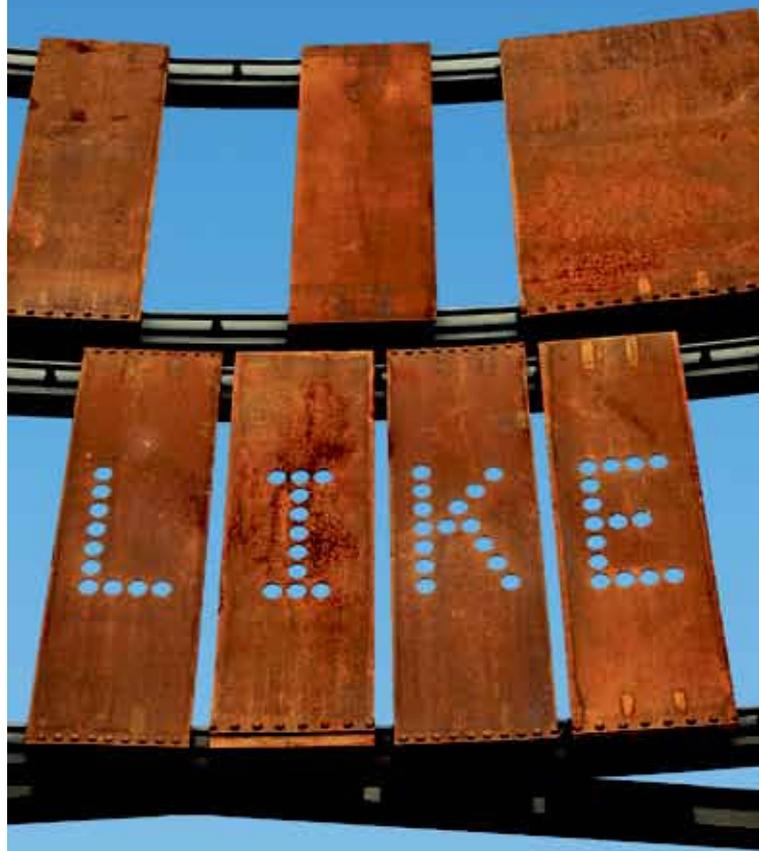


SYDNEY HARBOUR FORESHORE AUTHORITY

ANNUAL REPORT
2010-11



Planning & Infrastructure
Sydney Harbour Foreshore Authority



Letter to the Minister

The Hon Brad Hazzard MP
Minister for Planning and Infrastructure
Level 33, Governor Macquarie Tower
1 Farrer Place
Sydney NSW 2000

Dear Minister

I have pleasure in submitting the Sydney Harbour Foreshore Authority Annual Report for the year ended 30 June 2011.

The report has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984*, the *Public Finance and Audit Act 1983* and the regulations under those Acts.

Yours sincerely



Sam Haddad

Director General
Department of Planning
and Infrastructure

Our vision

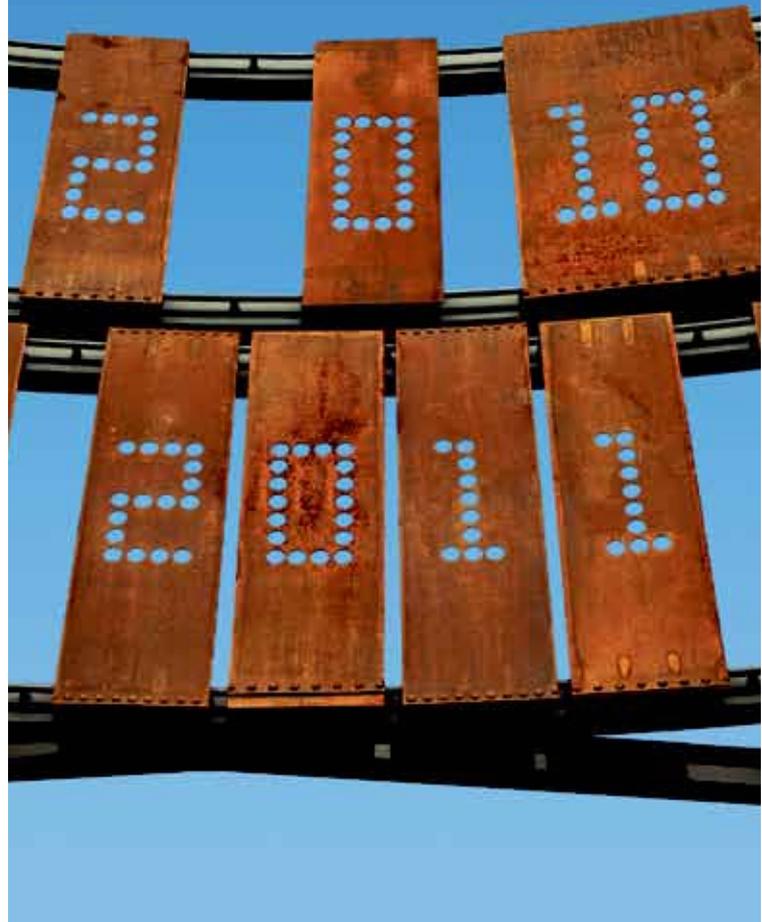
To make unique places in Sydney
that the world talks about

Our purpose

To create and sustain living places
and great experiences

The Authority does this by:

- > Managing places profitably and socially to deliver excellence in our role as manager for Sydney's significant waterfront and other precincts, balancing visitor, community and commercial expectations. As custodian, to ensure the preservation and interpretation of our natural and cultural heritage.
- > Promoting places effectively to capitalise on the economic and cultural worth of our places, as core attractions for both visitors and Sydneysiders.
- > Developing places responsibly to demonstrate leadership in creating quality environments that are enriching, diverse, accessible and sustainable. To add value by redeveloping surplus government land through a highly-skilled organisation.
- > Managing the organisation efficiently to meet customer and stakeholder needs and expectations.



Contents

1

02 > At a glance

- 03 > Achievements
- 04 > Our places
- 06 > Our performance
- 08 > Director General's message
- 10 > General Manager's message
- 12 > Our structure and executive team

2

14 > Business effectiveness

The first of the Authority's four key business outcomes, this section focuses on managing our business efficiently and effectively. We do this by continually improving our processes, enhancing place management efficiency and integrating sustainability into everything we do.

- 16 > Place management efficiency
- 17 > Creating sustainable precincts
- 18 > Leadership in sustainability
- 19 > Managing heritage and public places
- 21 > A year of accolades

3

22 > Stakeholders and customers

It is our responsibility to provide outstanding services and support to our key stakeholders—our tenants, the NSW Minister for Planning and Infrastructure, the NSW Government, our business partners and our employees—and deliver outstanding services and events to our key customers—the public, as well as effectively and efficiently delivering special state projects.

- 24 > Conventions, exhibitions and entertainment
- 24 > Community services
- 25 > Indigenous initiatives
- 26 > Education
- 27 > Building stakeholder relationships
- 28 > Outstanding events
- 31 > Supporting the community

4

32 > Organisational health

To sustain business growth and innovation the Authority strives to attract, retain and grow highly competent and motivated employees. Employees are engaged in the future of the organisation through effective leadership and communication.

- 34 > Employee development and engagement
- 34 > Workplace initiatives
- 35 > Human resources

5

38 > Corporate governance

The Authority has established governance structures and systems to ensure it meets its compliance and risk management obligations and sustainability objectives.

6

42 > Financial performance

By managing the business commercially, including maximising return from assets and operations, the Authority can continue to achieve its important work.

- 44 > Sydney Harbour Foreshore Authority
- 82 > Sydney Harbour Foreshore Authority Casual Staff Division
- 92 > Luna Park Reserve Trust

7

112 > Appendix

119 > Index

121 > Contact us

1

At a glance

Sydney Harbour Foreshore Authority owns and manages some of the State's most significant assets, including Sydney's heritage and cultural precincts at The Rocks and Darling Harbour.

With more than \$1.2 billion in assets and around 215 employees, the Authority manages significant commercial and retail leases, provides security, cleaning, building maintenance and other asset management services, and cares for the public domain and more than 140 heritage items.

The Authority also operates marketing and visitor services and hosts significant events in The Rocks and Darling Harbour each year. Between them, the precincts attract around 39 million* visitors annually.

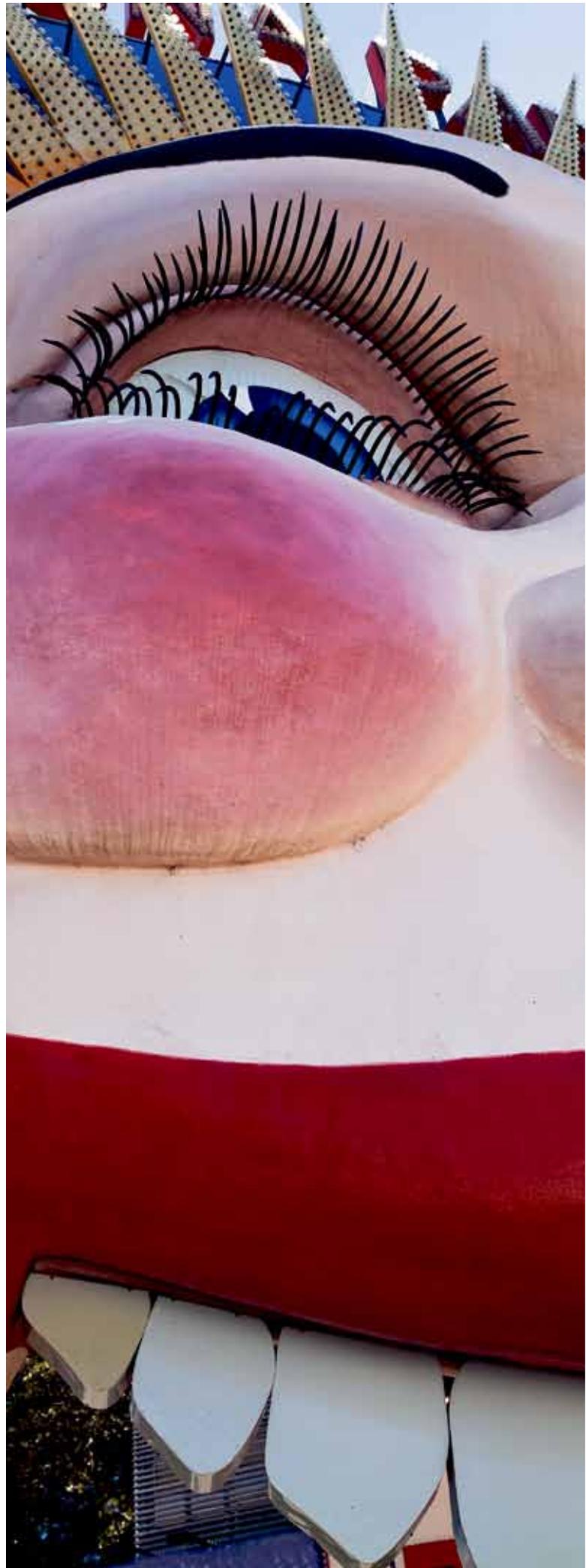
The Authority also owns State-significant sites at White Bay Power Station, Rozelle railway yards and Ballast Point and manages other major waterfront assets around Sydney Harbour on behalf of other agencies.

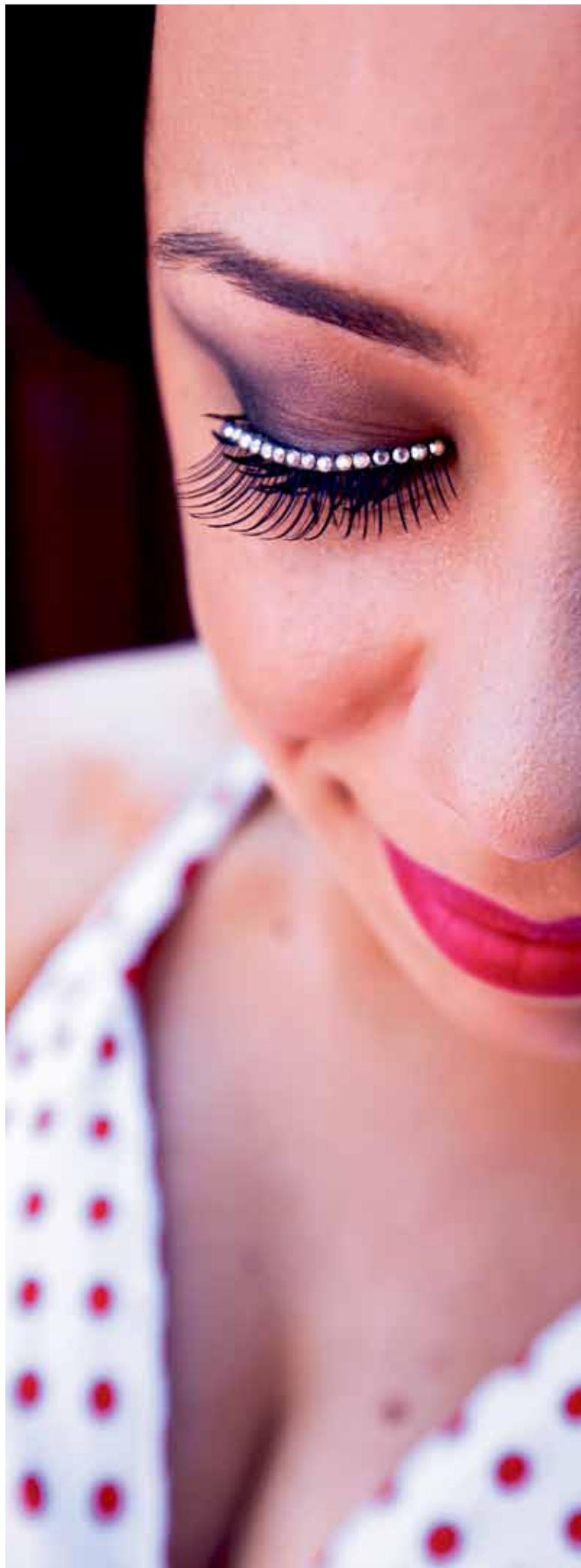
Sydney Harbour Foreshore Authority was formed in 1999 under the *Sydney Harbour Foreshore Authority Act 1998* to consolidate the work and functions of City West Development Corporation, Darling Harbour Authority and Sydney Cove Authority.

In April 2011 the Authority became part of the NSW Department of Planning and Infrastructure.

On 29 August 2011, the Minister for Planning and Infrastructure announced the appointment of a new Board for the Authority, chaired by Dick Persson AM. The members of the board are Peter Lowry OAM, Carolyn Fletcher, Owen Evans and Sam Haddad.

*The number of people movements recorded.
See page 31 for details on how figures are calculated.





The Authority aims to provide precincts that reflect the needs of the people of Sydney



Achievements 2010–11

- > **\$46.4 million**
Generated \$46.4 million in lease revenue in The Rocks, Darling Harbour and surrounds
- > **Conventions and exhibitions**
Secured the future of Sydney's convention, entertainment and exhibition facilities with the announcement of the new Sydney International Convention, Exhibition and Entertainment Precinct project
- > **Community consultation**
Completed the second stage of community consultation for the Bays Precinct
- > **Conservation**
Completed a program to prepare Conservation Management Plans for all heritage-listed assets
- > **\$12.2 million**
Invested \$12.2 million on managing and conserving heritage and public spaces
- > **Record numbers**
Welcomed 110,771 people to The Rocks Discovery Museum—the highest visitation yet
- > **1.52 million**
Produced events in The Rocks and Darling Harbour attended by 1.52 million people*
- > **30 community events**
Supported more than 30 major public events and community festivals in The Rocks and Darling Harbour

Our places

Sydney Harbour Foreshore Authority is responsible for Sydney's most historically and culturally significant waterfront locations.

These responsibilities include the care, protection, management and promotion of this land and its important buildings.

The Rocks and Circular Quay

The Rocks is located at the northern part of the Sydney CBD occupying the peninsula between Circular Quay and the Sydney Harbour Bridge. It is the place where the first European settlers came ashore in 1788.

In The Rocks, the Authority owns and maintains 93 State heritage-listed buildings. It also manages 298 retail and commercial tenants including waterfront cafes, restaurants, bars and contemporary shopping, as well as 27 residential tenants and around 200 stallholders in The Rocks Markets.

The Authority is committed to ensuring The Rocks is a vibrant place that offers a diversity of experiences for all our visitors while protecting and enhancing its heritage value. With a growing residential population and an increasing workforce, The Rocks is changing from a tourist destination to an intimate village with a new relevance to both locals and visitors.

Darling Harbour

Darling Harbour was created as a gift to the nation in celebration of Australia's bicentenary. Since its opening in 1988, Darling Harbour has continued to be a place of celebration for the people of Sydney, as well as a hugely popular tourist destination. At Darling Harbour, the Authority oversees the management of 139 tenancies comprising waterfront cafes, restaurants and bars, contemporary shopping, berths and many of Sydney's top attractions.

The Authority is committed to maintaining Darling Harbour as one of the world's best waterfront leisure, entertainment and business destinations for Sydneysiders and visitors alike.

The Authority also owns State-significant sites at White Bay Power Station, Rozelle railway yards and Ballast Point; is responsible for 21 tenancies at Pyrmont, Rozelle, Lilyfield and White Bay; and manages Luna Park Reserve Trust and Callan Park.

 Major owned or managed lands
(boundaries are indicative only)





Lavender Bay

Luna Park

Kirribilli

Ballast Point

Sydney Harbour Bridge

Walsh Bay

Barangaroo

Circular Quay

Balmain

The Rocks

White Bay

CBD

King Street Wharf

Pyrmont

Rozelle Bay

Cockle Bay

Blackwattle Bay

Darling Harbour

Ultimo

Glebe

Our performance 2010–11

The table below shows our results under our four key business outcomes: business effectiveness, stakeholders and customers, organisational health and financial performance.

Key Performance Indicators	Target 2010–11	Result 2010–11	Target achieved	Improvement on 2009–10	Result 2009–10	Result 2008–09	Result 2007–08	Target 2011–12	
Business effectiveness – see page 14									
Retail vacancy rate ¹ – proportion of the Authority's retail properties that are vacant as at 30 June 2011 (excluding ground leases from lettable area)	< 5.4%	4.81%	✓	No	2.36%	1.55%	1.8%	< 5.4%	
Commercial vacancy rate ¹ – proportion of the Authority's commercial properties that are vacant as at 30 June 2011 (excluding ground leases from lettable area)	< 9.3%	15.08% ²	–	Yes	17.05%	17.84%	15.9%	< 9.3%	
Percentage of debt outstanding for 90 days or more – as a proportion of yearly revenue	< 2%	0.3%	✓	Yes	0.6%	1.6%	0.9%	< 2%	
Annual sick days per employee	< 8.1 days	7.5 days	✓	Yes	7.9 days	7.6 days	6.49 days	< 8.1 days	
Annual reported safety incidents per employee	0.00	0.06	–	No	0.05	0.12	0.09	0.00	
Reduction in energy and water consumption – based on the Authority's year 2020 sustainability targets (reductions measured from year 2000 base)	Energy	–17%	–18.76%	✓	No	–20.8%	–19.3%	–13.1%	–20%
	Water	–24%	–26.31%	✓	No	–31.9%	–39.6%	–25.7%	–26.5%
Green power purchases – yearly electricity purchases sourced from renewable sources for the Authority's controlled sites expressed in terms of cars removed from the road	> 600 cars	577 cars	–	No	605 cars	548 cars	607 cars	> 600 cars	
Authority fleet emissions – yearly CO ₂ emissions of the Authority's fleet based on fuel consumption ³	< 56 tonnes	64.4 tonnes	–	No	57.6 tonnes	56.5 tonnes	62.2 tonnes	N/A ³	
Paper usage per full-time employee	< 35 kg	33.6 kg	✓	Yes	35.4 kg	32 kg	42 kg	< 35 kg	
Stakeholders and customers – see page 22									
Tenant sales turnover growth – percentage change in yearly tenant sales turnover based on 90 tenants supplying figures as per their lease agreement	> 3%	5.80%	✓	Yes	2.0%	–5.3%	3.7%	> 3%	
Average international visitor spend ⁴	The Rocks	> \$85	\$94.65	✓	No	\$104.50	\$93.04	\$81.31	> \$80
	Darling Harbour		\$87.39	✓	No	\$96.58	\$82.47	\$79.92	
Average domestic visitor spend ⁴	The Rocks	> \$105	\$90.12	–	No	\$112.60	\$98.41	\$105.90	> \$100
	Darling Harbour		\$126.73	✓	Yes	\$109.78	\$110.24	\$113.31	
Average Sydneysider visitor spend ⁴	The Rocks	> \$60	\$59.24	–	No	\$70.90	\$60.93	\$62.82	> \$60
	Darling Harbour		\$59.45	–	Yes	\$56.64	\$59.92	\$61.92	
Change in visitor numbers compared to previous year	The Rocks	> 2%	–1.1%	–	No	5.1%	0.4%	–2.2%	> 2%
	Darling Harbour		–0.1%	–	No	1.0%	–2.4%	2.6%	
	All Precincts		–0.4%	–	No	2.4%	–1.5%	1.0%	

Further information about our strategic objectives, as well as our achievements and challenges, can be found at the beginning of each section of this report.

Key Performance Indicators	Target 2010–11	Result 2010–11	Target achieved	Improvement on 2009–10	Result 2009–10	Result 2008–09	Result 2007–08	Target 2011–12	
Stakeholders and customers – continued									
Sydney Visitor Centres visitor numbers ⁵	> 300,000	285,804	–	No	316,883	332,610	367,273	> 300,000	
The Rocks Discovery Museum visitor numbers	> 95,000	110,771	✓	Yes	106,395	90,495	98,615	> 95,000	
The Rocks Markets visitor numbers	> 1,500,000	1,602,597	✓	Yes	1,584,607	1,535,911	1,405,802	> 1,500,000	
Chinese Garden of Friendship visitor numbers	> 190,000	192,354	✓	No	201,452	176,499	185,662	> 190,000	
Sydney Convention and Exhibition Centre economic contribution – based on Sydney Convention and Visitor Bureau estimated spend per type of delegate	> \$447 million	\$440.18 million	–	No	\$501 million	\$466 million	\$474 million	> \$484 million	
Average length of Sydneysider visitor stay ⁴	The Rocks	> 3 hours	3 hrs 17 mins	✓	Yes	3 hrs 13 mins	3 hrs 7 mins	2 hrs 56 mins	> 3 hours
	Darling Harbour		3 hrs 31 mins	✓	Yes	3 hrs 2 mins	3 hrs 7 mins	3 hrs 12 mins	
Average number of repeat visits annually ⁴	The Rocks	> 5.5 visits	6.0 visits	✓	Yes	5.8 visits	5.3 visits	6 visits	> 5.5 visits
	Darling Harbour	> 7 visits	7.1 visits	✓	No	7.1 visits	7 visits	6.8 visits	> 7 visits
Number of safety-related incidents per 100,000 visitors	The Rocks	< 1.5	0.57	✓	No	0.46	0.93	0.88	< 1.5
	Darling Harbour		0.20	✓	Yes	0.36	0.41	0.39	
Organisational health – see page 32									
Average number of training days per employee	> 3 days	2.48	–	Yes	2.41 days	1.86 days	3.86 days	> 3 days	
Turnover for full and part-time permanent employees	< 15%	12.38%	✓	No	8.5%	10.6%	11.7%	< 15%	
Financial performance – see page 42									
Precinct earnings before interest, tax, depreciation and amortisation (EBITDA)	(\$15.17 million)	\$11.16 million	✓	Yes	\$7.6 million	\$8.9 million	\$11.9 million	(\$10.58 million)	
Property revenue growth	> 2.5%	5.7%	✓	Yes	–0.1%	–1.7%	3.7%	> 2.5%	
Percentage administration expenditure reduction on previous year	> 2.5%	8%	✓	Yes	0.5%	1.3%	0.4%	> 2.5%	

1 Targets for future years are subject to change as the Authority benchmarks its vacancy rates with the current market conditions.

2 The 2010–11 result is skewed by a unique heritage property which is difficult to lease. The Authority is negotiating to lease some of the building which will reduce the commercial vacancy rate to 6.98%.

3 Target will change in 2011–12 to a per vehicle target.

4 Based on face-to-face surveys conducted in our precincts.

5 Based on counters within the Visitor Centres. Previous year figures (which were based on external counters) have been adjusted to reflect this.

Director General's message

In April 2011, as part of a wider consolidation of public services in NSW, Sydney Harbour Foreshore Authority came under the umbrella of the Department of Planning and Infrastructure.

The integration of the Authority with the Department underlines the important urban management role that remains in Sydney's State-significant foreshore areas, and allows us to combine skills to deliver better outcomes for Sydney and NSW.

Sydney's inner foreshores are of vital economic, cultural and environmental importance to our State, and ensuring their best possible use is an important part of placing Sydney and NSW first on the world stage. The Authority is well placed to use its expertise and leadership to manage an integrated approach to foreshore planning across Government.

The ongoing importance of this role for Sydney has been highlighted by the Minister for Planning and Infrastructure's decision to appoint a new Board for the Authority.

This presents a timely opportunity to review the Authority's role, structure and delivery with fresh eyes, to ensure the organisation is best placed to deliver the next generation of foreshore renewal and management.

I very much look forward to working with Chair, Dick Persson AM, and the new Board. The Authority also looks forward to working with fellow agencies to deliver against the goals set out in the new State plan—NSW 2021.

Those goals include attracting new business and tourism investment to NSW, with the Sydney International Convention, Exhibition and Entertainment Precinct project being a prominent example of how the Government is making this goal a reality. This new centre, along with the outstanding new Darling Quarter precinct, will boost the NSW economy and send a clear signal about the competitive status of Sydney.

Another great opportunity for Sydney lies in the Bays Precinct, where feedback gathered from the community in 2010–11 will now inform a master plan for this significant post-industrial public resource.

Like Darling Harbour in the 1980s, Pyrmont in the 1990s, or Barangaroo in the 2000s, the Bays Precinct is an opportunity to define a whole new foreshore quarter of our capital—injecting new life, jobs and amenities to keep Sydney vibrant and competitive.

