery delayed due to requiring additional community consultation and suffering consequences of COVID-19 impacts through the year. Stakeholder engagement workshops have started again in July 2022. External building preservation works are in-progress with completion forecast August 2022.
Director, Assets & Parklands	Achieved
3. Continue to evolve the Strategic Asset Management Plan by engaging with external specialists to deliver a 10-year asset maintenance plan and to progress the planning and delivery of works. <i>(Independent Review action)</i>	Strategic Asset Management Plan contractor commenced delivering site condition audits. Draft condition assessment audits and plan documentation being matured concurrently in draft format for review/consideration. Completion estimated Q2 2022-23.
Director, Assets & Parklands	Achieved
4. Progress the backlog capital works program. <i>(Independent Review action)</i>	Year two of program is on target. Several projects delivered including the residential dwellings upgrades and historical restoration projects on Cockatoo Island / Wareamah. Preliminary scoping of larger projects has commenced for delivery in 2022-23.

RESPONSIBILITY / PRIORITY ACTION	STATUS / Q4 PERFORMANCE
Director, Strategic Reform	Achieved
<p>5. Develop investment cases for the adaptive reuse of assets at Cockatoo Island / Wareamah and North Head Sanctuary, based on the Draft Concepts exhibited in 2021 and the community's feedback.</p> <p><i>(Independent Review action)</i></p>	<p>Investment cases were prepared during the year, including costing analysis, visitation and economic benefits. This was shared with the Department and the previous Minister. Further funding has not been provided through budget processes to date - decisions around timing and quantum of Federal funding is subject to Cabinet processes.</p>
Executive Director	Achieved
<p>6. Further embed First Nations principles in the planning stages of works, as well as increase the level of First Nations partners assisting with the delivery of works.</p> <p><i>(RAP action)</i></p>	<p>Workshops with a broad range of First Nations communities took place in November 2021 to inform a set of cultural principles and an overarching framework that can be used as a to guide and inform current capital projects and master plans.</p> <p>Recruitment for a senior First Nations staff member currently underway. First Nations engagement with early planning stages / future vision for 10 Terminal.</p>

Opposite page: Docks Precinct, Cockatoo Island / Wareamah at sunset.
 Current page: Translocation and release of Brown Antechinus with Australian Wildlife Conservancy and Janet Carding, North Head Sanctuary.



The popularity of our sites continued to increase across the period showing the important role that our parklands and heritage locations play to local communities and Greater Sydney in providing public green space as well as a place for respite, exercise and rediscovery during periods of COVID-19 restrictions.

In early 2022 the Harbour Trust started to welcome back domestic visitors and a small amount of international tourists with visitors returning to experience our locations and a small program of activation and events. This is reflected in the strong visitor numbers across the four principal sites attracting a record number of visitors at 1.97 million.

Visitors and engagement

The Harbour Trust parklands are important Sydney places with a rich and layered history.

The Harbour Trust continued to share and amplify the important history and stories of our sites, continuing our focus on a digital and contactless approach to programming supported by guide-led tours when COVID-19 restrictions allowed.

The digital offering included an online portal providing access to stories of people connected to Harbour Trust sites, children’s educational and art activities and immersive experiences on Google Arts and Culture. The program also included a celebration of the 20th anniversary of the Harbour Trust through developing video content with interviews of 20 community representatives published along with a three-part docu-series telling the history and the story of the Harbour Trust. The series recognised the contribution the community has made to the Harbour Trust telling the Harbour Trust story from the community’s perspective.

During the reporting period, the Harbour Trust enhanced and expanded its ‘Hello Harbour Trust’ programme. This initiative, launched in October 2020, employs physical signage, QR Codes, artificial intelligence, and mobile text message functionality to provide visitors to our sites with an always on source of information, including history, wayfinding, and details about local attractions.

Visitors engage with ‘Hello Harbour Trust’ by scanning the QR codes on signs corresponding with historical and contemporary landmarks, objects, and structures and engaging in a text message conversation. In addition to educating visitors about our sites, the initiative also provides the Harbour Trust with an ‘always on’ survey tool that allows us to measure visitor satisfaction and collect quantitative and qualitative feedback.

Enhancements made in 2021-22 include comprehensive revisions to the information and signage at Cockatoo Island / Wareamah, Headland Park, North Head Sanctuary, and Sub Base Platypus as well as the introduction of this initiative to Macquarie Lightstation and Woolwich Dock & Parklands.

To date (October 2020 to June 2022), the initiative has seen 12,256 individuals engage in 19,435 conversations with key landmarks, objects and structures, totalling 47,645 individual interactions (text messages).

Between 1 July 2021 and 30 June 2022 alone, the initiative saw 7,881 people engage in 11,338 conversations totalling 26,221 interactions.

The Harbour Trust continued its digital-first approach to visitor engagement. This included leveraging Facebook, Instagram, Twitter, LinkedIn and YouTube to communicate with our 68,250 social media followers, distributing 29 e-newsletters to a combined database of 32,694 e-news subscribers. Additionally, seven e-newsletters were sent to a combined database of 2,499 schools and vacation care providers.

Tours and education

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

Cockatoo Island / Wareamah tours recommenced in January 2022 with the educational programme starting shortly after from February 2022. Volunteer led tours at North Head Sanctuary and Headland Park recommenced in April 2022

when the Harbour Trust was able to offer visitors a COVID-safe environment and availability of Volunteer guides to conduct tours were achieved.

Weekend tours saw an increase in sales following the decision to provide regular weekly tours every weekend to allow the public greater flexibility to visit when they feel confident or comfortable to do so. This has been a positive move during this time of uncertainty due to COVID-19 and the poor weather.

During the period of lockdown, the Harbour Trust took the opportunity to review and refine the Cockatoo Island / Wareamah education program to ensure that stage-specific NSW Syllabus and Australian Curriculum Outcomes were met. In addition, they are now presented as part of a lesson sequence. This provides classroom teachers with pre-visit and post-visit lessons, resources and activities. Excursion content is now Stage (year-group) specific, and each excursion builds on the historical learning and ideas from the previous Stage’s excursion.

Advertising and market research

The Harbour Trust’s 2021–22 advertising campaign to encourage visitation was placed on hold, with all visitor-facing advertising paused for 2021. Advertising to promote our visitor destinations, accommodation, tours, and digital offering recommenced early 2022 when programming and events recommenced.

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

External services

ORGANISATION	PURPOSE	EXPENDITURE*
Facebook Ireland Limited	Advertising of visitor products and community participation / feedback opportunities.	\$43,048.52
Google Asia Pacific Pte Ltd	Advertising of visitor products and community participation / feedback opportunities.	\$18,085.48
Hello Lamp Post	Provision of visitor information / seeking visitor research information.	\$66,985.00

*Excluding GST.



Left: Brad Manera, Midget Submarine Tour, Plotting Room, North Head Sanctuary. Right: ‘Hello Harbour Trust’ signage, Chowder Bay, Headland Park.

Programming

In 2021–22, the Harbour Trust continued to offer programming through digital focused content; this was accessed through the Harbour Trust website to engage audiences while general programming was paused, due to COVID-19 restrictions.

The program was focused around three streams: DigiTales — a series of six articles were created in this period and featured historical figures synonymous with Harbour Trust heritage places; an online school holiday program; and the development of three part documentary on the previous 20 years of the Harbour Trust accompanied by 20 individual video interviews with community representatives and past Harbour Trust staff members.

During the period, new programming was created and received well from visitors and the community. These included;

- A September school holiday program that included an online art class where participants were guided to paint a Cockatoo, online jigsaw puzzles promoting fauna local to Harbour Trust sites and kids colouring in activities.
- A successful family friendly event at the Headland Park Artists Precinct held as part of Reconciliation Week and the Gai-mariagal Festival on Saturday 28 May. A suite of activities occurred across the day including: Welcome to Country and smoking ceremony, Aboriginal sand painting with artist and educator Walangari Karntawarra, storytelling, live music performed by Green Hand Band, boomerang painting workshop, and a sausage sizzle raising funds for Tribal Warrior's education program. The intention is that this will become an annual event.
- A sold out bespoke tour commemorating the 80th Anniversary of the midget submarine attack on Sydney Harbour and developed in collaboration with Member of the Trust and Senior Historian and Curator with the Anzac Memorial Brad Manera.

It is to be noted that a number of significant scheduled events and programs were cancelled and rescheduled due to COVID-19 restrictions.

Projects, events and partnerships

Initiatives, including projects, events and partnerships, for 2021–22 are listed below:

Cockatoo Island / Wareamah

- *Celebrity Apprentice Filming* (Dec 2021) — Warner Brothers Australia
- *Red Hot Summer Tour* (Feb 2022) — Regional Touring
- *KFC Festival* (Mar 2022) — Geometry Australia
- *Aboriginal Mental Health & Wellbeing event* (Apr 2022) — Babana Aboriginal Men's Group Redfern
- *Cockatoo Island / Wareamah Orienteering Course* (ongoing) — Orienteering NSW

Headland Park

- *Harbour Trust 20th Anniversary Celebrations* (Nov 2021)
- *BTC Triathlon Series* (Nov 2021 - Mar 2022) — Balmoral Triathlon Club (BTC)
- *Group Art Exhibition* (Mar 2022) — Headland Artists
- *Anzac Day* (Apr 2022) — Mosman RSL Sub-branch
- *Gai-mariagal Festival* (May 2022) — Harbour Trust
- *Headland Park Organic Food Markets* (ongoing) — Choulartons Australia
- *Headland Park Orienteering Course* (ongoing) — Orienteering NSW

North Head Sanctuary

- *Production Office* (Sep 2021 - Feb 2022) — After the Verdict filming
- *Handover Of the Commanding Officer of the 2nd/17th Battalion* (Nov 2021) — The Royal New South Wales Regiment
- *WTC Triathlon Club Series* (Nov 2021 - ongoing) — Warringah Triathlon Club (WTC)
- *Filming for TV series* (Jan - Jun 2022) — Endemol Shine Australia
- *Filming for TV series* (Mar 2022) — Netflix
- *Defence of Sydney Commemorative Event* (May 2022)

Sub Base Platypus

- *Photoshoots* (Oct & Nov 2021, Mar 2022) — Qube Productions
- *Aboriginal Mental Health Day* (Nov 2021) — Babana Aboriginal Men's Group Redfern
- *Historical Guided Walking Tours* (Dec 2021, May 2022) — Naval Historical Society of Australia
- *Aboriginal Employment Day* (Feb 2022) — Babana Aboriginal Men's Group Redfern

Rangers

In 2021–22, the Harbour Trust Rangers are a team of nine who continue to support visitors, manage visitor security and safety, and respond to emergencies and incidents. They also ensure compliance with our regulations and provide visitors with access to information. Whilst COVID-19 required significant management, the Rangers provided on the ground support to ensure social distancing requirements were adhered to on parklands and across onsite food and beverage businesses, as well as managing crowds accessing public transport from Cockatoo Island / Wareamah.

Harbour Trust Ranger at visitor centre, North Head Sanctuary.



Performance management

Criterion source

- Program 1.1, 2021-22 Portfolio Budget Statements – Agriculture, Water and the Environment, p. 368.
- Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Welcome Everyone – p. 14.

Results against performance criterion

The Harbour Trust’s 2021-2025 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

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

In 2021-22, the Harbour Trust set the following priority actions and management metrics in relation to this criterion:

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Director, Strategic Reform	Partially achieved
1. Collaborate with the community, as well as State and Local Governments, to develop master plans for Cockatoo Island / Wareamah and North Head Sanctuary. <i>(Independent Review action)</i>	Whilst concept plans were developed and shared with stakeholders in 2020/21, involving substantial community and Government consultation, the next stage of master planning has only been able to progress to the vendor selection stage. This work will be finalised in the second half of 2022-23.
Director, Marketing & Visitor Experience	Achieved
2. Support a renewed growth in the visitor economy through increasing activation across our sites.	Events and activations returned across our sites following the closure during the pandemic. This includes re-opening the general historical tour program across North Head Sanctuary, Georges Heights and Cockatoo Island / Wareamah, re-launching our education program to schools and students, major events returning to Cockatoo Island / Wareamah across February and March. During the performance period the Harbour Trust continued to support low to medium filming projects, community events (ANZAC Day & Defence of Sydney Service), wedding ceremonies and sporting events.

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Director, Marketing & Visitor Experience	Achieved
3. Grow our profile through increasing delivery of marketing and communications activity.	The Harbour Trust restarted promotion of Cockatoo Island / Wareamah tours and accommodation with targeted advertising campaigns designed to build brand awareness and strengthen our marketing database. Additionally the team delivered on-site historical interpretation and visitor information to users through a mix of interactive signs and AI technology. The Harbour Trust has executed media opportunities for the 20th Anniversary (SMH & 2GB), 10 News feature on the successful reintroduction of the Brown Antechinus to Sydney’s North Head Sanctuary, Channel 7Two segment filmed by Travel Oz with Greg Grainger exploring North Head Sanctuary and interview with new Executive Director on ABC Radio with Richard Glover.
Director, Projects/Director, Marketing & Visitor Experience	Achieved
4. Progress 10 Terminal and Sub Base Platypus interpretation plans to reflect the layered history and rich stories of the two sites, including substantive First Nations interpretation.	Interpretation concepts for Sub Base Platypus (Torpedo Factory) are being finalised ready for tendering including First Nations components designed by Yerrabingin. A First Nations workshop was held 30 June 2022 to discuss values and aspirations for 10 Terminal and how we could approach interpretation at Middle Head.
Executive Director	Achieved
5. Embed and progress key initiatives within the Reconciliation Action Plan, including dual naming for Cockatoo Island / Wareamah.	The second year of the RAP concluded June 2022 with our commitment to the RAP activities and ethos demonstrated through the 49 of 56 initiatives met. Most notable; - dual naming for Cockatoo Island / Wareamah, gazetted by the NSW Geographical Names Board. - successful introduction of a new Reconciliation Week event, the Gai-mariagal festival. - development and implementation of Harbour Trust Guiding Principles of working with First Nations stakeholders and organisations. - development of our Indigenous Procurement Strategy.
Director, Marketing & Visitor Experience	Achieved
6. Recognise the contribution of the community to the work of the Harbour Trust as it marks its 20-year anniversary since establishment.	The Harbour Trust completed its 20th anniversary interview series with interviews of 20 community representatives published along with a three-part docu-series. The series recognised the contribution the community has made to the Harbour Trust telling the Harbour Trust story from the community’s perspective. The Harbour Trust was also able to hold a civic event to bring 200 members of the community together and celebrate this important milestone.

BUILD PARTNERSHIPS



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

Volunteers

As a result of COVID-19 restrictions the Volunteer Program was suspended in July 2022 and did not return in its full capacity with all roles and teams until April 2022.

Volunteer teams returned gradually with the behind-the-scenes roles of gardening, restoration, and administration recommencing first. The public facing roles of Visitor Services, community speakers, and tour guides returned from March 2021. Operating procedures and refresher training for Guides and Visitor Services were updated and conducted.

The Harbour Trust engages volunteers across 18 different role types including both public facing and behind-the-scenes activities. Challenges have been faced filling rosters in Visitor Centres and initial delays commencing volunteer run tours due to bad weather.

The Harbour Trust's 210 volunteers contributed 5,763 hours in 2021-22. In addition, over 2,997 were contributed by the North Head Sanctuary Foundation (NHSF) and the Community Advisory Committee Volunteer.

The restoration teams are actively working on the remediation of the North Head Sanctuary Command Post, Battery Observation and Search Engine Room and the Cockatoo Island / Wareamah Travelling Crane #1 and FMB Boat Restoration.

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

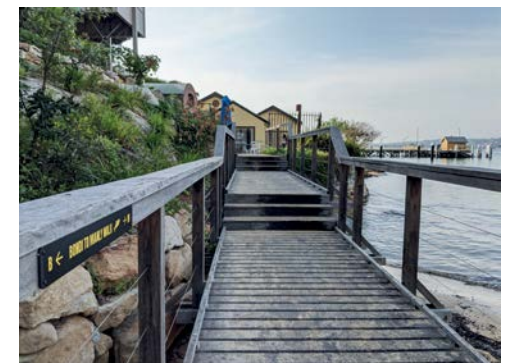
Local partnerships

Important partnerships continued in 2021-22 with key organisations working with the Harbour Trust to deliver shared ambitions.

Bondi to Manly Walk

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

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



Bondi to Manly Walk, Chowder Bay, Headland Park.



Babana, Aboriginal Employment Day at Sub Base Platypus. Credit: Jonas Liebschner, NRMA Photographer.

Babana Aboriginal Men's Group

A partner since February 2021, the Harbour Trust works with Babana Aboriginal Men's Group to host regular First Nations Community events at Sub Base Platypus and Cockatoo Island / Wareamah. The events aim to improve engagement and outcomes for First Nations people and communities. Three events were hosted at these locations in the reporting period. These included two employment events which aimed at generating opportunities for First Nations peoples. The Harbour Trust participated and actively promoted Harbour Trust careers at one of these events.

Performance management

Criterion source

- Program 1.1, 2021-22 Portfolio Budget Statements – Agriculture, Water and the Environment, p. 368.
- Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Build Partnerships – p. 16.

Results against performance criterion

The Harbour Trust's 2021-2025 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

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

In 2021-22, the Harbour Trust set the following priority actions and management metrics in relation to this criterion:

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Director, Marketing & Visitor Experience	Partially achieved
1. Continue to strengthen and grow our volunteer network.	From early March all Volunteer roles have returned to duty. Challenges have been faced filling rosters in Visitor Centres and recruitment for these roles will be prioritised. After initial delays commencing volunteer run tours due to bad weather, tours at North Head resumed in April. Volunteers delivered a special sold-out tour in June commemorating the 80th anniversary of the midget submarine attack on Sydney Harbour A new Volunteer Manager has been recruited and commenced in July 2022.

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Director, Planning	Achieved
2. Continue to cultivate partnerships that help us deliver environmental outcomes in line with our legislative objectives, such as the North Head Sanctuary Foundation.	Australian Wildlife Conservancy's contract for environmental services at North Head has been extended by a year to support ongoing bushfire recovery efforts. A tender for the service will be prepared in 2022. Renewing our arrangement with North Head Sanctuary Foundation will be a focus in the coming months.
Executive Director	Partially achieved
3. Finalise and implement a new Stakeholder Engagement Strategy and Governance Framework. <i>(Independent Review action)</i>	Whilst the finalisation and implementation of the new framework is close, it is not going to be completed until the first quarter of 2022-23. A further revised draft strategy was developed and tested with community representatives.
Executive Director	Achieved
4. Nurture working relationships with First Nations stakeholders.	Workshops with a broad range of First Nations communities were undertaken in November 2021 that led to a set of cultural principles and an overarching framework which are now being used to guide and inform capital projects and master plans. In addition, the Trust is in the process of recruiting a senior First Nations staff member to provide leadership in delivering a range of First Nations initiatives as well as enhance relationships with First Nations communities.
Director, Planning/Director, Marketing & Visitor Experience	Achieved
5. Strengthen mechanisms and processes for engaging with both the New South Wales Government and Local Councils. <i>(Independent Review action)</i>	Regular meetings took place with relevant agencies on various matters, such as: - North Head inter-agency stakeholder meetings - North Head Bushfire Recovery Advisory Group (final meeting was Oct 2021) - Middle Head project coordination with NPWS - Sub Base Platypus project coordination with North Sydney Council - Member of NPWS's South Head Master Plan advisory group. A consistent schedule of General Community Advisory Committee meetings occurred in Q4 with active participation across local councils.
Director, Strategic Reform	Partially achieved
6. Work with the Department of Agriculture, Water and the Environment to develop a cooperation agreement with the NSW Government and resolve long term arrangements for North Head Sanctuary. <i>(Independent Review action)</i>	Whilst the process is being led by State and Federal Ministers, the Trust continues to provide support as required. With the prior Government there has been a series of meetings and workshops, culminating in a positive exchange of letters between Ministers. However, with a new Government in place, engagement is set to recommence.

A ROBUST BUSINESS



The Harbour Trust's leasing and accommodation portfolio continued to be impacted by the COVID-19 pandemic during 2021-22, resulting in further rent relief for the tenants most impacted by COVID-19 restrictions, the closure of short-term accommodation on Cockatoo Island / Wareamah and the postponement of major events planned for Harbour Trust sites. With the redesign of several internal programs and other cost savings measures, the Harbour Trust delivered an underlying operating result (net of the impact of government funded programs) in line with budget despite the material effect of COVID on revenue. Demand for tenancies, venue hire and accommodation has proven to be resilient and presents an opportunity to build on the momentum developed during the latter half of 2021-22.

Significant work occurred across the year to strengthen the Harbour Trust's procurement function and support the cost efficient delivery of various major projects and asset maintenance and renewal programs.

Commercial leasing

As previously noted, the Harbour Trust has continued to support its commercial tenants over the past 12 months as the impacts of COVID-19 continued to be felt in a number of industries. As a result, the commercial leasing portfolio has held up well in a challenging leasing environment with over 30 new leases and renewals executed over the 2021-22 year. Demand for smaller office space has been particularly strong.

All tenancies at Sub Base Platypus are now leased or under offer with a strong bias to technology and design tenants. The Harbour Trust looks forward to further activating the site once the Stage 2 works are completed in 2022-23 with a focus on innovative food and beverage offerings.

The Harbour Trust will continue to seek funding to invest in buildings not currently available for lease so that they can be added to the leasing stock and in turn fund the Harbour Trust's programs.

Residential leasing

The Harbour Trust manages 55 residential homes, located in North Sydney, Mosman, Manly and Vaucluse. Five premises within the portfolio are provided for community and social housing purposes on a subsidised rental basis. Two houses provided for community housing during the COVID-19 period were returned to the leasing pool during 2021-22.

During the year, the Harbour Trust undertook renovation works on three houses at North Head and two houses at Georges Heights. The staged renovation program will continue into 2022-23 to ensure leasing stock is refreshed and revenue is protected or enhanced.

Accommodation

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

2021-22 was again affected by COVID-19 lockdowns, domestic and international border closures and restrictions on public gatherings. Cockatoo Island / Wareamah was effectively closed to visitors from July to mid-October 2021, which saw no revenue from the accommodation business over this period. Strong demand was witnessed in the second half of 2021-22 but this was tempered by the prolonged period of wet weather resulting in the postponement of many bookings into the 2022-23 financial year or booking cancellations.

School groups and outdoor education providers continue to be strong drivers of demand.

Work commenced on a strategic review of the accommodation business, as recommended by the Independent Review. That work will continue into 2022-23 with implementation of the outcomes expected to begin during the financial year.

Licensing and venue hire

Licensing and venue hire was heavily impacted by COVID-19 restrictions including the postponement of two major events and the cancellation of a New Year’s Eve event on Cockatoo Island / Wareamah. Despite this the Harbour Trust continued to secure high-profile filming projects in 2021–22 and launched its first music festival since the beginning of 2020.

The Harbour Trust allows activities such as weddings, exhibitions, filming and photography to be conducted on Harbour Trust sites. Over the reporting year 108 low-impact permits were issued, an increase on 88 low impact permits from the previous reporting period.

Tenant Assistance Sub-Committee

In April 2020 the Tenant Assistance Sub-Committee was established to respond to the impact of the COVID-19 restrictions on the business operations of Harbour Trust tenants. The sub-committee met once during the reporting period to discuss rent relief for tenants materially impacted by the Sydney lockdown from July to October 2021. \$1.6 million in rent waivers were provided for this period with further assistance provided by way of rent deferral.

Performance management

Criterion source

- Sydney Harbour Federation Trust Corporate Plan 2021-2025 – A Robust Business – p. 18.

Results against performance criterion

The Harbour Trust’s 2021-2025 Corporate Plan set the following strategic goals to be achieved for this criterion:

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

In 2021-22, the Harbour Trust set the following priority actions and management metrics in relation to this criterion:

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Chief Financial & Commercial Officer	Achieved
1. Continue to closely manage COVID-19 impacts on the Harbour Trust’s financial position.	\$1.5m in rent waivers provided to tenants impacted by the June to October 2021 Sydney lockdown. Payment plans negotiated with tenants impacted beyond the lockdown period. Temporary expansion of tenancy footprints, provision of additional licensed areas and flexibility liquor licensing arrangements also provided to support tenants. Unspent stabilisation funding from 2020-21 is being used to support the relief program and offset COVID impacts to other revenue streams. Cost savings across the business allowed the Harbour Trust to deliver an operating result in line with budget.
Director, Marketing & Visitor Experience	Achieved
2. Partner with reputable organisations to attract new filming and event opportunities for Cockatoo Island / Wareamah and North Head Sanctuary to supplement revenue and activation activity.	Meetings with NSW Event Organising Committee and event organisers running events in 2021-22 period. Opportunities have been reduced by delays caused by COVID-19 impact, but low and medium impact events, wedding ceremonies and commercial filming and photography continued to be strong opportunities. Major events were executed on Cockatoo Island / Wareamah across Feb and March.
Director, Strategic Reform	Partially achieved
3. Continue the implementation of the remaining Independent Review recommendations. <i>(Independent Review action)</i>	Whilst the Review Recommendations were in majority complete, a number of items will transfer to 2022-23 to be delivered, including finalising and implementing the Stakeholder Strategy, Leasing Policy, and Cockatoo Island / Wareamah Accommodation strategy. Organisational design changes will occur early in 2022-23. Master planning will continue until the second half of 2022-23.
Director, Strategic Reform/Chief Financial & Commercial Officer	Achieved
4. Establish a project team to review the accommodation strategy and develop an understanding of best practice opportunities which may exist to amplify both revenue and visitor experience. <i>(Independent Review action)</i>	A project team was established during the year, and a commercial market sounding undertaken to investigate best practice opportunities, benchmarking the performance of the current accommodation offer. This market sounding was shared with Members of the Trust including recommendations to move towards best practice. Planning for the recommendations including implementation approach is underway.

STRENGTHEN OUR CAPABILITIES



Human resources

The Harbour Trust had a head count of 82, comprising 58 full-time staff, 9 part-time staff and 15 casual employees, all based in Sydney. Harbour Trust employees are engaged under section 48 of the SHFT Act, with terms of employment prescribed by the *Sydney Harbour Federation Trust Enterprise Agreement 2016–2019* (extended to 2022).

Classification	Male	Female	Full-time	Part-time	Ongoing	Non-ongoing	Casual	Total Headcount
Executive Director	0	1	1	0	0	1	0	1
Senior Executive	4	2	5	1	5	1	0	6
EL2	7	3	10	0	6	4	0	10
EL1	7	8	12	3	10	5	0	15
L6	6	4	9	1	9	1	0	10
L5	1	8	8	1	8	1	0	9
L4	1	2	2	1	2	1	0	3
L3	8	4	10	2	12	0	0	12
L1 - 2	4	12	1	0	0	0	15	16
Trainees	0	0	0	0	0	0	0	0
Total	38	44	58	9	53	14	15	82

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

Equity, diversity and inclusion

The Harbour Trust has an ongoing commitment for current and future employees to demonstrate equity, diversity, and inclusiveness. The Harbour Trust reflects this approach through its RAP, Disability Action Plan and through its policies and procedures.

Executive remuneration

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

Remuneration policies, practices and governance arrangements

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

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

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

Disability Action Plan

The Harbour Trust Disability Action Plan identifies where and how the Harbour Trust can continue to adopt practices to eliminate barriers for those with a disability for both current and future employees. People with a disability accounted for 1.2 percent of our workforce in 2021-22.

Public Interest Disclosure

In accordance with the *Public Interest Disclosure Act 2013* (PID Act) the Harbour Trust reported to the Commonwealth Ombudsman that two public interest disclosures were received and assessed as meeting the criteria under section 26 of the PID Act during the 2021-22 reporting period.

Business operations

In response to its new ongoing status, during 2021-22 the Harbour Trust commenced a period of transition, focusing on strategies to build organisational culture through behaviours, capabilities, systems and processes, against the backdrop of COVID-19 and resource shortages.

The Harbour Trust has continued to embrace hybrid and mobile working. Through all-staff workshops we have established a set of behavioural expectations and values considered essential to all roles in the Harbour Trust. Embedding and delivering on these expectations and values is the responsibility of all staff, and will form part of our integrated performance management framework moving forward. Through performance management processes we are also identifying professional development needs at an individual level, coupled with key new capabilities needed organisation-wide including collaboration skills and customer service.

Alongside investing in our people, we have been improving information and communications technology (ICT) systems, driven by a new ICT strategy, with the outcome to reduce manual and paper-based systems, and modernise and join up our key business systems. Key projects delivered through the reporting period include a new Asset Management Software System and the development of a new Human Resources (HR) Management System due for completion in the first quarter of 2022-23.

These initiatives contribute to streamlining internal business practices, reducing the number and complexity of manual processes, easing resourcing pressure and improving customer focus.

Performance management

Criterion source

- *Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Strengthen Our Capabilities – p. 20.*

Results against performance criterion

The Harbour Trust’s 2021-2025 Corporate Plan set the following strategic goals to be achieved for this criterion:

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

In 2021-22, the Harbour Trust set the following priority actions and management metrics in relation to this criterion:

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
All	Partially achieved
1. Shape our organisational capabilities to meet the priorities outlined by the Independent Review. <i>(Independent Review action)</i>	The Executive has commenced three key workstreams which includes a review of strategic direction to align to our new status as an ongoing entity, establishing the desired organisational culture and beginning the changes, as well as commencing work on developing an ICT transformation strategy. The Members of the Trust are set to approve the new organisational design and implementation approach in the first quarter of 2022-23.
Executive Director/Manager, People & Culture	Achieved
2. Continue to evolve staff learning opportunities, and better leverage available content.	The delivery of training increased during the year with de-escalation training provided, staff attending offsite and online training, conferences and participated in inhouse learning opportunities through attending educational walks or listening to guest speakers. However more can be done to increase the training provided in the coming year.
Manager, People & Culture/Senior Manager, WHS	Achieved
3. Review corporate policies and procedures to ensure best practice, starting with our human resources policies and performance management framework.	Induction processes were introduced during the year including a review and update which resulted in the delivery of a robust induction program. Enterprise Agreement bargaining committee established and commenced negotiations. 10 WHS procedures were revised and updated during the year.
Director, Strategic Reform	Partially achieved
4. Source and implement an appropriate Employee Self Service HR system.	New systems have been procured and implementation is underway, but completion will occur in the first quarter of 2022-23.
Director, Assets & Parklands	Achieved
5. Deliver a new cloud-based asset management system.	Asset Management software platform 'Pinnacle' has been officially decommissioned. New cloud-based system "Asset Easy" is in place and operational.
Chief Financial & Commercial Officer	Partially achieved
6. Start to pivot data and reporting towards a precinct-based approach. <i>(Independent Review action)</i>	Quarterly property reporting by precinct underway from Q1. Options for financial reporting by precinct continue to be trialled with the methodology refined based on ongoing feedback.

RISK OVERSIGHT AND MANAGEMENT



Corporate governance

Meetings of the Members of the Trust

During the reporting period, Joseph Carrozzi AM was re-appointed as Chair; Bradley Manera, Carolyn McNally, Steven Issa, Tanya Denning-Orman, Pru Goward, Alison Page and Chantelle Fornari were appointed; Sandra Hook's term ended; and Tim James and Tanya Denning-Orman resigned.

In 2021-22, there were 10 Meetings of the Trust.

Name	Position held Executive / Non-Executive	Period as the accountable authority or member within the reporting period		
		Date of commencement	Date of cessation	Number of meetings of accountable authority attended
Joseph Carrozzi AM	Chair, Non-Executive	1 July 2021	-	10 of the possible 10
Sandra Hook	Non-Executive	29 April 2019	28 April 2022	6 of the possible 8
Tim James	Non-Executive	1 April 2019	28 April 2022	6 of the possible 7
Michael Rose AM	Non-Executive	September 2019	-	9 of the possible 10
Bradley Manera	Non-Executive	1 July 2021	-	10 of the possible 10
Carolyn McNally	Non-Executive	1 July 2021	-	8 of the possible 10
Steven Issa	Non-Executive	16 November 2021	-	4 of the possible 6
Tanya Denning-Orman	Non-Executive	16 November 2021	1 February 2022	1 of the possible 3
Alison Page	Non-Executive	31 March 2022	-	2 of the possible 3
Pru Goward	Non-Executive	31 March 2022	-	2 of the possible 3
Chantelle Fornari	Non-Executive	29 April 2022	-	2 of the possible 2

See pages 13-16 for qualifications and further information on the Members of the Trust.

Portfolio Audit Committee

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

The Portfolio Audit Committee met four times in 2021–22. Membership of the committee was refreshed during 2021-22. Information about the committee members, their qualifications, knowledge, skills or experience, their attendance during 2021–22 and their remuneration is included below. In addition to Harbour Trust management, Tim James and Steven Issa attended committee meetings representing the Members of the Trust.

Portfolio Audit Committee membership

In the reporting period members of the Committee were:

MEMBER	QUALIFICATIONS, KNOWLEDGE, SKILLS OR EXPERIENCE	NUMBER OF PAC/AUDIT COMMITTEE MEETINGS ATTENDED	TOTAL ANNUAL REMUNERATION (GST INCL.)
Mr Peter Achterstraat AM Independent member and Chair from January 2022 Financial Statements Subcommittee attendee Performance Reporting Subcommittee attendee	Mr Achterstraat B.Comm, LLB, B.Ec (Hons), FAICD, FCA, FCPA, FGIA, FIPAA, FAIM has more than 30 years experience in finance and governance. He has been inducted into the ANU College of Business and Economics Hall of Fame and has been awarded a Member of the Order of Australia for significant service to public administration through financial management and governance roles. Mr Achterstraat is currently the NSW Productivity Commissioner, Chairman, Bankstown Airport Limited, Chair, Sydney Financial Forum Limited, Chair, Australian Taxation Office Audit and Risk Committee and Chair, ASIC Audit Committee.	4	*
Mr Geoff Knuckey PAC Independent member and Chair (to 31 December 2021)	Geoff’s career has included 32 years with Ernst & Young specialising in the areas of financial statements auditing and reporting, internal audit, corporate governance, and risk management. In 2009 Geoff commenced his current full-time role as a professional director comprising board non-executive director roles and Audit and Risk Committee positions in the private and public sectors.	2	*

MEMBER	QUALIFICATIONS, KNOWLEDGE, SKILLS OR EXPERIENCE	NUMBER OF PAC/AUDIT COMMITTEE MEETINGS ATTENDED	TOTAL ANNUAL REMUNERATION (GST INCL.)
Mr Michael Roche Independent member Financial Statements Sub-Committee Chair Performance Reporting Subcommittee member	Michael is an independent management consultant. He has a wide range of experience at senior levels in the Australian Government in both central and operational departments. His background includes corporate and financial management, program management and policy development. Since leaving the public sector he has consulted widely on strategic management issues and has been a member of private sector boards and public sector advisory boards. He has been a member of, and chaired, both private sector and public sector audit committees. His qualifications include BA (Accounting), FCPA and MACS (senior).	5	*
Dr David Bryant Independent member Performance Reporting Subcommittee Chair	David has 35 years of experience in delivering IT/Business alignment and project management consultancy services across the Australian Public Service. He currently lectures on accounting information systems at the Australian National University. Dr Bryant’s expertise in ICT/Business management has enabled him to provide valuable advice and assurance to a range of government departments through consultancy and audit committee services. Dr Bryant has experience in delivering audit committee services to the Department of Human Services, IP Australia, Department of Education and the Department of Industry, Innovation, Science and Resources.	5	*
Ms Donna Hardman Independent member Financial Statements Subcommittee member Performance reporting Subcommittee attendee	Ms Hardman is a governance expert, experienced non-executive director and board committee chairman with broad experience in the private and public sectors. Her eight year non-executive director career includes roles as a non-executive director, Chairman of the Remuneration and Nominations Committee and member of the Mergers and Acquisitions Committee of an ASX-listed company during its sale and ASX-delisting. In the public sector, she holds three independent governance appointments with other Australian Government departments including one as an Audit and Risk Committee Chairman. During her 20-year executive career, Ms Hardman held international and national strategy and general management positions in the financial services sector and was founder and CEO of a boutique consultancy company responsible for building start-ups and delivering business and technical transformation projects. Qualifications: Ms Hardman holds a Bachelor of Commerce and a Master of Business Administration. She is a Graduate of the Australian Institute of Company Directors, an independent Member of the Institute of Public Administration Australia, and a Fellow of the Governance Institute of Australia. Ms Hardman recently completed a study of public/private sector innovation ecosystems, cyber security and sustainability through Tel Aviv University, Israel.	4	*

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

Fraud control

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

There were no identified instances of fraud during the reporting period.