I am delighted that the Authority's long-standing expertise in foreshore planning and development is being brought to bear on these contemporary opportunities for NSW. The Authority will seize the opportunity to actively engage with the community to ensure its actions meet stakeholder expectations.

The Authority's expertise is underpinned by robust financial management which has enabled the organisation to continue to operate without reliance on the State budget, demonstrating its capacity to manage complex precincts, projects and events effectively and efficiently.

Of course, these achievements would not have been possible without the commitment of the executive team and employees, and I would like to thank them for their outstanding contribution.

I look forward to working with our team and the new Board in the coming year, as we move into an exciting new phase of opportunity—for both the Authority and for Sydney.



Sam Haddad

Director General
Department of Planning and
Infrastructure



Sydney's inner foreshores
are of vital economic,
cultural and environmental
importance to our State



General Manager's message

It has been an interesting year for Sydney Harbour Foreshore Authority in a tough retail and tourism environment, but when looking back the Authority can be proud of its achievements.

I am delighted to report that despite difficult circumstances, the Authority's performance has again been outstanding—delivering the best in place management, sustainability, heritage conservation and world-class events.

Business effectiveness

The Authority proudly watched as the \$500 million Darling Quarter development saw its first tenants move in, and the gardens, parks and walkways opened up the connections from the CBD into Darling Harbour. The final section of the Bay Run at Callan Park was also completed during the year.

The Authority has for many years been a high-achiever in sustainability and this year was no different with success again in implementing new sustainability projects. The Authority implemented green events, installed energy-efficient lighting and commenced a project to map the carbon footprint of its precincts.

Conservation and heritage management is top of the agenda for the Authority—this year was spent restoring a number of heritage structures including a sandstone building at 47 George Street, Metcalfe Bond Stores, the old Rocks police station and Pyrmont Bridge. The Authority also completed its program to prepare Conservation Management Plans for all 105 assets listed on the NSW State Heritage Register.

Stakeholders and customers

Visitors enjoyed the many events the Authority held in its precincts, with more than 1.5 million people taking the opportunity to see what was on offer. The Authority supported community initiatives with in-kind support and sponsorship, building and strengthening relationships with community and commercial groups.

The Rocks Discovery Museum reached its highest visitation figures yet, welcoming 110,771 people through its doors. The Big Dig Archaeological Centre and Sydney Harbour YHA in The Rocks continued to gain well-deserved kudos as an innovative heritage conservation development, winning around 17 awards during the year.

Organisational health

The Authority has worked hard in ensuring its employees continued with business-as-usual through a number of structural changes and reviews. Internal communications played an integral role in making sure all employees understood they had a job to do in a changing political and organisational environment.

The Authority continued to offer learning and development opportunities, health and fitness initiatives and encouragement through its monthly employee awards program.

The year ahead

After a somewhat challenging year, 2011–12 is looking bright and productive for the Authority with a number of innovative projects taking shape. The Authority will continue to work to reinvigorate The Rocks' places and spaces, cementing the Authority's community-focused direction for the future.

The next year will also see the Authority working closely with NSW Government to deliver on its major infrastructure projects such as the Sydney International Convention, Exhibition and Entertainment Precinct project at Darling Harbour.

I look forward to continuing as part of the Department of Planning and Infrastructure in further aligning our businesses and looking for opportunities to develop the synergies that brought us together.

Without the resilience of the wonderful Sydney Harbour Foreshore Authority employees, the organisation would not have continued to move forward in a climate of change and uncertainty. I would like to thank every Authority employee for their hard work, dedication and support throughout the year. We will work together in the year to come to deliver outstanding outcomes in all aspects of the business.



Egle Garrick

General Manager
Sydney Harbour Foreshore Authority



Conservation and heritage management is top of the agenda for the Authority



Our structure and executive team

NSW Minister for Planning and Infrastructure

The Minister is responsible for the control and direction of Sydney Harbour Foreshore Authority.

Sydney Harbour Foreshore Authority Board

A new Board was appointed on 29 August 2011 to oversee the Authority's policies, management and performance, set strategic direction and monitor compliance and statutory requirements.

Director General, Sam Haddad

In April 2011 Sydney Harbour Foreshore Authority became part of the Department of Planning and Infrastructure. The Department of Planning and Infrastructure Director General Sam Haddad was also appointed Acting Chief Executive Officer of the Foreshore Authority at this time.

The position of CEO was previously held by Warwick Watkins AM between June 2010 and March 2011.

General Manager, Egle Garrick

The General Manager is responsible for the day-to-day management of the Authority in accordance with specific policies and general direction of the Board and CEO. Mrs Garrick was appointed General Manager of the Authority on 10 May 2010. She joined the Authority in March 2003 as an Executive Director.

Mrs Garrick holds a Master of Science and Society, Bachelor of Arts, Diploma of Librarianship and a Certificate of Transport Management and is a graduate of the Australian Institute of Company Directors' Diploma Course. She was a non-executive Director of the training organisation MTC Workplace Solutions until December 2010 and is a Director of the Place Leaders Association.

Director Strategic Developments

Diana Talty was appointed to the position of Executive Director Major Projects on 30 May 2005. She joined the Authority in January 2001. Ms Talty holds a Bachelor of Arts (Honours) and has extensive experience with government delivery of urban renewal projects on Sydney Harbour.

Responsible for:

- > Commercial development
- > Master planning
- > Urban renewal
- > Project feasibilities

Current projects include:

- > Sydney International Convention, Exhibition and Entertainment Precinct project
- > Darling Quarter
- > Bays Precinct
- > Cooks Cove
- > Luna Park
- > Darling Harbour South master planning

Director Precinct Activation and Visitor Services

Catherine Gallagher was appointed to the position of Marketing Manager on 15 August 2005 and seconded to the position of Acting Executive Director Marketing and Events in June 2009. She was appointed to the position of Director Precinct Activation and Visitor Services on 14 February 2011. Ms Gallagher holds a Bachelor of Arts and has extensive experience in marketing, communication and cultural policy in both the public and private sectors.

Responsible for:

- > Events
- > Consumer engagement
- > Educational services and tours
- > Sydney Visitor Centres
- > Chinese Garden of Friendship

Director Business and Financial Services

James Smart commenced at the Authority in January 2001. He was appointed to the position of Chief Financial Officer in March 2006 and was appointed to the position of Director Business and Financial Services on 23 July 2010. Mr Smart holds a Bachelor of Business and CPA and has extensive experience in financial and risk management and business planning.

Responsible for:

- > Finance
- > Human resources
- > External relations
- > Procurement
- > Information, communications and technology
- > Property and leasing

Director The Rocks and Circular Quay Precinct

Debra Dawson was appointed General Manager The Rocks and Circular Quay on 5 February 2007. Ms Dawson has extensive experience in place management, retail management and marketing.

Responsible for:

- > Precinct place management
- > The Rocks Markets

left to right: Ian Kelly, Diana Talty, James Smart, Egle Garrick, Peter Hazeldine, Debra Dawson, Paul Robinson and Catherine Gallagher in the new children's playground at Darling Quarter.

Director Darling Harbour Precinct

Ian Kelly commenced at the Authority in October 2001 and was appointed to the position of General Manager Darling Harbour on 28 August 2009. Mr Kelly holds a Master of Architecture and is a graduate of the Australian Institute of Company Directors' Diploma Course. Mr Kelly has many years experience in architecture, planning, building conservation and urban design.

Responsible for:

- > Precinct place management

Director Asset Management Services

Peter Hazeldine joined the Authority in 2003. He was appointed to the position of Director Asset Management Services on 2 May 2011. Mr Hazeldine holds a Bachelor of Business (Management), a Masters of Engineering Science (Project Management) and is a Certified Practising Project Director. Mr Hazeldine has extensive experience in client-side management in the construction and asset management industry.

Responsible for:

- > Project services and capital works
- > Heritage and design
- > Asset planning
- > Sustainability
- > Facilities
- > Customer request and fleet management
- > Operations (security, rangers, waste, cleaning and horticulture)
- > Key assets including:
 - Sydney Convention and Exhibition Centre
 - Sydney Entertainment Centre
 - car parks
 - Callan Park

Director Special Projects

Paul Robinson was appointed to the position of Director Special Projects on 14 June 2011. Mr Robinson holds a Bachelor of Business and Bachelor of Surveying and is an Accredited Commercial Mediator. Mr Robinson is a member of the Institution of Surveyors NSW Inc and a member of the Surveying and Spatial Sciences Institute. He has held numerous Senior Executive positions in NSW Government agencies and has extensive experience in government property and project management and infrastructure development.

Responsible for:

- > Property management and development projects
- > Property management reviews



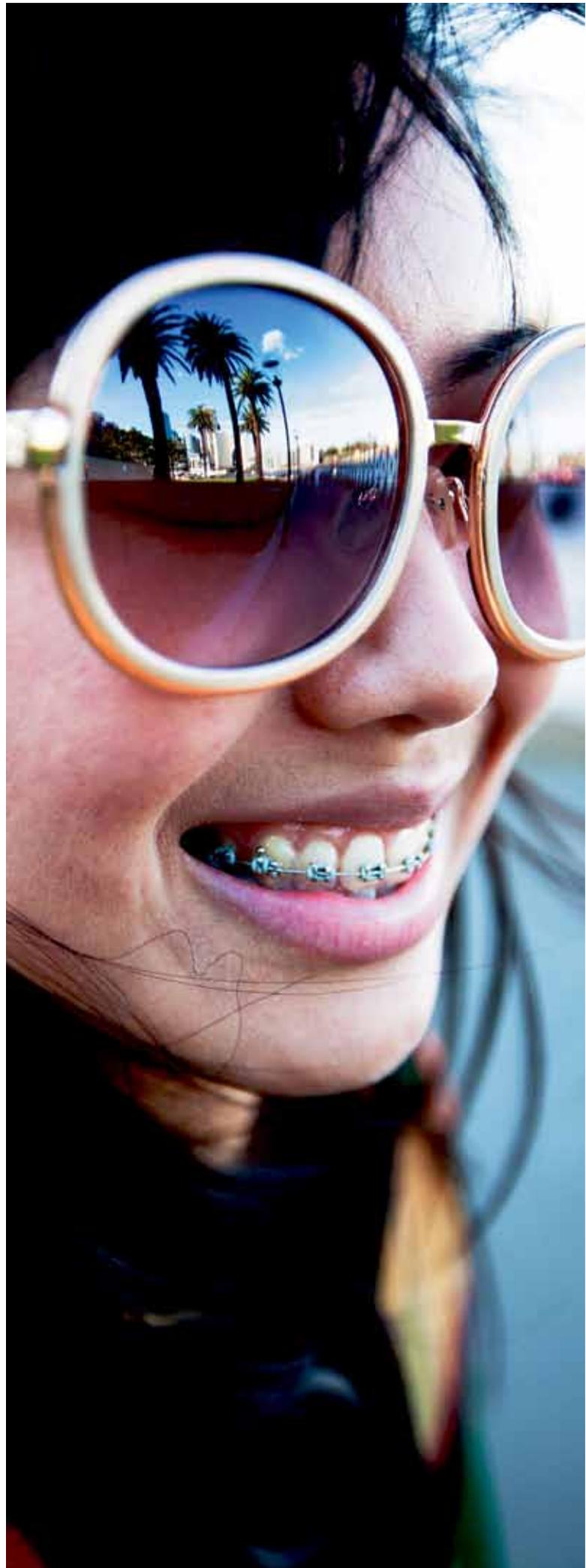
2

Business effectiveness

Enhance place management efficiency and integrate sustainability into everything we do.

Achievements

- > Generated \$46.4 million in lease revenue in The Rocks, Darling Harbour and surrounds
- > Received 12 industry awards for urban renewal, tourism, interpretation and heritage conservation
- > Completed a program to prepare conservation management plans for all State heritage-listed assets
- > Cumberland Street dig site listed on the NSW State Heritage Register





Looking towards a green future: creating sustainable precincts

Authority strategic objectives

- > Implement asset management plans for all Authority-owned assets
- > Complete the lease renegotiation program for The Rocks
- > Further consolidate the Authority's role as a place manager for Barangaroo
- > Progress staged implementation of harbour heat exchange program in The Rocks
- > Upgrade the heating, ventilation and air conditioning system at Sydney Convention and Exhibition Centre to reduce energy and water consumption

Challenges

- > Fulfilling the Authority's role of protecting and enhancing the heritage of The Rocks while still generating revenue
- > Difficulty leasing two unique properties in The Rocks, skewing the Authority's commercial vacancy rate

Future directions 2011–12

- > Demonstrate public sector excellence in the conservation, interpretation and adaptive re-use of heritage properties
- > Implement the 2011–12 retail lease strategy
- > Improve energy efficiency at the Sydney Convention and Exhibition Centre
- > Progress staged implementation of harbour heat exchange program in The Rocks

Place management efficiency



Darling Quarter nears completion

In August 2008, Lend Lease was selected by the Authority to redevelop the 1.5-hectare Darling Walk site at Darling Harbour. Lend Lease began construction of the \$500 million project in April 2009.

With the project now nearing completion, the new precinct, now known as Darling Quarter, promises to open up the southern end of Darling Harbour to the city.

The commercial offices component, which will house more than 6,500 Commonwealth Bank employees, has set the benchmark for green building design and was the first in Australia to receive a 6 Star Green Star Office Design V2 from the Green Building Council of Australia.

Darling Quarter will also offer new restaurants and cafes, redesigned open space and parkland, a state-of-the-art playground with Australia's largest interactive water play and a children's theatre.

The Darling Quarter redevelopment will be completed in September 2011.

Low vacancies, high rental return

As at 30 June 2011, the Authority achieved a retail vacancy rate of 4.81 per cent in The Rocks, compared to the average Sydney prime retail strip vacancy rate of 5.4 per cent*.

In The Rocks five new retail leases and nine new licences were signed during the year, while seven leases and two licences were renewed. In Darling Harbour 10 new licences were signed and 43 licences were renewed.

The Authority's commercial vacancy rate in The Rocks remains high at 15.08 per cent. However this result is skewed by a unique property on Gloucester Street, which due to its heritage significance and limitations in use and location has been difficult to lease. The Authority currently has a number of negotiations underway to occupy a large part of the building which will reduce the commercial vacancy rate to 6.98 per cent.

In The Rocks nine new commercial leases were signed during the year, while seven were renewed. In Darling Harbour one new commercial lease was signed and six were renewed.

The Authority generated \$46.4 million in lease revenue in The Rocks, Darling Harbour and surrounds.

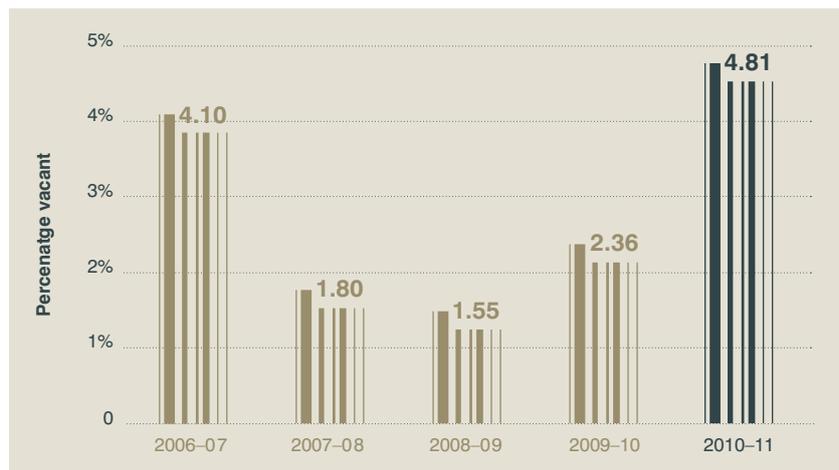
Callan Park Bay Run upgraded

The seven-kilometre Bay Run in Sydney's inner west is a popular walking, jogging and cycling route. This year the Authority completed the final section of the route through Callan Park with new sealed pathways and a shared car, bicycle and pedestrian zone.

Darling Drive cycleway improvements

An upgrade to the Darling Drive cycleway was completed during the year. The upgrade increased visibility for cyclists and motorists and received positive feedback from users.

Retail vacancy rate



*Source CBRE Market View



Creating sustainable precincts



Tree master plan for The Rocks

During the year the Authority finalised a Tree Master Plan for The Rocks and Circular Quay. The plan is a long term vision for a selection of tree species and the distribution of tree canopy across the area's streets, laneways, courtyards and parks. The aim of the Tree Master Plan is to maximise environmental and aesthetic outcomes while enhancing the precinct's heritage values.

District heat exchange moves forward

During the year the Authority received in-principle agreement from Sydney Ports Corporation to locate the heat exchange units for The Rocks district heat exchange project alongside the Overseas Passenger Terminal. When realised, the project will remove the need for air conditioning cooling towers on some buildings in The Rocks and will instead regulate air temperature using water from the harbour.

The Authority also awarded a contract to design and test a prototype of the system during the year. The prototype is due to be completed in early 2012.

Reducing waste and increasing recycling

The Authority continued a number of waste reduction and recycling initiatives during the year including:

- > encouraging The Rocks Markets stallholders to use biodegradable service ware and cutlery
- > trialling food waste separation and collection at The Rocks Markets
- > introducing public place recycling bins at Darling Harbour
- > promoting the use of Keep Cups to employees and tenants
- > continuing to buy recycled office paper.

Waste management trial for The Rocks

A review of waste systems in The Rocks and Circular Quay in late 2010 highlighted that more than 50 per cent of general waste in the precinct could have been recycled.

The Authority will commence a three-month trial of new and sustainable ways to manage waste in key locations in the precinct from July 2011, including a new recycling-only facility, organic waste workshops and employing a waste coordinator to assist tenants with waste separation.

above: Greenhouse by Joost

Leadership in sustainability

The Aroma Festival goes green

The Rocks Aroma Festival went 'green' in 2010 with the introduction of a number of environmentally-friendly initiatives, including using 100 per cent green mains power across the precinct, reducing the amount of waste sent to landfill, reducing the use of generators and using environmentally-friendly materials for event programs and other marketing material. These initiatives saved around three tonnes of CO₂ emissions from mains power and generators.

At the event the Authority also distributed 2,000 bottlebrush seed cards to event patrons, and installed a number of bicycle racks for cyclists.

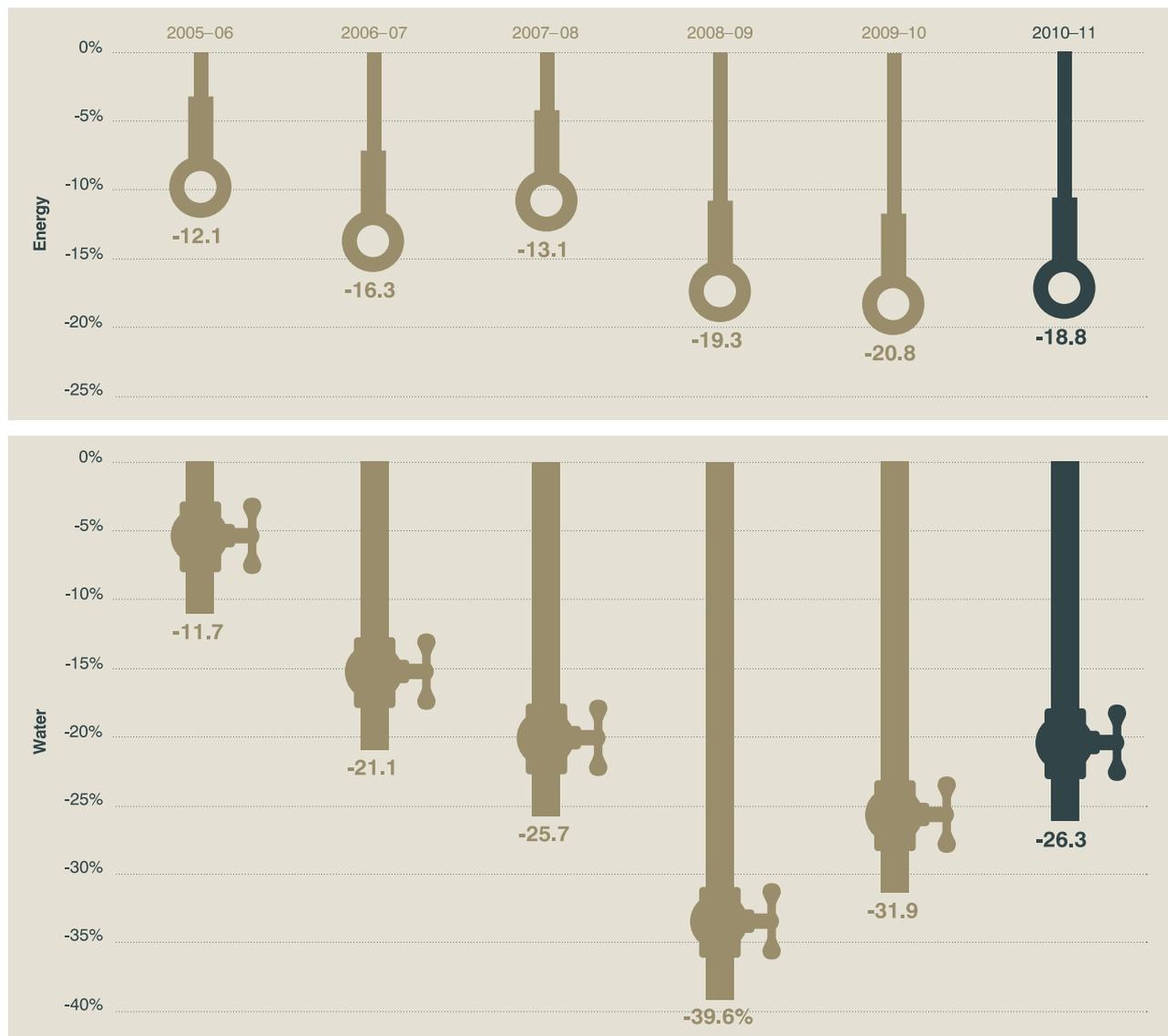
Mapping our carbon footprint

The Authority set targets to reduce the carbon footprint of Darling Harbour and The Rocks from year 2000 levels by 80 per cent by the year 2020. During the year the Authority commenced a project to map the carbon emissions of both precincts in order to set targets and measure the progress in reducing emissions.

Sustainability Advantage

During the year, the Authority joined Sustainability Advantage. Facilitated by the Office of Environment and Heritage, the 18-month program assists organisations in achieving their sustainability goals and targets by creating a clear and practical roadmap for action. The program offers support through workshops, training and technical support, and a series of modules focusing on different areas of sustainability performance.

Reductions in greenhouse gas emissions and water consumption



Managing heritage and public places

Sustainable achievements at Darling Quarter

In late 2010, Darling Quarter became one of the first developments to be granted a water recycling licence as part of the 2010 NSW Metropolitan Water Plan to secure Sydney's drinking water.

The recycled water plant and a stormwater harvesting tank will reduce Darling Quarter's water use by 90 percent when compared with a standard commercial building.

Darling Quarter also received a 6 Star Green Star Office Design rating from the Green Building Council of Australia, making it the largest 6 Star Green Star certified building in Sydney.

Lighting improvements reduce greenhouse gases

In 2010 the Authority made changes to the lighting in its head office, Foreshore House, which will save around 57 tonnes of greenhouse gas emissions each year. Significant savings were made simply by changing the exit signs to LED lights.

Sustainable missions

In July 2010, the Authority's cross-organisation green team, Mission Sustainable, planted a rooftop herb garden at the Authority's head office. The garden continues to thrive, producing five herbs, two types of lettuce and tomatoes by October. A team of 13 employees nurtured the seedlings and shared the feast with all employees.

Green Star Communities

The Authority continued to be a major sponsor of the Green Star Communities Tool—an initiative of the Green Building Council of Australia. Green Star is a comprehensive, national, voluntary environmental rating system. The tool is a framework and ratings tool that establishes best-practice principles to guide sustainable communities in Australia.

The Authority has a strong social and non-commercial role as place manager and custodian of Sydney's significant cultural and heritage precincts. In 2010–11, the Authority spent \$12.2 million on managing and conserving heritage and public spaces.

47 George Street conservation works

In late 2010, the Authority undertook a heritage project to preserve and restore the sandstone heritage building at 47 George Street, The Rocks. The works included facade stonework repairs, window repairs and reinstating the slate roof and leadwork gutters to historic details.

Metcalf Bond Stores overhaul

In late 2010, the Authority commenced building upgrade works to part of the heritage-listed Metcalfe Bond Stores at 70 George Street. The works included removing the existing fitout, renewing electrical, mechanical and hydraulic services and installing a new passenger lift and bathrooms.

Pymont Bridge maintenance

The heritage-listed swing span Pymont Bridge had a number of maintenance projects undertaken on it during the year, including the installation of expansion joints to prevent the concrete deck from cracking and impacting on the operation of the swing span, and the replacement of the drive gears which turn the bridge. These works will ensure the historic and popular pedestrian thoroughfare's long-term conservation and operation.

Old police station conservation works

The Authority commenced conservation works on the former police station at 127 George Street, The Rocks in April 2011 as part of an overall maintenance program for the building. The works included restoring the stonework on the George Street facade, providing new protective leadwork and replacing the slate roof.

Facelift for the Russell Hotel

In February 2011, the Authority completed works to conserve the historic street front at 139–141 George Street in The Rocks. The works included repairing and replacing stonework, repairing woodwork, repainting the timber joinery to the facade and repairing roofing and windows.

Callan Park war memorial restoration

During the year, the Authority's heritage team restored Callan Park's two war memorials. The first, an unusual Spanish-style memorial c.1925, was damaged by a falling tree limb. The memorial was restored with specially imported tiles. The second, a scale replica of Sydney Harbour Bridge, was built by returned servicemen undergoing treatment at Callan Park for shellshock in 1932. The memorial was damaged from years of people climbing on it and it now has a specially-designed protective fence.

History revealed

A number of interesting historical remnants were uncovered in The Rocks during the year.

The remains of a 160-year-old house on a vacant site near the corner of Cumberland and Essex streets in The Rocks were excavated in November 2010. Following the completion of the archaeological works, the Authority will investigate opportunities for integrating the 'dig' into any future development of the site.