Indemnities and insurances

In 2021–22, the Harbour Trust had the following key insurance policies with Comcover:

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

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

Procurement

The Harbour Trust’s procurement framework gives effect to the Commonwealth Procurement Rules and other relevant legislation and policies. During this reporting period the Harbour Trust’s Procurement Policy and Procedures were updated with a suite of templates developed to support a consistent approach to sourcing and tender evaluation across the organisation. The Harbour Trust also formalised Contract Management Guidelines and its Indigenous Procurement Strategy.

Tendering and contracting

In 2021–22, the Harbour Trust conducted procurement activity for 15 projects awarding contracts valued at \$26,435,744. Contracts included:

- Building Preservation Works
- Residential Building Renovations
- Wharf and Pontoon Repairs
- Consultancy Works
- Bushland Management Services
- Waste Management Services
- Repairs and Maintenance inclusive of Asset Condition Audits

The Harbour Trust also engaged consultants with a total value of \$2,853,588 (excluding GST) to provide specialist advice relating to architecture and design services, engineering, fire safety, asset management planning, risk management, concept planning and design, heritage restoration, wildlife conservancy and bushland management.

Government policy orders

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

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

Access and safety

Risk management

The risks associated with COVID-19 continued throughout 2021-22. The Harbour Trust built upon the foundations previously made to support staff, volunteers and tenants. The Harbour Trust’s robust risk-based approach in the management of COVID-19 successfully mitigated an outbreak amongst staff, and volunteers. Regular communication with all parties and stakeholders continued throughout the year including monthly Executive reports and quarterly reports to Members of the Trust and Portfolio Audit Committee.

The Harbour Trust continues to adopt a best practice risk-based approach in the identification of corporate and operational risks through ongoing reviews and updates of the risk register. Risk-based decisions are in line with its responsibilities under relevant laws and regulations.

Work Health and Safety

In 2021-22 the Harbour Trust made significant progress with 14 WHS procedures reviewed, consulted and published. Woolwich Docks and Parklands Site Risk Assessment was completed and Middle Head nearing completion. The Harbour Trust has now completed two years of its three year strategy to improve the Safety Management system.

Our agile response to COVID-19 with proactive and practical solutions to mitigate the risks presented. The Harbour Trust achieved a very high rate of vaccination with 90% of staff triple vaccinated. The measures implemented combined with a high vaccination rate helped mitigate the risk of a workplace outbreak.

Our focus in 2022-23 will be to complete the review and update of the Safety Management system including ongoing work to embed the safety management system. This will be supported through ongoing internal WHS audits to monitor the effectiveness of the WHS system in its application.

WHS statistics

HAZARDS, INCIDENTS, INJURIES	2019–20	2020–21	2021–22
Number of incidents and accidents reported	99	77	50
Number of lost time injuries	7	1	0

Notifiable incidents

There were no notifiable incidents during the 2021-22 year. There were no Comcare prosecutions or investigations during the year.

Judicial decisions and reviews by outside bodies

In 2019 the Australian Government initiated an Independent Review of the Harbour Trust and its legislative, financial and governance arrangements to ensure that arrangements are fit for the future. The final report of the review was released by the Minister for the Environment on 18 June 2020. The Harbour Trust continued to implement its responses to the Review’s recommendations throughout 2021–22.

There were no judicial decisions or decisions of other administration appeal tribunals that had a significant impact on the operation of the Harbour Trust in 2021–2022.

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

Ministerial directions

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

Performance management

Criterion source

· Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Risk Oversight and Management – p. 22.

Results against performance criterion

The Harbour Trust’s 2021-2025 Corporate Plan set the following strategic goals to be achieved for this criterion:

STRATEGIC GOALS

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

In 2021-22, the Harbour Trust set the following priority actions and management metrics in relation to this criterion:

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Senior Manager, WHS/All	Partially achieved
<ol style="list-style-type: none"> 1. Further evolve and embed the Harbour Trust Work Health and Safety (WHS) Plan to support a strong safety culture through education and training, continuous improvement of documents and executive reports. 	<p>The WHS Team reviewed, updated and implemented 10 WHS procedures throughout the year. The WHS Team also delivered monthly executive reports and quarterly Performance and Audit Committee and Board reports. The recruitment for a new WHS Officer is currently underway and anticipate commencement in early September. Once appointed the embedding of the WHS system will recommence.</p>
Senior Manager, WHS/Director, Assets & Parklands/Director, Marketing & Visitor Experience	Achieved
<ol style="list-style-type: none"> 2. Continue to embed reform to ensure best practice work health and safety standards for the management of minor capital works, events and site services activities. 	<p>Integrating WHS into events and capital works has been a large focus during the year. New WHS processes for small and medium size events were established during the year for Cockatoo Island / Wareamah and North Head. This work has streamlined the WHS processes whilst maintaining a high level of safety. The WHS Team provided support through visitation of sites for WHS inspections or provision of WHS guidance.</p>
Senior Manager, WHS	Achieved
<ol style="list-style-type: none"> 3. Maintain and support the safety of Harbour Trust staff and volunteers throughout our response to COVID-19. 	<p>The WHS team provided ongoing support across the organisation through the provision of frameworks and ongoing communication to manage the risk of COVID-19. In excess of 90% of staff are triple vaccinated against COVID-19 and 100% are double vaccinated. This high level of vaccination combined with effective systems and processes help prevent a COVID-19 outbreak within the office. The core focus of the wellbeing of staff and ability to work flexibly were paramount in the success of the Harbour Trust in responding to the risks associated with COVID-19.</p>

RESPONSIBILITY / PRIORITY ACTION	STATUS / 2021-22 PERFORMANCE
Chief Financial & Commercial Officer	Achieved
<ol style="list-style-type: none"> 4. Respond to key risks identified in the completed audits and report to the Members of the Trust and Portfolio Audit Committee on actions taken. 	<p>There are no open internal or external audit findings as at 30 June 2022.</p>

View of Sydney CBD and Chowder Bay from Georges Head Lookout, Georges Heights.



ANNUAL PERFORMANCE STATEMENTS

Statement by Members

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

The results and analysis presented in the 2021-22 Annual Performance Statements relate to the performance against the performance measures outlined in the *Sydney Harbour Federation Trust Corporate Plan 2021-2025*.

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

- accurately presents the Harbour Trust's performance in the year ending 30 June 2022 against the performance criteria detailed in the 2021-25 Corporate Plan.
- meets the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), specifically sections:
 - 37 (*Records about performance of Commonwealth entities*);
 - 38 (*Measuring and assessing performance of Commonwealth entities*);
 - 39 (*Annual performance statements for Commonwealth entities*).
- meets the requirements of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), specifically sections 16EA (*Performance measures for Commonwealth entities*) and 16F (*annual performance statements for Commonwealth entities*).

Signed,



Joseph Carrozi AM
Chair

16 September 2022

Entity Purpose

Enhanced appreciation and understanding of the natural and cultural values of Sydney for all visitors, through the remediation, conservation and adaptive re-use of, and access to, Trust lands on Sydney Harbour (Outcome 1, 2021-22 Portfolio Budget Statements – Agriculture, Water and the Environment Portfolio, p. 363).

The Harbour Trust has identified three overarching objectives that encompass the performance measures in its Corporate Plan for 2021-2025. Collectively these objectives ensure all activities and measures contribute to achieving our purpose and performance information as published in the Portfolio Budget Statements 2021-22 and the Corporate Plan 2021-2025.

Corporate Plan and Performance Measures

In 2021, the Members of the Trust approved the *Sydney Harbour Federation Trust Corporate Plan 2021 2025* (Corporate Plan) which set out the specific performance criteria for 2021-22, as well as the key performance measure targets out to 2024-25. The Annual Performance Statements report on the Harbour Trust’s performance in 2021-22 against the information published in the Corporate Plan as at 30 June 2022.

Alignment between the 2021-22 PBS and Corporate Plan

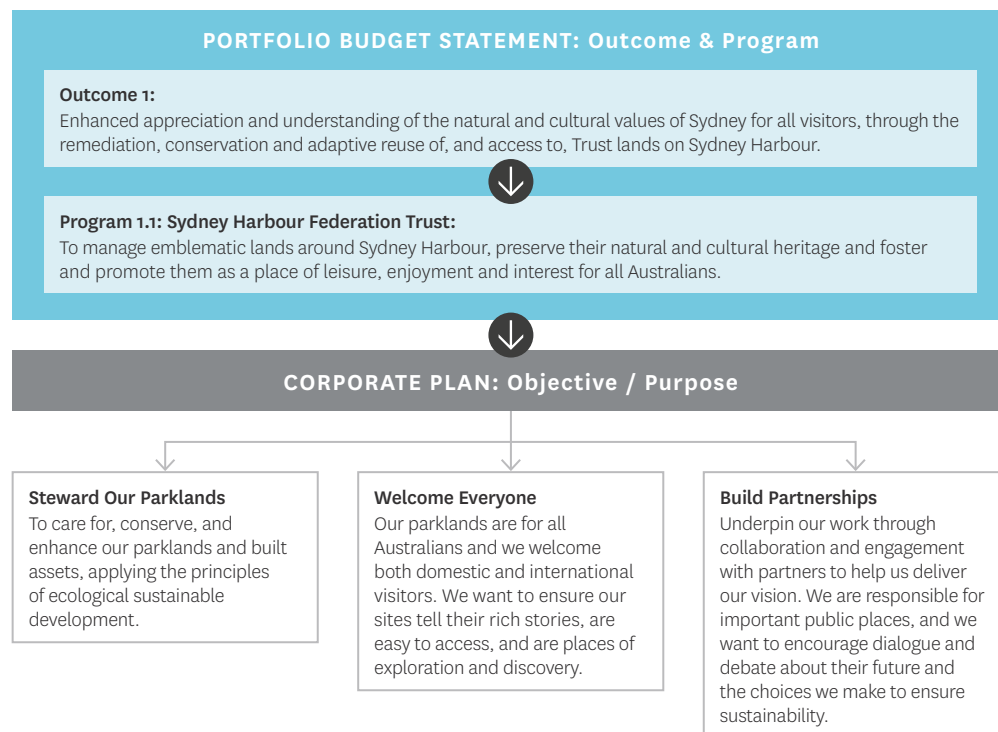


Figure 1: Alignment between the Harbour Trust’s 2021-22 PBS and Corporate Plan.

In 2021-22 the Harbour Trust achieved 4 of the 7 performance measure targets outlined in the Corporate Plan. Results and analysis against each performance measure are detailed below.

Performance criterion: Steward Our Parklands

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

Criterion source

- Program 1.1, 2021-22 Portfolio Budget Statements – Agriculture, Water and the Environment, p. 363.
- *Sydney Harbour Federation Trust Corporate Plan 2020-2024* – Steward Our Parklands – p. 12.

Key Performance Measures

PERFORMANCE MEASURES	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
% of our land open to the public	90%	90%	90%

Source Data: Internal precinct spatial maps and database.

Methodology: Measured by total land and the percentage open to the public. Measured quarterly and reported annually.

Data Source Quality, Assurance and Management: The Performance Measure relies heavily on the extent to which project funding is available. Although the Harbour Trust can petition for funds, sums received are external to Harbour Trust controls.

The internal database is manually updated and therefore accuracy could be compromised. A number of control mechanisms, such as password controls, a data custodian and a managerial review and sign off procedure, have been implemented to maintain the integrity of the database. The Harbour Trust proposes to investigate the feasibility of existing or new ERP systems to remove the manual collation and record of data, through a direct download.

% of our built assets in active use	77%	77%	77%
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Source Data: Internal asset register.

Methodology: Register of built assets and whether in use, manually updated and calculated with data obtained from the Harbour Trust Project, Planning and Property teams. Measured quarterly and reported annually.

Data Source Quality and Management: The internal register is manually updated and therefore accuracy could be compromised. A number of control mechanisms, such as password controls, a data custodian and a managerial review and sign off procedure, have been implemented to maintain the integrity of the database. The Harbour Trust proposes to investigate the feasibility of existing or new ERP systems to remove the manual collation and recording of data, through a direct download.

Visitor satisfaction with the public domain	84%	>90%	82%
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Source Data: Internal and external visitor surveys conducted for Cockatoo Island / Wareamah, North Head Sanctuary, Headland Park and Sub Base Platypus.

Methodology: A multimodal survey is conducted to determine the percentage score of overall visitation satisfaction with the public domain. The survey is conducted using a number of different media, such as email responses and text messages. An external marketing company is used to deliver the survey to subscribers of the Harbour Trust’s various email lists. All survey results are collated and analysed by the Marketing Team. Survey methodology is undertaken in a manner consistent with accepted market research practices. Measured quarterly and reported annually.

Data Source Quality and Management: Surveys are typically undertaken only at the Harbour Trust’s key sites and therefore there is potential for satisfaction levels of smaller sites to be under-represented. Similarly, databases are skewed towards visitors to key sites. The Harbour Trust will investigate feasibility and any potential advantages of online surveys specifically asking for users to nominate the Harbour Trust sites visited to reduce data bias. Due to the multiple processes involved in collecting the data, and the need for collation, analysis and preparation in a report, accuracy could be compromised. To maintain the integrity of the data the Harbour Trust has implemented a checklist and guide to completion of process containing a managerial review and sign off.



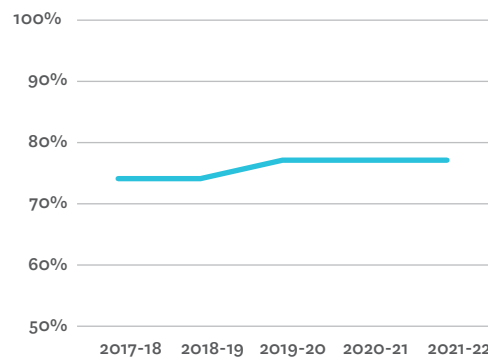
Macquarie Lightstation, Vaucluse.

Analysis of Performance

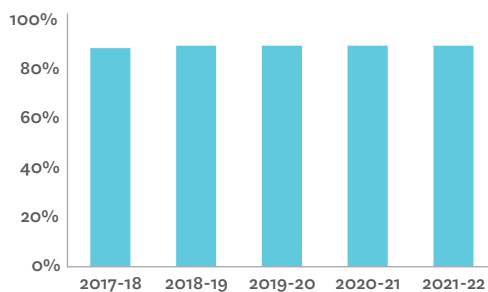
The Harbour Trust achieved two of the three Key Performance Measure targets.

The Harbour Trust has been able to maintain its land open and assets in active use performance throughout the period by carrying out the necessary backlog capital works program, delivering a range of projects including repairs and upgrades to marine infrastructure across Cockatoo Island / Wareamah and Woolwich Bay, and residential housing upgrades across Middle Head and North Head sites.

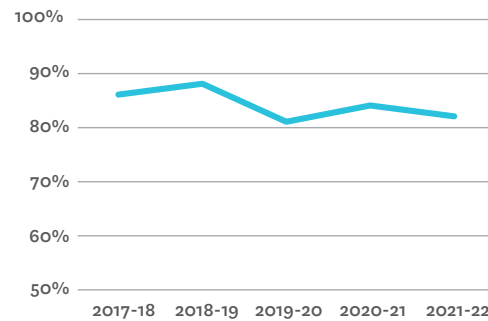
Built assets in active use



Land open to the public



Visitor Satisfaction with the public domain



Other key activities delivered in 2021-22, facilitating the progression of Harbour Trust land open and assets in active use performance included the progression of the Torpedo Factory Renewal Project at Sub Base Platypus (completion forecast for 2023), to provide tenancy opportunities and a foreshore public parkland. External preservation works to the 10 Terminal Buildings (completion forecast for 2022), to preserve the remaining military heritage assets at Headland Park and maintain public access. Development of the Strategic Asset Management Plan (SAMP), to guide the Harbour Trust in prioritisation of repairs and maintenance works over the next couple of years.

In the first half of the reporting year, in a continued response to COVID-19, the Harbour Trust implemented and refined its measures to ensure visitor, volunteer and staff safety and adherence to government regulation; the restrictions imposed were also expected to impact in the satisfaction measures. In latter half of the year, we re-opened our sites and welcomed back events and activations. The increase in visitor satisfaction with the public domain increased from 67% in the first quarter of the year to 88% by the fourth quarter of the year, implying a link to the re-opening of our sites.

The satisfaction results are also impacted by changes in our survey approach, in 2020-21 the regular twice-yearly on-the-ground surveys were replaced with a wholly on-line or digital approach (also due to COVID-19), including the introduction of the text-message based “Hello Lamp Post” survey systems set up at each of the Harbour Trust’s four main sites. Improvements and changes to the question sets, channels and surveyed groups profiles is generally anticipated to disturb the long-term trends of these results, however the Harbour Trust expects these changes will improve the accuracy of these measures in the longer term.

Barista's Lab, Sub Base Platypus.



Performance Criterion: Welcome Everyone

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

Criterion Source

- Program 1.1, 2021-22 Portfolio Budget Statements – Agriculture, Water and the Environment Portfolio, p. 363.
- Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Welcome Everyone – p. 14.

Key Performance Measures

PERFORMANCE MEASURES	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
Number of Visits	1,796,666	1,800,000	1,957,000

Source Data: Internal visitation databases for Cockatoo Island / Wareamah, North Head Sanctuary, Headland Park and Sub Base Platypus.

Methodology: Raw data is collected via multiple methods depending on site infrastructure.

North Head Sanctuary: Daily manual readings from hydraulic vehicle counters and laser pedestrian counters.

Cockatoo Island / Wareamah: Laser pedestrian counters and Transport NSW Opal card readings.

Headland Park: Daily manual readings from hydraulic vehicle counters and laser pedestrian counters.

Sub Base Platypus: Daily manual readings from laser pedestrian counters.

All data is collated and stored in internal databases by a Harbour Trust employee or volunteer. Measured quarterly and reported annually.

Data Source Quality and Management: Due to the geography of the Harbour Trust’s sites, it is not currently feasible to record every visit because of the many potential access points. Furthermore, current data collection methodology limits our ability to assess visitation by domestic or international visitor. Due to the nature of Harbour Trust sites, there is a natural tendency for them to be more frequented by Sydney residents. The Harbour Trust will investigate technologies and/or tie-ins with existing surveys undertaken to determine feasibility of obtaining improved statistics of the visitor demographics visiting key Harbour Trust sites. Doing so will assist in ensuring the measure is complete with respect to the purpose/objective. Majority of the visitor counters rely on manual readings to be completed and correctly recorded by Harbour Trust employees. A number of control mechanisms, such as password controls, a data custodian and a managerial review and sign off procedure, have been implemented to maintain the integrity of the database. The Harbour Trust will investigate the feasibility of new technologies to be implemented that remove or reduce the manual collation and record of data.

Visitor Satisfaction	85%	>90%	88%
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Source Data: Internal and external visitor surveys conducted at Cockatoo Island / Wareamah, North Head Sanctuary, Headland Park and Sub Base Platypus.

Methodology: A multimodal survey is conducted to determine the percentage score of overall visitor satisfaction. The survey is conducted using a number of different media, such as email responses and text messages. An external marketing company is used to deliver the survey to subscribers of the Harbour Trust’s various email lists. All survey results are collated and analysed by the Marketing Team. Survey methodology is undertaken in a manner consistent with accepted market research practices. Measured quarterly and reported annually.

Data Source Quality and Management: Surveys are typically undertaken only at the Harbour Trust’s key sites and therefore there is potential for satisfaction levels of smaller sites to be under-represented. Similarly, databases are skewed towards visitors to key sites. The Harbour Trust will investigate feasibility and any potential advantages of online surveys specifically asking for users to nominate the Harbour Trust sites visited to reduce data bias. Due to the multiple processes involved in collecting the data, and the need for collation, analysis and preparation in a report, accuracy could be compromised. To maintain the integrity of the data the Harbour Trust has implemented a checklist and guide to completion of process containing a managerial review and sign off.

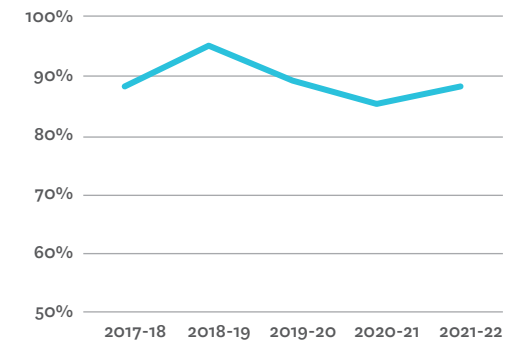
Analysis of Performance

The Harbour Trust achieved one of the two Key Performance Measure targets for the year.

Despite the restrictions imposed in response to COVID-19 during the first half of the year, Harbour Trust visits reached a record high of 1.96M. The increase in visits correlates with the re-opening of our sites, re-activation strategy (such as our general historical tour program across North Head, Georges Heights and Cockatoo Island / Wareamah and re-launching our education program to schools and students) and targeted multi-modal advertising campaign. Similarly, visitor satisfaction with the visitor experience (including accommodation, tours, general visitor activities) increased 3% year on year, to 88%.

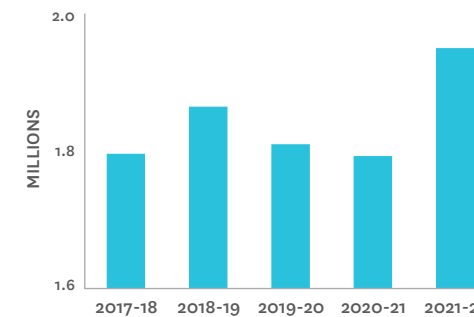
To mark 20 years since the enactment of the Sydney Harbour Federation Trust Act 2001 (the Act) to preserve and make our sites accessible to all Australians, the Harbour Trust completed its 20th anniversary interview series with interviews of 20 community representatives published along with a three-part docu-series. The series recognised the contribution the community has made to the Harbour Trust telling the Harbour Trust story from the community’s perspective. The Harbour Trust also held a civic event to bring the 200 members of the community together and celebrate this important milestone.

Visitor Satisfaction



During 2021 the Harbour Trust undertook a number of activities to enable future growth in visits and visitor satisfaction; progressed master planning for both Cockatoo Island / Wareamah and North Head Sanctuary; finalised dual naming of Cockatoo Island / Wareamah; and worked with First Nations to progress the interpretation approach for the 10 Terminal and Parklands Renewal Project.

Number of visits



Performance Criterion: Build Partnerships

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

Criterion Source

- Program 1.1, 2021-22 Portfolio Budget Statements – Agriculture, Water and the Environment Portfolio, p. 363.
- Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Build Partnerships – p. 16.

Key Performance Measures

PERFORMANCE MEASURES	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
Number of volunteer hours	16,792	20,000	8,760*

Source Data: Volgistics, volunteer management software system.

Methodology: Aggregation of volunteer hours across all sites and business units. Volunteers log in and out using Volgistics at the relevant site. Data aggregated and exported from Volgistics, coupled with data supplied from our partners on site. Measured quarterly and reported annually.

Data Source Quality and Management: The introduction of the new volunteer data system (Volgistics) has improved the rigour over the data entry and analysis process, due to the reduction in the need to manually handle and tally data. However good wi-fi connection is required at all sites to ensure volunteers can log their hours. The Harbour Trust is reviewing feasibility to improve wi-fi connections at the affected volunteer sites. The Harbour Trust does not have visibility or input into the collation of volunteer hours data from partners. The Harbour Trust will investigate the potential for volunteer hours completed for partner organisations to be integrated with the Volgistics system.

Number of significant, multi-year cultural, environmental and heritage partners	10	10	10
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Source Data: Internal central partnership contracts register.

Methodology: Aggregation of the number of long-term partnerships formed with the Harbour Trust. Contracts are held in a central register updated by the Marketing, Communications and Visitor Experience; Planning; and Property Leasing teams.

Data Source Quality and Management: The source data reflects formal partnership agreements between the Harbour Trust and the relevant organisation. However, the measure only indicates the quantum of partnerships not the quality of collaboration and engagement that occurs. The Harbour Trust will investigate potential metrics and performance measures that may assist in capturing the quality dimension, although the qualitative nature of the dimension may preclude this from being feasible.

Value of philanthropic and sponsorship contributions	\$1k	-	-
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Source Data: Internal Financial records

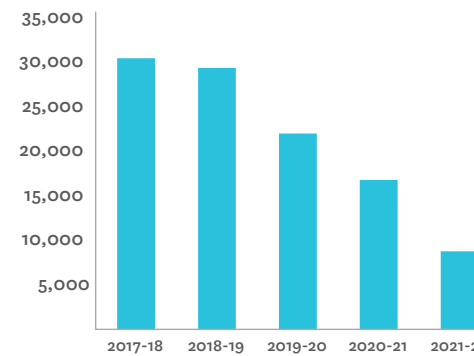
Note: Future targets for philanthropic and sponsorship contributions will be reassessed once the Harbour Trust's Organisational Design work has been finalised.

*Impacted by COVID-19.

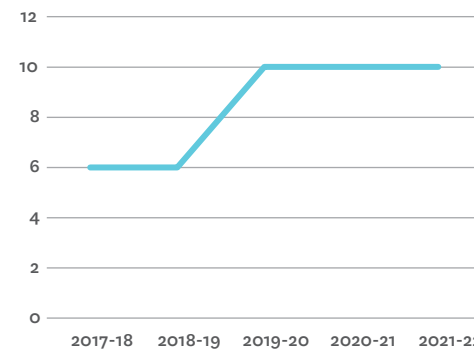
Analysis of Performance

The Harbour Trust achieved one of the two Key Performance Measure targets.

Volunteer hours



Significant partners



Volunteers complete a diverse variety of functions across the organisation, such as acting as tour guides, gardening, manning our visitor centres, and performing restoration activities. Due to government regulations and Harbour Trust COVID-19 measures to ensure the health and safety of our volunteers, staff and visitors, all public programs were closed in July 2021 and did not return to its full capacity until April 2022, consequently the volunteer hours performance target could not be met.

The Harbour Trust has sustained the existing partnerships throughout 2021-22, validating their consideration as long-term, multi-year partnerships in furtherance of the Harbour Trust's objectives. Other significant accomplishments in 2021-22 to support and cultivate future partnerships include a review of our partnerships that deliver our environmental outcomes that will inform a tender for service in 2022-23, the development of a Stakeholder Engagement Strategy and Governance Framework to be finalised and implemented in the first quarter of 2022-23, and the implementation of the Harbour Trust First Nations Cultural Principles Guide.

As part of the Harbour Trust's work to support and cultivate working relationships with First Nations Stakeholders, workshops with a broad range of First Nations communities were undertaken in 2021 that led to the Harbour Trusts First Nations Cultural Principles Guide, a set of cultural principles and an overarching framework which are now being used to guide and inform capital projects and master plans. In addition, the Harbour Trust initiated the process of recruiting a senior First Nations staff member to provide leadership in delivering a range of First Nations initiatives as well as enhance relationships with First Nations communities.

A note on metrics

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

Land open to the public

The proportion of our sites (all Harbour Trust land as measured in square metres — excluding water rights around Cockatoo Island / Wareamah) that are accessible by the public. It includes both parkland and the footprints of those buildings open to the public for interpretation, visitor facilities, events or food and beverage operations.

This metric is directly affected by capital invested in making land and buildings safe and accessible for public enjoyment.

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

The proportion of built assets with the potential for adaptive reuse that is in active use. Examples of built assets that are not considered to have the potential for adaptive reuse include those classified as infrastructure (e.g. cranes, utility/service housings, and wharves) as well as assets identified for potential removal. Examples of built assets that are considered to be in use or have the potential to be in active use include those leased by tenants and those available for public events and hire including the Turbine Shop on Cockatoo Island / Wareamah.

This metric is dependent on capital investment by us or our partners in re-purposing buildings for appropriate new uses.

Visitor satisfaction with the public domain

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

Number of visits

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

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

Visitor satisfaction

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

Volunteer hours

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

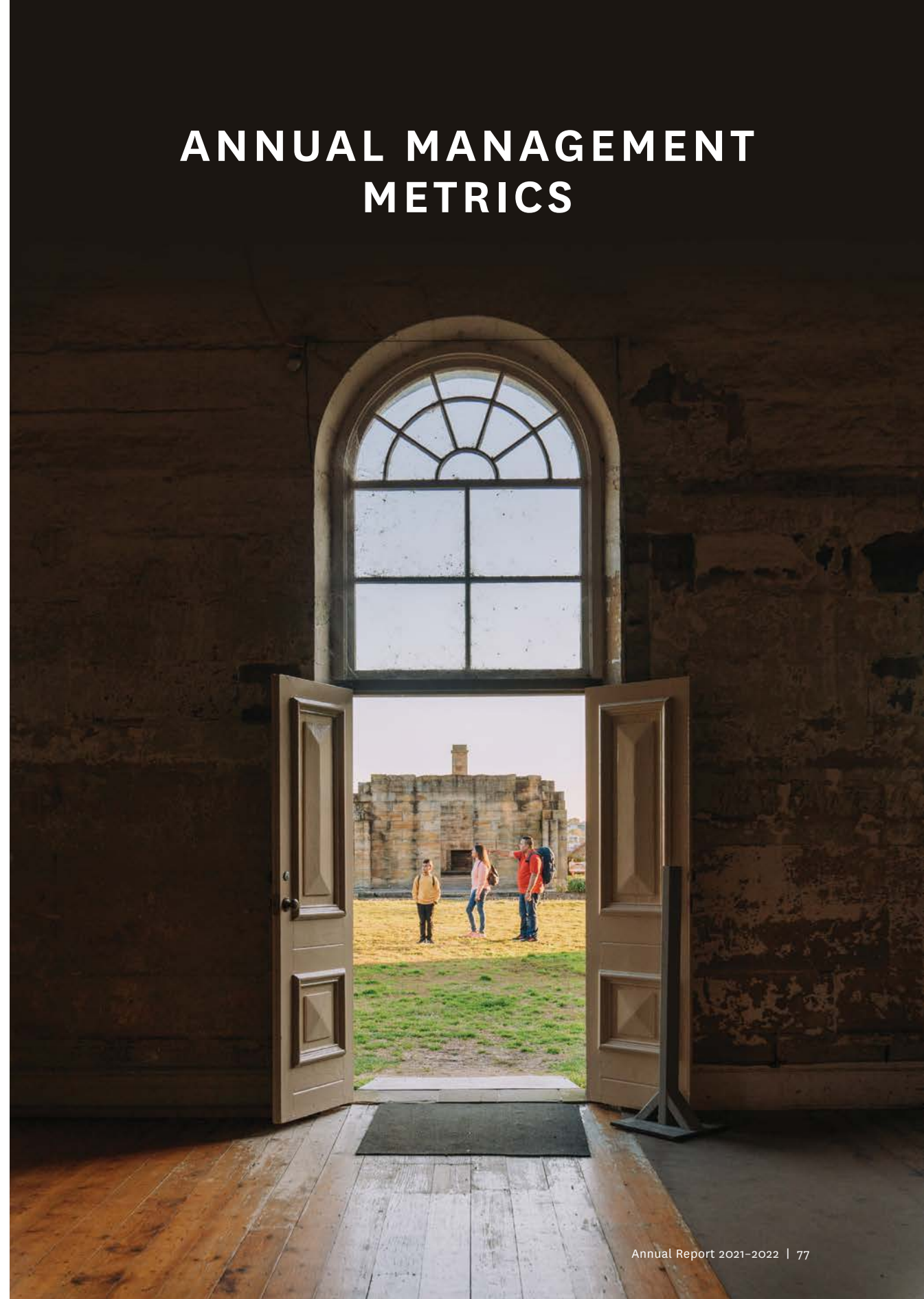
Significant multi-year cultural, environmental and heritage partners

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

Philanthropic and sponsorship contributions

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

ANNUAL MANAGEMENT METRICS



The Management Metrics are an important feature of an accountable and transparent public sector organisation.

The Harbour Trust identified three overarching management objectives that encompass the activities and metrics as detailed in the Corporate Plan:

- **A robust business;** Be a financially sustainable organisation by generating a stable and mixed revenue stream.
- **Strengthen our capabilities;** Be a great organisation to work for and strengthen our ability to achieve our goals. Our ambition is to be a nimble organisation that fosters innovation in design and delivery, and a cross-disciplinary approach to our work.
- **Risk and oversight management;** The effective assessment and management of risk underpins the Harbour Trust's governance framework.

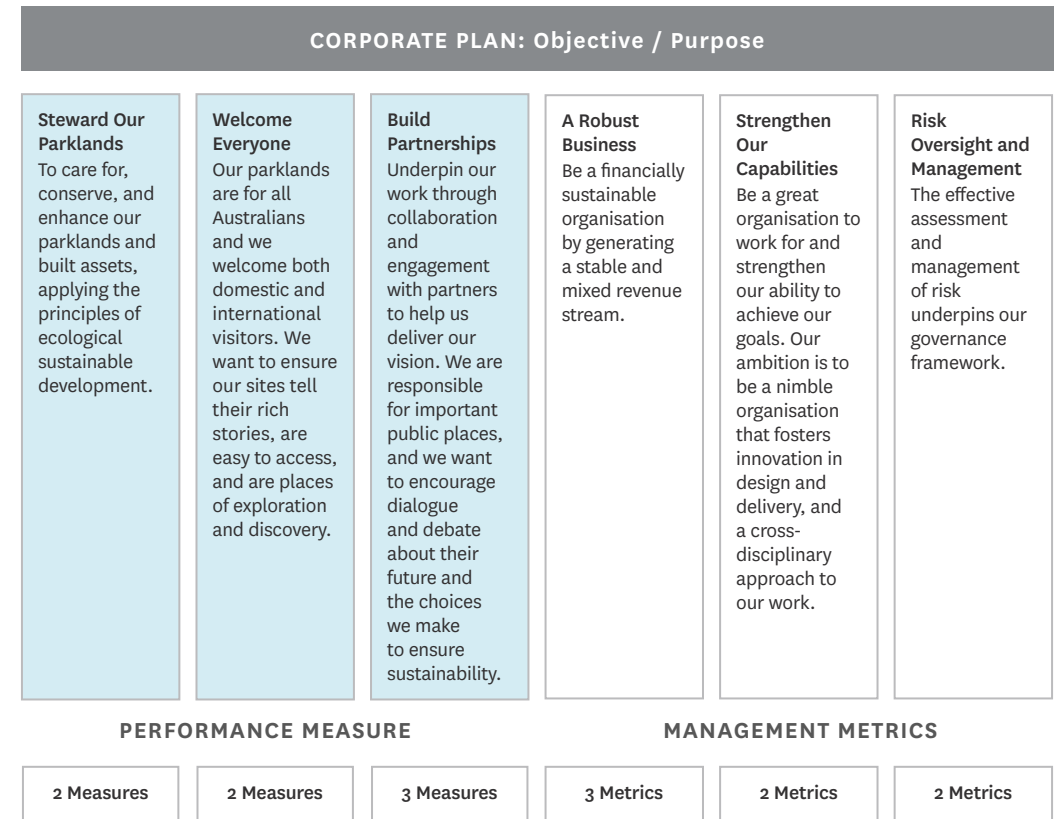
Corporate Plan and Management Metrics

The Management Metrics are strategically important as they support the delivery of the Harbour Trust overall purpose. They monitor the effectiveness and efficiency of organisational capability through ensuring a suitable financial base, a responsive workforce, streamlined policies and processes, and a transparent governance and risk process within the Harbour Trust. Collectively the measures ensure we are agile to change, committed to continuous improvement, assurance and integrity of our work, and meet the operational requirements to achieve our purpose. The Management Metrics Review reports on the Harbour Trust performance in 2021-22 against the information published in the *Sydney Harbour Federation Corporate Plan 2021-2025* (Corporate Plan) as at 20 June 2022.