Footpath works undertaken in Gloucester Street in May 2011 uncovered the 19th-century footings

of some of the terraces that stood on the site prior to the plague demolitions. Authority heritage officers carefully cleaned the footings so the new footpath could be laid, leaving the top of the heritage bricks exposed.

Big Dig heritage listing

In December 2010, The Rocks' Cumberland Street Dig Site was listed on the NSW State Heritage Register. The listing recognises the site as a place of state significance as it enriches our understanding of our history and identity. The site is now protected as a heritage item under the *NSW Heritage Act 1977*.

Interpreting our past

In early 2011 a mural artist spent 10 weeks painting the Cahill Expressway abutments on Harrington Street, The Rocks with four black and white historical murals. The paintings reproduce historical photographs and images in the place where they were originally taken or painted, with each one telling a particular story. The murals include an image of Circular Quay from 1793, City North from 1901 and The Rocks from 1914. Accompanying interpretation panels were installed beside the murals.

Telling the stories of Darling Harbour

During the year, the Authority released an interpretation strategy for Darling Harbour. The strategy combines the precinct's history with ideas for public interpretation displays.



The strategy links key historical themes including maritime, industry and innovation with specific people, events, inventions, activities and particular sites around the precinct.

The stories and ideas aim to educate and inspire precinct visitors, building owners, tenants and potential developers about the rich history of Darling Harbour.

Heritage determinations

Under delegation from the Heritage Council and under the *NSW Heritage Act 1977*, the Authority:

- > assessed 15 Section 60 applications with an average processing time of five days. This is substantially faster than the statutory assessment period of 40 days
- > processed 35 Section 57(2) exemptions with an average processing time of three days, well below the statutory processing period of 14 days

- > assessed one Section 140 application with a processing time of two days. This is substantially faster than the statutory assessment period of 40 days
- > processed five Section 139 exemptions, with an average processing time of four days, well below the statutory processing period of 14 days.

Delegated determinations are listed in the Appendix on page 115.

The Authority also continued its heritage maintenance program in The Rocks and Darling Harbour to ensure all its heritage items are maintained to the highest standard in accordance with the Heritage Council's guidelines.

Ongoing conservation management

The Authority has completed its program to prepare Conservation Management Plans (CMPs) for all relevant assets listed on the NSW State Heritage Register.

The Authority's Heritage and Conservation Register lists 105 buildings and sites owned by the Authority. Under the *NSW Heritage Act 1977*, CMPs are required to guide the conservation and future use of these heritage items. The CMPs will continue to be reviewed and revised over a five to seven year cycle or when major works have taken place.

above: Harrington Street mural

Heritage determinations

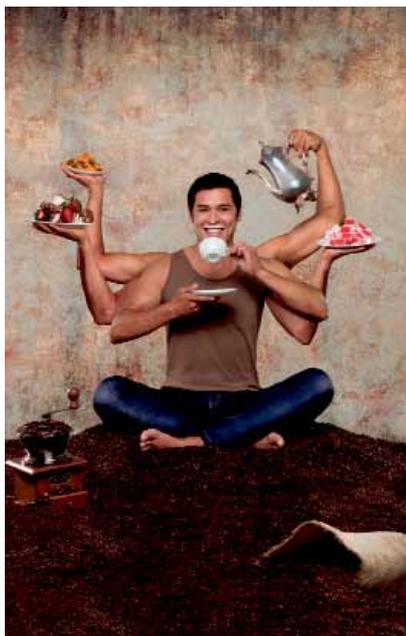
	2007-08		2008-09		2009-10		2010-11	
	Number	Average processing time						
Section 60	45	7 days	27	3 days	19	3 days	15	5 days
Section 57(2)	53	2 days	55	2 days	24	3 days	35	3 days
Section 140	3	n/a	2	n/a	1	n/a	1	2 days
Section 139	3	n/a	6	n/a	6	n/a	5	4 days

A year of accolades

Sydney Harbour YHA a real success

When Youth Hostels Association (YHA) was selected to develop the Cumberland Street Dig Site in 2006, the Foreshore Authority wanted the result to be award-winning. Eighteen months after opening the project has already surpassed those high expectations with no fewer than 17 awards, including Best New Tourism Development, Best Public Archaeology Initiative and Best Backpacker Accommodation.

JULY–AUGUST



Aroma wins again

After winning the 2009–10 Avant Card Postcard of the Year, the Aroma Festival Hindu god-style design was selected by an independent advertising agency judge as the June 2010 postcard of the month.

YHA all the way

In July 2010 Sydney Harbour YHA and The Big Dig Archaeology Education Centre in The Rocks scooped the Development Excellence Award for Tourism Development at the Urban Taskforce Development Excellence Awards.

OCTOBER–NOVEMBER

More awards for YHA and Big Dig

Sydney Harbour YHA and The Big Dig Archaeology Centre won the Martin Davies Award for Best Public Archaeology Initiative at the Australasian Society for Historical Archaeology Conference in October 2010. This award means that the society considers the project to be the best public historical archaeology presentation in Australia or New Zealand.

The project also won the Heritage Planning Award at the Planning Institute of Australia's NSW Planning Excellence Awards in November 2010.

Ballast Point takes top honours

The Ballast Point Park transformation won the global Washington DC-based Waterfront Centre's Top Honour Award in November 2010. The jury judged the entries on their sensitivity to water, quality and harmony of design and civic, environmental and educational contribution. The jury awarded the park based on its celebration of its industrial past to create a striking new modern public reclaim on one of Sydney Harbour's most prominent headlands.

The Rocks Discovery Museum recognised

In November 2010 The Rocks Discovery Museum was recognised at the Interpretation Australia National Awards for Excellence 2010, which showcases innovation in interpretation. The museum took out silver in the 'project more than \$15,000' category.

APRIL

National Trust Heritage Awards

The Big Dig Archaeology Education Centre and Sydney Learning Adventures' archaeology education programs scooped an award in the Education – Corporate/Government category at the 2011 National Trust Heritage Awards.



At the ceremony, Sydney Harbour YHA also received an award for tourism projects in the Corporate/Government category. The Foreshore Authority's *Painting The Rocks* exhibition and publication, in partnership with the Historic Houses Trust, was highly commended.

MAY

YHA does it again

Sydney Harbour YHA picked up two awards at the Property Council of Australia awards. The hostel and education centre won best Heritage and Adaptive Re-use Property and also Best Tourism and Leisure Property.

JUNE



Annual report hat trick

After winning gold for the second time at the Australasian Reporting Awards in 2010, the Authority made it three years in a row—winning gold again at the 2011 awards.

The report achieved overall excellence in annual reporting and was produced in-house by the Authority.

3

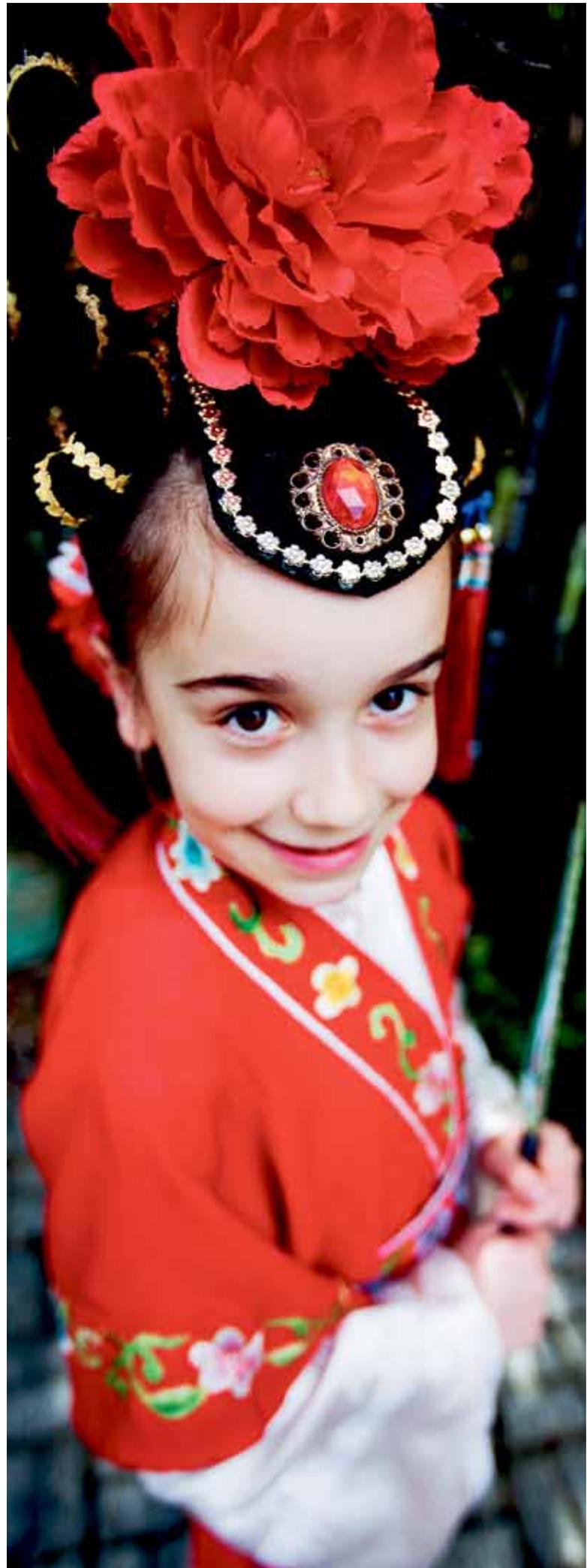
Stakeholders and customers

Deliver outstanding services and events, reinforce our relevance with stakeholders and lead the expansion of convention facilities at Darling Harbour.

Achievements

- > Secured Sydney's convention, entertainment and exhibition facilities with the announcement of the new Sydney International Convention, Exhibition and Entertainment Precinct project
- > Welcomed 110,771 people to The Rocks Discovery Museum—the highest visitation yet
- > Sponsored environmentally-friendly cafe, Greenhouse by Joost, showcasing sustainable living in The Rocks
- > Increased visitation by 128 per cent to the Indigenous The Rocks Dreaming program
- > Produced events in The Rocks and Darling Harbour attended by around 1.52 million people*

*The number of people movements recorded.
See page 31 for details on how figures are calculated.





The jewel in the crown: our stakeholders and customers



Authority strategic objectives

- > Implement a strategic event assessment process for the Authority's suite of events, including community, corporate and precinct
- > Continue to improve precinct functionality and presentation
- > Continue to strengthen the Authority's reputation and relationship with its key stakeholders
- > Take the lead role in developing and implementing a program to expand convention and exhibition facilities at Darling Harbour

Challenges

- > Balancing tenant expectations with a difficult and changing retail environment
- > Increasing visitation to the precincts in a tourism and economic downturn

Future directions 2011–12

- > Actively support NSW Government plans to construct a world-class conference and entertainment facility
- > Improve precinct activation at Darling Harbour South
- > Represent the NSW Government as the key land and precinct management agency for the core Sydney Harbour foreshore areas (from White Bay to Circular Quay)
- > Strengthen the Authority's reputation and relationship with its key stakeholders

Conventions, exhibitions and entertainment

New convention, exhibition and entertainment facilities for Sydney

During the year, the Authority provided technical and project advice to enable the NSW Government to call for expressions of interest for expanded and enhanced convention, exhibition and entertainment facilities at Darling Harbour.

The project will deliver world-class facilities that can compete effectively in the international and national events market. The project will also enhance connectivity around and through Darling Harbour and improve the quality of the public domain.

Infrastructure NSW will now be responsible for the procurement and delivery of the new facilities and will liaise with the Authority in all aspects of the project.

A master plan for Darling Harbour South

Following a number of detailed studies, the Authority developed a master plan for Darling Harbour South, which was released in March 2011.

The master plan contains a vision for Darling Harbour that reinforces its position as Sydney's premier tourist, recreation, business and events destination.

The master plan provides an opportunity to revitalise this important Sydney location by opening up new development and public space opportunities. It focuses on the opportunities new facilities could provide to address issues

within the broader Darling Harbour South precinct and to better connect the precinct with the CBD and neighbouring areas.

The master plan will underpin the Government's proposal for enhanced convention, exhibition and entertainment facilities.

Convention Centre upgrade

The Authority invested \$15 million into the Sydney Convention and Exhibition Centre during 2010–11. The works included replacing audio-visual equipment, overhauling some of the facility's lifts, and planning works for upgrading the air conditioning to reduce the centre's energy consumption.

These works build on the recent upgrades of the Bayside Terrace, Bayside Gallery and exhibition hall lighting and will ensure that the centre continues to attract events and investment to Sydney.

Community services



Greenhouse by Joost

An impressive pop-up design installation and waste-free cafe, *Greenhouse by Joost*, showcasing sustainable living occupied Campbells Cove in The Rocks in February and March 2011.

Sponsored by the Authority, Greenhouse demonstrated how to use recycled materials in building design and how to produce food organically. The installation featured a rooftop garden, on-site water collection and recycling, and a generator that reuses cooking oil to create its own energy. Around 40,000 people enjoyed a meal or a drink during Greenhouse's six week stint in The Rocks.

Artefacts on loan

In March 2011, a major new exhibition, *Not Just Ned: A True History of the Irish in Australia*, opened at the National Museum of Australia in Canberra featuring a number of artefacts on loan from the Authority. The exhibition contained artefacts from various sites in The Rocks, including pipes, rosary beads, dice and bottles, which were carefully restored by the Authority's heritage team.

Visitation to Sydney Convention and Exhibition Centre

Visitors	Events					Delegates				
	2006–07	2007–08	2008–09	2009–10	2010–11	2006–07	2007–08	2008–09	2009–10	2010–11
International	31	23	26	25	30	23,524	22,812	21,668	31,479	24,655
National	495	524	538	579	550	968,976	1,026,555	837,145	758,971	869,206
Total	526	547	564	604	580	992,500	1,049,367	858,813	790,450	893,861

The Rocks Pop-Up Project

In May 2011, a number of creative minds moved into four vacant heritage buildings as part of The Rocks Pop-Up Project—a joint initiative of the Authority and Arts NSW. The six-month program aims to provide designers and artists with affordable, temporary space to produce work and host events in pop-up shops, galleries and other workspaces. The unique project features visual art, sculpture, design, fashion, jewellery and collectables.

Continuous improvement for people with disabilities

The Authority's formalised Disability Action Plan focuses on improving readily identifiable physical access issues, improving staff training, integrating Disability Discrimination Act (DDA) compliance and formalising complaints procedures.

Projects completed during the year included:

- > creating level access to the public domain through the Darling Quarter redevelopment
- > installing new lifts and a covered walkway providing a fully accessible link from the CBD to Darling Harbour at Darling Quarter
- > installing new accessible public lifts and toilet facilities, and clear pathways from George Street at Metcalfe Bond, The Rocks
- > delivering an accessible lift to all floors, accessible toilets in the ground floor wine bar and some accessible hotel rooms at the Russell Hotel, The Rocks.

Sydney Visitor Centre licence agreement

In August 2010, the Authority signed a five-year licence agreement with travel centre group Best of Australia Travel Centres to provide the travel booking and retail services at the Sydney Visitor Centres in The Rocks and Darling Harbour.

Best of Australia is now responsible for accommodation, tours, transport booking services and operates retail services at the visitor centres.

The Authority's employees continue to provide the free visitor information service.

First iPhone app

The Authority developed its first iPhone app during the year—a guide to be used in conjunction with the *Painting The Rocks: the loss of old Sydney* exhibition hosted by the Museum of Sydney. *Painting The Rocks* featured artworks of the precinct from the early 20th century, and the free app let patrons see how The Rocks has changed from the time it was captured in the paintings.

The Authority is developing additional mobile and app technology to help visitors find attractions and things to do around our precincts and will be rolled-out in 2011–12.

Indigenous initiatives

Indigenous employment and training

In September 2010, four Indigenous guides from Sydney Learning Adventures completed their Certificate I in Tourism (Australian Indigenous Culture) with the support of the Authority.

In December, the position of Aboriginal interpretation officer was permanently filled.

Overall 24 per cent of the Authority's tour guide team identify as Aboriginal.

In 2010 the Authority provided input into the Tourism NSW Aboriginal Tourism action plan and joined a working group of government agencies to facilitate Aboriginal guide training and employment initiatives.

Partnering with Indigenous communities

The Rocks Discovery Museum hosted two 'Discovering Country' photographic exhibitions in 2010–11. The exhibitions of NSW Indigenous people and landscape highlighted the importance of Indigenous interpretation of landscape.

Discovering Country – Sydney Harbour was held in February 2011 and celebrated the environment, history and culture of the harbour. *Discovering Country – NSW Pathways* was held as part of the Sydney Head On Photo Festival in May 2011. The exhibition featured landscapes and Indigenous people from across NSW including The Rocks and Mungo National Park. The *Saltwater Country* photography and painting exhibition was also presented in The Rocks as part of the festival.

Educational Indigenous partnership programs

Sydney Learning Adventures has continued to implement Aboriginal education programs in partnership with the Tribal Warrior Association and Aboriginal elder, Margret Campbell.

The Rocks Dreaming program had a successful year with a 128 per cent increase in visitation compared with 2009–10. Bookings for Bangaboui Aboriginal cultural harbour cruise were limited due to the Tribal Warrior Association's vessel being inoperable from January 2011.

Aboriginal voices

The Rocks Discovery Museum's Talks on The Rocks series featured a number of Indigenous speakers including the curator of Koori history and culture at the Powerhouse Museum, Indigenous program officer for market development at the Australia Council for the Arts, and the CEO of the Tribal Warrior Association. Talks on The Rocks also provided a skills development opportunity for Indigenous guides in the Sydney Learning Adventures team, with four guides giving talks at the museum during the year.

The Rocks Discovery Museum also promoted NAIDOC (National Aborigines and Islanders Day Observance Committee) week with all Talks on The Rocks speakers being of Aboriginal descent throughout July 2010.

Education

In 2010–11, the Authority spent \$802,000 on educational programs and services.

The Rocks Discovery Museum

The Rocks Discovery Museum brings the history of The Rocks, its people and their stories to life in four permanent exhibitions. The free museum attracted 110,771 people in 2010–11, an increase of 4.11 per cent on 2009–10, with visitors giving an average satisfaction score of 9.1 out of 10.

School holiday programs

In July and September 2010, 515 children aged four to 12 participated in the two sessions of HMS Discovery—an interactive role-play experience simulating the voyage of a supply ship from England to Australia in 1792. Parents and caregivers rated the program highly with 100 per cent saying they would recommend it to others.

The museum also hosted two other school holiday programs—traditional peg doll-making workshops and Detectives with a Difference. During the Christmas school holidays 90 children made an angel or Santa peg doll using old-fashioned wooden pegs. Parents and caregivers rated the program highly with 100 per cent saying they would recommend it to others. In the Easter 2011 school holidays, 99 children attended the Detectives with a Difference program—an interactive education program based on the history of The Rocks.

Talks on The Rocks

An ongoing series of free Friday lunchtime lectures continued at The Rocks Discovery Museum throughout the year. Featuring eminent arts, culture and historical speakers, Talks on The Rocks focuses on a different The Rocks-based theme each month. The series also includes an Aboriginal speaker the third Friday of every month, and a podcast of each week's speaker is available on therocks.com. In 2010–11, 960 people attended 42 talks—an average of 23 people per talk.



Sydney Learning Adventures

Sydney Learning Adventures has grown in popularity again this year with 21,641 students participating in programs—a 2.4 per cent increase on 2009–10. Teachers rated all programs highly with an average 99 per cent good/excellent rating across all programs.

The Big Dig program

This year more than 3,826 students visited The Big Dig Archaeological Centre in The Rocks. All five Sydney Learning Adventures programs from

the grade one 'Little Diggers' to 'Groundwork: The Methodology of Archaeology' for senior ancient history students continued to receive excellent feedback, with particularly strong growth in the secondary programs.

Sharing our expertise

The Authority presented papers and keynote speeches on interpretation, redevelopment and regeneration at a number of national and international industry conferences during the year.

These included:

- > delivering a presentation on the revitalisation of The Rocks Markets at the Place Leaders Association conference in September 2010
- > presenting to the NSW Major Projects Conference on integrating Sydney's harbour foreshore and inner urban precincts in October 2010
- > presenting to the Annual Urban Waterfronts Conference in Qatar in November 2010 on the historical regeneration of Darling Harbour
- > delivering a presentation and workshop on interpreting Australia's place of first contact at the Interpretation Australia National Symposium in Launceston, Tasmania in November 2010
- > delivering a presentation to TAFE Victoria Diploma of Event Management students on marketing events, publicity and delivering events in June 2011.

Participants in Authority educational programs

Program	2006–07	2007–08	2008–09	2009–10	2010–11
The Rocks Discovery Museum	87,056	98,615	90,495	106,397	110,771
Sydney Learning Adventures	14,748	19,500	19,047	21,185	21,641
HMS Discovery*	n/a	n/a	580	709	515
Kids Dig*	634	2,294	800	n/a	n/a
The Big Dig Archaeological Centre	n/a	n/a	n/a	2,859†	3,826

* HMS Discovery replaced Kids Dig in April 2009. † Opened February 2010

Building stakeholder relationships

Bays Precinct community consultation

In February 2011, the NSW Government released a report on Stage 1 of consultation on the future of the Bays Precinct—the area which includes Glebe Island, White Bay and White Bay Power Station. The report reflects the desire to retain the precinct’s maritime character, to keep the foreshore land in public ownership and create additional open space.

Submissions by the community and stakeholders for Stage 2 consultation closed in May 2011. The Authority is using the feedback gathered during Stage 2 to finalise planning principles that will ultimately be included in a master plan for the Bays Precinct.

As a result of this consultation a number of land use issues will be addressed including White Bay Power Station, the ongoing role of the import industries currently located at Glebe Island and the concrete batching operations at Blackwattle Bay, redeveloping the Sydney Fish Market site, and the future role of Rozelle rail yard in the provision of transport infrastructure for the Sydney Region.

The Rocks Choir

In September 2010 the Authority put the call out for local residents, tenants and employees to form a new community choir. The Rocks Choir performed at The Rocks Festival of the Voice on Australia Day 2011 and continues to perform at Authority events and other occasions on the Sydney events calendar.



White Bay Power Station opens its doors

The Authority hosted a number of open days at the decommissioned White Bay Power Station in early 2011. The open days gave local residents an opportunity to peek inside the power station and gain an appreciation of the size and scale of the important heritage-listed site.

Thousands of visitors signed up to tours or took a self-guided tour through various buildings on the site. Information and interpretive displays about the power station, including a video of the history of the station through the eyes of former employees, were also on display.

Chinese Garden of Friendship strengthens links with China

A memorandum of understanding was signed in July 2010 between the Chinese Garden of Friendship in Darling Harbour and the world heritage-listed Humble Administrator’s Garden in Suzhou, China. The agreement sees the exchange of information and skills between the two gardens.

In August 2010, an exhibition opened at the Chinese Garden to showcase

100 reproduction artefacts donated to the Authority by the Chinese Consulate in Sydney.

Place Leaders Association conference

The Authority hosted the three-day Place Leaders Association workshop ‘Designing for Communities’ in September 2010. The conference brought together more than 70 influential people from Australia, NZ and Singapore to share their place-making successes and ideas.

The conference included a trip to Ballast Point Park, Parramatta Riverside Theatre and Heritage Centre and Sydney Water’s 5 Star Green Building and presentations from a host of industry experts.

Excellence in customer service

The Authority responds efficiently and effectively to feedback from tenants and visitors. During the year a total of 8,895 reports, requests and complaints were captured in the Authority’s Customer Request Management System. This system is linked to a dedicated Customer Service Request Line which operates 24 hours, seven days a week, and allows the Authority to identify key trends and issues within its precincts and respond accordingly.

Complaints received through the system related to various matters, including busking, noise issues and the removal of rubbish. The Authority responded quickly and equitably, completing 98 per cent of maintenance requests on time.

The Authority also used feedback received during the year to improve service delivery in its precincts.

Visitors to Authority-owned attractions

Program	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
Sydney Visitor Centres	379,157	408,697	367,273	332,610	316,883	285,804
The Rocks Markets	1,233,962	1,371,200	1,405,802	1,535,911	1,584,607	1,602,597
Chinese Garden of Friendship	182,417	185,183	185,662	176,499	201,452	192,354

Outstanding events

JULY



Aroma

The Rocks Aroma Festival celebrated its 13th birthday in 2010, with around 119,000* people attending. The free festival featured more than 40 of Australia's leading coffee roasters, plus suppliers of chocolate, tea and spice. In 2010 there were more than 100 stalls and five stages of entertainment featuring Latin, Asian, Turkish and European music styles.

Back by popular demand, the 2010 coffee sculpture featured the face of Marilyn Monroe made using 5,200 cups of coffee. The sculpture's size surpassed the Mona Lisa from 2009 and was entered into the Guinness World Records.

SEPTEMBER

The Rocks Markets Summer Fashion Showcase

The Rocks hosted one of its popular free fashion showcases in September. The event included two days of fashion on the catwalk and offered visitors the chance to purchase designer fashion at The Rocks Markets after the show.

OCTOBER

Fiesta

Australia's biggest Latin-American music and dance festival returned to Darling Harbour on the October long weekend. The event featured 30 bands and 45 dance groups performing on outdoor stages in Tumbalong Park, Palm Grove and Harbourside Amphitheatre. The festival also had free dance

classes, a daily parade of giant puppets, drummers and samba dancers and market stalls.

NOVEMBER

Markets by Moonlight

In 2010–11, The Rocks Markets by Moonlight ran for four months across the summer. Showcasing up-and-coming artists alongside night markets and food stalls, the Friday night event ran from 5 November 2010 to 22 February 2011 attracting a total of more than 197,000* people.

DECEMBER



The Rocks tree-cycle

Carrying on the tradition of finding a quirky way to design and display a Christmas tree, 2010 saw The Rocks decorated with a 'tree-cycle'—a seven-metre high tree made from recycled parts from up to 100 bicycles. All the bicycles were from recycling group CMA Recycling. Once the tree came down, CMA collected all the parts and recycled them again.

Santa Fest

For a special Christmas treat, Darling Harbour hosted the biggest gathering of Santas Sydney has ever seen. Visitors were invited to dress up as Santa for the lighting of Darling Harbour's Christmas tree. Santa Fest had Santas on jetskis, Santas in outriggers, Santas in marching bands, five-metre inflatable Santas and 30 Santa 'fly guys' and fireworks over Cockle Bay. Around 23,000* people joined in the festivities. In addition, around 223,000* people soaked



up the spirit of Christmas with carols by the tree over 14 days during the festive season.