Harbour View Apartment, Cockatoo Island / Wareamah.



Alignment between the organisation's outcome, Corporate Plan, Performance Measures and Management Metrics.



Objectives and associated activities and measures related to achieving our outcome as published in the Portfolio Budget Statements 2021-22.

Performance Criterion: A Robust Business

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

Criterion Source

· Sydney Harbour Federation Trust Corporate Plan 2021-2025 – A Robust Business – p. 18.

Key Management Metrics

MANAGEMENT METRIC	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
Leasing Revenue	\$10.8m	\$12.5m	\$11.8m

Source Data: Financial records.

Methodology: Internal AX accounting system.

Data Source Quality and Management: Data is readily auditable as part of SHFTs accounting system, with records maintained.

Venue Hire Revenue	\$0.5m	\$0.7m	\$0.47m
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Source Data: Financial records.

Methodology: Internal AX accounting system.

Data Source Quality and Management: Data is readily auditable as part of SHFTs accounting system, with records maintained.

Visitor Accommodation Revenue	\$1.2m	\$1.9m	\$1.0m
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Source Data: Financial records.

Methodology: Internal AX accounting system.

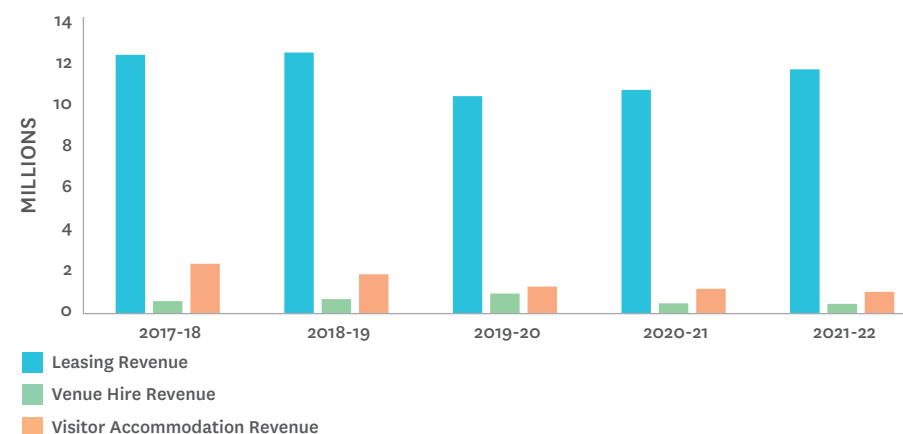
Data Source Quality and Management: Data is readily auditable as part of SHFTs accounting system, with records maintained.

Analysis of Performance

The Harbour Trust achieved three of the four 2021-22 priority actions set for this criterion, and partially achieved the other. All three of the management metrics targets were not met.

Post COVID-19 pandemic the Harbour Trust modelled an optimistic outlook for 2021-22 as reflected in our revenue targets. However, re-emergence of the Omicron variant of COVID-19 impacted revenue, site activation (including events, venue hire, accommodation), and the sustainability of our tenants. In response, the Harbour Trust provided support of \$1.6m in targeted rent relief to maintain occupancy as well as assisting social services providers, impacting leasing revenue targets. Targeted relief provided to qualifying tenants was funded through unspent sustainability funding from prior years and expenditure savings across the business.

Property revenue



Performance Criterion: Strengthen Our Capabilities

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

Criterion Source

· Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Strengthen Our Capabilities – p. 20.

Key Management Metrics

MANAGEMENT METRIC	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
Average Employment Engagement Score*	n/a*	78%	64%

Source Data: External Annual Organisational Culture survey

Methodology: Korn Ferry and Qualtrics System conduct the employee engagement survey on behalf of the Harbour Trust. Korn Ferry develop a series of questions in partnership with the Harbour Trust. The survey is undertaken annually in quarter four of the year.

Data Source Quality and Management: Relevance, reliability and quality of the data are high. Repeating the survey annually helps to benchmark progress internally and against industry averages.

Note: *Due to budgetary constraints brought about by COVID-19, the Annual Organisational Culture Survey was not performed in 2020-21.

MANAGEMENT METRIC	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
% of employees with effective Personal Development Plans linked to Corporate Plan	98%	100%	95%

Source Data: Internal Human Resources Professional Development records

Methodology: On an annual basis, the Harbour Trust’s Human Resources function conducts a process to set performance plans for each employee. In consultation with their manager, each employee prepares a Performance Plan for the coming year which sets a series of objectives; the role the employee is to play; how performance will be measured and actioned; as well as how an individual’s objectives link to those of the Harbour Trust’s as set out in the Corporate Plan. The Human Resources function maintains a copy of each employee’s performance plan, as well as a register of any outstanding plans yet to be received. On a quarterly basis, the Human Resources function calculates a percentage of how many performance plans have been finalised as a proportion of the Harbour Trust’s employee base.

Data Source Quality and Management: The internal statistic is manually collated and aggregated and therefore accuracy could be compromised Investigating the feasibility of the new HR management system, to be implemented 2022-23, to remove the manual collation and recording of data, through a direct download.

Analysis of Performance

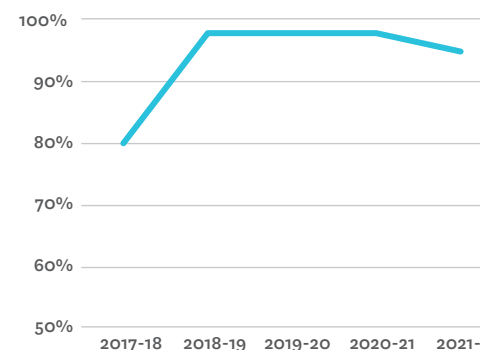
The Harbour Trust achieved three of the six Priority Actions set for this criterion, with three further actions partially achieved. Both Management Metrics targets were not met for the year.

There was almost full compliance with the Corporate Plan-aligned Personal Development Plan target, with only two staff members not completing their individual performance management plans. Given the number of new staff on-boarded within in this reporting period, with limited resources, a 95% performance measure shows active collaboration across the Harbour Trust to ensure all staff are delivering on our purpose.

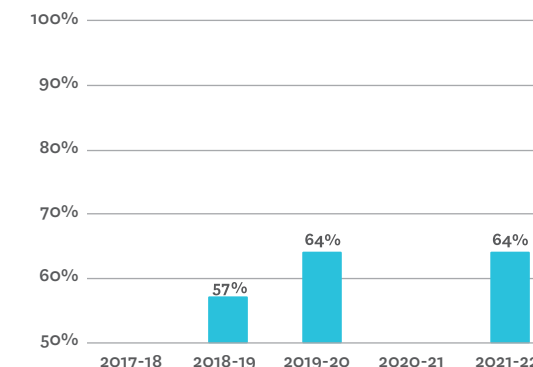
The Organisational Culture survey was established in 2017-18 however surveying did not commence until the following period and for budgetary reasons not carried out last year, therefore there are limited results from prior periods. Harbour Trust engagement was below the 2021-22 target, but remained in line with the 2019 result. In terms of benchmark, engagement is in line with the average organisation, but below high performing organisations. The Harbour Trust is currently reviewing the Employee Survey Results with Harbour Trust employees, to foster improvements that embed our shared values and behaviours in the way we work, championing our commitment to continuous improvement.

The Independent Review recommended the Harbour Trust undertake a restructure of the organisation to improve the balance between the focus across our main objectives and to improve operational efficiency. Work on the organisational design and skills needed as the Harbour Trust is re-engineered for its long-term sustainability is due for completion in the first quarter of 2022-23. During 2021-22 significant inroads were made to improve our capabilities across our operations through, the development and implementation of our ICT strategy, review and implementation of a new management reporting methodology, implementation of a new induction process for new staff members, and the development of a new Human Resource (HR) Management system.

Employees with PDPs



Average employees engagement score



Performance Criterion: Risk Oversight and Management

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

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

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

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

Criterion Source

- Sydney Harbour Federation Trust Corporate Plan 2021-2025 – Risk and Oversight Management – p. 22.

Key Management Metrics

MANAGEMENT METRIC	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
% of Accepted Audit Recommendations (through the PAC Internal Audit Program) actioned within Agreed Timeframes	41%	90%	n/a

Source Data: PAC Audit Actions Outstanding Report

Note: There were no applicable open internal or external audit findings as at 30 June 2022.

MANAGEMENT METRIC	2020-21 ACTUAL	2021-22 TARGET	2021-22 ACTUAL
Employee Engagement Survey Responses to two key safety culture questions:*			
(1) We have a proactive safety culture that identifies and manages risks, and is responsive to my concerns;	n/a	87%	75%
(2) I am encouraged to raise safety concerns, and these are listened to and acted on.	n/a	87%	92%

Source Data: Annual Organisational Culture Survey

Methodology: Korn Ferry and Qualtrics System conduct the employee engagement survey on behalf of the Harbour Trust. Korn Ferry develop a series of questions in partnership with the Harbour Trust. The survey is undertaken annually in quarter four of the year. Repeating the survey annually helps to benchmark progress internally and against industry averages.

Data Source Quality and Management: Relevance, reliability and quality of the data are high. Repeating the survey annually helps to benchmark progress internally and against industry averages.

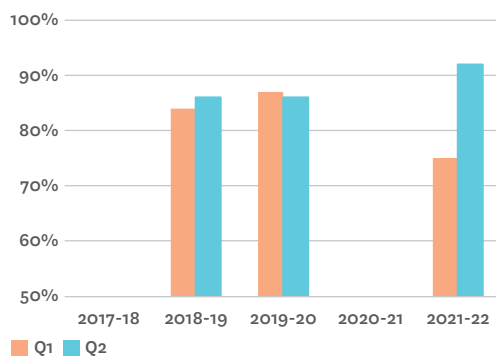
Note: *Due to budgetary constraints brought about by COVID-19, the Annual Organisational Culture Survey was not performed in 2020-21.

Analysis of Performance

The Harbour Trust achieved all three of the relevant Priority Actions for 2021-22 set for this criterion. One of the two Key Management Metric targets was not applicable for this reporting period, and the other not met. This performance criterion was introduced in the 2019-2023 Corporate Plan.

Despite losing resources the WHS team completed all three of the priority actions for WHS, including implementing reforms to embed best practices as well as addressing the safety and support needs arising from COVID-19. However, the reduced WHS team presence coupled with an influx of new staff appears to have negatively impacted perceptions of a pro-active safety culture within the Harbour Trust that identifies and manages risks, that will be actioned. The expansion of the WHS Team in the first quarter of 2022-23 will ensure resources are available to re-embed and improve on proactive safety culture at the Harbour Trust. Nonetheless 92% of staff (the highest survey response to date) feel encouraged to raise safety concerns, that will be actioned.

Employee engagement survey responses to two key safety culture questions



Note: The Annual Organisational Culture Survey measure was added in 2018-19 therefore there are limited historical results available. Furthermore, due to budget constraints arising from COVID-19 the Annual Organisational Culture Survey was not carried out in 2020-21.

A note on metrics

The management metrics presented in this Management Metric Review are shown below. In many cases, factors positively influencing one performance measure may negatively influence another, and regular performance tracking is undertaken throughout the reporting period to better understand this inter-relationship to improve our decision-making.

Earned annual revenue

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

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

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

Employee engagement score

An approval score derived from responses to questions about overall staff engagement with the Harbour Trust, as measured by an employee engagement survey conducted by an external company.

Employees with effective personal development plans linked to corporate plan

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

Accepted audit recommendations actioned within agreed timeframes

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

Survey responses to two key safety culture questions

An approval score derived from responses to two key safety culture questions contained in the employee engagement survey conducted by an external company. The first question assesses employee perceptions on the effective operation of the Harbour Trust's safety culture, whereas the second question assesses employee perceptions of the response to concerns raised.

REGULATOR PERFORMANCE FRAMEWORK

Reporting Against KPIs

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

Harbour Trust Metrics

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

Results at 30 June 2022

- Stakeholder meetings held during the 2021-22 reporting period:
 - 8 statutory General and Sub Base Platypus Community Advisory Committee meetings;
 - Aboriginal and Torres Strait Islander Advisory Group meetings and Cultural Framework Workshops;
 - 2 Ten Terminal Stakeholder meetings;
 - 1 Ten Terminal First Nation Design Jam;
 - 5 Cockatoo Island / Wareamah stakeholder meetings;
 - 4 North Head stakeholder meetings;
 - 1 North Head Bushfire Recovery Advisory Group meeting.
- The Harbour Trust's Formal Complaints Process is published on the organisation's website.

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

Harbour Trust Metrics

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

Results at 30 June 2022

- Results at 30 June 2022
- The Harbour Trust's complaint handling data logs are maintained, which incorporate the number of complaints received and the response times.
- The *Formal Complaints Process* details the timeframes for handling complaints.
- Reasons for determinations on Permit Applications are available to applicants, where appropriate. An external review/appeal mechanism for decisions is in place.

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

Harbour Trust Metrics

- Demonstrated engagement with regulated entities to inform them of the regulator’s expectations. Risk management plans are provided by regulated entities.

Results at 30 June 2022

- A ‘Guide to the Planning Permit and Assessment Process’ is available to all applicants on the Harbour Trust website. 10 Planning Permits were issued in 2021-22.
- Liquor Permit applicants can access guidance information and relevant requirements on the Harbour Trust’s website. 16 liquor permits were issued during the year. 4 were for special events and 12 were for new tenants or tenant annual renewals. A further 29 minor, short term variations to permits held by existing tenants were issued.
- Applicants for Service Approval Permits for Early Childhood Education Services are provided with all relevant information about meeting and maintaining requirements. No Service Approval Permits were issued during the year, however the Harbour Trust carried out a review of the policies and procedures of the Early Childhood Centres on Harbour Trust land.
- Where requested, all tailored risk management plans have been received.

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

Harbour Trust Metrics

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

Results at 30 June 2022

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

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

Harbour Trust Metrics

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

Results at 30 June 2022

- The Harbour Trust has documented and published the *Formal Complaints Process* with specified timeframes. During 2021-22, 13 complaints were received. All complaints were responded to within the required timeframe. Of these, one complaint was not resolved within the required timeframe. The number of complaints was down for the second consecutive year following a review of the complaints process by the executive in 2020-21.
- The Harbour Trust publishes information and fact sheets on the Planning Permits and Liquor Permit application processes on the organisation’s website. Feedback mechanisms are in place via our Formal Complaints Process. There are planned, regular inspections for Early Childhood Education Services and of food and beverage premises.

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

Harbour Trust Metrics

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

Results at 30 June 2022

- The Harbour Trust carries out surveys as appropriate. Records of stakeholder meetings are maintained.
- Trust Meetings in public were held twice during 2021-22 – in December 2021 and June 2022. The December meeting was held via webinar due to COVID-19 restrictions; and the June meeting was a hybrid meeting (i.e. held in person and via webinar).
- Summaries of the Notes from the Community Advisory Committee meetings held during the reporting period were published on the Harbour Trust’s website.

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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Independent Auditor's Report



INDEPENDENT AUDITOR'S REPORT

To the Minster for the Environment and Water

Opinion

In my opinion, the financial statements of the Sydney Harbour Federation Trust and its consolidated entities (together the 'Consolidated Entity') for the year ended 30 June 2022:

- comply with Australian Accounting Standards – Simplified Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- present fairly the financial position of the Consolidated Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Consolidated Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

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

Basis for opinion

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

Accountable Authority's responsibility for the financial statements

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

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

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38 Sydney Avenue FORREST ACT 2603
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Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office

Bradley Medina
Executive Director
Delegate of the Auditor-General

Canberra
16 September 2022

Sydney Harbour Federation Trust and its Consolidated Entities

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

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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

Signed,

Joseph Carrozzi AM
Chair

16 September 2022

Signed,

Janet Carding
Executive Director

16 September 2022

Signed,

Nick Lawry
Chief Financial & Commercial Officer

16 September 2022

Statement of Comprehensive Income

for the year ended 30 June 2022

		2022	2021	ORIGINAL BUDGET
	Notes	\$'000	\$'000	\$'000
NET COST OF SERVICES				
Expenses				
Employee benefits	3A	7,507	7,388	7,878
Suppliers	3B	12,153	10,681	11,028
Depreciation and amortisation	3C	3,490	3,455	3,522
Finance costs	3D	1	4	4
Impairment loss on financial instruments	3E	-	235	-
Write-down and impairment of other assets	3F	-	-	19
Total expenses		23,151	21,763	22,451
Own-source revenue				
Revenue from contracts with customers	4A	1,922	2,335	3,847
Fines	4B	110	179	330
Interest	4C	247	147	90
Rental income	4D	12,257	11,095	12,494
Other revenue	4E	319	555	16
Total own-source revenue		14,855	14,311	16,777
Gains				
Reversal of write-downs and impairment of assets	4F	228	455	-
Total gains		228	455	-
Total own-source income		15,083	14,766	16,777
Net (cost of) services		(8,068)	(6,997)	(5,674)
Revenue from Government	4G, 1.3	2,465	20,584	2,465
Surplus/(Deficit) on continuing operations		(5,603)	13,587	(3,209)
OTHER COMPREHENSIVE INCOME				
Items not subject to subsequent reclassification to net cost of services				
Change in asset revaluation reserve		29,776	4,913	-
Total other comprehensive income		29,776	4,913	-
Total comprehensive income/(loss)		24,173	18,500	(3,209)

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

Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$'000	2021 \$'000	ORIGINAL BUDGET \$'000
ASSETS				
Financial assets				
Cash and cash equivalents	5A	13,449	18,064	7,270
Investments	5B	50,095	50,020	18,695
Trade and other receivables	5C	1,229	1,294	1,113
Total financial assets		64,773	69,378	27,078
Non-financial assets				
Land and buildings	6A	360,849	329,837	323,471
Infrastructure, plant and equipment ¹	6B	42,361	41,868	42,642
Heritage and collections	6C	53,697	52,592	74,135
Intangibles	6D	253	346	493
Inventories	6G	27	54	-
Other non-financial assets	6H	124	136	20
Total non-financial assets		457,311	424,833	440,761
Total assets		522,084	494,211	467,839
LIABILITIES				
Payables				
Suppliers	7A	2,053	800	2,271
Other payables	7B	5,006	5,059	3,862
Total payables		7,059	5,859	6,133
Interest bearing liabilities				
Leases	7C	300	329	316
Total interest bearing liabilities		300	329	316
Provisions				
Employee provisions	8A	1,576	1,358	1,592
Total provisions		1,576	1,358	1,592
Total liabilities		8,935	7,546	8,041
Net Assets		513,149	486,665	459,798
EQUITY				
Contributed equity		305,382	303,072	305,382
Reserves		196,224	166,448	161,535
Retained surplus		11,543	17,145	(7,119)
Total equity		513,149	486,665	459,798

1. Right-of-use assets are included in the line item: Infrastructure, plant and equipment.
The above statement should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 30 June 2022

	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Opening balance	17,145	3,558	17,145	3,558	161,117	156,204	161,117	156,204	5,331	5,331
Balance carried forward from previous year										
Adjustment for errors or changes in accounting policies	1	-	1	-	-	-	-	-	-	-
Balance carried forward from previous year	17,146	3,558	17,146	3,558	161,117	156,204	161,117	156,204	5,331	5,331
Comprehensive income										
Other comprehensive income					29,776	4,913	29,776	4,913		
(Deficit)/Surplus for the year	(5,603)	13,587	(5,603)	13,587						
Total comprehensive income	(5,603)	13,587	(5,603)	13,587	29,776	4,913	29,776	4,913		
Transactions with owners										
Equity injection - Appropriations									2,310	2,310
Total transactions with owners									2,310	2,310
Closing balance as at 30 June	11,543	17,145	11,543	17,145	190,893	161,117	190,893	161,117	5,331	5,331

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

Accounting Policy

Equity injections

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

Asset Renewal Reserve

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

Cash Flow Statement

for the year ended 30 June 2022

Notes	2022 \$'000	2021 \$'000	ORIGINAL BUDGET \$'000
OPERATING ACTIVITIES			
Cash received			
Receipts from Government	2,465	20,584	2,481
Sales of goods and rendering of services	2,344	2,532	3,847
Rent income	12,322	10,852	12,157
Interest	-	7	90
Other revenue	33	10	330
Net GST received	279	55	-
Total cash received	17,443	34,040	18,905
Cash used			
Employees benefits	(7,247)	(7,453)	(7,818)
Suppliers	(11,060)	(10,072)	(11,020)
Interest payments on lease liabilities	(1)	(4)	(4)
Total cash used	(18,308)	(17,529)	(18,842)
Net cash from/(used by) operating activities	(865)	16,511	63
INVESTING ACTIVITIES			
Cash received			
Investments	172	215	2,496
Total cash received	172	215	2,496
Cash used			
Investments	-	(28,000)	-
Purchase of property, plant and equipment	(6,216)	(2,284)	(22,994)
Total cash used	(6,216)	(30,284)	(22,994)
Net cash from/(used by) investing activities	(6,044)	(30,069)	(20,498)
FINANCING ACTIVITIES			
Cash received			
Contributed equity	2,310	23,637	2,310
Total cash received	2,310	23,637	2,310
Cash used			
Principal payments of lease liabilities	(16)	(16)	-
Total cash used	(16)	(16)	-
Net cash from financing activities	2,294	23,621	2,310
Net increase/(decrease) in cash held	(4,615)	10,063	(18,125)
Cash and cash equivalents at the beginning of the reporting period	18,064	8,001	25,395
Cash and cash equivalents at the end of the reporting period	13,449	18,064	7,270

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

Overview

Note 1: Summary of Significant Accounting Policies

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

The Harbour Trust is a corporate Commonwealth Entity. It is a not-for-profit entity.

The Harbour Trust is structured to meet one outcome:

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

1.2 Impact of COVID-19

The Harbour Trust's leasing and accommodation portfolio continued to be impacted by the COVID-19 pandemic during 2021-22, resulting in further rent relief for the tenants most impacted by COVID-19 restrictions, the closure of short-term accommodation during the Sydney lockdown and the postponement of major events planned for Harbour Trust sites. Generating the majority of own-source income from these activities, the Harbour Trust has had to access cash reserves invested in term deposits to ensure liquidity.

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

1.3 Revenue from Government

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

Of the \$24.6m in funding for operating expenditure, \$20.6m was received in 2020/21 with smaller amounts to be made available in 2021-22 (\$2.5m), 2022-23 (\$1.0m) and 2023-24 (\$0.5m). The funding profile (which has not changed since the funding announcement) was based on projects identified and costed on a preliminary basis as part of Deloitte's report to the Independent Review of the Harbour Trust. Since the delivery of the report to the review and the announcement of the funding the Harbour Trust has further developed and refined plans for expending the funding. The resulting planned expenditure profile differs from the funding profile upon which the budget funding is based. Most notably, the bulk of the operating expenditure is now expected to occur in 2022-23.

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

Funding received from the Department for capital expenditure is recognised as an equity injection.

In 2021-22, the Harbour Trust has recognised \$2.5m in Revenue from Government and expenditure of \$2.4m on projects related to operational funding received. As a result, the Harbour Trust's operating result has been positively impacted by \$0.1m. As the expenditure program ramps up in 2022-23, the reported operating result will be negatively impacted.

1.4 Basis of Preparation of the Financial Statements

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

The financial statements have been prepared in accordance with:

- Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR)*; and
- Australian Accounting Standards and Interpretations*, – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES — CONTINUED

1.5 New Accounting Standards

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

STANDARD/INTERPRETATION	NATURE OF CHANGE IN ACCOUNTING POLICY, TRANSITIONAL PROVISIONS, AND ADJUSTMENT TO FINANCIAL STATEMENTS
AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities	AASB 1060 applies to annual reporting periods beginning on or after 1 July 2021 and replaces the reduced disclosure requirements (RDR) framework. The application of AASB 1060 involves some reduction in disclosure compared to the RDR with no impact on the reported financial position, financial performance and cash flows of the entity.

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

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

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

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

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

Consolidation and associated company

The financial statements show information for the economic entity only; this reflects the consolidated results for the parent entity, the Harbour Trust, and its controlled entities, Sydney Harbour Foundation Management Ltd and Sydney Harbour Conservancy ("Conservancy"). The results of the parent entity do not differ materially from the economic entity and have therefore not been separately disclosed. The Conservancy is a Trust for which Sydney Harbour Foundation Management Ltd (company limited by guarantee) is Trustee (refer to Note 13 & Note 14 for further details).

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

1.6 Significant Accounting Judgements and Estimates

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

- The fair value of land has been taken to be the market value of similar properties as estimated by the Harbour Trust and reviewed by an independent valuer taking into consideration the restrictions on sale and use imposed by the *Sydney Harbour Federation Trust Act 2001*. Buildings have been valued using depreciated replacement cost and therefore the valuer has verified the Harbour Trust's estimate with respect to the replacement cost.
- The provision held for trade and other receivables is based on overdue receivables greater than 90 days where an arrears agreement has not been finalised or where it has been assessed that the debt is unlikely to be recovered.

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

1.7 Taxation

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

Revenues, expenses and assets are recognised net of GST:

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

1.8 Major Budget Variances

The Original Budget figures were reported in the 2021-22 Portfolio Budget Statements published in October 2021. The Harbour Trust considers a major variance between budget and actuals is greater than 10% and \$250,000 of the original estimate or it is considered important for the reader's understanding.

EXPLANATIONS OF MAJOR VARIANCES	AFFECTED LINE ITEMS (AND STATEMENT)
The Harbour Trust has received significant appropriation funding to support both capital and operational investment. Since the announcement and receipt of the funding the Harbour Trust has further developed and refined plans for expending the funding. This has resulted in timing differences to the Original Budget.	<p>Statement of Financial Position</p> <p>Cash and cash equivalents</p> <p>Heritage and collections</p> <p>Retained surplus</p> <p>Cash Flow Statement</p> <p>Suppliers</p> <p>Investments</p> <p>Purchase of property, plant and equipment</p>
The COVID-19 pandemic has continued to impact the Harbour Trust's operating result and cash flows. COVID lockdowns in Sydney resulted in the closure of Cockatoo Island / Wareamah during the first quarter of the financial year impacting operating revenues from the Harbour Trust's accommodation and events businesses.	<p>Statement of Comprehensive Income</p> <p>Revenue from contracts with customers</p> <p>Statement of Financial Position</p> <p>Cash and cash equivalents</p> <p>Retained surplus</p> <p>Cash Flow Statement</p> <p>Sales of goods and rendering of services</p>
Annual valuation adjustments to align with market indices have delivered substantial increases across the Harbour Trust's portfolio of land and buildings, reflecting current market sentiment and scarcity of building supplies.	<p>Statement of Comprehensive Income</p> <p>Change in asset valuation reserve</p> <p>Statement of Financial Position</p> <p>Land and buildings</p>

Note 2: Events After the Reporting Period

There are no events that have occurred after the reporting period that would have an effect on the Harbour Trust's 2021-22 financial statements other than those that are already reflected in the financial statements.

Financial Performance

Note 3: Expenses

Note 3A: Employee benefits

	2022 \$'000	2021 \$'000
Wages and salaries	6,484	6,359
Superannuation		
Defined contribution plans	667	665
Defined benefit plans	57	108
Leave and other entitlements	293	132
Separation and redundancies	1	118
Other employee costs	5	6
Total employee benefits	7,507	7,388

Accounting Policy

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

Note 3B: Suppliers

Goods and services supplied or rendered

	2022 \$'000	2021 \$'000
Corporate overheads	2,549	2,106
Marketing, programming and events	858	885
Management of environment	117	229
Site maintenance and planning	6,723	5,464
Security	1,041	985
Accommodation management	397	439
Property management	403	511
Total goods and services supplied or rendered	12,088	10,619

Goods supplied

	268	340
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Services rendered	11,820	10,279
Total goods and services supplied or rendered	12,088	10,619

Other supplier expenses

Workers compensation premiums	65	62
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Total other supplier expenses

	65	62
Total supplier expenses	12,153	10,681

Included within the balance of goods and services supplied is the 2021-22 ANAO Audit fee paid of \$60,000 (2021: \$59,000).

During the year ended 30 June 2022, the Harbour Trust has provided resources free of charge to the Sydney Harbour Foundation Management Limited amounting to \$3,562 (2021: \$7,763).

Accounting Policy

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

Note 3C: Depreciation and amortisation

	2022 \$'000	2021 \$'000
Depreciation:		
Infrastructure, plant and equipment	1,942	1,937
Buildings	1,453	1,422
Total depreciation	3,395	3,359
Amortisation:		
Intangibles:		
Purchased computer software	95	96
Total amortisation	95	96
Total depreciation and amortisation	3,490	3,455

Note 3D: Finance Costs

Interest on lease liabilities	1	4
Total finance costs	1	4

Note 3E: Impairment loss on financial instruments

Impairment on trade and other receivables	-	235
Total impairment on financial instruments	-	235

Note 3F: Write-down and impairment on other assets

Movement in stock provision	-	-
Trade receivables written-off	-	-
Total impairment on other assets	-	-

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

Note 4: Own-Source Income

	2022 \$'000	2021 \$'000
Own-Source Revenue		
Note 4A: Revenue from contracts with customers		
Sale of goods	6	9
Rendering of services	1,916	2,326
Total revenue from contracts with customers	1,922	2,335
Disaggregation of revenue from contracts with customers		
Major product / service line:		
Service delivery	1,916	2,326
Sales of inventory	6	9
	1,922	2,335
Type of customer:		
Non-government entities	1,922	2,335
	1,922	2,335
Timing of transfer of goods and services:		
Point in time	1,922	2,335
	1,922	2,335
Note 4B: Fines		
Penalty infringement notices	110	179
Total fees and fines	110	179
Note 4C: Interest		
Term deposits	247	140
Operating bank accounts	-	7
Total interest	247	147
Note 4D: Rental income		
Property rentals and short-term hire	12,257	11,095
Total rental income	12,257	11,095

Operating Leases

The Harbour Trust manages a portfolio of commercial tenancies and residential properties across its various sites. Rental income from operating leases is recognised on a straight-line basis over the lease term. Recognition of lease income on a straight-line basis is consistent with AASB 16 requirements.

	2022 \$'000	2021 \$'000
Maturity analysis of operating lease income receivables:		
Within 1 year	7,352	6,697
One to two years	6,089	4,575
Two to three years	5,063	3,816
Three to four years	3,530	3,083
Four to five years	2,247	1,818
More than 5 years	4,982	6,797
Total undiscounted lease payments receivable	29,263	26,786

	2022 \$'000	2021 \$'000
Note 4E: Other revenue		
DA fees, liquor licences, donations	27	56
Resources received free of charge — Volunteer Services	292	499
Total other revenue	319	555

Volunteer Services

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

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

Accounting Policy

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

	2022 \$'000	2021 \$'000
Note 4F: Reversal of write-downs and impairment		
Movement in stock provision	16	46
Reversal of impairment losses	212	409
Total reversals of previous asset write-downs and impairments	228	455

Note 4G: Revenue from Government

Corporate Commonwealth entity payment item

Funding from Department of Agriculture, Water and the Environment

	2022 \$'000	2021 \$'000
Total revenue from Government	2,465	20,584

Funding received from Government varies from year to year and is in line with the profile in the original budget announcement. Refer to Note 1.3.

Accounting Policy

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

Note 4H: Unsatisfied obligations

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

Accounting Policy

Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised when:

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

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

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

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

NOTE 4: OWN-SOURCE INCOME — CONTINUED

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

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

Fines

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

Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017 - Section 6
Definition: approved regulatory charging activity means an activity provided by a corporate Commonwealth entity:

(a) that has Australian Government policy approval; and

(b) for which there is statutory authority to charge. To satisfy the requirements of the Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017 - Section 7 (d) measure, assess and document financial and non-financial performance of the regulatory activity, the Harbour Trust has incurred expenses of \$2,122 (2021: \$2,427) pertaining to this approved regulatory charging activity.

Interest

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

Rental income

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

Resources received free of charge

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

Gains

Sale of Assets

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

Financial Position

Note 5: Financial Assets

	2022 \$'000	2021 \$'000
Note 5A: Cash and cash equivalents		
Cash at bank	13,448	18,063
Cash on hand	1	1
Total cash	13,449	18,064
Note 5B: Investments		
Term deposits	50,095	50,020
Total investments	50,095	50,020

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

The balance of term deposits is in short term deposits readily convertible to cash.

Accounting Policy

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

	2022 \$'000	2021 \$'000
Note 5C: Trade and other receivables		
Goods and Services		
Goods and services	1,432	1,457
Total receivables for goods and services	1,432	1,457
Other receivables		
Interest receivable	-	-
Other receivables	52	400
Total other receivables	52	400
Total trade and other receivables (gross)	1,484	1,857
Less impairment allowance account	(255)	(563)
Total trade and other receivables (net)	1,229	1,294

Accounting Policy

Loans and receivables

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

All receivables are expected to be recovered in no more than 12 months with the exception of amounts totalling \$349,000, which are subject to agreed and documented payment plans.

Receivables for Goods & Services

Credit terms are net 30 days (2021: 30 days).

NOTE 5: FINANCIAL ASSETS — CONTINUED

Accounting Policy

Impairment of financial assets

Financial assets are assessed for impairment at each reporting period.

Financial assets held at amortised cost

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

Note 6: Non-Financial Assets

Note 6A: Land and buildings

Freehold land

- at fair value

Total freehold land

Buildings on freehold land:

- at fair value

- accumulated depreciation

Total buildings on freehold land

Total land and buildings

	2022 \$'000	2021 \$'000
Freehold land		
- at fair value	276,296	251,742
Total freehold land	276,296	251,742
Buildings on freehold land:		
- at fair value	84,553	78,095
- accumulated depreciation	-	-
Total buildings on freehold land	84,553	78,095
Total land and buildings	360,849	329,837

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

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

Note 6B: Infrastructure, plant and equipment

Infrastructure, plant and equipment:

- at fair value

- accumulated depreciation

Total infrastructure, plant and equipment

	2022 \$'000	2021 \$'000
Infrastructure, plant and equipment:		
- at fair value	48,198	47,130
- accumulated depreciation	(5,837)	(5,262)
Total infrastructure, plant and equipment	42,361	41,868

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

Note 6C: Heritage and collections

Heritage assets:

- at fair value

Total heritage assets

	2022 \$'000	2021 \$'000
Heritage assets:		
- at fair value	53,697	52,592
Total heritage assets	53,697	52,592

NOTE 6: NON-FINANCIAL ASSETS — CONTINUED

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

Valuations were conducted by an independent valuer (Jones Lang LaSalle) in 2020.

The Harbour Trust undertook an internal desktop revaluation for certain classes of assets at 30 June 2022.

The internal valuation was reviewed by Jones Lang LaSalle for consistency with market indices and market developments. Revaluation increments of \$25,073m for land and \$3,517m for buildings on freehold land were credited to the asset revaluation reserve by asset class and included in the non-financial assets section of the Consolidated Statement of Financial Position. Revaluation increments for infrastructure of \$941,000 and \$245,000 for heritage were also credited to the asset revaluation reserve by asset class and included in the non-financial assets section of the Consolidated Statement of Financial Position.

Management undertook an internal desktop valuation in 2021-22 for plant and equipment which indicated that there were no material movements in depreciated replacement value of assets.