NYE2010

Darling Harbour's famous New Year's Eve party heralded in 2011 with fireworks displays and free entertainment. A near-capacity crowd of around 125,000* were entertained by fireworks and Australian and international artists. At the same time thousands of people also watched the celebrations on Sydney Harbour from Dawes Point, Barangaroo and Ballast Point Park.

JANUARY



Australia Day celebrations

The Rocks Australia Day Festival of the Voice attracted nearly 100,000* people with 10 hours of free live music from more than 70 singers and songwriters from around the country.

Over at Darling Harbour almost 160,000* people packed into the precinct to enjoy an impressive line-up of free entertainment including a children's stage, a short film festival, world music and dance and the official NSW Australia Day Spectacular.

FEBRUARY

Chinese New Year in the garden

Chinese New Year was celebrated in the Chinese Garden of Friendship with a series of events including tai chi and meditation classes, Chinese brush painting demonstrations and a Chinese Chamber Music Festival.

MARCH

ArtExpress

In March and April 2011, in partnership with the Department of Education and Training, 34 NSW High School Certificate artworks including paintings, sculptures, prints, ceramics, videos and drawings were displayed in 19 shop windows and historic buildings around The Rocks. The Authority produced a map and guide to the event which visitors used to navigate the precinct.

APRIL



Hoopla

Some of the world's best acrobats, jugglers, stunt performers, sideshow and street theatre acts let loose in Darling Harbour over the Easter long weekend. In 2011, the event was extended to five days and nights, with free daytime performance and ticketed night time gigs. More than 235,000* people joined in the fun.

Vintage Dinner

The Rocks Vintage Dinner celebrated the end of the 2011 wine vintage with an alfresco communal dinner. Diners used special rock currency to buy food, wine and beer while listening to live jazz, classical guitar and ukulele in Jack Munday Place and Kendall Lane. The event has been a sell-out two years running.



The Rocks Markets Winter Fashion Showcase

Cutting-edge, new season fashion collections were paraded at The Rocks Markets Winter Fashion Showcase. The event featured unique designs from more than 50 up-and-coming Sydney designers.

MAY

Vivid Sydney Festival

As part of the Events NSW-led Vivid Sydney Festival, the Authority held The Vivid Night Markets in The Rocks over weekends in May and early June 2011.



JUNE



Jazz and Blues Festival

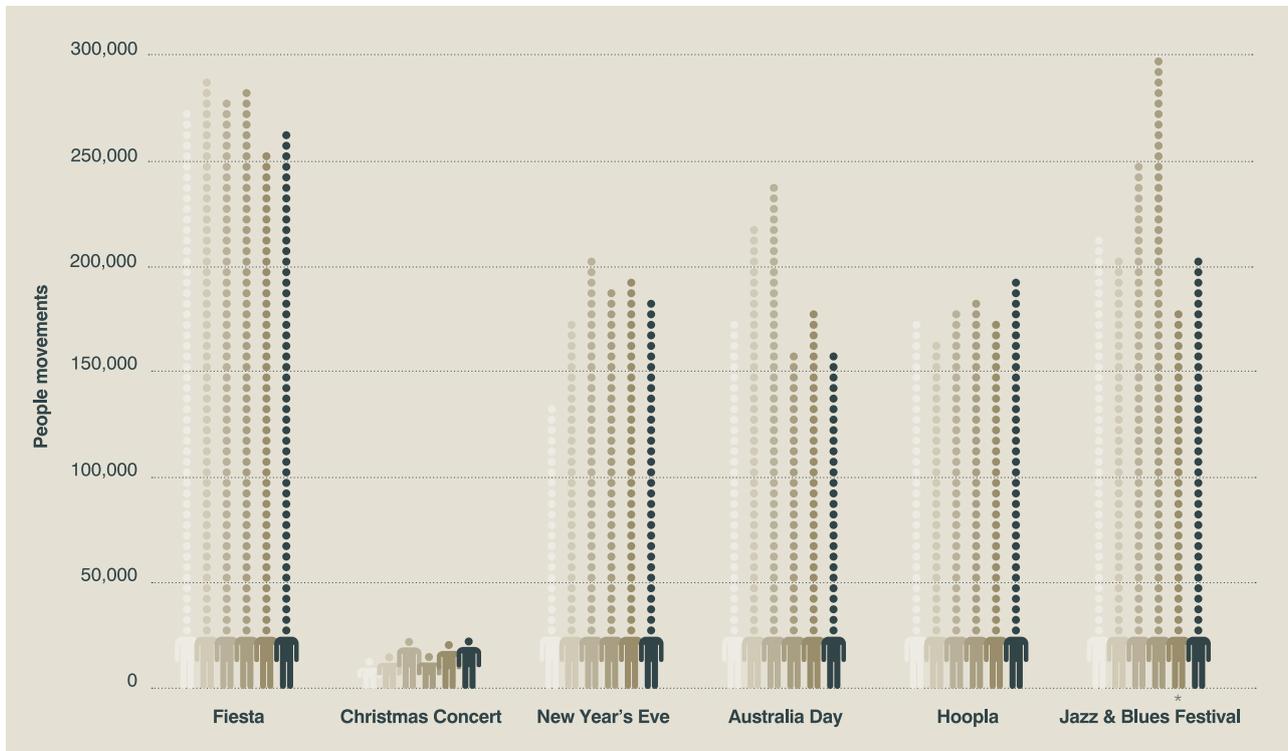
The Darling Harbour Jazz and Blues Festival celebrated 21 years in 2011 with a line up of 50 international and local acts including some of the biggest names in the jazz and blues world. Over the weekend there was also an 'open mic' stage, the Jazz Bar at Tumbalong Park and Jazz and Yum Cha in the Chinese Garden. Despite a very rainy weekend, more than 223,000* people enjoyed the festival.

Saxophony

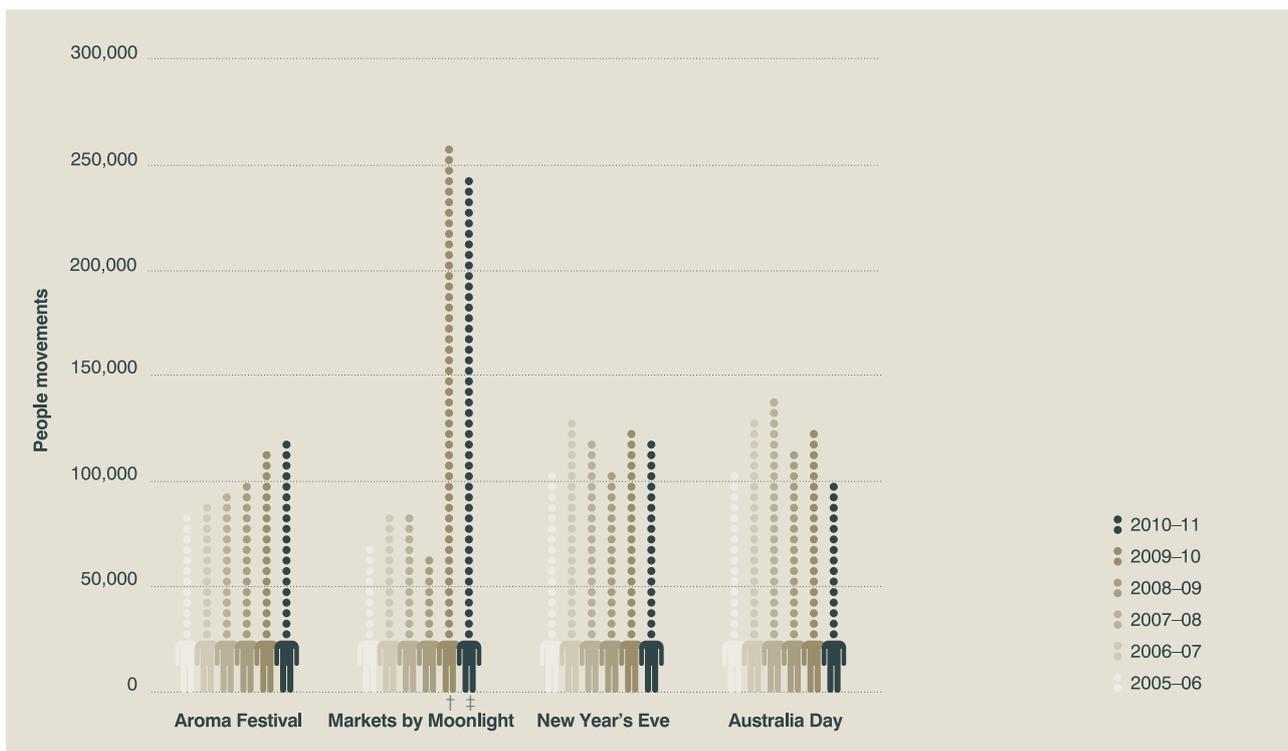
As part of the Jazz and Blues Festival, 'Saxophony' brought together saxophone players of all ages in an attempt to break the Guinness World Record for the largest sax ensemble. Around 880 enthusiastic saxophonists gathered at Darling Harbour to play *Waltzing Matilda* and *Happy Birthday*, just missing out on the world record.

*The number of people movements recorded. See page 31 for details on how figures are calculated.

Attendance at Darling Harbour events



Attendance at The Rocks events



*Moved to May for FIFA Fan Fest.

†Markets by Moonlight were held from November to March over 19 weeks. ‡Markets by Moonlight were held from November to February over 14 weeks

Supporting the community



In 2010–11, the Authority provided in-kind support to a diverse range of community groups, cultural events and charities through venue hire, banner promotions, production equipment and other services.

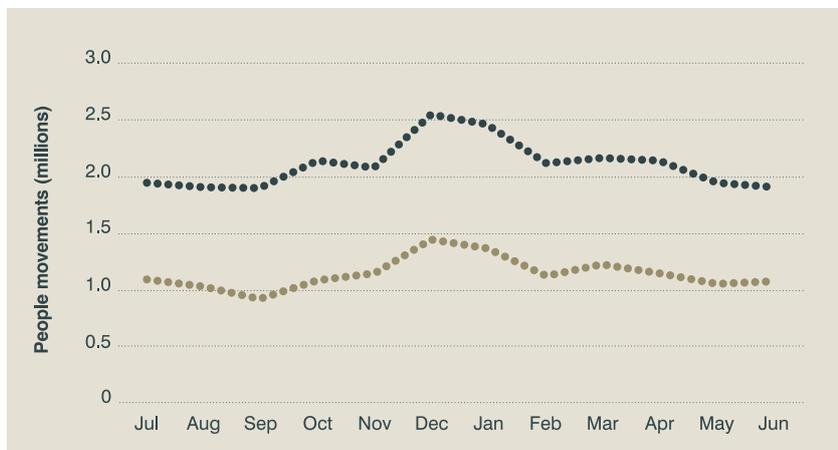
The Authority is committed to building and strengthening relationships with community and commercial groups and assisted in coordinating numerous events in The Rocks and Darling Harbour during the year, including:

- > Sydney Festival—Power Plant
- > NSW International Student Festival
- > NSW Seniors Week
- > Chinese New Year celebrations
- > Sydney International Boat Show
- > Dragon Boat Spectacular
- > Cultural festivals from around the world including India, Greece, Indonesia, Thailand, Nepal, Malaysia, Korea, Brazil, Egypt and Lebanon
- > 45 school and community bands.

The Authority also contributed \$577,700 through sponsorships, including:

- > \$230,000 to Greenhouse by Joost
- > \$125,000 to City of Sydney for New Year's Eve fireworks
- > \$115,000 to Sydney Festival
- > \$100,000 to The Big Issue Street Football Festival
- > \$7,500 to NSW Wheelchair Sports.

Monthly people movements in The Rocks and Darling Harbour



- Darling Harbour
- The Rocks

The Rocks

In The Rocks, approximately 13.8 million people movements were recorded in 2010–11, with people enjoying the entertainment, shopping and dining experiences on offer. This was a decrease in people movements of 1 per cent on the previous year.

Darling Harbour

In Darling Harbour, approximately 25.2 million people movements were recorded in 2010–11, with people enjoying international conventions, attractions and events in the precinct. This was a decrease in people movements of 0.1 per cent on the previous year.

How visitors are counted

Electronic people counters are installed in key locations in Darling Harbour and The Rocks. The counters emit an infrared beam and each time a pedestrian breaks the beam a people movement is registered. Calibration and expansion calculations are applied to raw counts to ensure that final figures estimate total pedestrian flow. These figures include repeat visits made by visitors, workers and residents.

4

Organisational health

Engage employees in the future of the organisation.

Achievements

- > Introduced a lunch and learn initiative to bring together various teams within the Authority to improve decision-making and problem-solving
- > Created a breastfeeding room for women returning to work after maternity leave
- > Rolled out new uniforms across the organisation





Building blocks to a happy and healthy organisation



Authority strategic objectives

- > Communicate 2010–11 Business Plan to engage employees in the process and the future of the organisation

Challenges

- > Aligning with the Department of Planning and Infrastructure
- > Reducing and maintaining employee excess recreational leave balances
- > Balancing workloads with reduced employees numbers due to secondments and recruitment freezes

Future directions 2011–12

- > Engage employees in the process to align the Authority with the Department of Planning and Infrastructure

Employee development and engagement

Ongoing communication

The Authority's two internal communication tools—New Horizons and Broadcast Alert—have been up and running for two years now and employees were surveyed to determine their effectiveness. Eighty of the organisation's employees completed the online survey with 91.1 per cent of respondents saying that internal communications has improved in the past two years.



Improvements, including summarising all staff updates for inclusion in New Horizons and explaining business plan updates in easy-to-understand language, were implemented as a result of recommendations from employees.

Internships

The Authority hosted nine student interns during the year to raise awareness of the diverse career opportunities within the Authority and support public education. Interns from Australian and international universities were placed in teams across the Authority.

Young professionals' network

In 2010 the Authority introduced the young professionals' network for employees under 35 years old. Thirteen employees joined the group and took part in several networking and professional development events.

Workplace safety

The Authority's OHS Consultative Committee began its two year term in December 2010 with representatives elected from across the organisation. All committee members successfully completed the WorkCover NSW accredited course in OHS Consultation.

The committee is dedicated to educating and encouraging OHS awareness by all Authority employees. The committee has commenced regular OHS inspections across all Authority-managed properties and is working with staff to identify issues and improve workplace safety, including investigating and resolving specific OHS hazards.

The Authority conducted its fourth annual Safety Week in October 2010. Activities included:

- > free personal health assessments
- > distributing health and safety fact sheets
- > lunchtime activities such as yoga and precinct walks.

Engaging employees in the future

A teaser campaign featuring thought bubbles was used to spark interest in and awareness of the organisation's 2010–11 Business Plan. The bubbles, which appeared around the offices and in internal employee communications, were followed up with an engaging presentation to help individuals understand their role in the organisation's future.

Maximising potential with mentors

The Authority's ongoing internal mentoring program helps employees to maximise their leadership potential and increase personal performance and career satisfaction.

Workplace initiatives

Healthy lifestyle initiatives

The Authority's Healthy Lifestyle Program aims to improve employee retention and performance by reducing stress and the risk of lifestyle diseases. Employees have access to discounted gym membership and fitness classes, lunchtime competitive sport, flu vaccinations and health assessments, massages and use of the Authority's fleet bicycles.

During 2010–11, 38 employees received the free flu vaccination while dozens of employees participated in weekly Authority-sponsored activities such as yoga, group fitness and basketball. Employees also participated in the 2011 NSW Corporate Games in March with representatives in triathlon and golf.

Lunch and learn

A lunch and learn initiative was established in 2010–11 to bring together a cross-divisional group of employees with a view to enhancing group decision-making and problem-solving capabilities across the Authority. Some of the topics the group covered included involving the right people in decision-making, communicating decisions and fostering a disciplined group decision-making process.

Guiding Principles Awards

The monthly CEO's Guiding Principles Awards continued this year to promote a culture of excellence in service delivery, leadership and innovation.

Career planning workshop

The Authority offered its staff an opportunity to attend a one-day Career Planning Workshop. The course used a range of career planning tools and techniques, to help employees examine what they really want to do and how they might make the transition.

Human resources

New uniforms

After consultation with employees, surveys and test runs, the Authority introduced a new range of uniforms for employees in the events team, Sydney Visitor Centres, Sydney Learning Adventures, The Rocks Discovery Museum, control rooms and reception.

Star Awards

The Authority's seventh annual Star Awards were held in 2010 to recognise and celebrate the outstanding contribution of employees. Around 110 employees attended the awards night with staff recognised in categories such as customer service, leadership, sustainability, innovation and precinct promotion. The Employee of the Year award went to security operations manager Jason Craig and the Team of the Year award was won by the Authority's External Relations team.

Code of Conduct

The Authority's Code of Conduct for Employees embodies the public sector values of integrity, diligence, economy, efficiency and accountability. The code incorporates the principles of ethical or responsible decision-making and respect for the law, government and community. It also offers guidance in situations where a person may be unsure of the appropriate course of action. Matters dealt with in the code include conflicts of interest, internal information and information on clients, secondary employment, political participation, corrupt conduct and reporting breaches of the code.

Fraud awareness and ethics training for all employees continued throughout 2010–11 with presentations on the Code of Conduct and all employees completing online training.

Equal opportunity

In 2010–11 the Authority continued to promote equal employment opportunity (EEO) through a range of initiatives including:

- > continuing to incorporate cultural awareness into all positions descriptions
- > including equity in the online compliance training for new employees
- > continuing to review policies to ensure that equity issues are included.

Equity principles also continue to be promoted through the Authority's Code of Conduct, induction sessions for new employees and ethics training. The Authority collects EEO data regularly for the Department of Premier and Cabinet's workforce profile, which measures performance in meeting NSW Government employment benchmarks for

Trends in representation of EEO groups as at 30 June 2011

Employment basis	Total number of employees	Percentage of total employees	Number of men	Number of women	Aboriginal and Torres Strait Islander people	People from racial, ethnic, ethno-religious minority groups	People whose first language was not English	People with a disability	People with a disability requiring work-related adjustment
Permanent full-time	154	48%	85	69	2	41	14	0	0
Permanent part-time	15	5%	3	12	0	5	1	0	0
Temporary full-time	28	9%	19	9	0	6	3	0	0
Temporary part-time	1	0.3%	0	1	0	0	0	0	0
Casual	101	32%	54	47	4	23	5	0	0
SES	4	1%	1	3	0	0	0	0	0
Board Members	0	0%	0	0	0	0	0	0	0
LWOP	0	0%	0	0	0	0	0	0	0
Senior officers	15	5%	14	1	0	2	0	0	0
Total	318	100%	176	142	6	77	23	0	0
Percentage	–	–	55%	45%	2%	24%	7%	–	–

employees from EEO minority groups. The data also informs planning and development of EEO initiatives. Trends in the representation of EEO groups among Authority employees are shown in the table on page 35.

During the year the Authority reached a number of EEO goals:

- > creating a breastfeeding room for women returning to work after maternity leave
- > providing Authority employees with access to affordable childcare in the CBD by sponsoring the Nanbaree Child Care Centre
- > increasing Aboriginal representation with the employment of an Aboriginal horticulturist.

In 2011–12 the Authority will continue promoting equity through online compliance training, review all recruitment actions to ensure EEO principles are adhered to and maintain levels of representations of minority groups by working towards governments targets.

Employee numbers

As at June 2011, the Authority had a total of 188 permanent and 29 temporary employees.

Industrial Relations

The Joint Consultative Committee continued to be a productive mechanism in discussing and disseminating information. There were no industrial disputes lodged by the NSW Public Service Association with the Industrial Relations Commission of NSW. There was no working time lost due to industrial disputes during the year.

There were no exceptional movements in wages, salaries or allowances, except for increases awarded across the public sector by the Industrial Relations Commission of NSW.

Multicultural Policies and Services Program

The organisation's workforce reflects the social diversity of the general workforce and significantly, this diversity is represented at all levels.

The Authority has five employees who are qualified translators and interpreters. These employees assist the Authority in improving customer service for international visitors.

Employees at the Sydney Visitor Centres speak 19 languages other

than English and are encouraged to use their language skills to improve communication with international and local customers whose first language is not English.

Women in the workplace

The Authority is committed to the NSW Government Action Plan for Women and the Government's efforts to promote workplaces that are equitable, safe and responsive to all aspects of women's lives.

Key activities in 2010–11 included:

- > maintaining the female ratio on the executive and senior management team
- > providing a maternity leave kit to assist women during pregnancy, maternity leave and when returning to work
- > offering part-time and work from home opportunities to women returning from maternity or parental leave
- > providing a breastfeeding room as part of new first aid facilities at Foreshore House.

Employee numbers by category

Salary scale	30 June 2007			30 June 2008		
	Total number of employees	Women	Non English speaking background	Total number of employees	Women	Non English speaking background
Salaries below clerical officer grade 1; 21 year old or equivalent	0	0	0	0	0	0
Salaries from clerical officer grade 1; 21 year old rate to below minimum clerk grade 1 rate or equivalent	8	5	4	3	3	0
Grade 1–2 or equivalent	42	19	14	39	17	7
Grade 3–5 or equivalent	41	27	10	40	24	8
Grade 6–9 or equivalent	64	37	17	65	42	10
Grade 10–12 or equivalent	52	20	28	54	18	11
Above grade 12 or equivalent	40	13	7	47	15	4
Total number of employees in established* positions	247	121	80	248	119	40

Foreshore Authority employees seconded to new Authority

The newly-formed Sydney Metropolitan Development Authority took six Authority employees on secondment. The new Authority pinpointed the skills and experience that would be appropriate and interviewed staff for the temporary positions. These secondments are due to continue until December 2011.

Number of Senior Executive Service (SES) positions

	2005–06	2006–07	2007–08	2008–09	2009–10	2010–11
Number of SES Positions	5	5	5	4	3	4
Number filled by females	3	3	3	3	3	3
Positions at SES Level 7	1	1	1	1	0	0
Positions at SES Level 5*	0	0	0	0	1	1
Positions at SES Level 4	4	4	4	3	1	1
Positions at SES Level 3	0	0	0	0	1	2

*This position was held by Mrs Egle Garrick, General Manager of Sydney Harbour Foreshore Authority, on a total remuneration package of \$278,350 per annum. A performance bonus was not paid and Mrs Garrick met the performance criteria outlined in her performance agreement.

5

Corporate governance

Lead the organisation towards
excellence in risk management,
compliance and sustainability.





Integrating our past with our future



Changes to the Board

On 23 September 2010, the NSW Government dissolved the Authority's Board. An interim Board was implemented and consisted of the then-CEO Warwick Watkins AM and the Director General Department of Planning and Infrastructure Sam Haddad. On 29 August 2011, the Minister for Planning and Infrastructure announced the appointment of a new Board for the Authority, chaired by Dick Persson AM.

Organisational alignment

In April 2011, following a realignment of public sector agencies, Sydney Harbour Foreshore Authority became a division of the Department of Planning and Infrastructure.

Audit and Risk Management Committee

The Authority reports to the Department of Planning and Infrastructure's Audit and Risk Management Committee. The objective is to provide independent assurance and assistance to the Board on the Authority's risk and fraud management, control and compliance framework, and its external accountability requirements.

Overseas travel

The Authority's general manager, Egle Garrick, travelled to Doha, Qatar from 26–30 November 2010 to present at an international urban waterfront conference on the historical regeneration of Darling Harbour.

Mrs Garrick also travelled to Auckland, New Zealand from 24–25 February 2011 to present to Auckland City Council on the role of the Place Leaders Association—a place making association of which the Authority is a member and Mrs Garrick is a Director.

Fraud prevention

The Authority has developed online fraud awareness training as part of its fraud prevention program. The Authority assesses its fraud awareness performance through a compulsory online survey against criteria established by the NSW Auditor General. The Authority is continuing its work in targeting employee awareness of fraud and ethical behaviour.

Privacy Management Plan

The Authority has developed a Privacy Management Plan in response to the *Privacy and Personal Information Protection Act 1998*. The Act aims to protect the privacy of individuals from inappropriate collection, storage, use and disclosure of personal information by NSW public sector agencies. The Privacy Management Plan is available on the Authority's website.

The plan is based on 12 information principles that establish standards for using personal information in an open and accountable manner. The information protection principles apply to all employees, consultants and contractors engaged by the Authority.

There were no privacy complaints received during 2010–11.

Risk management and insurance

Sydney Harbour Foreshore Authority's ongoing risk management program has been effective in managing the risk exposure of the Authority while contributing to organisational objectives.

Each year the Authority identifies business risks which are documented in its business plan. The Authority's organisational-wide risk report links risks to the four key business outcomes: business effectiveness, stakeholder and customer satisfaction, organisational health and financial performance. The Authority's risk management documentation and analysis recognises the breadth and interplay of the risk management framework, compliance and assurance activities, governance structures and accountabilities.

The Authority faces risk relating to failing to achieve key project objectives, budgets and deadlines, failing to meet government standards, laws and regulations, failing to achieve income or expenditure targets, unsatisfactory delivery of services to internal and external customers, and damage to the organisation's reputation and brand.

The Authority's Audit and Risk Management Committee convened three times in 2010–11 to address risk management. The Authority's executive and leadership team meet monthly to review risk management.

The work of individual employees is monitored through monthly feedback sessions with managers. Individual and team risk management programs deal with information security, occupational health and safety, business continuity planning, accounting, leave management and payroll.

The Authority also maintains a program of internal audits to assess the effectiveness of controls and systems to mitigate risk. During the year, the Authority achieved an average assessment score of 3.5 out of 5 for its internal audits, which were conducted by the Internal Audit Bureau (IAB).

The Authority carries a comprehensive range of insurance cover through the Treasury Managed Fund (TMF). This insurance covers property, public liability, directors' insurance and other contingencies.

Unlike private-sector insurance policies, the TMF has limited exclusions. In particular, all properties owned or managed by the Authority are covered for their replacement value. The Authority's premium reduced this year due to a lower than projected number of public liability small claims.

The Authority carries no officers' professional liability insurance, but all public service officers are covered by a State indemnity against claims that do not involve negligence.

Government Information (Public Access)

The *Government Information (Public Access) Act 2009* (GIPA) enables a member of the public to access documents held by the Authority. During the year the Authority processed 17 formal GIPA requests. Details of these requests are shown in the Appendix on page 112.

Credit card certification

The Authority has a Corporate Credit Card Policy, which complies with NSW Treasury's Treasurer's Directions. Cardholders are required to observe the policy and complete a reconciliation form each month which is authorised by the Authority's Chief Financial Officer or General Manager.

The Authority currently has four credit cards on issue with a combined limit of \$22,000.

Legislative changes and departures

There were no changes to Sydney Harbour Foreshore Authority's legislation during 2010–11.

Progress in procurement

During 2010–11, the procurement team continued to streamline processes and review all policies and procedures. This included updating the procurement policy, finalising

contract template documents and creating internal supporting documents to assist staff in meeting procurement requirements.

The Authority also continued to educate employees through procurement workshops which covered legislation, probity and processes.

Twenty-two significant tender processes were undertaken in 2010–11, resulting in successful contracts including one-off contracts for refurbishing vacant Authority buildings in The Rocks, Sydney Entertainment Centre refurbishment works, upgrading the Bay Run at Callan Park and creative direction of the Darling Harbour Australia Day Spectacular. The Authority also re-tendered a number of period contracts for works such as locksmith services, pest control, and roof maintenance and cleaning services.

The Authority continued to use its established contractor panels to assist with projects across varied disciplines including legal services, heritage building conservation and refurbishment and arborist advisory services. The Authority also made extensive use of State Contracts Control Board (SCCB) whole-of-government contracts. The awarded contracts and SCCB contracts have ensured that the Authority achieves the best value for money on competitive commercial terms.

Specialised consultants

The Authority engages consultants for specialised work only where there is no in-house expertise.

The Authority has used consultants in specialist areas such as planning, property, design, quantity surveying and environment.

The Authority engaged seven consultants whose fees were more than \$50,000 during the year as shown in the table below. These fees totalled \$905,074. Twenty-eight consultants whose fees were up to \$50,000 were also engaged, with fees totalling \$227,867.

Luna Park Reserve Trust

Luna Park Reserve Trust is responsible for the care, control and management of the 3.13 hectares of Milsons Point that make up Luna Park Reserve.

Managed by the Authority, the Trust oversees a 40-year operating lease for the Luna Park site and manages the Heritage and Infrastructure Fund to conserve and improve the park's heritage and infrastructure features.

The Trust was established in 1990 when the *Luna Park Site Act 1990* commenced under the *Crown Lands Act 1989*. Luna Park Reserve is dedicated under the Crown Lands Act for the purpose of public recreation, amusement and entertainment.

The Minister for Planning and Infrastructure has administrative responsibility for these Acts as they relate to the Luna Park Reserve and oversees the Trust, any land dealings at Luna Park and its general administration.

The Minister for Planning and Infrastructure is also the consent authority for any development at Luna Park, which is listed as a Schedule 3 site (State significant) under State Environmental Planning Policy – Major Projects 2005.

Luna Park Sydney Pty Ltd has complete operational responsibility for the day-to-day running of the park. The Trust works closely with Luna Park Sydney to ensure that the site remains a viable amusement park and entertainment precinct.

Luna Park Reserve includes:

- > the boardwalk and foreshore to the west of the site, which provides public access along the harbour foreshore
- > the entertainment precinct between the boardwalk and foreshore and the base of the cliff where the fun park is located
- > the cliff top, which adjoins Glen Street and Northcliff Street to the east, but is physically and visually isolated from the remainder of the site.

Luna Park Reserve Trust financial statements can be found on page 92.

Consultants engaged during 2010–11 with fees over \$50,000

Consultant	Description	Amount \$
Arterra Design Pty Ltd	Darling Harbour South Master Plan options – 3D Animations	109,460
Cox Architecture Pty Ltd	Darling Harbour South Master Plan options – Space planning	268,586
Crown Project Services Pty Ltd	Report for Passenger Cruise Terminal Steering Committee	103,870
Halcrow Pacific Pty Ltd	Darling Harbour South Master Plan options – Traffic and transport brief	67,327
Johnson Pilton Walker	Darling Harbour South Master Plan options – Urban design brief	240,000
McLachlan Lister	Darling Harbour South Master Plan options – Project management	58,731
WT Partnership	Darling Harbour South Master Plan options – Quantity surveying services	57,100

6

Financial performance

Maximise value from asset divestment and maximise return from assets and operations.

Achievements

- > Achieved a healthy surplus result to exceed budget expectations
- > Increased property revenue by 5.7%





The ingredient for
success: robust financial
management

Authority strategic objectives

- > Deliver asset divestment market strategy
- > Maximise the Authority's net revenue streams

Challenges

- > Maintaining revenue levels when the property and finance markets remain fragile, affecting business investment and consumer spend
- > Continuing to meet Government and Board expectations in a new political and governance environment

Future directions 2011–12

- > Optimise return from assets and operations
- > Optimise revenue growth and productivity increases

Internal Audit and Risk Management Statement for the 2010–11 Financial Year for Sydney Harbour Foreshore Authority

The governing board is of the opinion that the Sydney Harbour Foreshore Authority has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

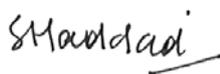
The governing board is of the opinion that the Audit and Risk Management Committee for Sydney Harbour Foreshore Authority is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Management Committee are:

- > independent Chair – Carol Holley, term of appointment: four years starting 1 December 2009
- > independent Member – Dr Elizabeth Coombs, term of appointment: three years starting 1 December 2009
- > non-independent staff member of the Department of Planning and Infrastructure – Michael Leavey, term of appointment: two years starting 16 January 2010.

The governing board declare that this Internal Audit and Risk Management Statement is made on behalf of the following controlled entities:

- > Office of the Sydney Harbour Foreshore Authority
- > Sydney Harbour Foreshore Authority Casual Staff Division.

These processes provide a level of assurance that enables the senior management of Sydney Harbour Foreshore Authority to understand, manage and satisfactorily control risk exposures.



Sam Haddad

Acting Chief Executive Officer
Sydney Harbour Foreshore Authority

2 September 2011
Sydney

SYDNEY HARBOUR FORESHORE AUTHORITY

Statement by Members of the Board of Sydney Harbour Foreshore Authority on the adoption of the financial statements for the year ended 30 June 2011

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983* we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of Sydney Harbour Foreshore Authority as at 30 June 2011; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.

Further, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Richard Pearson

Acting Chief Executive Officer
Sydney Harbour Foreshore Authority



Owen Evans

Board Member
Sydney Harbour Foreshore Authority

10 October 2011
Sydney

SYDNEY HARBOUR FORESHORE AUTHORITY



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Sydney Harbour Foreshore Authority

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sydney Harbour Foreshore Authority (the Authority), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information of the Authority and the consolidated entity. The consolidated entity comprises the Authority and the entities it controlled at the year's end or from time to time during the financial year.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Authority and the consolidated entity as at 30 June 2011, and of their financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act, and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

SYDNEY HARBOUR FORESHORE AUTHORITY

My opinion does *not* provide assurance:

- about the future viability of the Authority or consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information, which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



James Sugumar
Director, Financial Audit Services

13 October 2011
SYDNEY

SYDNEY HARBOUR FORESHORE AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated		Authority	
		2011 \$'000	Restated 2010 \$'000	2011 \$'000	Restated 2010 \$'000
Income					
Revenue from continuing operations	3	142,721	135,515	142,721	135,515
Other income	4	56,651	61,142	56,651	61,142
Total income		199,372	196,657	199,372	196,657
Expenses					
Property related expenses	5	(85,371)	(73,065)	(85,371)	(73,065)
Employee related expenses	5	(2,291)	(24,950)	–	–
Personnel services expenses	5	(23,367)	(2,835)	(25,658)	(27,785)
Depreciation and amortisation expense	5	(17,075)	(16,940)	(17,075)	(16,940)
Finance costs	5	(815)	(916)	(815)	(916)
Other expenses	5	(36,220)	(39,446)	(36,220)	(39,446)
Total expenses		(165,139)	(158,152)	(165,139)	(158,152)
Surplus before income tax equivalent		34,233	38,505	34,233	38,505
Income tax equivalent	6	(532)	–	(532)	–
Surplus for the year after income tax equivalent		33,701	38,505	33,701	38,505
Other comprehensive income					
Gain/(loss) on revaluation of land and buildings		39,708	–	39,708	–
Other comprehensive income for the year		39,708	–	39,708	–
Total comprehensive income for the year		73,409	38,505	73,409	38,505

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Notes	Consolidated			Authority		
		2011 \$'000	Restated 2010 \$'000	Restated 1 July 2009 \$'000	2011 \$'000	2010 \$'000	Restated 1 July 2009 \$'000
Assets							
Current assets							
Cash and cash equivalents	7	89,860	96,315	55,595	89,860	96,315	55,595
Trade and other receivables	8	24,103	13,392	18,637	24,103	13,392	18,637
Inventories	9	680	996	934	680	996	934
		114,643	110,703	75,166	114,643	110,703	75,166
Assets classified as held for sale	10	–	9,420	–	–	9,420	–
Total current assets		114,643	120,123	75,166	114,643	120,123	75,166
Non-current assets							
Trade and other receivables	8	139,251	142,842	135,828	139,251	142,842	135,828
Investment property	11	394,795	399,995	399,995	394,795	399,995	399,995
Property, plant and equipment	12	659,802	599,024	617,093	659,802	599,024	617,093
Intangible assets	13	762	320	430	762	320	430
Total non-current assets		1,194,610	1,142,181	1,153,346	1,194,610	1,142,181	1,153,346
Total assets		1,309,253	1,262,304	1,228,512	1,309,253	1,262,304	1,228,512
Liabilities							
Current liabilities							
Trade and other payables	14	44,774	37,764	29,778	44,774	37,764	29,778
Lease receipts in advance	15	18	18	18	18	18	18
Borrowings	16	5,000	–	–	5,000	–	–
Provisions	17	11,842	15,006	15,079	11,842	15,006	15,079
Other liabilities	18	2,268	2,921	3,190	2,268	2,921	3,190
Total current liabilities		63,902	55,709	48,065	63,902	55,709	48,065
Non-current liabilities							
Lease receipts in advance	15	1,655	1,673	1,691	1,655	1,673	1,691
Borrowings	16	5,000	10,000	10,000	5,000	10,000	10,000
Provisions	17	5,920	7,101	6,614	5,920	7,101	6,614
Other liabilities	18	–	254	911	–	254	911
Total non-current liabilities		12,575	19,028	19,216	12,575	19,028	19,216
Total liabilities		76,477	74,737	67,281	76,477	74,737	67,281
Net assets		1,232,776	1,187,567	1,161,231	1,232,776	1,187,567	1,161,231
Equity							
Accumulated funds		1,151,504	1,145,453	1,118,987	1,151,504	1,145,453	1,118,987
Asset revaluation reserve		81,272	42,114	42,244	81,272	42,114	42,244
Total equity		1,232,776	1,187,567	1,161,231	1,232,776	1,187,567	1,161,231

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Accumul- ated funds \$'000	Consolidated Asset revaluation reserve \$'000	Total \$'000	Accumul- ated funds \$'000	Authority Asset revaluation reserve \$'000	Total \$'000
Balance as at 1 July 2010		760,317	42,114	802,431	760,317	42,114	802,431
Change in accounting policy	24	385,136	–	385,136	385,136	–	385,136
Restated total equity as at 1 July 2010		1,145,453	42,114	1,187,567	1,145,453	42,114	1,187,567
Surplus for the year		33,701	–	33,701	33,701	–	33,701
Transfer of asset revaluation reserve on disposal		550	(550)	–	550	(550)	–
Other comprehensive income							
Gain/(loss) on revaluation of land and buildings		–	39,708	39,708	–	39,708	39,708
Other comprehensive income for the year		–	39,708	39,708	–	39,708	39,708
Total comprehensive income for the year		34,251	39,158	73,409	34,251	39,158	73,409
Transaction with owners in their capacity as owners							
Contribution to New South Wales Government		(24,890)	–	(24,890)	(24,890)	–	(24,890)
Transfer assets to other NSW government agency		(3,310)	–	(3,310)	(3,310)	–	(3,310)
		(28,200)	–	(28,200)	(28,200)	–	(28,200)
Balance as at 30 June 2011		1,151,504	81,272	1,232,776	1,151,504	81,272	1,232,776
Balance as at 1 July 2009		742,154	42,244	784,398	742,154	42,244	784,398
Change in accounting policy	24	376,833	–	376,833	376,833	–	376,833
Restated total equity as at 1 July 2009		1,118,987	42,244	1,161,231	1,118,987	42,244	1,161,231
Surplus for the year		38,505	–	38,505	38,505	–	38,505
Transfer of asset revaluation reserve on disposal		130	(130)	–	130	(130)	–
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the year		38,635	(130)	38,505	38,635	(130)	38,505
Transaction with owners in their capacity as owners							
Contribution to New South Wales Government		(12,169)	–	(12,169)	(12,169)	–	(12,169)
Balance as at 30 June 2010		1,145,453	42,114	1,187,567	1,145,453	42,114	1,187,567

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated		Authority	
		2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash flows from operating activities					
Receipts from customers (inclusive of GST)		167,381	182,232	167,381	182,232
Payments to suppliers and employees (inclusive of GST)		(149,893)	(144,545)	(149,893)	(144,545)
Grants paid		(1,625)	(125)	(1,625)	(125)
Interest and other finance costs paid		3,908	1,729	3,908	1,729
Income tax equivalent paid		532	–	532	–
Net cash inflows/(outflows) from operating activities	22(b)	20,303	39,291	20,303	39,291
Cash flows from investing activities					
Payments for property, plant and equipment		(15,136)	(9,360)	(15,136)	(9,360)
Proceeds from sales of property, plant and equipment		10,880	–	10,880	–
Payments for intangible assets		(500)	(52)	(500)	(52)
Net cash inflows/(outflows) from investing activities		(4,756)	(9,412)	(4,756)	(9,412)
Cash flows from financing activities					
Payment of finance lease liabilities		(711)	(1,094)	(711)	(1,094)
Security deposits and bonds		1,167	97	1,167	97
Forward deposits and retentions		(2,782)	9,040	(2,782)	9,040
Contributions to New South Wales Government paid		(25,659)	(9,169)	(25,659)	(9,169)
Finance lease receipts		5,983	11,967	5,983	11,967
Net cash inflows/(outflows) from financing activities		(22,002)	10,841	(22,002)	10,841
Net increase/(decrease) in cash		(6,455)	40,720	(6,455)	40,720
Opening cash and cash equivalents		96,315	55,595	96,315	55,595
Closing cash and cash equivalents	22(a)	89,860	96,315	89,860	96,315

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 1 – Reporting entity

Sydney Harbour Foreshore Authority (the Authority), as a reporting entity, comprises the following entities it controlled during the year and at balance date:

- Cooks Cove Development Corporation (CCDC); and
- Sydney Harbour Foreshore Authority Casual Staff Division (Casual Staff Division).

The consolidated financial statements for the year ended 30 June 2011 were authorised for issue by the Authority's Board on 10 October 2011.

Note 2 – Summary of significant accounting policies

(a) Basis of preparation

The Authority's general purpose financial statements have been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations; and
- the requirement of the *Public Finance and Audit Act 1983*.

Set out below is a summary of the significant accounting policies adopted by the Authority.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments) at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Authority's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Authority has assessed its profit status for the financial year ended 30 June 2011 and determined its status as not-for-profit for financial reporting purposes.

The financial statements are presented in Australian dollars rounded to the nearest thousand.

Significant critical accounting judgements and estimates for the year are:

- As a result of the *Public Sector Employment and Management (Departments) Order 2011* published on 3 April 2011, all permanent employees were transferred from the former Land and Property Management Authority (LPMA) to Department of Planning and Infrastructure (DPI). From 4 April 2011 personnel services were provided by DPI to the Authority. All employee-related benefits were transferred from LPMA to DPI.

(b) Principles of consolidation

Controlled entities are all those entities over which the Authority has the power to govern the financial and operating policies so as to obtain benefits from its activities.

Intercompany transactions, balances and unrealised gains on transactions between entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the parent entity.

(c) Revenue recognition

The Authority recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity, and specific criteria have been met for each of the Authority's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Authority bases its estimates on historical results, taking into consideration the type of customer, the type of transaction, and the specifics of each arrangement.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and services

Revenue is recognised when the Authority transfers the significant risks and rewards of ownership of the assets and obtains control of the assets that result from sales.

(ii) Grants and contributions

Contributions and grants are recognised as revenue when the Authority obtains control over the asset comprising the contributions.

(iii) Lease revenue

Lease revenue from operating leases is recognised on straight-line basis over the lease term.

For a finance lease with fixed on-going rental return, a lease receivable is recognised at lease inception equal to the minimum lease payments plus any residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest implicit in the lease.

(iv) Interest revenue

Interest revenue is recognised on an accrual basis using the effective interest method.

(d) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employees' service up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Other long-term employee benefit obligations

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the discount method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provisions made in respect of employee benefits which are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the consolidated entity in respect of services provided by employees up to reporting date. The government bond rate of 5.21 per cent was applied for discounting purposes.

The outstanding amounts of payroll tax, workers' compensation, insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses when the employee benefits to which they relate have been recognised.

(iii) Retirement benefit obligations

All employees of the Authority are entitled to benefits from the Authority's superannuation plan on retirement, disability or death. The Authority has a defined benefit plan and a defined contribution plan. The defined contribution plan receives fixed contributions from the Authority and the Authority's legal or constructive obligation is limited to these contributions. Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

A liability or asset of defined benefits superannuation plans is recognised in the balance sheet, and is measured as the present value of the defined benefit obligation at the reporting date less the fair value of the superannuation fund's assets at that date and any unrecognised past service cost. The present value of the defined benefit obligations is based on expected future payments which arise from membership of the fund to the reporting date, calculated annually by independent actuaries using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Past service costs are recognised immediately in income, unless the changes to the superannuation fund are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

Contributions to the defined contribution fund are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(e) Personnel services expense

Following the release of the *Public Sector Employment and Management (Departments) Order 2011* on 3 April 2011, all permanent employees and their related obligations were transferred to Department of Planning and Infrastructure. Under this arrangement from 4 June 2011, the Authority receives personnel services from the Department of Planning and Infrastructure and recognises it as expenses and payables in the financial statements.

(f) Provisions

Provisions are recognised when the Authority has a present obligation as a result of a past event, it is probable that the Authority will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(g) Finance costs

Finance costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other finance costs are expensed.

(h) Insurance

The Authority holds insurance policies covering property, public liability, workers compensation, directors' liability and other contingencies. These insurance covers are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government agencies. The premium is determined by the fund manager based on past claim experience and the insurance coverage is reviewed periodically to ensure that it is adequate.

(i) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Authority is included with other receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(j) Acquisitions of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Authority. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

(k) Capitalisation thresholds

The Authority's policy is to capitalise all costs incurred in property development.

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(l) Revaluation of physical non-current assets

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment* and AASB 140 *Investment Property*.

The fair value of land under a prepaid long-term lease is negligible and as such it is recorded at \$1 in the asset register. However, land under a prepaid long-term lease, irrespective of whether an upfront lease income was received, that continues to receive a rental stream is measured at fair value as investment property, unless it satisfies the provisions of TPP 11-01. In this case the lease is treated as a finance lease and the asset is recorded at \$1 in the register.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Land and buildings, including open spaces and roads, are revalued at least every three years or with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. The last revaluation was completed on 30 June 2009 and was based on an independent assessment.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(m) Property, plant and equipment

PPE is valued at fair value as disclosed above.

(n) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life by the Authority. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Land is not a depreciable asset.

Depreciation of art and artefacts is not recognised because the useful life and the net amount to be recovered at the end of the useful life cannot be reliably measured. The decision not to recognise depreciation for these assets is reviewed annually.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

The following depreciation rates were applied in 2010/11 and 2009/10:

	2010/11	2009/10
Buildings and improvements	2.5–20%	2.5-20%
Plant and equipment	2.5–20%	2.5-20%
Motor vehicles	10–20%	10-20%
Furniture and fittings	8.5–20%	10-20%
IT equipment	33%	33%

(o) Major inspection costs

When each major inspection is performed, the labour cost of performing inspections for faults is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(p) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(q) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(r) Leases

(i) Leases

Leases of property, plant and equipment, where the Authority as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Finance leases, where the Authority is lessee, are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Authority will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Authority as lessee are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

Land under a long-term lease, where the Authority is lessor, is classified as a finance lease if it satisfies the provisions of AASB 117 and TPP 11-01. Per TPP 11-01 a prepaid lease classified as a finance lease is accounted for as a sale. For a lease with fixed on-going rental return, a lease receivable is recognised at lease inception equal to the minimum lease payments plus any residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest implicit in the lease.

(ii) Lease incentives

Lease incentives include upfront cash payments to the lessee or the reimbursement or assumption by the Authority, as the lessor, of costs of the lessee (such as relocation costs, leasehold improvements, fitout contributions and costs associated with a pre-existing lease commitment). Alternatively, the initial period of the lease term may be agreed to be rent-free or at a reduced rent, and shall be recognised, in accordance with the Australian Accounting Interpretations.

(iii) Operating lease incentives

Operating lease incentives represent a reduction of rental income over the lease term on a straight-line basis.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

(s) Investment properties

Investment property, principally comprising freehold office buildings, is held for long-term rental yields and is not occupied by the Authority. Investment property is carried at fair value, which is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the authority uses alternative valuation methods such as recent prices in less active market or discounted cash flow projections. These valuations are reviewed annually by a member of the Australia Property Institute. Changes in fair values are recorded in the income statement as part of other revenue or other expenses.

(t) Intangible assets

IT development and software

Costs incurred in developing products or systems, and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction, are capitalised to software and systems. Costs capitalised include external direct costs of materials and service, direct payroll and payroll related costs of employees' time spent on the project. Amortisation is calculated on a straight-line basis over period of three years.

The useful lives of intangible assets are assessed to be infinite. Intangible assets are measured initially at cost and subsequently at fair value only if there is an active market. As there is not an active market for the Authority's intangible assets, the assets are carried at cost, less any accumulated amortisation.

IT development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the group has an intention and ability to use the asset.

(u) Cash and cash equivalents

Cash and cash equivalent assets in the balance sheet comprise cash at bank and in hand, short-term deposits with an original maturity of three months or less, and deposits in NSW Treasury Corporation's Hour-Glass Managed Fund Cash Facility.

(v) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(w) Inventories

Trading stock

Trading stock are stated at the lower of cost and net realisable value. Cost of stock are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make sales.

(x) Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of de-recognition. These assets are not depreciated or amortised while they are classified as held for sale.

(y) Trade and other payables

These amounts represent liabilities for goods and services provided to the Authority and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(z) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement, over the period of the borrowings, using the effective interest method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the authority has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

(aa) Transactions with owners as owners

(i) Income tax equivalent

The Authority is subject to paying tax equivalents which are calculated based on the accounting profit model, where the prevailing company tax rate is applied to the accounting profit. The Authority has obtained approval from the Office of State Revenue to exclude the following additional items from its accounting profit for the purpose of calculating its tax liability:

- amortised leased income for long-term leases entered into before 1 January 2007; and
- unrealised movements in the fair value of the Authority's investment properties.

In accordance with the NSW Treasury requirements under the Tax Equivalent Regime, the Authority does not practice tax effective accounting.

(ii) Contributions to New South Wales Government

Contributions to New South Wales Government are set by negotiation between stakeholders, the board and management of the Authority with the ultimate determination reserved for stakeholders. Consideration is given to the Authority's working capital, investment capital requirements, provision of social and non-commercial activities and an appropriate contingency for financial flexibility.

(bb) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(cc) Change in accounting policy

In accordance with *TPP11-01 Lessor Classification of Long-Term Land Leases*, the Authority has changed its policy on classification of long-term land leases. Land under a long term lease is classified as a finance lease if it satisfies the provisions of TPP 11-01. A prepaid lease classified as a finance lease is now accounted for as a sale. For a lease with fixed on-going rental return, a lease receivable is recognised at lease inception equal to the minimum lease payments plus any residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest rate implicit in the lease.

This differs to prior year treatment where land under a long term lease was classified as an operating lease, and revenue was recognised on a straight-line basis over the lease term. This treatment required lease payments received in advance to be recognised as a liability and revenue amortised over the lease term.

TPP 11-01 has been adopted retrospectively. Refer to Note 24 for details.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

(dd) New Australian Accounting Standards and Interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period. The Authority did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations* (1 January 2011)
- AASB 7 *Financial Instruments: Disclosures* (1 January 2011)
- AASB 9 *Financial Instruments* (1 January 2013)
- AASB 101 *Presentation of Financial Statements* (1 January 2011)
- AASB 107 *Statement of Cash Flows* (1 January 2011)
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (1 January 2011)
- AASB 110 *Events after the Reporting Period* (1 January 2011)
- AASB 112 *Income Taxes* (1 January 2011)
- AASB 118 *Revenue* (1 January 2011)
- AASB 119 *Employee Benefits* (1 January 2011)
- AASB 132 *Financial Instruments: Presentation* (1 January 2011)
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (1 January 2011)
- AASB 139 *Financial Instruments: Recognition and Measurement* (1 January 2011)
- AASB 140 *Investment Property* (1 January 2011)
- AASB 1031 *Materiality* (1 January 2011)
- AASB 1053 *Application of Tiers of Australian Accounting Standards* (1 July 2013)
- AASB 1054 *Australian Additional Disclosures* (1 July 2011)
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (1 January 2013)
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (1 July 2013)
- AASB 2010-6 *Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets* (1 July 2011)
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (1 January 2013)
- AASB 2009-12 *Amendments to Australian Accounting Standards* (1 January 2011)
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (1 January 2011)
- AASB 2010-5 *Amendments to Australian Accounting Standards* (1 January 2011).