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

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

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

Note 6D: Intangible assets

Computer software at cost:

Purchased – in use

Total computer software

Accumulated amortisation

Total intangibles

	2022 \$'000	2021 \$'000
Purchased – in use	984	982
Total computer software	984	982
Accumulated amortisation	(731)	(636)
Total intangibles	253	346

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

NOTE 6: NON-FINANCIAL ASSETS — CONTINUED

**Note 6E: Analysis of infrastructure, plant, equipment and intangibles
Reconciliation of the opening and closing balances of infrastructure, plant,
equipment and intangibles (2021–22)**

	Land \$'000	Buildings on Freehold Land \$'000	Total Land & Buildings \$'000	Infrastructure, Plant & Equipment \$'000	Heritage & Collections \$'000	Intangibles \$'000	Total \$'000
As at 1 July 2021							
Gross book value	251,742	78,095	329,837	47,130	52,592	982	430,541
Accumulated depreciation/amortisation	-	-	-	(5,262)	-	(636)	(5,898)
Total as at 1 July 2021	251,742	78,095	329,837	41,868	52,592	346	424,643
Additions:							
Purchase	-	3,874	3,874	1,494	860	2	6,231
Revaluations and impairments recognised in other comprehensive income	25,073	3,517	28,589	941	245	-	29,776
Reclassification	(519)	519	-	-	-	-	-
Depreciation/amortisation expense	-	(1,453)	(1,453)	(1,907)	-	(95)	(3,455)
Depreciation on right-of-use asset	-	-	-	(35)	-	-	(35)
Disposals/write-down	-	-	-	-	-	-	-
Total as at 30 June 2022	276,296	84,553	360,849	42,361	53,697	253	457,160
Total as at 30 June 2022 represented by:							
Gross book value	276,296	84,553	360,849	48,198	53,697	984	463,728
Accumulated depreciation/amortisation	-	-	-	(5,837)	-	(731)	(6,568)
Carrying amount of right-of-use assets	-	-	-	285	-	-	285

Accounting Policy

Acquisition of Assets

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

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

Property, Plant and Equipment

Asset Recognition Threshold

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

Fair Value & Revaluations

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

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

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

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

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

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

Lease Right of Use (ROU) Assets

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

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

NOTE 6: NON-FINANCIAL ASSETS — CONTINUED

Depreciation

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

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

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

	2022	2021
Buildings on freehold land	10 to 125 years	10 to 125 years
Infrastructure	5 to 50 years	5 to 50 years
Plant and equipment	3 to 20 years	3 to 20 years

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

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

Impairment

All assets were assessed for impairment at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

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

Derecognition

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

Heritage and Collection Assets

The Harbour Trust owns and manages buildings, monuments and structures that have significant heritage and cultural value (with an aggregated fair value of \$53.697m (2021: \$52.592m)). The Harbour Trust has classified them as heritage and collection assets as they were primarily used for purposes that relate to their cultural significance. The Harbour Trust has adopted appropriate curatorial and preservation policies for these heritage assets and the items are deemed to have indefinite useful lives and hence are not depreciated. The Harbour Trust's curatorial and preservation policies are publicly available within the Harbour Trust's Management Plans at <http://www.harbourtrust.gov.au/en/corporate/planning/>.

Asset Renewal Reserve

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

Intangibles

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

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the Harbour Trust's software is 3 to 7 years (2021: 3 to 7 years).

All software assets were assessed for indications of impairment as at 30 June 2022.

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

The following table provides an analysis of assets that are measured at fair value.

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

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

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

Level 3: Unobservable inputs for the asset.

Fair value measurements	Measurements		Fair Value Level
	2022 \$'000	2021 \$'000	
Non-financial assets			
Land	276,296	251,742	LEVEL 3
Buildings	84,553	78,095	LEVEL 3
Infrastructure, plant and equipment	42,361	41,868	LEVEL 3
Heritage and collections	53,697	52,592	LEVEL 3
Total non-financial assets	456,907	424,297	

	2022 \$'000	2021 \$'000
Note 6G: Inventories		
Finished goods at cost	75	54
Impairment allowance for obsolete stock	(48)	-
Total inventories	27	54

During the 2022 year no inventory held for distribution was recognised as an expense (2021: nil).

Accounting Policy

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

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

	2022 \$'000	2021 \$'000
Note 6H: Other non-financial assets		
Lease incentives	92	136
Prepayments	32	-
Total other non-financial assets	124	136
Other non-financial assets expected to be settled:		
No more than 12 months	67	47
More than 12 months	57	89
Total other non-financial assets	124	136

Note 7: Payables

Note 7A: Suppliers

Trade creditors

Total supplier payables

Supplier payables expected to be settled:

No more than 12 months

More than 12 months

Total supplier payables

Settlement is usually made within 30 days.

2022 \$'000	2021 \$'000
2,053	800
2,053	800
2,053	800
-	-
2,053	800

Note 7B: Other Payables

Salaries and wages

Accrued expenses/suppliers

Bonds and security deposits

Unearned revenue

Total other payables

The Harbour Trust also holds 50 bank guarantees (2021: 48) as security for tenants on long term leases.

The total value of those bank guarantees is \$2.494m (2021: \$2.666m).

2022 \$'000	2021 \$'000
181	139
212	392
1,839	1,737
2,774	2,790
5,006	5,059

Other payables expected to be settled:

No more than 12 months

More than 12 months

Total other payables

Accounting Policy

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

Other financial liabilities

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

2022 \$'000	2021 \$'000
3,663	3,473
1,343	1,586
5,006	5,059

Interest Bearing Liabilities

Note 7C: Leases

Right-of-use asset

Total leases

Total cash outflow for leases for the year ended 30 June 2022 was \$29,670 (2021: \$29,670).

2022 \$'000	2021 \$'000
300	329
300	329

Maturity analysis - contractual undiscounted cash flows for lease payments

Within 1 year

Between 1 to 5 years

More than 5 years

Total Leases

2022 \$'000	2021 \$'000
31	30
131	128
144	178
306	336

Accounting Policy

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

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

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest.

It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

People and Relationships

Note 8: People and Relationships

Note 8A: Employee provisions

Leave

Discretionary benefits

Total employee provisions

2022 \$'000	2021 \$'000
1,536	1,358
40	-
1,576	1,358

A provision has been made for the discretionary element of the Executive Director's 2021-2022 remuneration. Payment of this amount, or a portion thereof is at the discretion of the Trust Members. Trust Members have not yet determined eligibility for discretionary remuneration.

Accounting Policy

Employee Benefits

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

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

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

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

Superannuation

Certain employees of the Harbour Trust are members of the Public Sector Superannuation Scheme ("PSS") or the PSS Accumulation Plan ("PSSap").

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

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

The Harbour Trust makes employer contributions to the employee superannuation schemes at rates determined by an actuary to be sufficient to meet the current cost to the Government. The Harbour Trust accounts for the contributions as if they were contributions to defined contribution plans.

Employer superannuation contributions for employees who are not members of the PSS are expensed in the financial statements. There is no residual liability in respect of these contributions.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

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

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

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

Separation and Redundancy

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

Note 8B: Key Management Personnel Remuneration

	2022	2021
	\$	\$
Short-term employee benefits:		
Base salary	458,385	502,656
Other benefits and allowances	52,850	35,713
Total short-term employee benefits	511,235	538,369
Post-employment benefits:		
Superannuation	59,308	73,993
Total post-employment benefits	59,308	73,993
Other long-term benefits:		
Long-service leave	5,234	12,918
Total other long-term benefits	5,234	12,918
Termination benefits:		
Termination benefits	-	113,451
Total termination benefits	-	113,451
Total key management remuneration expenses	575,777	738,731

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

Pursuant to Section 43 of the *Sydney Harbour Federation Trust Act 2001*, the Harbour Trust sets the conditions of employment for the Executive Director, but first must seek advice from the Australian Government Remuneration Tribunal in respect of remuneration and allowances. The incoming Executive Director's remuneration was approved by resolution of the Trust and set out in the appointment instrument. The Tribunal provided advice to the Harbour Trust on the Executive Director's remuneration following the Tribunal's meeting on 26 May 2021. The package includes a performance component awarded at the discretion of the Harbour Trust. No performance component was paid or awarded in 2021-22.

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

The total number of key management personnel that are included in the above table is 13 individuals (2021: 10 individuals) noting that two individuals have filled the Executive Director position during 2021-22.

Other Information

Note 9: Financial Instruments

Note 9A: Categories of financial instruments

Financial assets at amortised cost

	2022	2021
	\$'000	\$'000
Investments	50,095	50,020
Cash and cash equivalents	13,448	18,063
Cash on hand	1	1
Trade receivables	1,432	1,457
Other receivables	52	400
Total financial assets at amortised cost	65,028	69,941

Financial Liabilities

Financial liabilities measured at amortised cost

Trade creditors	2,053	800
Salaries and wages	181	139
Accrued expenses/suppliers	212	392
Bonds and security deposits	1,839	1,737
Total financial liabilities measured at amortised cost	4,285	3,068

Trade receivable are shown at their gross value before taking into account the impairment allowance (see Note 5C).

Accounting Policy

Financial assets

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

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

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

Comparatives have not been restated on initial application.

Financial Assets at Amortised Cost

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

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

Amortised cost is determined using the effective interest method.

Effective Interest Method

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

Impairment of Financial Assets

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

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

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

NOTE 9: FINANCIAL INSTRUMENTS — CONTINUED

Financial liabilities

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

Financial Liabilities at Amortised Cost

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

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

Note 9B: Net Gains or Losses on Financial Assets

Financial assets at amortised cost

Interest revenue (see note 4C)
Impairment (see note 4F)

Net gain on financial assets at amortised cost

	2022	2021
	\$'000	\$'000
Interest revenue (see note 4C)	247	147
Impairment (see note 4F)	212	174
Net gain on financial assets at amortised cost	459	321

Note 9C Net Gains or Losses on Financial Liabilities

There was no net income or expense from financial liabilities for the year ended 30 June 2022 (2021 - Nil).

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

Assets expected to be recovered in:

No more than 12 months

Cash and cash equivalents
Investments
Trade and other receivables
Other non-financial assets

Total no more than 12 months

More than 12 months

Trade and other receivables
Land and buildings
Infrastructure, plant and equipment
Heritage and collections
Intangibles
Inventories
Other non-financial assets

Total more than 12 months

Total assets

	2022	2021
	\$'000	\$'000
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	13,449	18,064
Investments	50,095	50,020
Trade and other receivables	880	1,294
Other non-financial assets	67	47
Total no more than 12 months	64,491	69,425
More than 12 months		
Trade and other receivables	349	-
Land and buildings	360,849	329,837
Infrastructure, plant and equipment	42,361	41,868
Heritage and collections	53,697	52,592
Intangibles	253	346
Inventories	27	54
Other non-financial assets	57	89
Total more than 12 months	457,593	424,786
Total assets	522,084	494,211

Liabilities expected to be settled in:

No more than 12 months

Suppliers
Other payables
Leases
Employee provisions

Total no more than 12 months

More than 12 months

Suppliers
Other payables
Leases
Employee provisions

Total more than 12 months

Total liabilities

	2022	2021
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	2,053	800
Other payables	3,663	3,473
Leases	31	30
Employee provisions	676	-
Total no more than 12 months	6,423	4,303
More than 12 months		
Suppliers	-	-
Other payables	1,343	1,586
Leases	269	299
Employee provisions	900	1,358
Total more than 12 months	2,512	3,243
Total liabilities	8,935	7,546

Managing Uncertainties

Note 11: Contingencies

Schedule of Contingencies

There were no contingent assets or liabilities required to be disclosed as at 30 June 2022 (2021 - Nil).

Accounting Policy

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

Note 12: Related Party Disclosures

Related party relationships

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

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

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

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

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

Note 13: Sydney Harbour Foundation Management Ltd

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

Expenses of the Company are met by the Harbour Trust.

The cash position of the Company is as follows:

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Cash received		
Donations	-	-
Grants	-	-
Total cash received	-	-
Cash used		
Suppliers	-	-
Total cash used	-	-
Net cash from operating activities	-	-
INVESTING ACTIVITIES		
Net cash from/(used by) investing activities	-	-
FINANCING ACTIVITIES		
Cash received		
Funds received for SHFT	-	-
Total cash received	-	-
Cash used		
Fund transferred to SHFT	-	-
Total cash used	-	-
Net cash from/(used by) financing activities	-	-
Net increase/(decrease) in cash held	-	-
Cash and cash equivalents at the beginning of the reporting period	-	-
Cash and cash equivalents at the end of the reporting period	-	-

Note 14: Sydney Harbour Conservancy

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

The objectives of the Conservancy are to:

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

The cash position of the Conservancy is as follows:

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Cash received		
Donations	-	-
Grants	-	-
Total cash received	-	-
Cash used		
Suppliers	(120)	(130)
Total cash used	(120)	(130)
Net cash from/(used by) operating activities	(120)	(130)
INVESTING ACTIVITIES		
Net cash from/(used by) investing activities	-	-
FINANCING ACTIVITIES		
Cash received		
Funds received for Trustee company	-	-
Total cash received	-	-
Cash used		
Funds transferred to Trustee company	-	-
Total cash used	-	-
Net cash from/(used by) financing activities	-	-
Net increase/(decrease) in cash held	(120)	(130)
Cash and cash equivalents at the beginning of the reporting period	6,727	6,857
Cash and cash equivalents at the end of the reporting period	6,607	6,727

APPENDICES

Appendix 1: Freedom of information

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

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

or by contacting the FOI Officer at:

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

Information Publication Scheme

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

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

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

Reporting

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

Appendix 2: Advisory groups

Aboriginal and Torres Strait Islander Advisory Group

Professor Dennis Foley
Susan Moylan-Coombs
Djon Mundine OAM
Roy Mundine OAM
Peter White
The Aboriginal and Torres Strait Islander Advisory Group concluded on 12 January 2022.

General Community Advisory Committee

Ex-Officio Members

The Hon. Anthony Albanese MP, Member for Grayndler
Commander Bernadette Alexander, RAN, HMAS Penguin, Resigned 26/10/2021
Commander Michael Nipperess
*Cr Mark Bennett, Mayor of Hunter's Hill, Mayor of Hunter's Hill, Resigned 4/12/2021
Cr Zac Miles, Mayor of Hunter's Hill
Cr Carolyn Corrigan, Mayor of Mosman
*Cr Jilly Gibson, Mayor of North Sydney, Resigned 4/12/2021
Cr Zoë Baker, Mayor of North Sydney
Cr Michael Regan, Mayor of Northern Beaches
**Dave Sharma MP, Member for Wentworth, Resigned 21/5/2022
Zali Steggall OAM MP, Member for Warringah
Cr Susan Wynne, Mayor of Woollahra
**Trent Zimmerman MP, Member for North Sydney, Resigned 21/5/2022

General Members

Rita Chowdhury, Resigned 1/5/2021
Rob Crawford
Sarah Dinning
Kate Eccles
Kate Evers
Paul Forward

*These members term concluded after the NSW Council Elections 2021

**These members term concluded after the Federal Election 2022

Colleen Godsell
Julie Goodsir
Geoffrey Lambert
Peter Lawrence / Rob Crawford
Beth Lawsen
Robyn Lewis
Jill L'Estrange
Malcolm Moir
Matthew Rafferty
Stuart Sprott
John Tropman

Sub Base Platypus Community Advisory Committee

Ex-Officio Members

* Cr Jilly Gibson, Mayor of North Sydney, Resigned 4/12/2021
**Trent Zimmerman MP, Member for North Sydney, Resigned 21/5/2022

General Members

Victoria Black (maternity leave)
Phil Burfurd
Tammy Dodd
Paul Forward
Matthew Lorrimer
Neil Schafer
Christopher Stapleton
Romi Savitz
Ken Williams

Appendix 3: Maintenance, heritage conservation and environmental management projects

The following projects were undertaken by the Harbour Trust in 2021-22:

Cockatoo Island / Wareamah	<ul style="list-style-type: none"> Further conservation works to the historic Powerhouse including installation of pumps to address underground flooding Repair of lintels and stonework and repairs and painting of windows and doors, in convict-built Buildings 4 and 5 Removal of hazardous materials from the slipways Clean up of leak of mercury arc rectifiers in the historic Powerhouse Completed repairs to Camber Wharf and Jetty and replacement of the timber boardwalk Major refurbishment of the Rangers office Safety repairs and geotechnical assessments of the Dog Leg Tunnel Stabilisation of lead paint in Building 137 Upgrade to the campground including repairs to ablutions block and repairs to the timber boardwalks Refurbishment of the dockyard-era caisson in the convict-built Fitzroy Dock External conservation works to the Clerk of Petty Sessions Cottage (c.1848), which revealed previously hidden convict stone flagging Construction of a new awning to one of the heritage houses Installation and maintenance of netting to deter roosting by silver gulls Conservation of historic machinery and planting of gardens by Harbour Trust volunteers
Headland Park	<ul style="list-style-type: none"> Preservation works to Buildings 1 and 3 at 10 Terminal, including structural repairs; replacing and repointing damaged bricks; commissioning of new roof tiles including colour-matching to the originals; repairs and restoration of external joinery including windows and doors; and incorporating measures to achieve Building Code of Australia compliance Repairs to roofs and drainage systems following extensive rain events Renovation of residential properties at 2 and 5 Imperial Place Resurfacing of Chowder Bay Road near the intersection with Middle Head Road Major remediation works to Chowder Bay Road due to a collapsed outlet pipe of a Gross Pollutant Trap Replacement of approximately 20,000 heavily corroded screws in the roofs of commercial buildings at Georges Heights Repairs to the seawall at Chowder Bay Minor internal fit-outs of commercial suites by tenants Mechanical and manual bushfire hazard reduction works Polish and reseal of timber floorboards in commercial properties External and internal painting of tenanted buildings Fire safety audit Contract bush regeneration Feral animal control