The impact of these new Standards and Interpretations in future periods on the financial statements are still being assessed, and not known at the date of the financial statements.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 3 – Revenue from continuing operations				
Sydney Convention and Exhibition Centre revenue	64,541	62,102	64,541	62,102
Car parks revenue	15,928	14,818	15,928	14,818
Other major assets revenue	10,002	7,255	10,002	7,255
Operating lease revenue	46,418	45,278	46,418	45,278
Long term lease revenue	18	18	18	18
Development contributions	220	95	220	95
Visitor Centre sales	410	1,537	410	1,537
Marketing revenue	3,274	2,583	3,274	2,583
Other	1,910	1,829	1,910	1,829
	142,721	135,515	142,721	135,515

Note 4 – Other revenue

Fair value increment on investment properties (refer note 2(s))	18,800	–	18,800	–
Gain/(loss) on divestment of freehold property	1,460	–	1,460	–
Recognition of property, plant and equipment	2,425	6,109	2,425	6,109
Proceeds from legal settlement	–	38,888	–	38,888
Long term lease divestment proceeds	15,600	–	15,600	–
Finance revenue – long term leases	13,642	13,501	13,642	13,501
Interest revenue (refer note 4(a))	4,724	2,644	4,724	2,644
	56,651	61,142	56,651	61,142

(a) Interest revenue is made up as below:

Cash at bank	80	101	80	101
TCorp short term cash facility	1,584	2,362	1,584	2,362
TCorp term deposits	3,060	181	3,060	181
	4,724	2,644	4,724	2,644

Note 5 – Expenses

Property related expenses:

Sydney Convention and Exhibition Centre expenses	50,303	44,785	50,303	44,785
Car parks expenses	5,358	5,132	5,358	5,132
Other major assets expenses	6,788	5,228	6,788	5,228
Non-recoverable expenses	11,892	12,625	11,892	12,625
Project related expenses	7,325	–	7,325	–
Other expenses	3,705	5,295	3,705	5,295
	85,371	73,065	85,371	73,065

Non-recoverable expenses include security, cleaning, waste management, utilities, taxes, and horticultural services.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Employee related expenses:				
Salaries and wages	1,989	19,970	–	–
Defined contribution superannuation expense	179	1,741	–	–
Other employee related expenses	123	3,239	–	–
	2,291	24,950	–	–
Personnel services expenses:				
Personnel services expenses – Office of Sydney Harbour Foreshore Authority				
Salaries and wages	–	–	–	18,231
Defined contribution superannuation expense	–	–	–	1,584
Other employee related expenses	–	–	–	3,128
	–	–	–	22,943
Personnel services expenses – SHFA Casual Staff Division				
Salaries and wages	–	–	1,989	1,739
Defined contribution superannuation expense	–	–	179	157
Other employee related expenses	–	–	123	111
	–	–	2,291	2,007
Personnel services expenses – former Land and Property Management Authority				
Salaries and wages	14,573	1,438	14,573	1,438
Defined contribution superannuation expense	1,334	62	1,334	62
Defined benefit superannuation expense	–	162	–	162
Other employee related expenses	2,847	382	2,847	382
Superannuation actuarial losses	–	791	–	791
	18,754	2,835	18,754	2,835
Personnel services expenses – Department of Planning and Infrastructure				
Salaries and wages	4,476	–	4,476	–
Defined contribution superannuation expense	264	–	264	–
Defined benefit superannuation expense	102	–	102	–
Other employee related expenses	948	–	948	–
Superannuation actuarial gains	(1,177)	–	(1,177)	–
	4,613	–	4,613	–
	23,367	2,835	25,658	27,785

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Depreciation and amortisation expense:				
Depreciation of property, plant and equipment	16,481	15,725	16,481	15,725
Amortisation of leasehold assets	536	1,116	536	1,116
Amortisation of intangible assets	58	99	58	99
	17,075	16,940	17,075	16,940
Finance costs:				
Interest on borrowing not at fair value through profit or loss	658	658	658	658
Government guarantee levy	120	146	120	146
Interest expense on leased assets	37	112	37	112
	815	916	815	916
Amount capitalised	–	–	–	–
Finance costs expensed	815	916	815	916
Other expenses:				
Administration	5,870	9,096	5,870	9,096
Directors fees	52	207	52	207
Fair value decrement on investment properties (refer note 2(s))	–	6,300	–	6,300
Loss on disposal of property, plant and equipment	163	289	163	289
Loss on asset written off	–	750	–	750
Visitor Centre sales – cost of goods sold	186	858	186	858
Insurance	560	593	560	593
Consultants	1,109	156	1,109	156
Auditor's remuneration – audit of financial statements	197	197	197	197
Allowance for impairment of receivables	81	131	81	131
Marketing and advertising	7,172	8,340	7,172	8,340
Repairs and maintenance	19,205	12,404	19,205	12,404
Grants expenses	1,625	125	1,625	125
	36,220	39,446	36,220	39,446
Reconciliation of total maintenance expense:				
Maintenance expense – contracted labour and other (refer note 5)	19,205	12,404	19,205	12,404
Personnel services relating to maintenance	2,008	2,195	2,008	2,195
Total maintenance expense	21,213	14,599	21,213	14,599

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 6 – Income tax equivalent				
Surplus before income tax equivalent:	34,233	38,505	34,233	38,505
Prepaid revenue	(18)	(18)	(18)	(18)
Fair value (increment)/decrement on investment property	(18,800)	6,300	(18,800)	6,300
Finance revenue – long-term leases	(13,642)	(13,501)	(13,642)	(13,501)
Ballast Point settlement proceeds	–	(38,888)	–	(38,888)
Notional taxable surplus/(deficit)	1,773	(7,602)	1,773	(7,602)
Income tax equivalent calculated at 30% of notional taxable surplus/(deficit)	532	–	532	–
	532	–	532	–
Note 7 – Cash and cash equivalents				
Cash at bank and on hand	16,127	11,055	16,127	11,055
NSW Treasury Corporation – Hour Glass short-term cash facility	43,733	20,260	43,733	20,260
NSW Treasury Corporation – Short-term deposits	30,000	65,000	30,000	65,000
	89,860	96,315	89,860	96,315
Note 8 – Trade and other receivables				
Current				
Rental debtors	1,035	588	1,035	588
Sundry debtors	3,214	3,018	3,214	3,018
Finance lease receivable	16,728	5,479	16,728	5,479
Lease incentives	403	632	403	632
Goods and services tax recoverable	989	651	989	651
Prepayments and accrued revenue	1,945	3,315	1,945	3,315
	24,314	13,683	24,314	13,683
Less: Allowance for impairment of receivables	(211)	(291)	(211)	(291)
	24,103	13,392	24,103	13,392
Non-current				
Security bond	38	38	38	38
Finance lease receivable	139,213	142,804	139,213	142,804
	139,251	142,842	139,251	142,842

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Movement in the allowance for impairment of receivables				
Balance as at 1 July	(291)	(172)	(291)	(172)
Amounts written off during the year	154	31	154	31
Amounts recovered during the year	48	35	48	35
Increase/(decrease) in allowance recognised in profit or loss	(122)	(185)	(122)	(185)
Balance as at 30 June	(211)	(291)	(211)	(291)
Note 9 – Inventories				
Current				
Trading stock	680	996	680	996
	680	996	680	996
Note 10 – Assets classified as held for sale				
(a) Non-current assets held for sale				
Current				
Land and buildings	–	9,420	–	9,420
	–	9,420	–	9,420

The New South Wales Government's Mini-Budget 2008 included a proposal to divest commercial leases to the private sector by way of a 99 year lease. The Request for Tenders was issued in February 2010. After the tender process the evaluation panel recommended divestment of two properties including the freehold sale of a car park which is disclosed as non-current assets held for sale. The sale was completed by December 2010.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 11 – Investment property				
Balance at the beginning of the financial year (at fair value)	399,995	399,995	399,995	399,995
Transfer from/(to) property, plant and equipment	(24,000)	6,300	(24,000)	6,300
Net gain/(loss) from fair value adjustments	18,800	(6,300)	18,800	(6,300)
Balance at the end of the financial year (at fair value)	394,795	399,995	394,795	399,995

Property interests held under operating leases are classified and accounted for as investment property and measured at fair value per AASB 140 Investment Property. Land under a long term lease is classified as a finance lease if it satisfies the provisions of TPP 11–01, and as such is accounted for as a sale.

a) Amounts recognised in profit and loss for investment properties

Rental revenue	39,546	37,772	39,546	37,772
Direct operating expenses arising from investment properties that generate rental revenue	(5,947)	(4,874)	(5,947)	(4,874)
Direct operating expenses arising from investment properties that did not generate rental revenue	(1,000)	(284)	(1,000)	(284)
Total	32,599	32,614	32,599	32,614

(b) Valuation basis

The fair value of the Authority's investment property at the end of the financial year has been arrived at on the basis of a valuation carried out at that date by Land and Property Management Authority, independent valuers not related to the consolidated entity. The valuation, which conforms to Australian Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties and by the capitalisation of income approach.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 12 – Property, plant and equipment				
Land and buildings				
At gross value	696,945	563,755	696,945	563,755
Accumulated depreciation	(106,798)	(28,138)	(106,798)	(28,138)
Carrying amount at fair value	590,147	535,617	590,147	535,617
Plant and equipment				
At gross value	99,463	93,790	99,463	93,790
Accumulated depreciation	(55,332)	(47,973)	(55,332)	(47,973)
Carrying amount at fair value	44,131	45,817	44,131	45,817
Leasehold improvements				
At gross value	399	399	399	399
Accumulated depreciation	(254)	(167)	(254)	(167)
Carrying amount at fair value	145	232	145	232
Leased assets				
At gross value	517	2,834	517	2,834
Accumulated amortisation	(382)	(2,074)	(382)	(2,074)
Carrying amount at fair value	135	760	135	760
Art and artefacts				
At gross value	10,727	8,219	10,727	8,219
Accumulated depreciation	–	–	–	–
Carrying amount at fair value	10,727	8,219	10,727	8,219
Work in progress				
	14,517	8,379	14,517	8,379
Total property, plant and equipment				
	659,802	599,024	659,802	599,024
At gross value				
	822,568	677,376	822,568	677,376
Accumulated depreciation and amortisation				
	(162,766)	(78,352)	(162,766)	(78,352)
Total property, plant and equipment				
	659,802	599,024	659,802	599,024

The increase in both the gross value and accumulated depreciation of land and buildings is due to the reclassification of a major asset from investment property. This property was no longer the subject of a lease and as such does not meet the definition of investment property under AASB 140 Investment Property. The property was reclassified to property, plant and equipment and valued at fair value according to TPP 07-01 Valuation of Physical Non-Current Assets at Fair Value and AASB 116 Property, Plant and Equipment.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 2011 \$'000	Authority 2011 \$'000
(a) Reconciliations		
Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below.		
Land and buildings		
(includes open spaces and roads)		
Carrying amount at 1 July	535,617	535,617
Additions	5,250	5,250
Net transfer from plant and equipment	–	–
Transfer from investment properties	24,000	24,000
Disposals	(3,310)	(3,310)
Net revaluation increment	37,250	37,250
Depreciation expense	(8,660)	(8,660)
Carrying amount at 30 June	590,147	590,147
Plant and equipment		
Carrying amount at 1 July	45,817	45,817
Additions	6,100	6,100
Disposals	(52)	(52)
Depreciation expense	(7,734)	(7,734)
Carrying amount at 30 June	44,131	44,131
Leasehold Improvements		
Carrying amount at 1 July	232	232
Depreciation expense	(87)	(87)
Carrying amount at 30 June	145	145
Leased assets		
Carrying amount at 1 July	760	760
Disposals	(46)	(46)
Adjustments	(43)	(43)
Amortisation expense	(536)	(536)
Carrying amount at 30 June	135	135
Art and artefacts		
Carrying amount at 1 July	8,219	8,219
Additions	170	170
Disposals	(120)	(120)
Net revaluation increment	2,458	2,458
Carrying amount at 30 June	10,727	10,727

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 2011 \$'000	Authority 2011 \$'000
Work in progress		
Opening balance	8,379	8,379
Additions	36,581	36,581
Transfer to fixed assets	(9,468)	(9,468)
Expensed	(20,975)	(20,975)
	14,517	14,517
Property, plant and equipment	659,802	659,802

(b) Reconciliations prior year

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below.

	Consolidated 2010 \$'000	Authority 2010 \$'000
Land and buildings (includes open spaces and roads)		
Carrying amount at 1 July	548,955	548,955
Additions	11,645	11,645
Transfer to investment properties	(6,300)	(6,300)
Transfer to assets held for sale	(9,420)	(9,420)
Disposals	(750)	(750)
Depreciation expense	(8,513)	(8,513)
Carrying amount at 30 June	535,617	535,617
Plant and equipment		
Carrying amount at 1 July	47,497	47,497
Additions	5,688	5,688
Disposals	(243)	(243)
Depreciation expense	(7,125)	(7,125)
Carrying amount at 30 June	45,817	45,817
Leasehold improvements		
Carrying amount at 1 July	319	319
Depreciation expense	(87)	(87)
Carrying amount at 30 June	232	232
Leased assets		
Carrying amount at 1 July	1,876	1,876
Amortisation expense	(1,116)	(1,116)
Carrying amount at 30 June	760	760

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated 2010 \$'000	Authority 2010 \$'000
Art and artefacts		
Carrying amount at 1 July	8,219	8,219
Carrying amount at 30 June	8,219	8,219
Work in progress		
Opening balance	10,226	10,226
Additions	15,610	15,610
Transfer to fixed assets	(11,263)	(11,263)
Expensed	(6,194)	(6,194)
	8,379	8,379
Property, plant and equipment	599,024	599,024

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 13 – Intangible assets				
Cost (gross carrying amount)	1,709	1,209	1,709	1,209
Less accumulated amortisation	(947)	(889)	(947)	(889)
Carrying amount	762	320	762	320
Carrying amount at the beginning of the financial year	320	430	320	430
Additions	500	52	500	52
Disposal	–	(63)	–	(63)
Amortisation expense	(58)	(99)	(58)	(99)
Carrying amount at the end of the financial year	762	320	762	320

Note 14 – Trade and other payables

Current

Trade creditors	6,385	6,086	6,385	6,086
Sundry creditors and accruals	20,993	12,694	20,993	12,694
Refundable security deposits and bonds	2,147	980	2,147	980
Forward deposits	14,610	17,393	14,610	17,393
Accrued interest	105	105	105	105
Payable – accrued salaries, wages and on-costs	53	36	53	36
Payable to other NSW agency	481	470	481	470
	44,774	37,764	44,774	37,764

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 15 – Lease receipts in advance				
Current				
Lease receipts in advance (refer note 2(c))	18	18	18	18
	18	18	18	18
Non-current				
Lease receipts in advance (refer note 2(c))	1,655	1,673	1,655	1,673
	1,655	1,673	1,655	1,673
Note 16 – Borrowings				
Current				
Loans from NSW Treasury Corporation (unsecured)	5,000	–	5,000	–
	5,000	–	5,000	–
Non-current				
Loans from NSW Treasury Corporation (unsecured)	5,000	10,000	5,000	10,000
	5,000	10,000	5,000	10,000
As at 30 June 2011 the maturity profile of borrowings was:				
Not later than one year (current liabilities)	5,000	–	5,000	–
Later than one year but not later than five years	5,000	10,000	5,000	10,000
Later than five years	–	–	–	–
	10,000	10,000	10,000	10,000
Note 17 – Provisions				
Current				
Payable to other NSW agency	5,852	5,633	5,852	5,633
	5,852	5,633	5,852	5,633
Contributions to NSW Government	2,231	3,000	2,231	3,000
Provision for Sharing Sydney Harbour Access Program	1,456	1,431	1,456	1,431
Provision for income tax equivalent	532	–	532	–
Other	1,771	4,942	1,771	4,942
	5,990	9,373	5,990	9,373
	11,842	15,006	11,842	15,006
Non-current				
Payable to other NSW agency	5,920	7,101	5,920	7,101
	5,920	7,101	5,920	7,101

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Movements in provisions

Movements in each class of provision during the financial year, other than employee benefits, are set out below:

	Contributions to NSW Government	Sharing Sydney Harbour Access Program	Income Tax Equivalent	Other	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2011					
Carrying amount at the beginning of financial year	3,000	1,431	–	4,942	9,373
Provisions recognised during the year	26,211	500	532	–	27,243
Amount paid during the year	(25,659)	(475)	–	(215)	(26,349)
Amount reversed during the year	(1,321)	–	–	(2,956)	(4,277)
Carrying amount at the end of the financial year	2,231	1,456	532	1,771	5,990

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Note 18 – Other liabilities				
Current				
Finance lease liability	196	654	196	654
Revenue in advance	2,072	2,267	2,072	2,267
	2,268	2,921	2,268	2,921
Non-current				
Finance lease liability	–	254	–	254
	–	254	–	254

Note 19 – Commitments for expenditure

(a) Capital commitments

Capital commitments contracted for at the reporting date, but not recognised in the financial statements, are payable as follows:

Not later than one year	2,506	1,349	2,506	1,349
Later than one year and not later than five years	1,831	–	1,831	–
Later than five years	–	–	–	–
Total including GST	4,337	1,349	4,337	1,349

The capital commitments above include GST of \$0.394 million (contingent asset), expected to be recoverable from the Australian Taxation Office.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(b) Other expenditure commitments				
Other expenditure commitments contracted for at the reporting date, but not recognised in the financial statements, are payable as follows:				
Not later than one year	6,047	4,827	6,047	4,827
Later than one year and not later than five years	423	347	423	347
Later than five years	–	–	–	–
Total including GST	6,470	5,174	6,470	5,174

The operational commitments above include GST of \$0.588 million (contingent asset), expected to be recoverable from the Australian Taxation Office.

Note 20 – Leases

(a) Operating lease receivables

Non-cancellable operating lease receivables not recognised in the financial statements are as follows:

Not later than one year	32,392	34,941	32,392	34,941
Later than one and not later than five years	95,778	108,244	95,778	108,244
Later than five years	920,520	1,113,064	920,520	1,113,064
Total including GST	1,048,690	1,256,249	1,048,690	1,256,249

Operating leases receivables relate to leases in rental properties. These are entered into at market rates and on commercial terms. Regular market valuations and tendering processes are carried out to ensure commercial arrangements are maintained.

The lease receivables on rental properties include GST of \$95.335 million (contingent liability) that is expected to be payable to the Australian Taxation Office.

(b) Operating lease payments

Non-cancellable operating lease payments not recognised in the financial statements are as follows:

Not later than one year	246	236	246	236
Later than one year and not later than five years	178	517	178	517
Later than five years	–	–	–	–
Total including GST	424	753	424	753

Operating leases relate to property, information technology equipment, office equipment and motor vehicles. Lease terms are between two and five years.

The operating lease commitments above include input tax credits of \$0.039 million (contingent asset) that are expected to be recoverable from the Australian Taxation Office.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Minimum future lease payments		Present value of minimum future lease payments	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
(c) Finance lease payments				
Not later than one year	205	689	196	672
Later than one and not later than five years	–	260	–	236
Later than five years	–	–	–	–
Minimum lease payments	205	949	196	908
Less future interest payments	(9)	(41)	–	–
Present value of minimum lease payments	196	908	196	908
Included in financial statements (refer note 18)				
Current lease liability	196	654	196	654
Non-current lease liability	–	254	–	254
	196	908	196	908

Finance leases mainly relate to audio visual equipment with lease terms between three to five years.

	Present value of minimum future lease payments receivable	
	2011 \$'000	2010 \$'000
(d) Finance lease receivable		
Not later than one year	16,728	5,479
Later than one and not later than five years	30,167	36,656
Later than five years	109,046	106,148
Minimum lease payments receivable	155,941	148,283
Less future interest income	–	–
Present value of minimum lease payments receivable	155,941	148,283
Included in financial statements (refer note 8)		
Current finance lease receivable	16,728	5,479
Non-current finance lease receivable	139,213	142,804
	155,941	148,283

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 21 – Contingencies

(a) Contingent assets

Contingent assets exist in relation to GST on expenditure commitments and lease payments as disclosed in notes 19 and 20.

(b) Contingent liabilities

A contingent liability exists in relation to GST on lease receivables as disclosed in note 20.

Note 22 – Notes to the statement of cash flows

(a) Reconciliation of cash

For the purposes of the statement of cash flows, cash includes cash on hand, in banks and investments in money market instruments, net of outstanding bank overdrafts. Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated		Authority	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash at bank and on hand	16,127	11,055	16,127	11,055
Investments (NSW Treasury Corporation)	73,733	85,260	73,733	85,260
	89,860	96,315	89,860	96,315

The Authority manages bank accounts on behalf of the Luna Park Reserve Trust and NSW Maritime. These funds do not belong to the Authority and is not included as a cash asset.

(b) Reconciliation of surplus after related income tax equivalent to net cash flows from operating activities

Operating surplus after income tax equivalent	33,701	38,505	33,701	38,505
Non-cash flows in operating surplus:				
Depreciation and amortisation	17,075	16,940	17,075	16,940
Miscellaneous non-cash revenue/expense	(36,163)	(12,271)	(36,163)	(12,271)
Change in operating assets and liabilities				
Decrease/(increase) in inventories	316	(62)	316	(62)
Decrease/(increase) in receivables	342	(64)	342	(64)
(Decrease)/increase in creditors	8,626	(1,153)	8,626	(1,153)
(Decrease)/increase in provisions	(3,576)	(2,586)	(3,576)	(2,586)
(Decrease)/increase in unamortised revenue	(18)	(18)	(18)	(18)
Net cash flows from operating activities	20,303	39,291	20,303	39,291

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 23 – Financial instruments

The Authority's principal financial instruments are outlined below. These financial instruments arise directly from the Authority's operations or are required to finance the Authority's operations. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Authority's main risks arising from financial instruments are outlined below, together with the Authority's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Authority, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Management Committee and internal auditors on a regular basis.

(a) Financial instrument categories

	Note	Category	Carrying Amount 2011 \$'000	Carrying Amount 2010 \$'000
Financial assets				
<i>Class:</i>				
Cash and cash equivalents	7	N/A	89,860	96,315
Receivables	8	Loans and receivables at amortised cost	158,942	151,622
Financial liabilities				
<i>Class:</i>				
Payables	14	Financial liabilities measured at amortised cost	26,854	28,081
Borrowings	16	Financial liabilities measured at amortised cost	10,000	10,000
Other liabilities	18	Financial liabilities measured at amortised cost	196	908

(b) Credit risk

Credit risk arises when there is the possibility of the Authority's debtors defaulting on their contractual obligations, resulting in a financial loss to the Authority. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Authority, including cash, receivables and deposits.

No collateral is held by the Authority. The Authority has not granted any financial guarantees.

Credit risk associated with the Authority's financial assets, other than receivables, is managed through the selection of counterparties. Deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances.

Receivables – Trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions. No interest is earned on trade debtors. Sales are generally made on 30 day terms.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

The Authority is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. All debtors are assessed individually for impairments. Debtors that are not past due (2011: \$158.285 million; 2010: \$151.074 million) and debtors that are past due but not considered impaired (2011: \$0.446 million; 2010: \$0.257 million) together represent 99% of the total debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are sales of services in the 'receivables' category of the statement of financial position.

	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2011			
< 3 months overdue	300	264	36
3 months – 6 months overdue	228	152	76
> 6 months overdue	129	30	99
2010			
< 3 months overdue	244	233	11
3 months – 6 months overdue	22	22	–
> 6 months overdue	282	2	280

Authority Deposits

The Authority has placed funds on deposit with TCorp, which has been rated 'AAA' by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed 'at call' or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 5.16% (2010: 4.65%), while over the year the weighted average interest rate was 5.00% (2010: 4.40%) on a weighted average balance during the year of \$92.955 million (2010: \$57.846 million). None of these assets are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Authority will be unable to meet its payment obligations when they fall due. The Authority manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The Authority has a total debt facility of \$104 million as at 30 June 2011. The net fair value of these loans at balance date was \$10 million (2010: \$10 million). The weighted average effective interest rate for the year was 7.78% (2010: 8.04%) for loans.

During the current and prior years, there were no defaults or breaches on any loans payable. No assets have been pledged as collateral. The Authority's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the Authority's financial liabilities, together with the interest rate exposure.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Maturity analysis and interest rate exposure of financial liabilities

	Weighted average effective interest rate	Nominal amount \$'000	Interest rate exposure			Maturity dates		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non-interest bearing \$'000	< 1 yr \$'000	1–5 yrs \$'000	> 5 yrs \$'000
2011								
<i>Payables:</i>								
Trade and sundry creditors	–	10,097	–	–	10,097	9,489	304	304
Security deposits	4.56%	585	–	585	–	387	187	11
Casual bonds	–	1,562	–	–	1,562	1,562	–	–
Forward deposits	–	14,610	–	–	14,610	13,411	1,190	9
<i>Borrowings:</i>								
TCorp borrowings	7.78%	10,000	10,000	–	–	5,000	5,000	–
<i>Other:</i>								
Finance lease liability	6.02%	196	196	–	–	196	–	–
		37,050	10,196	585	26,269	30,045	6,681	324

2010

Payables:

Trade and sundry creditors	–	9,708	–	–	9,708	9,096	306	306
Security deposits	3.62%	788	–	788	–	543	241	4
Casual bonds	–	192	–	–	192	192	–	–
Forward deposits	–	17,393	–	–	17,393	16,694	655	44
<i>Borrowings:</i>								
TCorp borrowings	8.04%	10,000	10,000	–	–	–	10,000	–
<i>Other:</i>								
Finance lease liability	6.02%	908	908	–	–	654	254	–
		38,989	10,908	788	27,293	27,179	11,456	354

Notes: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the statement of financial position.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Authority's exposures to market risk are primarily through interest rate risk on the Authority's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Authority has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Authority operates and the time frame for the assessment (ie until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2010. The analysis assumes that all other variables remain constant.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Interest rate risk

Exposure to interest rate risk arises primarily through the Authority's interest bearing liabilities. This risk is minimised by undertaking mainly fixed rate borrowings, primarily with NSW TCorp. The Authority does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Authority's exposure to interest rate risk is set out below.