North Head Sanctuary	<ul style="list-style-type: none"> Replacement of in-road stormwater pipes Reconstruction of the frog pond following damage during storm event Repointing of the heritage stone wall at North Fort Repair of sewerage and stormwater pipes due to infestation by tree roots Refurbishment of residential properties at 4 and 8 Artillery Drive and 7 North Head Scenic Drive Conservation and structural works including remedial concrete repairs of the historic Command Post, Observation Post and Searchlight Engine Rooms Minor internal fit-outs of commercial suites by tenants Ongoing repairs to tenanted residential and commercial buildings, including paintwork, carpentry and plumbing Conservation and reconstruction of historic military equipment by heritage restoration volunteers Repair of the former paint store's doors (Building 207) Refurbishment of selected windows on Building 1 Repair of silted-up discharge points for mains stormwater lines to improve drainage from residential properties on North Head Scenic Drive Propagation and planting of local species by the North Head Sanctuary Foundation Mechanical and manual bushfire hazard reduction works Feral animal control Maintenance, heritage conservation and environmental management projects
Woolwich Dock	<ul style="list-style-type: none"> Refurbishment to the jetty and pontoon including safety improvements Completion of repairs to the roll on-roll off ramp adjacent to the Horse Paddock Landscape maintenance and weed removal
Sub Base Platypus	<ul style="list-style-type: none"> Site establishment and installation of erosion and sediment control measures around the Torpedo Factory Commencement of demolition of the lower floor of the Torpedo Factory including northern nib, services room and ballroom Design development of interpretation of the Torpedo Factory, examining all historical phases and First Nations Temporary relocation of historic periscope racks to Cockatoo Island / Wareamah, to facilitate the Torpedo Factory Renewal Project. Repair of roof leaks in the Submarine School and Fleet Workshop Installation and maintenance of netting to deter roosting by silver gulls Internal fit-outs of commercial suites by tenants Upgrades to site services Weed removal and replanting
Macquarie Lightstation	<ul style="list-style-type: none"> Commencement of scoping of heritage conservation works to the Greenway Wall Design development of internal interpretation of the Lighthouse Weed removal and replanting
Former Marine Biological Station	<ul style="list-style-type: none"> Weed removal and replanting

Appendix 4: Sydney Harbour Foundation Management Ltd organisational structure

Officeholders and Directors

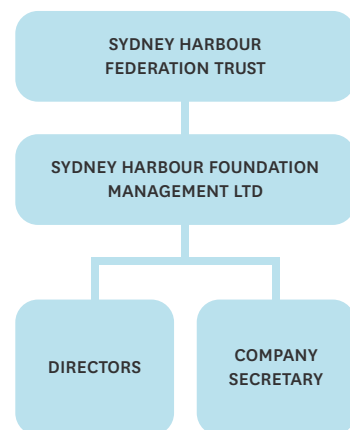
Kevin McCann AO	Chair / Director
Sandra Hook	Director
Mary Darwell*	Director
Jessica Keen	Director
Michael Brennan**	Company Secretary
Justin Bock***	Company Secretary

*Mary Darwell resigned from the Sydney Harbour Foundation Management Ltd, effective from 8th June 2022.

** Michael Brennan resigned from the Sydney Harbour Foundation Management Ltd, effective 1st April 2022.

***Justin Bock was appointed Company Secretary of the Sydney Harbour Foundation Management Ltd, 22 April 2022.

Organisational structure



Appendix 5: Executive remuneration

Information about remuneration for Executive Director and Members of the Trust as at 30 June 2022.

Name	Position Title	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS	TERMINATION BENEFITS	TOTAL REMUNERATION
		Base Salary (\$)	Bonuses (\$)	Other Benefits and Allowances (\$)				
Janet Carding	Executive Director	242,683	-	52,850	33,488	4,145	-	333,166
Linda Ward	Interim Executive Director	41,909	-	-	8,298	1,090	-	51,297
Joseph Carrozzi AM	Chairman	52,714	-	-	5,276	-	-	57,990
Sandra Hook	Member of the Trust	21,813	-	-	2,184	-	-	23,996
Timothy Charles James	Member of the Trust	15,653	-	-	1,568	-	-	17,220
Michael Rose	Member of the Trust	26,357	-	-	2,638	-	-	28,995
Chantelle Fornari	Member of the Trust	4,544	-	-	454	-	-	4,999
Bradley Manera	Member of the Trust	26,357	-	-	2,636	-	-	28,992
Carolyn McNally	Member of the Trust	26,357	-	-	2,636	-	-	28,992
Others*	Member of the Trust	-	-	-	130	-	-	130
Total		458,385	-	52,850	59,308	5,234	-	575,777

*Outstanding superannuation reimbursements for ex-Members of the Trust Garth Callender, Josephine Amy-Cashman, Jean Hay and Jessica Keen whose appointments ended in 2020-21 reporting period.

APPENDIX 5: EXECUTIVE REMUNERATION — CONTINUED

Information about remuneration for senior executives as at 30 June 2022.

Total remuneration bands	Number of senior executives	SHORT-TERM BENEFITS			POST-EMPLOYMENT BENEFITS	OTHER LONG-TERM BENEFITS		TERMINATION BENEFITS	TOTAL REMUNERATION
		Average base salary	Average bonuses	Average other benefits & allowances		Average long-service leave	Average other long-term benefits		
\$0-\$220,000	3	167,391	0	0	21,511	4,507	13,866	0	207,275
\$220,001-\$245,000	1	193,341	0	0	19,334	4,815	14,816	0	232,307
\$245,001-\$270,000	2	217,540	0	0	21,817	5,451	16,773	0	261,581

Appendix 6: Statement of Expectations March 2022

The Harbour Trust Statement of Expectations was issued under the preceding Minister for the Environment the Hon. Sussan Ley MP.

Context

This document sets out the Government’s expectations of the Sydney Harbour Federation Trust.

Statements of Expectation are common practice in the governance of Commonwealth statutory agencies, such as the Harbour Trust. They set out the Government’s expectations for the priorities and performance of statutory agencies, while also respecting the independence afforded to agencies by their enabling legislation.

This statement is addressed to all members of the Harbour Trust. The members, collectively, constitute the “Accountable Authority” under the *Public Governance, Performance and Accountability Act 2013*. As such, members are collectively responsible for the governance and performance of the Harbour Trust. The 2020 independent review of the Harbour Trust reaffirmed the appropriateness of this “governing board” approach to agency governance.

This Statement of Expectations replaces previous Statements of Expectations, issued in 2019 and June 2020.

This Statement acknowledges recent changes in the membership of the Harbour Trust, and to its Executive Director, and is therefore timely, providing guidance to the refreshed leadership of the organisation.

The Harbour Trust is expected to respond with a Statement of Intent, outlining the actions that it will take in response to the expectations set out in this statement.

Priorities

The role of the Harbour Trust is established in legislation. This Statement of Expectation focuses on how the Harbour Trust does its business.

Financial sustainability

The Harbour Trust should continue to give priority to improving its financial sustainability, and delivery on investments the Government has made in the Harbour Trust.

Since 2019, the Government has made over \$82 million in funding available to the Harbour Trust for works up to 2024 to support the remediation, activation and storytelling of sites, and financial sustainability.

- \$21.4 million for Sub-Base Platypus and 10 Terminal (2019-20 Budget)
- \$23 million for High Priority Repair works and COVID relief (2020 Review), and
- \$37.6 million for priority repairs (2020-21 Budget)
- \$3 million for master plans for Cockatoo Island and North Head Sanctuary (2020-21 Budget)

APPENDIX 6: STATEMENT OF EXPECTATIONS — CONTINUED

Funding provided for Sub-Base Platypus and 10 Terminal should deliver, in a timely way, the renewal of the sites to the point where they can support community use and the financial sustainability of the Harbour Trust, in partnership with others where appropriate.

Funding for priority repair works should be delivered in a timely way, and reflect a strategic approach to asset management.

In pursuing improvements to financial sustainability, particular attention should be given to:

- Developing strategies for Trust sites to maximise revenue in a way that is consistent with the broader public access and amenity objectives of the SHFT Act.
- Prioritising opportunities to partner with private and philanthropic entities, and the NSW Government, to support the rehabilitation, ongoing management, and increase visitation and celebration of the multi-layered history of the sites.
- Developing financially feasible strategies for the continued remediation and upkeep of Harbour Trust sites, supported by appropriate partnerships.
- Delivering a strategic and effective approach to asset management, to ensure asset repairs, maintenance and replacement is appropriately prioritised and maximally efficient.

This attention to financial sustainability should be a particular focus of the Harbour Trust's work to develop a refreshed vision for Cockatoo Island and North Head Sanctuary.

The responsible Minister should be updated on progress following each board meeting, including on the expenditure of the funding provided by the Government to support the financial sustainability of the Harbour Trust.

Ongoing Implementation of Independent Review RecommendationsCommunity engagement

The 2020 Independent review of the Harbour Trust emphasised the importance of community engagement and recommended that current approaches to engagement be reviewed and refreshed.

The Harbour Trust should consult closely with the community to identify needs, opportunities and mechanisms to improve community engagement.

Organisational capability, performance and governance

The 2020 Independent review of the Harbour Trust recommended that the structure, capabilities and governance of the organisation are reviewed and refreshed to ensure it is appropriate to the current context and role of the Harbour Trust as an ongoing entity.

With refreshed leadership in place through new membership of the Harbour Trust and a new Executive Director, it is especially timely to undertake this review and make appropriate reforms.

As a part of this, the governance of the organisation, and way in which the Harbour Trust members collectively discharge their responsibilities as the Accountable Authority of the agency should be considered. This should ensure the members are, collectively, able to operate effectively as a governing board. As part of this, the board may wish to consider appointing a deputy chair.

Regulatory maturity

Following the independent review, the *Sydney Harbour Federation Trust Act 2001* has been amended, and new regulations (the *Sydney Harbour Federation Trust Regulations 2021*) established.

With this new and updated legislative basis in place, it is timely that the Harbour Trust review, and where appropriate improve, its regulatory maturity. This should include ensuring organisational policies and procedures are demonstrably consistent with the Harbour Trust's enabling legislation, and that there is appropriate regulatory capability within the organisation.

To support this, I encourage the Harbour Trust to engage with the regulator best practice and performance work of the Department of Agriculture, Water and Environment, and the Department of the Prime Minister and Cabinet.

Deepening connections with the Commonwealth

The Harbour Trust is a Commonwealth government entity. As a small statutory agency based in Sydney, there is a risk of becoming disconnected to the broader Commonwealth government. This can come at a cost of lost opportunities and efficiencies (e.g. by not leveraging broader services and capabilities elsewhere in government). It can also carry risks of non-compliance with Government policies and processes.

The Harbour Trust should consider the ways in which it can deepen relationships with the Commonwealth and ensure staff and officials of the agency are familiar with relevant legislative and policy frameworks applying to Commonwealth agencies.

The Harbour Trust should also continue to build linkages and partnerships with national cultural institutions, as part of a connected approach to preserving and presenting Australia's heritage.

APPENDIX 6: STATEMENT OF EXPECTATIONS — CONTINUED

Deepening connections with NSW and local councils

Harbour Trust sites form part of a mosaic of public parklands and spaces around the Harbour and Greater Sydney Region. While recognising the unique nature of Harbour Trust sites, the 2020 Independent review advocated for a stronger “whole of Harbour approach”.

While the sites are appropriately managed by the Harbour Trust under its enabling legislation, the Harbour Trust should seek to deepen its collaboration with relevant NSW government agencies and local councils so that communities and visitors have a more joined up experience, and sites are effectively and efficiently activated and managed.

LEGISLATIVE COMPLIANCE

Legislative compliance

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

REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
Sydney Harbour Federation Trust Act 2001				
	Section 70 Annual Report	The annual report prepared by the members and given to the Minister under section 46 of the <i>Public Governance, Performance and Accountability Act 2013</i> for a period must also include:	Mandatory	
(a)	Steward Our Parklands	a description of the condition of plan areas at the end of the period to which the report relates; and		28
(b)	Risk and Oversight Management	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		63
Public Governance, Performance and Accountability Act 2013				
	Section 46	Annual Report for Commonwealth Entities	Mandatory	
(1)	Letter of Transmittal	... the accountable authority of the entity must prepare and give an annual report to the entity’s responsible Minister...		3
(3)	Compliance Index	The annual report must comply with any requirements prescribed by the rules.		129
Work Health and Safety Act 2011				
	Schedule 2, Part 4	Risk and Oversight Management Annual Reports		63
Environment Protection and Biodiversity Conservation Act 1999				
	Section 516A	Annual Reports to deal with environmental matters	Mandatory	
(1)	Steward Our Parklands	The accountable authority of a Commonwealth entity (within the meaning of the <i>Public Governance, Performance and Accountability Act 2013</i>) must ensure that an annual report prepared under section 46 of that Act complies with subsection (6) of this section.		32
Freedom of Information Act				
	Division 2	Information to be published	Mandatory	
8 (2)	Appendix 1: Freedom of Information	The agency must publish the following information: (a) the plan prepared under subsection (1); ... (h) contact details for an officer (or officers) who can be contacted about access to the agency’s information or documents under this Act;		122

REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
Public Interest Disclosure Act 2013				
Section 44		Giving notice of the allocation decision	Mandatory	
(1A)	Strengthen Our Capabilities	The authorised officer must also inform: (a) if the disclosure is allocated to an agency that is not the Ombudsman, the IGIS or an intelligence agency—the Ombudsman; or (b) if the disclosure is allocated to an intelligence agency—the IGIS; of the matters of which the principal officer of the agency must be informed under subsection (1).		56
Section 50A		Notification to Ombudsman or IGIS of decision not to investigate	Mandatory	
(1)	Strengthen Our Capabilities	If: (a) the principal officer of the agency has decided under section 48 or 49 not to investigate the disclosure under this Division, or not to investigate the disclosure further; and (b) the agency is not the Ombudsman, the IGIS or an intelligence agency; the principal officer must inform the Ombudsman of the decision, and of the reasons for the decision.		56
Section 76		Annual Report	Mandatory	
(3)	Strengthen Our Capabilities	The principal officer of an agency must give the Ombudsman such information and assistance as the Ombudsman reasonably requires in relation to the preparation of a report under this section.		56
Commonwealth Electoral Act 1918				
Section 311A		Annual returns of income and expenditure of Commonwealth Departments	Mandatory	
(1)	Welcome Everyone	... the principal officer ... must attach a statement to its annual report setting out particulars of all amounts paid by, or on behalf of, the Commonwealth Department during the financial year to: (a) advertising agencies; (b) market research organisations; (c) polling organisations; (d) direct mail organisations; and (e) media advertising organisations; and the persons or organisations to whom those amounts were paid.		41

PGPA Rule Compliance

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

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BB	Approval of annual report by the accountable authority			
17BB(c)(d)	Letter of Transmittal	include details of how and when approval of the annual report was given;	Mandatory	3
17BB(d)	Letter of Transmittal	state that the accountable authority of the entity is responsible for preparing and giving the annual report to the entity's responsible Minister in accordance with section 46 of the Act.	Mandatory	3
17BD	Plain English and clear design			
17BD(2)(c)	Contents	Table of contents		5
17BD(2)(d)	Index	Index [alphabetical]		134
17BD(2)(d)	Compliance Index	List of requirements		129
17BE	Contents of annual report			
17BE(a)	Harbour Trust Overview	Details of the legislation establishing the body	Mandatory	14
17BE(b)(i)	Harbour Trust Overview	A summary of the objects and functions of the entity as set out in legislation	Mandatory	13
17BE(b)(ii)	Harbour Trust Overview, Annual Performance Statement	The purposes of the entity as included in the entity's corporate plan for the reporting period	Mandatory	13-14, 67-76
17BE(c)	Harbour Trust Overview	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	Mandatory	14
17BE(d)	Strengthen Our Capabilities	Directions given to the entity by the Minister under an Act or instrument during the reporting period	If applicable, mandatory	63
17BE(e)	A Robust Business	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	62
17BE(f)	n/a	Particulars of non-compliance with: (a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or (b) a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	If applicable, mandatory	n/a
17BE(g)	Annual Performance Statements	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	Mandatory	67-76

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BE(h), 17BE(i)	n/a	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	If applicable, mandatory	n/a
17BE(j)	Harbour Trust Overview	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	Mandatory	16-20
17BE(k)	Harbour Trust Overview, Appendix 4	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	Mandatory	15, 126
17BE(ka)	Strengthen Our Capabilities	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: (a) statistics on full-time employees; (b) statistics on part-time employees; (c) statistics on gender; (d) statistics on staff location	Mandatory	55
17BE(l)	Harbour Trust Overview	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	Mandatory	22-23
17BE(m)	Risk and Oversight Management	Information relating to the main corporate governance practices used by the entity during the reporting period	Mandatory	59-63
17BE(n), 17BE(o)	Financial Statements	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): (a) the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and (b) the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions	If applicable, mandatory	91-121
17BE(p)	Risk and Oversight Management	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	If applicable, mandatory	63
17BE(q)	Risk and Oversight Management	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	If applicable, mandatory	63
17BE(r)	Risk and Oversight Management	Particulars of any reports on the entity given by: (a) the Auditor-General (other than a report under section 43 of the Act); or (b) a Parliamentary Committee; or (c) the Commonwealth Ombudsman; or (d) the Office of the Australian Information Commissioner	If applicable, mandatory	63
17BE(s)	n/a	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report		n/a

PGPA RULE REFERENCE	PART OF REPORT	DESCRIPTION	REQUIREMENT	PAGE
17BE(t)	Risk and Oversight Management	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	If applicable, mandatory	62
17BE(taa)	Risk and Oversight Management	The following information about the audit committee for the entity: (a) direct electronic address of the charter determining the functions of the audit committee; (b) the name of each member of the audit committee; (c) the qualifications, knowledge, skills or experience of each member of the audit committee; (d) information about each member's attendance at meetings of the audit committee; (e) the remuneration of each member of the audit committee	Mandatory	60-61
17BE(ta)	Strengthen Our Capabilities, Appendix 5	Information about executive remuneration	Mandatory	55, 127-128
17BE(u)	Compliance Index (this table)	the list of requirements as set out in Schedule 2A that references where those requirements are to be found in the annual report.	Mandatory	131-133

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