	Carrying amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2011					
<i>Financial assets</i>					
Cash and cash equivalents	89,860	(347)	(347)	347	347
Receivables	158,942	-	-	-	-
<i>Financial liabilities</i>					
Payables	26,854	-	-	-	-
Borrowings	10,000	-	-	-	-
Other – finance lease liability	196	-	-	-	-
2010					
<i>Financial assets</i>					
Cash and cash equivalents	96,315	(597)	(597)	597	597
Receivables	151,622	-	-	-	-
<i>Financial liabilities</i>					
Payables	28,081	-	-	-	-
Borrowings	10,000	-	-	-	-
Other – Finance lease liability	908	-	-	-	-

Other price risk – TCorp Hour Glass

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes.

The Authority has no direct equity investments. The Authority holds units in the following Hour-Glass investment trusts:

Facility	Investment sectors	Investment horizon	2011 \$'000	2010 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	43,733	20,260

The unit price of the facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue. Unit prices are calculated and published daily.

NSW TCorp as trustee for the above facility is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Investment in the Hour Glass facilities limits the Authority's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility information collected over a ten year period, quoted at two standard deviations (ie 95% possibility). The TCorp Hour Glass investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour Glass statement).

	Change in unit price	Impact on profit/loss	
		2011 \$'000	2010 \$'000
Hour Glass Investment – Cash facility	+/-1%	+/-437	+/-203

(e) Fair value compared to carrying amount

The Authority's financial instruments are recognised at cost, with the exception of the TCorp Hour Glass facilities, which are measured at fair value. The value of the Hour-Glass facilities is based on the Authority's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using 'redemption' pricing.

The amortised cost of the Authority's financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of the financial instruments. The Authority has not identified any financial instruments whose fair value differs materially from the carrying amount.

(f) Fair value recognised in the statement of financial position

The Authority uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 – Derived from quoted prices in active markets for identical assets/liabilities.

Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – Derived from valuation techniques that include inputs for the asset/liability not based on observable market data.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2011 Total \$'000
<i>Financial assets at fair value</i>				
TCorp Hour Glass Investment Facility	–	43,733	–	43,733
	–	43,733	–	43,733

Note 24 – Change in accounting policy

The Authority changed its accounting policy with regard to recognition and reporting of its leases as required by the change in the Australian Accounting Standard AASB 117 Leases and Treasury Policy Paper TPP 11-01.

The Authority has restated the prior period comparatives as required by AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors as follows:

- the amount of the correction for each financial statement line item affected; and
- the amount of the correction at the beginning of the earliest prior period presented.

Refer to Note 2 (cc) for further details.

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated			Authority		
	Previous Policy \$'000	Adjust- ments \$'000	Revised Policy \$'000	Previous Policy \$'000	Adjust- ments \$'000	Revised Policy \$'000
Statement of comprehensive income for the year ended 30 June 2010						
Income						
Revenue from continuing operations	140,713	(5,198)	135,515	140,713	(5,198)	135,515
Other revenue	47,641	13,501	61,142	47,641	13,501	61,142
Total Income	188,354	8,303	196,657	188,354	8,303	196,657
Surplus before income tax equivalent	30,202	8,303	38,505	30,202	8,303	38,505
Surplus for the year after income tax equivalent	30,202	8,303	38,505	30,202	8,303	38,505
Total comprehensive income for the year	30,202	8,303	38,505	30,202	8,303	38,505

Statement of financial position as at 30 June 2010

Assets						
Current						
Trade and other receivables	7,913	5,479	13,392	7,913	5,479	13,392
Total current assets	114,644	5,479	120,123	114,644	5,479	120,123
Non-current assets						
Trade and other receivables	38	142,804	142,842	38	142,804	142,842
Investment property	597,755	(197,760)	399,995	597,755	(197,760)	399,995
Total non-current assets	1,197,137	(54,956)	1,142,181	1,197,137	(54,956)	1,142,181
Total assets	1,311,781	(49,477)	1,262,304	1,311,781	(49,477)	1,262,304
Liabilities						
Current liabilities						
Lease receipts in advance	5,224	(5,206)	18	5,224	(5,206)	18
Total current liabilities	60,915	(5,206)	55,709	60,915	(5,206)	55,709
Non-current liabilities						
Lease receipts in advance	431,080	(429,407)	1,673	431,080	(429,407)	1,673
Total non-current liabilities	448,435	(429,407)	19,028	448,435	(429,407)	19,028
Total liabilities	509,350	(434,613)	74,737	509,350	(434,613)	74,737
Net assets	802,431	385,136	1,187,567	802,431	385,136	1,187,567
Equity						
Accumulated Funds	760,317	385,136	1,145,453	760,317	385,136	1,145,453
Total Equity	802,431	385,136	1,187,567	802,431	385,136	1,187,567

SYDNEY HARBOUR FORESHORE AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Consolidated			Authority		
	Previous Policy \$'000	Adjust- ments \$'000	Revised Policy \$'000	Previous Policy \$'000	Adjust- ments \$'000	Revised Policy \$'000
Statement of financial position as at 30 June 2009						
Assets						
Current						
Trade and other receivables	7,679	10,958	18,637	7,679	10,958	18,637
Total current assets	64,208	10,958	75,166	64,208	10,958	75,166
Non-current assets						
Trade and other receivables	38	135,790	135,828	38	135,790	135,828
Investment property	597,755	(197,760)	399,995	597,755	(197,760)	399,995
Total non-current assets	1,215,315	(61,970)	1,153,346	1,215,315	(61,970)	1,153,346
Total assets	1,279,523	(51,011)	1,228,512	1,279,523	(51,011)	1,228,512
Liabilities						
Current liabilities						
Lease receipts in advance	5,164	(5,146)	18	5,164	(5,146)	18
Total current liabilities	53,211	(5,146)	48,065	53,211	(5,146)	48,065
Non-current liabilities						
Lease receipts in advance	424,389	(422,698)	1,691	424,389	(422,698)	1,691
Total non-current liabilities	441,914	(422,698)	19,216	441,914	(422,698)	19,216
Total liabilities	495,125	(427,844)	67,281	495,125	(427,844)	67,281
Net assets	784,398	376,833	1,161,231	784,398	376,833	1,161,231
Equity						
Accumulated Funds	742,154	376,833	1,118,987	742,154	376,833	1,118,987
Total Equity	784,398	376,833	1,161,231	784,398	376,833	1,161,231

Note 25 – Events after reporting date

The Authority has not identified any events or transactions that are material to require adjustments or disclosures in the financial report.

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

Statement by Members of the Board of Sydney Harbour Foreshore Authority on the adoption of the financial statements for the year ended 30 June 2011

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983* we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of Sydney Harbour Foreshore Authority Casual Staff Division as at 30 June 2011; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.

Further, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Richard Pearson

Acting Chief Executive Officer
Sydney Harbour Foreshore Authority



Owen Evans

Board Member
Sydney Harbour Foreshore Authority

10 October 2011
Sydney

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Sydney Harbour Foreshore Authority Casual Staff Division

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Sydney Harbour Foreshore Authority Casual Staff Division (the Division), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Division as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Board's Responsibility for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

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

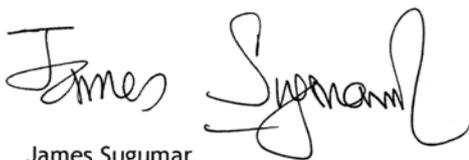
My opinion does *not* provide assurance:

- about the future viability of the Division
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



James Sugumar
Director, Financial Audit Services

13 October 2011
SYDNEY

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
Personnel services revenue	3	2,291	2,007
Employee related expenses	4	(2,291)	(2,007)
Surplus/(deficit) for the year		–	–
Other comprehensive income for the year		–	–
Total comprehensive income for the year		–	–

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
Assets			
Current assets			
Receivables	5	53	36
Total current assets		53	36
Non-current assets			
Total non-current assets		–	–
Total assets		53	36
Liabilities			
Current liabilities			
Payables	6	53	36
Total current liabilities		53	36
Non-current liabilities			
Total non-current liabilities		–	–
Total liabilities		53	36
Net assets			
		–	–
Equity			
Accumulated funds	7	–	–
Total equity		–	–

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Accumulated funds \$'000	Total \$'000
Balance as at 1 July 2010		–	–
Surplus/(deficit) for the year		–	–
Other comprehensive income		–	–
Total comprehensive income for the year		–	–
Transactions with owners in their capacity as owners		–	–
Balance as at 30 June 2011		–	–
Balance as at 1 July 2009		–	–
Surplus/(deficit) for the year		–	–
Other comprehensive income		–	–
Total comprehensive income for the year		–	–
Transactions with owners in their capacity as owners		–	–
Balance as at 30 June 2010		–	–

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Net cash inflows/(outflows) from operating activities		-	-
Cash flows from investing activities			
Net cash inflows/(outflows) from investing activities		-	-
Cash flows from financing activities			
Net cash inflows/(outflows) from financing activities		-	-
Net increase/(decrease) in cash		-	-
Opening cash and cash equivalents		-	-
Closing cash and cash equivalents		-	-

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 1 – Reporting entity

Sydney Harbour Foreshore Authority Casual Staff Division (the Division) is a Division of the Government Service, established pursuant to Part 3 of Schedule 1 to the *Public Sector Employment Legislation Amendment Act 2006*. It is a not-for-profit entity as profit is not its principal objective. It is consolidated as part of the NSW Total State Sector Accounts. It is domiciled in Australia and its principal office is at 66 Harrington Street, The Rocks, New South Wales.

The Division's sole objective is to provide casual personnel services to Sydney Harbour Foreshore Authority (the Authority).

These financial statements for the year ended 30 June 2011 were authorised for issue by the Authority's Board on 10 October 2011.

Note 2 – Summary of significant accounting policies

(a) Basis of preparation

The Division's financial statements are general purpose financial statements which have been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations; and
- the requirement of the *Public Finance and Audit Act 1983*.

Set out below is a summary of the significant accounting policies adopted by the Division.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Division's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements are presented in Australian dollars rounded to the nearest thousand.

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue from the rendering of personnel services is recognised when the service is provided and only to the extent that the associated recoverable expenses are recognised.

(c) Receivables

Receivables are recognised when it is probable that the future cash inflows associated with it will be realised and it has a value that can be measured reliably. It is derecognised when the contractual or other rights to future cash flows from it expire or are transferred.

Receivables are recognised initially at original invoice amount, usually based on transaction cost or face value.

Receivables are subject to annual review for impairment. An allowance for impairment is established when there is objective evidence that the Division will not be able to collect all amounts due. The amount of the impairment loss is recognised in the Statement of Comprehensive Income.

(d) Payables

Payables represent liabilities for goods and services provided to the Division and other amounts. Payables include accrued wages, salaries, and related on costs (such as payroll tax, fringe benefits tax and workers' compensation insurance) where there is certainty as to the amount and timing of settlement.

Payables are recognised at fair value, when a present obligation arises under a contract or otherwise. It is derecognised when the obligation expires or is discharged, cancelled or substituted.

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

(e) Employee benefit provisions and expenses

Provisions for annual leave, long service leave and sick leave are not recognised in line with the terms of employment for casual employees.

The outstanding amounts of payroll tax, workers' compensation insurance premiums, superannuation and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(f) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(g) Change in accounting policy

When the presentation or classification of items in the financial statements are amended, comparative amounts are reclassified unless the reclassification is impracticable. When comparative amounts are reclassified, the Division discloses:

- (a) the nature of the reclassification;
- (b) the amount of each item or class of items that is reclassified; and
- (c) the reason for the reclassification.

(h) New Australian Accounting Standards issues

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period. The Division did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 101 *Presentation of Financial Statements* (1 January 2011)
- AASB 107 *Statement of Cash Flows* (1 January 2011)
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (1 January 2011)
- AASB 110 *Events after the Reporting Period* (1 January 2011)
- AASB 112 *Income Taxes* (1 January 2011)
- AASB 118 *Revenue* (1 January 2011)
- AASB 119 *Employee Benefits* (1 January 2011)
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (1 January 2011)
- AASB 1031 *Materiality* (1 January 2011)
- AASB 1053 *Application of Tiers of Australian Accounting Standards* (1 July 2013)
- AASB 1054 *Australian Additional Disclosures* (1 July 2011)
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (1 July 2013)
- AASB 2009-12 *Amendments to Australian Accounting Standards* (1 January 2011)
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (1 January 2011)
- AASB 2010-5 *Amendments to Australian Accounting Standards* (1 January 2011).

It is considered that the impact of these new Standards and Interpretations in future periods will have no material impact on the financial statements of Sydney Harbour Foreshore Authority Casual Staff Division.

SYDNEY HARBOUR FORESHORE AUTHORITY CASUAL STAFF DIVISION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$ '000	2010 \$ '000
Note 3 – Personnel services revenue		
Revenue from supply of employee related services (refer note 4)	2,291	2,007
	2,291	2,007
Note 4 – Employee related expenses		
Salaries and wages	1,989	1,739
Defined contribution superannuation expense	179	157
Other employee related expenses	123	111
	2,291	2,007
Note 5 – Receivables		
Accrued salaries, wages and on-costs	53	36
	53	36
Note 6 – Payables		
Accrued salaries, wages and on-costs	53	36
	53	36
Note 7 – Accumulated funds		
Balance at the beginning of financial year	–	–
Surplus/(deficit) for the year	–	–
Balance at the end of financial year	–	–

Note 8 – Commitments for expenditure

The Division has no expenditure commitments at 30 June 2011 (None at 30 June 2010).

Note 9 – Contingencies

The Division is not aware of any contingent assets or liabilities at 30 June 2011 (None at 30 June 2010).

Note 10 – Events after reporting date

The Division has not identified any events or transactions that are material to require adjustments or disclosures in the financial statements.

LUNA PARK RESERVE TRUST

Internal Audit and Risk Management Statement for the 2010–11 Financial Year for Luna Park Reserve Trust

The governing board is of the opinion that the Luna Park Reserve Trust has internal audit and risk management processes in place that are, in all material respects, compliant with the core requirements set out in Treasury Circular NSW TC 09/08 *Internal Audit and Risk Management Policy*.

The governing board is of the opinion that the Audit and Risk Management Committee for Luna Park Reserve Trust is constituted and operates in accordance with the independence and governance requirements of Treasury Circular NSW TC 09/08. The Chair and Members of the Audit and Risk Management Committee are:

- > independent Chair – Carol Holley, term of appointment: four years starting 1 December 2009
- > independent Member – Dr Elizabeth Coombs, term of appointment: three years starting 1 December 2009
- > non-independent staff member of the Department of Planning and Infrastructure – Michael Leavey, term of appointment: two years starting 16 January 2010.

The governing board declare that this Internal Audit and Risk Management Statement is made on behalf of the following controlled entities:

- > Luna Park Reserve Trust.

These processes provide a level of assurance that enables the senior management of Sydney Harbour Foreshore Authority to understand, manage and satisfactorily control risk exposures.



Sam Haddad

Acting Chief Executive Officer
Sydney Harbour Foreshore Authority
(Manager of the Luna Park Reserve Trust)

2 September 2011
Sydney

LUNA PARK RESERVE TRUST

Statement by the Manager of the Trust on the adoption of the financial statements for the year ended 30 June 2011

Pursuant to Section 41C (1B) of the *Public Finance and Audit Act 1983* we declare that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position and financial performance of Luna Park Reserve Trust as at 30 June 2011; and
2. The financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations and the provisions of the *Public Finance and Audit Act 1983*, the *Public Finance and Audit Regulation 2010* and the Treasurer's Directions.

Further, we are not aware of any circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Richard Pearson

Acting Chief Executive Officer
Sydney Harbour Foreshore Authority
(Manager of the Trust)



Owen Evans

Board Member
Sydney Harbour Foreshore Authority
(Manager of the Trust)

10 October 2011
Sydney

LUNA PARK RESERVE TRUST



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Luna Park Reserve Trust

To Members of the New South Wales Parliament

I have audited the accompanying financial statements of Luna Park Reserve Trust (the Trust), which comprises the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information.

Opinion

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Trust as at 30 June 2011, and of its financial performance for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

The Trust Manager's Responsibility for the Financial Statements

The Trust Manager is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the Trust Manager determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

LUNA PARK RESERVE TRUST

My opinion does *not* provide assurance:

- about the future viability of the Trust
- that it has carried out its activities effectively, efficiently and economically
- about the effectiveness of its internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their role by the possibility of losing clients or income.



James Sugumar
Director, Financial Audit Services

13 October 2011
SYDNEY

LUNA PARK RESERVE TRUST

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
Revenue from continuing operations	3	1,555	1,425
Expenses			
Management fee		(117)	(72)
Auditor's remuneration – audit of financial statements		(14)	(14)
Depreciation	8(b)	(603)	(466)
Heritage and infrastructure works expense	11	(250)	(820)
Repairs and maintenance		(989)	(375)
Legal fees		(7)	(32)
Other		–	(8)
Total expenses		(1,980)	(1,787)
Deficit for the year		(425)	(362)
Other comprehensive income			
Gain on revaluation of property, plant and equipment		–	6,543
Other comprehensive income for the year		–	6,543
Total comprehensive income for the year		(425)	6,181

The above Statement of Comprehensive Income is to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
Assets			
Current assets			
Cash and cash equivalents	4	470	150
Trade and other receivables	7	130	339
Total current assets		600	489
Non-current assets			
Property, plant and equipment	8	30,822	31,425
Total non-current assets		30,822	31,425
Total assets		31,422	31,914
Liabilities			
Current liabilities			
Trade and other payables	9	103	170
Total current liabilities		103	170
Non-current liabilities			
Total non-current liabilities		–	–
Total liabilities		103	170
Net assets		31,319	31,744
Equity			
Asset revaluation reserve		22,449	22,449
Accumulated funds		8,870	9,295
Total equity		31,319	31,744

The above Statement of Financial Position is to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	Accumulated funds	Asset revaluation reserve	Total
	\$'000	\$'000	\$'000
Balance as at 1 July 2010	9,295	22,449	31,744
Deficit for the year	(425)	–	(425)
Other comprehensive income	–	–	–
Total comprehensive income for the year	(425)	–	(425)
Transactions with owners in their capacity as owners	–	–	–
Balance as at 30 June 2011	8,870	22,449	31,319
Balance as at 1 July 2009	9,657	15,906	25,563
Deficit for the year	(362)	–	(362)
Other comprehensive income	–	6,543	6,543
Total comprehensive income for the year	(362)	6,543	6,181
Transactions with owners in their capacity as owners	–	–	–
Balance as at 30 June 2010	9,295	22,449	31,744

The above Statement of Changes in Equity is to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 \$'000	2010 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		1,916	1,568
Payments to suppliers (inclusive of GST)		(1,368)	(654)
Heritage and infrastructure payments		(250)	(820)
Interest received		22	3
Net cash inflows/(outflows) from operating activities	6	320	97
Cash flows from investing activities			
Net cash inflows/(outflows) from investing activities		–	–
Cash flows from financing activities			
Net cash inflows/(outflows) from financing activities		–	–
Net increase/(decrease) in cash		320	97
Opening cash and cash equivalents		150	53
Closing cash and cash equivalents	4	470	150

The above Statement of Cash Flows is to be read in conjunction with the accompanying notes.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 1 – Reporting entity

The Luna Park Reserve Trust (the Trust) was established on 12 October 1990, under the *Luna Park Site Act 1990*. The purpose of the Trust is to control the Luna Park Site, which has been dedicated to an area of public amusement, recreation and entertainment. The Trust has determined its status as not-for-profit for financial reporting purposes.

On 9 February 2001, Sydney Harbour Foreshore Authority (the Authority) was appointed to manage the affairs of the Luna Park Reserve Trust.

The financial statements for the year ended 30 June 2011 were authorised for issue by the Authority's Board on 10 October 2011.

Note 2 – Summary of significant accounting policies

(a) Basis of preparation

The Trust's financial statements are general purpose financial statements which have been prepared in accordance with:

- Australian Accounting Standards and Australian Accounting Interpretations; and
- the requirement of the *Public Finance and Audit Act 1983*.

Set out below is a summary of the significant accounting policies adopted by the Trust.

Historical cost convention

These financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, certain classes of property, plant and equipment and investment property.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are recognised, or in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The financial statements are presented in Australian dollars rounded to the nearest thousand.

The Trust is in the process of negotiating new lease terms with the operator in order to improve the lease outcomes for the Luna Park site and allow for refinancing opportunities. The Trust considers that the operator will continue to operate as a going concern, and as such there is no material impact to the Trust's financial statements.

(b) Revenue recognition

Revenue is recognised when the Trust has control of the assets that result from income generating transactions or the right to receive control, it is probable that the economic benefits will flow to the Trust and the amount of revenue can be measured reliably.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised for the major business activities as follows:

(i) Lease revenue

Lease revenue from operating leases is recognised on straight-line basis over the lease term.

For a finance lease with fixed on-going rental return, a lease receivable is recognised at lease inception equal to the minimum lease payments plus any residual value at the end of lease, discounted at the interest rate implicit in the lease. Throughout the term of such a lease, finance lease income is recognised each period, calculated as the lease receivable multiplied by the interest implicit in the lease.

(ii) Investment revenue

Investment revenue is recognised on an accrual basis using the effective interest method.

(iii) Heritage and infrastructure revenue

Heritage and infrastructure revenue is recognised on an accrual basis.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

(c) Income tax

The Trust is exempt from income tax under section 50–25 of *Income Tax Assessment Act 1997*.

(d) Acquisition of assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Trust. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Fair value means the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

Where settlement of any part of cash consideration is deferred, its cost is the cash price equivalent, that is, the deferred payment amount is effectively discounted at an asset-specific rate.

(e) Revaluation of physical non current assets

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 *Property, Plant and Equipment*.

Property, plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of property, plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

Land and buildings are revalued at least every three years or with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at reporting date. A revaluation of the Trust's land and buildings was done at 30 June 2010 and was based on an independent assessment.

When revaluing non-current assets by reference to current prices for assets newer than those being revalued (adjusted to reflect the present condition of the assets), the gross amount and the related accumulated depreciation are separately restated.

For other assets, any balances of accumulated depreciation at the revaluation date in respect of those assets are credited to the asset accounts to which they relate. The net asset accounts are then increased or decreased by the revaluation increments or decrements.

Revaluation increments are credited directly to the asset revaluation reserve, except that, to the extent that an increment reverses a revaluation decrement in respect of that class of asset previously recognised as an expense in the surplus/deficit, the increment is recognised immediately as revenue in the surplus/deficit.

Revaluation decrements are recognised immediately as expenses in the surplus/deficit, except that, to the extent that a credit balance exists in the asset revaluation reserve in respect of the same class of assets, they are debited directly to the asset revaluation reserve.

As a not-for-profit entity, revaluation increments and decrements are offset against one another within a class of non-current assets, but not otherwise.

Where an asset that has previously been revalued is disposed of, any balance remaining in the asset revaluation reserve in respect of that asset is transferred to accumulated funds.

(f) Property, plant and equipment

Land and buildings are measured at fair value less depreciation recognised after the date of revaluation. Plant and equipment is stated at historical cost less accumulated depreciation.

(g) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life by the Trust. Estimates of remaining useful lives are made on a regular basis for all assets, with annual reassessments for major items.

Land is not a depreciable asset.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

The following depreciation rates were applied in 2010–11 and 2009–10:

Buildings	2.9–10.0%
Infrastructure	2.9–3.3%

(h) Major inspection costs

When each major inspection is performed, the labour cost of performing inspections for faults, is recognised in the carrying amount of an asset as a replacement of a part, if the recognition criteria are satisfied.

(i) Restoration costs

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(j) Maintenance

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a part or component of an asset, in which case the costs are capitalised and depreciated.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Trust. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(m) Personnel services expense

The Trust does not employ staff but utilises the same personnel services used by the Authority. These personnel services are provided by the Department of Planning and Infrastructure. A management fee is charged by the Authority according to services performed. The Trust has no employee obligations under this arrangement.

(n) Comparative information

Except when an Australian Accounting Standard permits or requires otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

(o) Funds held in trust

Luna Park Reserve Trust holds funds in trust for the heritage and infrastructure assets. Funds can only be spent on the maintenance of Heritage and Infrastructure Items as defined in the Trust Deed.

(p) Cash and cash equivalents

Cash and cash equivalent assets in the balance sheet comprise cash at bank and deposits in NSW Treasury Corporation's Hour Glass Managed Fund Cash Facility.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

(q) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the Australian Taxation Authority is included with other receivables or payables in the balance sheet.

Cash flows are included in the cash flow statement on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

(r) Capitalisation thresholds

The Authority's policy is to capitalise all costs incurred in property development.

Property, plant and equipment assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

(s) New Australian Accounting Standards issues

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting period. The Trust did not early adopt any of these Accounting Standards and Interpretations that are not yet effective:

- AASB 7 *Financial Instruments: Disclosures* (1 January 2011)
- AASB 9 *Financial Instruments* (1 January 2013)
- AASB 101 *Presentation of Financial Statements* (1 January 2011)
- AASB 107 *Statement of Cash Flows* (1 January 2011)
- AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* (1 January 2011)
- AASB 110 *Events after the Reporting Period* (1 January 2011)
- AASB 112 *Income Taxes* (1 January 2011)
- AASB 118 *Revenue* (1 January 2011)
- AASB 132 *Financial Instruments: Presentation* (1 January 2011)
- AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* (1 January 2011)
- AASB 139 *Financial Instruments: Recognition and Measurement* (1 January 2011)
- AASB 1031 *Materiality* (1 January 2011)
- AASB 1053 *Application of Tiers of Australian Accounting Standards* (1 July 2013)
- AASB 1054 *Australian Additional Disclosures* (1 July 2011)
- AASB 2009-11 *Amendments to Australian Accounting Standards arising from AASB 9* (1 January 2013)
- AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (1 July 2013)
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9* (1 January 2013)
- AASB 2009-12 *Amendments to Australian Accounting Standards* (1 January 2011)
- AASB 2010-4 *Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project* (1 January 2011)
- AASB 2010-5 *Amendments to Australian Accounting Standards* (1 January 2011).

The impact of these new Standards and Interpretations in future periods on the financial statements of the Trust are still being assessed, and not known at the date of the financial statements.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
Note 3 – Revenue from continuing operations		
Property rental	670	569
Heritage and infrastructure revenue	863	853
Interest	22	3
	1,555	1,425

Note 4 – Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash includes cash at bank and investments in NSW Treasury Corporation – Hour Glass facilities.

Cash at bank	464	144
NSW Treasury Corporation – Hour Glass short-term cash facility	6	6
	470	150

Note 5 – Funds held in trust

At the beginning of financial year	3	5
Heritage and infrastructure rent and funds transferred from Luna Park Reserve Trust bank account	1,197	1,290
Expense for heritage and infrastructure works during the period	(768)	(472)
Expense for heritage and infrastructure works during 2003-04	(250)	(820)
At the end of financial year	182	3

The Luna Park Heritage Infrastructure Fund, included in cash, is restricted in application under the Trust. Funds can only be spent on the maintenance of Heritage and Infrastructure Items as defined in the Trust Deed.

Note 6 – Reconciliation of operating deficit for the year to net cash flows from/(used in) operating activities

Deficit for the year	(425)	(362)
Non cash flows in operating deficit:		
Depreciation	603	466
Change in operating assets and liabilities:		
(Increase) / decrease in receivables	209	(12)
(Decrease) / increase in payables	(67)	5
Net cash flows from/(used in) operating activities	320	97

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
Note 7 – Trade and other receivables		
Rent receivable	110	339
GST receivable	20	–
	130	339

Note 8 – Property, plant and equipment

(a) Amounts shown in the Statement of Financial Position are derived as follows:

Land	12,000	12,000
At fair value	12,000	12,000
Buildings		
At gross value	42,459	42,459
Accumulated depreciation	(30,347)	(29,965)
Carrying amount	12,112	12,494
Infrastructure		
At gross value	12,795	12,795
Accumulated depreciation	(6,085)	(5,864)
Carrying amount	6,710	6,931
Total property, plant and equipment	30,822	31,425

(b) Reconciliations

Reconciliations of the carrying amounts of each class of property, plant and equipment at the beginning and end of the financial year are set out below:

Land		
Carrying amount at 1 July	12,000	10,895
Gain on revaluation	–	1,105
Carrying amount at 30 June	12,000	12,000
Buildings		
Carrying amount at 1 July	12,494	7,719
Depreciation expense	(382)	(248)
Gain on revaluation	–	5,023
Carrying amount at 30 June	12,112	12,494

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$'000	2010 \$'000
Infrastructure		
Carrying amount at 1 July	6,931	6,734
Depreciation expense	(221)	(218)
Gain on revaluation	–	415
Carrying amount at 30 June	6,710	6,931
Total property, plant and equipment		
Carrying amount at 1 July	31,425	25,348
Depreciation expense	(603)	(466)
Gain on revaluation	–	6,543
Carrying amount at 30 June	30,822	31,425

Note 9 – Trade and other payables

Trade creditors	–	40
GST payable	–	8
Accrued expenses	103	122
	103	170

Note 10 – Commitments for expenditure

The Trust has no expenditure commitments at 30 June 2011 (None at 30 June 2010).

Note 11 – Contingencies

The operator incurred expenditure for the Heritage and Infrastructure works during 2003–04. The total cost of these works of \$5.738 million was independently certified. The lease agreement provides for reimbursement to the operator for the Heritage and Infrastructure works, if there are excess funds in the Heritage and Infrastructure Fund Account in any lease year. The Trust has progressively made payments of \$5.738 million. The balance as at 30 June 2011 is nil.

At the beginning of financial year	250	1,070
Less: reimbursements for heritage and infrastructure works during the year	(250)	(820)
At the end of financial year	–	250

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Note 12 – Financial Instruments

The Trust's principal financial instruments are outlined below. These financial instruments arise directly from the Trust's operations or are required to finance the Trust's operations. The Trust does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Trust's main risks arising from financial instruments are outlined below, together with the Trust's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Board has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Trust, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by the Audit and Risk Management Committee and internal auditors on a regular basis.

(a) Financial instrument categories

	Note	Category	Carrying amount 2011 \$'000	Carrying amount 2010 \$'000
Financial assets				
<i>Class:</i>				
Cash and cash equivalents	4	N/A	470	150
Receivables	7	Receivables at amortised cost	110	339
Financial liabilities				
<i>Class:</i>				
Payables	9	Financial liabilities measured at amortised cost	–	40

(b) Credit risk

Credit risk arises when there is the possibility of the Trust's debtors defaulting on their contractual obligations, resulting in a financial loss to the Trust. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Trust, including cash, receivables and deposits. No collateral is held by the Trust. The Trust has not granted any financial guarantees.

Credit risk associated with the Trust's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Deposits held with NSW TCorp are guaranteed by the State.

Cash

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Receivables – Trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and expected changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Debtors that are not past due (2011: \$0.110 million; 2010: \$0.271 million) and debtors that are past due but not considered impaired (2011: none; 2010: \$0.068 million) represent 100% of the total debtors. There are no debtors which together are currently not past due or impaired whose terms have been renegotiated. There are no debtors that are considered impaired.

The only financial assets that are past due are 'sales of services' in the 'receivables' category of the statement of financial position.

	Total \$'000	Past due but not impaired \$'000	Considered impaired \$'000
2011			
< 3 months overdue	–	–	–
3 months – 6 months overdue	–	–	–
> 6 months overdue	–	–	–
2010			
< 3 months overdue	68	68	–
3 months – 6 months overdue	–	–	–
> 6 months overdue	–	–	–

Authority deposits

The Trust has placed funds on deposit with TCorp, which has been rated "AAA" by Standard and Poor's. These deposits are similar to money market or bank deposits and can be placed "at call" or for a fixed term. For fixed term deposits, the interest rate payable by TCorp is negotiated initially and is fixed for the term of the deposit, while the interest rate payable on at call deposits can vary. The deposits at balance date were earning an average interest rate of 5.37% (2010: 4.46%), while over the year the weighted average interest rate was 5.24% (2010: 4.37%) on a weighted average balance during the year of \$0.006 million (2010: \$0.006 million). None of these assets are past due or impaired.

(c) Liquidity risk

Liquidity risk is the risk that the Trust will be unable to meet its payment obligations when they fall due. The Trust manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The Trust has no borrowings as at 30 June 2011.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. If trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received.

The table below summarises the maturity profile of the Trust's financial liabilities, together with the interest rate exposure.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

Maturity Analysis and interest rate exposure of financial liabilities

	Weighted average effective interest rate	Nominal amount \$'000	Interest rate exposure			Maturity dates		
			Fixed interest rate \$'000	Variable interest rate \$'000	Non- interest bearing \$'000	< 1 yr \$'000	1-5 yrs \$'000	> 5 yrs \$'000
2011								
<i>Payables:</i>								
Trade and sundry creditors	–	–	–	–	–	–	–	–
		–	–	–	–	–	–	–
2010								
<i>Payables:</i>								
Trade and sundry creditors	–	40	–	–	40	40	–	–
		40	–	–	40	40	–	–

Note: The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities and therefore will not reconcile to the statement of financial position.

(d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Trust's exposures to market risk are primarily through interest rate risk on the Trust's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Trust has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Trust operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the statement of financial position date. The analysis is performed on the same basis for 2010. The analysis assumes that all other variables remain constant.

Interest Rate Risk

Exposure to interest rate risk arises primarily through the Trust's interest bearing liabilities. This risk is minimised by mainly fixed rate borrowings, primarily with NSW TCorp. The Trust does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore for these financial instruments a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/-1% is used, consistent with current trends in interest rates. The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Trust's exposure to interest rate risk is set out below.

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Carrying amount \$'000	-1% Profit \$'000	Equity \$'000	1% Profit \$'000	Equity \$'000
2011					
<i>Financial assets</i>					
Cash and cash equivalents	470	(5)	(5)	5	5
Receivables	110	–	–	–	–
<i>Financial liabilities</i>					
Payables	–	–	–	–	–
2010					
<i>Financial assets</i>					
Cash and cash equivalents	150	(2)	(2)	2	2
Receivables	339	–	–	–	–
<i>Financial liabilities</i>					
Payables	40	–	–	–	–

Other Price Risk – TCorp Hour Glass

Exposure to 'other price risk' primarily arises through the investment in the TCorp Hour Glass Investment facilities, which are held for strategic rather than trading purposes.

The Trust has no direct equity investments. The Trust holds units in the following Hour-Glass investment trusts:

Facility	Investment sectors	Investment horizon	2011 \$'000	2010 \$'000
Cash facility	Cash, money market instruments	Up to 1.5 years	6	6

The unit price of the facility is equal to the total fair value of net assets held by the facility divided by the total number of units on issue. Unit prices are calculated and published daily.

NSW TCorp as trustee for the above facility is required to act in the best interest of the unit holders and to administer the trusts in accordance with the trust deeds. As trustee, TCorp has appointed external managers to manage the performance and risks of each facility in accordance with a mandate agreed by the parties. However, TCorp acts as manager for part of the Cash Facility. A significant portion of the administration of the facilities is outsourced to an external custodian.

Investment in the Hour Glass facilities limits the Trust's exposure to risk, as it allows diversification across a pool of funds, with different investment horizons and a mix of investments.

NSW TCorp provides sensitivity analysis information for each of the investment facilities, using historically based volatility collected over a ten year period, quoted at two standard deviations (i.e. 95% possibility). The TCorp Hour Glass investment facilities are designated at fair value through profit or loss and therefore any change in unit price impacts directly on profit (rather than equity). A reasonably possible change is based on the percentage change in unit price (as advised by TCorp) multiplied by the redemption value as at 30 June each year for each facility (balance from Hour Glass statement).

LUNA PARK RESERVE TRUST

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

	Change in unit price	Impact on profit/loss	
		2011 \$'000	2010 \$'000
Hour Glass Investment – Cash facility	+/-1%	–	–

(e) Fair value compared to carrying amount

The Trust's financial instruments are recognised at cost, with the exception of the TCorp Hour-Glass facilities, which are measured at fair value. The value of the Hour Glass facilities is based on the Trust's share of the value of the underlying assets of the facility, based on the market value. All of the Hour Glass facilities are valued using "redemption" pricing.

The amortised cost of the Trust's financial instruments recognised in the statement of financial position approximates the fair value, because of the short-term nature of the financial instruments. The Trust has not identified any financial instruments whose fair value differs materially from the carrying amount.

(f) Fair value recognised in the statement of financial position

The Trust uses the following hierarchy for disclosing the fair value of financial instruments by valuation technique:

Level 1 – Derived from quoted prices in active markets for identical assets/liabilities.

Level 2 – Derived from inputs other than quoted prices that are observable directly or indirectly.

Level 3 – Derived from valuation techniques that include inputs for the asset/liability not based on observable market data.

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	2011 Total \$'000
<i>Financial assets at fair value</i>				
TCorp Hour Glass Investment Facility	–	6	–	6
	–	6	–	6

Note 13 – Events after reporting date

The Trust has not identified any events or transactions that are material to require adjustments or disclosures in the financial report.

7

Appendix

Government Information (Public Access)

The following tables show details of formal GIPA requests received by the Authority.

Table A: Number of applications by type of applicant and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	1	4	0	1	0	1	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	1	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	4	0	0	1	0	0	0	0
Members of the public (other)	2	2	0	0	0	0	0	0

Table B: Number of applications by type of application and outcome

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm / deny whether information is held	Application withdrawn
Personal information applications	1	0	0	0	0	0	0	0
Access applications (other than personal information applications)	6	6	0	2	0	1	0	0
Access applications that are partly personal information applications and partly other	0	1	0	0	0	0	0	0

Table C: Invalid Applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D: Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 to Act

	Number of times consideration used
Overriding secrecy laws	0
Cabinet information	1
Executive Council information	0
Contempt	0
Legal professional privilege	2
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0

Table E: Other public interest considerations against disclosure: matters listed in table to section 14 of Act

	Number of occasions when application not successful
Responsible and effective government	0
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	4
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table F: Timeliness

	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	14
Decided after 35 days (by agreement with applicant)	3
Not decided within time (deemed refusal)	0
Total	17

Table G: Number of applications reviewed under Part 5 of the Act (by type of review and outcome)

	Decision varied	Decision upheld	Decision pending	Total
Internal review	0	0	0	0
Review by Information Commissioner	1	0	1	2
Internal review following recommendation under section 93 of Act	0	0	0	0
Review by Administration Decisions Tribunal (ADT)	0	0	0	0
Total	1	0	1	2

Table H: Applications for review under Part 5 of the Act (by type of applicant)

	Number of applications for review
Applications by access applications	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Delegated determinations made under the *NSW Heritage Act 1977*

The following tables summarise the determinations made by the Authority under delegation from the Heritage Council of NSW.

The information is provided in accordance with general condition 11 of the delegations under section 169(3) of the *NSW Heritage Act 1977*.

Section 57 exemptions

Application number	Address	Summary	Time (calendar days)
S57-2010-016	Former New York Hotel, 153–155 George Street, The Rocks	Continued operation of mobile phone base station	6
S57-2010-017	Terrace, 55–59 Harrington Street, The Rocks	Use of shop 14, Clocktower Building, as a retail liquor store	6
S57-2010-018	Argyle Stores, 12–20 Argyle Street, The Rocks	Removal of existing fitout and installation of new fittings	1
S57-2010-019	Metcalfe Bond Stores, 68–84 George Street, The Rocks	Minor fitout to shop 2 with free-standing fittings	1
S57-2010-020	The Carousel, Darling Harbour	Install collars to poles as security measure	1
S57-2010-021	Shop and residence, 182 Cumberland Street, The Rocks	Painting, carpeting, data cabling	3
S57-2010-022	Former Mariners Church, 100 George Street, The Rocks	Securing original pressed metal ceiling by installing metal fixtures, tying sub-floor battens to joists	4
S57-2010-023	Shop and residence, 55–59 Harrington Street, The Rocks	Internal fitout to ground and first floor of Clocktower Building	4
S57-2010-024	Amo Roma, 131–135 George Street, The Rocks	Painting level 2 bar and function room, wallpapering stairwell	4
S57-2010-025	Bushells Building, 86–88 George Street, The Rocks	Installing temporary security fencing around perimeter of podium for an event	3
S57-2010-026	Cleland Bond Stores, 33 Playfair Street, The Rocks	Drilling in masonry wall for sprinkler window drencher	5
S57-2010-027	Former Mariners Church, 100 George Street, The Rocks	Drilling holes through steel beams to allow passage of sprinkler ranges	5
S57-2010-028	Former Union Bond Store, 47 George Street, The Rocks	Conserving external stonework, repair, replace and repoint joints, reinstate slate roofing, repair box gutters	3
S57-2010-029	Shop and residence, 139–141 George Street, The Rocks	Conserving external stonework, repair, replace and repoint joints, introduce lead weatherings to overhanging stone elements	6
S57-2010-030	Glenmore Hotel, 96–98 Cumberland Street, The Rocks	Installing a rooftop marquee to celebrate for an event	2
S57-2010-031	Johnsons Building, 233–235 George Street, The Rocks	Upgrade existing toilet facilities	1
S57-2010-032	Former Police Station, 127–129 George Street, The Rocks	Stone conservation, roof replacement, structural remediation and service upgrade	1
S57-2010-033	Argyle Stores, 12–20 Argyle Street, The Rocks	Office fitout including loose furniture and screens, removal of non-original screens	5

Application number	Address	Summary	Time (calendar days)
S57-2011-001	Bushells Building, 88 George Street, The Rocks	Installing a coffee and drinks servery	7
S57-2011-002	Federation Hall and Courtyard, 24–30 Grosvenor Street, The Rocks	Fitout out following previous base building upgrade approval	1
S57-2011-003	Science House, 157–169 Gloucester Street, The Rocks	Upgrade of electronic security and access control for multi-tenancy.	3
S57-2011-004	Cnr Robert and Victoria streets, Rozelle	Replacement of perimeter fencing	3
S57-2011-005	Former Mining Museum, 36–64 George Street, The Rocks	Upgrade of existing sanitary facilities on levels 2, 4 and 5	1
S57-2011-006	Shop and residence, 105 George Street, The Rocks	Strip-out of non-original shop fitout	1
S57-2011-007	Metcalfe Bond Stores, 68–84 George Street, The Rocks	Temporary construction hoist including temporary removal of three windows	1
S57-2011-008	Argyle Stores, 12–20 Argyle Street, The Rocks	Temporary installation of radio infrastructure	1
S57-2011-009	Harbour Rocks Hotel, 34–40 Harrington Street, The Rocks	Prototype hotel rooms including new carpet, paint, joinery and bathroom furniture	1
S57-2011-010	145 George Street, The Rocks	Office fitout including upgrading kitchenette facilities, installing a shower, painting and partition walls in non-original openings	1
S57-2011-011	Former Mariners Church, 100 George Street, The Rocks	New stone indent to rear terrace	1
S57-2011-012	Campbells Stores, Hickson Road, The Rocks	Excavate subfloor to investigate damp problems	21
S57-2011-013	Former Union Bond Store, 47 George Street, The Rocks	Temporary installation of transparent free-standing partitions, and surface mounted services	1
S57-2011-014	Argyle Stores, 12–20 Argyle Street, The Rocks	Temporary canopy structure in courtyard for an event	1
S57-2011-015	Circular Quay Railway Station, Alfred Street, Sydney	Temporary event	1
S57-2011-016	Various sites throughout The Rocks	Temporary event	1
S57-2011-017	Former Union Bond Store, 47 George Street, The Rocks	Temporary installation	1

Section 60 applications

Application number	Address	Summary	Time (calendar days)
S60-2010-004	Argyle Stores, 12–20 Argyle Street, The Rocks	Restaurant fitout, bar and kitchen upgrade	9
S60-2010-005	Glenmore Hotel, 96–98 Cumberland Street, The Rocks	Interior and exterior design alterations and upgrading including painting, tiling, floor finishes, fixtures and fittings	4
S60-2010-006	Bakers Oven, 121 George Street, The Rocks	Internal alterations and upgrade of existing fitout.	4
S60-2010-007	Playfair Terraces, 13–15 Playfair Street, The Rocks	Modification to earlier approval S60-2009-007 for replacement of external display cabinets	6
S60-2010-008	Former Mariners Church, 100 George Street, The Rocks	Floor penetration for mechanical services and installation of two structural beams to support bar on level 3	1
S60-2010-009	Federation Hall and Courtyard, 32–34 Grosvenor Street, The Rocks	Internal base building refurbishment including alterations to glazed roof structure and air intake to slate roof	2
S60-2010-010	Shop and residence, 95–99 George Street, The Rocks	Changes to cafe layout and kitchen facilities, upgrade of associated services	9
S60-2011-001	Science House, 157–169 Gloucester Street, The Rocks	Internal fit out to ground, fourth and fifth floors	2
S60-2011-002	Former Mariners Church, 100 George Street, The Rocks	Structural bracing of level 4 floor	2
S60-2011-003	Former Mariners Church, 100 George Street, The Rocks	Roof top antenna and satellite dish and external signage	1
S60-2011-004	Former Mariners Church, 100 George Street, The Rocks	Awning to level 2 terrace to eastern elevation	10
S60-2011-005	Bakers Oven, 121 George Street, The Rocks	S65a modification to S60-2010-006.	7
S60-2011-006	Metcalfe Bond Stores, 68–84 George Street, The Rocks	Modification of earlier approved S60-2009-016	1
S60-2011-007	Harbour Rocks Hotel, 34–40 Harrington Street, The Rocks	Refurbishment of the hotel including lobby, basement restaurant, interior fitout of hotel suites, landscaping works and partial demolition and reconstruction of c1980s addition	8
S60-2011-008	Accountant's House, 117–119 Harrington Street, The Rocks	Fitout of level 4 as office space including penetration between both buildings	2

Section 139 excavation exemptions

Application number	Address	Summary	Time (calendar days)
S139-2010-005	MCA Forecourt, 140 George Street, The Rocks	Removal of Phillip Bust, pedestal and surrounding paving, removal of Foundation Stone and bollards	5
S139-2011-001	George Street, The Rocks	Excavation into existing Energy Australia trench, removal of old cable and installation of new cables	7
S139-2011-002	Park Hyatt, Hickson Road Reserve, The Rocks	Excavation for hoist for works	2
S139-2011-003	Park Hyatt, Hickson Road Reserve, The Rocks	Erection of tower crane for works	2
S139-2011-004	First Fleet Park, George Street, The Rocks	Excavation for location of archaeological remnants for construction works	3

Section 140 excavation applications

S140-2010-001	188 Cumberland Street, The Rocks	Excavation to investigate the level of archaeological features	2
---------------	----------------------------------	--	---

Payment of accounts

The following table summarises the Authority's account performance during 2010–11. The target of 95 per cent of accounts paid on time was exceeded for the year.

Description	Quarter ended 30/09/2010	Quarter ended 31/12/2010	Quarter ended 31/03/2011	Quarter ended 30/06/2011	Total 2010–11
Percentage of accounts paid on time	97%	97%	96%	97%	97%
Total dollar of accounts paid on time \$'000	53,341	75,003	47,646	81,223	257,212
Total dollar of accounts paid \$'000	54,989	77,393	49,680	84,164	266,226

Index

- Aboriginal culture *see* Indigenous initiatives
- Achievements 3, 14, 22, 32, 42
 - see also* key performance indicator reporting
- Aims and objectives inside front cover, 6–7, 15, 23, 33, 43
- Annual report cost inside back cover
- Appendix 112–118
- Auditor's reports
 - Sydney Harbour Foreshore Authority 46–47
 - Sydney Harbour Foreshore Authority Casual Division 83–84
 - Luna Park Reserve Trust 94–95
- Awards 21, 34, 35
- Ballast Point 2, 4, 21
- Bays Precinct 3, 8, 27
- Best of Australia 25
- Board 2, 8, 12, 39
- Callan Park 4, 10, 16, 19
- Chair 2, 8, 39
- Challenges 15, 23, 33, 43
- Charter inside front cover
- Chinese Garden of Friendship 27, 29
- Circular Quay 4, 17
- Code of conduct 35
- Community services 24–25, 31
- Conservation Management Plans 3, 10, 14, 20
- Conservation *see* heritage
- Consultants 41
- Contact information inside back cover
- Corporate governance 38–41
 - Audit and Risk Management Committee 39
- Credit cards 40
- Customer service and feedback 27
- Darling Harbour South master plan 24, 41
- Darling Quarter 10, 16, 19
- Department of Planning and Infrastructure 2, 8, 10, 12, 33, 39
- Director General 8, 12
- Disability management 25
- Educational programs 25, 26
- Employee awards 34, 35
- Employee numbers 36–37
- Environment *see* Sustainability
- Equal employment opportunity (EEO) 35–37
- Ethnic affairs *see* Multicultural Policies and Services Program
- Events
 - Authority events 28–29
 - Conferences 26, 27
 - Supporting the community 31
- Executive team 12
- Financial statements 44–111
- Fraud prevention 35, 40, 39
- General Manager 10, 12, 37
- Government Information (Public Access) 40, 112–114
- Greenhouse by Joost 22, 24
- Healthy Lifestyle Program 34
- Heritage 3, 10, 14, 19–20, 24, 27, 115–118
- Human resources 35–37
- Indigenous initiatives 25, 26
- Industrial relations 36
- Industry awards 14, 21
- Insurance 40
- Internal communications 34
- Interpretation 20
- Key performance indicator reporting 6–7
- Leasing 16
- Legislative changes 40
- Luna Park Reserve Trust 41
- Map 5
- Multicultural Policies and Services Program 36
- Occupational health and safety 34
- Organisation chart 12
- Overseas travel 39
- Payment of accounts 118
- People movements 28–29, 30–31
 - see also* Visitation figures
- Performance *see* key performance indicator reporting
- Presentations 26
- Privacy Management Plan 40
- Procurement 40–41
- Property *see* leasing
- Pymont Bridge 19

Risk management 40
Sponsorships 31
Strategic objectives 6–7, 15, 23, 33, 43
Sustainability 10, 17–19
Sydney Convention and Exhibition Centre 24
Sydney Harbour YHA 21
Sydney International Convention, Exhibition and
Entertainment Precinct project 3, 8, 10, 22, 23, 24
Sydney Learning Adventures 25, 26
Sydney Visitor Centres 25, 27
The Big Dig Archaeological Centre 10, 20, 21, 26
The Rocks Discovery Museum 3, 10, 21, 26
The Rocks district heat exchange 17
The Rocks Markets 27, 28, 29
The Rocks Pop-Up Project 25
Tourism 24, 25
Training 25
Vacancy rates 16
Visitation figures 2, 3, 10, 22, 24, 26, 27, 28–29, 30, 31
see also People movements
Waste 17, 18
White Bay Power Station 2, 27
see also Bays Precinct
Women in the workplace 36

Contact us

Sydney Harbour Foreshore Authority
66 Harrington Street, The Rocks NSW 2000
PO Box N408, Grosvenor Place NSW 1220

T: +61 2 9240 8500 or 1300 655 995

F: +61 2 9240 8899

E: info@shfa.nsw.gov.au

www.shfa.nsw.gov.au

Reception open 8am to 6pm, Monday to Friday

ABN: 51 437 725 177

Sydney Visitor Centres

The Rocks

Corner Argyle and Playfair streets, The Rocks NSW 2000

Darling Harbour

33 Wheat Road, Darling Harbour NSW 2000
(between Darling Quarter and IMAX)

T: 1800 067 676 (freecall within Australia)

E: visitorinformation@shfa.nsw.gov.au

www.sydneyvisitorcentre.com

Sydney Visitor Centres open 9.30am to 5.30pm daily

Closed on Christmas Day and Good Friday and closes
at 4pm on New Year's Eve.

Websites

www.shfa.nsw.gov.au

www.darlingharbour.com

www.therocks.com

Sustainable annual reporting

To enhance the sustainability of the 2010–11 Annual Report, Sydney Harbour Foreshore Authority has produced it in an electronic format, available at www.shfa.nsw.gov.au.

The report was written and designed in-house at Sydney Harbour Foreshore Authority.

The total cost for external production, photography and printing was \$9,158.

Photography: left and right front cover and left back cover by Louise Hawson.

Printed by Digitalpress Pty Limited an ISO 14001 Environmental Management System certified company. This annual report has been offset by planting trees and Digitalpress have started a legacy of 1,482 trees with 10 Thousand Trees.

Sovereign Offset is FSC Certified and considered to be one of the most environmentally adapted products on the market. It contains fibre sourced only from responsible forestry practices and is made with elemental chlorine free pulps.



